

# Exploring women entrepreneurship in selected areas in South Africa

**Proverbs 31:14 – 18**

*She is like the merchant  
ships, bringing her food  
from afar. She gets up  
while it is still night; she  
provides food for her  
family and portions for  
her female servants.  
She considers a field  
and buys it; out of her  
earnings she plants a  
vineyard. She sets  
about her work  
vigorously; her arms are  
strong for her tasks.  
She sees that her  
trading is profitable, and  
her lamp does not go  
out at night*

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## **ABSTRACT**

It is vital that a culture of entrepreneurship is developed in order to unleash the economic potential of all people in South Africa. However, because of the South African woman's inherited gender role and historical imbalances, women entrepreneurs are faced with unique challenges and barriers when attempting to establish and grow their own businesses. Thus, this study investigated the unique challenges and barriers faced by women when conducting entrepreneurial activities.

The literature study provided background information on entrepreneurship in general as well as information on the importance of entrepreneurship to the economy and constraints of entrepreneurship. The woman entrepreneur was explored in terms of her characteristics, motivation to become an entrepreneur and the unique challenges she had to face. The empirical study consisted of a questionnaire developed by the North-West University, specifically the Potchefstroom Business School situated on the Potchefstroom Campus. A total of 120 questionnaires were distributed and 87 were fully completed and collected, which resulted in a response rate of 72.5%.

The data collected was statistically analysed using Statistica 10 (Statsoft, 2011). The data from questionnaires was coded and investigated and then transformed to useful outputs such as frequency tables. The frequency tables were used to draw conclusions and to make recommendations regarding the development of women entrepreneurs in South Africa.

**Key terms:** entrepreneurship, economic potential, women entrepreneurs, unique challenges and barriers, entrepreneurial activities, frequency tables

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# **CHAPTER 1**

## **NATURE AND SCOPE OF THE STUDY**

### **1.1 INTRODUCTION**

Considerable effort has gone into trying to understand the psychological and sociological characteristics of an entrepreneur. Studies have noted some common characteristics among entrepreneurs such as the need for achievement, creativity and risk-taking propensity. However, the same traits shared by two individuals can often lead to vast different results. Being creative for example does not necessarily mean such a person will be a successful entrepreneur and a successful entrepreneur is not necessarily a creative person. Many successful entrepreneurs have simply been good at copying others. Thus, the range of factors and behaviours listed to explain entrepreneurship only highlights the fact that it is very difficult, if not impossible to exactly define what an entrepreneur is (Di-Masi, 2011).

In the year 2000 the Millennium Development Goals were signed. This international agreement committed to achieve measurable improvements in the most critical areas of human development, such as to halve poverty by the year 2015. The Millennium Summit has led to the better understanding of three important facts (United Nations, 2008: 1):

- Poverty alleviation goals will not be achieved without sustainable economic growth in the developing world.
- This economic growth will rely, in large part, on the success of the private sector.
- Private sector development must touch all segments of the economy, including the micro enterprise and SMME sectors.

Shukla's statement (2009: 1) that there is no denying the fact that entrepreneurship is vitally important to the growth and well-being of a country's economy clearly indicates that there is a link between poverty alleviation, economic growth and entrepreneurship. Mboweni (2000: 1) also made this link by saying that in South Africa, nearly half of its population are living in conditions of extreme poverty caused by the high unemployment rate. The economic realities in South Africa are harsh,

but South African entrepreneurs are promising sustainable economic development by creating economic growth which is the key weapon in the fight against poverty.

Herrington, Kew and Kew (2010: 68) presented that men are far more likely to be involved in entrepreneurial activity than women. Bosma and Levie (2009: 24) comment that in countries like Brazil and Ecuador there is not much of a gender gap, but in countries like Jordan, Tunisia and Iran male entrepreneurial activity is substantially higher than female activity. Herrington *et al.* (2010: 68) also stated that in South Africa, men are 1.5 times more likely to be involved in entrepreneurial activity than women. When considering the fact that entrepreneurship is important for the economy, the woman entrepreneur's lack of entrepreneurial contribution should be a cause for concern.

A survey done by Eurochambers (2004: 3) on women entrepreneurs from the European Union (EU) member countries revealed that the typical woman entrepreneur is educated, runs a micro business, is married, has children and has no help at home. The main reason for creating her business is firstly to have control and freedom to make her own decisions and secondly for financial gain. The main problems she experiences with her enterprise are financial issues and combining work and family. A list of the EU member countries can be viewed in *Appendix 1*.

In 2004, the Department of Trade and Industry (DTI) did a survey on women entrepreneurs in South Africa and identified that most women start their businesses for financial reasons, such as the need to support an extended family; being a single parent; the husband losing his job or because of circumstances, the husband is not earning enough to provide for the family's needs. The major obstacle when starting the business is financially related. Note that the women from the EU nations' main reason for creating her business is firstly to have control and freedom and secondly for financial gain, where the South African women entrepreneurs' first priority is, according to the study, financial concerns (DTI, 2004: 7).

According to Herrington *et al.* (2010: 33 - 39), South Africa lags behind other developing countries in promoting early-stage entrepreneurial activity (TEA). Since South Africa joined the GEM consortium in 2003, the country's TEA rates has remained low when compared to other developing countries. South Africa's TEA rate was the highest in 2001 with 9.4% and the lowest in 2003 when it was 4.3%.

According to Kelly, Bosma and Amorós (2011: 24), in 2010 South Africa's TEA rate was 8.9%. Although this is an improvement from the 5.9% in 2009, it is still below the average of 14.7% for efficiency driven countries. Given South Africa's high levels of unemployment, this is obviously a cause for concern.

Botha (2006: 149) agreed that the low TEA levels in South Africa are not healthy. She stated that any government interested in boosting economic prosperity should be interested in promoting the entrepreneurial dynamic of its country. Adult women represent a readily available pool of potential entrepreneurs that countries can leverage to improve their economies.

Maas and Herrington (2007: 15), however, have a different opinion. They feel that South Africa's low TEA rate is not necessarily a concern because of the following reasons:

- South Africa has a dual-logic economy which might have an influence on the TEA rating. On the one side there is a highly developed economic sector and on the other side one struggling for survival.
- Although the TEA rates are lower when compared with the averages of different categories of countries, it can again be influenced by the dual-logic nature of the economy and that a lower TEA rate is not necessarily a sign that nothing is happening in a country. It can also be a good indication.

Herrington *et al.* (2010: 15) further state that in South Africa, the overall levels of education and training, social and cultural norms and the regulatory environment negatively influence the level of early-stage entrepreneurial activity. South Africa also suffers from a backlog in infrastructural development that is due both to the legacy of apartheid policies and the new government's inability to improve service delivery. It is vital that a culture of entrepreneurship is developed in order to unleash the economic potential of all people in South Africa. However, because of the South African woman's inherited gender role and historical imbalances, the time has come to give special attention to the woman entrepreneur's unique needs and challenges.

Thus, this study will investigate the unique challenges and barriers faced by women when conducting entrepreneurial activities. It is envisaged that if the unique challenges, motivational factors and barriers faced by a woman entrepreneur are fully understood, government will be in a better position to provide suitable, practical and affordable entrepreneurial programmes and support systems to encourage entrepreneurship which in turn will positively influence the country's economy.

## **1.2 PROBLEM STATEMENT**

In an article on entrepreneurship (Shukla, 2009: 1), the following five ways in which an entrepreneur can influence a country's economy are suggested:

**Investment.** The entrepreneur will invest in products and services needed by the consumers. This investment can help the economy to grow and at the same time the investment will ensure a better life for the citizens.

**Employment.** The entrepreneur sets up various businesses and establishments which generate employment in the economy. By creating jobs, the entrepreneur provides income which the employee can use to meet his/her needs, which in turn also stimulates the economy.

**Diversity in products and services.** The consumer prefers to be able to choose between various products, services and prices. The entrepreneur can provide this variety of goods and services to the consumer. The more the variety, the better the chances that the needs of the consumer will be met and when the needs are met, the economy benefits.

**International trade.** The entrepreneur promotes international trade by selling his/her products abroad. An entrepreneur prefers a wider market, because the more consumers available to purchase his/her products, the higher the profits and when the entrepreneur makes a profit, the economy can grow.

**Contributes to gross national product.** An entrepreneur contributes to the gross national product (GDP) of a country, because of the products and services he/she makes available. The calculation of the GDP is based on the total number of products and services available in the country and is an indication of the country's economic prosperity.

According to Harrington *et al.* (2010: 11), entrepreneurship is not a new concept. In 1800 a French economist, Jean-Baptiste Say, stated that: “... *an entrepreneur shifts economic resources out of an area of low productivity into an area of higher productivity and greater yield.*” Since then, much research has been done on entrepreneurship – motivating factors, characteristics, barriers and challenges have been researched quite extensively. However, this research mainly focused on male entrepreneurs or female entrepreneurs in developed countries. It is thus not feasible to apply the findings of such research to the female entrepreneur in South Africa.

According to an article by the Organisation for economic co-operation and development (2004: 5), the economic impact of women is significant, but little substantial research was done on this field. This leaves the topic of women entrepreneurship as still fairly new ground for further research. The article further ventured the opinion that women participate less in entrepreneurship than men and they participate in entrepreneurial activities in other industries than those of their male counterparts, such as retail, education and other service industries.

O’Neil and Viljoen (2001: 39) warn that women entrepreneurs wanting to start a business may find themselves in a relative unknown environment, with unpredictable difficulties. In view of the fact that women entrepreneurs can make a significant contribution to the South African economy, it is important to determine the factors which cause the unpredictable difficulties which might hamper entrepreneurial activity among women.

Despite previous research done on women entrepreneurs in South Africa (Botha, 2006; Meyer, 2009; Koch, 2010), their profiles, difficulties and challenges still need to be explored further and researched in more detail. If government is serious about encouraging women entrepreneurship in South Africa, it is imperative that more information on the woman entrepreneur is available and that she is better understood. Only once the motivational factors, barriers, characteristics and obstacles of the woman entrepreneur in South Africa are thoroughly researched, will government be able to assist females in the entrepreneurial process. Therefore this study hopes to provide better insight into the life of the woman entrepreneur in South Africa.

It is envisaged that the information gathered can be utilised by the relevant authorities to develop programmes and strategies for the promotion of women entrepreneurship in South Africa.

### **1.3 RESEARCH OBJECTIVES**

The research objectives of the study are divided into primary and secondary objectives.

#### **1.3.1 PRIMARY OBJECTIVE**

The primary objective of this study is to assess women entrepreneurship in selected areas in South Africa and to make practical recommendations to enhance women entrepreneurship in South Africa.

#### **1.3.2 SECONDARY OBJECTIVES**

In support of the primary objective, the following secondary objectives were formulated:

- To gain insight into women entrepreneurship by means of a literature study.
- To study the profile and characteristics of women entrepreneurs in South Africa.
- To determine what motivate women to start their own business.
- To study the characteristics of the women-owned businesses.
- To determine the obstacles toward women entrepreneurship during start-up phase and in the current running of the operation.
- To determine the development needs of women entrepreneurs in South Africa.
- To contribute to the development of entrepreneurship in South Africa by making recommendations for the stimulation of entrepreneurial behaviour.

## **1.4 SCOPE OF THE STUDY**

### **1.4.1 FIELD OF THE STUDY**

The field of the study is entrepreneurship with specific reference to women entrepreneurship.

### **1.4.2 GEOGRAPHICAL DEMARCATION**

The study will be conducted in selected areas of South Africa.

To really understand the woman entrepreneur it is important to consider the unique circumstances she has to operate in. As this study focuses on women entrepreneurs in South Africa, it is necessary to present some background information on South Africa.

According to the South African Government's website (SA, 2011: 1), South Africa's size is roughly 1 219 090 km<sup>2</sup>. It is divided into nine provinces (Gauteng, Western Cape, Northern Cape, Eastern Cape, Free State, Kwazulu Natal, North West Province, Mpumalanga and Limpopo) and has 11 official languages (Afrikaans, English, Zulu, Tswana, Xhosa, Ndebele, Venda, Swati, Tsonga, Sotho and Pedi). The people are classified as African (79.3%), white (9.1%), coloured (9%) and Indian/Asian (2.5%). Based on the previous census done in 2006, South Africa's current population is estimated at 49.32 million people of whom 52% are female. The government plans a census for the second semester of 2011, after which more reliable population figures will be available.

The South African Government's website (SA, 2011: 1) explains that South Africa's main economic sectors are mining, transport, energy, manufacturing, tourism and agriculture. Having emerged from the international isolation of the apartheid era, South Africa has become a leading international actor. South Africa has a productive and industrialised economy that exhibits many characteristics associated with developing countries. The country is described as a sophisticated financial structure with a large and active stock exchange that ranks 17th in the world in terms of total market capitalization.

The annual Gross Domestic product (GDP) growth rate averaged 5% from 2004 to 2007, but fell to 3.7% in 2008. In 2009 the GDP contracted by 1.8%, in 2010 it reached 4.4% and on 30 August 2011 it slowed again to 1.3%. Government aims for a 6% growth rate to offset unemployment. The South African Reserve Bank's inflation target is 3% to 6% and in September 2011, inflation was 5.7%. (Statistics SA, 2010: 1).

South Africa is a beautiful country blessed with a wonderfully diverse population and geography. Despite constraints such as lack of capacity and skills shortages, the burgeoning economy offers a multitude of opportunities for the vigilant resourceful entrepreneur.

## **1.5 RESEARCH METHODOLOGY**

The study consists of two phases, namely a literature study and an empirical study.

### **1.5.1 LITERATURE STUDY**

The literature study will provide background information on entrepreneurship in general and then the importance of entrepreneurship to the economy as well as constraints of entrepreneurship. The study then moves to entrepreneurship in South Africa which is followed by a focus on woman entrepreneurship specifically. The woman entrepreneur is explored in terms of her characteristics, motivation to become an entrepreneur and the unique challenges she has to face. The study is concluded by considering the relationship between entrepreneurship and training or education.

Sources that will be consulted to give a complete review of the topic are:

- Website articles.
- Scientific journals.
- Text books.
- Reports on previous research done.

## 1.5.2 EMPIRICAL STUDY

Mouton (2001: 148) defines empirical studies as studies that are usually qualitative in nature and which aim to provide an in-depth description of a group of people or community.

### 1.5.2.1 Selection of questionnaire

The empirical study consists of a questionnaire developed by the North-West University, specifically the Potchefstroom Business School situated on the Potchefstroom Campus. The questionnaire is divided into five sections. Refer to *Appendix 2* for a detailed layout of the questionnaire.

**Section A** was developed to gather data from respondents regarding their profiles and characteristics. The following dimensions were covered:

- Age group.
- Marital status.
- Highest academic qualification.
- Number of children.
- Number of years in self-employment.

Respondents had to indicate the applicable option with a cross (x).

**Section B** was developed to measure the characteristics of women-owned businesses. The characteristics measured included:

- The industry in which the business operates.
- The legal status of the business.
- The respondent's path to business ownership.
- The source of start-up funding.
- The business premises.
- The number of permanent employees.
- Turnover generated annually.
- Exposure to business in childhood (role models).

Respondents had to indicate the applicable option with a cross (x).

**Section C** was developed to measure motivational factors for women entrepreneurs to start a business. The section included sixteen statements on personal motivating factors and six questions on demographic factors. Respondents were asked to indicate the most applicable motivating factors with a cross (x) on a Likert scale ranging from one to seven. The scale indicates the level of agreement with one indicating “strongly disagree” and seven indicating “strongly agree”.

**Section D** was developed to measure inhibiting factors that might prevent women entrepreneurship. The section included fourteen statements with regard to difficulties experienced during start-up of the business and twelve questions on difficulties experienced while running the business. Respondents were asked to indicate the most applicable inhibiting factors with a cross (x) on a Likert scale ranging from one to seven. The scale indicates the level of agreement with one indicating “strongly disagree” and seven indicating “strongly agree”.

**Section E** was developed to determine the development needs of the women entrepreneurs who participated in the study. Respondents had to indicate the applicable option with a cross (x).

The following questions were covered:

- Training or development offered by a government agency or the private sector.
- Development or assistance provided by organisations established specifically for women entrepreneurs.
- Specific needs.

#### **1.5.2.2 Study population and sampling method**

The target population of this study was micro, very small, small and medium-sized women-owned businesses in South Africa. A snowball technique was used to obtain a convenience sample of women-owned businesses to participate in the study. To generate a preliminary list of women-owned businesses, well-known women-owned

businesses were contacted. These owners were then asked to act as informants and to identify other women-owned ventures for possible inclusion in the sample. All the women-owned businesses were visited to ascertain their willingness to participate in the study. A list of 120 women-owned businesses willing to participate in the study was compiled as a result of these efforts.

### **1.5.2.3 Data collection**

The questionnaires were distributed to participants via e-mail and personal delivery. Each completed questionnaire was followed up by a personal visit to the participant in order to conduct an interview. Questionnaires were distributed with cover letters, which guaranteed the confidentiality of the responses.

The questionnaire was supported by an interview, because according to Cummings and Worley (2009: 124-127), the advantages of using the questionnaire are that the responses can be quantified and summarised. It is also relatively inexpensive to use. However, the disadvantages of using questionnaires are that the predetermined questions can miss some important issues. There can be an over interpretation of the data and it is possible that the respondent does not understand the question and thus the response will not be a true reflection of reality. To overcome these disadvantages, the questionnaire was backed up with interviews, because the advantages of interviews are that all issues which arose could be investigated properly. The researcher could make sure the respondent understood and correctly answered the question.

Unfortunately, interviews also have disadvantages such as that they are relatively expensive and time consuming. The researcher can manipulate the respondent to give specific answers and the respondent can be prone to answer what she thinks the interviewer wants to hear.

A total of 120 questionnaires were distributed and 87 were fully completed and collected, which resulted in a response rate of 72.5%.

#### **1.5.2.4 Data analysis**

The data collected was statistically analysed using Statistica 10 (Statsoft, 2011). The data from questionnaires was coded and investigated and then transformed to useful outputs such as frequency tables. The frequency tables were used to draw conclusions and to make recommendations regarding the development of women entrepreneurs in South Africa.

### **1.6 LIMITATIONS OF THE STUDY**

Following are possible limitations of the study:

- Respondents might find the survey cumbersome and fail to give full cooperation.
- Some respondents might not answer questions honestly.
- It is possible that some entrepreneurs do not have the literacy skills to understand and complete the questions.
- The sample size may not be representative of the situation in the entire country.
- The limited time to conduct the study might have excluded some women from the study.
- Limited information is available on women entrepreneurship in South Africa.
- Although the study will suggest practical recommendations to enhance women entrepreneurship in South Africa, there is no guarantee that any of the suggestions will be implemented, which means it is possible that the study will deliver no positive outcomes for women entrepreneurs at all.
- As a result of South Africa's complex history and variety of cultures, it might be risky to generalise the findings of this study to all women entrepreneurs in South Africa. For the same reason it is also not advisable to generalise the findings of this study to other women entrepreneurs around the globe.

## **1.7 LAYOUT OF THE STUDY**

The content of the study will be divided according to the following headings:

### **CHAPTER 2: Overview of entrepreneurship**

Chapter 2 aims to provide background information regarding entrepreneurship as a field of study. The entrepreneurial concept and types of entrepreneurs are discussed. The importance of entrepreneurship to the economy is covered in this chapter and then the constraints of entrepreneurship and the importance of opportunity identification. The attributes and behaviour of the successful entrepreneur is followed by a discussion on entrepreneurship in South Africa specifically.

### **CHAPTER 3: The woman entrepreneur**

Women entrepreneurship is reviewed by focussing on the characteristics of women entrepreneurs and factors that motivate women to start a business. The unique challenges faced by women entrepreneurs and support for women entrepreneurs as well as entrepreneurship training and education are subjects for discussion in this chapter.

### **CHAPTER 4: Results and discussion of empirical study**

In Chapter 4 the results of the research are presented and discussed. The chapter contains information on how data was collected, the measuring instruments which were used, how the study population was identified and the analysis of the data as well as the presentation and discussion of the results.

### **CHAPTER 5: Conclusions and recommendations**

Chapter 5 includes the conclusion of the study as well as recommendations on how women entrepreneurs can be assisted. There is also a discussion on whether the objectives of the study were reached and suggestions are offered for further research.

# CHAPTER 2

## OVERVIEW OF ENTREPRENEURSHIP

### 2.1 INTRODUCTION

In this study, when referring to small enterprises, small businesses or SMMEs (small, medium and micro-enterprises), covers the full spectrum of business enterprises other than “large enterprises” or corporations and publicly owned enterprises. It includes categories known as micro-enterprises, survivalist enterprises, informal sector enterprises, and formal small and medium-sized enterprises (refer to par 2.4.1 *infra*).

In the Global Entrepreneurship Monitor report of 2009, Bosma and Levie (2009: 8) stated that entrepreneurship is an important contributor to the economy and government should make an effort to stimulate this sector. However in South Africa, Herrington, Kew and Kew (2010: 40) found that entrepreneurship was not considered as a career of choice and especially for women, entrepreneurship was a tough road to follow. Women in general weree afraid to take the necessary risk, they didn't have the right experience or training and they didn't believe in themselves strongly enough.

Women entrepreneurs have to overcome barriers such as balancing work and family life, obtaining financial assistance from reluctant financial institutions and getting access to the right networks and marketing systems (Shelton, 2006: 289 – 290). Although the balancing of work and family life was a barrier to entrepreneurship, it could also be a motivating factor for a woman to become an entrepreneur. Entrepreneurship provided the woman with freedom and flexibility to successfully have a career and be available for her family. Other motivational factors were financial freedom and doing something that she enjoyed (De Martino & Barbato, 2003: 815 – 832).

Herrington *et al.* (2010: 40) stated that when compared to other developing countries, South Africa had a lower rate of entrepreneurial activity. The Small Business Act (SA, Act 102 of 1996) was introduced to provide an environment conducive to the

development of small, medium and micro enterprises. The act not only declared government's intention to promote economic and social welfare through entrepreneurial and economic innovation, but also showed its commitment to the emancipation of women as well as improving their involvement in the economic mainstream. Unfortunately, a survey done by Finscope (Anon., 2010: 1) showed that government's efforts to increase support to the small business sector have not had the intended impact.

In 2010 Chiloane and Mahew (2010: 2593) conducted research which indicated that in terms of entrepreneurial options such as occupation and resources, women in South Africa were still more disadvantaged than men. It was thus not enough to recognise the measures put in place by Government – effective implementation of policies was essential in creating an environment that is conducive to the flourishing of women in business.

## **2.2 ENTREPRENEURSHIP IN GENERAL**

### **2.2.1 ENTREPRENEURSHIP: THE CONCEPT**

Timmons and Spinelli (2009: 47) define entrepreneurship as *a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach and leadership balanced for the purpose of value creation and capture*. The result of entrepreneurship was the creation, enhancement, realisation and renewal of value for the owners, participants and stakeholders. The entrepreneurial process started with the creation and/or recognition of opportunities, which was then followed by the will and initiative to seize these opportunities.

Greg Watson (2011) defined entrepreneurship as *a process through which individuals identify opportunities, allocate resources and create value*. He saw the creation of value as the identification of unmet needs or the identification of opportunities for change. The entrepreneur saw “problems” as “opportunities,” and then found solutions to those problems. The entrepreneur also finds customers who would pay to have those problems solved.

Sobel (2011: 1) explained that an entrepreneur was someone who organised, managed and assumed the risks of a business or enterprise. An entrepreneur was an

agent of change or someone who discovered previously unnoticed profit opportunities. Entrepreneurship was the process of discovering new ways of combining resources and when the entrepreneur was successful, it expanded the size of the economic pie for everyone. Bygrave (1994: 2) offered that an entrepreneur was someone who perceived an opportunity and created an organisation to pursue it.

According to Delmar and Davidsson (2000: 4 – 5), a large proportion of self-employed people had parents who themselves were self-employed. It was noteworthy that the more positive their children perceived their status or performance, the stronger their influence on their children's employment choices. Self-employment was a male dominated career choice and a major contributing factor towards this phenomenon was the fact that women still had the main responsibility for the family and the children. Therefore, the entrance of women into self-employment was often at least delayed until the children were adult. Women also had more difficulties in obtaining a bank loan than men, because women were perceived to be less creditable than men by the lenders. Delmar and Davidsson (2000: 4 – 5) also indicated that self-efficacy was an important component in a career choice of self-employment.

A survey done by the Department of Trade and Industry (DTI, 2004: 7) indicated that most women in South Africa started their businesses for financial reasons. On the other hand, a survey done by Eurochambers (2004: 3) indicated that the women from the European Union's main reasons for creating their businesses were firstly to have control and freedom and secondly for financial gain.

Winn (2004: 150) stated that most men and women entrepreneurs had work experience before starting their own business. Many entrepreneurs had family members who were also entrepreneurs and who served as role models or mentors. Entrepreneurs in general believed that their own business would provide income and personal satisfaction and they wanted autonomy and control. Women were more inclined to start a business to make a social contribution while pursuing economic goals or to fulfil their own or their spouse's dreams. However, even while pursuing these altruistic goals, women still found business ownership was not compatible with raising a family.

For entrepreneurial activity to occur in a country there had to be both opportunities for entrepreneurship as well as entrepreneurial capabilities. Individuals also had to be able to perceive opportunities for starting a business. The quantity and quality of perceived opportunities and capabilities might be enhanced by national conditions such as economic growth, population growth, culture and national entrepreneurship policy (Bosma & Levie, 2009: 15).

Bosma and Levie (2009: 10) further indicated that if an individual exhibited positive perceptions towards entrepreneurship, it was no guarantee that he/she would actually get involved in entrepreneurial activity. He/she first had to do an assessment of opportunity costs and the risk involved. The potential entrepreneur would also be influenced by demographic characteristics such as age, gender, origin and ethnicity. In wealthier countries, these assessments may have led to a proclaimed intention to start an opportunity-related entrepreneurial business. For people in poorer countries, being involved in entrepreneurial activity was often a necessity – there simply were no other options available for earning a living and thus there was no comparable assessment to be made.

## 2.2.2 TYPES OF ENTREPRENEURS

Delmar and Davidsson (2000: 4 – 5) made a distinction between two groups who were business founders, namely those individuals who were **previously self-employed** and are now again trying to start a business and those who were **unemployed** and are trying to start a business as a way of earning an income.

Heilman & Chen (2003: 349) distinguished between traditional and modern entrepreneurs. **Traditional Entrepreneurs** had little education or training and have become self-employed because it was their best chance for achieving a career and social mobility. Their businesses tended to focus on providing domestic services and skills and were usually low-income, low-equity, small and slow-growing enterprises. The **Modern Entrepreneur** turned to self-employment for reasons like lifestyle issues (balancing work and family life) and workplace issues such as not getting placed in the right job, not being evaluated fairly, not being credited for competence and not being rewarded for success.

The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 49) made a distinction between **Opportunity Entrepreneurship**, which was the result of finding a niche in the market, and **Necessity Entrepreneurship**, which was often characterised by a lack of business experience, skills and resources needed for such a venture. The result was not only a high level of business failure, but also entrepreneurs often ended up with an income below the standard rate of living.

In the GEM report of 2009, Bosma and Levie (2009: 8) reported that necessity driven entrepreneurship tended to be higher in less developed economies. Such economies were unable to provide enough jobs in the high-productivity sectors and so many people had to create their own economic activity. As the economy developed, the level of necessity-driven entrepreneurial activity gradually declined, because the productive sectors grew and supplied more employment opportunities.

Dhaliwal (1998: 465) identified two types of women entrepreneurs, namely "**Independent Women**" and "**Hidden Women**". The independent women were classed as entrepreneurs in their own right, whereas the hidden women were involved in family businesses. Dhaliwal found that boredom motivated the independent women to set up their businesses, because their children needed less of their time. These women saw setting up a business as a challenge, rather than a financial necessity. They appreciated the freedom and independence they gained from running a business more than the income it provided. They also valued their time greatly and were aware of their worth. Hidden women were concerned that they neglected their children by working long hours. The businesses they were involved in were seen as a financial necessity and not just a past time. They had little control over business matters as the businesses were run by their husbands, fathers or brothers. Their time was not valued but assumed, but some of them did derive satisfaction from the status of running a family business.

Shelton (2006: 288) divided women entrepreneurs into **Ambitious or High-growth Oriented Entrepreneurs** and **Lifestyle Entrepreneurs**. Ambitious or high-growth entrepreneurs were women who had the intention and motivation to develop high-growth ventures. They possessed the personal characteristics of vision, energy and opportunism and they had a greater willingness to make sacrifices for their ventures.

Lifestyle entrepreneurs were primarily motivated to support a particular lifestyle or generate family income.

In the 1995 White Paper on National Strategy for the Development and Promotion of Small Businesses in South Africa (SA, 1995: 15), informal sector activities were divided into four categories, namely: survivalist, micro enterprises, small enterprises and medium enterprises. Naicker (2006: 13) explained that the **survivalist enterprise** consisted of individuals who have not been able to get a job in the formal sector and they had no formal skills training in a particular field. They participated in business activities in order to survive. The **micro enterprise** employed less than five individuals and the business was managed by the owner. The business was usually informal in terms of business licences, value added tax (VAT) registration and other legislation and procedures. The **small enterprise** employed between five and 50 individuals. Most of these businesses had limited capital and only rudimentary technical or business skills among their operators. The **medium enterprise** employed between 50 and 200 people and its capital assets (excluding property) were about R5 million.

According to Lalthapersad-Pillay (2004: 23), the informal sector (survivalist and micro enterprise) was not viewed as a hive for entrepreneurial activities mainly because of the following:

- Participation in the formal sector was permanent and people did not traverse between the formal and informal sectors. Those in the informal sector had nowhere else to administer their skills.
- The activities were highly survivalist in nature.
- It involved long work hours, low levels of income, no social security and inadequate safety measures, all of which economically marginalised its participants.
- Whilst it did generate income, it could not obviate poverty and low standards of living.

## 2.3 THE IMPORTANCE OF ENTREPRENEURSHIP TO THE ECONOMY

Garga and Bagga (2011) posited that entrepreneurship has long been recognized as the key to economic growth. The role of entrepreneurs who successfully exploited the industrial and commercial opportunities could not be underestimated. Small scale enterprises helped in enhancing economic growth because they had a better chance to carry out innovations, new means of production, new markets, new materials and new forms of organisations that led to increased productivity.

According to Martinez, Levie, Kelly, Saemundsson and Schott (2010: 9), in the last 20 years, entrepreneurship gained increased recognition as being a significant driver of improvements in societal welfare. Governments were more and more realising how important it was that the government motivated individuals to develop new opportunities that could promote positive change and create economic growth in their countries.

In a survey done by Finmark Trust and FinScope (Anon., 2010: 1) it was also stated that small businesses have been identified as key in driving South Africa's economic growth. Bosma and Levie (2009: 11 - 12) stated that entrepreneurship may impact economic development, which in turn may impact entrepreneurship. Entrepreneurship was a key mechanism for economic development in every phase. For efficiency-driven countries (which includes South Africa), the nurturing of economies of scale attracted more growth- and technology-oriented entrepreneurs, creating more employment opportunities.

This was supported by Botha, Nieman and van Vuuren (2007: 163) who stated that entrepreneurship was seen as an important solution to unemployment, poverty and low economic growth and therefore the creation of new ventures (small, medium and micro) and the growth of existing businesses were vital contributors to the economy. O'Neill and Viljoen (2001: 37) also emphasised that the stimulation of small, medium and micro enterprises was important for economic development.

It is important for South Africa that entrepreneurs not only establish, but also grow their businesses. According to Herrington *et al.* (2010: 74), in South Africa, the

majority of early-stage entrepreneurs had no job-creation aspirations. Interventions that encourage and stimulate entrepreneurs to grow their businesses were essential if they were to contribute meaningfully to socio-economic development in South Africa.

## **2.4 CONSTRAINTS OF ENTREPRENEURSHIP**

In a report on the State of Entrepreneurship in South Africa (Anon., 2010) it was stated that aspirant and existing entrepreneurs faced huge challenges and frustrations in South Africa. The country's financial and operating environment was not conducive to the development of entrepreneurship, especially in terms of regulations, policies and access to capital.

The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 26) argued that business owners found it difficult to add to employment growth, because of constraints such as South Africa's serious skills shortage and limited entrepreneurial capacity. This resulted in limited employment creation in new enterprises.

Bosma and Levie (2009: 27) on the other hand argued that entrepreneurs found it difficult to add to employment creation where there was strictness of employment protection. Entrepreneurs faced with fierce employment protection would perceive the barrier to grow their business to be high, while entrepreneurs operating where employment was not highly protected would not perceive such barriers. Bosma and Levie (2009: 27) further stated that in countries with stricter employment protection, potential entrepreneurs may have seen employment as a more attractive option rather than having to face the risks and challenges which accompanied entrepreneurship.

Herrington *et al.* (2010: 13) suggested that the lack of accurate data hampered the government's ability to offer the correct targeted assistance to businesses in the small, medium and micro arena. The lack of data was specifically a problem amongst unregistered businesses that employed casual labour or offered employment to the owner only. Many developed countries considered the contribution by these businesses as marginal, but in South Africa, their contribution to

employment and the GDP were vital to the livelihood and survival of millions of people.

According to the **Annual Review of Small Businesses in South Africa** (DTI, 2008: 50), the informal sector in South Africa was of greater significance than in many other countries because it had to a large extent provided a safety net for many people in the country who would otherwise not have been provided for by the formal economy.

## **2.5 THE IMPORTANCE OF OPPORTUNITY IDENTIFICATION IN ENTREPRENEURSHIP**

According to De Tienne and Chandler (2007: 367), the ability to identify opportunities was related to variables such as education, age, prior work experience and prior entrepreneurial experience. The higher the levels of these variables, the greater the number of opportunities identified and the higher the number of nascent entrepreneurs.

As can be seen in the definition of entrepreneurship, opportunity identification is paramount to entrepreneurship. According to Timmons and Spinelli (2009: 134), the major challenge of modern times was how to create prosperity for more people worldwide while fighting climate change, water shortages, urban air pollution, energy supply challenges and an ever increasing world population. The modern entrepreneur had to anticipate upcoming environmental laws and process regulations and had to view such measures as potential opportunities. As ecological and economic pressures grew worldwide, the true entrepreneurial leader would have been viewed as someone with a vision from which he/she created new ventures that protected the atmosphere, water, housing, jobs and health all around the globe.

The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 48) explained entrepreneurial opportunity as the external factors influencing the capacity of small and medium businesses to survive and grow. Market saturation, business opportunity, access to finance and public perceptions were all factors impacting on entrepreneurial opportunity. According to this review there were enough business opportunities in South Africa to be exploited.

Langowitz and Minniti (2007: 357) did research to support the notion that in order to perceive the existence of opportunities, the entrepreneur must have self-confidence in his/her own entrepreneurial skills. They further stated that the difference in entrepreneurial propensity between men and women could be explained by the fact that men tended to perceive themselves in a more optimistic light and, as a result had stronger incentives to start a new business.

A study done by De Tienne and Chandler (2007: 368) proved that men have more years of industry experience and higher levels of technical expertise which meant men were more likely to identify opportunities in the industrial or technical fields while women were more likely to be involved in health and natural sciences. However, although women and men had different experiential backgrounds and different ways of thinking, there was no difference in the *innovativeness* of the opportunities they identified.

Kepler and Shane (2007: 200) stated that female entrepreneurs searched for new business opportunities differently than male entrepreneurs. Many opportunities were identified through information that was transferred through social networks and women had different types of social networks than men (Renzulli, Aldrich & Moody, 2000: 534). The result was that women had access to different sources of information about opportunities.

## **2.6 ATTRIBUTES AND BEHAVIOUR OF THE SUCCESSFUL ENTREPRENEUR**

According to the **Strategic Business Plan of the National Small Business Advisory Council** (DTI, 2010: 14), it was essential that people who wished to start a small business had the necessary training, skills development and support systems available. This would enable them to deal with the demands which were be made on them, they would know how to access resources and they would understand what opportunities were available.

Segal, Borgia and Schoenfeld (2005: 53) conducted research which indicated that people (male and female) showed more entrepreneurial intentions if they had a higher self-efficacy and if they anticipate positive outcomes from entrepreneurship.

The intention to engage in entrepreneurial activity also depended on the individual's tolerance for risk. Even if an individual has a high self-efficacy and viewed the outcomes from entrepreneurship as positive, the person who did not possess a high tolerance for risk would not engage in entrepreneurial activity.

A study done by Delmar and Davidsson (2000: 14) indicated that nascent entrepreneurs were more likely to have self-employed parents, to be self-employed already and to have a positive perception of self-employment. The number of children, marital status and length of employment experience were not identified as a predictor for entrepreneurship.

The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 46) referred to entrepreneurial dynamism as the physical, intellectual and financial abilities that affected the success of the entrepreneur. In short, these were the skills necessary in order to make a success of a business venture.

Naicker (2006: 39) proposed that the successful entrepreneur was a combination of knowledge, experience and personality together with the way in which he/she was affected by the outside influences of society and the environment. In other words, entrepreneurial characteristics which contributed to the success of the enterprise were technical and mental ability, human relation skills, high achievement drive and creativity. O'Neill and Viljoen (2001: 37) described entrepreneurial dimensions as innovativeness, risk taking and proactive behaviour.

Underneath is a list of desirable attitudes and behaviours of the successful entrepreneur as described by Timmons and Spinelli (2009: 47):

- Commitment and determination.
- Courage.
- Leadership.
- Opportunity obsession.
- Tolerance of risk, ambiguity and uncertainty.
- Creativity, self-reliance and adaptability.
- Motivation to excel.

## **2.7 ENTREPRENEURSHIP IN SOUTH AFRICA**

### **2.7.1 THE ENTREPRENEURIAL LANDSCAPE IN SOUTH AFRICA**

According to Herrington, Kew and Kew (2010: 14), a country's entrepreneurial landscape was influenced by the institutional characteristics, culture, education, the regulatory environment, national demographics and the social culture of the nation.

The Global Entrepreneurship Monitor (GEM) report of 2009 (Bosma & Levie, 2009: 9) classified countries as factor-driven economies, efficiency-driven economies and innovation-driven economies. The classification was based on the level of Gross Domestic Product (GDP) per capita and the extent to which the countries were factor-driven in terms of the shares of exports of primary goods and total exports. South Africa fell in the efficiency-driven category.

In March 1995, the Department of Trade and Industry published the White Paper on the National Strategy for the Development and Promotion of Small Businesses in South Africa (SA, 1995: 15). One objective of this White Paper was to "facilitate equalisation of income, wealth and economic opportunities with special emphasis on the advancement of women in all business sectors."

The White Paper inspired the National Small Business Act, 1996 (Act 102 of 1996), which created the National Small Business Council (NSBC) and Ntsika Enterprise Promotion. In 1998, the NSBC was liquidated and the National Small Business Amended Act (Act 229 of 2004) replaced Ntsika Enterprise Promotion with the Small Enterprise Development Agency (SEDA). SEDA's mission was to develop, support and promote small enterprises throughout the country, ensuring their growth and sustainability in co-ordination and partnership with various role players, including global partners, who make international best practices available to local entrepreneurs.

The website of the Department Trade and Industry (DTI, 2010) lists the following institutions which were established by Government and mandated to support the SMME's:

- Free State Development Corporation.
- Gauteng Economic Development Agency.
- Gauteng Enterprise Propeller (GEP).
- Ithala Development Finance Corporation.
- Industrial Development Corporation.
- Invest North West.
- Khula Enterprise Finance Limited.
- Limpopo Business Support Agency.
- Limpopo Economic Development Enterprise.
- Mafisa.
- Mpumalanga Economic Growth Agency.
- National Empowerment Fund.
- National Youth Development Agency.
- Northern Cape Economic Development Agency.
- Small Enterprise Development Agency (SEDA.)
- South African Micro-Finance Apex Fund.
- Trade and Investment Kwazulu-Natal.
- Trade & Investment Limpopo.
- Western Cape Department of Economic Development and Tourism.

Chiloane and Mayhew (2010: 2593) stated that in terms of entrepreneurial options such as occupation and resources, women were more disadvantaged than men and African women were more disadvantaged than white women.

Research done by Herrington *et al.* (2010: 68) showed that South Africa had a low level of female entrepreneurial activity and that more should be done to encourage entrepreneurship amongst women in South Africa. Women made up 52% of the adult population and of this only 41% were considered to be part of the active working population while only 14.7% found themselves in executive management positions. The majority of South African women entrepreneurs operated within the crafts, hawking, personal services and retail sectors.

In 2010 Finmark Trust and FinScope (Anon., 2010: 2) did a survey on the small business landscape in South Africa and the following were their main findings:

- One in six individuals, aged sixteen years and older, generate an income through small business activity.
- Seventeen percent of small business owners have registered businesses.
- Of the small businesses 79% are traders who sell products.
- Of the small businesses 21% are service providers.
- Females are more likely to be small business owners than men.
- For 67% of small business owners, the small businesses they own are their sole source of income.
- Two-thirds of small business owners have not completed secondary school education.
- One in two small business owners started the business either because they could not find jobs or because they lost their jobs.
- Of the small business owners, 82% started their business on their own.
- Of the small business owners, 51.5% make use of formal financial products provided by banks, insurance companies and microfinance institutions.
- Of the small business owners, 6.7% do not use formal financial products, but rely on private money lenders, burial societies, savings clubs/stokvels and stores for credit and savings.
- Of the small business owners, 41.8% rely on family and friends for funding.
- Two in three business owners operate their own businesses and do not have any employees.
- Of the small business owners, 32% provide employment to between 1 and 10 employees and 1% provides employment to more than 10 employees.
- Service related small business owners are more likely to provide employment opportunities than other small businesses.
- Small business owners provide an estimated 6 million employment opportunities.

The Report on the State of Entrepreneurship in South Africa (Anon., 2010) ventured that South Africans did not sufficiently respect and recognise the contribution of entrepreneurs. Entrepreneurship was not accredited for the impact, growth and

possibilities it could offer the South African economy, or for the impact it could have on unemployment and other social tensions in the country.

## **2.7.2 ENTREPRENEURIAL ACTIVITY**

In the GEM report of 2009 Bosma and Levie (2009: 19 - 23) confirmed that a country's entrepreneurial landscape was shaped by the institutional characteristics, demography, entrepreneurial culture and the degree of economic welfare of that country. The primary method to measure this entrepreneurial landscape was the Total Early-stage Entrepreneurial Activity or TEA index. This index captures the level of dynamic entrepreneurial activity in a country.

The Report on the State of Entrepreneurship in South Africa (Anon., 2010) presented that South Africa's entrepreneurial activity was improving but still lagged behind. South Africa's TEA in 2008 stood at 7.8%, which improved from 5% in 2006, but was still lower than Colombia (24.5%) and Mexico (13.1%). In 2009, following the economic crisis, the level of early-stage entrepreneurial activity in South Africa dropped again to just over 5%. There were sharp differences within demographic groups in the country. Indians and Whites had the most entrepreneurs (1, 6:1 and 1, 7:1 respectively compared to the general population), while Blacks and Coloureds had fewer entrepreneurs (0, 9:1 and 1, 2:1 respectively compared to the general population).

According to Herrington *et al.* (2010: 42), the majority of entrepreneurial activity was in the consumer services sector where barriers of entry are low. This caused the consumer services sector to be an over-traded sector populated by low profit margin businesses and the high level of competition in these limited markets could threaten sustainability of the businesses. Of the nine provinces in South Africa, Gauteng was the most entrepreneurially active, followed by Kwa-Zulu Natal and the Western Cape. In general, businesses that were most likely to be job creators tended to be male-owned, opportunity-driven businesses that passed the start-up phase and were owned by someone with a tertiary qualification.

### 2.7.3 THE SOUTH AFRICAN ENTREPRENEUR

Nkamba-Van Wyk and Christer (2010: 4) participated in a programme for mentoring small enterprises. They described these small business owners as having “crippling mindsets” which challenged the successful development of their business. These negative mindsets are described below:

- **The mindset of entitlement**

Entrepreneurs sometimes had a mindset of entitlement. This was based primarily on the injustices of the previous apartheid government, leaving entrepreneurs with a feeling that they were owed a limitless supply of support and resources. Whether they deserve the support and resources was irrelevant. This unrealistic expectation was further compounded by pre-election promises that have not been delivered.

- **The mindset of an employee**

Entrepreneurs often found it difficult to make the transition from that of a worker or employee to that of an owner of their own business.

- **The mindset of pity**

Sometimes entrepreneurs had a desire to project a feeling of inadequacy to engender pity from others. The intention of this misplaced action was to solicit more free resources and help.

- **The short-term mindset**

Often entrepreneurs had a tendency to consider short term gains rather than more sustainable long term benefits. They demanded immediate payment for their work, regardless of what the long term implications would be.

- **Negative mindset**

A lack of self-esteem was observed. There seemed to a “can’t do” mindset among the entrepreneurs which supported their fear of becoming independent.

Herrington *et al.* (2010: 42 - 70) did research which found that South Africans aged between 25 and 44 years were the most entrepreneurially active and whites were more likely to be entrepreneurs than blacks. Businesses started by whites and

Indians were more likely to mature into new firms than those started by blacks or coloureds. Individuals who stayed in urban areas were far more likely to be involved in entrepreneurial activity than those in rural areas. Irrespective of population group, unemployment rates among women were higher than among males.

In 2004 the Department of Trade and Industry (DTI, 2004: 1 - 3) conducted research among women entrepreneurs in South Africa. The results of the study indicated that most women entrepreneurs were based within a nuclear family (husband, wife and children). They started their businesses for financial reasons, but they were simply maintaining the business and if they wanted it to grow, they needed financial and marketing support.

Herrington *et al.* (2010: 41) suggested the following reasons why women in South Africa were less entrepreneurial than in other developing countries:

- The majority of women entrepreneurs had an educational qualification equal to or lower than Grade 12.
- Women entrepreneurs lacked specific entrepreneurial skills such as financial management, idea generation, conducting feasibility studies, exporting and technology skills.
- Women generally did not believe they are entrepreneurial.
- Women entrepreneurs were not concerned about growth and were mostly involved in copy cat projects.
- As women were often responsible for family welfare, they needed to balance family and business obligations.
- Women often did not have assets which could be used as security, nor did they tend to know and understand terminology used by banks and were therefore hesitant to approach them.

As explained in par 2.2.6 *supra*, entrepreneurial dynamism referred to the entrepreneur's ability and skills to make a success of a business venture. The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 48) suggested that the high rate of failure of so many enterprises might be because they were born out of survival rather than because of the entrepreneur's inherent adequate entrepreneurial dynamism. Entrepreneurial dynamism was highly underdeveloped in

South Africa and it was therefore not surprising that South Africa had a very high rate of business failure.

The research done by the DTI (2004: 3) indicated that a significant number of participants were not aware of organisations in South Africa which could provide them with support, which meant they did not make use of these institutions. This was supported by Herrington *et al.* (2010: 49) who stated that in general South African entrepreneurs were not aware of available government initiatives to assist them. Herrington *et al.* (2010: 147) added that unfortunately, many of the government institutions were inefficient and were controlled by political appointees who did not work in the best interest of the entrepreneurs.

The survey done by Finmark Trust and FinScope (Anon., 2010: 1) also indicated that government's efforts to increase support to the small business sector have not had the intended impact. The Strategic Business Plan of the National Small Business Advisory Council (DTI, 2010: 12) admitted that the impact of small business programmes instituted by government was slight and that the development of small business and entrepreneurship in the country was far below potential.

## **2.8 SUMMARY**

Chapter two tried to provide a broad understanding of entrepreneurship in general. Entrepreneurship was described as a process which started with the creation and/or recognition of opportunities, which was then followed by the will and initiative to seize these opportunities. Various types of entrepreneurs such as traditional entrepreneurs, modern entrepreneurs, opportunity entrepreneurship and necessity entrepreneurship were described. It was clearly indicated that entrepreneurship had a definite influence on a country's economy and on its job creation. The individual who strived to be a successful entrepreneur should exhibit attributes such as commitment, determination, courage, leadership, opportunity obsession, tolerance of risk, creativity and the motivation to excel.

It was seen that in South Africa, entrepreneurship was not seen as a legitimate or desirable career choice. This, together with regulatory constraints, lack of infrastructure and training as well as the country's social culture resulted in South

Africa having a lower entrepreneurial activity rate than other comparable developing countries. The entrepreneurial landscape in South Africa was described as whites being more likely to be entrepreneurs than blacks. Businesses started by whites and Indians were more likely to mature into new firms than those started by blacks or coloureds. Lastly, with respect to gender, it was shown that irrespective of population group, unemployment rates among women were higher than among men and therefore it was imperative that South Africa found ways to improve levels of self-employment among women.

# **CHAPTER 3**

## **OVERVIEW OF THE WOMAN ENTREPRENEUR**

### **3.1 INTRODUCTION**

According to Babaeva and Chirikova (1997: 84), women were very communicable, they facilitated emotional engagement with their clients, they were able to establish trustworthy relationships and they avoided a sentiment of victory at any price. This enabled them to compete on equal foot with male entrepreneurs, despite the fact that they had many unique barriers and circumstances to overcome when entering the entrepreneurial arena.

The typical woman entrepreneur seemed to be educated, she ran a micro business, she was married, she had children and she had no help at home. The woman created her business before the age of 35, after having gained some working experience (Eurochambers, 2004: 3).

Catley and Hamilton (1998: 76) reported that females started their businesses for the same reasons than men, namely a product or service idea that created a commercial opportunity, financial independence, to use a skill or talent and for the independence of being their own boss. The survey done by the Department of Trade and Industry (DTI, 2004: 1) added that most women in South Africa were motivated by financial reasons to enable her to support a family or to make a contribution to the husband's income.

According to Kepler and Shane (2007), the social norms about the role of women in society, the shortage of female role models and the greater household burdens faced by women, led female entrepreneurs to face more and greater start-up problems than their male counterparts.

In South Africa, The Department of Trade and Industry (DTI, 2005: 24) identified the provision of business information, entrepreneurial training, access to finance, access to international trade, science and technology and capacity building of rural women

as areas where support programmes for women entrepreneurs need to be developed.

### **3.2 CHARACTERISTICS OF WOMEN ENTREPRENEURS**

Research done by the Department of Trade and Industry (DTI, 2004: 5) indicated that women entrepreneurs in South Africa were also mostly over the age of 35 years and had some operational experience. The majority of the women, who participated, were married and most had at least a matriculation certificate.

Chiloane and Mayhew (2010: 2592 – 2593) stated that in general the prevalence of women entrepreneurs were consistently lower than those of men, but the distribution of women's entrepreneurial involvement across age brackets followed that of men. Networking was a crucial tool for any entrepreneur (male and female) but due to the lack of role models or social networks for women, they might lag behind men – especially in African and Asian countries. Women also lacked access to resources and didn't have the necessary skills which might contribute to a fear of exploiting business opportunities and also added to women's lower entrepreneurial activity.

De Martino and Barbato (2003: 819 – 820) proposed that men and women entrepreneurs differed in the extent to which they structured their work around their personal life. Men typically had goals which were focussed on the marketplace and wealth creation. They were more effective at networking and took substantially more financial risk than women. Women were motivated to start a business because of lifestyle issues such as flexibility and the ability to balance work with their relationships and family. Women thus used entrepreneurship to integrate the goals of family and personal interest with the goals of work, but they reported having a difficult time balancing work roles and family responsibilities.

A study done by Cooper and Artz (1995: 451) showed that there was no significant difference between males and females in terms of what they expected from their businesses initially, but those who had the highest initial expectations of success, were later more satisfied. Interestingly enough it was found that women were more likely to be satisfied with their businesses than men.

Research done by Finmark and FinScope (Anon., 2010: 5) indicated that female business owners were significantly more likely not to make use of financial institutions such as banks and insurance companies. They were more likely to use financial support from family, friends and personal savings. Cooper and Artz (1995: 452) found evidence that women entrepreneurs were satisfied with fewer financial rewards than male entrepreneurs. Women also paid themselves less than the men paid themselves.

According to Coleman (2007: 304), women-owned businesses tended to be smaller than those owned by men. Their enterprises were heavily concentrated in the service and retail sectors and because these industries were highly competitive, opportunities for growth and profitability were limited. Women were less prepared for business ownership than men and women were less likely to be educated in business disciplines as well as had fewer years of management experience.

De Martino and Barbato (2003: 818) also concluded that women businesses were smaller and less profitable than those owned by men, but they attributed this to the fact that the women used the autonomy and flexibility of entrepreneurship to balance work and family life. As the women's main focus was on the integration of roles and not on making the most money possible, their businesses tended to have a lower profit ratio than those owned by men. As a result of socialisation practices, educational experiences and family roles women had to confront many gender related barriers. De Martino and Barbato (2003: 819) blamed these barriers for the lower productivity of women-owned businesses.

Chowdhury and Endres (2005: 2) maintained that women entrepreneurial activities played an important role in the economy, but because women entrepreneurs had less self-confidence than male entrepreneurs, they also contribute less. Even when men and women were of the same age and education level, women had lower levels of entrepreneurial self-efficacy and perceived financial knowledge. Because women were less likely to believe they had the necessary skills and financial knowledge to start a business, they were less likely than men to become an entrepreneur. An individual's perceived knowledge positively influenced her self-efficacy.

Shelton (2006: 288) contemplated that work-family conflict negatively impacted the performance of the business, because the well-being of the entrepreneur was lowered. Women were still socially seen as the caretakers of the family and they were more likely to experience strong negative social sanctions if they did not fulfil this role. Ideally, women entrepreneurs would be assisted to overcome work-family conflicts. They would also receive training in participative management techniques and progressive human resources practices to help them manage their various roles.

The Report on the State of Entrepreneurship in South Africa (Anon., 2010) agreed by stating that most female entrepreneurs in South Africa seemed to be lifestyle and not high-impact entrepreneurs. The assumption was that male entrepreneurs could focus on their businesses more than women entrepreneurs who tended to have multiple commitments to balance in their lives.

Buttner (1993: 60) tried to summarise the differences between male and female entrepreneurs by saying men generally viewed entrepreneurship as a business decision, whereas many women viewed it as a life choice – a way of integrating family and career needs.

### **3.3 FACTORS THAT MOTIVATE WOMEN TO START A BUSINESS**

Mallon and Cohen (2001: 217 - 219) offered the view that a new way of talking about careers was emerging. Careers were no longer envisaged as an upward process through the organisational or occupational hierarchy – careers have become boundary-less or portfolio work. People were being urged to seek security of employability instead of employment security. Because the arrangement between employer and employee became transactional for specific periods, career jumping was not frowned upon anymore. This meant that a woman could gain the necessary experience and then when she was ready, opt for entrepreneurship as her new career. These new career forms were providing women with opportunities which were unavailable to them in the traditional labour market.

Martinez, Levie, Kelly, Saemundsson and Schott (2010: 11) said that the earlier people were exposed to entrepreneurship, the more likely they were to become entrepreneurs sometime during their lives. In other words, a girl who was exposed to

entrepreneurship by a mother, father or any significant other, was more likely to also become an entrepreneur herself.

According to Catley and Hamilton (1998: 76), females started their businesses for the same reasons than men, namely a product or service idea that created a commercial opportunity, financial independence, to use a skill or talent and for the independence of being their own boss. The survey done by the Department of Trade and Industry (DTI, 2004: 1) accepted that there were similarities between men and women for starting a business, but the survey emphasised that most women in South Africa started their businesses for financial reasons. It must be noted that these were not selfish financial reasons. The women entered entrepreneurship to be able to support a family or to make a contribution to the husband's income.

De Martino and Barbato (2003: 829) found that women entrepreneurs preferred a career that gave them flexibility and allowed them to balance their career with their family obligations, while men preferred a career which allowed them to create wealth. This supported findings that women with children had a higher propensity to start their own business, hoping it would provide them with the flexibility they needed.

What motivated a woman to turn her back on the formal organisational structure and become an entrepreneur? According to Mallon and Cohen (2001: 218), there were push and pull factors which could explain this decision. **Push factors** were generally concerned with factors such as unemployment, redundancy and the perceived increasing insecurity of organisational positions. Push factors also encompassed various organisational actions such as providing too little opportunity for promotion which left the woman feeling frustrated and stagnating. Organisational changes or the introduction of new ideas which left the woman feeling she had to sacrifice her values and principles could also be push factors. **Pull factors** were those which lured the woman into entrepreneurship, such as perceived independence and freedom, flexibility and choice on offer. The study by Mallon and Cohen (2001: 227) revealed a duality of push and pull factors, meaning the factors interacted with each other and should not be viewed as discrete variables.

De Martino and Barbato (2003: 818) were of the opinion that women were sometimes motivated to enter entrepreneurship as a result of their dissatisfaction with their

current employment. They viewed business ownership as a job alternative that was more compatible with other aspects of their life. Women were motivated to a much larger extent to create businesses that allowed them flexibility to balance work and family. Although men and women possessed many similarities, women were influenced and motivated more by family needs and men by economic motives. Entrepreneurship was a lifestyle choice for women who were seeking more choices in their lives.

According to Bradley and Boyle (2003: 21), women were motivated to start their own business to be independent and have some freedom. Flexibility was a very strong motivator especially for women with children. A survey done by Eurochambers (2004: 3) supported this by indicating that the main reason for creating her business was the desire for control and freedom to make her own decisions as well as for financial gain.

Mattis (2004: 161) did research on women who held corporate positions before starting a business. She found that more than half of the women who participated said nothing would attract them back. This was supported by Mallon and Cohen (2001: 224), who found that self-employment, was associated with the chance for some sort of freedom and development. The women described it as “room to grow”, “air to breathe”, “an opportunity to flourish”, “and a chance to explore me” or “the room to make some mistakes”.

Heilman and Chen (2003: 360) were of the opinion that although developing the entrepreneur was critical in South Africa, women who left an organisation because they were frustrated and unhappy were not likely to be successful entrepreneurs. It was then better for everyone (and the economy) that the employer rather invested in actions and organisational settings to facilitate the personal and professional goals of women to discourage them from leaving the organisation where they could have made a bigger contribution than by unwillingly becoming an entrepreneur.

### **3.4 UNIQUE CHALLENGES FACED BY WOMEN ENTREPRENEURS**

McKay (2001: 153) said that women confronted a variety of challenges in developing and running a business. These challenges included obtaining capital, acquiring appropriate training, resistance from relatives, friends and family, overcoming cultural conditioning and discrimination. De Martino and Barbato (2003: 818) suggested that women may be disadvantaged or limited because of socialisation experiences or because of discrimination against them. Discrimination deprived women of business education and business experience and the socialisation experiences may explain why the woman's family was more important than creating economic wealth.

Following is a list of problems identified by female entrepreneurs when planning to enter the business world.

#### **3.4.1 FINANCING AND CREDIT**

Financial institutions were reluctant to assist females with finance, using lack of collateral; no credit record; assets registered on husband's name and lack of business and management experience as excuses. Female entrepreneurs felt they were being discriminated against and they were unable to qualify for loans due to stringent criteria applied by banks (O'Neill & Viljoen, 2001: 41).

Research done by Fay and Williams (1991: 69) confirmed that loan officers were less likely to recommend a loan for the female applicants than they were for the male applicants. They gave reasons for declining the loans as inadequacy of available equity or security. However, Coleman (2007: 305) observed that women were not necessarily being discriminated against – they just had a higher expectation of denial and thus avoided seeking debt capital that could allow them to grow their firms. She nonetheless continued to say that despite the fact that her empirical studies did not support women's claims of discrimination, they still felt that they were discriminated against in their attempts to secure funding.

Lack of access to capital was continuously been listed as a primary obstacle for women entrepreneurs (Gundry, Ben-Yoseph & Posig, 2002: 72). This was supported

by Coleman (2007: 305), who stated that a shortage of financial capital could be a major barrier to small business success. She also found that women were more concerned about access to capital than with any other business problem.

### **3.4.2 SUPPORT SYSTEMS**

Shelton (2006: 293) proposed that women experienced more work-family conflict than men and that they had a higher motivation to balance work and family life than men. The reason might be that women still assumed the majority of household responsibilities. Women were socially defined as the caretakers of the family and they were more likely to be socially punished for not fulfilling this role. Women suffered from a lack of support from families. Also the community found it difficult to accept the female entrepreneur and males were prejudiced towards the woman entrepreneur (O'Neill & Viljoen 2001: 41).

According to O'Neill and Viljoen (2001: 41), consulting services provided to entrepreneurs were uncoordinated and were not sufficiently empowered by government. The survey done by the Department of Trade and Industry (DTI, 2004: 2) also indicated that most women were not aware of organisations that specifically support them. It was thus no surprise that a significant number of women did not make use of the support organisations. Chiloane and Mayhew (2010: 2596) found evidence that in South Africa there was a need to restructure local business service centres in the local communities in such a way that information could be more widely disseminated and accessed. Information on business networks should have been distributed in the same way as information about health clinics, government grants, child maintenance and immunisations.

### **3.4.3 TRAINING AND EDUCATION**

O'Neill and Viljoen (2001: 41) found that there was little coordination of training available to the female entrepreneur. Entrepreneurship training programmes should have been developed for the female entrepreneur specifically. Trainers should have been trained properly and training should have been subsidised to make it more affordable for the entrepreneur. Training should have been skills based and sector-focussed as many female entrepreneurs did not have the necessary management

skills, business experience and training. They also seemed to lack entrepreneurial spirit and knowledge in the field of business.

Nkamba-Van Wyk and Christer (2010: 4) wrote an article on **Mentoring of Small Enterprises** and they found that entrepreneurs, who participated in the programme, did not generally seek further information and opportunities beyond that was offered in the programme. They were reluctant to read and they fell into a rut where they did not want to expand their knowledge. They were more interested in earning money than in investing in knowledge.

#### **3.4.4 INFRASTRUCTURE/ RESOURCES**

Infrastructure like water, electricity, roads and communication, especially in rural areas, was a major concern. Women in rural areas also faced problems with land ownership as historically the black women had no rights to ownership (O'Neill & Viljoen, 2001: 41). Chiloane and Mayhew (2010: 2593) suggested that women entrepreneurs suffered from complex challenges such as the lack of skills, resources and business opportunities where they live. They further stated that because of the lack of resources, women might become fearful of exploiting business opportunities.

#### **3.4.5 REGULATORY ENVIRONMENT**

Chiloane and Mayhew (2010: 2594) offered that traditionally women were excluded from ownership of property and this had an adverse effect on their ability to access capital for their ventures. Educational opportunities and systems also influenced women from an early age on to rather choose softer sciences and not business for their careers. These choices later affected women's confidence in venturing into the business world or starting business, because business was perceived as a male dominated area that was to be feared. Women entering the world of business were still being held back by society because of the negative perception surrounding women entrepreneurs.

### 3.4.6 SOUTH AFRICAN WOMEN

Research showed that women face a number of difficulties in establishing and maintaining businesses (Edwards, 2001: 45). This is due to factors such as:

- Gender discrimination and stereotypes.
- Differences in the way women and men approach entrepreneurship.
- Difficulties in reconciling business and family obligations.
- The choice of business types and sectors.
- Information gaps.
- Lack of contacts and access to networking.

The way that entrepreneurship was presented, discussed and taught must change. Gupta (2011) stated that social beliefs, especially about gender roles and professions, were very entrenched in society. They could be changed, but it would take a long time and it would not be easy to change the gender image of entrepreneurship.

Chiloane and Mayhew (2010: 2594) found that due to their culture, especially black women in South Africa, were afraid of taking risks in business, they didn't know how to assess information and they were very vulnerable to crime and gender-based violence. They lost out on experience that would have enabled them to become successful managers. Their family and household responsibilities and the lack of child-care facilities put pressure on these women who might otherwise have started their own business.

Chiloane and Mayhew (2010: 2595) further stated that despite policy interventions designed to alleviate the constraints in small business sectors, black women entrepreneurs specifically still remained on the periphery. The traditional discriminatory practices contributed to their inability to accumulate personal assets, which in turn affected their ability to raise loans and other capital. It seemed that a lack of finance was still a major stumbling challenge which prevented black women entrepreneurs from reaching their full economic potential in South Africa.

O'Neill and Viljoen (2001: 42) summarised the challenges faced by South African women entrepreneurs as follows:

- Women struggled to gain access to finance.
- They lacked the collateral to qualify for loans.
- They had insufficient business experience and training.
- They received little support from their families.
- They were not accepted in their communities and were subject to male prejudice.
- They lacked the required management skills, often due to a history of discrimination in their careers.
- They had poor access to information and advice.
- They lacked entrepreneurial spirit and had insufficient knowledge about their chosen fields of business.

### **3.5 GROWING THE ENTREPRENEURIAL BUSINESS**

Shelton (2006: 288) defined ambitious or high-growth-oriented female entrepreneurs as women who had the intention and motivation to develop high-growth ventures. They possessed characteristics such as vision, energy and opportunism. They had the intention to grow their market share, they possessed stronger commitment to the success of their business and they had a greater willingness to sacrifice for their ventures. They were motivated to start and develop larger, highly visible and more valuable firms.

The **Annual Review of Small Businesses in South Africa** (DTI, 2008: 49) site the following obstacles which male and female entrepreneurs encounter when trying to grow their businesses:

- Crime.
- Infrastructure.
- Informality and regulation.
- Corruption.
- Labour problems.
- Increased competition.

- Negative public perceptions.

Gundry and Welsch (2001: 455) stated that many entrepreneurs got their greatest satisfaction from working closely with customers and employees. Inevitably, as the business grew, the owner's role changed and he/she was not so closely involved with the customers any longer. This could be a reason for the woman entrepreneur not wanting to grow her business as she preferred the close contact with her customers and employees and if the business grew too big, she could not maintain these relationships anymore.

Entrepreneurship development programmes should find ways to stimulate entrepreneurs to exhibit more of the following attributes which according to Gundry and Welsch (2001: 465), were attributes of the ambitious entrepreneur who was more likely to grow his/her business:

- They were likely to pursue market expansion by adding a new product or service and expanded advertising and promotion.
- They adapted to technological change and were not afraid to acquire new equipment and computerised their operations.
- They were likely to utilise a wider range of financing resources.
- They did proper operations planning and were not afraid to expand their facilities.
- They did organisational development by providing off-site training for employees.
- They were very concerned about the business's reputation or image.
- They had a strong focus on the quality of the product or service.
- They had cash available to grow the business.
- They exhibited effective leadership.
- They were willing to incur opportunity cost associated with venture growth.
- They were willing to put aside some of their personal or family goals and incurred sacrifices and penalties while waiting for the ultimate satisfaction of their goals.

According to Morris, Miyasaki, Watters and Coombes (2006: 222), women were still under represented in terms of their proportion of high-growth firms. They stated that women were less likely to have educational backgrounds in engineering and computing and tended not to take classes on how to start a business. Men, on the other hand tended to take on partners who were not family members, were more

predisposed to start high-tech business and more likely to focus on intellectual property issues when starting a venture. Quality of life issues such as balancing work and family life were also identified as a reason for women not wanting to grow the business. Socialisation processes led women to believe that they did not have the necessary skills for creating a new business.

Morris *et al.* (2006: 222) found that where the entrepreneur was more motivated by achieving wealth and long-term financial security, or the need to achieve or meet a challenge, the desire for growth was greater. Women, who were pulled into entrepreneurship by recognising an opportunity, were significantly more growth-oriented than those who were pushed into entrepreneurship by circumstances such as job loss, economic necessity or divorce. Having said all this, growth was still a deliberate choice and women had a clear sense of the costs and benefits of growth and they made careful trade-off decisions. Yet, socialisation processes encouraged women to pursue professional careers, but they were taught not to be risk takers and not to be competitive or aggressive. Education and training programmes must be developed to help women address role conflicts, especially in terms of how building high-growth ventures were compatible with other life roles.

### **3.6 SUPPORT FOR WOMEN ENTREPRENEURS**

The survey done by Finmark Trust and FinScope (Anon., 2010: 1) suggested that effective intervention could not be developed without first having a comprehensive understanding of the small business sector. It was not feasible to have a “one size fits all” approach to the intervention strategies, because interventions should be targeted to the specific needs and challenges of the sector.

In the Department of Trade and Industry’s Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (DTI, 2005: 24) the following areas were identified where women entrepreneurs needed assistance:

- Provision of business information.
- Entrepreneurial education and training.
- Access to financing.

- Access to international trade.
- Access to research and statistics.
- Science and technology.
- Economic literacy development and capacity building for rural women.

Following is a list of initiatives to address the imbalances in business ownership:

### **3.6.1 FINANCING AND CREDIT**

O'Neill and Viljoen (2001: 39) felt that female entrepreneurs should have easier access to finance and credit. They should rather be helped to address problems such as lack of collateral and credit history. They must also be helped to overcome problems posed by the absence of a business track record.

Herrington *et al.* (2010: 147) suggest that the lack of finance and credit was not always the fault of the bank as entrepreneurs applying for finance were often under-prepared and did not provide sufficient relevant information. Often, the entrepreneur had totally unrealistic expectations and was offering a product or service that was neither compelling nor different. The provision of funding needed to be linked to mentoring by experienced consultants and the attendance of suitable programmes designed to give entrepreneurs the necessary skills to effectively run and manage their operations.

### **3.6.2 SUPPORT SYSTEMS**

O'Neill and Viljoen (2001: 39) strongly felt that government must recognise the roles females play in the economy. In this regard, South Africa has made some progress. According to the National Directory of Small Business Support Programmes (DTI, 2010: 80), the Department of Trade and Industry has established the following programmes to assist women business owners specifically: Technology for Women in Business (TWIB), South African Women in Mining Association (SAWIMA) and South African Women Entrepreneurs Network (SAWEN).

### **3.6.3 TRAINING AND EDUCATION**

O'Neill and Viljoen (2001: 39) advised that business training should be easily available. According to Winn (2004: 151), a better education system could only be provided to women entrepreneurs once the critical issues which affect starting and growing a business venture were completely understood. Likewise, women needed to understand the demands of business ownership so they could embark on new venture creation with realistic expectations and the necessary skills and support systems. She must understand the emotional and economical impact that starting a new business would have on the entrepreneur, her spouse, family and her children.

Martinez *et al.* (2010: 11) offered that entrepreneurial training and education could create positive perceptions and desire among individuals to start businesses. The goal of entrepreneurship education should thus be to promote creativity, innovation and self-employment. Entrepreneurial training and education might impact attitudes, help people recognise opportunities and think creatively. It could influence an individual's motivation to strive for something that might otherwise seem impossible or too risky.

Further, Martinez *et al.* (2010: 15) supported research that found individuals who perceived they had the skills and knowledge to start a business were more likely to do so. Unfortunately, in most countries (including South Africa), entrepreneurship training and education was not adequate. Providing training also might not have a major impact until there was adequate infrastructure, economic stability or market and technological readiness. Therefore, the wider economic and social context should be taken into account in developing entrepreneurship education and training policies.

### **3.6.4 BALANCING WORK AND FAMILY LIFE**

Shelton (2006: 288) defined work-family conflict as a form of inter-role conflict arising because of pressures emanating from one role was incompatible with those from another role. O'Neill and Viljoen (2001: 39) said that married female entrepreneurs must be assisted with family commitments. Winn (2004: 151) further suggested that unless the work-family conflict cannot be resolved, barriers that women encounter

when pursuing their careers cannot be removed. It was important that the nature of parental or spousal support needed when starting a new venture was properly understood so as to provide adequate support to women.

### **3.7 ENTREPRENEURSHIP TRAINING AND EDUCATION**

According to Botha, Nieman and van Vuuren (2007: 163), the training and development of entrepreneurs was vitally important for any economy. However, there was a difference in the education and experience of males and females. Therefore women and men had different training needs. Women wanted guidance and advice on compiling a business plan, market research, identifying business and market opportunities, marketing and advertising, entrepreneurial skills, financial and cash-flow planning, empowerment and enrichment opportunities, networking opportunities, relationship building programmes, mentoring, counselling and advice on management, risks management and taxation issues.

According to Herrington *et al.* (2010: 45), informal entrepreneurs require basic literacy and numeracy skills training whereas formal businesses required training in skills such as how to keep records, budget, manage cash flow, maximise trade credit and writing of a business plan. In South Africa, it was necessary that appropriate entrepreneurship education be offered in all schools up to Grade 12. It was suggested that entrepreneurship education could positively influence learners in the following areas:

- Learners' self-confidence about their ability to start a business.
- Learners' understanding of financial and business issues.
- Learners' desire to start their own business.
- Learners' desire to undertake higher education.

In the 2009 report of the Global Education Initiative (Wilson, Mariotti, Rabuzzi, Volkman & Vyarnam, 2009: 13), it was agreed that education was one of the most important foundations for economic development and that entrepreneurship was a major driver of innovation and economic growth. Therefore economic development was very dependent on entrepreneurship education. The Global Education Initiative report further stated that exposure to entrepreneurship education must be part of an

individual's lifelong learning path, starting from youth and continuing through adulthood and into higher education. Unfortunately, Martinez *et al.* (2010: 9) indicated that in most countries, entrepreneurship training in both schools and on other levels was inadequate.

Martinez *et al.* (2010: 11) were of the opinion that the earlier people were exposed to entrepreneurship, the more likely they would become entrepreneurs in some form during their lives. Having said that, they also agreed that experiential learning was more effective for developing entrepreneurial skills and attitudes than methods such as lectures. Entrepreneurship education and training could create positive perceptions and desire among individuals to start a business, but changing existing school systems to include experiential learning takes time. Multidisciplinary business content and experiential approaches must be integrated into the various levels of basic training.

As stated in par 2.3.1 *supra*, Chowdhury and Endres (2005: 5) found that women had a lower self-efficacy than men and a higher self-efficacy was positively related to higher entrepreneurial activity. Therefore, education must focus on improving the female entrepreneur's actual knowledge as well as improving her level of self-efficacy. In other words, the more the woman thought she knew, the more likely she was to be entrepreneurial. It was thus clear that self-efficacy was closely related to self-beliefs about personal capabilities and therefore it made sense that business education must not only focus on improving actual knowledge of female entrepreneurs, but also their perception of their knowledge – meaning their self-efficacy must be improved.

### **3.8 SUMMARY**

In summary it can be said that women entrepreneurs faced unique barriers when trying to enter the entrepreneurship arena and once they took the step, they again had many unique challenges to overcome. These unique barriers and challenges were not unknown to authorities, but still not enough have been done to encourage and assist women to become entrepreneurs. Government programmes should focus on training and education for women entrepreneurs as well as aiding them with

balancing work and family life. Women entrepreneurs also needed assistance to obtain financial backing from financial institutions.

The fact of the matter remains that South Africa's unemployment rate was unacceptably high and it is known that entrepreneurship could be a solution to this problem. Much more effort should be put into training, educating, assisting and encouraging potential entrepreneurs to establish their own enterprises, as this was the only way South Africa could attain its economical and social goals.

# **CHAPTER 4**

## **RESULTS AND DISCUSSION OF THE EMPIRICAL STUDY**

### **4.1 INTRODUCTION**

To conduct empirical research, three activities are required namely: measurement, research design and analysis. The aim of *Measurement* is to obtain scores on measurement that correspond to the concepts studied. *Research design* establishes procedures on how to obtain participants and determines how scores are obtained on measures and *Analysis* is performed to describe the scores on single measures and specifically to identify relationships that may exist between scores across different measures.

In chapter one the research objectives and problem statement of this study were explained in detail. This chapter now endeavours to present the results of the empirical study, in context with the research objectives and design as described in chapter one as well as to present the results in relation to the broader problem statement. In order to give a meaningful presentation of the results, it is necessary that the discussion will contain the findings correlated to the questionnaire (*Appendix 2*). The discussion further contains the various methodological issues and considerations regarding the gathering of the data.

### **4.2 GATHERING OF DATA**

The gathering of data is divided into two parts, namely the development and construction of the questionnaire and information regarding data collection. This section also presents a thorough explanation of the various methodological issues and considerations regarding obtaining and handling the data used in the study.

#### **4.2.1 DEVELOPMENT AND CONSTRUCTION OF QUESTIONNAIRE**

The survey instrument used in the study was a standard questionnaire developed by the North West University, specifically the Potchefstroom Business School situated on the Potchefstroom Campus. Information regarding the questionnaire could either

be entered by the respondents, or the researcher could use it in a face to face interview with the respondent.

The questionnaire was divided into five sections and was developed from a literature review done on women entrepreneurship. It contained questions and items relevant to the initial research problem. Questions or items of the same kind or that seek the same kind of information, were categorised together. Refer to *Appendix 2* for a detailed layout of the questionnaire.

**Section A** was developed to gather data from respondents regarding their profiles and characteristics. Respondents had to indicate the applicable option with a cross (x). The following were covered:

- Age group.
- Marital status.
- Highest academic qualification.
- Number of children.
- Number of years in self-employment.

**Section B** was developed to measure the characteristics of women-owned businesses. Respondents had to indicate the applicable option with a cross (x). The characteristics measured included:

- The industry in which the business operates.
- The legal status of the business.
- The respondent's path to business ownership.
- The source of start-up funding.
- The business premises.
- The amount of permanent employees.
- Turnover generated annually.
- Exposure to business in childhood.

**Section C** was developed to determine which factors drove women entrepreneurs to start a business. The section included sixteen questions on personal motivating

factors and six questions on demographic factors. Respondents were asked to indicate the most applicable motivating factors with a cross (x) on a Likert scale ranging from one to seven. The scale indicated the level of agreement with one indicating “strongly disagree” and seven indicating “strongly agree”.

**Section D** was developed to measure obstacles towards women entrepreneurship during the start-up phase of the business and in the current running of the operation. Respondents were asked to indicate the most applicable motivating factors with a cross (x) on a Likert scale ranging from one to seven. The scale indicated the level of agreement with one indicating “strongly disagree” and seven indicating “strongly agree”.

**Section E** was developed to determine the development needs of the women entrepreneurs who participated in the study. Respondents had to indicate the applicable option with a cross (x).

The following questions were covered:

- Training or development offered by a government agency or the private sector.
- Development or assistance provided by organisations established specifically for women entrepreneurs.
- Specific needs.

#### **4.2.3 DATA COLLECTION**

As a result of the sampling method, a total of 120 printed copies of the questionnaires were distributed and 87 were fully completed and collected.

The study made use of the snowball sampling method, which is a convenience sampling method. Snowball sampling implies that initial subjects are requested to refer additional subjects. To initiate the snowball sampling, well-known women-owned businesses were contacted to generate a preliminary list of women-owned businesses. The women on this preliminary list acted as informants and identified other potential women-owned ventures for inclusion in the sample.

Questionnaires were distributed via e-mail and personal delivery to participants. The aim was to distribute questionnaires to a wide variety of business sectors. Business sectors included were: retail trade, restaurant and food industry, beauty and skin care, aviation services, marketing, financial services and education. The demographic area included selected areas in South Africa.

Questionnaires were collected from the respondents after three weeks. A total of 87 usable questionnaires were returned from the sample, which constitutes a response rate of 72.5%. Participants cited limited time available and busy work schedules as the main reasons for non-returns during the process.

The data collected was statistically analysed using Statistica 10 (Statsoft, 2011). The data from the questionnaires was coded and investigated and then transformed to useful outputs such as frequency tables. The frequency tables were used to draw conclusions and to make recommendations regarding the development of women entrepreneurs in South Africa.

## **4.3 BIOGRAPHICAL INFORMATION OF THE RESPONDENTS**

### **4.3.1 AGE GROUP CLASSIFICATION OF RESPONDENTS**

- **Purpose of question and results obtained**

The purpose of question A1, in Section A of the questionnaire (refer to Appendix 2) was to determine the age group category of respondents. The age groups of all women entrepreneurs that responded to the survey are presented in Table 4.1 below.

**Table 4.1: Age group classification of respondents**

Age group	Frequency	Percentage
20 – 29	5	5.75%
30 – 39	31	35.63%
40 – 49	38	43.68%
50 - 59	13	14.94%
<b>Total</b>	<b>87</b>	<b>100%</b>

- Analysis of the results**

The biggest categories in table 4.1 were represented by the 40 to 49 year age group (43.68%) and the 30 to 39 year age group (35.63%). The category 50 to 59 years represented 14.94% and the category 20 to 29 years represented only 5.75% of the year age group.

**4.3.2 MARITAL STATUS OF RESPONDENTS**

- Purpose of question and results obtained**

The purpose of question A2, in Section A of the questionnaire (refer to Appendix 2) was to determine the marital status of respondents. The results could be used to determine if there is any link between the marital status of the women and their path to self-employment. The marital status of all women entrepreneurs that responded to the survey are presented in table 4.2 below.

**Table 4.2: Marital status of respondents**

Marital status	Frequency	Percentage
Single	16	18.39%
Married	59	67.82%
Divorced	10	11.49%
Widowed	2	2.30%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

When analysing Table 4.2 it is evident that most (67.82%) female entrepreneurs who participated in the study were married. A total of 18.39% were single, 11.49% were divorced and 2.30% were widows.

#### 4.3.3 HIGHEST ACADEMIC QUALIFICATION OF RESPONDENTS

- **Purpose of question and results obtained**

The purpose of question A3, in Section A of the questionnaire (refer to Appendix 2) was to determine the highest academic qualification of the participants. The results could be utilised in determining the influence of previous education on the specific development needs of women entrepreneurs. The highest academic qualification of all the participating women entrepreneurs is presented in Table 4.3 below.

**Table 4.3: Highest academic qualification of respondents**

Highest academic qualification	Frequency	Percentage
Lower than matric	3	3.45%
Matric	13	14.94%
Certificate	16	18.39%
Diploma	18	20.69%
Degree	20	22.99%
Post graduate degree	14	16.09%
Missing	3	3.45%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

Table 4.3 indicates that a degree constituted the largest group of all responses, representing 22.99% of the respondents. The number of participants with a diploma qualification was very close, with 18 (20.69%). A total of three (3.45%) respondents indicated that they had a qualification lower than matric, 13 (14.94%) respondents had matric, 14 (16.09%) had a post graduate degree and three (3.45%), did not answer the question.

#### 4.3.4 NUMBER OF CHILDREN

- **Purpose of question and results obtained**

The purpose of question A4, Section A of the questionnaire (refer to Appendix 2) was to determine the number of children of the participants. The results could be utilised in determining if the number of children might have an influence on the path to business ownership or act as an obstacle in the form of family responsibility. The number of children of the participating women entrepreneurs is presented in Table 4.4 below.

**Table 4.4: Number of children of respondents**

<b>Number of children</b>	<b>Frequency</b>	<b>Percentage</b>
None	17	19.54%
1	13	14.94%
2	39	44.83%
3	14	16.09%
4	3	3.45%
5	1	1.15%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

The vast majority of the respondents (44.83%) had two children. A total of 17 (19.54%) respondents had no children, 14 (16.09%) had three children, 13 (14.94%) respondents had one child each, three (3.45%) had four children and one (1%) had five children.

**4.3.5 YEARS IN BUSINESS**

- **Purpose of question and results obtained**

The purpose of question A5, Section A of the questionnaire (refer to Appendix 2) was to determine the number of years in business. The number of years in business of all women entrepreneurs who responded to the survey is presented in Table 4.5 below.

**Table 4.5: Number of years in business**

<b>Number of years</b>	<b>Frequency</b>	<b>Percentage</b>
1 – 3 years	7	8.05%
4 – 5 years	18	20.69%
6 – 10 years	36	41.38%
10+ years	26	29.89%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

When analysing Table 4.5, it becomes evident that most women entrepreneurs (41.38%) have been in business between six and ten years. A total of seven (8.05%) have been in business between one and three years, 18 (20.69%) have been in business between four and five years and 26 (29.89%) have been in business for ten years or longer.

**4.4 BUSINESS INFORMATION ON THE PARTICIPATING WOMEN-OWNED BUSINESSES**

**4.4.1 INDUSTRY OPERATION**

- **Purpose of question and results obtained**

The purpose of question B1, in Section B of the questionnaire (refer to Appendix 2) was to obtain information on the industry that the women-owned businesses operated in. The question was included, because the sector might have an influence

on specific needs of the women-owned businesses as well as on policy implications. The economic sector of operation of the women-owned businesses in this study is presented in Table 4.6 below.

**Table 4.6: Industry operation**

<b>Industry</b>	<b>Frequency</b>	<b>Percentage</b>
Retail trade	13	14.94%
Manufacturing	10	11.49%
Construction	4	4.60%
Transport	1	1.15%
Accommodation	6	6.90%
Food	4	4.60%
Agriculture	1	1.15%
Services	30	34.48%
Other	5	5.57%
Missing	13	14.94%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

A total of 30 (34.48%) businesses, which represents the largest group in this study, operate in the services sector which includes financial services, health and beauty, education and training. The retail trade category was represented by 13 (14.94%) of the respondents. A total of 10 (11.49%) represented manufacturing, six (6.90%) represented the accommodation sector while five (5.75%) were involved in sectors classified as “other”. A total of four (4.60%) presented the construction industry as well as the food industry, while one business (1.15%) was involved in transport and one (1.15%) was involved in agriculture. Unfortunately 13 (14.94%) respondents did not indicate the industry they were operating in.

**4.4.2 LEGAL STATUS OF BUSINESSES**

- **Purpose of question and results obtained**

The purpose of question B2, in Section B of the questionnaire (refer to Appendix 2) was to obtain information on the legal status of the women-owned businesses that participated in the study. The legal status of the women-owned businesses might have an impact on the specific needs of the women entrepreneur. The legal status of the women-owned businesses in this study is presented in Table 4.7 below.

**Table 4.7: Legal status of businesses**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Sole proprietorship	26	29.89%
Partnership	1	1.15%
Close corporation	41	47.13%
Private Company	13	14.94%
Not registered	4	4.60%
Missing	2	2.30%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

The majority of businesses 41 (47.13%) operated as closed corporations. A total of 26 (29.89%) were sole proprietors, 13 (14.94%) registered as private companies, one (1.15%) was in partnership and four (4.60%) were not registered. Two (2.30%) did not respond to the question.

**4.4.3 PATH TO OWNERSHIP**

- **Purpose of question and results obtained**

The purpose of question B3, in Section B of the questionnaire (refer to Appendix 2) was to determine the path to business ownership of respondents. The path to business ownership of all women entrepreneurs that responded to the survey is presented in Table 4.8 below.

**Table 4.8: Path to ownership**

<b>Path to ownership</b>	<b>Frequency</b>	<b>Percentage</b>
Founded	67	77.01%
Joined family business	14	16.09%
Inherited business	3	3.45%
Other	1	1.15%
Missing	2	2.30%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

Table 4.8 indicates that 67 (77.01%) of the women entrepreneurs that participated in the study founded their businesses themselves. A total of 14 (16.09%) joined a family business, three (3.45%) inherited the business while one (1.15%) woman indicated she used a path categorised as “other”. Two respondents did not answer the question.

**4.4.4 BUSINESS PREMISES**

- **Purpose of question and results obtained**

The purpose of question B5, in Section B of the questionnaire (refer to Appendix 2) was to determine from which premises the women-owned businesses were operating from. The premises from where the women-owned businesses in this study are operating from are presented in Table 4.9 below.

**Table 4.9: Business premises**

<b>Business district</b>	<b>Frequency</b>	<b>Percentage</b>
Home-based	33	37.93%
Central Business District (CBD)	28	32.18%
Outlying business area	18	20.69%
Agricultural land	6	6.90%
Missing	2	2.30%
<b>Total</b>	<b>87</b>	<b>100%</b>

- Analysis of the results**

Table 4.10 indicates that 33 (37.93%) of the respondents operated their businesses from their homes. Twenty-eight (32.18%) were situated in the Central Business District, 18 (20.69%) operated from the outlying business area and six (6.90%) were situated in agricultural land. Two (2.30%) of the respondents did not answer this question.

**4.4.5 NUMBER OF PERMANENT EMPLOYEES**

- Purpose of question and results obtained**

The purpose of question B1, in Section B of the questionnaire (refer to Appendix 2) was to determine the number of permanent employees of the participating women-owned businesses. The number of employees is presented in Table 4.10 below.

**Table 4.10: Number of permanent employees**

<b>Number of permanent employees</b>	<b>Frequency</b>	<b>Percentage</b>
Myself	9	10.34%
2-4	35	40.23%
5-10	20	22.99%
11-25	13	14.94%
26-50	7	8.05%
51 - 100	1	1.15%
101-200	1	1.15%

Missing	1	1.15%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

The majority of businesses (40.23%) had between two and four employees. A total of 20 businesses (22.99%) had five to ten employees, 13 businesses (14.94%) had between 11 and 25 employees, while nine businesses (10.35%) had only the owner as employee. A total of seven businesses (8.05%) had between 26 to 50 employees, one business (1.15%) had between 51 and 100 employees, one business (1.15%) had between 101 and 200 employees and one respondent (1.15%) did not provide the necessary information.

#### 4.4.6 TURNOVER OF THE BUSINESS

- **Purpose of question and results obtained**

The purpose of question B7 in Section B of the questionnaire (refer to Appendix 2) was to obtain information on the financial success of the participating women-owned businesses. The annual turnover of the women-owned businesses in this study is presented in table 4.11 below.

**Table 4.11: Annual turnover of the business**

Annual turnover	Frequency	Percentage
Less than R30 000	2	2.30%
R30 000 to R50 000	6	6.90%
R50 000 to R100 000	6	6.90%
R100 000 to R500 000	26	29.89%
R500 000 to R1 000 000	15	17.24%
R1 000 000 to R5 000 000	17	19.54%
R5 000 000+	12	13.79%
Missing	3	3.45%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

A total of 26 women entrepreneurs (29.89%) indicated that they had a turnover of between R100 000 to R500 000. A total of 17 (19.54%) indicated a turnover of between R1 million and R5 million while 12 indicated a turnover of more than R5 million. A total of six women entrepreneurs (6.90%) had a turnover of between R30 000 to R50 000, six (6.90%) had a turnover of between R50 000 to R100 000 and two (2.30%) indicated a turnover of less than R30 000 per year. Three participants did not indicate their annual turnover.

#### 4.4.7 ROLE MODELS

- **Purpose of question and results obtained**

The purpose of question B8, in Section B of the questionnaire (refer to Appendix 2) was to determine whether the woman entrepreneur had a role model who influenced her to start her own business. Whether the women entrepreneur had a role model in her life is indicated in table 4.12 below.

**Table 4.12: Role models**

<b>Role models</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	38	43.68%
No	48	55.17%
Missing	1	1.15%
<b>Total</b>	<b>87</b>	<b>100%</b>

- **Analysis of the results**

Most of the women entrepreneurs 48 (55.17%) indicated that they were not influenced by a role model while 38 (43.68%) said they were influenced by a role model. Only one (1.15%) of the respondents did not provide an answer.

## 4.5 MOTIVATIONAL FACTORS

- **Purpose of question and results obtained**

The purpose of questions C1-15 in Section C of the questionnaire (refer to Appendix 2) was to determine the main motivational factors for women entrepreneurs entering self-employment. The results could be utilised to determine the influence of these motivational factors on the specific development needs of women entrepreneurs. The average or mean ( $\bar{x}$ ) and the standard deviation ( $s$ ) (variation around the mean) of each of the 15 items indicating motivational factors for entering self-employment are indicated in Table 4.13 below. The motivational factors are ranked from the highest to the lowest mean score.

**Table 4.13: Women entrepreneurship motivational factors**

<b>Motivation</b>	<b><i>n</i></b>	<b><math>\bar{x}</math></b>	<b><i>s</i></b>
Self-fulfilment	87	6.345	0.900
The need for independence	87	6.172	1.153
Need for a challenge	87	6.080	1.260
Confidence in the product/ service offered	87	6.080	1.260
Need for flexible work schedule	86	5.442	1.819
Desire for wealth	87	4.586	2.094
To develop my hobby	87	4.494	2.096
Role models and other people's influence (friends & family members)	87	4.356	2.057
Compatibility with family duties	86	4.302	2.087
Ensure high job security	87	4.092	2.072
Insufficient family income	87	3.828	2.120
Dissatisfaction with salaried jobs (job/ career frustration)	87	3.621	2.136
Redundancy (lost job, retrenchment)	87	2.184	1.756
Difficulty finding a job	87	2.172	1.747
Entered the family business	85	1.906	1.702

- **Analysis of the results**

Questions asked in Section C were based on a Likert type scale where 1 = “Strongly disagree” and 7 = “Strongly agree”. Thus, the relatively low numbers represent disagreement with the statement, while relatively high numbers represent agreement with the statement.

The respondents rated **Self-fulfilment** as the highest motivational factor. Participants indicated a mean of  $\bar{x} = 6.345$  for this statement. The other statements which also obtained high levels of agreement were **Need for independence** ( $\bar{x} = 6.172$ ), **Need for a challenge** ( $\bar{x} = 6.080$ ) and **Confidence in the product/ service offered** ( $\bar{x} = 6.080$ ).

Only one statement obtained an average mean between five and six, namely **Need for flexible work schedule** with an average mean of  $\bar{x} = 5.442$ .

There were five items which indicated average means between four and five. The factor, **Desire for wealth** indicated an average mean of  $\bar{x} = 4.586$ , **To develop my hobby** indicated an average mean of  $\bar{x} = 4.494$ , **Role models and other people’s influences** indicated an average mean of  $\bar{x} = 4.356$ , **Compatibility with family duties** indicated an average mean of  $\bar{x} = 4.302$  and **Ensure high job security** indicated an average mean of  $\bar{x} = 4.092$ .

The factor, **Insufficient family income** indicated an average mean of  $\bar{x} = 3.828$  while **Dissatisfaction with salaried jobs** indicated an average mean of  $\bar{x} = 3.621$ .

The statements which indicated an average mean higher than two were: **Redundancy** with an average mean of  $\bar{x} = 2.184$  and **Difficulty finding a job** with an average mean of  $\bar{x} = 2.172$ .

**Entered the family business** was the statement with the lowest agreement and yielded an average mean of  $\bar{x} = 1.906$ .

## 4.6 DEMOGRAPHICAL FACTORS

- **Purpose of question and results obtained**

The purpose of questions C17-21, in Section C of the questionnaire (refer to Appendix 2) was to determine the demographical factors which influenced women entrepreneurs. The responses again were set out on a Likert scale type questionnaire where 1 = “Strongly disagree” and 7 = “Strongly agree”. Demographical factors are reflected in Table 4.14 below. The results are ranked from the highest to the lowest mean score.

**Table 4.14: Demographical factors**

Category	<i>n</i>	$\bar{x}$	<i>s</i>
The area’s infrastructure adequately meet the needs of my business	80	4.950	1.735
The area is a source of ambient number of entrepreneurial opportunities	81	4.728	1.768
The area provides ambient network opportunities with other businesses	80	3.963	1.717
The area provides excellent base for export opportunities	80	3.875	1.679
The area has proper policies in place for enhancing women entrepreneurship in the region	81	3.383	1.765

- **Analysis of the results**

A high mean of  $\bar{x} = 4.950$  was calculated for the statement **The area’s infrastructure adequately meet the needs of my business**. This means that the participants have a high level of agreement with the statement. The respondents also have a high level of agreement with the statement **The area is a source of ambient number of entrepreneurial opportunities** ( $\bar{x} = 4.728$ ). A relatively high mean was also calculated for the rest of the statements, **The area provides ambient network opportunities with other businesses** ( $\bar{x} = 3.963$ ), **The area provides excellent**

base for export opportunities ( $\bar{x} = 3.857$ ) and The area has proper policies in place for enhancing women entrepreneurship in the region ( $\bar{x} = 3.383$ ).

#### 4.7 OBSTACLES TO BUSINESS START-UP

- **Purpose of question and results obtained**

The purpose of questions D1-13, in Section D of the questionnaire (refer to Appendix 2) was to accumulate information on the barriers that were faced by women entrepreneurs when entering their own business ventures. Questions asked in this section were based on a Likert type scale where 1 = “Strongly disagree” and 7 = “Strongly agree”. Thus, the relatively low numbers represent disagreement with the statement, while relatively high numbers represent agreement with the statement. Obstacles as experienced by participants during the start-up phase of their businesses are presented in Table 4.15 below. The results are ranked from the highest to the lowest mean score.

**Table 4.15: Obstacles during business start-up**

<b>Obstacles</b>	<b><i>n</i></b>	<b><math>\bar{x}</math></b>	<b><i>s</i></b>
Awareness/ access to business support	87	4.770	1.853
Lack of timely business information	87	4.540	1.717
Risk averse (great fear of failure)	87	4.310	2.087
Inequality of access to credit (difficult to obtain financing as a female)	87	4.230	2.039
Inter-role conflict (work/home conflict)	87	4.184	2.026
Family pressures (gender-role expectations)	87	4.115	1.967
Lack of business management skills	87	4.034	2.026
Isolation from business network	87	4.023	1.791
Legislative (lack of focussed women entrepreneurship policies from regional municipalities or government)	87	3.989	1.846
Socio-cultural environment (lack of respect from male community and stereotype)	87	3.759	2.080
Lack of self-confidence	86	3.721	2.140
Lack of female role models	87	3.690	1.978
Lack of education and training (in general)	87	3.586	2.003

- **Analysis of the results**

All thirteen statements as reflected in Table 3.16 indicated relative high levels of agreement. The statement with the lowest mean is **Lack of education and training** ( $\bar{x} = 3.586$ ) and the statement with the highest mean is **Awareness/ access to business support** ( $\bar{x} = 4.770$ ). This means that the respondents rated **Awareness/ access to business support** as the biggest obstacle in their way of starting their own business.

The other statements which also yielded relative high levels of agreement are, **Lack of timely business information** ( $\bar{x} = 4.540$ ), **Risk averse** ( $\bar{x} = 4.310$ ), **Inequality of access to credit** ( $\bar{x} = 4.230$ ), **Inter role conflict** ( $\bar{x} = 4.184$ ), **Family pressures** ( $\bar{x} = 4.115$ ), **Lack of business management skills** ( $\bar{x} = 4.034$ ) and **Isolation from business network** ( $\bar{x} = 4.023$ ).

The average mean for the rest of the statements were calculated as **Legislative** ( $\bar{x} = 3.989$ ), **Socio-cultural environment** ( $\bar{x} = 3.759$ ), **Lack of self-confidence** ( $\bar{x} = 3.721$ ) and **Lack of female role models** ( $\bar{x} = 3.690$ ).

## **4.8 OBSTACLES CURRENTLY FACED IN BUSINESS**

- **Purpose of question and results obtained**

The purpose of questions D15-26, in Section D of the questionnaire (refer to *Appendix 2*) was to accumulate a body of knowledge on the current obstacles faced by women entrepreneurs while they are operating their own business ventures. Questions asked in this section were based on a Likert type scale where 1 = “Strongly disagree” and 7 = “Strongly agree”. Thus, the relatively low numbers represent disagreement with the statement, while relatively high numbers represent agreement with the statement. Obstacles that the respondents experienced in their current business operations are reflected in Table 4.17 below. The results are ranked from the highest to the lowest mean score.

**Table 4.16: Obstacles currently faced in business**

<b>Obstacles</b>	<b><i>n</i></b>	<b><math>\bar{x}</math></b>	<b><i>s</i></b>
Liquidity and other financial problems	86	3.512	1.807
Awareness/ access to business support	86	3.360	1.946
Lack of business management skills	86	3.337	1.766
Isolation from business network	86	3.186	1.732
Inter role conflict (work/ home conflict)	86	3.093	2.033
Lack of female role models	86	3.047	2.005
Family pressures (gender-role expectations)	86	3.000	1.847
Socio-cultural environment (lack of respect from male community and stereotype)	86	2.977	1.885
No time for training/ upgrading of skills	86	2.942	1.862
Gaining acceptance/ respect of people (internally and externally)	86	2.663	1.895
Lack of timely business information	86	2.570	1.712

- **Analysis of the results**

Participants indicated that **Liquidity and other financial problems** as currently the largest constraint they have to face, while running their businesses. The average mean for this statement was calculated on  $\bar{x} = 3.512$ .

The statements which also indicated levels of agreement with average mean values all higher than three were: **Awareness/access to business support** ( $\bar{x} = 3.360$ ), **Lack of business management skills** ( $\bar{x} = 3.337$ ), **Isolation from business network** ( $\bar{x} = 3.186$ ), **Inter role conflict** ( $\bar{x} = 3.093$ ), **Lack of female role models** ( $\bar{x} = 3.047$ ) and **Family pressures** ( $\bar{x} = 3.000$ ).

The statement with the lowest level of agreement was **Lack of timely business information**. The average mean for this statement was calculated as  $\bar{x} = 2.570$ . The rest of the statements in this section also indicated average mean levels lower than two, **Socio-cultural environment** ( $\bar{x} = 2.977$ ), **No time for training/ upgrading of skills** ( $\bar{x} = 2.942$ ) and **Gaining acceptance/ respect of people** ( $\bar{x} = 2.66$ ).

## 4.9 DEVELOPMENT NEEDS OF ENTREPRENEURS

### 4.9.1 TRAINING OR DEVELOPMENT BY EITHER A GOVERNMENT AGENCY OR THE PRIVATE SECTOR

- **Purpose of question and results obtained**

The purpose of question E1 of the questionnaire (Refer to *Appendix 2*) was to obtain information on whether the woman entrepreneur has been trained or developed by either a government agency or the private sector. The results obtained are presented in table 4.17 below.

**Table 4.17: Training and development by a government agency or the private sector**

Training provided	Yes	No	No response
Have you ever been trained or developed by either a government agency or the private sector	37	46	4

- **Analysis of results**

Of the 83 respondents to this question, 37 indicated that they have been trained or developed by a government agency or by the private sector, 46 indicated that they have not been trained or developed and 4 did not answer the question.

### 4.9.2 THE TYPE OF TRAINING RECEIVED

- **Purpose of the question and results obtained**

The purpose of the second part of question E3 of the questionnaire (Refer to *Appendix 2*) was to determine what type of training the woman entrepreneur received from either a government agency or the private sector. The type of training is represented in table 4.18 below.

**Table 4.18: Type of training**

Type of training	N
Technical skills (i.e. hand crafting)	22
Communication skills	20
Accounting skills	24
Management skills	29
Technological skills (computers)	19

- **Analysis of the results**

From the 37 who indicated they have received training, the majority (29) received training in Management Skills and 26 received training in Accounting skills. Out of the 37 who received training, 22 received training in Technical skills, 20 received training in Communication Skills and 19 received training in Technological skills (computer skills).

#### **4.9.3 ORGANISATION SPECIFICALLY ESTABLISHED FOR WOMEN ENTREPRENEURS**

- **Purpose of question and results obtained**

The purpose of question E2 was to determine whether women entrepreneurs are aware of any organisation which is specifically established for women entrepreneurs. The results are presented in Table 4.19 below.

**Table 4.19: Knowledge of any organisation specifically established for women entrepreneurs**

Knowledge of organisation established	Yes	No	No response
Do you know any organisation which is specifically established for women entrepreneurs	17	67	3

- **Analysis of results**

The vast majority of respondents (67) were not aware of any organisation which was specifically established for women entrepreneurs. Only 17 respondents indicated a positive reaction and three did not answer the question.

#### **4.9.4 HOW ORGANISATIONS HELP WOMEN ENTREPRENEURS IN THEIR ACTIVITIES**

- **Purpose of question and results obtained**

The purpose of the second part of question E2 in the questionnaire (Refer to *Appendix 2*) was to obtain a body of knowledge on exactly how the organisations which were established for women entrepreneurs manage to assist them. The assistance provided by organisations for women entrepreneurs are presented in Table 4.20 below.

**Table 4.20: How the organisation helps to develop women entrepreneurs in their activities**

<b>Assistance provided</b>	<b>N</b>
Provides education and training	16
Provides financial assistance	8
Supports/enables networking with other women entrepreneurs	19
Provides access/exposure to motivational speakers/role models	13
Provides business information	17

- **Analysis of results**

Of the women entrepreneurs who responded to the question, 19 indicated that the organisations support/enable networking with other women entrepreneurs. A total of 17 indicated that the organisations provide business information while 16 indicated they provide education and training. Only 13 participants indicated that the organisations provide access to motivational speakers/role models and eight were provided with financial assistance.

#### 4.9.5 SPECIFIC NEEDS OF WOMEN ENTREPRENEURS

- **Purpose of question and results obtained**

The purpose of question E3 was to understand the exact needs of the women entrepreneurs who participated in the study. The specific needs are presented in Table 4.21 below.

**Table 4.21: Specific needs**

<b>Specific needs</b>	<b>N</b>
Financial support	40
Training/knowledge/skills	27
Tools, equipment, machinery	24
Business advice, information, counselling, mentoring	34
Marketing support	53
Suitable business premises	12
Growth support	30
Technical support	11
Psychological support	11
Networking with other business owners	40
Infrastructure (roads, telephone, electricity)	12
Legal support	18
Women entrepreneurship specific based policies for the area	28

- **Analysis of results**

The majority of participants (53) indicated a need for marketing support. From the 87 participants almost half (40) indicated that they need financial support and 40 also indicated that they need assistance to network with other business owners. A total of 34 women entrepreneurs have a need for business advice, 30 need assistance with growth support and 28 need specific based policies for the area. A total of 27 indicated a need for training/knowledge/skills, 24 need tools or equipment and 18 require legal support. Only 12 indicated assistance with infrastructure while 11 need technical support and 11 also needed psychological support.

## 4.10 SUMMARY

In this chapter the results of the empirical study, in context with the research objectives and design were presented in the form of frequency tables.

The survey data which were gathered, included information on the biographical information of the women entrepreneurs, the structure of the women-owned businesses, motivational factors to enter entrepreneurship and obstacles faced by women entrepreneurs at start-up phase and while running their businesses.

The survey data on the biographical information of all the women entrepreneurs included the age group, marital status, highest academic qualification and number of years self-employed.

The survey data on the structure of the women-owned businesses included the industry of operation, legal status of the business, path to business ownership, source of start-up funding, business premises, number of permanent employees, annual turnover and role models.

The section which was developed to determine which factors drove women entrepreneurs to start a business included sixteen questions on personal motivating factors and six questions on demographic factors.

This was followed by a section which was designed to measure obstacles towards women entrepreneurship during the start-up phase of the business and in the current running of the operation.

The last section focussed on whether the entrepreneurs have received any training or development, whether they were aware of any support offered and exactly what their training and development needs were.

In the following Chapter five, a profile on women entrepreneurship in selected areas in South Africa is constructed. The information gathered by the survey as described in this chapter will form the basis of this profile.

# **CHAPTER 5**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

Women entrepreneurship still remains a relative unexplored field of study in South Africa. The purpose of this chapter is to conclude the empirical study by drafting a profile of the typical woman entrepreneur in selected areas in South Africa. This chapter will further suggest tangible recommendations to facilitate women entrepreneurship development in this region, followed by a critical evaluation of the study.

### **5.2 CONCLUSIONS ON THE EMPIRICAL STUDY**

From the results obtained in the study done in Chapter 4, the following conclusions depict a woman entrepreneur in the selected areas in South Africa.

#### **5.2.1 BIOGRAPHICAL INFORMATION RESULTS**

Most of the women entrepreneurs who participated in the study fall between the ages 30 – 49 years and most of them are married, with two children. She is educated with a qualification of matric, a certificate, diploma, degree or even a post graduate degree. A very small percentage of the participants indicated that she has a qualification lower than matric. She has been in the business between six and ten years or longer and this correlates with the finding that she is not a young girl straight out of school.

#### **5.2.2 BUSINESS INFORMATION ON THE PARTICIPATING WOMEN-OWNED BUSINESSES**

By far the majority of entrepreneurs that participated in this study are in the services sector. The second sector of choice is retail trade. The next sector of choice is manufacturing. Unfortunately a relative large percentage (14.94%) did not provide an answer to the question.

The legal status of the woman entrepreneur is a closed corporation or she is in a sole proprietorship. This is supported by the finding mostly she founded the business herself. Most businesses are home based, however a significant percentage are situated in the Central Business District or at least in the outlying business area.

The woman entrepreneur does not operate a large scale business as she has mostly between two and 25 permanent employees. The majority of businesses have an annual turnover of between R100 000 and R500 000 which could be interpreted as supporting the finding that the businesses are not large. However, quite a significant percentage indicated an annual turnover of between R1 000 000 and R5 000 000 while 13.79% indicated a turnover of more than R5 000 000. This means that the size of the business does not necessarily indicate to a business which is less successful.

The question on whether the woman entrepreneur has a role model did not provide satisfactory results as most (55.17%) indicated that they do not have a role model, but then the percentage of women who do have a role model came to 43.68% which means there is not a significant difference between them.

### **5.2.3 MOTIVATIONAL FACTORS**

The woman entrepreneurs who participated in this study are motivated more by pull factors than by push factors (Mallon and Cohen 2001: 218). She listed the most important reasons for starting her own business as a need for self-fulfilment, the need for independence, need for a challenge and confidence in the product or service that she offers. Push factors such as compatibility with family duties, job security and insufficient family income are listed much lower on her scale of motivational factors.

### **5.2.4 DEMOGRAPHICAL FACTORS**

The average woman entrepreneur in the selected areas feels that the infrastructure available to meet her business needs is adequate and that the area where she operates is a source of ambient number of entrepreneurial opportunities. She does

not believe that there are proper policies in place in the region or that the area serves as a base for export opportunities.

### **5.2.5 OBSTACLES TO BUSINESS START-UP**

The woman entrepreneur considers the lack of awareness/ access to business support, lack of timely business information, fear of failure, inequality of access to credit and inter-role conflict as her top five obstacles. She does not consider lack of training or education as a huge obstacle and this corresponds with the biographical findings which depicts her as an educated woman. The woman entrepreneur lists socio-cultural environment, legislation and lack of self-confidence as lesser obstacles.

### **5.2.6 DEVELOPMENT NEEDS OF ENTREPRENEURS**

Most of the women entrepreneurs have not been trained by either a government agency or the private sector. Those that have been trained received training in Management Skills while the majority indicated a need for training in Marketing Support. They also indicated a serious need for training in Financial Support. The vast majority were not aware of any organisations specifically established for women entrepreneurs. Those who were aware of these organisations indicated that they mostly received networking support from them.

## **5.3 RECOMMENDATIONS**

The Department of Trade and Industry (2005: 24) identified the following areas for support programmes to be developed:

- Providing of business information.
- Entrepreneurship training and education.
- Access to financing.
- Access to international trade.
- Access to research and statistics.
- Economic literacy development and capacity building of rural women.

In view of the results found in this paper, it is recommended that more emphasis be put on the provision of business information and access to research and statistics. Information is a key resource for any business man or woman. The information required can relate to markets, suppliers, technology and networks. Networking is key to the success of a business as it can provide access to information, new customers and suppliers.

The women who participated in the study clearly indicated that they need assistance to access finance and it is therefore recommended that much more effort be put into financing programmes. The policies formulated to enhance women's access to credit must be guided by proper research. However, these strategies and policies will have no effect if they are not supported by the implementation of specific, practical plans.

The women entrepreneurs cited lack of access to international trade as a stumbling block and it is thus recommended that effective programmes be developed to improve women's opportunities in the exporting arena.

This study did not find training and education a major challenge for women entrepreneurs, but this is by no means an indication that such programmes are not necessary. It is recommended that training initiatives be structured in such a way that they focus on the specific needs of the woman entrepreneur. These initiatives should include basic business skills such as marketing, budgeting, costing and general management as well as confidence building of women. Training programmes should not only train existing or potential women entrepreneurs but should also make efforts to reach girls in order to encourage them to become entrepreneurs.

Despite the fact that the South African government has established organisations to assist women entrepreneurs, the women still complain that they do not have any support. It is therefore strongly recommended that these organisations improve on their communication efforts and embark on focussed outreach programmes to make contact with the women entrepreneurs in the country. These outreach and communication programmes must address the awareness of women based institutions, since many women are not aware of the services offered by them. On

the other hand the institutions must first gather information on the specific constraints and needs of the woman entrepreneur before attempting to assist her.

Strategies developed to enhance women entrepreneurship must not only have a national perspective, but must also specifically and clearly focus on women entrepreneurs at municipal and rural level. It is of utmost importance that policies should also focus on encouraging the adoption of an entrepreneurial culture among potential women entrepreneurs and among youth in general, as they are the future entrepreneurs.

## **5.4 CRITICAL EVALUATION OF THE STUDY**

The success of this study is based upon realising the primary and secondary objectives, as indicated in section 1.3 of this study.

### **5.4.1 PRIMARY OBJECTIVES RE-VISITED**

The primary objective of this study was to assess women entrepreneurship in South Africa and to make practical recommendations to enhance women entrepreneurship in South Africa. To address the primary objective, the secondary objectives were formulated.

### **5.4.2 SECONDARY OBJECTIVES RE-VISITED**

- To gain insight into women entrepreneurship by means of a literature study.
- To study the profile of women entrepreneurs in South Africa.
- To determine what motivate women to start their own business.
- To investigate the obstacles and socio-cultural norms that affect women entrepreneurial activities in South Africa.
- To study the unique elements that South Africa offers the women entrepreneur.
- To determine the unique challenges women face in starting and growing a business.
- To examine development and support programs with regard to women entrepreneurs in South Africa.
- To determine the needs of women entrepreneurs in South Africa.

- To contribute to the development of entrepreneurship in South Africa.

The first secondary objective namely, **To gain insight into women entrepreneurship** by means of a literature study was achieved through a comprehensive literature study in chapter two and chapter three. Chapter two gave an overview of entrepreneurship while chapter three focussed on the woman entrepreneur. These chapters supplied a structured understanding of women entrepreneurship.

The second secondary objective, **To study the profile of women entrepreneurs in South Africa** was realised through the empirical research discussed in chapter four and then concluded in chapter five.

The third secondary objective, **To determine what motivate women to start their own business** was achieved by both the literature reviews in chapters two and three as well as the detailed empirical research discussed in chapter four and concluded in chapter five.

The fourth secondary objective, **To investigate the obstacles and socio-cultural norms that affect women entrepreneurial activities in South Africa** was realised through the detailed empirical research discussed in chapter four and concluded in chapter five.

The fifth secondary objective, **To study the unique elements that South Africa offers the women entrepreneur** was realised through the detailed empirical research discussed in chapter four and concluded in chapter five.

The sixth secondary objective, **To determine the unique challenges women face in starting and growing a business** was achieved through a comprehensive literature study in chapters two and three.

The seventh secondary objective, **To examine development and support programs with regard to women entrepreneurs in South Africa** was realised through the detailed empirical research discussed in chapter four and concluded in chapter five.

The eighth secondary objective, **To determine the needs of women entrepreneurs in South Africa** was realised through the detailed empirical research discussed in chapter four and concluded in chapter five.

The last objective, **To contribute to the development of entrepreneurship in South Africa** was achieved through the results obtained during the empirical research discussed in chapter four and concluded in chapter five. The results of this empirical research led to the development of practical recommendations as presented in this chapter.

Through the achieving of all secondary objectives it can therefore be concluded that the primary objective namely, **To assess women entrepreneurship in South Africa and to make practical recommendations to enhance women entrepreneurship** was achieved.

## **5.5 SUGGESTIONS FOR FUTURE RESEARCH**

The fact that there were some discrepancies between the results found in this study and research provided in the literature study serves as enough motivation that further research on women entrepreneurship in South Africa is needed. It is recommended that the further research be conducted to aid a structured understanding of the broader issues on this subject at a grass root level. The following topics concerning women entrepreneurship in South Africa deserve to be investigated further:

- The effectiveness of government initiatives to support women entrepreneurship.
- Women culture and entrepreneurship.
- Financing of women-owned businesses.
- Strategies for growth in women-owned enterprises.
- Specific needs to be addressed in training and education programmes for women entrepreneurs.
- The development of an entrepreneurial spirit in women.
- Improving effective information dissemination to women entrepreneurs.
- Strengthening women entrepreneurs' participation in the international trading market.

- The study of successful and unsuccessful women entrepreneurs.
- The link between education and being a successful entrepreneur.

## **5.6 SUMMARY**

The purpose of this chapter was to conclude on the empirical study by compiling a profile of the woman entrepreneur of selected areas in South Africa. A detailed description of the woman entrepreneur was presented by means of the biographical information. This was followed by the structure of a woman owned business and then the motivational factors to enter self-employment. The obstacles faced during the start-up phase and finally the developmental needs of the woman entrepreneur were presented.

The empirical research resulted in the formulation of recommendations to enhance women entrepreneurship in South Africa. The study was then evaluated critically to determine whether the research objectives were achieved. Finally some suggestions for further research were made.

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## APPENDIX 1

### EUROPEAN MEMBER COUNTRIES

Austria	Belgium	Bulgaria	Cyprus	Germany
Denmark	Estonia	Finland	France	Latvia
Greece	Hungary	Ireland	Italy	Poland
Lithuania	Luxemburg	Malta	Netherlands	Sweden
Portugal	Romania	Slovakia	Spain	Slovenia
United Kingdom	Czech Republic			

**WOMEN ENTREPRENEURSHIP QUESTIONNAIRE**



Private Bag X6001  
Potchefstroom Campus  
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Potchefstroom  
2520

Code number:

**QUESTIONNAIRE:  
WOMEN ENTREPRENEURSHIP  
DEVELOPMENT IN SEDIBENG**

**CONTACT DETAILS:**

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# WOMEN ENTREPRENEURSHIP DEVELOPMENT QUESTIONNAIRE

**PLEASE NOTE:**

This questionnaire must only be completed by women entrepreneurs in the Sedibeng District.

All information will be treated as **STRICTLY CONFIDENTIAL** and will only be used for academic purposes.

**Instructions for completion:**

1. Please answer the questions as objectively and honestly as possible.
2. Place a cross (x) in the space provided at each question which reflects your answer the most accurately. Use the following key: **1** = Strongly disagree; **2** = Disagree; **3** = Slightly disagree; **4** = Neutral view; **5** = Slightly agree; **6** = Agree; **7** = Strongly agree.

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>B7</b>	Sedibeng Municipality is assisting adequately in the needs of especially women entrepreneurs.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>X</b>	<b>6</b>	<b>7</b>

It is essential you indicate your choice clearly with a **pen**.

3. Where asked for comments or to express your own opinion, keep answers short and to the point.
4. Please answer all the questions, as this will provide more information to the researcher so that an accurate analysis and interpretation of data can be made.

Thank you for your co-operation. We hope that you will find the questionnaire interesting and stimulating.

### SECTION A: PERSONAL INFORMATION

The following information is needed to help us with the statistical analysis of the data for comparisons among different businesses. All your responses will be treated confidentially. We appreciate your help in providing this important information.

**Mark the applicable block with a cross (X). Complete the applicable information.**

<b>A1</b>	<b>In which age group do you fall?</b>	≤ 19	20 - 29	30 - 39	40 - 49	50 - 59	60+
		(01)	(02)	(03)	(04)	(05)	(06)

<b>A2</b>	<b>What is your marital status?</b>	Single	Married	Divorced	Widowed
		(01)	(02)	(03)	(04)

<b>A3</b>	<b>Indicate your highest academic qualification.</b>	
	Lower than matric	(01)
	Matric	(02)
	Certificate	(03)
	Diploma (Technical College or Technicon)	(04)
	University degree	(05)
	Postgraduate degree	(06)

<b>A4</b>	<b>Indicate the number of children that you have.</b>	
	None	(01)
	One (1) child	(02)
	Two (2) children	(03)

Three (3) children		(04)
Four (4) children		(05)
Five (5) children		(06)

<b>A5</b>	<b>Indicate the number of years that you are self-employed.</b>	
	Less than one (1) year	(01)
	1 –3 years	(02)
	4 – 5 years	(03)
	6 – 10 years	(04)
	More than 10 years. <b>Please specify:</b>	(05)

## SECTION B: BUSINESS INFORMATION

**Mark the applicable block with a cross (X). Complete the applicable information.**

<b>B1</b>	<b>In which industry does your business operate?</b>	
	Retail trade	(01)
	Wholesale trade	(02)
	Manufacturing	(03)
	Construction	(04)
	Transport/distribution	(05)
	Accommodation and restaurant (guest houses, hotel)	(06)
	Food industry	(07)
	Agriculture/forestry/fishing	(08)
	Services <b>(Please specify the type of service)</b>	(09)
	Other: <b>(Please specify)</b>	(10)

<b>B2</b>	<b>Indicate the legal status of your business (form of business ownership).</b>	
	Sole proprietorship	(01)
	Partnership	(02)
	Close corporation	(03)
	Company (private)	(04)
	Company (public)	(05)
	Business Trust	(06)
	Not registered	(07)
	Other: <b>(Please specify)</b>	(08)

<b>B3</b>	<b>Indicate your path to business ownership.</b>	
	Started (founded) the business	(01)
	Purchase the business	(02)
	Join the family business	(03)
	Inherited the business (from the family)	(04)
	Other: <b>(Please specify)</b>	(05)

<b>B4</b>	<b>Indicate your source of start-up funding.</b>	
	Personal savings	(01)
	Borrowed or gifted(donated) from relative or friend	(02)
	Household/spouse	(03)
	Sold previous business	(04)
	Bank loan	(05)
	Other: <b>(Please specify)</b>	(06)

<b>B5</b>	<b>Indicate the business premises (from where does the business operates?).</b>	
	From home (home-based)	(01)
	Central business district (CBD)	(02)
	Outlying business area	(03)
	Industrial area	(03)
	Agriculture land	(04)
	Other: <b>(Please specify)</b>	(05)

<b>B6</b>	<b>How many permanent employees are employed by your business?</b>							
	Myself	2-5	6-10	11-25	26-50	51-100	101-200	200+
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)

<b>B7</b>	<b>Indicate the turnover (annual sales) that your business generates.</b>	
	Less than R30 000	(01)
	R30 000 – R50 000	(02)
	R50 000 – R100 000	(03)
	R100 000 – R500 000	(04)
	R500 000 – R1 million	(05)
	R1 million – R5 million	(06)
	R5 million+	(07)

<b>B8</b>	<b>Did you have any exposure to business in your childhood? (i.e. parents, close family friend owned a business).</b>	<u>Yes</u> (01)	<u>No</u> (02)
	<b>If yes, who owned the business? (Please specify – i.e. father, mother, sibling, family friend, close friend.)</b>		

## SECTION C: MOTIVATIONAL FACTORS

The purpose of this section is to determine which factors drove female entrepreneurs to enter into their own business ventures.

**Indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).**

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>MOTIVATION FOR ENTERING SELF-EMPLOYMENT OR TO START OWN BUSINESS</b>								
<b>C1</b>	The need for independence	1	2	3	4	5	6	7
<b>C2</b>	Need for flexible work schedule	1	2	3	4	5	6	7
<b>C3</b>	Need for a challenge	1	2	3	4	5	6	7
<b>C4</b>	Self-fulfilment	1	2	3	4	5	6	7
<b>C5</b>	To develop my hobby	1	2	3	4	5	6	7
<b>C6</b>	Role models and other people's influences (friends & family members)	1	2	3	4	5	6	7
<b>C7</b>	Redundancy (lost your job, retrenchment)	1	2	3	4	5	6	7
<b>C8</b>	Difficulty finding a job	1	2	3	4	5	6	7
<b>C9</b>	Dissatisfaction with salaried jobs (job/ career frustration)	1	2	3	4	5	6	7
<b>C10</b>	Compatibility with family duties	1	2	3	4	5	6	7
<b>C11</b>	Insufficient family income	1	2	3	4	5	6	7
<b>C12</b>	Desire for wealth	1	2	3	4	5	6	7
<b>C13</b>	Ensure high job security	1	2	3	4	5	6	7
<b>C14</b>	Entered the family business	1	2	3	4	5	6	7
<b>C15</b>	Confidence in the product/service	1	2	3	4	5	6	7

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
	offered.							
<b>C16</b>	Others ( <b>Please specify</b> )							

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>DEMOGRAPHIC ASPECTS</b>								
<b>C17</b>	Sedibeng is a source of ambient number of entrepreneurial opportunities.	1	2	3	4	5	6	7
<b>C18</b>	Sedibeng has proper policies in place for enhancing women entrepreneurship in the region.	1	2	3	4	5	6	7
<b>C19</b>	The Sedibeng region provides ambient network opportunities with other businesses.	1	2	3	4	5	6	7
<b>C20</b>	Sedibeng infrastructure (electricity, water, road network) adequately meet the needs of my business.	1	2	3	4	5	6	7
<b>C21</b>	Sedibeng provides excellent base for export opportunities.	1	2	3	4	5	6	7
<b>C22</b>	<b>Other</b> aspects of Sedibeng that motivated you in starting your business in this region.							

## SECTION D: OBSTACLES TOWARDS WOMEN ENTREPRENEURSHIP

The presence of different institutional, financial, market and social barriers has for long discouraged women to start and run their own business and many believe that those barriers still exist today. The purpose of this section is to accumulate a body of knowledge of barriers that were faced by current female entrepreneurs in entering and running their own business ventures.

**Indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).**

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>FACTORS (OBSTACLES) THAT INHIBIT THE FEMALE ENTREPRENEUR TO <u>START</u> HER OWN BUSINESS</b>								
<b>D1</b>	Inter role conflict (work/home conflict)	1	2	3	4	5	6	7
<b>D2</b>	Family pressures (gender-role expectations)	1	2	3	4	5	6	7
<b>D3</b>	Awareness/ Access to business support	1	2	3	4	5	6	7
<b>D4</b>	Lack of timely business information	1	2	3	4	5	6	7
<b>D5</b>	Lack of female role models	1	2	3	4	5	6	7
<b>D6</b>	Isolation from business network	1	2	3	4	5	6	7
<b>D7</b>	Socio-cultural environment (lack of respect from male community and stereotype)	1	2	3	4	5	6	7

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>D8</b>	Lack of business management skills	1	2	3	4	5	6	7
<b>D9</b>	Lack of education and training (in general)	1	2	3	4	5	6	7
<b>D10</b>	Inequality of access to credit (difficult to obtain financing as a female)	1	2	3	4	5	6	7
<b>D11</b>	Lack of self-confidence	1	2	3	4	5	6	7
<b>D12</b>	Risk averse (great fear of failure)	1	2	3	4	5	6	7
<b>D13</b>	Legislative (lack of focussed women entrepreneurship policies from regional municipalities or government)	1	2	3	4	5	6	7
<b>D14</b>	Other ( <b>Please specify</b> )							

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>FACTORS (OBSTACLES) YOU ARE FACING <u>CURRENTLY</u> IN RUNNING YOUR BUSINESS</b>								
<b>D15</b>	Inter role conflict (work/home conflict)	1	2	3	4	5	6	7
<b>D16</b>	Family pressures (gender-role expectations)	1	2	3	4	5	6	7

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>D17</b>	Awareness/ Access to business support	1	2	3	4	5	6	7
<b>D18</b>	Lack of timely business information	1	2	3	4	5	6	7
<b>D19</b>	Lack of female role models	1	2	3	4	5	6	7
<b>D20</b>	Isolation from business network	1	2	3	4	5	6	7
<b>D21</b>	Socio-cultural environment (lack of respect from male community and stereotype)	1	2	3	4	5	6	7
<b>D22</b>	Lack of business management skills	1	2	3	4	5	6	7
<b>D23</b>	Liquidity and other financial problems	1	2	3	4	5	6	7
<b>D24</b>	Gaining acceptance/respect of people (internally and externally)	1	2	3	4	5	6	7
<b>D25</b>	No time for training/upgrading of skills	1	2	3	4	5	6	7
<b>D26</b>	Other ( <b>Please specify</b> )							

## SECTION E: DEVELOPMENT NEEDS OF ENTREPRENEURS

Mark the applicable block with a cross (x). Complete the applicable information

E1	HAVE YOU EVER BEEN TRAINED OR DEVELOPED BY EITHER A GOVERNMENT AGENCY OR THE PRIVATE SECTOR?	Yes	No
	If yes, name the institution:		
	Indicate the type of training that you received.		
	Technical skills (i.e. hand crafting)		
	Communication skills		
	Accounting skills		
	Management skills		
	Technological skills (computers)		
	Other: <b>(Please specify)</b>		

E2	Do you know any organisation which is specifically established for women entrepreneurs?	Yes	No
	If yes, what is the name of that organisation?		
	How does the organisation help to develop women entrepreneurs in their activities? (Choose one or more.)		
	Provides education and training		

Provides financial assistance	
Supports/enables networking with other women entrepreneurs	
Provides access/exposure to motivational speakers/role models	
Provides business information	
Other: <b>(Please specify)</b>	

<b>E3</b>	<b>Indicate your specific needs. (Choose one or more.)</b>
	Financial support
	Training/knowledge/skills
	Tools, equipment, machinery
	Business advice, information, counselling, mentoring
	Marketing support
	Suitable business premises
	Growth support
	Technical support
	Psychological support
	Networking with other business owners
	Infrastructure (roads, telephone, electricity)
	Legal support
	Women entrepreneurship specific based policies for the area
	Other: <b>(Please specify)</b>

**THANK YOU FOR YOUR TIME.**