South African female entrepreneurs' intention to remain in business

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DECLARATION

I, Natanya Meyer declare that

South African female entrepreneurs' intention to remain in business

is my own work, where all of the resources have been acknowledged and quoted by way of complete references. This study has correspondingly not been submitted for previous assessment for postgraduate studies at any other university.

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Natanya Meyer

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SUMMARY

Keywords: Entrepreneurship, females, intention to remain, growth, South Africa.

Entrepreneurship has become a well-known topic amongst various stakeholders, to the extent that it is considered by international and national researchers and policy formulators as the link to increased and sustained economic development and growth. This is particularly true for developing countries where poverty and high unemployment rates prevail, but also relates to developed economies where entrepreneurship is considered a driver of accelerated economic growth. Today, in the rapidly changing world of business, there is an emergent perspective that entrepreneurship may help unlock stagnating global economic growth. Some experts opine that this is particularly true with respect to females, who constitute more than half the world population, and their role as entrepreneurs. Investment in female entrepreneurship development and support could potentially be one of the most efficient ways to promote sustainable economic growth. Furthermore, investing in entrepreneurship of this type may have an important ripple effect on development, as female entrepreneurs will typically invest more money in the health, education and general well-being of their families and communities than their male counterparts. However, research has consistently demonstrated that men are more likely to a start business and this is also the case in South African. Despite this, some females do become entrepreneurs although many of their businesses remain small and do not have much growth potential. Based on the aforementioned, the primary objective of this study was to determine why female entrepreneurs decide to remain in business rather than returning to full employment or just not working at all. In addition, identifying which factors lead to their intention to remain in business and their business growth ambitions is also investigated.

As the study focused on understanding and predicting the factors that motivate female entrepreneurs to remain in business, and determining which factors restrict or promote the growth of their business, a quantitative research approach was deemed most appropriate. This approach also made use of a descriptive, single-sample cross-sectional design which involved the use of a structured questionnaire to collect data from the identified sample. The questionnaire was pre-tested and underwent a pilot test before the final version was sent out to the respondents. It comprised 12 sections containing various constructs on entrepreneurial attitude, intention, growth and other factors. The final two sections requested the respondent's demographical and business information. A combination of two non-probability sampling techniques was used in the selection of the sample elements as identified from the target population. First, a purposive sampling technique was utilised and second, a convenience sampling technique was employed based on specific participant selection criteria. As to the extent of the study, the research was conducted in South Africa which included respondents from all nine provinces and the final sample amounted to 510 usable questionnaires. Considering the primary and subsequent theoretical and empirical objectives of this study, its underlying philosophical underpinning originates from the radical structuralist or positivist paradigm as it predominantly makes use of empirical data obtained objectively and interpreted in a statistical manner. Reliability of the constructs were insured through the use of Cronbach's Alpha and nomological validity was established through the use of Pearson's correlation. The

collected data were subsequently analysed and interpreted in a statistical manner making use of canonical correlation, MANOVA and ANOVA.

Main findings from this study suggested that South African female entrepreneurs' do have strong intentions to remain in their businesses, grow them and have a positive attitude towards their businesses. These three variables were further found to be strongly correlated with each other, thus implying that if an entrepreneur has a good attitude towards the business, they may potentially want to remain in it and ultimately grow that business. Findings further suggested that there is an irrefutable relationship between some of the various entrepreneurial factors influencing South African female entrepreneurs' intentions to remain in business. What was noticeable was that female entrepreneurs' attitude towards growth factors and their internal motivations, which includes aspects such as independence, work-life balance, perusing a challenge, contribution to society and family security amongst others provide the highest contributions and could thus be regarded as the key predictors of female entrepreneurs' intention to remain in business. Further findings found that there were indeed significant differences between some of the groups and the various entrepreneurial factors. However, the groups relating to the number of years' previous work experience, marital status of the entrepreneurs and whether they had children or not, did not result in any significant difference. The most interesting finding from this analysis indicated that internal motivational factors again had the most impact on female entrepreneurs.

This study not only contributes in adding to the existing body of knowledge on female entrepreneurship development, but adds valuable new knowledge on why female entrepreneurs decide to remain in business even though several challenges affects them on a regular basis. Determining the factors which contribute most too female entrepreneurs' intention to remain in business may well assist in future development of policies directed to female empowerment, job creation and business development. These policies could aid in assisting females to remain in business and increase growth potential, which in turn could lead and contribute to improved economic growth. Recommendations to improve the overall level of female development with specific reference to South Africa include the promotion of female entrepreneurial networks and associations, greater media attention on the importance of female entrepreneurship, better implementation of policies and awareness thereof, greater motivation and assistance for business growth, exposing females to the business environment from a young age, greater representation of females in the business world, enhanced finance opportunities and developing a greater understanding of the female entrepreneurship phenomenon.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

ABWN	African Businesswomen's Network
AHI	Afrikaanse Handels Instituut
ANOVA	Analysis of variance
APS	Adult Population Survey
B-BBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Supplier Development Programme
BRICS	Brazil, Russia, India, China and South Africa
BWA	Business Women's Association
BWASA	Businesswomen's Association of South Africa
CANCORR	Canonical Correlation
CBO	Characteristics of Business Owners
CCA	Canonical Correlation Analysis
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CEO	Chief Executive Officer
CIA	Central Intelligence Agency
CIS	Co-operative Incentive Scheme
CSI	Corporate Social Investment
CWEP	Charter for Women's Empowerment
DBR	Doing Business Rate
DEDAT	Department of Economic Development and Tourism
DHE	Department of Higher Education
DSBD	Department of Small Business Development
DTI	Department of Trade and Industry
EDD	Department of Economic Development
EEA	Employee Entrepreneurial Activity
EFC	Entrepreneurial Framework Conditions
EOR	Established Ownership Rate
EU	European Union

EWEP	Economic Women Empowerment Programme
FET	Further Education and Training institutions
GCR	Global Competitiveness Rating
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GEP	Gauteng Enterprise Propeller
GTCOC	Golden Triangle Chamber of Commerce
HBB	Home Based Business
HEI	Higher Education Institution
HSD	Honestly Significant Difference
IDC	Industrial Development Corporation
ILO	International Labour Organization
ITIP	International Trade and Investment Programme
JSE	Johannesburg Stock Exchange
LED	Local Economic Development
MANOVA	Multivariate analysis of variance
NAFCOC	National African Federated Chamber of Commerce
NDP	National Development Plan
NEF	National Empowerment Fund
NES	National Expert Survey
NIBUS	National Informal Business Upliftment Strategy
NPC	National Planning Commission
NSDS	National Skills Development Strategy
NYDA	National Youth Development Agency
OECD	Organisation for Economic Cooperation and Development
OWSD	Organisation for Women in Science in the Developing World
PBC	Perceived Behaviour Control
R&D	Research and Development
SA	South Africa

SACCI	South African Chamber of Commerce and Industry
SADC	Southern African Development Community
SAHO	South African History Online
SAWEN	South African Women Entrepreneurs Network
SAWIC	South African Women in Construction
SAWIMA	South African Women in Mining Assocation
SBI	Small Business Institute
SBR	Starting a Business Rate
SDA	Skills Development Act
SDL	Skills Levy Act
SEA	Social Entrepreneurial Activity
SEDA	Small Business Development Agency
SEFA	Small Enterprise Finance Agency
SEIF	Shared Economic Infrastructure Facility
SETA	Sector Education and Training Authority
SME	Small Medium Enterprises
SOC	Selection, Optimisation and Compensation
SPSS	Statistical Package for Social Sciences
SSA	Sub-Saharan Africa
StatsSA	Statistics South Africa
TEA	Total Early-stage Entrepreneurial Activity
TI	Theory of Intention
TIA	Technology and Innovation Agency
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
TWIB	Technology for Women in Business
TWWW	The Way Women Work
UN	United Nations
USA	United States of America

VALUE	Value Chain Development for Women Enterprise Programme
VIF	Variance Inflation Factors
WEF	World Economic Forum
WEGE	Women Empowerment and Gender Equity
WFC	Work-Family Conflict
WIRED	Women Invested in Responsible Enterprise Development Programme
WOESA	Women in Oil and Energy Sector Association

CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

'I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance.' (Steve Jobs, co-founder and CEO of Apple)

1.1 INTRODUCTION

During the mid-eighteenth century, the Western industrial era brought about major global changes; however, from the onset females were excluded from mainstream economic contributions and activities. Females and males performed clearly defined and contrasting roles within society. Men were mainly involved in economic activities and public life while women were expected to be mostly homebound, taking care of cleaning, cooking and children. Females received little or no education and were accorded no voting or decision-making rights (Sailus, 2015:1). Those women who were allowed to work were predominantly low earning servants or labourers employed in difficult conditions (Stearns, Adas & Schwartz, 1992:1). Nonetheless, most developing and developed countries slowly started accepting females as part of the economic sector from the late-nineteenth century onwards (Sailus, 2015:1). Recent research on the roles of females in both developed and developing countries suggests that many of them in developing nations continue to play constrained economic roles in agriculture and are restricted in participating as economic equals in these nations (Jayachandran, 2014:4; United Nations, 2008:2). In many countries, females are also still in the minority when it comes to the top jobs in business. In a study conducted by Grant Thornton (2015:4) including 35 countries, the proportion of females in such positions grew only slightly from 19 percent in 2004 to 22 percent in 2015. South Africa was ranked 10th with 27 percent of females in the topmost positions.

South Africa also faced additional hurdles regarding racial and gender equality during the Apartheid era between 1948 and 1994. People of Black African, Coloured or mixed origin were discriminated against. Several laws and policies prohibited any person of colour from being part of the general economic system, which hugely disadvantaged Black or Coloured people wanting to start a business (SAHO, 2011:1; Bobby-Evans, 2015). Black and Coloured females were even more deprived during this period (SAHO, 2011:1; Bobby-Evans, 2015). These political policies of separate development prevented many communities from starting businesses and thinking entrepreneurially. They were further constrained as no or little financial support was available to prospective small business owners (Ngcamu, 2002:4). Initiatives were implemented after the 1994 first democratic elections that aimed at rectifying the racial and gender discrimination caused during the Apartheid era (SAHO, 1994:1). Some of these include, but are not limited to, SAWEN (South African Women Entrepreneurs Network), SAWIMA (South African Females in Mining) and TWIB (Technology for Females in Business). Despite these initiatives there is still much needed work to be done to level the playing field when it comes to gender representation in the economic business world and entrepreneurship development and policy formation could assist in this (Herrington, Kew & Kew, 2010:41).

Over a number of decades, many different definitions explaining the terms entrepreneur and entrepreneurship have been formulated. Schumpeter's definition during the early 1930s as cited by De Bruin, Brush and Welter (2006:586), describes entrepreneurs as 'those who create new combinations, new markets, product, or distribution systems'. On the other hand, Kirzner (1973:39) argues that an entrepreneur is someone who is alert to unrecognised opportunities and is able to create business ventures by timeously identifying these. More recent definitions by Shane (2003:5) and Ambrish (2014:224) also refer to an entrepreneur or a self-employed individual as someone who possesses the skill to exploit opportunities by introducing new or better ways to provide goods and services to the economy and by executing tasks for personal income.

Historical and recent definitions in the field of entrepreneurship include the following character words: opportunism, innovation, risk-taking and designing new combinations of processes as well as one of the principal definitions of entrepreneurship, which is ultimately concerned with starting new businesses (Bird & Brush, 2002:41). These definitions raise various questions pertaining to whether the terms business owner and entrepreneur are interchangeable. Ligthelm (2013:62) differentiates between behavioural and trait approaches to entrepreneurship. In terms of behavioural approaches, entrepreneurship is perceived as a flow of activities related to the creation or establishment of a new business, regardless of size, whereas 'trait' approaches consider a set of personality characteristics. These personality characteristics will provide a person with the ability to grow and expand a business. The International Labour Organisation (ILO) (2002) is of the opinion that the small business and informal business sectors act as an 'incubator' for the transition to larger and more innovative business in some cases. In addition, small and informal businesses often play important roles in income generation and job creation in marginalised groups, such as female headed households (StatsSA, 2013:1). Considering this, and for the purpose of this study, a business owner will be considered an entrepreneur.

Over time, entrepreneurship became a well-known topic amongst various stakeholders, to the extent that it is considered by international and national researchers and policy formulators as the link to increased and sustained economic development and growth (Awashti & Sebastian, 1996, Kroon, 2002:215, Botha, Nieman & van Vuuren, 2007:163, Athayde, 2012:709-710, Sivvam, 2012:13, Ambrish, 2014:225, Phillips, Moos, & Nieman, 2014:85). This is particularly the case in developing countries where poverty and high unemployment rates prevail, but also relates to developed economies where entrepreneurship is considered a driver of accelerated economic growth. Today, in the rapidly changing world of business, there is an emergent perspective that entrepreneurship may help unlock stagnating global economic growth (Naudé, 2011). Some experts opine that this is particularly true with respect to females, who constitute more than half the world population, and their role as entrepreneurs (United Nations, 2012; World Bank, 2015). According to the ILO's Small and Medium Enterprise Unit, investment in female entrepreneurship development and support is one of the most efficient ways to promote sustainable economic growth. Furthermore, investing in entrepreneurship of this type may have an important ripple effect on development, as female entrepreneurs will typically invest more money in the health, education

and general well-being of their families and communities than their male counterparts (ILO, 2014a:1). In this regard, the Department of Trade and Industry (DTI) in South Africa (2005a:5) states in its special report on female entrepreneurship that there is a scarcity of empirical studies in South Africa on this topic.

It is difficult to measure the level of entrepreneurship activity in a country and because of this, the Global Entrepreneurship Monitor (GEM) research programme was established in 1997. The GEM's main purpose was to develop a cross-national data set on an annual basis in order to compare various countries' levels of entrepreneurial activity (Herrington *et al*., 2010:15). The GEM uses the Total Early-stage Entrepreneurial Activity (TEA) index as its primary instrument to measure entrepreneurship. The said TEA measures the percentage of new start-ups (intention to start a business, or one having been operating less than 3 and a half years) in adults aged 18 to 64 years (Herrington *et al*., 2010:23; Singer, Amarós & Moska, 2015:12). Since its inception into the GEM in 2001, South Africa's entrepreneurial activity (TEA) has fluctuated from as low as 5.1 percent in 2005 and 2006 to a high of 10.6 percent in 2013 (Herrington *et al*., 2010:48; Herrington & Kew, 2013:24; Herrington, Kew & Kew, 2015:24; Herrington & Kew, 2016:35). The latest TEA figures (2016/2017) report a 6.9 percent rate, which is far less than other sub-Saharan African countries which recorded an average TEA of 26 percent. Furthermore, South Africa's entrepreneurial intentions (Herrington & Kew, 2017:93) have dropped by 34 percent if compared to 2013 figures (from 15.4% to 10.1%) (Herrington *et al*., 2015:18-19; Herrington & Kew, 2017:93). In general, South Africa displays a low female entrepreneurial activity level, although it has improved slightly over the past few years (Herrington *et al*., 2010:39). Globally, TEA rates are gender-sensitive due to societal, cultural and economic issues; entrepreneurship performance is dominated by men and further research to identify the reasons for this needs to be conducted (Singer *et al*., 2015:45). Another important factor to consider is the established business ownership rate. It is not only important for people to have the intention to start a business and actually set up one, but even more so for the businesses to continue operating in a sustainable manner (Herrington & Kew, 2016:32). Established businesses have progressed beyond the new and nascent business stages and are able to contribute to an economy in a sustainable and stable manner (Herrington & Kew, 2016:32).

The ILO estimates that approximately a quarter to a third of businesses in the global formal economy are accounted for by female entrepreneurs (ILO, 2014a:1), but this was not always the case. Globally, female entrepreneurs have only become actively involved in this field in recent decades. According to Brush, the global economic and development potential relating to the community of female entrepreneurs is on the rise (SBP, 2013:1). The Asian Development Bank (2007) points out that females in Asia contribute significantly towards economic development, but face different constraints and opportunities from those faced by their male counterparts. McAdam (2013:3) verifies this and indicates that female entrepreneurs have drawn considerable attention to policy formulation, literature studies and practical research because they are recognised globally as contributors to the growth of country economies. Furthermore, female entrepreneurial activity has been accepted as a vital part of the economic profile of a country and it is

agreed that empowering female entrepreneurs acts as fuel for flourishing economies (Ambrish, 2014:224). Carter, Henry, Ó Cinnéide and Johnston, (2006:1) assert that females are becoming essential change agents within social and economic environments and are globally responsible for making valuable contributions towards job and wealth creation and economic growth. Notwithstanding the impact and role of females in today's economies, their role is nevertheless still often understated and undervalued. Despite the fact that business enterprises in which females are significantly involved as either owners or managers, are a growing phenomenon and comprise a noteworthy ratio in many economies, females still face tremendous challenges regarding the growth and expansion of their enterprises (Gatewood, Brush, Carter, Greene & Hart, 2009:129).

1.2 PROBLEM STATEMENT

Research has consistently demonstrated that South African men are 1.5 to 1.6 times more likely to establish a business than women (Herrington, Kew & Kew, 2009:40; Herrington, Kew, Simrie & Turton, 2011:22; Kelley, Singer & Herrington, 2016; Herrington, Kew & Mwanga, 2017:31). Despite this, females do become very successful entrepreneurs although many of their businesses remain small and do not have much growth potential. It is not clear what the exact reasons for this are; most of the entrepreneurship data available merely report on business development as a whole and do not distinguish between the genders (Brush, Carter, Gatewood, Greene & Hart, 2006:4). Little information and documentation regarding the contribution females make to entrepreneurship activity is available, especially for developing countries. Various studies have identified 'intention to start a business' and the reasons why certain groups of people establish a new venture as well as other general issues pertaining to entrepreneurship, such as success factors and barriers (Meyer, 2009; Malaza, 2010; Tsiu, 2010; Buthelezi, 2011; Tau, 2012). In contrast, very few studies could be found that investigated the reasons why females remain in certain jobs and no studies could be found on why existing female business owners decide to remain in business, especially in some cases under challenging conditions. This is expressed as the 'intention to remain an entrepreneur'. In addition, few studies have been undertaken on the business growth ambitions of female entrepreneurs. Aarons-Mele (2014:1) notes that increasing numbers of females are starting businesses in the United States of America (USA). An estimated 1288 female-owned companies are established each day. Although this would seem to be positive for female business development, the problem arising is that most of these businesses are very small and contribute marginally to the economy. Most of these female-owned businesses struggle to make up the corporate salary the owners used to earn, while approximately 88 percent of them are sole owners and employ no additional employees, thus contributing very little to the country's economic growth (Aarons-Mele, 2014:1).

The literature indicates that there are significant differences between male and female motivations, characteristics and business growth and development aspects. There are clear variances in some of the methods and ways female entrepreneurs manage their businesses and develop strategies (Bird & Brush, 2002:43; Greene, Hart, Gatewood, Brush & Carter, 2003:2; Brush *et al*., 2006:586; Carter *et al*., 2006:1).

Carter *et al.* (2006:1) specifically refer to women as being more risk- and debt-averse, which could lead to certain conclusions about why their businesses, in many cases, do not attract the investment opportunities (and consequently, potential growth) that their male counterparts so often do.

More empirical data is needed to contribute to the limited amount of literature determining why female entrepreneurs decide to remain in business rather than returning to full employment or just not working at all. In addition, identifying which factors lead to their intention to remain in business would also contribute to the relevant existing literature. Empirical data regarding female entrepreneurs' business growth ambitions is also scarce; more data on this topic could possibly make a contribution to the existing body of knowledge in this field. The empirical data is important to help formulate improved policies and support mechanisms aimed at ensuring better success rates of female-owned businesses. This study, therefore, aims to fill a void in understanding and generating information about female entrepreneurs in South Africa.

The proposed model for this study, as illustrated in Figure 1.1, takes into consideration several factors that may potentially contribute to female entrepreneurs' intention to remain and grow the business and attitude towards the business. These factors are internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity. It was hypothesised that all these factors would in some way affect female entrepreneurs' intention to remain in business. The final hypotheses were formulated and presented in Chapter 6 after excluding the variables that had an unacceptable reliability and did not exhibit nomological validity.

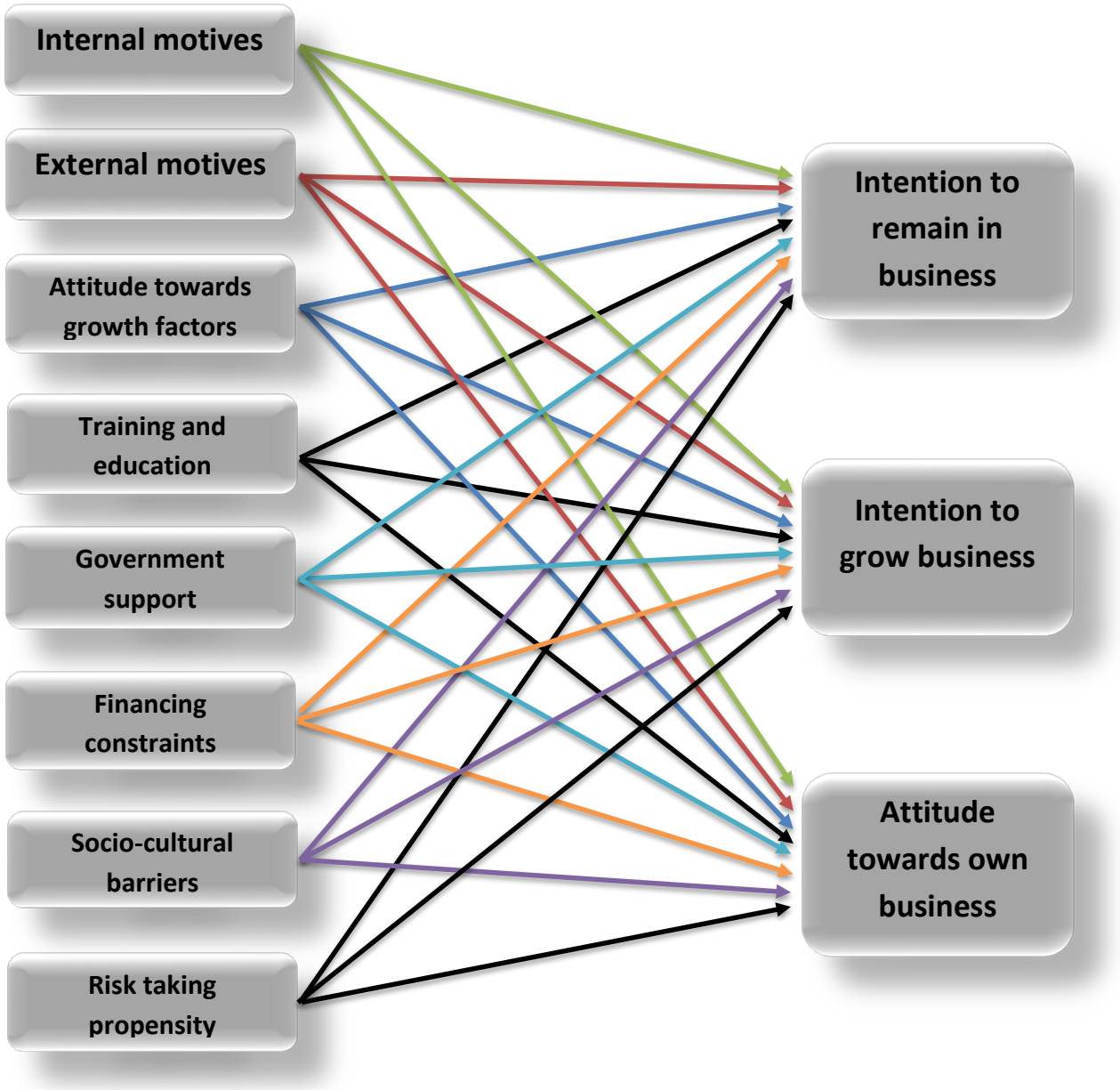


Figure 1.1: Proposed model of female entrepreneurs' intention to remain in business

The proposed model was empirically tested among South African female entrepreneurs; the results could assist in understanding which factors contribute to their intention or decision to remain in business rather than returning to full employment or simply not working at all. Arising from the problem statement were following research questions.

RQ1: What are South African female entrepreneurs' intentions to remain in their businesses, grow their businesses and attitude towards their businesses?

RQ2: Does a relationship exist between South African female entrepreneurs' internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity and intentions to remain in business, to grow the business and attitudes towards the business?

RQ3: Are there significant differences in internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers, risk-taking propensity, intentions to remain in business, to grow the business and attitudes towards the business between different South African female entrepreneur demographic groups (for example age, marital status, race)?

RQ4: Are there significant differences in internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers, risk-taking propensity, intentions to remain in business, to grow the business and attitudes towards the business between different South African female entrepreneur business information groups (for example previous exposure to business, entrepreneurial training, business style)?

1.3 OBJECTIVES OF THE STUDY

Based on the aforementioned research questions, the following objectives were formulated.

1.3.1 Primary objective

The primary objective of this study was to determine the factors influencing South African female entrepreneurs' intention to remain in business.

1.3.2 Theoretical objectives

In order to achieve the primary objective, the following theoretical objectives were formulated for the study:

- Define entrepreneurship, small business ownership and management (Theoretical objective 1)
- Conduct a literature study on the importance of entrepreneurship development and its link to economic growth and development (Theoretical objective 2)
- Conduct a literature review of the fundamental entrepreneurial measurements, principles and theory (Theoretical objective 3)
- Conduct a review of the current South African entrepreneurial environment, analysing entrepreneurial policy in order to determine the level of emphasis placed on entrepreneurship and, more specifically, female entrepreneurship development (Theoretical objective 4)
- Review several countries, including developed countries, the BRICS which consist of Brazil, Russia, India, China and South Africa and the five Southern African Development Community (SADC) countries, and compare their entrepreneurial status with that of South Africa (Theoretical objective 5)
- Conduct a literature review on the current state of female entrepreneurship in South Africa (Theoretical objective 6)
- Review the literature on the Theory of Planned Behaviour and the Theory on Intent (Theoretical objective 7)

- Review the literature pertaining to female entrepreneurs' characteristics and other elements affecting entrepreneurial development (Theoretical objective 8)
- Review the literature pertaining to the various entrepreneurial factors (internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity) that contribute to female entrepreneurs' intentions to remain in business, to grow the business and attitudes towards the business (Theoretical objective 9).

1.3.3 Empirical objectives

Flowing from the primary and theoretical objectives, the following empirical objectives were formulated:

- Develop a profile of South African female entrepreneurs pertaining to demographic and business information (Empirical objective 1)
- Examine South Africa female entrepreneurs' intentions to remain in their businesses, grow their businesses and attitude towards their businesses (Empirical objective 2)
- Ascertain whether a relationship exists between the various entrepreneurial factors and female entrepreneurs' intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 3)
- Determine which demographic aspects of South African female entrepreneurs' affect the various entrepreneurial factors, intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 4)
- Determine which business aspects of South African female entrepreneurs' affect the various entrepreneurial factors, intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 5).

1.4 SCOPE OF THE STUDY

The study was conducted in South Africa and included respondents from all nine provinces. South Africa's current population has been calculated at approximately 56 521 900, of which 28 901 400 (51.133%) were females as per mid 2017 figures (StatsSA, 2017a:2). It is considered a developing country and forms part of sub-Saharan Africa, SADC and BRICS. Chapter 3 provides an in-depth economic analysis and further information regarding South Africa. Figure 1.2 indicates South Africa's locality.

Figure 1.2: South Africa's position in the world

Source: **OnTheWorldMap.com (2017)**

1.5 RESEARCH DESIGN AND METHODOLOGY

The study used a quantitative methodology which included a review of the literature and an empirical study. As part of the literature review local and international secondary sources were used. These included relevant Internet sources, publications, textbooks and business articles, journal, academic and newspaper articles as well as reports and online academic databases. The study focused on understanding and predicting the factors that motivates a female entrepreneur to remain in business. Therefore, a positivist approach was adopted for the study because the role of the researcher was restricted to data collection and interpretation (Remenyi, Williams, Money & Swartz, 1998:32). By using a positivist approach (explained in detail in Section 5.2), quantifiable observations, in this case obtained through questionnaires, were statistically analysed. This resulted in an empirical view of the knowledge that flows from human experience, once again, in this case from female entrepreneurs' actual experiences, but reported in a purely empirical manner. Adhering to this approach ensures that the researcher remains objective towards the study and independent from the actual research (Collins, 2010:38). A descriptive research design using a single-sample cross-sectional design approach was followed for the empirical portion of the study.

The target population relevant to this study was females who own a business. Specific elements that had to be prevalent in this sample included that the female business owners had to own a majority share in the business and be actively involved in the management aspects of the business. The data collection was conducted over a 2 month period during 2017. The sampling frame was the population of females who already own and manage a business. From this initial sample, female business owners from South Africa who are part of a business network or association were identified to narrow this sampling frame. Because

the study focused specifically on female entrepreneurs already owning a business it made use of a single cross-sectional non-probability sampling approach. A combination of two non-probability sampling techniques, purposive and convenience sampling, was used in the selection of the sample elements as identified from the target population. The sample was obtained by means of contacting the various business organisations and networks in order to obtain access to their data base of local businesses, snowball sampling techniques were used to identify additional female entrepreneurs, trained fieldworkers were used to administer questionnaires in the different provinces in South Africa and two external service providers specialising in data collection were appointed. Demographic items, such as race, age, area, number of years in business, education level, home language and where the business is located, were included in the questionnaire in order to overcome the limitations of using convenience sampling (Martinez-Mesa, González-Chica, Duquia, Bonamigo & Bastos, 2016:327). This assisted in determining the extent to which the sample could be considered representative of the target population and, therefore, the degree to which the findings from this study might be generalised to that larger population.

As the exact population size of female business owners in South Africa is unknown, it was difficult to determine the sample size. An appropriate sample size for this research study was estimated at 100-500 as a non-probability sampling method was used (Sekaran, 2003; Hair, Anderson, Tatham & Black, 2006). According to Sekaran (2003), the rule of thumb in determining a sample size suitable for most non-probability methods would be between 30 and 500. It was therefore anticipated that a sample of approximately 500 female entrepreneurs should be sufficient. The final sample size amounted to 510 usable questionnaires.

1.5.1 Measuring instrument and data collection method

A self-administered questionnaire was used to collect the required data. The questionnaire was developed using items generated from existing scales and extensive reviews of the literature. The questionnaire layout was as follows:

Section A contained several items on the various motivational factors relating to the reasons females decide to remain in business. This scale was divided into internal and external motives. Mitchell's (2003:733-734) scale was adapted to suit the context of the study.

Section B measured the intention to remain in business by using a five item scale adapted from the Intent to Stay scale by Weiss, Dawis, England and Lofquist's (1967). Intent to Stay scale was adapted to measure female entrepreneurs' intention to remain in business and was retrieved from Mustapha, Ahmad, Uli and Idres (2010:66).

Section C measured the intention to grow the business using a four item scale. The scale used was adapted from a scale developed by Human and Matthews (2004) and retrieved from Manolova, Brush, Edelman and Shaver (2012:13).

Section D – H focused on issues pertaining to business barriers. These scales were compiled from the literature and included aspects related to finance, government support, entrepreneurship training and education as well as risk and socio-cultural issues.

Section I examined items concerning respondents' attitudes towards business growth factors. The scale by Benzing, Chu and Kara (2009:75) was adapted for this section.

Section J employed a scale by Beckmann (2003) pertaining to attitude concerning one's business, specifically focusing on emotional attachment and attitude.

Section K gathered demographic information, inquiring about items such as age, level of education, race, home language, marital status and relationship to other entrepreneurs.

Section L collected data about the respondents' businesses, obtaining items such as the age of the business, its legal form, sector where business operated, number of employees and location.

During the design phase, the questionnaire was pre-tested by two female entrepreneurs who possessed extensive knowledge in the field of business management and business development. This step was taken in an attempt to avoid or reduce data collection errors, as well as to improve the reliability of the research instrument. It also assisted in reducing the number of ambiguous and incorrectly structured questions. Phase two of the questionnaire design made use of a pilot study in order to further refine the content of the questionnaire if needed (Polit, Beck & Hungler, 2001:467). The pilot study consisted of a total of 34 female entrepreneurs. The results of the pilot study allowed the researcher to pre-test the adequacy of the research instrument. As the main study was to be conducted in all nine provinces of South Africa, the pilot study was conducted in one of South Africa's neighbouring countries, Namibia. This was done in an attempt to avoid the possibility that the pilot study respondents may accidentally be included in the main study. All questionnaires were provided to the respondents on a voluntary basis, with no incentives for their participation in the study.

1.5.2 Statistical analysis

The collected and captured data were analysed using the Statistical Package for Social Sciences (SPSS) Version 25.0. Analyses of the data were grouped by the various statistical methods. These methods included reliability and validity, descriptive, correlation, canonical correlation, ANOVA and MANOVA analysis. In addition, more in-depth explanations of these measurements are provided in Chapter 5.

1.6 ETHICAL CONSIDERATIONS

All ethical standards of academic research were adhered to during the duration of the research study. The researcher followed ethical, objective and integrity practices during the completion of this study. It was conducted in a professional and responsible manner in order to provide society and the respondents within this specific subject field with valuable new knowledge pertaining to the topic. The protection of respondents' identities and their interests was taken into account. Furthermore, information received from respondents was handled confidentially at all times. Participation in the study was strictly voluntary; no

individual was coerced into participating in it. The study kept to strict ethical and technical guidelines in order to reduce incidents of plagiarism or inconsistent or fabricated data reporting. The necessary ethical clearances and approvals were obtained from the North-West University's Ethics Committee prior to commencement of the data collection phase under ethical clearance number: **ECONIT-2016-106**. The study was successfully cleared, while the research instrument did not include any sensitive information from respondents. Participation in the study was voluntary and anonymity of respondents' information was assured. In addition, all respondents were provided with the researcher's contact details if they needed to raise any concerns or questions. The questionnaire included a cover letter that explained the nature and scope of the study, while respondents were informed that they could withdraw from the study at any point during the survey.

1.7 SIGNIFICANCE OF THE STUDY

Since female entrepreneurship development is fairly new as an academic research topic and few studies on developing country female entrepreneurship exist, this study may contribute greatly to filling this void. Furthermore, studies that measure the intention of females to remain in business and their specific reasons for doing so are scarce. In addition, there are only a small number of studies regarding ambitions of female entrepreneurs to grow their business. This study intends to contribute to this gap and identify reasons why females decide to continue being entrepreneurs despite depressed economic conditions. Determining the factors which contribute to female entrepreneurs' intention to remain in business and which factors affect growth of these businesses may well assist in future development of policies directed to female empowerment, job creation and business development. These policies could aid in assisting females to remain in business and increase growth potential, which in turn could lead and contribute to improved economic growth.

1.8 DELIMITATION OF THE STUDY

This study focused on obtaining primary data from females owning a majority share in a business and being actively involved in managerial aspects. Data were collected from all nine South African provinces, namely Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, North-West, Northern Cape and Western Cape. A total of 510 questionnaires were collected.

1.9 CLARIFICATION OF THE TERMINOLOGY

The following topic-specific terminology is used throughout the study:

- An **entrepreneur** can be defined as a self-employed individual managing a firm who contributes to the economy in a positive manner, taking risks, creating new products and processes, being able to see opportunities and adjust to change (Kirzner 1973:39; Bula, 2012:82; Brown & Thornton, 2013:402).
- In line with the aforementioned definition of an entrepreneur, a **female entrepreneur** is a female who manages and owns an enterprise or business (USLegal, 2016). The UK defines women-owned

businesses as being either fully or majority owned by females, while in the US, such a business is one in which the owner or shareholders are women or own more than 51 percent. The Indian government defines a women entrepreneur as a female owning at least 51 percent of a business and ensuring that at least 51 percent of employment provided by the business should be for women employees (Marlow, Carter & Shaw, 2008:339; Sharma, 2013:9; Ambrish, 2014:225).

- **Motives for remaining in a business** constitute a notion referred to as 'motivation' and can be influenced by external or internal factors which inspire the desire or will to be either interested in, and or committed to, a certain action. In the case of this study this action is that of remaining in a business. Thus, motives for doing so can be defined as the reasons why someone, in this case a female, decides to remain in a business (Business Dictionary, 2017b).
- **Intention to remain in business** is linked to the notion referred to as 'intention' and can be defined as the determination of a person to act in a certain manner (Merriam-Webster Dictionary, 2017). In the case of this study one may define intention as the determination or willingness of a female entrepreneur to remain in business.
- Since, as in the previous concept, intention may be defined as the determination of a person to act in a certain manner (Merriam-Webster Dictionary, 2017), in the case of this study, '**intention to grow the business'** is defined as the determination or willingness of a female entrepreneur to do so.
- **Attitude towards the business** refers to the notion of 'attitude' and can be defined as one's predisposition to act negatively or positively towards a certain concept or idea. In this case, attitude refers to respondents' attitudes towards their business, specifically focusing on emotional attachment (Business Dictionary, 2017a).
- **Entrepreneurial intentions** can be defined as the percentage of the population between the ages of 18 and 64 years who intend to establish a business in the next three years but excluding anyone who has already commenced such activities (Herrington & Kew, 2013:22; Herrington *et al.*, 2015:20).
- **Early Stage Entrepreneurial Activity (TEA)** can be defined as the percentage of the adult population between the age of 18 and 64 years who have just commenced with a business or who are in the process of so doing (Herrington & Kew, 2013:22).
- **Nascent entrepreneurs** are defined as individuals who have started a new business but who have either not paid salaries to employees or if salaries have been paid, this was for less than three months (Herrington *et al*., 2015:22).
- **Established business owners** refers to the percentage of the population between the ages of 18 and 64 years who own and manage an established business and who have paid salaries to employees for longer than 42 continuous months (Kelley, Brush, Greene & Litovsky, 2013:17).

- **Business failure or exit rate** refers to the rate of discontinued entrepreneurs and may be defined as the percentage of individuals between the age of 18 and 64 years who, for whatever reason, decided to exit or discontinue their business (Kelley *et al.*, 2016:21).
- **Female to male TEA ratio** refers to the ratio of females involved in TEA to male participation (Kelley, Brush, Greene, Herrington, Ali & Kew, 2015:17).
- **Necessity-driven entrepreneurs** refers to those individuals involved in TEA, who are in their early stages of entrepreneurship because they had no other option or choice for employment (World Bank, 2009:1; GEM Consortium, 2016).
- **Opportunity-driven entrepreneurs** are those individuals involved in TEA, expressed as a percentage, who considered themselves as motivated to run a business due to opportunities in the market and the chance to generate profit in preference to full employment (World Bank, 2009:1; GEM Consortium, 2016).
- **Doing Business Rate** refers to how easy or complicated it is to start and run a new business in a country (World Bank, 2016a).
- **Starting a Business Rate** measures the paid-in minimum capital requirement, cost, time and number of procedures needed for a person to set up and start a small to medium business operating in a specific country's largest business city (World Bank, 2016a).

These are some of the main terms and concepts used in this study. There are, however, further definitions which are explained in Chapters 2, 3 and 4.

1.10 CHAPTER CLASSIFICATION

Chapter 1: Introduction and background to the study

This chapter provides an introduction as well as the relevant background to the study. It also includes an outline of the problem statement, the research objectives and the research methodology utilised. The proposed model and important terminology are defined and described in this chapter, which concludes with the structure of the research study.

Chapter 2: Entrepreneurship: A literature review and South African policy analysis

Following on the discussion in Chapter 1, this chapter focuses on four theoretical objectives identified. Emphasis is placed on developing a theoretical foundation for entrepreneurship by referring to definitions, theory and the importance of entrepreneurship, considering the relationship between the phenomena of economic growth and development. In addition to creating a theoretical foundation, the indicators used to measure entrepreneurship are explained as this will contribute to a fuller understanding of this phenomenon. Lastly, this chapter concludes with a brief analysis of some of South Africa's national policies as well as the government departments concerned, and of the emphasis they place on entrepreneurship as a contributor to sustainable job creation.

Chapter 3: Entrepreneurship: An international comparison

This chapter's main objective is to determine South Africa's position in comparison to other countries, regarding overall entrepreneurship and female entrepreneurship development. Emanating from Chapter 1, the following theoretical objectives were set and were consequently addressed in this chapter. First, to review several countries (developed, BRICS and SADC ones) and compare their entrepreneurial status with that of South Africa while, second, a detailed description of the current standing of this country regarding entrepreneurship and female entrepreneurship development, in particular, is provided by analysing reports from, but not limited to, the GEM, World Bank, ILO, Organisation for Economic Cooperation and Development (OECD) and World Economic Forum (WEF).

Chapter 4: Entrepreneurship: Moving towards a female perspective

This chapter comprises a comprehensive literature review on the various factors included in this study that contributes to the female entrepreneur cohort's intention to remain in business. An outline of several factors thought to influence female entrepreneurs' attitudes towards their business is provided. Topics which are addressed include motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity. Theories pertaining to intention and planned behaviour are also addressed in this chapter. The chapter concludes with a proposed model of the factors influencing female entrepreneurs to remain in business.

Chapter 5: Research design and methodology

The questionnaire design, coding, preparation and distribution methods are discussed in this chapter. Additionally, methods about the target population, sampling method and frame as well as sample size are emphasised. The various data analysis and statistical procedures utilised in the study are discussed in this chapter and results from the pilot study are also analysed, interpreted, and discussed.

Chapter 6: Analysis, interpretation and discussion of results

Within this chapter, the results of the main survey are analysed, interpreted, and discussed. This chapter describes the sample and summarises the results obtained from the primary data collection process. Additionally, the results pertaining to the internal-consistency reliability and validity analysis of the measurement instrument used are presented and discussed. The descriptive statistical analysis, correlation analysis, canonical correlation analysis. MANOVA and ANOVA are reported on. In addition, the results of the empirical testing of the model of the factors affecting female entrepreneurs' intention to remain in business are furnished.

Chapter 7: Summary, recommendations and conclusion

This chapter evaluates the entire study and offers concluding interpretations made from the study. Theoretical and empirical objectives are summarised along with findings relating to these objectives. In

addition, recommendations towards improving possible issues emerging from the study are made. Further research proposals are also provided within this chapter.

1.11 GENERAL NOTES

The following notes pertain to the study and information contained therein:

- All page numbers are included in the in-text referencing, but in the event where no page number is included, the source either did not have a page number or was obtained from an Internet source
- Where no sources are provided for a table or figure, it was compiled using the data obtained from this study and refers to the researcher's own compilation
- Referencing was based on Harvard style throughout the study.

1.12 CONCLUSION

Entrepreneurship has been identified as a key economic driver and females are considered an untapped source of increased entrepreneurial development. Female TEA rates still remain much lower compared to male TEA rates; this boosts the notion that more research on the female gender cohort is important. Although female TEA rates are lower in comparison to male TEA rates, the aim of this study is not to investigate why this is the case, but rather to study the factors that influence female entrepreneurs' intention to remain in business which may lead to growing their businesses into bigger and more successful ones.

This chapter provided an outline of the topic at hand and explained the outcomes addressed by this study. Although many studies could be found identifying the reasons why females decide to start a business, none could be discovered that investigated the reasons why they decide to remain in business. This problem therefore resulted in a gap within the literature being identified, pointing out the importance of this study. Furthermore, the literature has indicated that female entrepreneurs' businesses tend to remain small, with limited growth ambitions. This prompted the second part of the study, which was to investigate the intentions of respondents from this study to grow their businesses.

In line with the problem statement, one primary objective, nine theoretical objectives, and five empirical objectives were formulated in this chapter. In addition, a brief overview of the research design and methodology followed in accomplishing the various objectives was given. The chapter concluded by explaining the ethical considerations, the delimitation of the study, briefly introducing the main terminology used as well as offering a clarification of the contribution of the study and the chapter layout. The following chapter, Chapter 2, focuses on the first four theoretical objectives identified. This includes forming a theoretical foundation for entrepreneurship, referring to definitions, theory and the relationship between entrepreneurship, economic growth and development. In addition to creating this foundation, the indicators used to measure entrepreneurship are explained.

CHAPTER 2

ENTREPRENEURSHIP: A LITERATURE REVIEW AND SOUTH AFRICAN POLICY ANALYSIS

'Entrepreneurs are like artists who dream, create and inspire, and they begin with a blank canvas...Their art is our future' - GEM South Africa Team (Turton & Herrington, 2012:1)

2.1 INTRODUCTION

Entrepreneurship has been described by many as the cornerstone of economic growth and financial independence (Botha *et al*., 2007:163; Athayde, 2012:709-710; Sivvam, 2012:13; Ambrish, 2014:225; Phillips *et al*., 2014:85). Despite this, the potential of entrepreneurship has not been fully realised in many developing countries, including South Africa. For centuries Africa has been considered as the 'lost continent', with several socio-economic problems being prevalent in most of its countries. For many years South Africa was considered one of the better performing economies on the continent but this situation is changing rapidly as other African countries such as Nigeria and Egypt are being revitalised by commercial vivacity and an increased economic drive (IT News Africa, 2015). Enhanced economic performance experienced in these countries is explained by improved government action in the area of macro-economic environments and micro-economic improvements, creating a healthier enabling environment for small businesses (Herrington & Kew, 2013:18). South Africa is falling behind in terms of entrepreneurship intention and action when compared to Sub-Saharan African averages; consequently, advances in this regard are necessary (Herrington *et al*., 2015:5). Female entrepreneurs are, in particular, fewer in number than their male counterparts, and reasons for this need to be identified. Following on the discussion in Chapter 1, this chapter focuses on four theoretical objectives identified.

Emphasis is placed on developing a theoretical foundation for entrepreneurship by referring to definitions, theory and the importance of entrepreneurship with particular consideration of the relationship between the last-mentioned phenomenon, economic growth and development (Theoretical objectives 1 and 2). In addition to creating such a foundation for entrepreneurship, the indicators used to measure it are explained as this will contribute to the greater import of this phenomenon (Theoretical objective 3). The chapter concludes with a brief analysis of some of South Africa's national policies as well as those of government departments and the emphasis they place on entrepreneurship as a contributor to sustainable job creation (Theoretical objective 4).

Various sources were used to gather information and data used in this chapter. One of the main sources of entrepreneurial data obtained was the Global Entrepreneurship Monitor (GEM), so that throughout this study data are gathered from various global, national and special topic GEM reports and the official GEM website is utilised. The GEM started in 1999 and has since proven to be a trusted source on entrepreneurship data for global organisations such as the UN, WEF, World Bank and the OECD. The GEM makes use of a network of local experts and researchers who gather annual data in the form of two

elements: the entrepreneurial behaviour and attitudes of individuals and the national context and how it affects entrepreneurship (GEM Consortium, 2016).

2.2 ENTREPRENEURSHIP, BUSINESS MANAGEMENT AND OWNERSHIP

Many different definitions explaining the terms entrepreneur and entrepreneurship have been formulated over a number of centuries. Various theorists have tried to accurately define entrepreneurship but, as the term should be considered in context, since no single definition could be identified. Several distinct roles of the entrepreneur have been recognised in the literature. In Figure 2.1 it may be observed that this individual, as described in an economic context, is a person who owns or starts a new business and who can be considered a risk-taker, industry leader, employer of production factors, innovator, supplier of financial capital, manager, allocator or coordinator of economic resources whilst making decisions on a regular basis (Wennekers & Thurik, 1999:31).

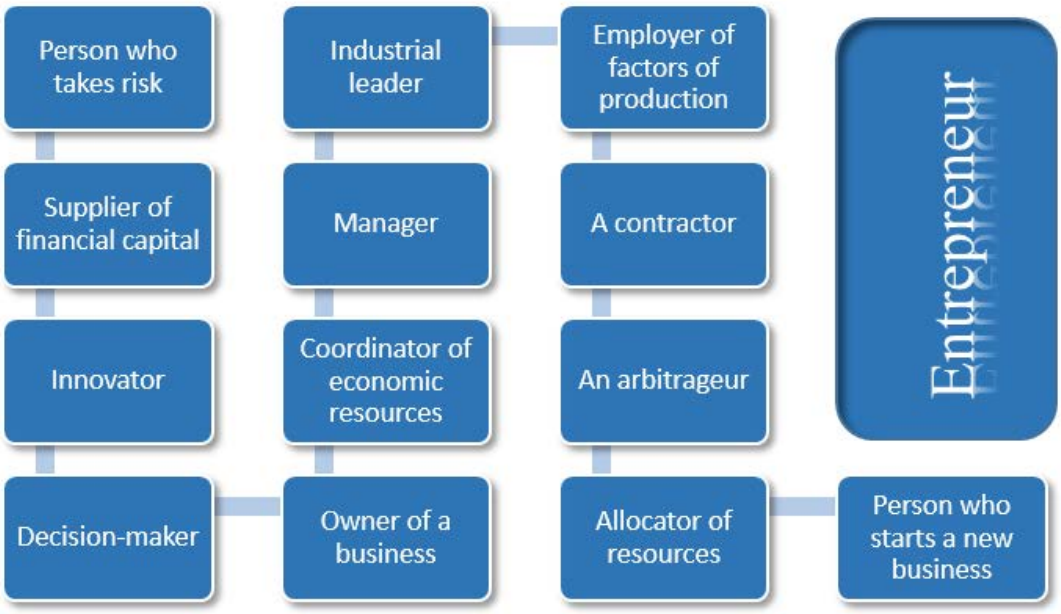


Figure 2.1: The roles of an entrepreneur

Sources: Hébert and Link (1989:47); Van Dijk and Thurik (1995)

Entrepreneurship is a multidimensional notion and can be viewed from and defined by, for instance, economic, psychological, social, managerial and sociological perspectives (Bula, 2012:81). One of the first economists to recognise entrepreneurship as a key economic factor was Richard Cantillon (1680 – 1734) who defined an entrepreneur as an individual responsible for exchange and movement in the economy (Brown & Thornton, 2013:402). Key characteristics of his definition of an entrepreneur included being a bearer of risk and uncertainty (Bula, 2012:82). Another renowned economist from the 17th century was Jean-Baptiste Say who defined an entrepreneur as a manager of a business which is considered a production unit in the economy, thus emphasising good judgement over taking risk (Bula, 2012:82). Schumpeter's definition during the early 1930s as cited by De Bruin *et al.*, (2006:586)

describes entrepreneurs 'to be those who create new combinations, new markets, products, or distribution systems'. On the other hand, Kirzner (1973:39) argues that an entrepreneur is someone who is alert to unrecognised opportunities and can create business ventures by timeously identifying these. This author further states that entrepreneurial purpose involves moving resources from an unproductive place to a more productive one; incorporating space, skills and time. Shane (2003:5) and Ambrish (2014:224) also refer to an entrepreneur or a self-employed individual as someone who possesses the skill to exploit opportunities by introducing new or better ways to provide goods and services to the economy and by executing tasks for personal income. Regardless of the author or the definition, the following words and phrases describing character can almost always be linked to entrepreneurship: opportunism, innovation, risk-taking, designing new combinations of processes, while, in addition, one of the principal definitions of entrepreneurship is ultimately starting new businesses (Bird & Brush, 2002:41). Entrepreneurship can therefore be described as a multifaceted phenomenon in which activities take place to establish a profit-driven venture (Cole, 1968:65) by using economic resources in order to do so (Herron & Robinson, 1993:283).

Entrepreneurship has also been defined in terms of three categories: namely productive, unproductive and destructive (Baumol, 1990:893). Productive entrepreneurs typically include people who exploit opportunities and who are able to pinpoint gaps in the existing markets. They tend to be more innovative and in many cases build multiple businesses during their lifespan. Unproductive entrepreneurs are essentially also referred to as survival- or necessity-driven entrepreneurs. They typically operate on a small scale but still contribute to the Gross Domestic Product (GDP); with assistance and the creation of an enabling environment some of them could transform their small ventures into larger, more profitable businesses. A destructive entrepreneur is defined as someone who deals in illegal activities and brings no positive aspects to the economy (Baumol, 1990:894). Bearing these definitions in mind and in the context of this study, one can conclude that an entrepreneur is a self-employed individual managing a business that contributes to the economy in a judicious and positive manner, taking risks, creating new products and processes as well as having the ability to see opportunities and adjust to change.

Several debates were generated as to whether or not all business owners and managers could be classified as entrepreneurs (Burke, Fitzroy & Nolan, 2008). Wennekers and Thurik (1999:47) differentiate between being entrepreneurial and being managerial. They describe being entrepreneurial in typical Schumpeterian terms: that is, being an individual who places a great deal of emphasis on innovation and 'newness', whereas their description of managers is just that: they are managers of their own businesses. To add a controversial element to this topic, general definitions refer to entrepreneurs as being self-employed and focused on wealth and profit creation. During the past two decades, however, two new entrepreneurial phenomena have been established outside the traditional definition. These phenomena are explained by the GEM Consortium (2016) who refer to those known as 'intrepreneurs' as being individuals working within an existing business (employees) who also possess various entrepreneurial traits, such as seeing opportunities, taking risks and being innovative. From a behavioural perspective,

people can be entrepreneurial while not actually pursuing business ownership. This phenomenon has grown to such an extent that an indicator measuring 'intrepreneurship' or 'corporate entrepreneurship' as it is also commonly referred to, was developed. This indicator as described by the GEM is referred to as Employee Entrepreneurial Activity (EEA). The second phenomenon refers to those who are known as 'social entrepreneurs'. These are people who are more focused on fulfilling a social need than making a profit. The GEM measures this activity by using the indicator referred to as Social Entrepreneurship Activity (SEA). These two indicators are explained in greater detail in Section 2.6.8. As is evident from the discussion, entrepreneurship is thus a complex phenomenon that has transformed over time, including not just the archetypal profit-driven entrepreneur, but also adding a dimension of social awareness and corporate entrepreneurship in some cases.

The role of the business owner/manager adds to the complexity of this phenomenon. A small business owner/manager can be defined as an individual sustaining his/her business at a reasonable size while contributing value to the local community and economy through the service or product being rendered by the business (Storey, 1994; Taylor, 2015). In contrast to this notion, some entrepreneurs consider themselves as ambitious who want to grow their businesses as large as possible, looking for new opportunities and regard themselves as inventors, adding not only to the local economy but to the economy at large (Taylor, 2015). According to Seth (2014) a thin line can be drawn between managing a small business and being an entrepreneur. Some of the similarities include starting a new business, hard work, taking risk and adjusting to change. But the reality is that few small businesses will succeed in becoming large, successful entrepreneurial innovative ventures. This does not make them failures and there may be underlying reasons why some of these businesses remain small. Considering the various definitions of entrepreneurs, some questions arise pertaining to whether the term business owner and entrepreneur are interchangeable. Wennekers and Thurik (1999:29) argue that although a small business and entrepreneurship are not synonymous concepts, a small business is certainly a vehicle through which entrepreneurship is developed. On the other hand, Lumpkin and Dess (1996:136, 143) refer to entrepreneurship from a management point of view and opine that an inventive business can be started in a new or existing market with an existing or new product, thus arguing that innovation or 'newness' of a product is not a key characteristic. Additionally, these authors point out that a business can be innovative in other ways and that new products and production processes do not represent the only ways to be pioneering. Examples of these 'other ways' include creative advertising and promotion and different management styles. Wennekers and Thurik (1999:47) are of the view that without the correct entrepreneurial characteristic traits, many business owners will not be able to become Schumpeterian-type entrepreneurs. But, contrastingly, Schumpeterian-type entrepreneurs may decide to become managerial business owners after realising their initial goals or dreams (Wennekers & Thurik, 1999:48).

Ligthelm (2013:62) differentiates between behavioural and trait approaches to entrepreneurship. In terms of behavioural approaches, entrepreneurs are perceived as being responsible for the flow of activities related to the creation or establishment of a new business, regardless of size, whereas trait approaches

consider a set of personality characteristics. These personality characteristics provide a person with the ability to grow and expand a business. In this regard, from a behavioural approach perspective, one can consider a small business owner as an entrepreneur but without some of the trait approaches such as taking risks and identifying opportunities. These entrepreneurs will seldom grow their businesses to becoming larger, more successful enterprises. The ILO (2002) is of the view that the small business and informal business sectors act as 'incubators' for the transition to larger and more innovative businesses in some cases. Naudé (2013:6) suggests that if, and when, high ability entrepreneurs from informal sectors are able to migrate to a more formal sector, improved economic growth could occur. The GEM considers entrepreneurship as: 'any attempt at new business or new venture creation, such as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals, or an established business' (GEM Consortium, 2016).

From the aforementioned it is evident that aspects of traditional definitions have transformed and, as pointed out by several researchers (e.g. Ligthelm, Lumpkin & Dess, Taylor, Bula), the term 'entrepreneurship' lends itself to various interpretations and should be considered in context. Therefore, for the purpose of this study, a small business entrepreneur is defined as a small to medium sized business owner, taking calculated risks, contributing directly to the local economy, solving social needs and problems but who chooses to remain a manageable size.

2.3 ENTREPRENEURSHIP, ECONOMIC GROWTH AND DEVELOPMENT

Several policy makers and researchers have identified entrepreneurs as key role players contributing to a country's economic prosperity (Mitchell, 2003:724; Tamilmani, 2009:8; Toma, Grigore & Marinescu, 2014:437), while the role of entrepreneurship has become more noticeable in society. Toma *et al*. (2014:437) point out that in open and modern economies entrepreneurship has become vital, not just for economic growth but also for economic development. In order to understand the relationship between them, these terms must first be defined and their differences explained. In neo-classical terms, economic growth would be defined as a cumulative increase of output, or the accumulation of production factors reflecting a quantitative measurement of a country's progress or growth (Masoud, 2014:51). The concept of economic growth is to a large extent based on models developed by traditional economists such as Myrdal (1957:20), Rostow (1959:3) and Solow (1956:65) and can further be explained as a method to track the progress of a country's GDP and per capita GDP. One of the main controversies regarding the measurement of GDP is that it does not incorporate aspects such as human development, equality and social cohesion (OECD, 2005). Economic development, on the other hand, refers to a multi-dimensional measuring concept (Todaro & Smith, 2011:16) providing a comprehensive overview on a country's progress, specifically including social development aspects (Iyer, Kitson & Toh, 2005:1016). This concept was rarely used in economic literature before the Second World War (Toma *et al*., 2014:438) and is referred to as the 'new' endogenous growth theory (Wennekers & Thurik, 1999:35). In other words, economic development involves a holistic improvement of a society's standard of living through the growth of all sectors of the economy, such as education, health, technology and infrastructure and the

overall reduction of poverty and unemployment (Carlson, 1999:10). In essence, economic development is the balance between the economic and social measurements of a country (Huq, Clunies-Ross & Forsyth, 2009:22; Toma *et al*., 2014:438). It is important to understand these differences and comprehend that economic growth on its own is not a true reflection of a country's growth and development.

A link exists between economic growth and entrepreneurship and economic development and entrepreneurship. There has been a consistent correlation between per capita GDP and TEA rates (Herrington & Kew, 2013:22) as well the level of entrepreneurship and economic development (Naudé, 2013:1). The following economic background holds importance for its contribution to an understanding of this link. Attention to supply side economics and its underlying factors attracted renewed emphasis after the 1980s period of global stagflation and consequent high unemployment level. During this time, much attention was drawn to the role of entrepreneurship and small businesses (Toma *et al*., 2014:439). As pointed out by many researchers (North & Thomas, 1973; Olsen, 1982; Van de Klundert, 1997, cited in Wennekers & Thurik, 1999:27), the institutional foundation of an economy is important. However, these research efforts have neglected the role of economic agents (including entrepreneurs) and their role in linking these micro level institutions to economic outcomes at macro level (Wennekers & Thurik, 1999:27). Many researchers have realised that the bulk of economic growth no longer lies predominantly in contributions by large companies and that small and medium enterprises (SMEs) are making a considerable contribution to the GDP (Brock & Evans, 1989; EIM, 1997:15; Toma *et al*., 2014:437). Evidence exists indicating that a shift from large precarious firms to smaller, more robust firms has occurred. Since the 1970s a considerable amount of literature has emerged making very explicit reference to the role and contribution of SMEs in economies (Toma *et al.*, 2014:439). In 1997 a shift was identified showing that small business growth exceeded that of large businesses for the period of 1988 – 1997 in Europe (EIM, 1997:15) while similar trends had previously been identified in the USA (Brock & Evans, 1989). These shifts were due to: changes in the world economy, evolution in the types of technology processes, labour supply (lower real wages), increasing education levels, changes in consumer taste and ease of entry regarding regulation of business (Wennekers & Thurik, 1999:28). The realisation of these global trends has placed much needed emphasis on the advancement of the small business sector, while some of the contributing causes of this shift have resulted in increased entrepreneurship development, improved innovation, enhanced industry dynamics and, most importantly, job creation (Acs, 1992:39). Locally, SMEs contributed 45 percent to the South African GDP in 2015 (Kelley *et al.*, 2016:111), emphasising the importance of this sector. A matter of concern is that this rate decreased substantially during 2016, down to a 36 percent contribution to the GDP (Herrington & Kew, 2017:93). The economic trend of downsizing large industries is also prevalent in South Africa with large firms such as ArcelorMittal, Sasol Industries and Samancor reducing their production and work forces. The ripple effects from downsizing ultimately lead to unemployment; thus, the creation of new small and medium businesses may, in the long-run, result in reduced rates of unemployment.

Traditionally, there was no room for entrepreneurship in theoretical neo-classical models as these models assumed perfect competition and accorded no consideration to dynamic innovation in the equilibrium process (Wennekers & Thurik, 1999:35). However, with the realisation of the new endogenous growth theory, which impacted industrial and evolutionary economics and managerial literature, new possibilities evolved, creating more room for this concept to develop. According to Wennekers and Thurik (1999:36) one of the first examples of this inclusion was evident in Romer's model which assumed that an instrument of growth can be found in new varieties of capital goods. Furthermore, this model suggests that growth is motivated by the development of new products; thus economic change could be sparked by the various activities executed by profit-pursuing entrepreneurs. From the perspective of connecting entrepreneurial activity to economic growth, two key roles of an entrepreneur may be identified. First, new entry, which refers to the role of creating a new business, regardless of the level of innovation. Second, innovation or novelty as a key economic role; this entails transforming ideas and discoveries into economically feasible actions (Baumol, 1993:198; Wennekers & Thurik, 1999:33; Toma *et al*., 2014:440). This 'newness' effected by means of pioneering businesses and innovation may be considered one of the most relevant factors linking entrepreneurship and economic growth (Toma *et al*., 2014:440). The very existence of entrepreneurship is key to economic functioning as it addresses inefficiencies within these economies (Toma *et al.*, 2014:439), ultimately contributing to market supply and demand.

Entrepreneurship is directly and indirectly linked to economic growth and development (Wennekers & Thurik, 1999:30; Herrington & Kew, 2013:22). Toma *et al*. (2014:440) empirically identify entrepreneurship as a booster of economic growth, occurring for a number of reasons, such as:

- Improved competition as the number of businesses increases. This in itself can be perceived as growth since an increase in the numbers of businesses ultimately leads to an increase in employment. Furthermore, competition creates a conducive environment for the growth of knowledge
- Knowledge 'spill-overs' that are created; as new knowledge is created; the effects thereof are transferred to other individuals or businesses. Knowledge 'spill-over' is an important causal instrument for endogenous growth
- Diversity and innovation that is created among economic agents. This creates uniqueness which in turn influences economic growth.

Empirical evidence supporting some of these statements was found by Audretsch and Thurik (2000:19) in a longitudinal study they undertook of 23 OECD countries over a period of 20 years (1974-1994). The study involved an empirical analysis investigating whether an increase in the number of entrepreneurs resulted in lower levels of unemployment. Evidence from this study suggests that when the number of small businesses increases, lower levels of unemployment are reported. Wennekers and Thurik (1999:29) declare that entrepreneurship has a positive effect on GDP which, in turn, results in improvement of general employment levels. Additional advantages of entrepreneurship include new product innovation

and service development (Toma *et al*., 2014:438). However, as with most phenomena, there may be researchers with differing views. Some studies have neglected to provide empirical evidence that entrepreneurship leads to economic growth, productivity and employment (Naudé, 2013:9). There are, furthermore, many underlying factors such as strict labour laws, low innovation and a strong trend towards necessity-driven entrepreneurship, which may contribute to the foregoing. These, however, do not form part of the scope of this study.

It is important to note that entrepreneurship has many positive spill-over effects that influence economic growth, development and job creation, and although very important, these are not its only positive outcomes (Wennekers & Thurik, 1999:30). Intermediate variables or linkages include an increase in innovation and the creation of competition. Knowledge spill-over in the form of innovation, research and development (R&D) and technology transfer have been identified as an important part of the creative destruction and construction process. Through this process businesses revive industries, regions, sectors and economies. The way businesses combine entrepreneurial skills provides new opportunities, thereby creating improved competitive advantages (Ferreira, Ratten & Dana, 2017:162). From a human development perspective, entrepreneurship may create a multi-dimensional sense of well-being in people as they realise their various capabilities (Naudé, 2013:7). Considering entrepreneurship from a capabilities approach, it can be viewed as a human function that could create a sense of well-being and happiness. Data from the GEM revealed that opportunity-motivated entrepreneurs (discussed in detail in Section 2.6.7) reported a higher level of subjective well-being and may contribute to the level of happiness in a country (Naudé, 2013:7).

Entrepreneurship does impact economic growth and development positively for a number of reasons. First, the progression of economic development is linked to the outcome of a complex set of activities and discoveries which constitute entrepreneurial actions (Harper, 2003:280). Entrepreneurs facilitate the reallocation and distribution of less productive resources to more effective ones (Toma *et al.,* 2014:441). Second, entrepreneurs are known as being key instruments in economic development through directly contributing to employment, innovation and well-being (Acs & Szerb, 2010:5). Third, innovative entrepreneurs are essential for developing new products and services that contribute positively to a growing economy (Kressel & Lento, 2012:6). Lastly, opportunity-driven entrepreneurs have a higher reported level of subjective well-being and job satisfaction, indirectly resulting in them becoming more productive (Naudé, Gries, Wood & Meintjies, 2008; Naudé, 2013:7). Entrepreneurship development is equally important for economic growth and the general well-being of a country; therefore, a deeper understanding of this topic is crucial.

2.4 THEORETICAL FOUNDATION FOR ENTREPRENEURSHIP

This section discusses the various views on entrepreneurial and related theories as set out by historic and recent economists and theorists.

2.4.1 Entrepreneurship: Origins

The term entrepreneur takes its origin from the French word 'entreprendre', denoting 'one who undertakes or is a 'manager', and stems from the phrase '*celui qui entreprend*' which roughly means 'those who get things done' (Price, 2011). Entrepreneurship and the understanding of this concept have since evolved. The concept of entrepreneurship derived from the traditional neo-classical economists who left little room for this concept in the newly industrialised era where innovation and competition, key elements of the notion, were regarded as very important.

Neo-classical theorists suggested that all agents who participated in the economy possessed perfect information and that by creating economic equilibrium, consumers and producers agreed on a set of prices where demand ultimately equalled supply (Bula, 2012:86). Conceptually, this left little to no room for innovation, competition and risk-bearing initiatives (Wennekers & Thurik, 1999:32). The neo-classical model inhibited the decision making characteristic of entrepreneurs (Kirzner, 1985:22). As industrialisation progressed, overlooking the significance of entrepreneurial actions became more difficult as politicians and economists began to realise the economic contribution small businesses were making (Wennekers & Thurik, 1999:32). From this progression, two new theoretical developments emerged: X-efficiency (Leibenstein, 1968:75, 1979:127-129; Leibenstein, 1979:128) and institutionalism (Coase, 1937). In essence, X-efficiency refers to the magnitude of the inefficient use of resources within a business, thus limiting its production potential (Wennekers & Thurik, 1999:32). Coase (1937) originated the institutionalism approach and viewed an entrepreneur as a manager of production factors within a business, something the price mechanism alone fails to do. The facts that information is not perfectly available and tension between hierarchies in businesses exists also draw attention to this approach (Wennekers & Thurik, 1999:33). Considering the aforementioned, it is likely that a paradigm shift within the neo-classical rationale would take place.

2.4.2 Economic theory shaping the concept of entrepreneurship

A theory can be defined as a set of interconnected paradigms, concepts and suggestions that, together, present a methodical view of a specific idea, resulting in the understanding, explanation and prediction of a concept (Kerlinger, 1973:9). Many historic and modern theories, to some degree, touch on the concept of entrepreneurship. However, a few stand out as they encapsulate the essence of entrepreneurship. These include, but are not limited to, Cantillon's theory of entrepreneurship (1755), Von Thünen's location theory (1783 – 1850), Menger's subjective theory of value (1840 – 1921), Marshall's theory of substitution (1842 – 1924), the Schumpeterian theory of innovation (1883 – 1950), Knight's theory of profit (1885 – 1972), Schultz's theory on entrepreneurship (1902 – 1988) and Kirzner's 'alert' entrepreneur (1930 – current), (Bula, 2012:83-88).

Cantillon (1680-1734), one of the first economists to write about the notion of entrepreneurship, identified three distinct categories of economic agents: property-owners, entrepreneurs and workers (Wennekers & Thurik, 1999:31; Toma *et al*., 2014:438). He saw an entrepreneur as a risk-taking agent

who takes supply and demand into account in order to create balance. He did not view the entrepreneur as a production factor (Bula, 2012:83). As part of the original Austrian school, Cantillon (1755:53, 65), who's works was only published two decades after his death, studied entrepreneurship extensively and, at that time, held similar views on entrepreneurship as are currently advanced by the said school of thought. He stated that creating entrepreneurs leads to the development of an economy through the creation of exchange, price fluctuations, money transfer and increased competition; and added that entrepreneurs are responsible for bringing prices and production in line with demand.

Taking the aforementioned into consideration, the Schumpeterian entrepreneurs were perceived as flexible and being creators of variability and creative destruction, thereby referring to the potential creation of new possibilities (Wennekers & Thurik, 1999:31; Naudé, 2013:2). Schumpeter followed a different approach to that of Cantillon, mainly by classifying an entrepreneur as an innovator and an agent of change (Toma *et al*., 2014:438). His theory assumed that an entrepreneur is an economic and social front-runner and profit is not the main goal of the entrepreneurial activity, but rather that of fulfilling a need in society through new innovations (Bula, 2012:85). He proposed that five conditions occur during the entrepreneurial process: new production processes, new products, new markets, new production factors or materials and new ventures (Toma *et al*., 2014:438). Von Thünen, also of the Schumpeterian view, differentiated between an entrepreneur and a supplier of capital or, as referred to by Cantillon, as an owner of property or land (Wennekers & Thurik, 1999:31). Baumol (1990:895), who is also associated with the Schumpeterian view, identifies an entrepreneur as an individual who possesses the ability to find new and creative means to add wealth, authority and status to their life. He further lists two tendencies of entrepreneurship: first, the business-organising entrepreneur and second, the innovative entrepreneur. The first refers to the characteristic of sufficiently organising and bringing structure to a business in the form of management whereas the latter refers to individuals who are driven by the need to innovate and being economic game changers (Williams-Middleton, 2010:4).

Menger, as part of the Austrian school, shares the aforementioned view of Von Thünen and Cantillon, but, in addition, viewed an entrepreneur as one who mainly merges various production factors. He compiled the theory of subjective value which, summarised, states that both parties benefit from an exchange. This implies that people will only exchange something if they receive something more valuable in return. This exchange is in most instances facilitated by a middleman or the entrepreneur (EconLib, 2008). Another economist from the Austrian school of thought, von Mises, asserted that the entrepreneur is a key component of the market economy. Production factors cannot come together instinctively, requiring the role of the entrepreneur, which is a crucial driving force of the entire market system (Gunning, 2009:3). Previously, Kirzner (1973:39) argued that an entrepreneur is someone who is alert to unrecognised opportunities and can create business ventures by timeously identifying such. He stated that in the context of economic development, an entrepreneur can be classified as a role player, reacting to opportunities and not necessarily creating them – seizing profitable opportunities instead of generating profit (Naudé, 2013:2; Toma *et al*., 2014:438). He represents the Neo-Austrian entrepreneurship

approach, claiming that a country's economy may be imbalanced and that alertness as regards identifying opportunities by entrepreneurs can move such an economy into equilibrium (Bula, 2012:84).

Several renowned economists emerged from the Neo-Classical school of thought, such as Marshall, Knight and Schultz. Marshall, also linked his thoughts to those of Menger in line with the latter's view that an entrepreneur is the manager of production in a business; Marshall furthermore adds that they are the creators of new ways (Wennekers & Thurik, 1999:31). Marshall did not refer to the concept of entrepreneurship but rather to a function known as 'business ability', which he defined as managing talent, leadership structured organisation of factors, assuming demand, monitoring outcome, being willing to try new things and taking risks in doing so (Moss, 1982:5). He further recognised innovative technological entrepreneurship as an important part of business management, which adds a vibrant element to his theory of factor substitutions. In addition, he argued that continuous change is a factor inherently contributing to entrepreneurship (Moss, 1982:4). Marshall's theory of substitution relates directly to the role of an entrepreneur in that they are continuously searching for cheaper and better ways in combining production factors, thus resulting in a more profitable outcome (Moss, 1982:6). Knight (neo-classical) ad Schumpeter (German tradition) both differentiated between the role of this 'manager' as pointed out by Menger and the role of the entrepreneur (Wennekers & Thurik, 1999:31). In addition, Menger states that the central role of the entrepreneur is to manage and undertake uncertainty associated with certain entrepreneurial actions. He specifically contends that entrepreneurs are owners of businesses striving for profit and, in doing so, undertake three tasks. First, they activate change through innovation; second, they adjust to economic change and lastly, they weigh up the consequences of uncertainty (Bula, 2012:86). The Schultz approach argues that entrepreneurship is inextricably linked to imbalances in the economy and that entrepreneurs possess the capability to deal with this state. Entrepreneurs have the ability to modify resources in times of disequilibrium and accomplish higher levels of satisfaction (Bula, 2012:84). Figure 2.2 summarises the different schools of thought regarding entrepreneurship.

Figure 2.2: Evolution of entrepreneurship and different schools of thought

Source: Wennekers and Thurik (1999:31)

In summary, neo-classical theorists viewed entrepreneurs as role players in ensuring market equilibrium. The Austrian school placed a great deal of emphasis on opportunities to make profit and create competition whereas the Schumpeterian theorists regard entrepreneurs as innovators within the economy (Wennekers & Thurik, 1999:34). Regardless of the specific school of thought, entrepreneurship remains a creative human practice which incorporates resources from various production levels with others, adding value and, ultimately, contributing to economic growth and development.

To further analyse the concept of entrepreneurial-oriented theories, an additional classification of scholarly views on entrepreneurship can be undertaken. These include behavioural, occupational and synthesis perspectives (Toma *et al*., 2014:437). These are linked to some of the views and theories previously discussed. From a behavioural perspective, views by Schumpeter and Kirzner (1985:7, 29) take centre stage. As previously mentioned, Schumpeter's definition of an entrepreneur encapsulates the essence of innovation and new creation whereas Kirzner recognises an entrepreneur as an alert person seeing opportunities and acting on them (Bull & Willard, 1993:190). A person acting from a behavioural perspective chooses to become an entrepreneur due to his or her 'opportunity-grabbing-for-profit' nature and risk-taking propensity (Naudé, 2013:3). Furthermore, behavioural entrepreneurs act on their entrepreneurial traits and characteristics rather than external events and surroundings (Williams-Middleton, 2010:1). However, these latter factors do exert some influence on the process. Behaviour can be considered a visible social human action activated by predisposed reasoning, intention and choice or decision (Williams-Middleton, 2010:3). Choosing to become an entrepreneur due to behavioural traits often leads to opportunity-based high-growth potential ventures. The occupational perspective on entrepreneurship mainly distinguishes between the choice of self-employment or wage-employment, assuming that someone would only consider entrepreneurship if the benefits of self-employment exceed that of wage-employment or unemployment (Naudé, 2013:3). Shapero and Sokol (1982:74) further state that entrepreneurial actions often occur as a result of the concatenation of cultural, social and personal factors. In a social context, negative shifts, such as retirement, retrenchment, divorce or the passing of a spouse could lead to shocks resulting in entrepreneurial actions. These actions are often linked to necessity or survival rather than opportunity (Naudé, 2013:3) and result in low growth potential businesses. Finally, the concept of synthesis has been developed by Gries and Naudé (2011:2017), merging behavioural and occupational perspectives.

The authors link the synthesis perspective to three distinct economic development concepts: structural economic transformation, development as a multidimensional concept and the coordinating role of the government in preventing market failure (Naudé, 2013:2). Table 2.1 demonstrates this link.

Table 2.1: Link between economic development ideas and entrepreneurial synthesis view

Grand ideas in development economics	Synthesis entrepreneurial view
Grand idea 1: Structural economic transformation (dual economy models)	Entrepreneurs re-allocate resources, leading to structural change and economic growth as a result of their ability.
Grand idea 2: That development is a multidimensional concept	Entrepreneurship is also a multidimensional concept taking many factors into account.
Grand idea 3: Market and state failures	Entrepreneurship is a catalyst for organisational change and institutional progress.

Source: Naudé (2013:4)

The first grand idea can be explained as the entrepreneurial ability which is central to structural change. The efficiency of entrepreneurial actions creates technological change which is crucial for research and development (R&D). Nelson and Pack (1999) opine that quick expansion of structural transformation leading from technological advancements can only be absorbed if entrepreneurial capability is high. If this is not the case, returns on capital investment and human capital could be low (Naudé, 2013:5). The second grand idea avers that in general, entrepreneurial writings fail to link entrepreneurship to development and rather focus just on the aspects of GDP, productivity and job creation. Yet, various multidimensional aspects of development do exist within the entrepreneurial paradigm. These include human functioning that could create a sense of well-being and happiness. Data from the GEM revealed that opportunity motivated entrepreneurs reported a higher level of subjective well-being and job-satisfaction and may contribute to the level of happiness in a country (Naudé, 2013:7). Lastly, as part of the third grand idea, Naudé (2013:8) mentions that a reduction in the role of the state and more emphasis on markets could be beneficial to an economy. Market failures could be reduced by entrepreneurs acting as catalysts for organisational change and institutional progress (Naudé, 2013:8). In agreement, Acs, Estrin, Mickiewicz and Szerb (2018:2) argue that the idea of entrepreneurship is essential in economic growth and development. The authors further state that institutional influence and structure have a profound influence on the allocation of productive, unproductive, and destructive forms of activity and even if all countries had comparable levels of entrepreneurship the institutional structure could determine the allocation thereof.

As stated in Section 2.2, entrepreneurship is a multidimensional concept and can be viewed and defined from various angles and perspectives, such as economic, psychological, social, managerial and sociological (Bula, 2012:81). This notion of complexity is also discernible with regard to entrepreneurial theory. Two distinct entrepreneurial theories can be added to the aforementioned discussion: The Creation theory and Discovery theory. As the concept of entrepreneurship is in many cases a conscious act flowing from a combination of choices and decisions it is relevant to further explain the Theory of Planned Behaviour (TPB) and Theory of Intention (TI) (Refer to Chapter 4, Sections 4.3 and 4.4).

2.4.3 The Creation Theory and the Discovery Theory

Many aspects in the field of entrepreneurship have been addressed and researched over the past few decades. Studies by Knight (1921), Schumpeter (1934) and Kirzner (1973) laid a foundation for general entrepreneurship theories but the need for advancement in these theories was evident. This necessity

informed the writings of Shane and Venkataraman who originated the Discovery and Creation theories (Alvarez & Barney, 2005:2). Within the context of an entrepreneurial setting the following three attributes should be present: the nature of entrepreneurial opportunities, entrepreneurs as individuals and the nature of decision making (Alvarez & Barney, 2005:3-4).

In terms of the first of these two theories, the Discovery Theory, as inspired by the views of Kirzner (1973), can be summarised as: the ability of individuals to be overly alert, spot and exploit opportunities during a high probability of risk. The first assumption that can be made is that the main task of an entrepreneur whom this theory describes is to discover and take advantage of new opportunities (Alvarez & Barney, 2005:4). Second, opportunities are considered objective, meaning that in principle, everyone in an economy should be able to spot and act on these opportunities (Alvarez & Barney, 2005:6). The last assumption refers to the riskiness of a decision. In order to make a decision whether to act on an opportunity or not, risk is involved and in this assumption the extent of the risk is, to some degree, known (Alvarez & Barney, 2005:8).

Assessing the Creation Theory which finds its origin in the work of Schumpeter (1934), three key assumptions are also made. First, this theory assumes that an opportunity is subjective and not objective as in the case of the Discovery Theory. In other words, individuals create their own opportunities in order to generate wealth, in contrast to simply recognising opportunities (Alvarez & Barney, 2005:9). The second assumption declares that the individual or entrepreneur is not necessarily unique, especially before entering the creative process, and that experiences may shape entrepreneurs differently (Alvarez & Barney, 2005:11). The final assumption is that individuals or entrepreneurs entering and proceeding through the creative process will experience some form of uncertainty as this differs according to the risk entrepreneurs face within the Discovery Theory assumptions (Alvarez & Barney, 2005:13; Williams-Middleton, 2010:2). The Creation Theory ties in to entrepreneurial behaviour in the sense that it is a combination of activities completed by the entrepreneur while adjusting and refining opportunity as well as market position, with the main goal being to create a new business. This all takes place in a situation of great uncertainty (Williams-Middleton, 2010:2). Completing this process results in a behavioural state referred to as entrepreneurial behaviour. This entrepreneurial action does not happen in a vacuum, because three key factors influence this process – environment and resources, the individual, and the process of behaviour. This is illustrated in Figure 2.3.

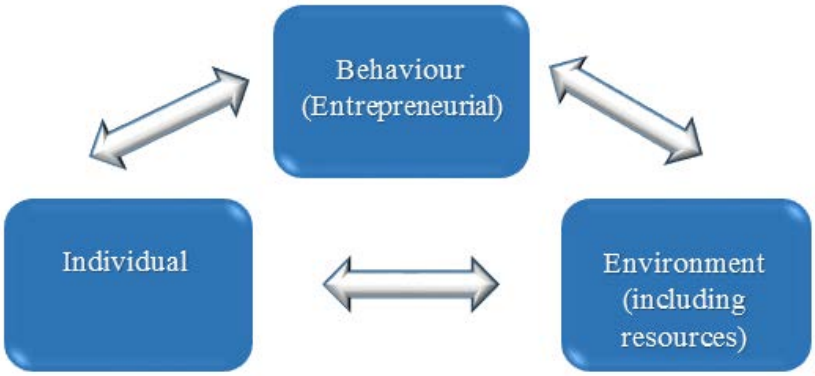


Figure 2.3: Behaviour as an expression of the environment and the individual

Source: Williams-Middleton (2010:3)

Figure 2.3 indicates that entrepreneurial behaviour can be considered as a result of a combination of the individual and the environment one finds oneself in. The Creation Theory is linked to the Social Learning Theory developed by Bandura in 1977 in which it is argued that individual behaviour is formed as a result of the direct environment (Williams-Middleton, 2010:3). For this reason, creating an enabling economic environment is important since it creates room and intention for entrepreneurs not just to start new businesses but to remain in them. Table 2.2 provides a summary the main differences between the Discovery and Creation Theories.

Table 2.2: The Discovery and Creation Theories

	Discovery Theory	**Creation Theory**
Nature of available opportunities	Objectives are set independently of individuals (Objective opportunity)	Develop as a function of the method of searching for economic prosperity and wealth (Subjective opportunity)
Nature of the individual	Entrepreneurs are considered unique and different from non-entrepreneurs. Main difference is alertness	Entrepreneurs can be similar or not when compared to non-entrepreneurs. Differences exist on the effect and not the cause of an event
Nature of decision making	Risky – probability and outcomes are knowable	Amount of ambiguity and uncertainty unknown

Source: Alvarez and Barney (2005:4)

2.5 GEM ENTREPRENEURIAL FRAMEWORK

The GEM uses a conceptual or entrepreneurial framework as part of its research methodology. Some aspects of this methodology are also employed in this study and explained further in Chapter 5 (Section 5.7.1). The components of the framework are illustrated in Figure 2.4.

The framework aims at testing the features and characteristics of certain expected relationships between social values, personal attributes and entrepreneurial activity and how these are linked to economic development (GEM Consortium, 2016; Herrington & Kew, 2016:9).

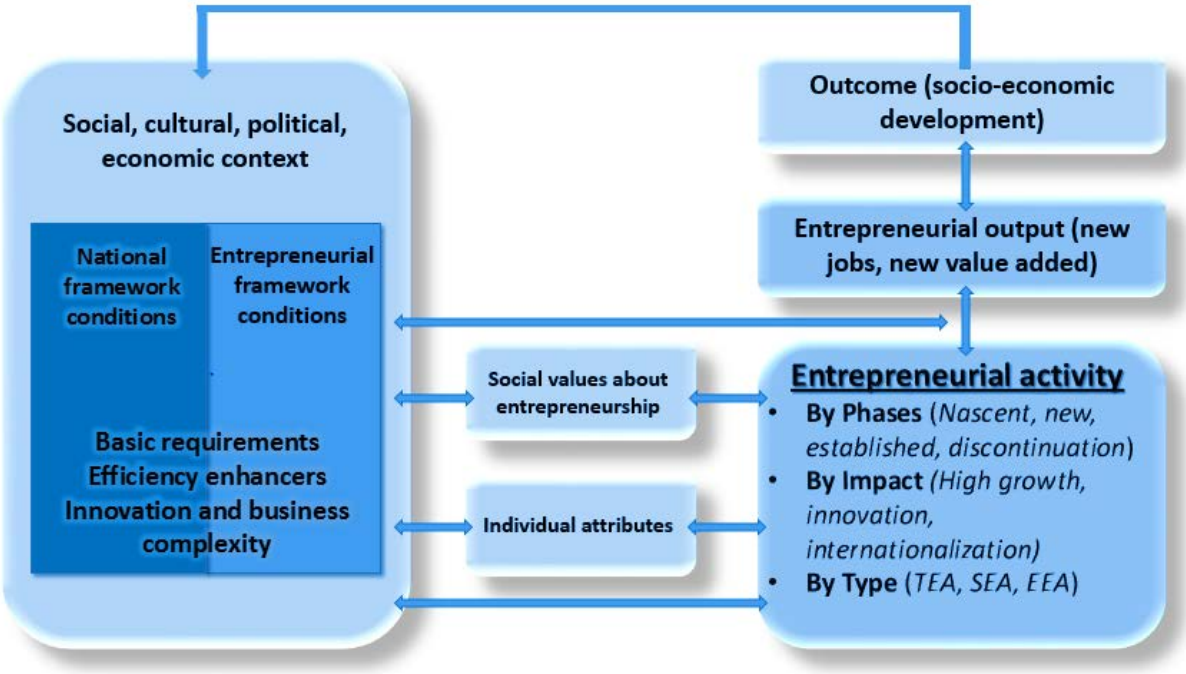


Figure 2.4: GEM entrepreneurial framework

Sources: Herrington *et al*. (2015:12); Kelley *et al*. (2016:12)

The framework comprises the following components:

- Social, cultural, political and economic components which can be defined according to the WEF's 12 pillars of economic development phases (these are explained in more detail in Chapter 3, Section 3.2) and the nine Entrepreneurial Framework Conditions (EFCs) (explained in Section 2.6). These components and conditions will affect countries differently, depending on their level of development (Herrington & Kew, 2016:11)
- The social values of entrepreneurship components express how society values entrepreneurship and what status entrepreneurs have in society. The previous statement questions whether a culture of entrepreneurship is visible within an economy (Herrington & Kew, 2016:12, GEM Consortium, 2016)
- Individual characteristics include aspects such as demographics, psychological factors such as perceived capabilities and opportunities as well as fear, and motivation behind entrepreneurial action (Herrington & Kew, 2016:12)
- Entrepreneurial activity measures the physical activity type and the phases in which the entrepreneurs find themselves; for example, are they new, nascent, established or in a phase of termination? Sectors where the activity is taking place are also assessed and include TEA, SEA and EEA (Herrington & Kew, 2016:12-13).

This framework incorporates a set of conditions or factors that need to be present in an economy in order for a healthy business environment to exist. These conditions interlink with each other and cannot be

isolated; therefore, if one or more of the conditions are not in place or are under-performing, this negatively affects other components in the framework.

2.6 MEASURING ENTREPRENEURSHIP

Entrepreneurship is not an easy concept to measure (Wennekers & Thurik, 1999:47). However, over the past 18 years, the GEM Consortium has developed a method to measure and compare cross-national entrepreneurial activity as well as perform intra-country time series analysis. In order to provide data that can be used for reliable comparisons the GEM makes use of a standardised research design for all countries. This is done in two ways: Adult Population Survey (APS**)** and the National Expert Survey (NES). The APS utilises key entrepreneurial indicators and the survey is overseen by an academic team appointed in each participating country. A number of face-to-face interviews are then conducted with a predetermined sample size from the target population (Herrington & Kew, 2013:16; Herrington *et al*., 2015:15). The NES makes use of national experts or industry leaders to provide information on barriers faced by entrepreneurs. This information consists of various factors or barriers pertaining to the local business environment and is referred to as the Entrepreneurial Framework Conditions (EFCs). These conditions include aspects such as financing, government policies and programmes, entrepreneurial education, research and development, infrastructure, market openness and social and cultural norms (Herrington *et al.*, 2015:16-17; Herrington & Kew, 2013:17). Some of these factors are further explained, and linked to female entrepreneurship, in Chapter 4. From the NES, the views of the participating experts are obtained on the following nine topics (EFCs):

- The entrepreneurial financial conditions which assess issues such as availability of loans and other types of finance, equity, debt and risk
- The government policy conditions which specifically examine the support from government for existing entrepreneurs and the further development and support for new entrepreneurs
- The government entrepreneurship programme conditions which assess the availability and quality of programmes assisting entrepreneurs and their businesses on various levels
- Under entrepreneurial education, the conditions determine to what extent entrepreneurship training is incorporated in the schooling system
- Research and development transfer which examines the level of research and development that leads to new entrepreneurial opportunities
- The commercial and legal infrastructure factor which assesses the existence of various legal services that are available to assist and promote small business development
- Considering entry regulation**,** market dynamics and market openness are assessed in order to determine to what extent and the ease with which businesses can enter new markets
- The physical infrastructure factor which determines if infrastructure is available to businesses and at what price, and

- Lastly, cultural and social norms which measure to what extent these norms encourage or restrict new business development (GEM Consortium, 2016).

The main aim of the GEM is to determine the interdependency between economic development and entrepreneurship (Herrington *et al.*, 2015:8). The GEM applies a multi-phase method to measure the six stages of entrepreneurship. These include the potential stage (Stage 1) which comprises individuals who can identify an entrepreneurial opportunity and have the ability or capability to start a new business. They are also classified as individuals with low fear of failure. The next stage is the intentional one (Stage 2) which encompasses individuals who intend to establish a new business in the next three years. Stage 3 refers to the nascent stage: it consists of individuals who have commenced the process of starting a new business but who have paid salaries for less than three months. The new entrepreneurs stage (Stage 4) refers to individuals who have successfully started a business that has been in existence for between three and 42 months. Stage 5 comprises the established business owners: individuals who have been running an established business for more than 42 months. The last stage, comprising the discontinued entrepreneurs (Stage 6), refers to individuals who have decided to exit from running a business for whatever reason (Herrington & Kew, 2013:13). The GEM specifically focuses on the individual's role played within the entrepreneurial process. The GEM considers all people engaged in the creation of new businesses and regards this as a process (Turton & Herrington, 2012:13). This process and the six multi-phase stages are graphically illustrated in Figure 2.5.

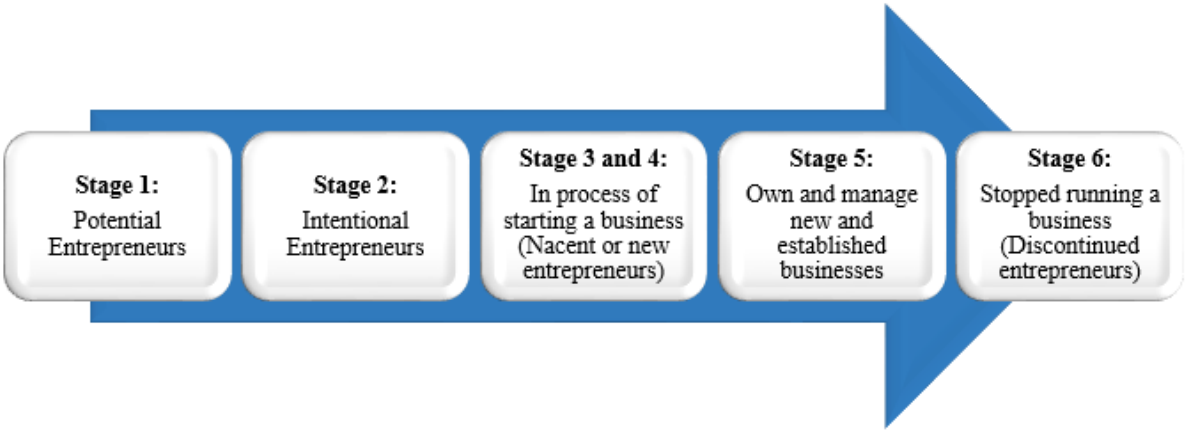


Figure 2.5: Process of entrepreneurship and multi-phase stages

Sources: Turton and Herrington (2012:13); Herrington and Kew (2013:13).

The GEM has developed its conceptual framework based on this process of inclusion. This framework implies that general framework conditions, such as productivity and competitiveness, which apply to large established firms differ from those which apply to general entrepreneurial activity. Therefore, the GEM created a supplementary set of factors contributing to people's choices to pursue entrepreneurial activities; these are referred to as the Entrepreneurial Framework Conditions (EFCs) (Turton & Herrington, 2012:13). The following section explains some of the measurements, such as attitudes of

potential entrepreneurs, entrepreneurial intentions, early-stage entrepreneurial activity, established businesses, business failure or exit, gender differences, necessity and opportunity driven entrepreneurs and other related indicators and how they fit into the GEM entrepreneurial framework.

2.6.1 Attitudes of potential entrepreneurs

This sub-category can be classified under Stage 1 (Figure 2.5) of the entrepreneurial process and measures individuals' perceived 'good' opportunities, perceived capabilities and fear of failure. As the entrepreneurial process is rather complex, individuals' social and cultural conditions might significantly impact on their motivation for considering starting a business venture (Herrington & Kew, 2013:20). Communities and even countries could benefit from people who are able to see good opportunities and act on them. The indicator, good opportunities**,** can therefore be defined as the percentage of the population between the ages of 18 and 64 years who have the ability to identify opportunities in their areas to start new business(es) (GEM Consortium, 2016). Kelley *et al*. (2013:25) indicate that when they compared the perception of good opportunities in an area, females reported a lower opportunity perception in all regions.

While seeing or believing in good opportunities merely encapsulates people's views of their direct environment, the belief that one is capable of acting on these opportunities is just as imperative. Therefore, the notion of perceived capabilities is equally important. As an indicator, perceived capabilities can be defined as the percentage of the population between the ages of 18 and 64 years who believe that they possess the needed skills and expertise/knowledge to actually start a new business venture (GEM Consortium, 2016). What is important to note is that one's perceived skills and capabilities may differ from one's actual skills and capabilities. Therefore, if a country measures a high rate of perceived capabilities, or low rate for that matter, this does not always afford a clear indication of the actual skills and knowledge certain individuals in that country might have. The third measurement in this sub-category is fear of failure. This is the percentage of the population between the ages of 18 and 64 years who indicated that they do have perceived skills and opportunities but, due to fear of failure, they would not start a business (GEM Consortium, 2016). Once again, across nearly all of the various economies, females perceive themselves to possess lower capabilities and they report a higher fear of failure rate on average compared to males (Kelley *et al*., 2013:26). From the foregoing discussion, it may be concluded that the higher a country's perceived opportunities and capabilities and the lower these entrepreneurs' fear of failure, the more entrepreneurial they might be.

2.6.2 Entrepreneurial intentions

The entrepreneurial intentions sub-category falls within Stage 2 (Figure 2.5) in the entrepreneurial process: it measures entrepreneurial intentions, entrepreneurship as a good career choice and the status of entrepreneurship. After a potential entrepreneur has identified a good opportunity and perceives that s/he might command the skills and capabilities needed to start a business, the intention to actually start the entrepreneurial journey needs to be demonstrated. This is an important stage during the entrepreneurial

process since a strong correlation exists between entrepreneurial intention and actually starting a business (Herrington & Kew, 2013:22; Herrington *et al.*, 2015:20). Intention to start a business could be influenced by external factors such as perceptions about entrepreneurship by the general public and the media (Herrington & Kew, 2013:22). These perceptions are measured as follows: entrepreneurial intentions, which can be defined as the percentage of the population between the ages of 18 and 64 years who intend to start a business in the next three years, but excluding anyone who has already commenced such activities (GEM Consortium, 2016). Kelley *et al.* (2013:28) report that in nearly every economy female entrepreneurship intention measured lower compared to that of males, with the exception of a few economies where intention measured about equal and one where female entrepreneurship intention exceeded that of male intent.

Entrepreneurship as a good career choice is also a measure in this sub-category and may be defined as the percentage of the population between the ages of 18 and 64 years who agree that starting a business in their country can be considered in this light (GEM Consortium, 2016). In addition, the indicator 'high status', of an entrepreneur, also contributes to the level of intention and can be defined as the percentage of the population between the ages of 18 and 64 years who concur that successful entrepreneurs enjoy a higher status in their communities (GEM Consortium, 2016).

2.6.3 Early-stage entrepreneurial activity (TEA)

Early-stage entrepreneurial activity (TEA) consists of two stages, which are illustrated as Stage 3 (nascent entrepreneurs) and Stage 4 (new entrepreneurs) in Figure 2.5. TEA is considered the most important entrepreneurial measurement according to the GEM. It can be defined as the percentage of the adult population between the ages of 18 and 64 years who have very recently started a business or who are in the process of doing so (Herrington & Kew, 2013:22). TEA is also split into male and female TEA. Developed economies reported a higher male TEA rate compared to female TEA rates. In many Sub-Saharan Africa and Latin American/Caribbean economies, female TEA is high and in some cases exceeds that of male TEA. However, when investigating the composition of the female TEA, it was noted that most of these females run small business out of necessity, thereby increasing female TEA rates. These type of necessity-driven businesses, however, are difficult to sustain due to external conditions (Kelley *et al.*, 2013:18). The TEA comprises two indicators: nascent and new entrepreneurs. Nascent entrepreneurs are defined as people who have started a new business but who have either not paid salaries to employees or if salaries have been paid, they were for less than three months (Herrington *et al.*, 2015:22). New business ownership rates those who have paid salaries to employees for more than three consecutive months, but whose businesses are not older than 42 months, as semi-established businesses (Herrington *et al.*, 2015:22). The GEM considers TEA to be the most important entrepreneurial indicator as this is potentially the group of businesses that might successfully grow into established ones. TEA levels could fluctuate with levels of unemployment and, in some cases, be higher when unemployment is high due to job demands not being met by the private and public sector (Herrington & Kew, 2013:22).

2.6.4 Established businesses

The established business category is to be found in Stage 5 (established business owners) as illustrated in Figure 2.5. This indicator is measured by the percentage of the population between the ages of 18 and 64 years who own and manage an established business and who have paid salaries to employees for longer than 42 continuous months (GEM Consortium, 2016). This indicator is a reflection of the sustainability of entrepreneurship in a certain economy due to a favourable environment (Kelley *et al*., 2013:17). Kelley *et al*. (2013:17) add that, in general, more individuals (of both genders) start new businesses compared to managing and owning established businesses. In most of the economies males were more prominent in running mature established businesses, with the exception of some economies from Sub-Saharan Africa and three other regions.

2.6.5 Business failure or exit

The business failure or exit rate measures the proportion of discontinued entrepreneurs and can be defined as the percentage of individuals between the ages of 18 and 64 years who, for whatever reason, have decided to exit or discontinue their business. This measurement is reflected in Stage 6 (Figure 2.5). It should be noted that business closure might be due to various reasons and that not all closures are the result of business failure (Kelley *et al.,* 2016:21). The reasons include: selling a business, retiring, seeing a better opportunity, government bureaucracy, lack of finance and of profitability (Herrington & Kew, 2013:25). Business discontinuation rates fluctuate across economies in terms of gender groups. Sub-Saharan African regions in general reported a higher business discontinuation rate in females compared to males (Kelley *et al*., 2013:18).

2.6.6 Gender aspects

As many countries still face gender equity challenges, GEM also distinguishes between female/male ratios regarding TEA and perceived opportunity (Kelley *et al*., 2015:17). This is specifically done to track the gap between gender differences regarding entrepreneurial activity and participation. The female to male TEA ratio can be defined as the ratio of females involved in TEA compared to male participation (Kelley *et al*., 2015:17). The female to male opportunity ratio can be defined as the ratio of females who perceive that entrepreneurial opportunities exist in their direct community, compared to males perceiving this. Gender TEA rates still differ significantly in certain countries. This could be due to issues pertaining to cultural and social norms, perceived roles of women in the society and lack of confidence and perceived capabilities (Herrington & Kew, 2013:26).

2.6.7 Necessity and opportunity-driven entrepreneurs

Not all entrepreneurs start businesses because of opportunities they see in the market. Therefore, it is important to also distinguish between necessity- and opportunity-driven entrepreneurs. The former are mostly small business owners, expressed as a percentage of those individuals involved in TEA, who are in their early stages of entrepreneurship because they had no other option or choice for employment (GEM Consortium, 2016). They usually operate on a small scale involving simple business activities

(World Bank, 2009:1). On the other hand, the GEM Consortium (2016) classifies opportunity-driven entrepreneurs as those individuals involved in TEA, expressed as a percentage, who considered themselves as motivated to run a business due to opportunities in the market, as well as generating profit in preference to full employment fixed salaries. The World Bank (2009:1) states that, generally, opportunity businesses are much more successful compared to necessity businesses. In general, in the first category of businesses there is more access to finance, infrastructure, more educated owners/managers, and fewer barriers to face during daily activities; thus, they are more efficient and productive. Generally, necessity-driven entrepreneurial activity is greater in developing countries due to social issues such as high unemployment and poverty. The motivation behind starting a business may well have a significant influence on the entrepreneurial pipeline because many necessity entrepreneurs will not succeed, or make a contributing impact on the economy. They might also only act in operating an entrepreneurial venture until they find more permanent employment elsewhere (World Bank, 2009:8; Kelley *et al.,* 2016:21). Some developing regions, such as Sub-Saharan Africa, reported high female TEA rates, but when analysing the composition of these groups of females it was noted that most of them are forced into entrepreneurship in order to survive (necessity-driven). These countries also record large gender gaps as necessity-driven entrepreneurship is higher for females than males (Kelley *et al*., 2013:28).

2.6.8 Additional indicators

As previously discussed, the GEM has devised several indicators measuring entrepreneurship. The most commonly used ones were explained in the earlier sections. The following indicators are also used to measure the level of entrepreneurial activity: International orientation early-stage entrepreneurial activity, which is the percentage of TEA entrepreneurs who estimate that at least 25 percent of their customer base are considered international customers. Growth expectation early-stage entrepreneurial activity can be defined as the percentage of TEA entrepreneurs who expect to employ at least five full time employees within the next five years. New product early-stage entrepreneurial activity is the percentage of TEA entrepreneurs who perceive that their service or product is new and innovative for some of their customers (GEM Consortium, 2016). These three indicators can be classified under the category referred to as aspirations (Herrington *et al.,* 2015:20). The levels of aspiration and growth expectations of early-stage entrepreneurs directly affect economic growth; consequently, in circumstances where aspiration is measured as being high, the quality of entrepreneurs may be higher, thereby creating a larger economic impact (Amorós & Bosma, 2014:13,14). A country with high rates of these indicators could be considered innovative, and possibly convert many of its new and nascent businesses into established firms. The aforementioned is important to note because businesses who employ new employees are contributing to economic growth, accordingly reducing unemployment. In addition, business that have an international client base contribute to increased imports and exports, thus positively affecting economic growth. An increased rate in new product early-stage entrepreneurial activity creates increased innovation; in this respect highly innovative businesses tend to grow faster than some other business sectors such as manufacturing and services. Informal investor rates and the ‘know start-up

entrepreneur rate' are also used. The informal investor rate can be defined as the percentage of the population between the ages of 18 and 64 years whose members in the past three years have provided funding for someone else to start a business (GEM Consortium, 2016). The 'know start-up entrepreneur rate' may be defined as the percentage of the population between the ages of 18 and 64 years who know someone personally who started a new business in the past two years (GEM Consortium, 2016).

Two additional types of entrepreneurs can also be classified outside the normal definition of entrepreneurship. These are entrepreneurs who do not operate in self-owned, profit-driven businesses; and the realm of their activities are referred to as Social Entrepreneurial Activity (SEA) and Employee Entrepreneurial Activity (EEA) (Singer *et al*., 2015:22). First, SEA refers to the rate of people actively involved in such activity, thus not having profit as a main goal but rather fulfilling a social need in the community (Singer *et al.,* 2015:23). Second, EEA denotes individuals employed either in the public or private sector who do not own a business. These are people who are entrepreneurial, who possess entrepreneurial characteristics and act on these within an existing organisation, thereby adding value by being innovative and solving problems in an entrepreneurial manner (Bosma, Wennekers, Guerrero, Amorós, Martiarena, & Singer, 2011:7; Singer *et al.,* 2015:23).

In addition, the GEM, the World Bank and World Economic Forum also developed indicators measuring entrepreneurial activity. The World Bank measures a country's 'Doing Business Rating' (DBR) and 'Starting a Business Rating' (SBR). The DBR refers to how easy or complicated it is to start and run a new business in a country. This refers to the level and sophistication of the regulatory environment (World Bank, 2016a). The DBR is determined by using two aggregate measures: ease of doing business ranking and the distance to frontier score, comprising 10 sub-indicators. These consist of: determining aspects such as cost, time and procedure for starting a business, dealing with construction permits, obtaining electricity, registering a property, access to credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency (World Bank, 2017a:165-166). When the ease of doing business is examined, countries are compared with each other, considering best practice regulation and determining the distance to this best practice for each country (World Bank, 2017a:164). This rate is measured on a scale from 0 to 100, with 0 representing the worst possible performance and 100 being the best rating (World Bank, 2017a:6).

The SBR measures the paid-in minimum capital requirement, cost, time and number of procedures needed for a person to set up and start a small to medium business operating in a specific country's largest business city (World Bank, 2016a). The World Economic Forum measures global competitiveness between countries. This index measures 138 countries on their competitiveness landscape, looking especially at the drivers of their prosperity and productivity (WEF, 2016). A country might also measure its small medium enterprises' (SMEs) contribution to GDP and SME growth index. The latter index determines which factors are positively contributing to the growth of businesses (SBP, 2014:3).

The preceding sections highlighted the importance of entrepreneurship in the context of economic growth and development; a theoretical foundation was provided and important entrepreneurship terminology, definitions and measurement indicators were explained. In terms of the entrepreneurial indicators, a brief overview of the positions of females in relation to the various measurements was given. It was found that in almost all instances males outperformed females regarding the various indicators. Considering all of the aforementioned, it can be concluded that entrepreneurship is a complex and important factor in a country's economy and potential growth prospects. The following sections analyse some of South Africa's policies and government departments regarding the importance of entrepreneurship and the role it plays in job creation.

2.7 SOUTH AFRICAN POLICY ANALYSIS

The South African government deems entrepreneurship to be an essential driver of job creation and growth: its economic policy places emphasis on the development and promotion of entrepreneurs (SBP, 2013:1). Furthermore, it promotes gender equality; hence a great deal of policy formulation has been implemented to support female development and reduce the gender gap (Wessels, 2014). This section briefly examines the National Development Plan (NDP) which forms the basis on which the various South African government departments formulate their policies. In addition, four of the many South African government departments are analysed in brief to highlight their focus on entrepreneurship, small business and development of females. These departments were chosen on the basis that they have a direct and significant role to play in job creation, economic growth and development and gender equity. This is not to say that the departments not discussed in this study do not also play an important role in the sustainability of the South African economy.

2.7.1 National Development Plan

The National Development Plan (NDP) was compiled in 2011/12 by the National Planning Commission (NPC), consisting of 26 expert advisory board members. The main aim of the NDP is to address nine primary challenges many South Africans face on a regular basis. These include high unemployment, a low quality of education, poor and under-maintained infrastructure, the spatial divide, an unsustainable resource economy, a poor public health system, the poor quality of public services, high corruption levels and the racial divide (Alexander, 2017:1). The main aim of the NDP is to reduce poverty and inequality by the target date of 2030 (The Presidency, 2012:24). In the context of this study, only aspects of the NDP that address entrepreneurship, small business development and gender equality are discussed. It should be noted that the plan addresses many other issues as listed in the aforementioned nine challenges.

Amongst its many goals, the NDP lists job creation and reduction of unemployment as its number one priority (The Presidency, 2012:25) in order to increase economic growth, reduce poverty and ensure better equality for South Africans. Emerging from this challenge, the NDP places ample emphasis and attention on small business and entrepreneurship development (The Presidency, 2012:30, 35, 86, 156, 226). As in many other South African policies and initiatives flowing from the main vision of the NDP,

entrepreneurship and small business development are mentioned numerous times. The following focus areas are pointed out with regard to small business and entrepreneurship development to:

- Ensure that life-skills and entrepreneurship training amongst the youth are improved in order for them to identify opportunities and act upon them (The Presidency, 2012:30, 86, 143)
- Ensure that South Africans form a unity by means of various achievements of which the creation of fertile conditions for entrepreneurship is listed as one (The Presidency, 2012:35)
- Transform ownership to include previously disadvantaged groups by creating an enabling environment for Black owned small businesses with emphasis on Black females. It is proposed that this can be done by redistribution (Black Economic Empowerment), local procurement and the creation of supply chains ensuring new growth in Black owned businesses (The Presidency, 2012:58, 139, 141, 468)
- Promote entrepreneurship in schools, reducing the cost of doing business in the country and lowering entry barriers which may aid in the development of new small businesses (The Presidency, 2012:114, 139, 143, 469)
- Promote skills development within new and underutilised sectors of the economy, specifically focusing on technology and innovation improvement (The Presidency, 2012:144, 327)
- Ensure that Education and Training (FET) colleges identify scarce skills and introduce entrepreneurship training programmes (The Presidency, 2012:144)
- Improve and promote skills development in the agriculture and tourism sectors with entrepreneurial training as a key focus area (The Presidency, 2012:226)
- Provide financial support and ease administrative and regulation loads (The Presidency, 2012:140) thus creating an enabling environment for small businesses to grow in and for new start-ups to enter the market (The Presidency, 2012:41, 109, 135, 142)
- Ensure support for small businesses by ensuring better coordination of government agencies, creation of finance institutions and the establishment of private incubators (The Presidency, 2012:40)
- Amend its ‘one-size-fits-all’ support programme outlook and introduce custom made support networks as entrepreneurs have different needs it is proposed that government must (The Presidency, 2012:141)
- Promote entrepreneurship in sectors with high economic potential such as tourism, agro-processing and fisheries (The Presidency, 2012:216) and
- Initiate incentives for small businesses and entrepreneurs who increases job creation through employment (The Presidency, 2012:380).

The NPC acknowledges that in the short to medium term, most employment is created by the private sector (The Presidency, 2012:140). It further asserts that public policy support should be given to these small business entrepreneurs by decreasing entry barriers and reducing unnecessary ‘red-tape’ regulation

(The Presidency, 2012:115, 156). In addition to entrepreneurship and small business development, the NPC also emphasises gender equity. Although the NPC puts much emphasis on female development, the bulk of this is from a socio-economic perspective. Issues such as access to education, discrimination, women abuse, prevention of mother-to-child HIV/Aids infection, and nutrition for young and pregnant poor women, women's rights, equality, access to social services and safety are predominantly focused on (The Presidency, 2012:29, 30, 33, 35, 36, 43, 280, 387). In addition, emphasis is placed on females being absorbed into the labour market in the form of public employment, empowerment through increased leadership and management positions as well as an increased earnings ratio compared to males (The Presidency, 2012:42, 43, 132, 156). Very little focus is placed on females starting new businesses and entrepreneurship development amongst the members of this cohort.

The NDP forms the foundation upon which the various South African government departments develop their policies and frameworks. As there are numerous such departments, analysing each department could be a study on its own and the detail of this would not be relevant to the scope of this study. However, it is necessary to point out the contribution and emphasis being placed on entrepreneurship and gender equality by the following selected departments: Department of Trade and Industry (DTI), the Department of Economic Development, the Department of Small Business Development and the Department of Women's Affairs.

2.7.2 The Department of Trade and Industry (DTI)

The Department of Trade and Industry has as its mission the promotion of structural transformation in order to create a vibrant globally competitive economy, to create a conducive enabling environment for investment trade and business development. In addition, the DTI strives to increase participation in the economy, thus strengthening economic development. It conducts various studies on an annual basis, from which detailed publications in the form of reports are regularly published. Some of these, amongst others, include 'A guide to doing business', 'Guidelines for good business practices', 'Industrial Policy Action Plan', 'Small Business Connect', 'Young Enterprise Development Strategy' and 'South Africa Business Incubation Handbook'. As the DTI has a broad development scope, this section just highlights some of the main entrepreneurial and business promotion initiatives and publications. The first of these publications is the 'Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises'. This document was completed in 2005 with a specific focus on creating an enabling legal framework for businesses, streamlining regulatory environments, facilitating access to information, marketing and procurement, finance and affordable physical infrastructure. In addition, training in entrepreneurship, skills and management is focused on, improving the labour environment, encouraging joint ventures and introducing differential taxations and financial incentives (Republic of South Africa, 2005b:3). This document concentrates mainly on small business and entrepreneurship development, but attention to female entrepreneurship development is also emphasised. The South African Women Entrepreneurs Network (SAWEN) which is detailed in Chapter 3, Section 3.4.1 and the Technology for Women in Business (TWIB) emanated from the DTI. The TWIB supports the development of females in business,

particularly through the encouragement of and application of innovative science and technology. Other female business development initiates and networks include SAWIC (South African Women in Construction), WOESA (Women in Oil and Energy Sector Association), and SAWIMA (South African Women in Mining Association) (Republic of South Africa, 2005b:10). Another report issued by the DTI during 2011, 'Towards an Enabling Environment for Women Economic Empowerment in South Africa', focuses specifically on female economic empowerment, with the following strategies being linked to achieving this. First, to increase the number of females who own, manage or control businesses. Second, to develop female resources and skills. Third, to achieve equal representation of females in occupational positions and the workforce. Fourthly, to ensure female preferential procurement and finally to promote private investment in businesses that are owned or managed by females (Republic of South Africa, 2005b:9).

2.7.3 The Department of Economic Development

The Department of Economic Development (EDD) has as its main purpose the mandate to improve the quality of life amongst South African citizens. A key responsibility of this department is that of job creation and economic development. Although the department recorded approximately 204 000 newly created jobs during the year 2015/2016, the number of unemployed citizens grew by 179 000, due to job creation not keeping up with growing numbers of job seekers. The number of employed citizens in this year was estimated at around 15 600 000 while the unemployment rate stood at 26.7 percent (Republic of South Africa, 2016b:10). The EDD offers four main programmes, with programmes 2, 3 and 4 addressing aspects pertaining to entrepreneurship. Programme 1 mostly deals with factors pertaining to administrative issues. The main purpose of Programme 2 is to strengthen economic development policy. As part of this programme one of the key focus areas includes the facilitation of increasing Black female entrepreneurs in an attempt to create access to employment (Republic of South Africa, 2016b:42, 46). Programme 3 promotes economic planning and coordination including aspects such as investment, competition and trade. Under this programme, the EDD commenced promoting investment, industrial funding and entrepreneurship as key drivers of job creation, economic and social inclusion (Republic of South Africa, 2016b:47, 48). Programme 4 focuses on the promotion of social dialogue, implementation of strategic frameworks, capacity building and the promotion of increased entrepreneurship, innovation and productivity. The promotion of small and medium sized enterprises is central to economic growth and the creation of employment. The purpose of the entrepreneurship sub-programme is therefore solely to develop and promote policy framework with a view to increasing and improving innovative entrepreneurship. The EDD deems it necessary to create partnerships with other government departments such as the DTI, the Department of Higher Education, the various SETAs and Further Education and Training institutions (FETs) in order to promote a culture of entrepreneurship in South Africa (Republic of South Africa, 2016a).

The Industrial Development Corporation (IDC) reports directly to the EDD ministry; during the past financial year, 2015/16, it has managed to save and create a total of 15 272 jobs. This was done through

the provision of funding, predominantly earmarked for Black industrialists (to the value of R2.9 billion), and female and young entrepreneurs (to the value of R1.2 billion) (Republic of South Africa, 2016b:48). Although there is still much attention needed to increase entrepreneurship development in South Africa, initiatives such as those presented by the IDC have provided immense support and growth, especially to previously disadvantaged groups.

2.7.4 The Department of Small Business Development

The Department of Small Business Development (DSBD) was established for the primary mission of creating a favourable environment for small business entrepreneurs in which to grow and develop. In order for this mission to be fulfilled, the following four sub-goals were developed: economic growth, partnership formation, regulation and radical transformation. The aim of the first sub-goal, economic growth, is to facilitate the growth and development of small businesses in order to effectively contribute to job creation and economic growth. The second sub-goal is aimed at facilitating partnership formation in all domains of the government as well as the private sector, which will in turn benefit the establishment of small businesses. Third, to ensure an encouraging regulatory environment that will assist small businesses to obtain market access, investment, finance and trade opportunities. Lastly, the fourth sub-goal targets previously disadvantaged groups and facilitates the radical economic transformation of these groups into mainstream economic activity (Republic of South Africa, 2016c).

The DSBD has devised three incentives and one strategy with which it plans to achieve its mission and sub-goals. The National Informal Business Upliftment Strategy (NIBUS) was developed to address the void experienced in small to medium semi-informal businesses. NIBUS specifically concentrates on uplifting informal small businesses and providing support to local business chambers and associations, as well as assisting Local Economic Development (LED) offices within local municipalities. The strategy is mainly targeted at pre-designated groups such as females, young and disabled individuals who are situated in rural areas and townships throughout South Africa. Since the informal economy contributes significantly to the survival of many rural and township families, the Government has identified this area as a key development zone in order to reduce poverty, increase employment and create equality. The outcomes of NIBUS link directly to those formulated in the NDP, and five key economic sectors needing intervention have been identified: retail, manufacturing, services, agriculture and construction and maintenance. Five strategic intervention pillars were developed to achieve the aforementioned outcomes. The outcome of Pillar 1 is to create an enabling legal and regulatory environment, while Pillar 2 aims to uplift enterprise development. Pillar 3 focuses on the facilitation of intergovernmental relations whereas Pillar 4 aims to create partnership and stakeholder engagement. Finally, the fifth pillar focuses on empowerment through knowledge information (Republic of South Africa, 2016c).

The first of the three incentives is called the Black Business Supplier Development Programme (BBSDP). The BBSDP is an initiative structured around a cost-sharing grant that offers Black-owned small businesses assistance to improve competitiveness and sustainability, in order to create employment and to

increase the growth potential of these specific businesses. The programme provides grants up to R1 million for tools, machinery and equipment at a 50:50 cost sharing ratio, as well as for business development to improve skills at an 80:20 cost sharing ratio. The second initiative, the Co-operative Incentive Scheme (CIS), is explicitly intended to assist co-operatives by improving the viability and competitiveness of these businesses. This is done by a grant of up to 100 percent that could lower the cost of doing businesses through offering an incentive that supports and promotes Broad-Based Black Economic Empowerment (B-BBEE). The last of the three incentives, the Shared Economic Infrastructure Facility (SEIF), is a basic crowd funded investment scheme. The SEIF aims to create public sector investment to create funding for much needed infrastructure. Typical infrastructure provision includes warehouses, storage facilities, shared facilities, lighting, water and ablution, paving, shelter, exhibition space and similar business related infrastructure. In creating this type of infrastructure, especially in townships, rural and inner city areas where increased business activity takes place, an enabling environment for small businesses is created (Republic of South Africa, 2016c).

2.7.5 The Department of Women's Affairs

The Department of Women's Affairs was established with the mandate of promoting the advancement of females, with a particular focus on socio-economic empowerment and gender equality (Republic of South Africa, 2015). The department issued a number of special reports, of which the South African Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) report and the status of women in the South African economy report are the most recent. The CEDAW report was developed to critically scrutinise the conditions South African females find themselves in and to point out achievements, challenges and best practice regarding female empowerment. Significant progress has been made since the first report in 1998, stating that government was on track regarding female inclusion in the public sector; however, many challenges still remained to increase female representation in the corporate and private sector (The Presidency, 2009:7). The report once again places its main focus on female socio-economic challenges and the incorporation of females into management positions. The document does, however, make specific reference to the facilitation and development of female entrepreneurs. The report found that the number of female-owned small businesses exceeded that of male-owned ones in the informal sector, predominantly due to females starting small survival-type businesses (The Presidency, 2009:96, 131). However, the opposite was reported in the formal sector. In addition, there is a tendency for female-owned businesses to remain smaller, less formal and have lower growth potential than male-owned businesses. Various measures have been promoted by the Department of Women's Affairs to improve this situation. These include:

- Special attention being given to access to finance for female entrepreneurs. Several special funds were created in order to promote female empowerment, one of which is the Women's Entrepreneurs Fund. This fund provides loans and specific business advice and support for the establishment of female-owned small businesses. Loans, in the form of bridging finance, start from

R50 000 and range up to R1 million. This fund also provides micro finance opportunities to female entrepreneurs (The Presidency, 2009:103)

- Promoting the availability and access to funding or credit for female entrepreneurs and small business owners, thus increasing the chances for females to start new ventures (The Presidency, 2009:11)
- Initiating of agreements based on incentives with major financial institutions to grant loans to female entrepreneurs (The Presidency, 2009:129)
- Promotion of skills training and development for both urban and rural potential female entrepreneurs (The Presidency, 2009:129)
- Providing learnership and mentorship opportunities for females who plan to become entrepreneurs (The Presidency, 2009:129)
- Promoting and encouraging female students to take business and entrepreneurial training courses in school and during their tertiary education (The Presidency, 2009:129)
- Transferring of information and communication to females regarding successful female entrepreneurs who can act as role models (The Presidency, 2009:129)
- Ensuring that female entrepreneurs have access to information and data pertaining to the future growth potential of the South African economy (The Presidency, 2009:129) and
- Encouraging the private sector to allocate and direct spending patterns, on social investment, towards female entrepreneurs (The Presidency, 2009:129).

The department also initiated three programmes to assist with its overall mandate and objectives: the administration programme, the social transformation and economic empowerment programme and the policy, stakeholder coordination and knowledge management programme. The first of the three programmes, administration, has the core purpose of assisting the department with administrative tasks such as strategic leadership and management support. Three sub-sections are associated with this programme, i.e. departmental, financial and corporate management. The second programme, that of social transformation and economic empowerment, focuses mainly on facilitating and promoting socio-economic empowerment and gender equality amongst females. This programme also consists of three sub-programmes: social empowerment and transformation, economic empowerment and participation and governance transformation, justice and security. Lastly, the third programme addresses policy and stakeholder coordination and knowledge management. Its goal is to conduct research, evaluate and review policies, monitor and evaluate changes in socio-economic empowerment and gender equality and to ensure stakeholder participation and coordination. This programme is made up of four sub-programmes: research and policy analysis, information and knowledge management, stakeholder coordination and outreach and lastly, monitoring and evaluation (Republic of South Africa, 2015).

From the aforementioned analysis it is evident that the South African government places much emphasis on small business and entrepreneurship development and that a considerable amount of money, time and

effort has been expended in the formulation of strategies, policies and initiatives. Although entrepreneurship and small business development is an important focus area for a country which is struggling with high unemployment levels and socio-economic challenges, such as South Africa, the implementation and success rates of these initiatives is sometimes questionable. One possible critique of the many comprehensive strategies, policies and initiatives by these various government departments could be that they repeat great amounts of similar information, creating confusion and a situation of 'information-overload' in many instances for people with low skills levels. In addition, the information is sometimes outdated and not transferred to the intended parties in a timeous manner. In conclusion, the South African government has nevertheless made much progress on the theoretical topic of female empowerment and small business development and, with improved implementation efforts, the aforementioned department's initiatives and programmes may result in even better outcomes.

2.8 CONCLUSION

Entrepreneurship development is an important aspect within economic growth and development. This was pointed out by the literature referred to in this chapter. Entrepreneurship and the many activities linked to it have been evident in the writings of many major economists, dating back centuries. In addition, numerous research studies emphasise the importance of developing female entrepreneurs, not only to contribute to the economic growth and development of a country, but also to assist with the development of females and the reduction of the socio-economic challenges faced by this cohort.

The aim of this chapter was to create a foundation for the rest of this study with a specific focus on four theoretical objectives identified in Chapter 1. A theoretical foundation for entrepreneurship was established, concentrating specifically on economic and entrepreneurial related theories. Important definitions and concepts relating to the field of entrepreneurship were discussed and the importance of entrepreneurship as a factor contributing to economic growth and development highlighted. In addition, an overview of South African policies and government emphasis on small business development, entrepreneurship and gender equality was provided. This was undertaken to, once again, highlight the importance of entrepreneurship development within developing countries such as South Africa.

From the content within this chapter, based on the existing literature, it was found that entrepreneurship is an important aspect resulting in many advantages within a country and its individuals, if properly implemented and executed. In order to understand the current position of South Africa in terms of entrepreneurship, more precisely female entrepreneurship development, an analysis on the current state of entrepreneurial affairs was conducted and is presented in Chapter 3. In addition, Chapter 3 provides an analysis of South Africa's global position regarding entrepreneurship development, comparing it to various developed and developing countries.

CHAPTER 3

ENTREPRENEURSHIP: AN INTERNATIONAL COMPARISON

'I believe that everyone is an entrepreneur in so far as they have the ability and desire to achieve great things and leave a legacy.' (Adrian Gore: CEO and founder of Discovery Health)

3.1 INTRODUCTION

Over the past few decades, globalisation has become a well-known concept. It can be defined as a constant process bringing the world closer together by linking individuals, cities, regions and even countries with each other in a manner that creates a global business platform (UNESCO, 2010). The result of this can be summarised as an intertwined world or 'global village' that is easily accessible to anyone who wishes do make use of opportunities or resources outside of their immediate environment. International and national barriers have thus become less restrictive and the world has become a smaller place, metaphorically speaking. Political, social and economic events within a certain country, more often than not, have a ripple effect on other countries or economies thousands of kilometres away; therefore, one country's economic, or in terms of the scope of this study, entrepreneurial state, cannot exist as a silo. The aforementioned factors contributed to the decision to include this chapter, specifically focusing on the methodology known as comparative analysis. In order for a comparative analysis to be carried out, two or more cases are used and compared with each other. This may happen on a local, regional, national or international scale (Strafford, 2013:1). In this study, empirical evidence pertaining to entrepreneurial development on an international level was used and compared with South Africa to create a broader perspective on the current South African situation regarding entrepreneurship development. Culpepper (2005:1) contends that comparative studies are fundamental in understanding the causal relationships that may exist amongst various units or indicators within political, social and economic spheres.

This chapter's main objective is to determine where South Africa could be placed in comparison to other countries regarding overall entrepreneurship and specifically development of female entrepreneurship. The importance of placing South Africa in a global context with regard to entrepreneurship in general, female entrepreneurship in particular, must be considered. The comparison with other countries provides evidence that female entrepreneurship, although on the increase, holds still greater potential to grow, reduce unemployment and contribute significantly to the GDP in developing countries such as South Africa.

Emanating from Chapter 1, the following theoretical objectives were set and will consequently be addressed in this chapter. First, to review several countries (developed, BRICS and SADC countries) and compare their entrepreneurial status with that of South Africa (Theoretical objective 5) and second, to provide a detailed description of the current standing of South Africa regarding entrepreneurship and female entrepreneurship development in particular; this is supplied by analysing reports from, but not limited to, the GEM, World Bank, ILO, OECD and WEF (Theoretical objective 6).

3.2 GLOBAL ENTREPRENEURSHIP

This section analyses the entrepreneurial trends and levels of various countries compared to South Africa. The value or significance of a certain topic or concept cannot be judged in isolation; for this reason, comparisons are of great value. Having sufficient information about a certain topic can greatly assist in the ability to make informed decisions (Roller, 2011). For this comparative analysis, three groupings of countries are compared with South Africa. First, a global comparison with five developed countries was undertaken. Second, a selection of SADC countries were compared and finally, BRICS countries, a grouping of which South Africa is part, were compared.

The World Economic Forum (WEF) classifies countries in three categories determined by their level of competitiveness and stages of development: factor-, efficiency- or innovation-driven. These stages are congruent with economic theory's consideration of stages of development. Factor-driven economies (Stage 1) primarily compete based on their availability of natural resources and primary unskilled labour. In the second stage of development (Stage 2) efficiency-driven economies' efficient production processes start to develop, thus increasing quality of products and services in these countries and consequently, higher wages are usually generated. The final development stage, referred to as innovation-driven economies, can be classified as containing high income countries with high levels of innovation and technological advances (WEF, 2011:13; WEF, 2013). The WEF further identifies 12 pillars of competitiveness, illustrated in Figure 3.1.

As can be observed from Figure 3.1, there are three stages in a country's development; each stage requires various pillars of competitiveness to be fulfilled in order to move from one stage to the next. Pillar 1 refers to an established and functioning private and public sector, while Pillar 2 includes infrastructure developed. Pillar 3 and 4 respectively each require a macroeconomic environment that is stable and a labour force that has attained at least some basic education. These four pillars are needed for a country to be classified as a factor-driven economy (WEF, 2011:10). For a country to move into the next phase, six additional pillars are required. These are higher and increased levels of education (Pillar 5), markets with efficient services and products (Pillar 6), labour markets that function in a well-balanced manner (Pillar 7), well-established financial markets and systems (Pillar 8), ability to use and benefit from global technologies (Pillar 9) and lastly (Pillar 10), a well-established market size, including foreign market ownership (WEF, 2011:11-12).

The final stage, innovation-driven, includes economies that have ultimately moved from primary resources and unskilled labour to being highly sophisticated in production processes and business development (Pillar 11) as well as technology and innovation advancement (Pillar 12) (WEF, 2011:12). The GEM also uses these three distinct categorisations for countries depending on their level of development when making entrepreneurial development comparisons (WEF, 2011:13). Although South Africa is one of just two efficiency-driven economies in sub-Saharan Africa (SSA) (all other countries are factor-driven economies), this country's entrepreneurial intentions are significantly lower than the rest of

sub-Saharan Africa. (Herrington *et al*., 2015:20-21). As increased entrepreneurial intentions lead to increased TEA and established business rates, this could be interpreted as a barrier to increased entrepreneurial activity in South Africa.

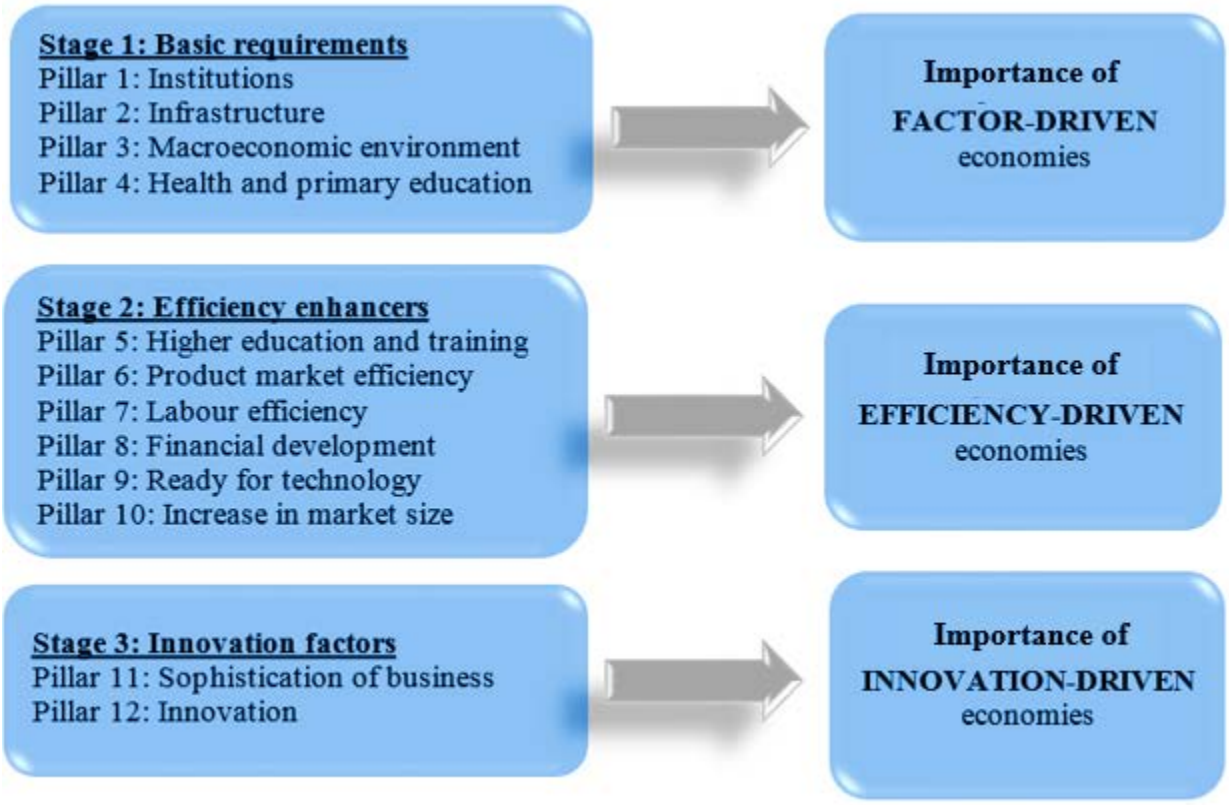


Figure 3.1: Twelve pillars of competitiveness

Source: WEF (2011:12)

3.2.1 Economic and entrepreneurial indicators: Developed country comparison

Although South Africa is not yet considered a developed country, it is in many instances perceived as developed when compared to other African countries. Some debates over the years have pointed out that in certain sectors South Africa could be considered developed; for example, in its banking and finance sectors, stock exchange and certain levels of infrastructure. In contrast, its public schooling system, informal housing and high unemployment rates place the country back on the 'developing country' list (Merritt, 1992; Layne, 1998). In an attempt to determine where South Africa fits in the global entrepreneurship arena, five developed countries were chosen with which to compare it. These included South Korea (Asia/Oceania region), Germany (European region), United States of America (North American region), Australia (Asia/Oceania region) and the Netherlands (European region). These countries were selected due to their low unemployment rates and also as being part of the GEM tracked countries. Each country is analysed by discussing key economic and entrepreneurship indicators as well as its level of female entrepreneurship development.

3.2.1.1 South Korea

The Republic of Korea, also known as South Korea, is situated on the Asian continent and forms part of the Asia/Oceania innovation-driven region (Kelley *et al.*, 2015:123). It was established on the southern part of the Korean Peninsula with the northern part being run by a communist-style government. South Korea achieved great success with rapid economic growth and a per capita income rising more than 17 times that of North Korea (CIA, 2016).

Table 3.1: Economic Statistics: South Korea

	2013	2014	2015	2016	2017
GDP	$1.744 trillion	$1.802 trillion	$1.849 trillion	$1.967 trillion	$2.027 trillion
GDP Growth	2.9%	3.3%	2.6%	2.8%	3%
GDP Per Capita	$34 700	$35 700	$36 500	$38 400	$39,400
Unemployment Rate	3.1%	3.6%	3.5%	3.7%	3.8%
Inflation Rate	1.13%	1.3%	0.7%	1%	1.9%

Sources: CIA (2016); OECD (2016); CIA (2018)

Table 3.1 indicates that South Korea achieved GDP growth of 2.6 percent and above from 2013 to 2017, while GDP per capita has also shown a steady increase. The unemployment rate is low, with a recorded 3.8 percent in 2017 which has been steady over the last few years. The inflation rate has been fluctuating from between 0.7 percent to 1.9 percent which indicates prices in the country are under control. From an entrepreneurial and business perspective (Table 3.2), South Korea is considered an easy country with which to do business as well as to start a business in, since its DBR and SBR are relatively high (ranked 5th and 11th best respectively). What is noticeable is that although the DBR and SBR are high, much lower rates for the indicators 'perceived entrepreneurial opportunities and capabilities' were reported. Fear of failure is also relatively high compared to other participating countries, and overall TEA was low at 9.3 percent during 2015/16 and further decreased to 6.7 percent in 2016/17. The media does not view entrepreneurs as possessing very high status (ranked 46th out of 65 countries) and also does not consider entrepreneurship as a very good career choice (ranked 55th out of 65 countries). This might possibly explain the low 'perceived entrepreneurial opportunities and capabilities' rates. Considering female entrepreneurial development in South Korea, the female to male TEA ratio decreased from 0.7 in 2015/16 to 0.66 in 2016/17, which is fairly high considering South Korea's cultural background. The female to male opportunity ratio is almost equal (0.99). Female TEA rates are lower than average when compared to other innovation-driven countries. Similar results have been reported over several years, with female TEA consistently being described low in comparison to average rates. However, although female entrepreneurs represented a minority group in the economy, they were more likely to start a business based on opportunity rather than necessity, as was the case with male entrepreneurs. Thus, one can assume that the high reported overall TEA rate for South Korea could primarily be attributed to the fact that many male entrepreneurs are driven into necessity- rather than opportunity- entrepreneurship (Kelley, Brush, Greene & Litovsky, 2011:23-24).

Table 3.2: 2016/17 Entrepreneurial Indicators: South Korea (Innovation-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	50% (2014)	
World Bank Doing Business Rating (DBR)	84/100	5/190
World Bank Starting a Business Rating (SBR)	95/100	11/190
WEF Global Competitiveness Rating (GCR)	5.0/7	26/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	35.3	44
Perceived entrepreneurial capabilities	45.1	39
Fear of failure	31.5	43
Entrepreneurial intentions	27.5	20
TEA	6.7	37
Established business ownership rate (EOR)	6.6	38
EEA	2.3	36
Female/Male TEA Ratio	0.66	34T
Female/Male Opportunity Ratio	0.99	26T
High status of entrepreneurs	60.2	46T
Entrepreneurship a good career choice	45.3	55

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T= tie with another country ranking

Sources: Kelley *et al*. (2016:84); Herrington and Kew (2017:74)

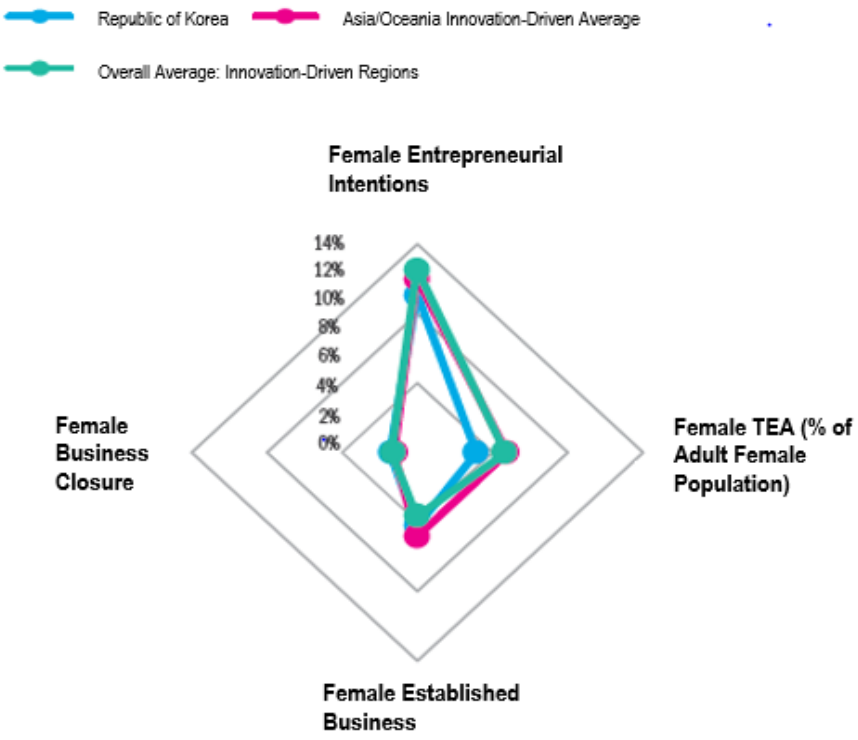


Figure 3.2: South Korea: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:125)

Figure 3.2 reflects female intention, TEA, established business and closure rates. Korea's female intention and business closure rates are similar to those of the overall average of innovation-driven countries, but Korea has lower female TEA and established business ownership rates.

3.2.1.2 Germany

Germany, as part of the European efficiency-driven region (Kelley *et al.,* 2015:91), is considered Europe's largest economy and one of the crucial members of the region's political, economic and military organisations. During 1999 Germany became part of the EU, which was founded in 1993 and which introduced the shared exchange currency known as the Euro (CIA, 2016).

Table 3.3: Economic Statistics: Germany

	2013	2014	2015	2016	2017
GDP	$3.727 trillion	$3.786 trillion	$3.841 trillion	$4.066 trillion	$4.15 trillion
GDP Growth	0.4%	1.6%	1.5%	1.9%	2.1%
GDP per capita	$46 100	$46 600	$46 900	$49,300	$50,200
Unemployment Rate	5.2%	5%	4.6%	4.2%	3.8%
Inflation Rate	1.5%	0.8%	0.1%	0.4%	1.6%

Sources: CIA (2016); OECD (2016); World Bank (2016b); CIA (2018)

As can be noted in Table 3.3, Germany achieved a steady GDP growth from 2013 to 2017, ranging between 0.4 to 2.1 percent, while GDP per capita has been relatively stagnant with a low increase of 8 percent from 2013 to 2017. The unemployment rate has steadily been decreasing from 5.2 percent to 3.8 percent. The inflation rate has been declining from 1.5 percent in 2013 to 0.1 percent in 2015, which could be related to stagflation. This trend however changed in 2016 and started to increase to a level of 1.6 percent in 2017.

Table 3.4: 2016/17 Entrepreneurial Indicators: Germany (Innovation-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	53% (2015)	
World Bank Doing Business Rating (DBR)	80/100	17/190
World Bank Starting a Business Rating (SBR)	83/100	114/190
WEF Global Competitiveness Rating (GCR)	5.6/7	5/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	37.6	41
Perceived entrepreneurial capabilities	37.4	56
Fear of failure	41.0	17T
Entrepreneurial intentions	6.2	62
TEA	4.6	64
Established business ownership rate (EOR)	7.0	35
EEA	5.1	21
Female/Male TEA Ratio	0.52	50
Female/Male Opportunity Ratio	1.04	13T
High status of entrepreneurs	78.9	14
Entrepreneurship a good career choice	51.8	53

* Expressed as rank out of possible participating countries e.g. 60/190, meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking

Sources: Kelley *et al*. (2016:73); Herrington and Kew (2017:60)

As may be observed in Table 3.4, Germany's SME contributions towards the GDP amounted to 53 percent and doing business in this country could be regarded less challenging, as the DBR is ranked 17th of all the participating countries. On the other hand, starting a business is not easy as the SBR is ranked at 114th place. Entrepreneurially, Germany is not performing optimally as it was ranked in the bottom half of the 65 participating countries, considering: perceived entrepreneurial opportunities, female to male TEA

ratios and established business ownership, and in the bottom ten countries regarding: perceived entrepreneurial capabilities, entrepreneurial intention and TEA. Germany's TEA was ranked 64th with a low 4.6 percent.

The male to female TEA ratio is estimated at one female entrepreneur for every two males despite both female and male individuals seeing opportunity in entrepreneurship (1.04). Germany reported a much higher female necessity-driven entrepreneurship rate (almost 10% higher) compared to that of males and in general, the tendency is for females to be more inclined to start businesses out of necessity (Kelley *et al*., 2011:21).

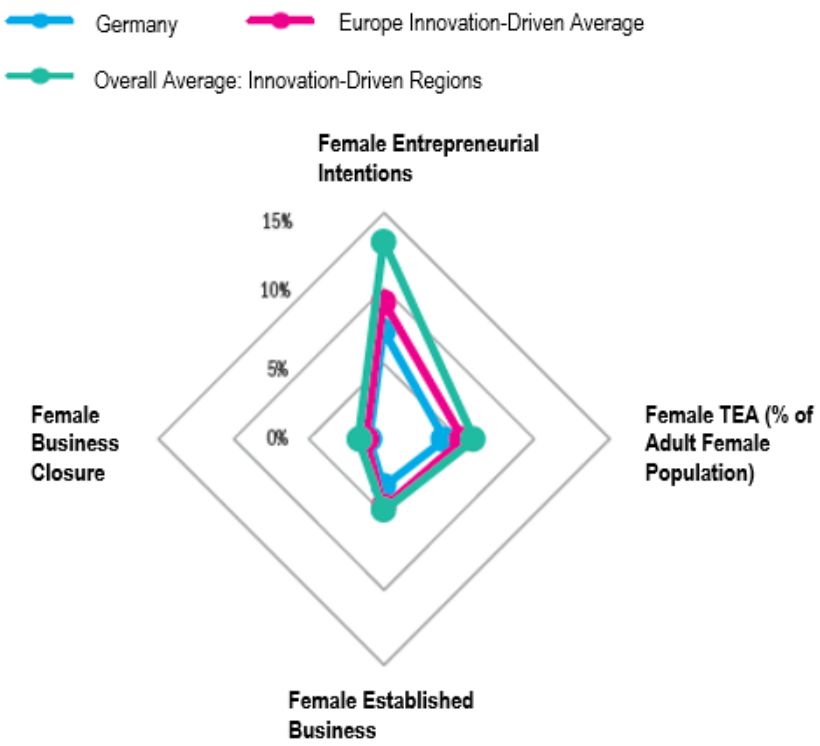


Figure 3.3: Germany: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:134)

Figure 3.3 indicates that Germany has much lower female intention, TEA and established business rates compared to other European and innovation-driven county averages. Business closure rates are similar in the three areas of comparison

3.2.1.3 The United States of America

The United States of America, the largest global economy, consists of 50 states. The USA forms part of the greater North America innovation-driven region (Kelley *et al.*, 2015:151). Two of the most impactful events occurring in the USA were the Civil War (1861) and the Great Depression (1929 to 1939), leading to a decline in the economy and loss of approximately a quarter of the labour force (CIA, 2016).

Table 3.5: Economic Statistics: United States of America

	2013	2014	2015	2016	2017
GDP	$17.11 trillion	$17.52 trillion	$17.95 trillion	$18.95 trillion	$19.36 trillion
GDP Growth	1.5%	2.4%	2.4%	1.5%	2.2%
GDP per capita	$54 000	$54 900	$55 800	$58,600	$59,500
Unemployment Rate	7.4%	6.2%	5.3%	4.9%	4.4%
Inflation Rate	1.5%	1.6%	0.1%	1.3%	2.1%

Sources: CIA (2016); OECD (2016); World Bank (2016b); CIA (2018)

Table 3.5 reveals that the USA has achieved improved GDP growth since 2013, with growth in 2017 reaching 2.2 percent. GDP per capita has been rising with a low increase of approximately 2.3 percent per annum. The unemployment rate has been stable with a declining trend since 2013, the lowest rate being reported at 4.4 percent in 2017. The inflation rate has been declining from 1.5 percent in 2013 to 0.1 percent in 2015, which could be related to stagflation. However, it has been on the increase from 2016 to over 2 percent in 2017.

Table 3.6: 2016/17 Entrepreneurial Indicators: United States of America (Innovation-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	54% (2015)	
World Bank Doing Business Rating (DBR)	82/100	8/190
World Bank Starting a Business Rating (SBR)	91/100	51/190
WEF Global Competitiveness Rating (GCR)	5.7/7	3/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	57.3	9
Perceived entrepreneurial capabilities	55.0	20
Fear of failure	33.3	41
Entrepreneurial intentions	11.7	47
TEA	12.6	24
Established business ownership rate (EOR)	9.2	16
EEA	7.0	7T
Female/Male TEA Ratio	0.71	28T
Female/Male Opportunity Ratio	0.99	26T
High status of entrepreneurs	74.4	21
Entrepreneurship a good career choice	63.7	29

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking, n/a = data not available

Sources: Kelley *et al.* (2016:84); Herrington and Kew (2017:102)

The SME sector contribution to GDP is slightly higher than the two preceding countries but also contributes more than 50 percent to GDP, as recorded in Table 3.6. The USA is ranked in the top 10 countries globally regarding ease of doing business, with a DBR of 82. Entrepreneurially, it is performing averagely with a TEA rate of 12.6 percent, ranked 24th out of the 65 participating countries. Although it has higher entrepreneurial intentions than the two preceding countries (11.7%) the USA is still ranked as just 47th of the 65 participating countries.

The female to male TEA ratio is 0.71 while the opportunity female to male ratio is similar at 0.99. What is noticeable is that the USA reported a slightly higher male necessity-driven entrepreneurship rate compared to females during 2010, although it was only by a few percent (Kelley *et al*., 2011:21). Normally females tend to have higher necessity-driven entrepreneurial rates.

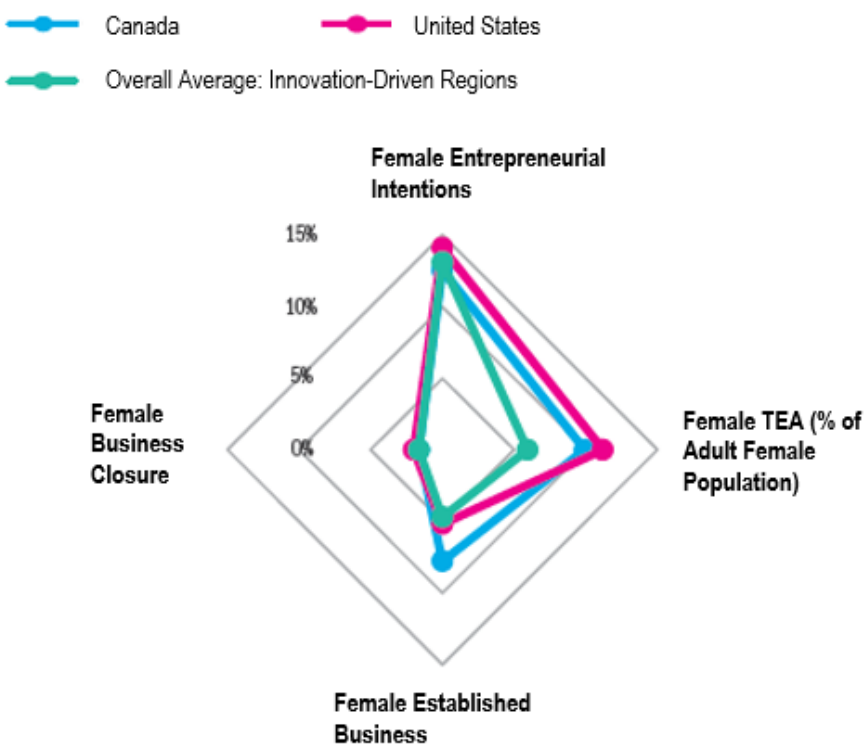


Figure 3.4: **United Sates: Female TEA, intention, established business and closure rates**

Source: Kelley *et al.* (2015:134)

From Figure 3.4, it may be observed that the USA has a higher female TEA rate than that of the innovation-driven economies' average. This country also records higher intention and TEA rates when compared to Canada which forms part of the North American region. The business closure rate is relatively similar in the three compared regions (Canada, USA and average innovation-driven economies).

3.2.1.4 Australia

Australia forms part of the Asia/Oceania innovation-driven region (Kelley *et al.*, 2015:123). Some of the major sectors include agriculture and manufacturing. It is strategically placed in one of the fastest economic growing regions worldwide and has become competitive on a global scale in recent years (CIA, 2016).

Table 3.7: **Economic Statistics: Australia**

	2013	2014	2015	2016	2017
GDP	$1.56 trillion	$1.454 trillion	$1.489 trillion	$1.209 trillion	$1.235 trillion
GDP Growth	2%	2.6%	2.5%	2.5%	2.2%
GDP per capita	$49 400	$49 700	$49 100	$49,600	$49,900
Unemployment Rate	5.4%	6.1%	6.1%	5.7%	5.6%
Inflation Rate	2.5%	2.5%	1.5%	1.3%	2%

Sources: CIA (2016); OECD (2016); World Bank (2016b); CIA (2018)

Table 3.7 indicates that Australia achieved a GDP growth of more than 2.0 percent from 2013 to 2017 while GDP per capita has stagnated. The unemployment rate was low at 5.6 percent (2017) and the rate has been steady over the last 5 years. The inflation rate is low at around 1.5 percent, which indicates prices in the country are under control.

Table 3.8: 2016/17 Entrepreneurial Indicators: Australia (Innovation-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	33% (2015)	
World Bank Doing Business Rating (DBR)	80/100	15/190
World Bank Starting a Business Rating (SBR)	96/100	7/190
WEF Global Competitiveness Rating (GCR)	5.2/7	22/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	49.3	20
Perceived entrepreneurial capabilities	52.3	26
Fear of failure	42.9	14
Entrepreneurial intentions	12.3	45
TEA	14.6	15
Established business ownership rate (EOR)	11.3	11
EEA	9.0	1
Female/Male TEA Ratio	0.65	36T
Female/Male Opportunity Ratio	0.85	54T
High status of entrepreneurs	71.5	25
Entrepreneurship a good career choice	54.2	46

* Expressed as rank out of possible participating countries eg. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking

Sources: Kelley *et al.* (2016:56); Herrington and Kew (2017:40)

Table 3.8 reflects the various entrepreneurial indicators for Australia. The SME contribution to GDP is much lower at 33 percent than those of the previous three countries analysed. Starting a business appears straightforward as the SBR is ranked at 7th best globally. The doing business rating is also high and is ranked 15th best globally. Australia reports an average TEA rate at 14.8 percent and entrepreneurship is considered a good career choice although ranked at just 36th when looking at all the GEM participating countries. Entrepreneurial intentions are low (12.3%) and fear of failure is high (42.9%), thus possibly explaining the lower SME contribution to GDP.

The Australian female to male TEA ratio was 0.7 for the period 2015/16 and decreased slightly to 0.65 for the period 2016/17. Australian female entrepreneurs exhibit high innovation compared to the Asia/Oceania region and other innovation-driven economies. They also tend to record a slightly higher female necessity-driven entrepreneurial rate compared to males (Kelley *et al.*, 2011:21).

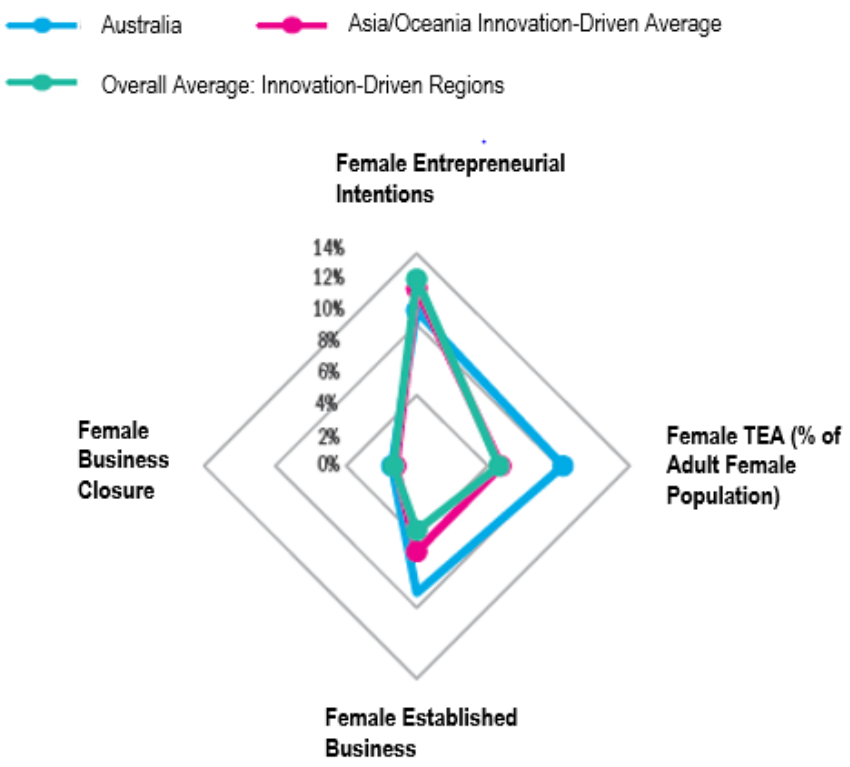


Figure 3.5: Australia: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:123)

In Figure 3.5 it can be noticed that Australia's female TEA is higher than that of the overall average of other innovation-driven economies and the Asia/Oceania region. Australian female entrepreneurs indicate a higher established business ownership activity, lower intentions and similar business closure rates when compared to the region average (Kelley *et al.*, 2015:123).

3.2.1.5 Netherlands

The Kingdom of the Netherlands was re-established in 1815 after regaining independence in 1813 from a 20-year French occupation. This country forms part of the European Union, and is an innovation-driven region (Kelley *et al.*, 2015:139). The Netherlands was a founding member of NATO and the EU and has also been one of the common Euro currency countries since 1999. It has a modern and industrialised economy with high innovation and technology levels (CIA, 2016).

Table 3.9: Economic Statistics: Netherlands

	2013	2014	2015	2016	2017
GDP	$808.7 billion	$816.9 billion	$832.6 billion	$888 billion	$915.2 billion
GDP Growth	-0.5%	1%	1.9%	2.2%	3.1%
GDP per capita	$48 100	$48 400	$49 200	$52,100	$53,600
Unemployment Rate	7.2%	7.4%	6.9%	5.9%	5.1%
Inflation Rate	2.5%	0.3%	0.2%	0.1%	1.3%

Sources: CIA (2016); OECD (2016); World Bank (2016b); CIA (2018)

Table 3.9 records that the Netherlands achieved a steady increase in GDP growth rate from negative growth in 2013 to animproving positive growth of 3.1 percent in 2017, while GDP per capita has been increasing to over $50 000 from 2016. The unemployment rate has been decreasing during the last three years, with a slow declining trend. The inflation rate has declined from 2.5 percent in 2013 to 1.3 percent in 2017 which could be related to stagflation.

Table 3.10: 2016/17 Entrepreneurial Indicators: Netherlands (Innovation-driven Economy)

	Value	**Rank out of participating countries***
SME contribution to GDP	63% (2014)	
World Bank Doing Business Rating (DBR)	76/100	28/190
World Bank Starting a Business Rating (SBR)	94/100	22/190
WEF Global Competitiveness Rating (GCR)	5.6/7	4/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	54.3	12
Perceived entrepreneurial capabilities	41.2	49
Fear of failure	37.9	28
Entrepreneurial intentions	7.4	60
TEA	11.0	28
Established business ownership rate (EOR)	10.2	13
EEA	7.6	3
Female/Male TEA Ratio	0.65	36T
Female/Male Opportunity Ratio	0.61	65
High status for entrepreneurs	60.2	46T
Entrepreneurship a good career choice	77.9	8

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking

Source: Kelley *et al.* (2016:92)

Table 3.10 summarises the key entrepreneurial indicators for the Netherlands. It is evident that its SME sector contributes significantly to the GDP, with a recorded 63 percent during 2015. The country is considered very competitive with a global competitive rating of 5.6 (ranked 4th best out of 138 countries) and is ranked in the top 30 countries to do business with and in which to start a business. It does not record significantly high entrepreneurial intentions (7.4%) or TEA (11%) rates, but its established businesses ownership rate (10.2%) is impressive. This rate is higher than the entrepreneurial intention rate and almost equal to the TEA rate, meaning that the businesses which are started are successful and survive.

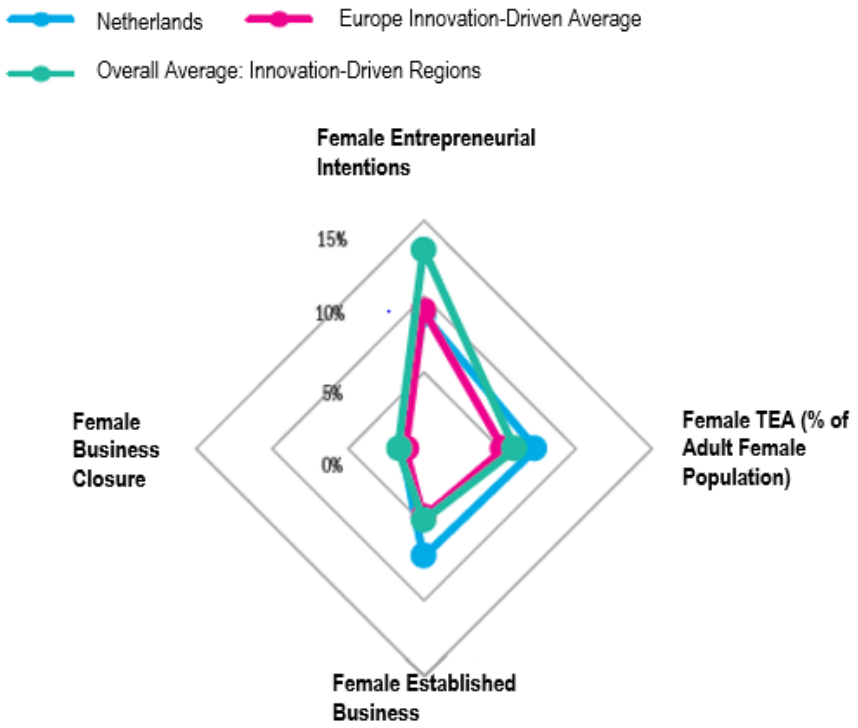


Figure 3.6: **Netherlands: Female TEA, intention, established business and closure rates**

Source: Kelley *et al.* (2015:123)

When analysing female entrepreneurship development in the Netherlands (Figure 3.6), it is noteworthy that although, in general, the country is considered entrepreneurial, there is room for improvement when regarding female entrepreneurship, as the female to male TEA ratio was a mere 0.3 (for every 10 male entrepreneurs there are only 3 female entrepreneurs) during 2015/16. On a positive note, this rate has improved significantly during the 2016/17 survey to 0.65. Although the female entrepreneurial intention rate is lower compared to that of other innovation-driven economies, the TEA and female established business ownership rate is slightly higher. In addition, Dutch males reported a higher necessity-driven entrepreneurial rate compared to females, thus implying that females are less inclined to start businesses out of necessity. It should, however, also be noted that the necessity-driven entrepreneurial rate for both males and females in this country is very low (below 10%) (Kelley *et al.*, 2011:21).

3.2.1.6 Summary and comparison of South Africa with developed countries

From the aforementioned analysis of a number of countries, the following comparison with South Africa are presented in Table 3.11, in which some of the key economic indicators of the five developed countries and South Africa are summarised. Tables 3.12 and 3.13 analyse and compare the various countries' female entrepreneurial indicators as well as the overall entrepreneurial indicators.

Table 3.11: Developed country and South Africa's economic indicators summary and comparison (2013-2015)

Country	Year	GDP	GDP Growth (%)	GDP per Capita	Unemployment Rate (%)	Inflation (%)
South Africa	**2013**	$703.5 billion	2.2	$13 200	24.7	5.77
	2014	$714.4 billion	1.5	$13 200	25.1	6.1
	2015	$723.5 billion	1.3	$13 200	25.4	4.5
	2016	$752.1 billion	0.3	$13 500	26.7	6.3
	2017	$757.3 billion	0.7	$13 400	27.6	5.4
South Korea	**2013**	$1.744 trillion	2.9	$34 700	3.1	1.13
	2014	$1.802 trillion	3.3	$35 700	3.6	1.3
	2015	$1.849 trillion	2.6	$36 500	3.5	0.7
	2016	$1.967 trillion	2.8	$38 400	3.7	1.0
	2017	$2.027 trillion	3.0	$39 400	3.8	1.9
Germany	**2013**	$3.727 trillion	0.4	$46 100	5.2	1.5
	2014	$3.786 trillion	1.6	$46 600	5.0	0.8
	2015	$3.841 trillion	1.5	$46 900	4.6	0.1
	2016	$4.066 trillion	1.9	$49 300	4.2	0.4
	2017	$4.150 trillion	2.1	$50 200	3.8	1.6
United States	**2013**	$17.11 trillion	1.5	$54 000	7.4	1.5
	2014	$17.52 trillion	2.4	$54 900	6.2	1.6
	2015	$17.95 trillion	2.4	$55 800	5.3	0.1
	2016	$18.95 trillion	1.5	$58 600	4.9	1.3
	2017	$19.36 trillion	2.2	$59 500	4.4	2.1
Australia	**2013**	$1.560 trillion	2.0	$65 400	5.4	2.5
	2014	$1.454 trillion	2.6	$64 700	6.1	2.5
	2015	$1.179 trillion	2.5	$49 100	6.1	1.5
	2016	$1.209 trillion	2.5	$49 100	5.7	1.3
	2017	$1.235 trillion	2.2	$49 900	5.6	2.0
Netherlands	**2013**	$808.7 billion	-0.5	$48 100	7.2	2.5
	2014	$816.9 billion	1.0	$48 400	7.4	0.3
	2015	$832.6 billion	1.9	$49 200	6.9	0.2
	2016	$888.0 billion	2.2	$52 100	5.9	0.1
	2017	$915.2 billion	3.1	$53 600	5.1	1.3

Sources: CIA (2016); OECD (2016); IEconomics (2016); CIA (2018)

From Table 3.11 it is evident that South Africa is not a developed country due to its greatly inferior performance concerning all the listed indicators as compared to those of the five developed countries with regard to the listed 2017 figures. The South African unemployment rate is one of the highest in the world and between four (Netherlands) and fifteen (USA) times higher than that of the five developed countries it was compared to in this analysis. Considering the high unemployment rate and other socio-economic challenges faced by South Africa, the low GDP and GDP per capita is not surprising. Inflation is also much higher than that of the compared developed countries. Considering the low GDP growth rates experienced globally over the past few years, the 1.3 percent rate South Africa achieved in 2015 is lower, but considered in line with global trends. Hoever, this rate dropped to below 1 percent after 2015.

Figure 3.7 reflects the total TEA rates for the six selected countries over a period of 16 years. What is noticeable is that during the 2007-2008 financial crisis, which led to a global decline in economic growth, the USA and South Africa were the only countries to report an increase in TEA. Most countries experienced a decline in TEA rates during 2008 and 2009, with the exception of the Netherlands. This could be due to increased market and economic pressure. All of the countries have shown a steady

increase in TEA rates since 2010. This could be due to opportunities arising just after the crisis period, which may have inspired entrepreneurs to start new businesses.

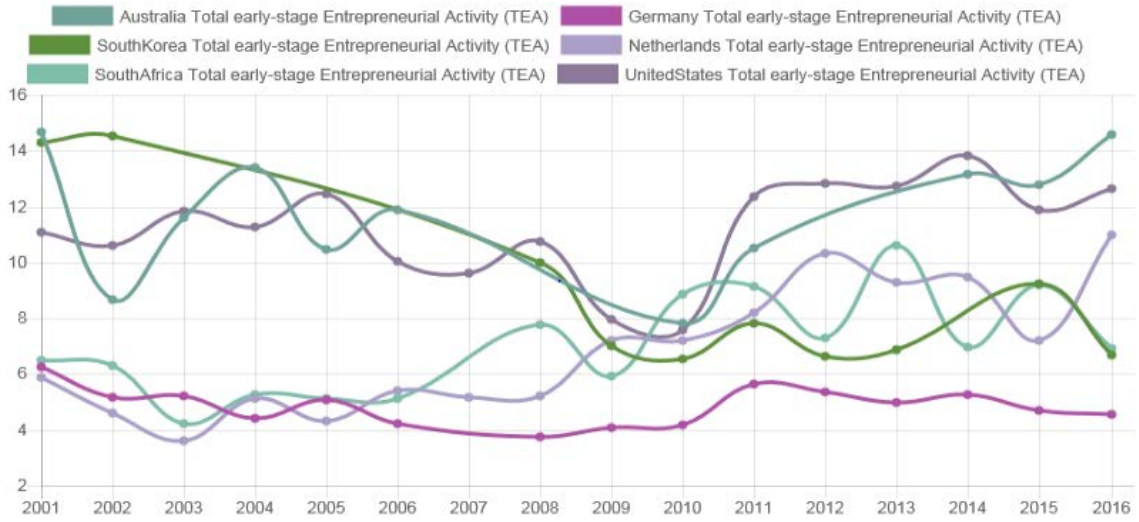


Figure 3.7: Summary of TEA rates for the selected developed countries (2001-2016)

Source: GEM Consortium (2016)

South Korea, the USA and Australia had a significant drop in their TEA rates during the 2008 to 2009 period because access to financial support and market pressure restricted the establishment of new businesses. Germany is the sole country from the selected countries that did not show a significant increase or decline in TEA rates during this period.

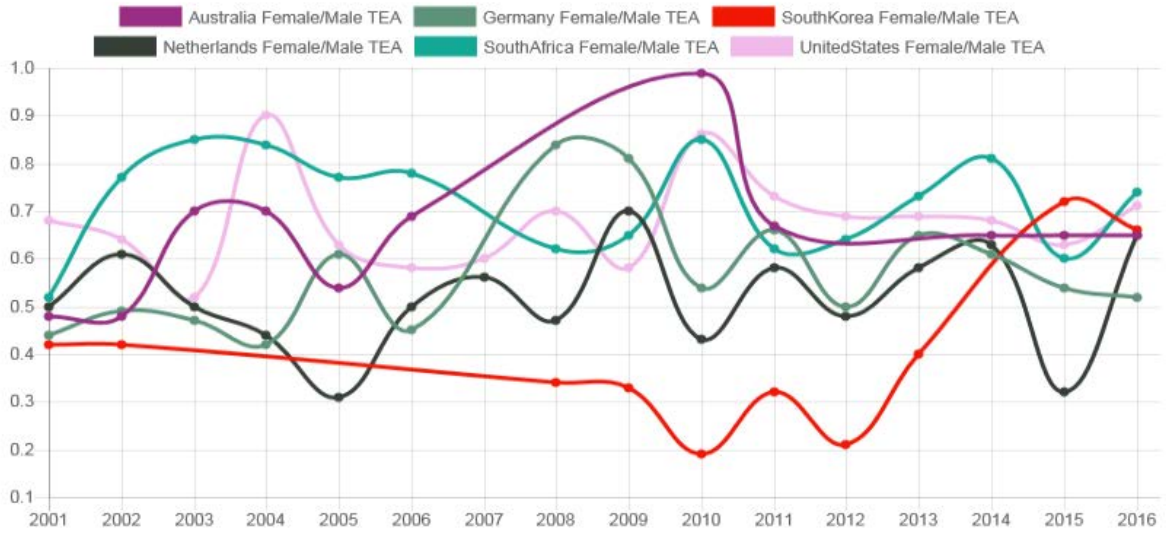


Figure 3.8: Summary of female/male TEA ratios for the selected countries (2001-2016)

Source: GEM Consortium (2016)

Figure 3.8 depicts the female to male TEA ratios from 2001 to 2016 for South Africa and the five selected developed countries. These ratios differ significantly across the various countries and years. South Korea reported the lowest female to male ratio across all years with the exception of 2005, when the Netherlands reported a lower ratio, and again in 2015, when South Korea actually reported the highest female to male TEA ratio amongst the selected countries. All the countries in this analysis recorded a female to male TEA ratio of between 0.52 and 0.74 during 2016, indicating that these countries are more likely to have male entrepreneurs than female entrepreneurs.

Table 3.12 summarises the five developed countries and South Africa regarding a variety of entrepreneurial indicators. As can be seen, South Africa is the only efficiency-driven economy amongst the selected countries. Therefore, it would normally not be compared to innovation-driven countries. However, for the purpose of this study it was important to place South Africa in a global context regarding entrepreneurship development, and therefore this comparison is necessary.

From the six countries compared, Australia reports the lowest SME contribution to GDP at only 33 percent and South Africa the second lowest at 36 percent. South Africa records the lowest DBR and SBR and is considered the least competitive country amongst the countries compared in this section. When one compares the perceived opportunities indicator (individuals perceiving that opportunities do exist in their environment), it is clear that South Africa reported the lowest rate at only 35 percent. South Korea and Germany also have low opportunity perception rates at 35.3 and 37.6 percent, respectively.

South Korea and the Netherlands also have a low reported rate of entrepreneurs enjoying high status in the community (60.2%). Germany, South Korea and South Africa reported low perceived opportunity and capability rates. These lower rates also affect their entrepreneurial intention and TEA rates which are significantly lower compared to the countries which reported higher rates in these indicator categories. Of the six countries, the USA has the highest perceived opportunity rate (57.3%) and perceived capabilities rate (55.0%). South Korea reported the highest entrepreneurial intention rate at 27.5 percent, which increased significantly from 6.6 percent the previous year. Its TEA rate is still low but considering the increase in intention rates, this rate might increase in upcoming years.

What is evident, is that although Australia has the highest fear of failure rate (42.9%) it also has the highest established ownership rate (11.3%). This may suggest that even though some individuals might experience fear of failure, they do start and run successful business. In contrast, South Africa records a low fear of failure rate (31.2%), an average entrepreneurship intention (10.1%) and a low TEA rate (6.9%) but also the lowest established business ownership rate (2.5%). These findings may suggest that the internal and external environments in which these entrepreneurs find themselves may affect their success rates.

Regarding female entrepreneurial development (Table 3.13), the USA has the highest rate of female entrepreneurial intention at 14 percent. South Korea and Australia, both forming part of the Asia/Oceania innovation-driven region, record a rate of 11 percent while South Africa is ranked third at 10 percent. A

similar TEA trend is observed when comparing the USA (11.5%), Australia (11%) and South Korea (10.5%). South Africa reported the second lowest rate of 6 percent, with Germany having a female TEA rate of just 4 percent. Female established ownership rates (EOR) are low with the exception of the Netherlands, which reports a 7 percent TEA and EOR. This is impressive as it suggests that almost all of the female entrepreneurs who start a business move into the established business phase. Australia also has a high EOR at 9 percent. When one analyses the female business closure rate, Germany reported the lowest rate at 1 percent, but considering this country's low intent, TEA and EOR, this low rate is simply following a similar low trajectory as compared to the other indicators.

When a country records high intent, high TEA and EOR and a low business closure rate, overall entrepreneurship levels will grow and long term positive economic impacts may be noticeable. This could, for example, be the case in Australia and the USA. South Africa has the highest female business closure rate (4%); considering that this rate is higher than the EOR (3%), not many female-owned businesses survive over the long term. When one considers the female TEA opportunity rate, this rate reflects females who start entrepreneurial ventures out of opportunity rather than necessity. If this rate is high accompanied by a high TEA rate, overall entrepreneurial levels and success rates may be higher. Although South Arica displays a relatively high rate in this category (71%) its female TEA is low (6%) and an increase in this rate could result in more businesses being established by opportunity-driven female entrepreneurs. The USA is an example of this as it reported a high female TEA opportunity rate (84%) accompanied by a relatively high TEA rate of 11.5 percent. South Korea reported a significantly lower rate in the female opportunity perception rate of just 9.9 percent. This rate reflects how many females in total take note of entrepreneurial opportunities in their surrounding environment. Another important indicator is the fear of failure rate. Even though females may perceive entrepreneurship as a good career choice, they may recognise opportunities and develop intention to start a new business; but if they experience fear of failure, many of them will refrain from actually taking a risk and starting a new venture. Germany reported the highest fear of failure rate and also the lowest intent, TEA and established ownership rates. Australia on the other hand, likewise reported a high fear of failure rate (50%) but a high TEA (10.5%) and EOR (9%).

There may be other external factors contributing to these fluctuations in rates; for example, good market conditions, government support and a supportive enabling environment for small businesses. When one considers the female to male TEA ratio for the selected countries, South Africa and the USA have the highest female to male TEA ratio of 0.74 and 0.71 respectively. Thus, for every ten male entrepreneurs, there are seven female entrepreneurs. Germany reported the lowest rate at 0.52.

From the aforementioned analysis it is interesting that although South Africa is considered a developing economy, in some instances the country is not the worst performing when one compares certain of the entrepreneurial indicators. This does not however mean that South Africa is more entrepreneurial in comparison with some of the developed countries such as Germany or the Netherlands who indicate lower reported TEA rates, for example. One should consider that these developed countries, although

some may have lower TEA rates, are more innovative and the ratio of opportunity-driven as opposed to necessity-driven entrepreneurs might be higher. Developed countries with low levels of unemployment rates also in general have more opportunities available in the labour market, thus limiting the need for pursuing entrepreneurship, and just those individuals intending to start a business due to a gap or need in the market will decide to do so. The following section presents an analysis of five SADC countries and their entrepreneurial status, compared to that of South Africa.

Table 3.12: Developed country and South Africa entrepreneurial indicators: summary and comparison 2016/17

Country	Country Classification	SME Contr. (%)	Doing Business (DBR) (/100)	Starting Business (SBR) (/100)	Competi-tiveness (/7)	Opportunities (%)	Capabilities (%)	Fear Failure (%)	Intention (%)	EOR (%)	TEA (%)	Status (%)	Choice (%)
South Africa	Efficiency	36	65	81	4.5	35.0	37.9	31.2	10.1	2.5	6.9	78.1	72.6
South Korea	Innovation	50	84	95	5.0	35.3	45.1	31.5	27.5	6.6	6.7	60.2	45.3
Germany	Innovation	53	80	83	5.6	37.6	37.4	41.0	6.2	7.0	4.6	78.9	51.8
USA	Innovation	54	82	91	5.7	57.3	55.0	33.3	11.7	9.2	12.6	74.4	63.7
Australia	Innovation	33	80	96	5.2	49.3	52.3	42.9	12.3	11.3	14.6	71.5	54.2
Netherlands	Innovation	63	76	94	5.6	54.3	41.2	37.9	7.4	10.2	11.0	60.2	77.9

Sources: Kelley *et al.* (2016:56, 64, 73, 84, 92, 93, 97, 106, 107, 111); Herrington and Kew (2017:40, 60, 74, 82, 93, 102)

Table 3.13: Developed country and South Africa female entrepreneurial indicators: summary and comparison (2014)

Country	Country Classification	Female Intent (%)	Female TEA (%)	Female EOR (%)	Female Business Closure (%)	Female TEA Opportunity (%)	Female Opportunity Perception (%)	Female Fear Failure (%)	Female TEA Ratio *	Female Opportunity Ratio *
South Africa	Efficiency	10	6	3	4	71	35	30	0.74	0.94
South Korea	Innovation	11	10	5	1.9	59	9.9	45	0.66	0.99
Germany	Innovation	8	4	3	1	78	33	55	0.52	1.04
USA	Innovation	14	11.5	5	3	84	49	37	0.71	0.99
Australia	Innovation	11	10.5	9	1.9	82	42	50	0.65	0.85
Netherlands	Innovation	9	7	7	1.2	80	39	42	0.65	0.61

*2016/17 Figures

Sources: Kelley *et al.* (2015:16, 17, 18, 20, 21, 22, 23, 33, 42, 47); Herrington and Kew (2017:40, 60, 74, 82, 93, 102)

3.2.2 Economic and entrepreneurial indicators: SADC country comparison

The SADC (Southern African Development Community) group of sub-Saharan countries is a regional organisation consisting of 15 member countries namely: Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Malawi, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. These countries are all situated in the southern part of Africa (including southern islands) (SADC, 2016; World Bank, 2017b). Many of the SADC countries are underdeveloped, with limited data available, and thus do not comprise part of the GEM consortium country comparison. Therefore, just those countries with available entrepreneurial data were analysed and are presented in this section. These are: Angola, Botswana, South Africa, Namibia, Malawi and Zambia. Moreover, some of these countries did not continuously participate in the GEM surveys, so just the available data is reported on.

3.2.2.1 Angola

Angola, which has recently begun its recovery from a 27-year civil war, is situated to the north-west of Africa, adjacent to the north of Namibia (CIA, 2016). These countries form part of the African factor- and efficiency-driven region (Kelley *et al.*, 2015:44).

Table 3.14: Economic Statistics: Angola

	2013	2014	2015	2016	2017
GDP	$170.9 billion	$179.1 billion	$190.5 billion	$189.2 billion	$192 billion
GDP Growth	6.8%	4.8%	3%	-0.7%	1.5%
GDP per capita	$7 200	$7 300	$7 200	$6 900	$6 800
Unemployment Rate	6.2%	6.2%	6.2%	6.6%	6.2%
Inflation Rate	8.8%	7.3%	10.3%	32.4%	30.9%

Sources: CIA (2016); IEconomics (2016); Trading Economics (2018); CIA (2018)

Table 3.14 indicates that Angola achieved relatively high GDP growth rates in 2013, but since then showed a decline from 6.8 percent to -0.7 percent in 2016, while GDP per capita has been also slowing declining. The unemployment rate has been stagnant at arounf 6 percent. The inflation rate recorded was high and unstable and showed a sharp increase after 2015. However, forcasted trend for 2018 shows it is again declining to arounf 20 percent.

Table 3.15: 2014 Entrepreneurial Indicators: Angola (Factor-driven Economy)

	Value	Rank out of participating countries*
World Bank Doing Business Rating (DBR)**	37/100	182/190
World Bank Starting a Business Rating (SBR)**	77/100	144/190
WEF Global Competitiveness Rating (GCR)**	3.04/7	140/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	69.8	n/a
Perceived entrepreneurial capabilities	61.7	n/a
Fear of failure	44.8	n/a
Entrepreneurial intentions	39.4	n/a
TEA	21.5	n/a
Established business ownership rate (EOR)	6.49	n/a
High status of entrepreneurs	81.7	n/a
Entrepreneurship a good career choice	75.1	n/a

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2016 figures, n/a = ranking not applicable as only 2015/16 data is ranked

Source: GEM Consortium (2016)

No data were available for 2015/16; therefore, the available data of 2014 was used. From Table 3.15 it can be observed that Angola is not an easy country to do business with, or in. Based on the data available, the DBR and GCR for this country was low and amongst the worst performing counties participating in the ratings. Although the SBR was not as low, Angola was still considered as the 144th easiest country (of 190) to start a business in. According to the data, entrepreneurial intention in Angola was high at almost 40 percent. On the positive side, when comparing Angola's TEA (21.5%) and entrepreneurial intention rate (39.4%) to that of the developed countries analysed in Section 3.2.1, Angola reported much higher rates. It should be noted that developing countries normally report higher TEA and intention rates since not many formal labour market employment opportunities are available compared to some of the developed countries. As with most other countries, the figures for fear of failure remain high (44.8%) and the established ownership rate was 6.49 percent.

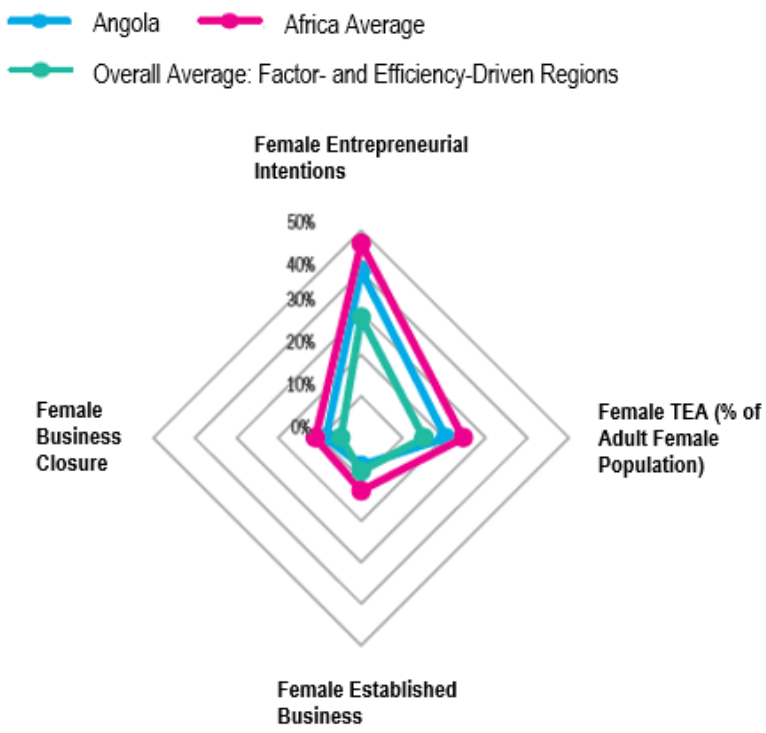


Figure 3.9: Angola: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:71)

Compared to the African country average, Angola showed slightly lower female entrepreneurial activities. Referring to Figure 3.9 they also exhibited lower female entrepreneurial intention, established ownership rate and business closure rates compared to the average of the African countries. They were performing better in these areas compared to the overall average factor- and efficiency-driven economies in the region. Angolan females were however shown to perform well in comparison to most other economies as their female TEA rate was almost equal to that of males. During the 2013 survey male TEA rates stood at 34 percent and female TEA rates at 31 percent (Herrington, 2013:6).

3.2.2.2 Botswana

Botswana, formerly known as the British Protectorate of Bechuanaland, adopted its new name at independence in 1966. This country has been one of the most stable economies in Africa as it has had uninterrupted civilian leadership, progressive and uplifting social policies and significant capital investment for more than four decades (CIA, 2016). Botswana also forms part of the African factor and efficiency-driven region and is classified as a factor-driven economy (Kelley *et al.*, 2015:44).

Table 3.16: Economic Statistics: Botswana

	2013	2014	2015	2016	2017
GDP	$33.88 billion	$34.96 billion	$34.84 billion	$37.86 billion	$39.55 billion
GDP Growth	9.9%	3.2%	-0.3%	4.3%	4.5%
GDP per capita	$16 300	$16 600	$16 400	$17 600	$18 100
Unemployment Rate	20%	20.2%	20.2%	17.6%	18.1%
Inflation Rate	5.9%	4.4%	3.1%	2.8%	3.7%

Sources: CIA (2016); World Bank (2016b); IEconomics (2018)

Table 3.16 records that the GDP growth rates declined rapidly from 9.9 percent in 2013 to -0.3 percent in 2015, indicating a decline towards a recession, the country has however been able to turn its economy around and has for the past two years recoded growth over 4 percent. GDP per capita has increased over the years. The unemployment rate is high has been steady over the years between 2013 and 2015, and from 2016 the rate has been declining from over 20 percent. The inflation rate remains under 4 percent indicating that prices in the country are under control.

Table 3.17: 2015/16 Entrepreneurial Indicators: Botswana (Factor-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	20% (2012)	
World Bank Doing Business Rating (DBR)**	65/100	71/190
World Bank Starting a Business Rating (SBR)**	76/100	153/190
WEF Global Competitiveness Rating (GCR)**	4.2/7	74/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	57.8	7
Perceived entrepreneurial capabilities	74.1	4
Fear of failure	18.9	6
Entrepreneurial intentions	61.9	2
TEA	33.2	3
Established business ownership rate (EOR)	4.6	47
EEA	1.6	35
Female/Male TEA Ratio	0.8	13T
Female/Male Opportunity Ratio	0.8	49T
High status of entrepreneurs	82.0	6
Entrepreneurship a good career choice	70.1	18

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking, ** 2016 figures

Source: Kelley *et al.* (2016:59)

From Table 3.17 it can be seen that during the recorded period, Botswana's SME sector contributed just 20 percent to GDP. This could have been due to a large informal SME sector which was not accurately included in the GDP calculation. The DBR was 65 while Botswana was ranked as 71st of 190 countries to do business with. Based on the data, starting a business in Botswana is a challenge as it was ranked the 153rd most difficult country to start a business in. Its performance average showed it to be at 74th place in

terms of global competitiveness. What is impressive, is that on an entrepreneurial level Botswana outperformed all the developed countries in this analysis; when one compares perceived entrepreneurial opportunities (57.8%), perceived entrepreneurial capabilities (74.1%), fear of failure (18.9%), entrepreneurial intentions (61.9%) and TEA (33.2%). Botswana was ranked in the top ten countries participating in the GEM in all of these areas. However, the established business ownership rate ranked 47th and, although it reported intention and the starting of many businesses, their survival rate has been low. This might explain the World Bank rating of 76th place when it comes to ease of starting a business.

When analysing Botswana's female entrepreneurial activity (Figure 3.10) it was considerably higher in comparison to the African average and average of factor and efficiency-driven regions. It also recorded higher female TEA rates than these two types of regions. On the downside, the established female business ownership rate and business closure rate was worse off than the African average and average of factor and efficiency-driven regions. Botswana had a high female to male TEA ratio of 0.8, which ranked 13th best out of all the GEM participating countries.

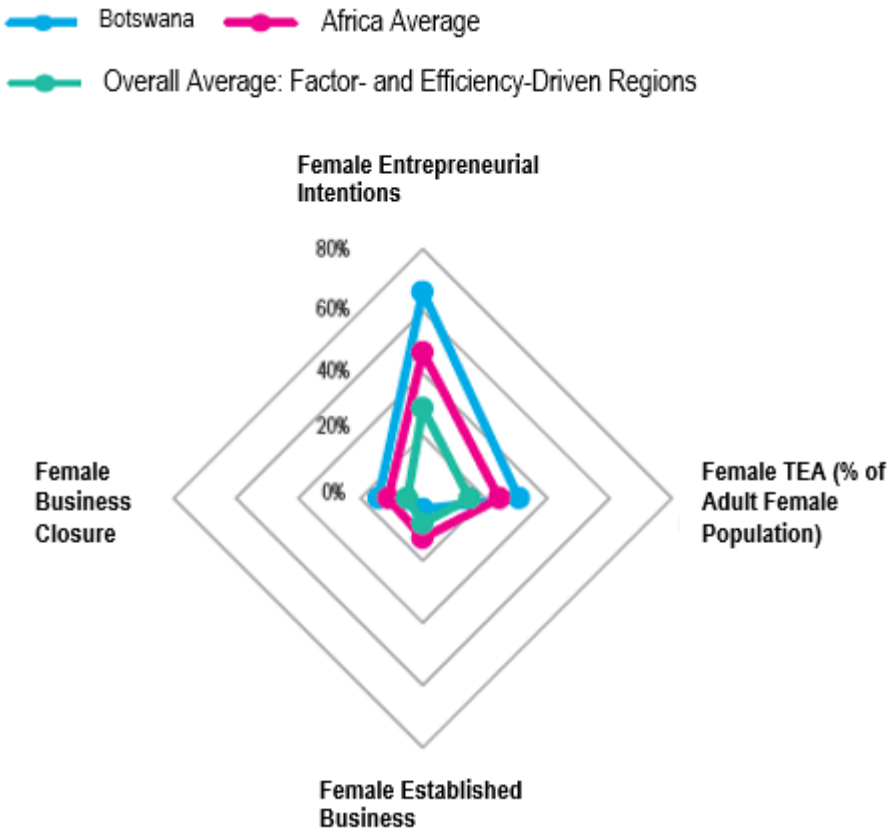


Figure 3.10: Botswana: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:72)

3.2.2.3 Malawi

Malawi is also considered part of the African factor and efficiency-driven region and is classified as a factor-driven economy (Kelley *et al.*, 2015:44). Established in 1891, and formerly known as the British Protectorate of Nyasaland, Malawi became independent in 1964 (CIA, 2016).

Table 3.18: Economic Statistics: Malawi

	2013	2014	2015	2016	2017
GDP	$18.71 billion	$19.78 billion	$20.36 billion	$21.5 billion	$22.47 billion
GDP Growth	5.2%	5.7%	3%	2.3%	4.5%
GDP per capita	$1 100	$1 100	$1 100	$1 200	$1 200
Unemployment Rate	6.6%	6.4%	5.2%	6.74%	6.7%
Inflation Rate	27.3%	24.4%	21.2%	21.7%	13%

Sources: CIA (2016); World Bank (2016b); IEconomics (2016); CIA (2018)

Table 3.18 indicates that Malawi achieved fluctuating GDP growth rates from 2013 to 2017 ranging from between 3 to 5.7 percent, while GDP per capita stagnated. The unemployment rate was very low for a developing country and ranged between 5.2 percent and 6.7 percent with an increasing trend over the last 2 years represented in the table. The inflation rate was high at above 20 percent, which indicates prices in the country were trending out of control, however inlflation rates in 2017 has declined significantly to 13 percent in 2017, which shows that the country is making advances in combatting high inflation rates.

Table 3.19: 2013 Entrepreneurial Indicators: Malawi (Factor-driven Economy)

	Value	Rank out of participating countries*
World Bank Doing Business Rating (DBR)**	54/100	133/190
World Bank Starting a Business Rating (SBR)**	76/100	150/190
WEF Global Competitiveness Rating (GCR)**	3.25/7	132/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	78.9	n/a
Perceived entrepreneurial capabilities	89.5	n/a
Fear of failure	15.1	n/a
Entrepreneurial intentions	66.7	n/a
TEA	28.1	n/a
Established business ownership rate (EOR)	12.0	n/a

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2016 figures, n/a = data not applicable as only 2015/16 data is ranked

Source: Amorós and Bosma (2014:26, 30)

Malawi is one of the African countries possessing limited GEM data; the latest data available for this country is for 2013. This is reflected in Table 3.19. As many of the developing African countries, and based on this data, Malawi was also ranked low by the World Bank when considering doing business, starting a business and global competitiveness.

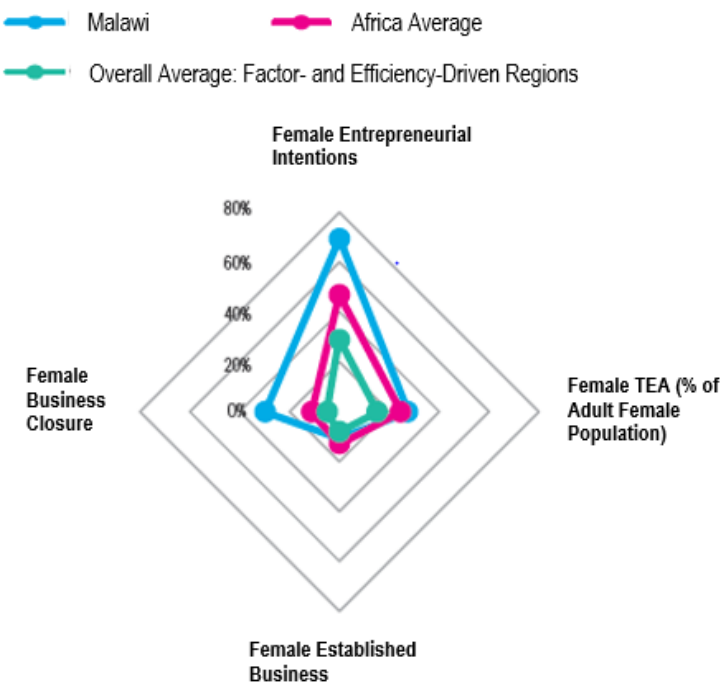


Figure 3.11: Malawi: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:77)

According to the data, Malawi followed a similar trend to Botswana with high perceived entrepreneurial opportunities (78.9%), high perceived entrepreneurial capabilities (89.5%), low fear of failure (15.1%), high entrepreneurial intention (66.7%) and high TEA (28.1). In addition to these indicators, it also showed a high established business ownership rate of 12 percent. Malawi also followed a similar trend to Botswana, outperforming the African average and factor/efficiency average for the region when female entrepreneurial intentions and female TEA rates were compared (Figure 3.11). In contrast, Malawi's data indicated a much higher female business closure rate when compared to the other two regions. The data also evidenced a lower female established business ownership rate than the average African region but slightly higher than the factor/efficiency average for the region.

3.2.2.4 Namibia

Namibia become independent in 1990 after South Africa agreed to end its administration in accordance with a UN peace plan (CIA, 2016). Namibia is part of the African factor and efficiency-driven region and is classified as an efficiency-driven economy (Kelley *et al.*, 2013:13).

Table 3.20: Economic Statistics: Namibia

	2013	2014	2015	2016	2017
GDP	$22.8 billion	$24.25 billion	$25.34 billion	$26.81 billion	$27.02 billion
GDP Growth	5.7%	6.4%	4.5%	1.1%	0.8%
GDP per capita	$10 500	$11 000	$11 400	$11 500	$11 500
Unemployment Rate	29.6%	28.1%	27.7%	28.1%	22.3%
Inflation Rate	5.6%	5.3%	3.4%	6.7%	6%

Sources: CIA (2016); IEconomics (2016); CIA (2018)

Table 3.20 records that Namibia achieved high GDP growth rates from 2013 to 2015, however the country has experienced very low growth during the last two years. While GDP per capitahas stagnated, the unemployment rate remains very high at rates of more than 28 percent. The lower rate of 22.3 percent in 2017 is however an estimated figure and may be higher. The inflation rate declined from 5.6 percent to 3.4 percent, indicating prices in the country were under control however, from 2016 there was a sharp increse to over 6 percent

Table 3.21: 2013 Entrepreneurial Indicators: Namibia (Efficiency-driven Economy)

	Value	**Rank out of participating countries***
World Bank Doing Business Rating (DBR)**	58/100	108/190
World Bank Starting a Business Rating (SBR)**	68/100	170/190
WEF Global Competitiveness Rating (GCR)**	3.96/7	88/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	68.3	n/a
Perceived entrepreneurial capabilities	73.9	n/a
Fear of failure	32.0	n/a
Entrepreneurial intentions	52.4	n/a
TEA	33.3	n/a
Established business ownership rate (EOR)	7.9	n/a
High status of entrepreneurs	65.9	n/a
Entrepreneurship a good career choice	71.8	n/a

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2016 figures, n/a = data not applicable as only 2015/16 data is ranked

Source: GEM Consortium (2016)

From Table 3.21 it is clear that Namibia was ranked 108th by the Word Bank with regard to doing business and 170th when taking into account the ease of starting a business. It was ranked 88th out of 144 countries by the World Economic Forum global competitiveness rating. Like Botswana and Malawi, the data indicates that Namibia also reflected high perceived entrepreneurial opportunities (68.3%) and capabilities (73.9%), high entrepreneurial intentions (52.4%) and high TEA rates (33.3%). The data for Namibia did however reflect a higher fear of failure rate (32%) than the two mentioned countries. It also revealed a relatively high established business ownership rate of 7.9 percent. Women were almost as likely as males to become involved in early-stage entrepreneurial activity, reflected by a female TEA rate of 18 percent and male TEA rate of 19 percent in 2012. In common with many developing countries, entrepreneurial intentions were seen to be higher than those of developed countries as this is in many instances the only survival strategy. Namibian females reported a 43 percent entrepreneurial necessity rate compared to the male rate of 32 percent. Females feel more constrained than males when they consider starting a business, which could furnish a reason for the large variance in the female to male unemployment rates (31.8% and 22.9% respectively) (Herrington, 2012:43).

3.2.2.5 Zambia

Zambia, also formerly known as the territory of Northern Rhodesia, was administered by the former British South Africa Company from 1891 until 1923 when it was taken over by the United Kingdom. Zambia is part of the African factor and efficiency-driven region and is classified as a factor-driven economy (Kelley *et al.*, 2011:9).

Table 3.22: Economic Statistics: Zambia

	2013	2014	2015	2016	2017
GDP	$57.61 billion	$60.51 billion	$64.08 billion	$66.27 Billion	$68.90 billion
GDP Growth	5.1%	5%	3.6%	3.4%	4.0%
GDP per capita	$3 800	$3 800	$3 900	$4 000	$4 000
Unemployment Rate	13.1%	13.3%	14.1%	7.78%	7.79%
Inflation Rate	7.0%	7.8%	10.1%	17.9%	6.8%

Sources: CIA (2016); IEconomics (2016); CIA (2018)

Table 3.22 indicates that Zambia achieved relatively high GDP growth rates during 2013 and 2014 but that the growth rate declined from 5.1 to 4 percent from 2013 to 2017, while GDP per capita rose slightly. The unemployment rate was at 14 percent in 2015 and declined to below 8 percent in 2017. The inflation rate increased from 7 percent to more than 10 percent, indicating some price instability, however it recovered in 2017.

Table 3.23: 2013 Entrepreneurial Indicators: Zambia (Factor-driven Economy)

	Value	Rank out of participating countries*
World Bank Doing Business Rating (DBR)**	60/100	98/190
World Bank Starting a Business Rating (SBR)**	84/100	105/190
WEF Global Competitiveness Rating (GCR)**	3.86/7	96/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	76.8	n/a
Perceived entrepreneurial capabilities	79.7	n/a
Fear of failure	15.4	n/a
Entrepreneurial intentions	44.5	n/a
TEA	39.9	n/a
Established business ownership rate (EOR)	16.6	n/a
High status of entrepreneurs	71.3	n/a
Entrepreneurship a good career choice	66.5	n/a

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2016 figures, n/a = data not available 2015/16 data is ranked

Source: Amorós and Bosma (2014:26, 30)

As can be observed from Table 3.23, Zambia was ranked 98th and 105th respectively by the World Bank regarding its doing business rate and starting a business rate.

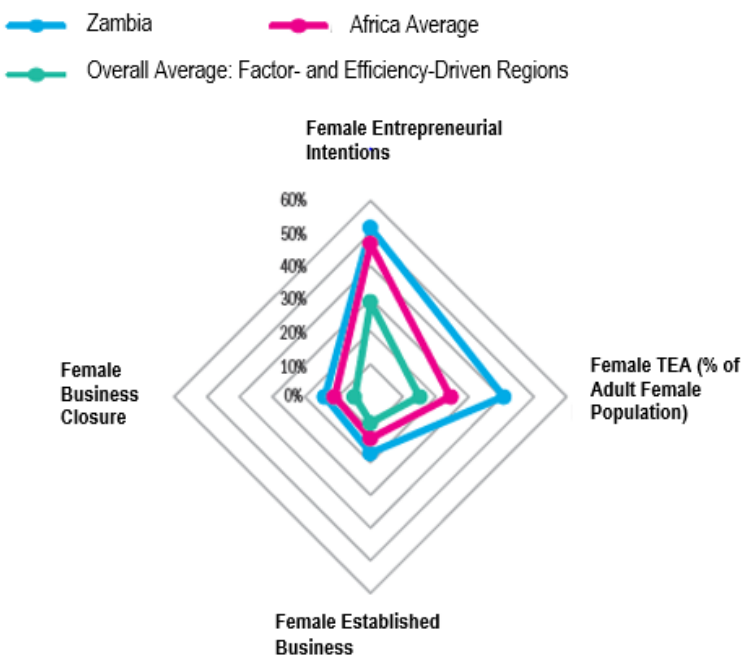


Figure 3.12: Zambia: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:81)

Once again, the latest figures available were for 2013; these followed a similar trend to the previous countries (Figure 3.12). Perceived entrepreneurial opportunity was at 76.8 percent and perceived entrepreneurial capabilities at 79.7 percent. The fear of failure rate was 15.4 percent, which was low when compared to developed countries' rates. Further explanations of this are provided in the country summary section (Section 3.2.2.6). Entrepreneurial intention was high at 44.5 percent while TEA was also high at 39.9 percent. Compared to the other SADC countries in this analysis, Zambia displayed a very high established business ownership rate at 16.6 percent.

Like Zambia's overall TEA, female TEA rates were also high and much higher than the African and overall factor/efficiency-driven averages. Female entrepreneurial intentions and female established business ownership rates were also higher than the two regions. On the negative side, female business closure rates, although relatively low, are also higher than the African and overall factor/efficiency-driven averages.

3.2.2.6 Summary and comparison of South Africa with SADC countries

From the aforementioned country analyses the following summary and comparison with South Africa can be made. Table 3.24 summarises the five SADC countries' available entrepreneurial data including that of South Africa with regard to some of their key economic indicators, while Table 3.25 and Table 3.26 summarise the entrepreneurial indicators for the selected countries.

Table 3.24: SADC country economic indicators summary and comparison (2013-2015)

Country	Year	GDP (Billion)	GDP Growth (%)	GDP per Capita	Unemployment Rate (%)	Inflation (%)
South Africa	**2013**	$703.5	2.2	$13 200	24.7	5.77
	2014	$714.4	1.5	$13 200	25.1	6.1
	2015	$723.5	1.3	$13 200	25.4	4.5
	2016	$752.1	0.3	$13 500	26.7	6.3
	2017	$757.3	0.7	$13 400	27.6	5.4
Angola	**2013**	$170.9	6.8	$7 200	6.2	8.8
	2014	$179.1	4.8	$7 300	6.2	7.3
	2015	$190.5	3.0	$7 300	6.2	10.3
	2016	$189.2	-0.7	$6 900	6.6	32.4
	2017	$192.0	1.5	$6 800	6.2	30.9
Botswana	**2013**	$33.88	9.9	$16 300	20.0	5.9
	2014	$34.96	3.2	$16 600	20.2	4.4
	2015	$34.84	-0.3	$16 400	20.2	3.1
	2016	$37.86	4.3	$17 600	17.6	2.8
	2017	$39.55	4.5	$18 100	18.1	3.7
Malawi	**2013**	$18.71	5.2	$1 100	6.6	27.3
	2014	$19.78	5.7	$1 100	6.4	24.4
	2015	$20.36	3.0	$1 100	5.2	21.2
	2016	$21.50	2.3	$1 200	6.74	21.7
	2017	$22.47	4.5	$1 200	6.7	13.0
Namibia	**2013**	$22.80	5.7	$10 500	29.6	5.6
	2014	$24.25	6.4	$11 000	28.1	5.3
	2015	$25.34	4.5	$11 400	27.7	3.4
	2016	$26.81	1.1	$11 500	23.4	6.7
	2017	$27.02	0.8	$11 500	22.3	6.0
Zambia	**2013**	$57.61	5.1	$3 800	13.1	7.0
	2014	$60.51	5.0	$3 800	13.3	7.8
	2015	$64.08	2.9	$3 900	14.1	10.1
	2016	$66.27	3.4	$4 000	7.78	17.9
	2017	$68.90	4.0	$4 000	7.79	6.7

Sources: CIA (2016); IEconomics (2016); World Bank (2016b); CIA (2018); Trading Economics (2018)

Table 3.24 evidences that all the countries experienced a decrease in their GDP growth rates from 2013 to 2017, indicating a decline in economic activity over most of the continent. Botswana and Angola were the only countries in this comparison which reported a negative growth rate in 2015 and 2016 respectively. Regarding unemployment rates, just South Africa exhibited an increase from 2013 to 2017. Angola displayed a sharp increase of approximately in the inflation rate, with all the other countries reporting a decline in inflation rates. Angola had the highest inflation rate which stood at 30.9 percent in 2017. South Africa has been known as the most developed country in Africa but its high unemployment rate and low economic growth rate have recently made way for some of the other African countries to come into the spotlight. As may be noted from Table 3.25, over the period 2015/2016 South Africa and Botswana were the two countries considered easiest to do business with according to the World Bank DBR. Once again, South Africa ranked in the top two best performing countries in this comparison when considering ease of starting a business, with Zambia just slightly ahead. Considering that, as mentioned, South Africa is classified as the most developed country in Africa and as one of just two efficiency-driven economies, it makes sense that South Africa would fall amongst the top countries in these categories. However, in

contrast, it is also evident from Table 3.25 that South Africa is the worst performing country on an entrepreneurial level when compared to the other five countries. It reports the lowest perceived opportunities rate (35%) and perceived capabilities rates (37.9%), with between 23 and 52 percent difference in both categories when comparing these to the other countries' rates. It also displays the lowest entrepreneurial intention (10.1%), established business ownership rate (2.5%) and TEA rate (6.9%) of all the countries in this analysis. These rates are significantly lower in comparison with the other five countries and because South Africa faces many similar socio-economic challenges when it is compared to these countries, it is a matter of concern that it is not following a similar trend when it comes to entrepreneurship aspirations.

Regarding female entrepreneurship, Table 3.26 reveals a similar trend, with South Africa recording the lowest female entrepreneurial intention (10%), TEA (6%) and established business ownership rate (3%) of all the countries compared. On the positive side, this country also reported the lowest female business closure rate (4%), meaning that females tend to survive longer in business compared to those in the other countries. All the countries compared displayed similar fear of failure rates amongst potential female entrepreneurs, ranging between 21 and 36 percent. All these countries form part of sub-Saharan Africa; when one considers the profile of entrepreneurs from this region, the following points should be highlighted. Generally, in terms of age distribution within the entrepreneurial realm, most economies tend to follow a bell-shaped distribution, indicating that younger (18-24 years) and older (55-64 years) groups tend to record lower TEA rates compared to age groups between 25 and 54 years.

Table 3.25: SADC country entrepreneurial indicators: summary and comparison 2015/16

Country	Country Classification	Doing Business (DBR) (/100)	Starting Business (SBR) (/100)	Competitiveness (/7)	Opportunities (%)	Capabilities (%)	Fear Failure (%)	Inten-tion (%)	EOR (%)	TEA (%)	Status (%)	Choice (%)
South Africa*	Efficiency	65	81	4.4	35.0	37.9	31.2	10.1	2.5	6.9	78.1	72.6
Angola	Factor	38	77	3.04	69.6	61.7	44.8	39.3	6.5	21.5	81.7	75.1
Botswana	Factor	65	76	4.2	57.8	74.1	18.9	61.9	4.6	33.2	82.0	70.1
Malawi	Factor	54	76	3.25	78.9	89.5	15.1	66.7	12.0	28.1	n/a	n/a
Namibia	Efficiency	58	68	3.96	68.3	73.6	32.0	52.4	7.9	33.3	65.9	71.8
Zambia	Factor	60	84	3.86	76.8	79.7	15.4	44.5	16.6	39.9	71.3	66.5

*2016/17 Figures

Sources: Kelley *et al.* (2016:56, 64, 73, 84, 92, 93, 97, 106, 107, 111); Herrington and Kew (2017:93)

Table 3.26: SADC country female entrepreneurial indicators: summary and comparison (2014)

Country	Country Classification	Female Inten-tion (%)	Female TEA (%)	Female EOR (%)	Female Business Closure (%)	Female TEA Opportunity (%)	Female Opportunity Perception (%)	Female Fear of Failure (%)	Female TEA Ratio	Female Opportunity Ratio
South Africa	Efficiency	10	6	3	4	71	35	30	0.74**	0.94**
Angola	Factor	41	21	7	8	70.5	69	36	n/a	n/a
Botswana	Factor	68	32	8	14.5	62	58	21	0.8	0.8
Malawi	Factor	70	26	11	30	48	76	22	n/a	n/a
Namibia	Efficiency	n/a	17.5*	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zambia	Factor	52	41	17	14	53	77	29	n/a	n/a

*2012 Figures **2016/17 Figure

Sources: Kelley *et al.* (2015:16, 18, 20, 22, 33, 42, 47); Herrington and Kew (2017:93)

However, South Africa exhibits high participation levels amongst older people, possibly as a result of necessity and high unemployment as well as other socio-economic issues (Herrington & Kelley, 2013:30-31). With regard to entrepreneurial gender distribution in this region, females are more inclined to start businesses out of necessity. What is noticeable is that in almost all of the SSA countries, female and male TEA rates are similar: gender parity exists – with the exception of South Africa. South Africa's female TEA rate is two-thirds that of male entrepreneurs. What is even more noticeable is that, overall, South African TEA rates are substantially lower than the rest of the SSA countries (Herrington & Kelley, 2013:32).

The aforementioned analysis was intended to compare South Africa with five selected SADC countries. Although it may be easier to do business with or start a business in South Africa compared to the other five countries, entrepreneurially South Africa is lagging behind them. The compared countries all reported significantly higher entrepreneurial intention and TEA rates, with some rates being as much as six times higher that of South Africa. Once again, these high entrepreneurial intention and TEA rates are definitively a reflection of a lack of formal labour market employment opportunities; analysing these rates further would point out the high necessity-driven entrepreneurial rate compared to that of opportunity-driven ventures in these countries. What is of concern is that although South Africa records one of the highest unemployment rates amongst these countries, entrepreneurship is not perceived as a 'safety net' or survival strategy, as is evident in the other countries. The following section compares South Africa as part of the BRICS countries with the other four participating countries in this economic grouping namely: Brazil, Russia, India and China.

3.2.3 Economic and entrepreneurial indicators: BRICS countries comparison

South Africa became part of the BRIC (Brazil, Russia, India and China) group of countries during 2010 which then become known as BRICS and is classified as a developing country. South Africa contains the lowest population of all the BRICS countries and has a significantly smaller economy than the other four members: China reports a population of 1,34 trillion while Russia boasts a population of 143 million, compared to South Africa's 50 million people (Global Sherpa, 2015). South Africa, China, Brazil and Russia are classified as efficiency-driven economies, whereas India is classified as a factor-driven one. A comparison in the GEM 2014 report reveals that South Africa's entrepreneurial activity rate is low in relation to other developing countries. However, it did report a slightly higher TEA rate than India and Russia during 2015 (Herrington *et al*., 2015:26). New data however indicates that this situation has changed significantly; South Africa is now the second worst performing BRICS country in terms of TEA, with Russia only 0.6 percent behind (Herrington & Kew, 2017:109-110).

3.2.3.1 Brazil

Brazil gained independence during the 1820s after being ruled for centuries by the Portuguese. It was nonetheless politically dominated by its coffee exporters until the 1930s. It is the most populous country in South America and, until recently, was regarded as one of the world's strongest emerging markets, evidencing high growth compared to global trends. Brazil follows an industrial and agricultural growth

strategy. Unfortunately, since 2013, its economy has also begun to struggle, with rising unemployment and inflation hindering previous economic growth rates (CIA, 2016). Brazil is part of the Latin America/Caribbean region and is considered an efficiency-driven economy (Herrington & Kew, 2017:43).

Table 3.27: Economic Statistics: Brazil

	2013	2014	2015	2016	2017
GDP	$3.317 trillion	$3.32 trillion	$3.192 trillion	$3.195 trillion	$3.219 trillion
GDP Growth	3%	0.1%	-3.8%	-3.6%	0.7%
GDP per capita	$16 500	$16 400	$15 600	$15 500	$15 500
Unemployment Rate	5.4%	6.5%	9%	11.3%	13.1%
Inflation Rate	6.2%	6.3%	9%	8.7%	3.7%

Sources: CIA (2016); Trading Economics (2016); CIA (2018)

Table 3.27 indicates that Brazil has experienced a rapid decline in GDP growth rates, resulting in a recession in 2015 and 2016, however it has slightly increased during 2017. GDP per capita has been stagnating. The unemployment rate has indicated an increasing trend and the fluctuating inflation rate is a sign of price instability.

Table 3.28: 2016/17 Entrepreneurial Indicators: Brazil (Efficiency-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	27% (2015)	
World Bank Doing Business Rating (DBR) **	56/100	123/190
World Bank Starting a Business Rating (SBR) **	65/100	175/190
WEF Global Competitiveness Rating (GCR) **	4.1/7	81/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	40.2	35
Perceived entrepreneurial capabilities	53.6	24
Fear of failure	36.1	34
Entrepreneurial intentions	27.7	19
TEA	19.6	10
Established business ownership rate (EOR)	16.9	4
EEA	1.5	43T
Female/Male TEA Ratio	1.04	3
Female/Male Opportunity Ratio	0.82	57T
High status for entrepreneurs **	80.1	9
Entrepreneurship a good career choice **	77.7	3

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2015/16 figures, T = tie with another country ranking

Source: Herrington and Kew (2017:43)

Table 3.28 indicates Brazil's SME contribution to GDP as much lower than some of the aforementioned countries, contributing just 27 percent to GDP in 2015. Brazil ranked 123rd and 175th in the World Bank DBR and SBR respectively, indicating that although it is not ranked last in these categories, it was still difficult to do business or establish a business in Brazil till 2015. With regard to its entrepreneurial performance, Brazil is ranked in the top ten GEM participating countries, in the following categories: established business ownership rate (ranked 4th with 16.9%), high status of entrepreneurs (ranked 9th with 80.1%), considering entrepreneurship as a good career choice (ranked 3rd with 77.7%) and female to male TEA ratio (ranked 3rd with a 1.04 ratio). High entrepreneurial intentions (27.7%) and a high TEA rate of 19.6 percent are reported. What may be of concern is the high reported fear of failure rate, of 36.1 percent (ranked 34th out of 65 countries). However, although this rate might seem excessive, the high TEA and

entrepreneurial intentions rates might be a reason for the strong success rate of businesses entering into the established phase (16.9%).

Regarding female entrepreneurship, Brazil is ranked the 8th best country regarding its female to male TEA ratio which stood at 0.9 in 2015, signifying that there is almost one female entrepreneur for every male entrepreneur. This rate further improved in 2016, when the country ranked 3rd of 65 participating countries with a ratio of 1.04 (Herrington & Kew, 2017:43). In other words, Brazilian females are more likely than men to be entrepreneurs; this phenomenon is evident in just 9 other countries (Kelley *et al.*, 2015:7).

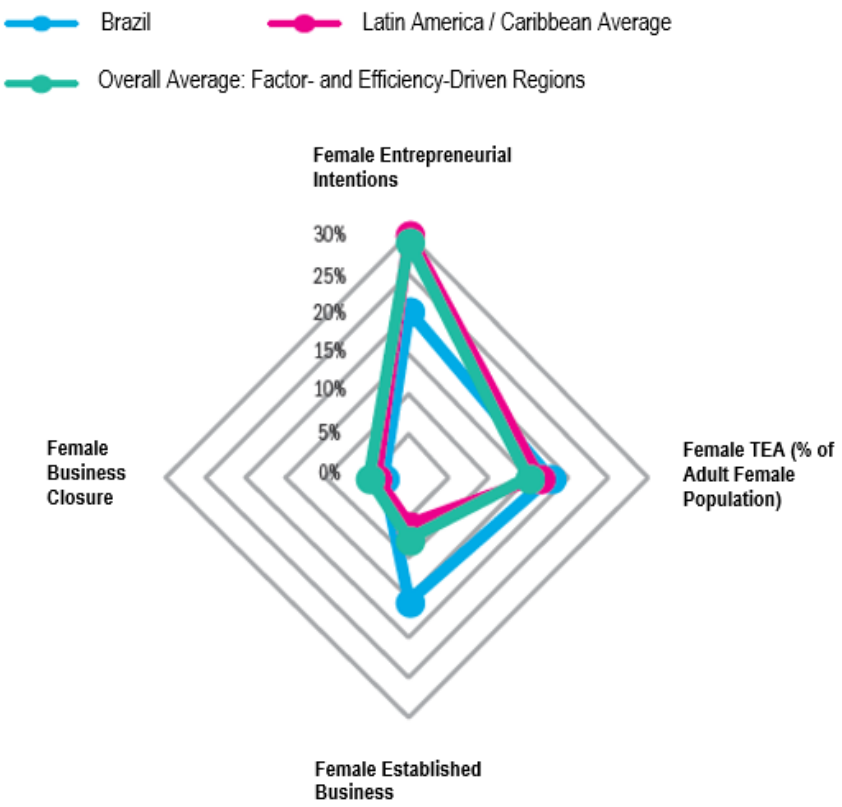


Figure 3.13: Brazil: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:108)

Figure 3.13 illustrates that although Brazil records a lower female entrepreneurial intention rate compared to the Latin America/Caribbean and overall factor- and efficiency- driven averages, it displays a higher female TEA rate, a much higher female established business ownership rate and a lower female business closure rate. This indicates that female-owned businesses, when started, survive and are successful, even though they may just be small survival-type businesses.

3.2.3.2 Russia

Russia, with its long history of war, dating back to the 12th century, is the largest country in the world with respect to geographical area. Formerly known as the USSR, as a result of expanded territory seized under the communist leaderships of Lenin and Stalin, this country emerged as a global powerhouse. After 1991, in an

attempt to modernise communism, the USSR lost its control and split into 14 smaller independent republics and a 15th which today is known as the Russian Federation (CIA, 2016). Russia is part of the European (developing) region and is considered a factor-driven economy (Herrington & Kew, 2017:89).

Table 3.29: Economic Statistics: Russia

	2013	2014	2015	2016	2017
GDP	$3.834 trillion	$3.862 trillion	$3.718 trillion	$3.93 trillion	$4.00 trillion
GDP Growth	1.3%	0.7%	-3.7%	-0.8%	1.8%
GDP per capita	$26 700	$26 400	$25 400	$27 400	$27 900
Unemployment Rate	5.5%	5.2%	5.6%	5.5%	5.5%
Inflation Rate	6.8%	7.8%	15.5%	7.0%	4.2%

Sources: CIA (2016); IEconomics (2016); CIA (2018)

Table 3.29 reflects economic data from 2013 to 2017 and indicates that Russia has experienced a rapid decline in GDP growth rates, resulting in a recession during 2015 and 2016. GDP per capita has also evidenced a gradual decline until 2015. The unemployment rate could be considered low at just above 5 percent and has been steady over the last 5 years. The inflation rate has experienced a rapid increase from 6.8 percent to 15.5 percent in 2015, indicating price instability, however it has shown an improvement in 2016 and 2017.

Table 3.30: 2016/17 Entrepreneurial Indicators: Russia (Efficiency-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	21 % (2014)	
World Bank Doing Business Rating (DBR) **	73/100	40/190
World Bank Starting a Business Rating (SBR) **	93/100	26/190
WEF Global Competitiveness Rating (GCR) ***	4.5/7	43/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	17.9	64
Perceived entrepreneurial capabilities	28.4	63
Fear of failure	44.8	10
Entrepreneurial intentions	2.1	64
TEA	6.3	56
Established business ownership rate (EOR)	5.3	47T
EEA	0.7	55T
Female/Male TEA Ratio	0.83	13T
Female/Male Opportunity Ratio	0.91	13T
High status for entrepreneurs	65.6	39
Entrepreneurship a good career choice	63.4	31

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2016 Figures, *** 2015 Figures, n/a = data not available

Source: Herrington and Kew (2017:89)

Russia is considered one of the easiest countries in which to start a business as its SBR is 93 and it is ranked 26th out of 190 countries as can be noted from Table 3.30. The DBR is also relatively good in terms of ranking - 40th out of 190 countries. Statistics indicate that Russia has a low TEA rate of just 6.3 percent, ranked 56th out of 65 countries. It also records low entrepreneurial intention (2.1%), perceived entrepreneurial opportunities (17.9%) and capabilities (28.4%). These low entrepreneurial rates reflect why the SME contribution to GDP might be so low at only 21 percent during 2014 (Herrington & Kew, 2017:89).

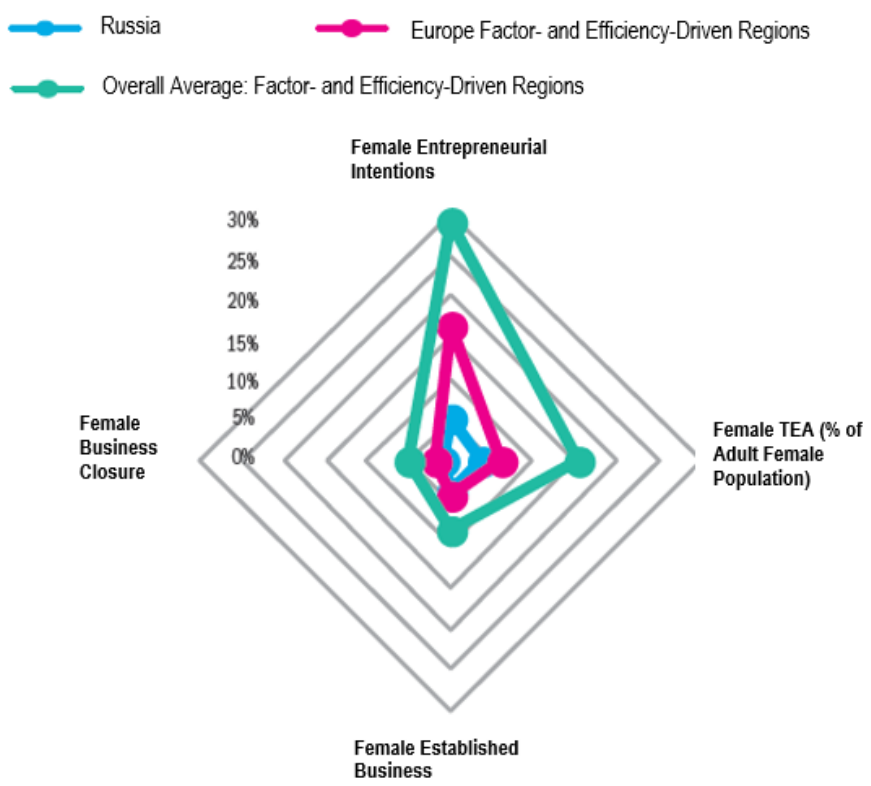


Figure 3.14: Russia: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:102)

With regard to female entrepreneurial development (Figure 3.14), according to the figures provided, Russia is not following the trend of the European factor- and efficiency-driven or overall factor- and efficiency-driven averages. It reported significantly lower levels of female entrepreneurial intent, female TEA and female established business ownership rates. It did, however, also report a lower female business closure rate but this could be as a result of the low TEA and established ownership rates. Russian females have attained high education levels, but also exhibit a low TEA rate (Kelley *et al.*, 2015:30). This may indicate that they are able to find employment elsewhere and do not see the need or opportunity to become entrepreneurs.

3.2.3.3 India

Although India is widely known for aspects such as overpopulation, poverty, corruption and environmental deprivation, the country has also emerged as one of the world's global powers, following economic reforms in 1991, and partly as a result of its youthful population (CIA, 2016). India is classified as a factor-driven economy and forms part of the Asia/Oceania factor- and efficiency-driven region (Herrington & Kew, 2017:65).

Table 3.31: Economic Statistics: India

	2013	2014	2015	2016	2017
GDP	$6.92 trillion	$7.421 trillion	$7.965 trillion	$3.195 trillion	$3.219 trillion
GDP Growth	6.6%	7.2%	7.3%	7.1%	6.7%
GDP per capita	$5 500	$5 800	$6 200	$6 800	$7 200
Unemployment Rate	4.5%	9.3%	8.4%	8.0%	8.8%
Inflation Rate	10.9%	6.7%	4.9%	4.5%	3.8%

Sources: CIA (2016); World Bank (2016b); CIA (2018)

Table 3.31 indicates that India achieved high GDP growth rates of more than 6 percent from 2013 to 2017, while GDP per capita also demonstrated a steady increase. The unemployment rate increased from 4.5 percent in 2013 to 8.8 percent in 2017. Considering the large Indian population, the unemployment rate is low. The inflation rate declined from above 10 percent to below 5 percent over the period 2013 to 2017, indicating prices in the country are under control.

Table 3.32: 2016/17 Entrepreneurial Indicators: India (Factor-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	9% (2013)	
World Bank Doing Business Rating (DBR) **	55/100	130/190
World Bank Starting a Business Rating (SBR) **	74/100	155/190
WEF Global Competitiveness Rating (GCR) **	4.5/7	39/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	44.3	27T
Perceived entrepreneurial capabilities	44.0	41T
Fear of failure	37.5	30
Entrepreneurial intentions	14.9	40
TEA	10.6	31
Established business ownership rate (EOR)	4.6	51
EEA	2.5	34
Female/Male TEA Ratio	0.56	44T
Female/Male Opportunity Ratio	1.02	18T
High status to entrepreneurs	46.7	61
Entrepreneurship a good career choice	44.4	57

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2015/16 Figures, T = tie with another country ranking

Source: Herrington and Kew (2017:65)

As observed from Table 3.32, India reported lower entrepreneurial levels, with entrepreneurial intention at a mere 14.9 percent (ranked 40th out of 65 countries) and a TEA rate of 10.6 percent. Low levels of perceived entrepreneurial opportunity (44.3%) and perceived entrepreneurial capabilities (44%) were also recorded. In addition, the societal value accorded to entrepreneurship is low, with only 46.7 percent of people regarding entrepreneurs as having status in the community and a mere 44.4 percent thinking that being an entrepreneur is a good career choice. These low entrepreneurial levels may explain the low SME contribution to GDP of only 9 percent.

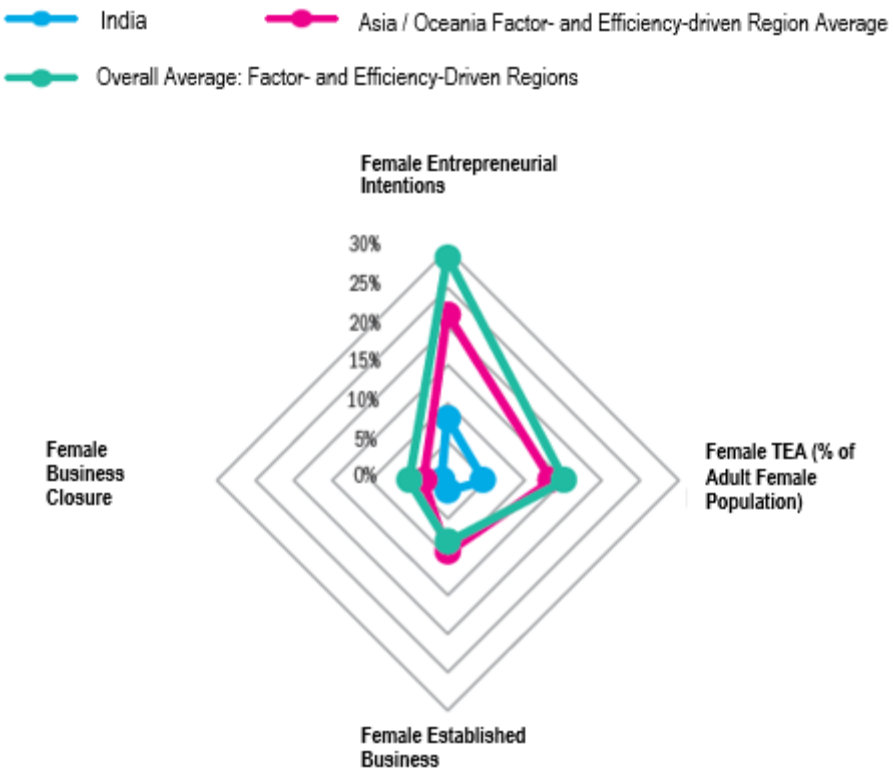


Figure 3.15: India: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:83)

Regarding female entrepreneurship development, Figure 3.15 indicates that India follows a trend similar to that of Russia. India also reported a significantly lower female entrepreneurial intention rate, TEA rate and female established business rate compared to the Asia/Oceania factor- and efficiency-driven region average. India has a low female to male TEA ratio at only 0.56. It is noticeable that although India records a low female TEA rate, more than 50 percent of these females in business believe they offer an innovative service or product (Kelley *et al.*, 2015:8, 56). Nonetheless, Indian women demonstrate low entrepreneurial activity across all phases and few of them know another entrepreneur personally. They also display low perceived capabilities, compared to the regional average (Kelley *et al.*, 2015:83).

3.2.3.4 China

China has been classified as one of the leading civilisations for many centuries. However, during the 19th and 20th century, civil unrest and other happenings affected the performance of this country. In 1978 a market-orientated economic development strategy was adopted, which saw the country's output increased fourfold. Although living standards have improved and people are able to make more personal choices than in the past, political control remains strong (CIA, 2016). China is considered an efficiency-driven economy and forms part of the Asia / Oceania factor- and efficiency-driven region (Herrington & Kew, 2017:49).

Table 3.33: Economic Statistics: China

	2013	2014	2015	2016	2017
GDP	$16.91 trillion	$18.14 trillion	$19.39 trillion	$21.66 trillion	$23.12 trillion
GDP Growth	7.7%	7.3%	6.9%	6.7%	6.8%
GDP per capita	$12 400	$13 300	$14 100	$15 700	$16 600
Unemployment Rate	4.1%	4.1%	4%	4%	4%
Inflation Rate	2.6%	2.1%	1.5%	2%	1.8%

Sources: CIA (2016); World Bank (2016b); CIA (2018)

Table 3.33 indicates that China achieved rapid and sustained GDP growth rates of between 6.7 and 7.7 percent in the period under review, but that the growth rates have shown a decline. GDP per capita has also evidenced a steady annual increase. The unemployment rate is low and stable at around 4 percent. The inflation rate has also been stable, declining to 1.8 percent, indicating prices in the country are under control.

Table 3.34: 2016/17 Entrepreneurial Indicators: China (Efficiency-driven Economy)

	Value	Rank out of participating countries*
SME contribution to GDP	58.5% (2012)	
World Bank Doing Business Rating (DBR) **	64/100	78/190
World Bank Starting a Business Rating (SBR) **	81/100	127/190
WEF Global Competitiveness Rating (GCR) **	5.0/7	28/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	37.3	42
Perceived entrepreneurial capabilities	29.8	62
Fear of failure	49.1	6
Entrepreneurial intentions	21.3	27
TEA	10.3	32T
Established business ownership rate (EOR)	7.5	27T
EEA	1.2	47T
Female/Male TEA Ratio	0.73	23T
Female/Male Opportunity Ratio	0.95	35T
High status for entrepreneurs	77.8	18
Entrepreneurship a good career choice	70.3	19

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, ** 2015/16 figures, T = tie with another country ranking

Source: Herrington and Kew (2017:49)

As is evident from Table 3.34, more than half of China's GDP is derived from SME activity (58.5%). There are moderate entrepreneurial intentions, with a rate of 21.3 percent which ranks China 27th out of 65 countries. There is also a declining trend regarding TEA rates. TEA was reported at 15.5 percent in 2014 and has since declined to 10.3 percent. On the positive side, the established business ownership rate is relatively high at 7.5 percent. Chinese people consider entrepreneurship as a good career choice with a reported rate of 70.3 percent (ranked 19th out of 65 countries); they also perceive entrepreneurship as a high status position in the community (77.8%). With reference to Figure 3.16, Chinese females are less inclined to become entrepreneurs compared to the Asia / Oceania and overall factor- and efficiency-driven economies. They also reported a lower female TEA rate. On a positive note, they recorded a higher established business ownership rate and lower business closure rates compared to the average of the two regions.

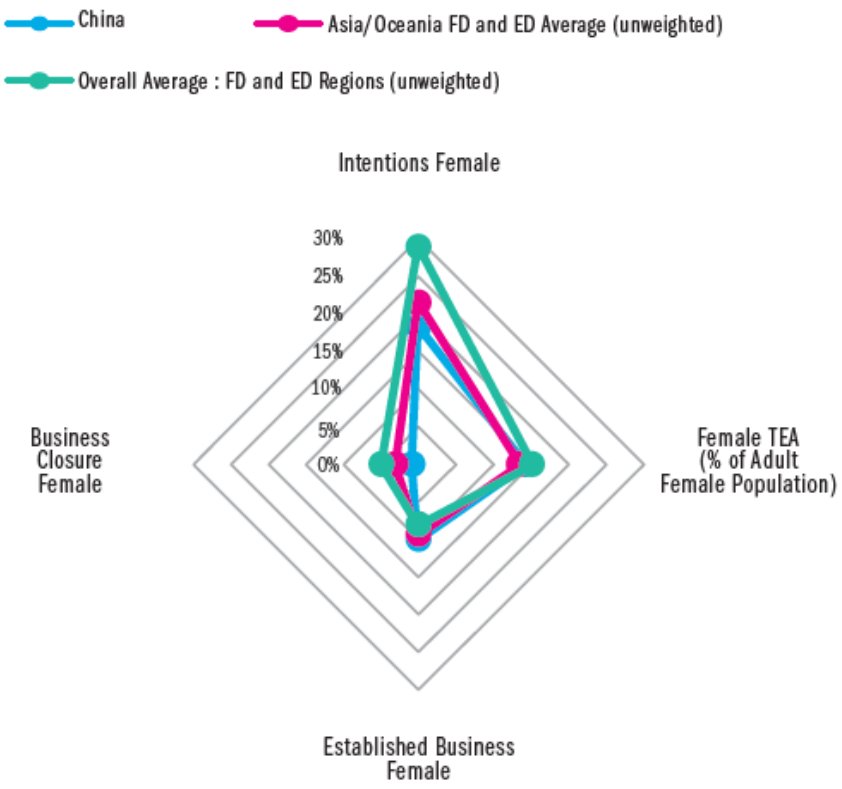


Figure 3.16: China: Female TEA, intention, established business and closure rates

Source: Kelley *et al.* (2015:82)

Many females in China are highly likely to know another entrepreneur and, in comparison with the regional average Chinese females, display a lower fear of failure rate. Conversely, they are less likely to see opportunities and consider their capabilities lower than the regional average. Female entrepreneurs in China also have a low motivation to sell their products or services internationally (Kelley *et al.*, 2015:82).

3.2.3.5 BRICS countries summary and comparison

From the aforementioned countries' analysis, the following summary and comparison with South Africa can be arrived at. As may be noted from Table 3.35, only India showed an increase in GDP growth over the period 2013 to 2017. Although China did not exhibit an increase in GDP growth rates, it still maintained a high growth rate of 6.9 percent in 2015. Russia and Brazil reported negative growth rates in 2015, indicating that these countries were in an economic recession over the given period. South Africa had a low GDP growth rate of 1.3 percent during 2015 and although this is not indicative of a recession, low economic growth is a reason for concern. South Africa's GDP per capita remained constant while Brazil and Russia reported a decrease, following the recession they entered into during 2015. India indicated improved GDP per capita rates, while although China recorded a slight drop in GDP growth rates there was an increase in GDP per capita. All the BRICS countries reported an increase in unemployment rates with the exception of India, whose rate remained stable. Table 3.35 summarises the five BRICS countries with regard to some of their key economic indicators while Tables 3.36 and 3.37 (see page 90) showcase their entrepreneurial indicators.

Table 3.35 BRICS country economic indicators summary and comparison

Country	Year	GDP	GDP Growth (%)	GDP per Capita	Unemployment Rate (%)	Inflation (%)
South Africa	**2013**	$703.5 billion	2.2	$13 200	24.7	5.77
	2014	$714.4 billion	1.5	$13 200	25.1	6.1
	2015	$723.5 billion	1.3	$13 200	25.4	4.5
	2016	$752.1 billion	0.3	$13 500	26.7	6.3
	2017	$757.3 billion	0.7	$13 400	27.6	5.4
Brazil	**2013**	$3.317 trillion	3.0	$16 500	5.4	6.2
	2014	$3.32 trillion	0.1	$16 400	6.5	6.3
	2015	$3.192 trillion	-3.8	$15 600	9.0	9.0
	2016	$3.195 trillion	-3.6	$15 500	11.3	8.7
	2017	$3.219 trillion	0.7	$15 000	13.1	3.7
Russia	**2013**	$3.834 trillion	1.3	$26 400	5.5	6.8
	2014	$3.862 trillion	0.7	$26 400	5.2	7.8
	2015	$3.718 trillion	-3.7	$25 400	5.6	15.5
	2016	$3.93 trillion	-0.2	$24 400	5.5	7.0
	2017	$4.00 trillion	1.8	$27 900	5.5	4.2
India	**2013**	$6.92 trillion	6.6	$5 500	4.5	10.9
	2014	$7.421 trillion	7.2	$5 800	9.3	6.7
	2015	$7.965 trillion	7.3	$6 200	8.4	4.9
	2016	$8.852 trillion	7.1	$6 800	8.0	4.5
	2017	$9.447 trillion	6.7	$7 200	8.8	3.8
China	**2013**	$16.91 trillion	7.7	$12 400	4.1	2.6
	2014	$18.14 trillion	7.3	$13 300	4.1	2.1
	2015	$19.39 trillion	6.9	$14 100	4.0	1.5
	2016	$21.66 trillion	6.7	$15 700	4.0	2.0
	2017	$23.12 trillion	6.8	$16 600	4.0	1.8

Sources: CIA (2016); IEconomics (2016); Trading Economics (2016) World Bank (2016); CIA (2018)

However, South Africa has a significantly higher unemployment rate measured against the other countries in this comparison. Brazil, Russia and India reported a decrease in inflation rates over the given period, indicating some price stability within these countries.

Table 3.36 provides a summary of the various entrepreneurial indicators for the five BRICS countries. SME contribution towards GDP for South Africa (36%), Brazil (27%) and Russia (21%) is low, and is exceptionally low for India with only a 9 percent SME contribution to GDP. India's economic activity is focused around the industrial and service sector activities, with the agricultural sector contributing merely 17 percent of GDP (Statistics Times, 2017). The minimal SME/GDP contribution may be as a result of large corporations contributing more to the GDP compared to smaller businesses; hence there is room for improvement for SMEs to contribute more. Contrary to India's low SME/GDP contribution, China displays a significantly high contribution rate of 58.5 percent. China's economic activities are also mainly focused on the service sector and industrial sector with a small agricultural contribution of 8.6 percent (Statista, 2017). After analysing the doing business (DBR) and starting a business (SBR) rates, it is clear that Russia is outperforming the other countries with a DBR of 73 and a SBR of 93. India records the lowest DBR rate of 55, which may also be a factor in its low SME/GDP contribution rate. China is considered most competitive; this also reflects in its high SME/GDP contribution rate.

Regarding the entrepreneurial levels of these countries, Russia reported the lowest perceived opportunities (17.9%) and capabilities (28.4), possibly contributing to this country's low entrepreneurial intention rate

(2.1%) and TEA rate (6.3%). India and Russia reported the lowest rates, in terms of considering entrepreneurship as a high status position in the community and also as being a good career choice. This may be a reason why their SME to GDP contribution is so low. South Korea is performing best overall on an entrepreneurial level, with intention (27.7%), TEA (19.6%) and established business ownership (16.9%) rates outperforming all the other BRICS countries. South Africa and Russia are performing worst if these three categories are taken into account.

Table 3.36: BRICS countries entrepreneurial indicators: summary and comparison 2016/17

Country	Country Classification	SME Contr. (%)	Doing Business (DBR) (/100)	Starting Business (SBR) (/100)	Competi-tiveness (/7)	Opportunities (%)	Capabilities (%)	Fear Failure (%)	Inten-tion (%)	EOR (%)	TEA (%)	Status (%)	Choice (%)
SA	Efficiency	36	65	81	4.5	35.0	37.9	31.2	10.1	2.5	6.9	78.1	72.6
Brazil	Factor	27	56	65	4.1	40.2	53.6	36.1	27.7	16.9	19.6	80.1	77.1
Russia	Efficiency	21	73	93	4.5	17.9	28.4	44.8	2.1	5.3	6.3	65.6	63.4
India	Factor	9	55	74	4.3	44.3	44.0	37.5	14.9	4.6	10.6	46.7	44.4
China	Efficiency	58.5	64	81	5.0	37.3	29.8	49.1	21.3	7.5	10.3	77.8	70.3

Sources: Kelley *et al.* (2016:56, 64, 73, 84, 92, 93, 97, 106, 107, 111); Herrington and Kew (2017:43, 49, 65, 89, 93)

Table 3.37: BRICS countries female entrepreneurial indicators: summary and comparison 2014/15

Country	Country Classification	Female Intention (%)	Female TEA (%)	Female EOR (%)	Female Business Closure (%)	Female TEA Opportunity (%)	Female Opportunity Perception (%)	Female Fear Failure (%)	Female TEA Ratio *	Female Opportunity Ratio *
SA	Efficiency	10	6	3	4	72	35	30	0.74	0.94
Brazil	Factor	21	17	14	3	62	54	45	1.04	0.82
Russia	Efficiency	6	4	4	1.5	57	24	45	0.83	0.91
India	Factor	9	5	2	1	68	35	36	0.56	1.02
China	Efficiency	19.9	14.8	10	1	60	30	33	0.73	0.95

*2016/17 Figures

Sources: Kelley *et al.* (2016:56, 64, 73, 84, 92, 93, 97, 106, 107, 111); Herrington and Kew (2017:93)

Table 3.37 depicts a summary of female entrepreneurship development amongst the BRICS countries. China and Brazil recorded the highest female entrepreneurial intention rates at 19.9 and 21 percent respectively. Not surprisingly, these two countries also reported the highest female TEA and established business ownership rates. Brazil records the highest female to male ratio, exceeding 1; meaning that for every male entrepreneur there is a female entrepreneur active in the economy. India displays the lowest female to male TEA ratio (0.56).

The various countries, although forming a unit under the BRICS grouping, are situated in different regions. China is one of three economies forming part of the developing Asia region. Within this grouping Thailand is performing better on a female entrepreneurial level compared to China, while Malaysia's figures are below those of China. The female established ownership rate is high for all three economies. In China, a mere 15 percent of all SMEs function without any full time employees (other than the owner/manager). This is clearly a contributing factor as to why the SME contribution towards China's GDP is so large. Developing Asia is characterised by many female entrepreneurs who have low growth aspirations and who intend to keep their businesses functioning with less than six employees (Kelley *et al*. 2013:39). This region has experienced high growth rates in recent years, which might have contributed to low entry barriers to starting a business in the short term, but in the long term, females should focus on improving growth expectations and increasing industry diversification (Kelley *et al.* 2013:39). Brazil forms part of the Latin America and Caribbean region. This region is characterised by high gender parity and entrepreneurship is very popular amongst females in this region. Females in this region tend to exhibit lower levels of fear and a positive entrepreneurial attitude compared to some of the other regions. In some instances, females are more likely to be running businesses than men. On the negative side, females from this region tend to be less growth-oriented, running their businesses without employees and out of necessity rather than opportunity (Kelley *et al*., 2013:39). As mentioned, South Africa forms part of the sub-Saharan Africa region. This region reported the highest female TEA rates compared to all the other regions. Unfortunately, South Africa is not one of the contributors towards these high TEA rates and records significantly lower TEA and female TEA rates compared to the other countries within this region (Kelley *et al.*, 2013:38). This region also reported the lowest fear of failure rates amongst female entrepreneurs, while most females personally know a female entrepreneur. On the negative side, this region is characterised by low established business ownership rates and high business closure rates. Female entrepreneurs typically operate out of necessity, running typical 'one-woman' businesses, with no other employees and low future growth expectations (Kelley *et al.*, 2013:38).

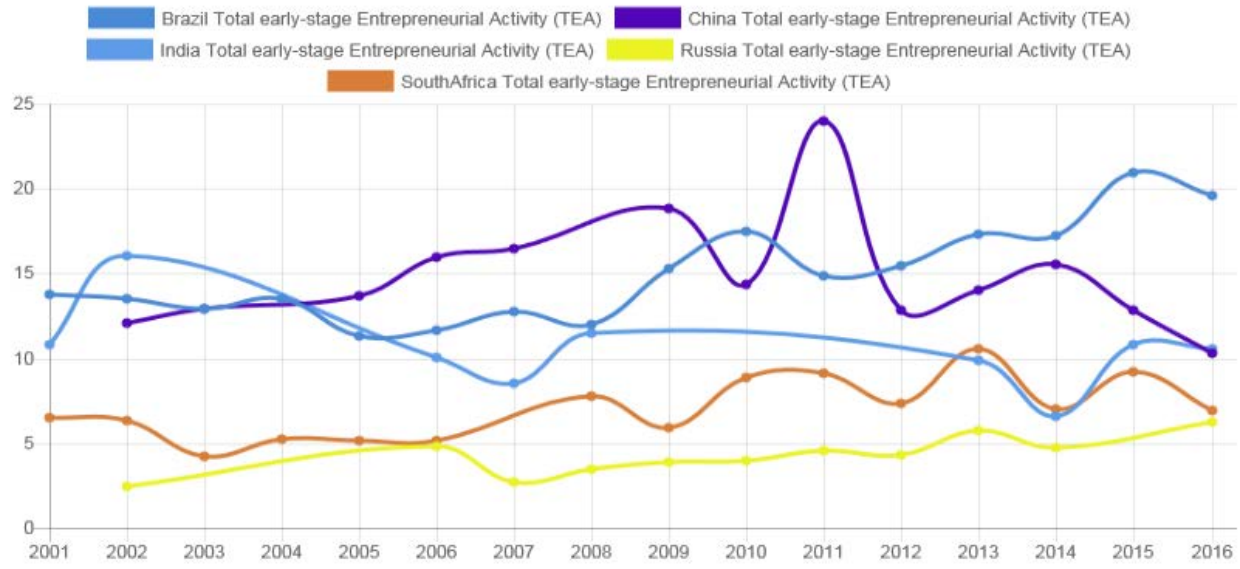


Figure 3.17: Summary of TEA rates for the selected BRICS countries (2001-2016)

Source: GEM Consortium (2016)

Figure 3.17 illustrates the TEA rates for the BRICS countries since 2001. The 2007/8 financial crisis did not significantly affect TEA rates as these remained relatively stable over this period. Russia displays the lowest TEA rate across all years, followed by South Africa. China and Brazil have the highest TEA rates, with Brazil reporting almost double the rate of China in 2016.

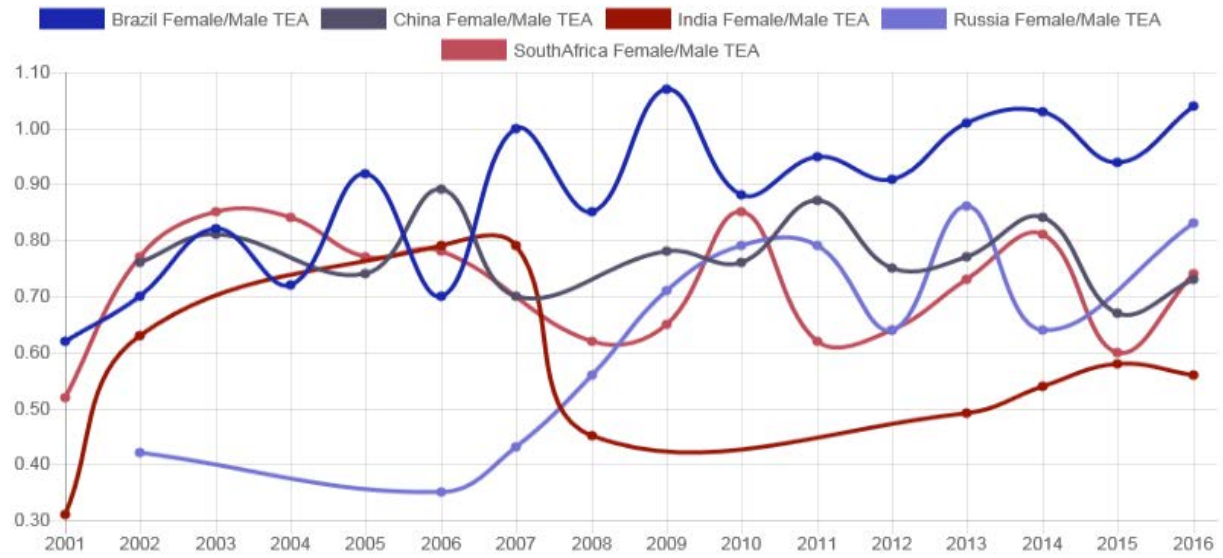


Figure 3.18: Summary of female/male TEA ratios for the selected BRICS countries (2001-2016)

Source: GEM Consortium (2016)

Figure 3.18 reflects the female to male TEA ratios for the selected countries. These rates fluctuate substantially from year to year. This might be an indication of how female entrepreneurs enter and exit the market due to necessity and current situations. India and Russia have been most volatile concerning the female to male TEA ratio. Although the other three countries have also displayed up and down trends regarding this ratio, the movement has been less volatile, largely fluctuating between 0.1 and 0.2 ratio points on a year-to-year basis.

The aforementioned analysis compared South Africa with its partnering BRICS countries. South Africa reported the lowest established ownership rate, together with the second lowest entrepreneurial intention and TEA rates. All the countries with the exception of India report a relatively high female to male TEA ratio of 0.7 and above. From the BRICS analysis, South Africa is considered one of the worst performing countries on an entrepreneurial level and since it experiences similar, and in some cases even worse, socio-economic challenges one would expect a higher entrepreneurial tendency for survival in such a country. What is again of concern is that although South Africa records the highest unemployment rate amongst these countries, entrepreneurship is not perceived as a 'safety net' or survival strategy as evident in some of the other countries.

3.3 ENTREPRENEURSHIP DEVELOPMENT IN SOUTH AFRICA

The following sections provide an overview of the state of entrepreneurship development in the context of the South African economy. Female entrepreneurship is discussed and a rationale is provided for the specific focus on female entrepreneurs as a separate cohort.

3.3.1 General overview of South Africa's 2016 economy and entrepreneurship status

Although the Apartheid era which left long term scars on many minority groups in South Africa ended in 1994, some lingering effects can still be observed. These include lack of access to proper education, inability to apply for finance and lack of land ownership, which resulted in many members of these minority groups not being able to take advantage of opportunities to start a business (Ngcamu, 2002:3). Several laws and policies prohibited persons, other than Whites, from being part of the general economic system; this severely hindered Black or Coloured people wanting to start a business (SAHO, 2011:1; Bobby-Evans, 2015). Black and coloured females were even worse disadvantaged during this period (SAHO, 2011:1; Bobby-Evans, 2015). These policies of separate development restricted many communities from starting businesses and thinking entrepreneurially. Table 3.38 provides an overview of the South African economic state from 2013 to 2017.

Table 3.38: Economic Statistics: South Africa

	2013	2014	2015	2016	2017
GDP	$703.5 billion	$714.4 billion	$723.5 billion	$752.1 billion	$757.3 billion
GDP Growth	2.2%	1.5%	1.3%	0.3%	0.7%
GDP per capita	$13 200	$13 200	$13 200	$13 500	$13 400
Unemployment Rate	24.7%	25.1%	25.4%	26.7%	27.6%
Inflation Rate	5.77%	6.1%	4.5%	6.3%	5.4%

Sources: CIA (2016); Trading Economics (2018); CIA (2018)

Many sub-Saharan countries have shown rapid economic growth but South Africa has been struggling to sustain its growth (Herrington & Kew, 2016:4). Table 3.38 indicates that GDP growth declined from 2.2 percent in 2013 to 0.7 percent 2017. During these periods the unemployment rate increased to 27.6 percent (Trading Economics, 2018). Although there has been a slight growth in GDP, GDP per capita has remained relatively stagnant. According to Statistics South Africa (2016:2), the formal business sector contributed a total of R2.17 trillion in turnover during the third quarter of 2016 (figures for 2017 was not available at time of completion of this thesis). Considering this amount, one can just imagine the figure if the unrecorded informal sector is also added.

With reference to Table 3.39, it is evident that South Africa is lagging entrepreneurially. Low levels of TEA, entrepreneurial intentions and established business rates, when compared to other GEM participating countries, have been prevalent for some time; this situation is hindering economic growth (Herrington & Kew, 2016:4). From Table 3.39 it is obvious that perceived capabilities and opportunities are high but do not translate into higher entrepreneurial intention and activity. Furthermore, South Africa's entrepreneurial intention is much lower than that of other African regions to which it has been compared. The African regional average entrepreneurial intention is 3.6 times higher than that of this country (Herrington & Kew, 2016:4). A comparison of South Africa with other efficiency-driven economies revealed that its TEA (9.2% - 2015, 6.91% - 2016) is much lower than the average combined rate for efficiency-driven economies (15%). Furthermore, this TEA rate declined even more in 2016 to only 6.91 percent (GEM Consortium, 2016). This rate in comparison with that of other developing countries such as Brazil (19.56%), India (10.59%) and China (10.29%) and other African countries such as Cameroon (27.56%), Egypt (14.30%) and Botswana (33.23%) is very minimal. Another cause for concern is the small number of people in South Africa starting businesses out of necessity, considering the high unemployment rate (Herrington *et al.,* 2015:4). One would expect this rate to be higher in a country with as many socio-economic issues such as South Africa.

Table 3.39: 2016/17 Entrepreneurial Indicators: South Africa (Efficiency-driven Economy)

	Value	**Rank out of participating countries***
SME contribution to GDP	36% (2015)	
World Bank Doing Business Rating	65/100	74/190
World Bank Starting a Business Rating	81/100	131/190
WEF Global Competitiveness Rating	4.5/7	47/138
	Value (%)	**Rank out of 65 countries**
Perceived entrepreneurial opportunities	35.0	45
Perceived entrepreneurial capabilities	37.9	55
Fear of failure	31.2	44T
Entrepreneurial intentions	10.1	52T
TEA	6.9	52
Established business ownership rate (EOR)	2.5	61
EEA	0.7	55T
Female/Male TEA Ratio	0.74	22
Female/Male Opportunity Ratio	0.94	39T
High status of entrepreneurs	78.1	17
Entrepreneurship a good career choice	72.6	15

* Expressed as rank out of possible participating countries e.g. 60/190 meaning this indicator is ranked 60th out of 190 participating countries, T = tie with another country ranking

Sources: Kelley *et al.* (2016:111); Herrington and Kew (2016:75)

Figure 3.19 depicts South Africa's entrepreneurial conditions or ecosystem (EFCs), compared to the average of all other GEM participating countries. A score of 1 represents highly inefficient and 5 highly efficient. As can be observed in Figure 3.19, South Africa was rated below average by national experts in seven of the 12 sub-categories, while for the rest the rating was just above average. Areas of most concern include government policies regarding entrepreneurial programmes (1.86), entrepreneurial education at school level (1.9), research and development transfer (2.1), internal market and entry regulation (2.43) and social and cultural stigmas (2.08). The factor that was rated highest was physical infrastructure (3.52). In order for South Africa to become a more enabling environment for entrepreneurs to establish and develop their businesses, these EFCs need to be improved. This may automatically lead to a more conducive environment for new and existing entrepreneurs.

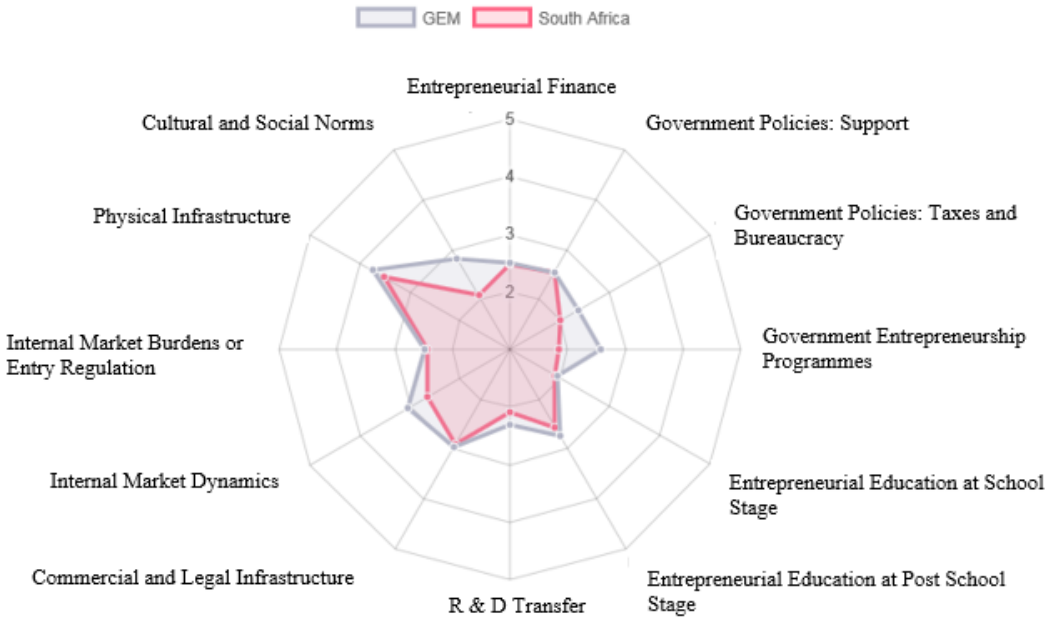


Figure 3.19: Comparison of EFCs: South Africa and average of other GEM participating countries
Source: GEM Consortium (2016)

3.3.2 Time series analysis of entrepreneurship (2001-2016)

South Africa has been identified as a poorly performing country, regarding entrepreneurship development, many times in the past (Herrington, 2012:52). Furthermore, entrepreneurial intention rates are also low when compared to the rest of sub-Saharan Africa (Herrington, 2012:52). The following section will analyse South Africa's long term trends regarding attitudes of potential entrepreneurs, entrepreneurial intentions, early-stage entrepreneurial activity and gender differences regarding TEA and opportunity, necessity-driven and opportunity-driven entrepreneurial activity, doing business rate (DBR) and starting a business rate (SBR). These indicators will be analysed for the period from 2001 until 2015. These years were chosen because the GEM started tracking entrepreneurial activity in participating countries from 2001 while data is currently only available until either 2015 or 2016.

3.3.2.1 Attitudes of potential entrepreneurs

Good opportunities, perceived capabilities and fear of failure can be classified as attitudes of potential entrepreneurs (Kelley *et al.,* 2013:9). In the light of these categories, when a country experiences low rates of perceived opportunities and capabilities and high rates of fear of failure, potentially fewer entrepreneurs will exist within an economy. Similarly, increased rates of perceived opportunities and capabilities and a low fear of failure rate may potentially lead to more entrepreneurs starting businesses in a country. A person's perceived capabilities may differ from actual skills and capabilities and should therefore be reviewed in conjunction with other indicators such as TEA. Figure 3.20 provides a graphic representation of these three indicators. From Figure 3.20 one can note that South Africans, in general, have higher perceived capabilities than perceived opportunities. Both these indicators have increased since 2001, with perceived opportunities reaching its lowest rate in 2002 (13.62%) and its highest rate in 2010 and again in 2015 (40.91%). It is of concern that both perceived opportunities and capabilities only reached half the rate of the average of sub-Saharan Africa countries (Herrington *et al.*, 2015:21). It should be noted that, in general, GEM reports found that factor-driven economies (all sub-Saharan African economies excluding South Africa) tend to report higher rates of perceived opportunities and capabilities and that this rate tends to decrease as the development level of a country rises. However, even though South Africa is considered more advanced than all the other sub-Saharan African countries, extreme poverty and high levels of unemployment are still prevalent and lower levels of these indicators were also reported when compared to other efficiency-driven economies (Herrington *et al.*, 2015:21).

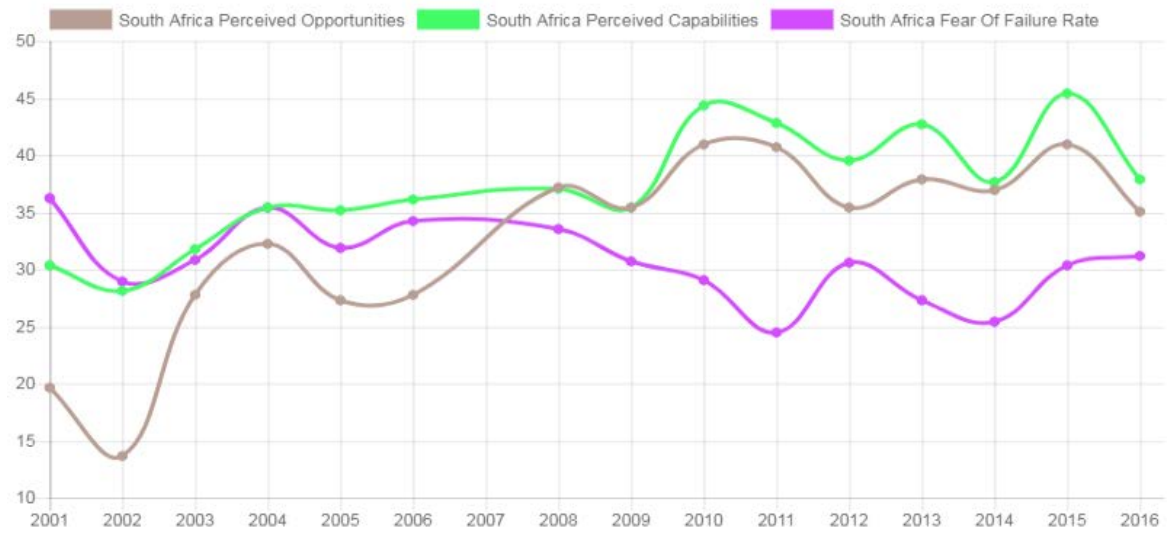


Figure 3.20: Fear of failure, perceived capabilities and opportunities: 2001-2016

Source: GEM Consortium (2016)

As may be noticed from Figure 3.20 fear of failure decreased from 36 percent in 2001 to approximately 31 percent in 2016. The lowest reporting of this measure was in 2011 (just below 25%). Although these

figures may appear high, they are lower than those in other sub-Saharan countries participating in the Global Entrepreneurship Monitor tracking (Herrington *et al.,* 2015:4). While approximately 35 percent of the adult population perceived good entrepreneurial opportunities in 2016, more than 30 percent refrained from taking up these opportunities due to fear of failure. A decrease of more than 5 percent in both perceived good entrepreneurial opportunities and capabilities were reported from 2015 to 2016.

3.3.2.2 Entrepreneurial intentions

Herrington (2012:53) suggests that South Africa should focus on improving its overall entrepreneurial culture since entrepreneurial intentions are minimal. Increased entrepreneurial intention may lead to more businesses being established. Findings from the GEM reports indicate that most South Africans do not consider business ownership as a viable career choice. However, the same report found that a large number of South Africans stated that entrepreneurship is seen as a viable career choice and that it enjoys a high status within the community (Herrington, 2012:54). Figure 3.21 provides a graphic representation of entrepreneurial intentions, entrepreneurship being regarded as a good career choice, and high status assigned to successful entrepreneurship.

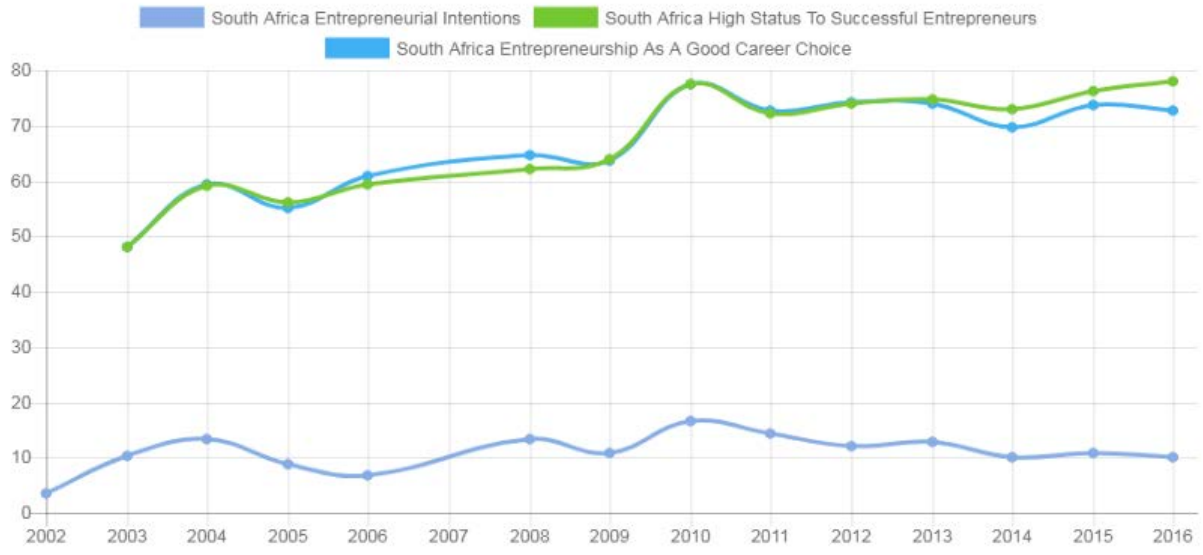


Figure 3.21: Entrepreneurship intentions, career choice and status: 2001-2016

Source: GEM Consortium (2016)

Figure 3.21 depicts the two indicators that contribute to entrepreneurial intentions: entrepreneurship as a desirable career choice and high status of successful entrepreneurship. These indicators all followed a steady upward trend from 2003, reaching peak rates in 2010 (approximately 79%). During the same timeframe the entrepreneurship intention indicator followed a slightly stagnating and declining trend at much lower rates, varying between 4 and 16 percent. A possible explanation for this may be that although a high level of status is accorded to entrepreneurship, the opposite is true for those who fail, thus resulting in fear of failure which may possible be responsible for the low intention rate (Herrington, 2012:54).

Therefore, it may be inferred that if the fear of failure rate could be reduced, entrepreneurship intention would improve. The Presidency (2012:141) states that businesses which have failed before find it extremely difficult to start over again due to lack of credit and collateral. In addition, if improved policies could be formulated that foster a culture of entrepreneurship as being worth the risk of failure, societies may be influenced to perceive entrepreneurship not as a potential failure opportunity but rather as a desirable career choice.

3.3.2.3 Early-stage entrepreneurial activity

The next stage in the entrepreneurial pipeline, flowing from entrepreneurial intention, is TEA. This is the stage where potential entrepreneurs make a decision to start a new business and are either in their nascent phase (they have founded a new business but have not paid any salaries for more than three months) or in the new ownership stage (semi-established businesses which have paid salaries for more than three consecutive months but not more than 42 months) (Herrington & Kew, 2013:22). The combination of nascent and new business rates is referred to as early-stage entrepreneurial activity or TEA which is considered as one of the most important measurements, as these entrepreneurs could potentially become established businesses (Herrington & Kew, 2013:22). Nascent and new business rates follow a similar trend compared to TEA. Although South African entrepreneurial activity is regarded as low compared to other similar countries, a slight increase has been reported over the last 10 years. The TEA rate is considered a volatile indicator since large variations in the rate occur on an annual basis. This is due to market conditions and the availability of alternative employment options. Figure 3.22 represents the TEA.

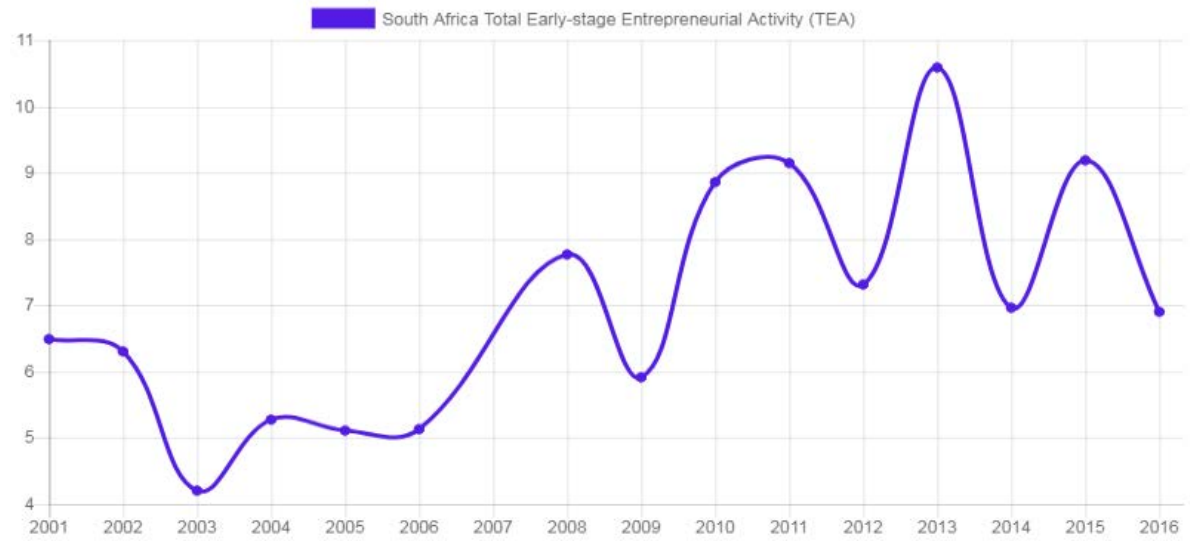


Figure 3.22: Total early-stage entrepreneurial activity (TEA): 2001-2016

Source: GEM Consortium (2016)

As evident in Figure 3.22, the TEA rate dropped by 34 percent from 2013 (all-time high of 10.6%) to 2014 but gained some ground again in 2015 and, according to 2016 figures, declined once more to a lower rate of 6.91 percent (GEM Consortium, 2016). A possible reason for low TEA rates in South Africa

could be attributed to the large social welfare system. Although the existence of social welfare systems is important, especially in countries such as South Africa, these systems may lead to reduced entrepreneurial activity. The reason for this is that people receiving grants through these systems are less inclined to start necessity businesses; this affects overall TEA rates (Herrington *et al.*, 2015:19). South Africa's TEA rates are also much lower than the sub-Saharan African average of 28 percent (Herrington *et al.*, 2015:22) while, in addition, this country also reports the lowest TEA rate of all efficiency-driven economies (average of 14%) (Herrington *et al.*, 2015:23). It should be noted that the quality of early stage entrepreneurial activity is influenced by the opportunity-driven to necessity-driven ratio. Those entrepreneurs acting on opportunity rather than necessity (having no other option for employment) enjoy a much better chance of survival and of contributing to job creation and ultimately increased economic growth (Herrington *et al.*, 2015:25).

3.3.2.4 Necessity- and opportunity-driven entrepreneurial activity

As explained, people start new businesses for different reasons, all of which fit into either one of the following two categories: necessity-driven or opportunity-driven. Individuals acting on behaviour and reacting on a choice to start a business, due to an opportunity or gap in the market, are classified as opportunity-driven entrepreneurs. Those who found a small business out of necessity or survival because they have no better option, form part of the necessity-driven group (Herrington *et al.*, 2015:25). Since necessity is linked to unemployment, one would assume that countries which are more developed may have a higher ratio of opportunity entrepreneurs to necessity entrepreneurs. However, this is not always the case: in some developing countries this ratio is low and necessity entrepreneurs are fewer than expected. This is the case in South Africa which reported a ratio of 0.4 necessity to opportunity entrepreneurs in 2014 (four necessity-driven and six opportunity-driven entrepreneurs for every 10 entrepreneurs). This was unexpected, considering the high unemployment rate and socio-economic challenges faced by many South Africans. A possible reason for this low ratio could be the high social support from government, as mentioned (Herrington *et al.*, 2015:25). This could either be regarded as positive, because a higher opportunity to necessity ratio is generally considered good, or negative, since fewer necessity entrepreneurs (because of external factors, such as social grants and low entrepreneurial intentions) result in a lower overall TEA. Figure 3.23 illustrates South Africa's necessity-driven TEA rates from 2001 and opportunity-driven TEA rates from 2005.

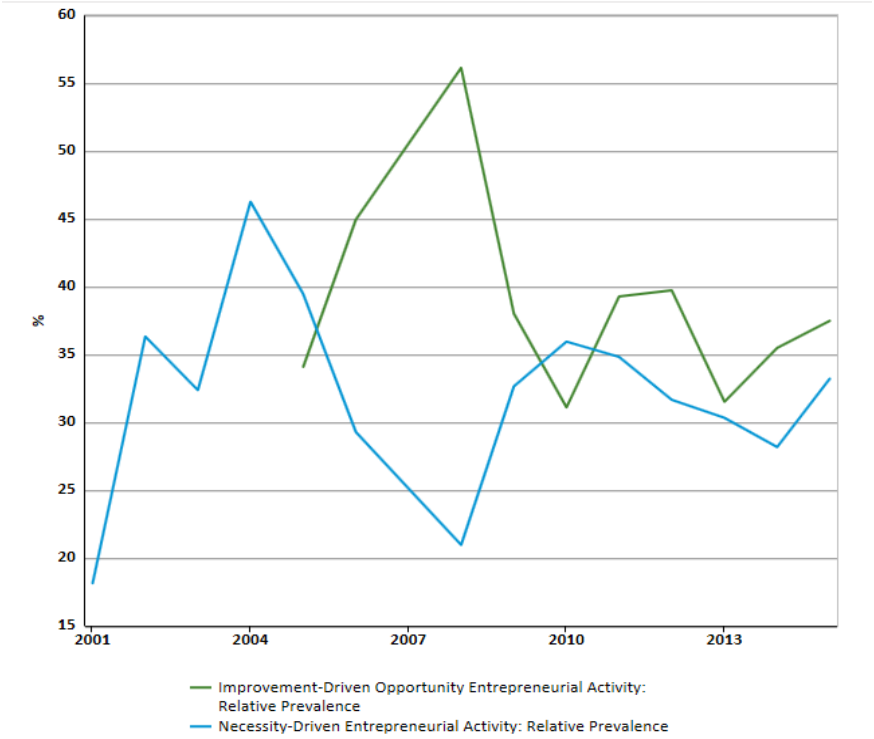


Figure 3.23: Opportunity and necessity driven entrepreneurial rates: 2001-2015

Source: GEM Consortium (2016)

As Figure 3.23 illustrates, large differences in opportunity-driven and necessity-driven entrepreneurship indicators were reported in 2008 (21% compared to 56%). This is rather unusual for a country with such high unemployment rates, while the ratio is also lower than the sub-Saharan African average of 0.5 (Herrington *et al.*, 2015:25). From 2009, the two indicators started moving closer to each other again; in 2015 opportunity-driven TEA was reported at approximately 37 percent and necessity-driven TEA at around 34 percent. Necessity-driven entrepreneurs, although sometimes not considered as 'real' entrepreneurs, fulfil an important role in sustaining themselves and providing valuable required services to their direct communities. They are frequently confined to the informal sector but, as stated by the ILO (2002), this sector may in some cases act as an 'incubator' for the transition to larger and more innovative business in future.

3.3.3 Entrepreneurship education, initiatives, programmes and training

South Africa is regarded as a developing country with an extremely high unemployment rate (27.7% measured in third quarter of 2017) (Trading Economics, 2017) and low levels of education (Meyer, 2009:13). One of the key factors identified for ensuring sustained economic growth and development is entrepreneurship. In economies such as South Africa, entrepreneurship development is imperative because government is struggling to create jobs as it attempts to combat high levels of unemployment (Kroon, 2002:216; Botha *et al.*, 2007:164). The following sections provide a background to the current status of education, entrepreneurship initiatives, programmes and training.

3.3.3.1 South Africa's education system

Training and education constitute a substantial part of the development of a nation. As previously stated, the perception of one's ability to actually act on intentions is critical for the development of new entrepreneurs. Thus, if a lack of perceived capabilities due to low education levels exists, the intention to start a business decreases and ultimately, fewer new businesses are established (Herrington *et al.*, 2015:34). Previous studies have demonstrated that higher education levels lead to higher start-up rates and greater sustainability. For example, a study conducted by the Danish Agency for Science, Technology and Innovation (2016:5) found that in India, as a result of increased entrepreneurial training in higher education institutions, students showed an increase in confidence with respect to turning ideas into real businesses. O'Malley (2016) further states that the role of educational institutions is substantial in creating entrepreneurial aptitudes. An increase in entrepreneurial education, for example curriculum amendments including entrepreneurial modules and short courses, creates options for students to start their own businesses and also improves the quality of technological and innovative start-ups. This being said, the education system in South Africa has failed many prospective entrepreneurs, especially those wanting to act due to necessity, as they lack basic business-operating and life-skills (Herrington *et al.*, 2015:34). This could also offer a plausible reason why South Africa's necessity-driven entrepreneur rate is so low. Education creates confidence and provides individuals with skills needed to ensure successful start-up of new businesses. Low levels of education continue to negatively affect South Africa, due to a rising skills gap (Herrington *et al*., 2015:34). The authors' further point out that the rating of entrepreneurial attention and awareness provided in primary and secondary education has declined from 1.75 in 2013 to 1.47 in 2014. This rating measures the level of skills-driven education in a country. Another shortfall in the South African education system is that more of then not higher education is promoted as one of the few ways to professional advancement, but this is not the case. Self-employment may also be a sustainable and rewarding career choice. Teachers and trainers sometimes lack entrepreneurial ability and passion, which are very important in the creation of an entrepreneurial culture. Ultimately, poor and inappropriate education leaves a gap in a person's readiness and ability to start successful businesses (Herrington *et al.*, 2015:35). Based on the foregoing discussion it can be concluded that with increased education levels, an increase in entrepreneurial intention could occur and in turn lead to increased entrepreneurial activity within a country.

3.3.3.2 Entrepreneurial initiatives, programmes and training

South Africa is faced with continuously low levels of entrepreneurial intention, but even with high levels of such intention, the move to actually start a business is rather complicated. Although government is not directly responsible for the creation of new businesses, its role in creating a conducive environment for this to happen is substantial. This can be done in the form of policies and initiatives aimed at promoting and assisting small business development, as well as providing skills development, training and entrepreneurial focused programmes. Other factors that could assist in the establishment of new

businesses include access to start-up capital, finance to ensure growth, easier regulation of entry, research and development transfer and provision of infrastructure (Herrington *et al.*, 2015:35).

The South African government has been formulating initiatives and programmes to assist with creating an enabling environment for new and emerging entrepreneurs since 1994 (DTI, 2005:3). In spite of considerable media attention and budget allocations being devoted to these initiatives, they are still limited and its effectiveness is questionable (Herrington *et al.*, 2015:32). They are mainly aimed at assisting previously disadvantaged groups, of which women are considered part. Some of these government initiatives include the following:

- The Small Business Development Agency (SEDA) which was established in 2004 and has as its main aim to provide business development and support for small business through a national network (SEDA, 2015)
- The National Youth Development Agency (NYDA) was launched in 2009 with a mandate to promote the development of the youth in South Africa. This is primarily achieved by assisting them to start small businesses (NYDA, 2015)
- The Small Enterprise Finance Agency (SEFA) was established in 2012 and caters for small businesses requiring funding of up to R3 million (approximately $250 000). This is provided to them in the form of bridging finance (SEFA, 2015)
- The Technology and Innovation Agency (TIA), created in 2008 as an initiative of the Department of Science and Technology. It has been given the mandate to enable technological and innovation support across all sectors of the economy (TIA, 2015)
- The National Empowerment Fund (NEF) was established in 1998 to facilitate growth in Black empowered businesses. It also aims to promote a culture of investment and savings among Black citizens (NEF, 2015)
- The Gauteng Enterprise Propeller (GEP) offers financial support in the form of loans, non-financial support such as information, technical advice and other forms of services to assist start-ups as well as skills development (GEP, 2015)
- The Industrial Development Corporation (IDC) was established in 1940 mainly as a driver of economic growth and industrial development though various initiatives, of which one includes the promotion of entrepreneurship through funding high-impact and labour-intensive projects and new businesses (IDC, 2016)
- The Western Cape Government's Department of Economic Development and Tourism (DEDAT) has the vision of creating a sustainable economy through various means including business regulation and governance, skills development and innovation, trade and sector development, integrated economic development, tourism, arts and entertainment to name but a few. It also aims to decrease the skills gap and create an enabling business environment (DEDAT, 2016).

During the annual GEM APS survey, questions pertaining to the knowledge possessed by respondents about the said departments and initiatives are asked. Very few of the respondents were aware of the aforementioned initiatives. From the survey conducted in 2014 none of the Gauteng or Kwa-Zulu Natal respondents and a mere 11 percent in the Western Cape were aware of the DEDAT. In the Western Cape just 11 percent had heard of SEFA, 12 percent of the IDC and 4.6 percent of the NEF. In Gauteng, which is recognised as the economic heart of South Africa, only 4 percent of respondents knew of SEFA, 14 percent of the IDC and 20 percent of NEF (Herrington *et al*., 2015:40). In light of this, creating greater awareness of these programmes might improve overall TEA rates as these initiatives provide much needed assistance for new businesses.

The South African Department of Labour also allocates a large portion of its budget to skills development. Initiatives flowing from this Department include the Skills Development Act 97 of 1998 (SDA), the Skills Levy Act 9 of 1999 (SDL) and the National Skills Development Strategy 2011-2016 (NSDS) (Department of Labour, 2004:1-13).

On a private level, support for start-up entrepreneurs is also provided to prospective new business owners with private company initiatives, such as the Zimele programmes presented by Anglo American, and the SA Breweries KickStart programme, to name just two (Herrington *et al.,* 2015:5). Other programmes which are not initiated by the government include the Masisizane Fund, Knife Capital, U-Start, Leaf Capital, Thundafund (crowd-funding), Atlantic Asset Management, Edgegrowth, Anglo Sebenza Fund and Futuregrowth (Herrington *et al.,* 2015:40).

3.4 FEMALE ENTREPRENEURSHIP IN SOUTH AFRICA

As females have only formally started entering the field of entrepreneurship in recent decades and the literature on the topic of entrepreneurship historically focused on men, the current research on female entrepreneurship as a separate field of study is inadequate. This had, however, already been identified by leading experts in the field of female entrepreneurship at the start of the 21st century (Bird & Brush, 2002; Greene *et al.,* 2003; OECD, 2004; De Bruin, Brush, & Welter, 2006). The need for supplementary research on female entrepreneurship further extends to developing and emerging countries where culture still plays a huge role in lack of the development and empowerment of females. Many cultures still believe that females are solely responsible for home and family-related tasks as well as reproductive purposes (De Bruin *et al.,* 2006:586; Karanja & Bwisa, 2013:34, McAdam, 2013:5). This perspective on a female's role in the community could restrict women from starting a new business or hinder the growth potential of an existing business. Many African cultures continue to believe that women should not own any assets and that everything they own actually belongs to their husbands; this creates structural and cultural challenges for female entrepreneurs (Chitsike, 2000:73; Mungai & Ogot, 2012:175-176).

Former GEM reports have indicated that the male to female early-stage entrepreneurial activity ratio varies considerably over different countries owing to various differences in cultures and customs (Herrington & Kew, 2016:34). However, one constant remains: men are more likely to start new

businesses than women. Female business owners may be influenced by many of the same elements and factors which male entrepreneurs face. Conversely, the assumption can also be made that they face a set of unique gender issues contributing to their lower early-stage entrepreneurial rates (Minniti & Arenius, 2003:3). Various studies recognise that women do face greater and different constraints when it comes to starting new businesses (Herrington & Kew, 2016:34; Poggesi *et al.*, 2015:736-737; Minniti & Arenius, 2003:2). Some of these constraints include lack of education, lack of work experience, comparative earning levels, networking constraints, motivation, family obligations, lack of capital and other assets as well as cultural stigmas (Matiwane, 2005:7). These are explained further in Chapter 4.

The aforementioned constraints are also relevant to South African females but, furthermore, race discrimination and HIV/AIDS can also be added as constraints (Matiwane, 2005:2). A real concern for South African women is that there has been an increase in the gender gap regarding entrepreneurship from 2014 to 2015. During 2014, eight females engaged in early start-up entrepreneurship for every ten males, but in 2015 this ratio decreased to six for every ten males (Herrington & Kew, 2016:5). According to the GEM South Africa 2014 report (Herrington *et al.*, 2015:25), South Africa's rate of entrepreneurial activity is still relatively low compared to other developing nations. Although it is still considered minimal in relation to other sub-Saharan African countries, it has increased slightly over the last decade. A typical South African entrepreneur is usually a male, aged between 25 and 44 years, and normally resides in an urban area. Hence, a typical South African entrepreneur is not considered to be from a rural background or a female, thus leaving much room for development in this regard. Matiwane (2005:9) found that there is a concentration of women business owners in the fields of crafts, hawking, services (such as hairdressers) and in the retail sector. Many of these businesses are classified as informal survival businesses and have little growth potential.

3.4.1 South Africa's male and female TEA rates

The TEA rates define the number of adults who are actively involved in a start-up business or who are in the process of starting one (Herrington & Kew, 2013:22). As mentioned before, the gender gap for entrepreneurial activity in South Africa is widening. This is of concern for the following reasons:

- Studies from the ILO (2015) have demonstrated that countries with a high female labour force are more robust and experience lower declines in economic growth
- Females in the workforce act as powerful anti-poverty tools because women tend to spend their income on their households thus mitigating poverty levels (ILO, 2015) and
- Larger gender gaps tend to lead to substantial losses in income and lower levels of economic development. Countries with the highest gender labour participation gaps could have income losses of up to 30 percent of GDP per capita (ILO, 2014b).

Figure 3.24 reflects the male and female TEA rates for South Africa from 2001 to 2015.

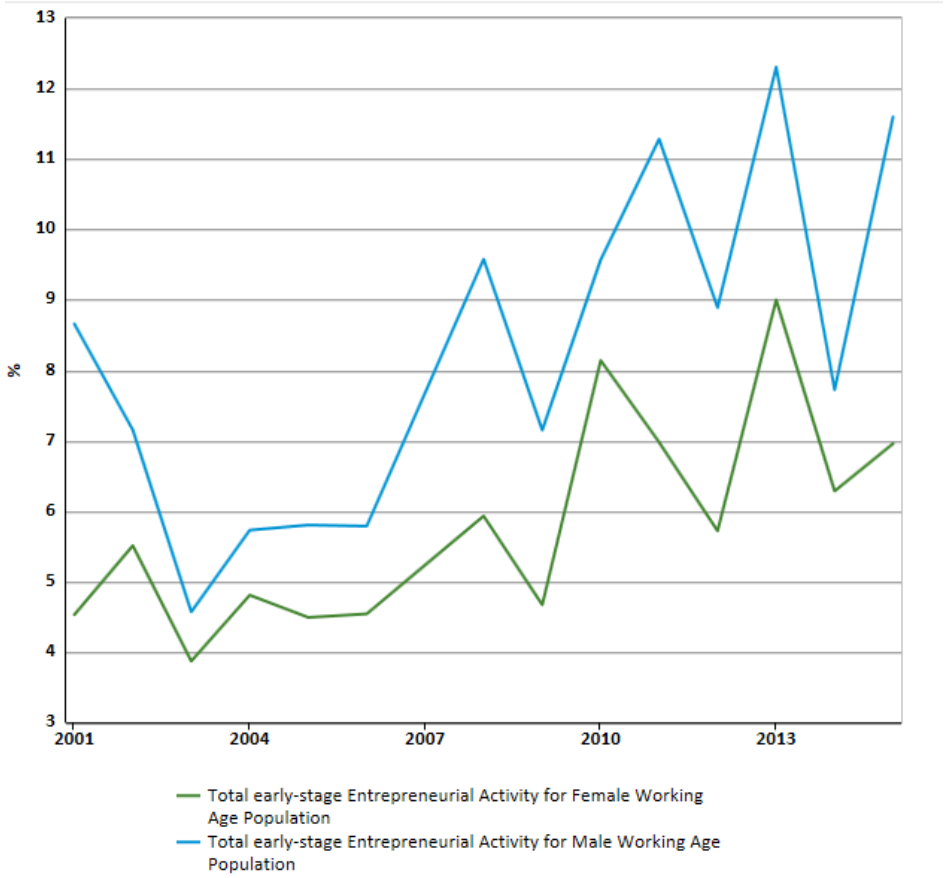


Figure 3.24: Male and female early-stage entrepreneurial activity (TEA): 2001-2015

Source: GEM Consortium (2016)

Figure 3.24 graphically represents male TEA being consistently higher than female TEA. South African female TEA is less than half if compared to the averages of other African and efficiency-driven economies. The African average female TEA, since the inception of GEM, was reported at 17 percent, which is 10 percent higher than South Africa's 2015 reported rate (Herrington & Kew, 2016:35). The average rate for efficiency-driven economies for the same period was 13 percent, which is almost double that of South Africa's 2015 reported rate. Even at the highest reported South African rate of 9 percent in 2013, global comparative female TEA rates still outperformed South Africa. Considering the entrepreneurial pipeline (referred to in Figure 2.5) it is clear that intention needs to be prevalent for action to take place. In terms of the low entrepreneurial intention rate for South Africa, the corresponding low TEA rates for both males and females are not surprising. Kelley *et al*. (2015:16) state that both female and male entrepreneurial intentions are rated the lowest of all participating African countries and in the bottom five countries of all efficiency-driven economies. Female entrepreneurial intentions are high throughout Africa, with the exception of South Africa. This leads to lower levels of TEA and even lower levels of established business ownership rates. When the South African female TEA rate is compared to the rest of Africa, South Africa is once again ranked second last, with just Algeria slightly below. Africa and South-east Asia are considered the two regions where gender equality regarding early-stage

entrepreneurship is the highest, with some countries reporting higher female TEA than that of males. Since these two regions are prone to biased social and cultural norms when it comes to women, the high female TEA rates are exceptional (Kelley *et al*., 2015:18). Figure 3.25 illustrates the female to male TEA ratio (2001 – 2016) and the female to male opportunity-driven ratio (2013-2016).

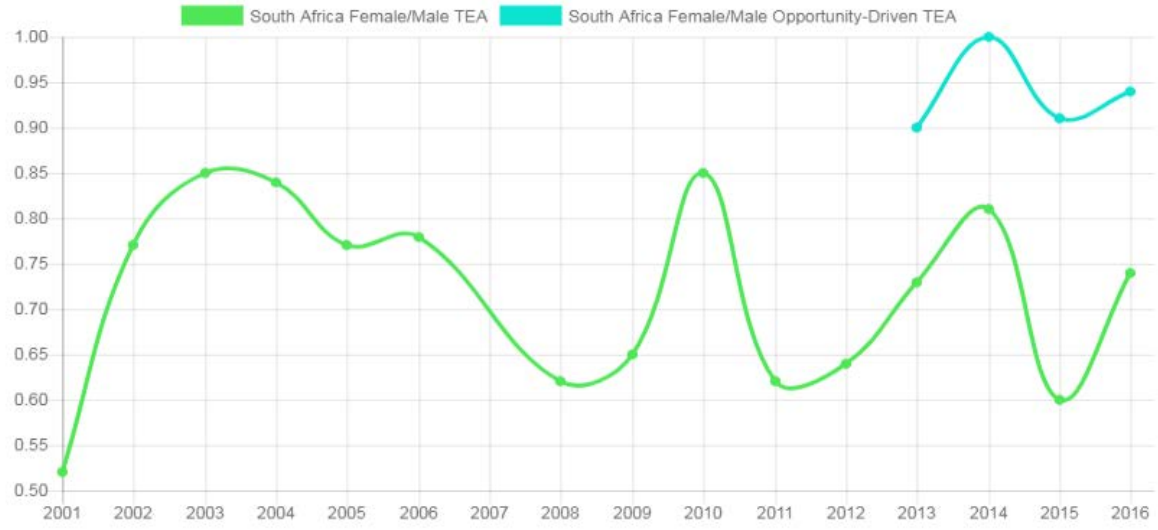


Figure 3.25: Female to male TEA ratio 2001-2016 and opportunity-driven ratio 2013 - 2016

Source: GEM Consortium (2017)

Figure 3.25 reflects the female to male TEA ratio. This ratio can be defined as a percentage of females between the age of 18 and 64 years who are either in their nascent entrepreneurial phase or are owner-manager of a new business, divided by the equivalent percentage for their male counterparts (GEM Consortium, 2017). The ratio was at its highest during 2003 and 2010 at 0.85 (for every 100 male entrepreneurs, 85 female entrepreneurs were active). This ratio, even at its highest, was still below the African average of 0.96 (Kelley *et al.*, 2015:17). The 2015 reported ratio was 0.6, signifying that for every 10 male entrepreneurs there were six female entrepreneurs; this increased to 0.74 in 2016. A new indicator, female to male opportunity-driven ratio, was introduced in 2013 and measures the opportunity-driven rates amongst males and females in the form of a ratio. As only four years of data is available, drawing trends and conclusions at this time is not possible.

Taking note of the female to male TEA ratio, from Figure 3.25 it may be noted that this varies quite substantially from year to year. This could be due to various reasons: first, differences in social norms and culture pertaining to women in business might influence this ratio. Second, if women need to generate more income for their families due to loss of income for whatever reason, this rate may increase. Third, if the availability of alternative full employment options increases, this rate may also be lower. Furthermore, the existence of gender equality promotion in policies and country initiative might also influence this rate. Lastly, the extent of family responsibility could also affect this ratio (Kelley *et al.*, 2015:17-18). In the

light of these reasons, support provided to potential female entrepreneurs in context could assist in an increased female TEA rate.

As discussed in Section 3.3.3.2, government and private entrepreneurial initiatives are available and aimed at new and expanding entrepreneurs; both male and female entrepreneurs may apply for this support. The following organisations operate initiatives aimed solely at female entrepreneurship and business owners: Businesswomen's Association of South Africa (BWASA), South African Women Entrepreneur's Network (SAWEN), Organisation for Women in Science in the Developing World (OWSD), Way Women Work and Africa Businesswomen's Network (ABWN).

BWASA was originally established in 1979 under the name Executive Women's Club, the National Association of Women Business Owners. One of the main aims of this association is to ensure the advancement of women who are active in the business environment. They play a crucial part in campaigning for the importance of women being actively needed to play a part in the transformation of the economic and business environment. BWASA provides an interactive and important platform for women in the form of capacity building, inspiration and opportunities through various initiatives. The following are some of the programmes and initiatives run by it:

- The Economic Women Empowerment Programme (EWEP) was developed to reinforce the role women play in economic environment. One of the initiatives is the Economic Gender Advocacy Programme, which is aimed at improving and amending the content of the new Women Empowerment and Gender Equity Bill (WEGE) as well as establishing a Charter for Women's Empowerment (CWEP). These initiatives are geared towards the establishment of a female orientated supply chain which fast tracks opportunities for women and assists in levelling the playing field in the business environment
- The South African Women in Leadership Census is a publication examining gender equality in corporations in South Africa. The census ultimately aims to determine how many women hold leadership positions in state owned enterprises and companies listed on the Johannesburg Stock Exchange (JSE). Some additional research included in this report comprises examining the status quo of government procurement policies, and competitiveness concerning businesswomen. In order to achieve this, primary research to determine the challenges faced by female entrepreneurs regarding opportunities within government procurement and tender processes is conducted. Support in the form of knowledge and skills transfer to women, for them to better understand the government supply chain and procurement systems, is included in this initiative
- BWASA also offers a range or corporate courses providing opportunities to women to stimulate further interest in the field of business by linking and partnering with institutions involved in education. These corporate courses are aimed at, but not limited to, improving personal leadership, networking, coaching as well as finance and risk management
- In order to create additional supply chain diversity, the initiatives VALUE, ADVANCE and

WIRED were set up. The Value Chain Development for Women Enterprise Programme (VALUE) is also aimed at advancing economic development amongst women. This is done by enabling opportunities for businesswomen to advance their businesses, to improve the business environment for female entrepreneurs and to ensure an increase in the roles which women play during public policy planning. The ADVANCE Training Programme is aimed at women entering the government supply chain. The Women Invested in Responsible Enterprise Development Programme (WIRED) is specifically aimed at accelerating women owned businesses which have been operating for more than 2 years. This programme focuses especially on coaching, advising and training to ensure that the businesses are in a stage to apply for finance

- The International Trade and Investment Programme (ITIP) is aimed at assisting female business owners to obtain better access to trade opportunities as well as being part of trade negotiations and agreements
- BWASA also runs various Corporate Social Investment (CSI) projects and awards a number of bursaries for qualifying women students who wish to pursue a postgraduate degree (BWASA, 2017).

SAWEN, as an initiative established by the DTI, is a platform created for all existing and potential women entrepreneurs operating in the SME sector in South Africa. Its main mission is to determine the social-economic barriers which women entrepreneurs face, and in turn monitor improvements in this area. Its purpose is also to determine the positive impact of women entrepreneurs in South Africa. Some of the objectives set by SAWEN include:

- Striving to provide a platform that brings female entrepreneurs together to discuss barriers and challenges faced by them
- Initiating discussion between public, private and government organisations on issues and challenges faced by female entrepreneurs
- Aligning with other organisations on national and international level who have similar goals to SAWEN
- Facilitating access for female entrepreneurs to resources, opportunities and information which could assist in improving global participation
- Profiling businesswomen in leadership positions.

SAWEN provides a range of services including networking platforms such as monthly information sessions, quarterly provincial gatherings and annually general meetings. It offers skills training such as workshops and seminars, courses and special programmes. Furthermore, it provides a platform for female entrepreneurs to link to existing opportunities; this is done by introducing its members to exhibitions, trade fairs, initiatives and missions. It also offers mediation, legal and general advice and access to business information (The Presidency, 2009:103; DTI, 2017).

The Organisation for Women in Science in the Developing World (OWSD) was established in 1987 and although it is not specifically focused on women in business, it was started to assist in promoting women in the sciences sector and to assist in leadership formation. These objectives are carried out through training, networking and career development, all aimed at women scientists specifically in developing countries (OWSD, 2017).

Another businesswomen's initiative, the Way Women Work (TWWW), was established in 2010 to assist businesswomen from emerging and developing countries including Africa, Asia, Eastern Europe, the Middle East, and Latin America. This initiative complements and works in collaboration with similar organisations such as BWASA in providing career and business advice to women in need, especially in the light of cultural and social backlogs amongst women in these countries. TWWW makes use of online, free and self-managed coaching through webinars and other interactive media. It aims to decrease the gap between the level of education attained by women and successful career and business involvement (TWWW, 2017). Lastly, the African Businesswomen's Network (ABWN) was launched in 2009 with the purpose of assisting in the acceleration of economic growth and improving women's general quality of life. ABWN strives to promote development of its local partners through providing quality services and programmes to businesswomen (BWASA, 2017). These programmes are aimed at assisting women entrepreneurs to advance their business careers; the role they play in improving gender and business equality in South Africa is immense. Without organisations such as these, many female small business owners would not have existed.

3.5 CONCLUSION

Globalisation has become an undeniable phenomenon and the world has opened the doors to many opportunities. This has caused that political, social and economic events within a certain country many times have a ripple effect on other countries or economies. This prompted the inclusion of this chapter in an attempt to place South Africa in a global context regarding economic and entrepreneurial measurements.

In order to understand the current position of South Africa in terms of entrepreneurship, more specifically, female entrepreneurship development, an analysis of the current state of economic and entrepreneurial affairs was undertaken. South Africa was compared to five developed countries, five SADC countries and the remaining four BRICS countries in three separate comparisons. Results indicated that South Africa, in many cases, have much improvement to work towards in an attempt to close the gap between many daunting socio-economic aspects hindering the growth and prosperity of the country. This chapter further analysed the South African entrepreneurial development position in detail, focusing particularly on female entrepreneurship. Based on the analysis of the South African status quo, there is much room for improvement. Entrepreneurial intention, early entrepreneurial activity, female entrepreneurship early activity and established businesses all reflect low rates compared to other African

and efficiency-driven countries. Considering this and the many socio-economic challenges faced by South Africa, the importance of entrepreneurship development is once again highlighted.

The following chapter focuses on the final three theoretical objectives. The Theory of Planned Behaviour and Theory of Intent are discussed followed by the literature pertaining to female entrepreneurship characteristics and elements affecting entrepreneurial development. The chapter concludes with a thorough discussion on the various factors that may have an effects on female entrepreneurs' intention to remain and grow their businesses.

CHAPTER 4

ENTREPRENEURSHIP: MOVING TOWARDS A FEMALE PERSPECTIVE

'Risk more than others think is safe. Dream more than others think is practical'. (Howard Schultz: CEO of Starbucks)

4.1 INTRODUCTION

Entrepreneurship is not a new phenomenon and has been researched for centuries by many well-known researchers in this field. However, it was not until 1976 that the first official research on entrepreneurship amongst women was published by Eleanor Schwartz, 'Entrepreneurship: A New Female Frontier', and it was five years later before the next article on this topic was published (Greene *et al.,* 2003:1; McAdam, 2013:2). This opened a new world for research opportunities and the enhancement of female entrepreneurship. Despite this new research opportunity, limited information and documentation regarding the contribution females make to entrepreneurship activity is available. Furthermore, information regarding female entrepreneurship as a global phenomenon, is minimal. Most of the data available reports just on business development as a whole and does not distinguish gender (Brush *et al.,* 2006:6). As gender studies have become more advanced and influential over the past few decades, the importance of studying female entrepreneurship development as a separate research field has grown.

The preceding two chapters aimed at creating a theoretical foundation for the phenomenon referred to as entrepreneurship. A detailed comparison of countries was done to determine where South Africa finds itself in the entrepreneurial realm. Each of these comparisons also considered where South Africa's female entrepreneurship development level was compared to the countries included in the comparison. In addition, female entrepreneurship was briefly introduced by analysing some of the South African initiatives relating to its entrepreneurship development. Linking to the theoretical objectives set out in Chapter 1, the aim of this chapter is to address the last three of these objectives (Theoretical objectives 7, 8 and 9). These include: reviewing the literature on the Theory of Planned Behaviour and Theory on Intent, reviewing the literature on female entrepreneurs' characteristics and other elements affecting entrepreneurial development and finally conducting a literature review on the various entrepreneurial factors (internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity) that contribute to female entrepreneurs' intentions to remain in business, to grow the business and attitudes towards the business.

In addition to the three theoretical objectives mentioned, the chapter commences by briefly discussing some differences between male and female entrepreneurs based on the existing literature. As the study focuses primarily on the intention of female entrepreneurs to remain in business, these two theories are important in explaining the behavioural aspects of female entrepreneurs. Intention is an important

aspect in the entrepreneurial process since it is the initial act that takes place in the entrepreneurial pipeline. Without intention, the actual action of starting a business would not occur. These concepts are important to an extent, in explaining the reasoning behind intention. Furthermore, the various push- and pull- factors pertaining to business start-up decision making are discussed. This discussion extends into explaining the various motives for females deciding to start and remain in a business, characteristics of female entrepreneurs, challenges such as financial and government constraints and business growth factors.

4.2 ENTREPRENEURIAL DIFFERENCES BETWEEN MALES AND FEMALES

Several studies have pointed out that female participation in entrepreneurial activities is noticeably less than male participation (Kelley *et al.*, 2011; Gupta, Goktan & Gunay, 2014; Saridakis, Marlow & Storey, 2014; Justo, DeTienne & Sieger, 2015). As mentioned, while the focus of this study is not to differentiate between male and female entrepreneurs, it is however still important to briefly discuss differences that may be present between the genders in this regard. Leading researchers in the field of female entrepreneurship have emphasised the importance of studying females as a separate research topic as there are significant differences between male and female motivations, characteristics and business growth and development, with regard to entrepreneurship. There are clear differences in some of the methods and ways that female entrepreneurs manage their businesses and, for example, how they develop strategies (Bird & Brush, 2002; Greene *et al.*, 2003; Brush *et al.*, 2006; Carter *et al.*, 2006). Carter *et al.* (2006) specifically refer to females as being more risk- and debt-averse, which could lead to interesting conclusions about why some female businesses are in many cases not attracting the investment opportunities that their male counterparts so often do. In addition, Botha *et al.* (2007) suggest that some women might need more assistance concerning self-esteem and confidence than traditional male entrepreneurs. Barsh and Yee (2011) further mention that women face different structural obstacles, lifestyle issues and individual embedded mind-sets, compared to males.

While there is evidence that similarities between certain entrepreneurial traits in men and women exist, there are clear variances in many aspects. Greene *et al.* (2003) reports that various research papers identified similarities between male and female entrepreneurs, but lack substantial research on the differences. Some of the most compelling ones between male and female entrepreneurs include: reasons for starting a business, the choice of business, how they finance their start-ups, governance structures and support, growth patterns and some aspects of the entrepreneurial process. Bird and Brush (2002:44) describe five dimensions of this process and how they differ between males and females. Table 4.1 depicts that there are noticeable differences in the traditional or masculine way entrepreneurship is perceived compared to a female perspective.

Table 4.1: Gender differences within the dimension of the entrepreneurial process

Dimension	Traditional Measure	Personal or Female Measure
Time	Future, faster pace and linear	Present, slower pace and circular or spiral
Concept of Reality	Knowledge as control, analysing, separable nature, focused consciousness	Knowledge as caring, appreciation, interconnected nature, diffuse awareness
Action/Interaction	Rational, competitive, aggressive, distant, strategic, grounded in goals and objectives	Emotional, cooperative and caring, harmonising, empathic, personal, influenced by family
Ethics	Responsibility and control over self, laws and rights, limit behaviour and restrain aggression	Responsibility in response to circumstances of others, fairness and caring, repair harm and preserve relationships
Power	Centralised and used for self, master over others	Shared and used for others, self-mastered

Source: Bird and Brush (2002:44)

The dimensions of the entrepreneurial process: time, concept of reality, action and interaction, ethics and power are all often performed in a different and more subtle way when viewed from a female perspective. Bird and Brush (2002:44) further explain that there are clear differences in the way that traditional new ventures and organisations are started and the manner in which they would be established from a female perspective. For example, the way a traditional entrepreneur might make use of resources would be to 'lease' people, show low commitment and be a promoter, whereas a female entrepreneur might take a different approach by committing to people and taking the form of a trustee. There are also differences in the structure, method of controlling of systems, culture and policy integration. McAdam (2013) asserts that there are many similarities in the operating profile of small businesses, despite the traits of the owners, but that there is indeed a significant difference within the operating profiles of female owners. Many still follow a feminised working pattern, trying to balance work, home and childcare. While some might say this working pattern is acceptable, many may see it as discrediting the value and growth potential of the business (McAdam, 2013). In addition to the content presented in Table 4.1, Ahl (2006:600) and McAdam (2013:23-24) summarise several masculine words according to Bem's masculinity index and its direct link to the 'traditional' entrepreneurial concept. This is shown in Table 4.2.

Table 4.2: Bem's masculinity index and the traditional entrepreneur

Masculine concepts	Traditional entrepreneur
Analytical	Following sound judgement and having superior business talent
Independent	Acting independently and free minded
Ambitious	Being achievement orientated
Individualistic	Being detached from other people
Competitive	Fighting for superiority
Leadership	Leading a business into economic success and industrialism
Taking a stand	Sticking to a certain direction
Dominant	Seeking power and being influential
Self-sufficient	Independent and detached
Decision maker	Conclusive in spite of high levels of uncertainty
Risk-taker	Optimistic, daring and willing to take risks

Source: Ahl (2006:600)

As can be seen from Table 4.2, Bem's masculinity words link directly to the 'traditional entrepreneur'. Gupta *et al*. (2014:273) refers to a robust masculine ideology that is generally

associated with entrepreneurial activities. In contrast to these masculine words, Bem also identified feminine terms which could be described as being the opposite of the 'traditional entrepreneur'. Some of these are: gentle, loyal, sensitive, shy, gullible and sympathetic (Ahl, 2006:601). It should be noted that these masculine and feminine characteristics were derived by Bem during the 1980s at a time that was different from now and that not all men and women can be associated only with the words and actions fitting their gender.

Ahl (2006:613) analysed several research articles written specifically about female and male entrepreneurs. It was found throughout all the articles reviewed that in general, female businesses are smaller, have lower growth rates and are less profitable than male owned businesses. This was also established in studies by Hisrich and Brush (1984), Fasci and Valdez (1998), Kalleberg and Leicht (1991) and Rosa and Hamilton (1994). This phenomenon even received a name and is referred to as the 'female underperformance hypothesis' (Ahl, 2006:603). Justo *et al.* (2015:776) state that this phenomenon relates to a body of research conducted in the past, which found that female entrepreneurs are inclined to underperform when compared to male ones. Considering the importance of economic growth as a result of Small Micro Medium Enterprises' (SMMEs) growth and development, this phenomenon of female business underperformance could be considered a problem and a negative aspect in terms of increasing a country's growth rate. This was identified in a study conducted by Aarons-Mele (2014) who noted that more females than before are starting businesses in the USA, where an estimated 1288 female-owned companies are founded each day. Although this would seem to be positive for female business development, the problem arising is that most of these businesses are very small and contribute marginally to the economy. Most of these female business owners struggle to make up the corporate salary they used to earn while approximately 88 percent of them are sole owners and employ no additional employees, thus contributing very little to economic growth (Aarons-Mele, 2014:1). In Section 4.6.2 some of the factors restricting female-owned business growth are discussed. Ahl (2006:604) continued the study and tested the hypothesis that females tend to be weaker when considering Bem's masculinity and femininity traits and entrepreneurial qualities. Surprisingly, the hypothesis which was set, that males would score higher than females, was rejected as very few differences between male and female entrepreneurial qualities were identified. Ahl (2006:604) ascribes this result to female entrepreneurs becoming 'tougher' than non-entrepreneurial females as a result of being engaged in a formerly male dominated environment. Several studies conducted could not undeniably explain why female entrepreneurs are underperforming compared to males (Du Rietz & Henrekson, 2000;). This further emphasises the importance of this study in an attempt to identify female entrepreneurs' intention to remain in business and their growth aspirations for their businesses. Based on the aforementioned, the following sections discuss the Theory of Planned Behaviour and the Theory of Intent.

4.3 THEORY OF PLANNED BEHAVIOUR

Entrepreneurship has become a significant research topic over the past few decades, with many scholarly articles being published on the subject. Likewise, a vast body of research exists on the Theory of Planned Behaviour (TPB) and the link it has to entrepreneurial intention and behaviour (Ferreira, Raposo, Rodrigues, Dinis, do Paco, 2012:424-426). Several authors have highlighted the link between these two concepts, and it has subsequently resulted in one of the most frequently applied theories explaining and predicting individual behaviour (van Gelderen, Brand, van Praag, Bodewes, Poutsma & van Gils, 2008; Engle, Dimitriadi, Gavidia, Schlaegel, Delanoe, Alvarado, He, Buame & Wolff, 2010; Shook & Bratianu, 2010; Kautonen, van Gelderen & Fink, 2013; Lortie & Castogiovanni, 2015; Tsordia & Papadimitriou, 2015). Evidence of this was found by Armitage and Conner (2001:485) by analysing 161 articles using the TBP, which supports the use of TPB in the accurate prediction of intention and behaviour.

Van Gelderen *et al.* (2008:541) assert that various models may be used to explain the concept of intention; however, the theoretical specifications of the Theory of Planned Behaviour are more consistent and detailed, and are validated by several research studies in various fields of expertise. The TPB is an extension of the initial Theory of Reasoned Action (TRA) which suggests that one's attitude concerning a certain behaviour, perceived behaviour control (PBC) and subjective norms could be considered as three independent variables that forecast a certain behavioural intention (van Gelderen *et al.,* 2008:541; Han, Hsu & Sheu, 2010:326). Based on the original Theory of Reasoned Action, the TPB is extended by employing measures such as control belief and perceived behavioural control (Armitage & Conner, 2001:471). For this reason, just the TPB will be used to explain entrepreneurial intention for the purpose of this study. Lortie and Castogiovanni (2015:935) define the TPB as the behaviour heralded by an individual's intention to complete an action and maintain control over the behaviour. Tsordia and Papadimitriou (2015:24) further state that the TPB suggests that a person's decision to enter into a certain activity; for example, to start a business or remain in business, is a cautious but deliberate action relating on the intention to perform this behaviour. In more simplistic terms, the TPB can be explained as 'how hard people are willing to try and of how much of an effort they are planning to exert, in order to perform the behaviour' (Ajzen, 1991:181). The three variables forming the TPB, attitude, perceived behaviour and subjective norms, in theory, may be determined by two elements: one's belief about a certain outcome and the evaluation of these outcomes. In addition to the TPB variables, various other factors such as gender, parent role models, personality characteristics, cultural background and the direct environment may also have an impact on intention and behaviour (van Gelderen *et al.,* 2008:541). The TPB is conceptually illustrated in Figure 4.1.

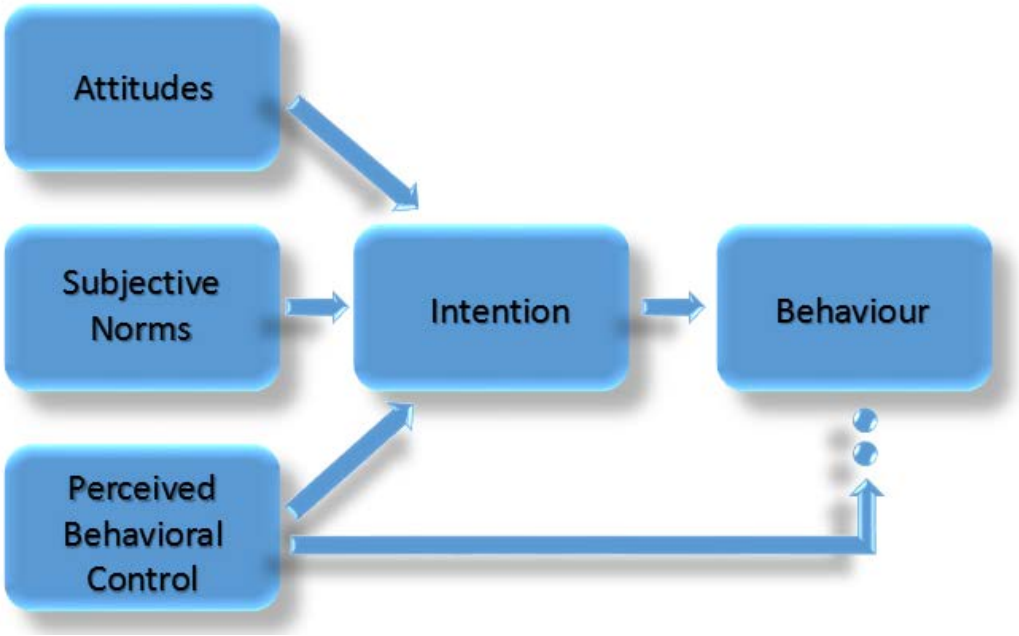


Figure 4.1: Theory of Planned Behaviour model

Source: Lortie and Castogiovanni (2015:937)

The TPB endeavours to predict behavioural patterns from an individual's attitudes and to determine the extent to which the variables are connected (Oreg & Katz-Gerro, 2006:463). The variables as depicted in Figure 4.1, are explained in the succeeding paragraph. Attitude towards behaviour is the first variable and can be hypothesised as the magnitude to which an individual has a positive or negative assessment of a certain behaviour (Ajzen, 2002:5). It also relates to the interest - and attraction an individual has - in fulfilling a planned behaviour (Lo, Sun & Law, 2012:32). In the context of this study, the attitude of the female entrepreneurs towards their business was measured. The second variable, subjective norm, can be explained as the extent of perceived social pressure in order to perform a specific action. This pressure could, for example, stem from family members, friends and teachers or mentors (Fayolle & Gailly, 2005:6; Tsordia & Papadimitriou, 2015:25). The third variable, perceived behavioural control, refers to the extent a person controls perceptions about the activity being performed. In the case of entrepreneurship, this variable may be explained as the ease or effort involved in the execution of running a business (Tsordia & Papadimitriou, 2015:25). Intention, in the context of the TPB, can be defined as an individual's inclination to perform a certain behaviour (Kautonen *et al.,* 2013:656). Krueger and Carsrud (1993:315) and Lo *et al*. (2012:32) state that intentions facilitate the relationship between attitudes and the intended behaviour. They add that various social interactions and behaviours, such as intentional involvement in entrepreneurial activities, are willingly controlled and forecasted by means of intention (Lo *et al.,* 2012:32). Sniehotta, Presseau and Araújo-Soares (2014:1) opine that intention can be hypothesised as a primary function of the three variables, attitude, subjective norm and perceived behavioural control.

Several studies have also been conducted on the TPB and female entrepreneurial intention. Lo *et al.*, (2012:29) point out that numerous factors influence the intentional participation of both male and female entrepreneurs in different ways. For example, differences in male and female financial support, risk-taking inclination, and vigilance with regard to opportunities and internal control were identified (Lo *et al*., 2012:9). Zampetakis, Bakatsaki, Litos, Kafetsios and Moustakis (2017:2) point out that males reported a higher average entrepreneurial intention compared to females. Females have different motives driving them to become entrepreneurs. These motives facilitate a business and personal life balance that are less dominant in the prediction of attitudes. In addition, females seem to exhibit lower internal locus of control regarding emotions compared to males who tend to be more dominant in forecasting perceived behavioural control (Zampetakis *et al.*, 2017:452). Rivera, Chen, Flores, Blumberg and Ponterotto (2007:48-50) found that females perceive higher barriers when deciding on a suitable career choice. Further findings indicate that, based on the aforementioned finding, these perceived barriers have an impact on females deciding to become entrepreneurs, because gender-based stereotyping more often than not portrays self-employment as a traditionally male profession. Several researchers have found that females consider themselves to be less skilled and to possess lower capabilities and performance compared to males and that this may be as a result of lower self-confidence and stereotyping (Chowdhury & Endres, 2005; Wilson, Kickul & Marlino, 2007). Although female orientated entrepreneurial activity has increased in recent years, it is still widely perceived that males are more likely to be positively inclined towards a career as an entrepreneur (Lo *et al.*, 2012:35).

Table 4.3 highlights previous studies of the TPB and entrepreneurial intention.

Table 4.3: Theory of Planned Behaviour and entrepreneurial intention studies

Author/s	Measurements	Sample	Purpose and main findings of study
Zampetakis *et al.* (2017)	Entrepreneurial intentions, attitudes towards entrepreneurship, subjective norms, perceived behaviour control.	1800 respondents consisting of students, unemployed and employed individuals including workers from the private and public sector.	The purpose of the study was to compare male and female entrepreneurial intention utilising the TPB. Findings suggest that males scored higher compared to females regarding attitude, perceived behavioural control, subjective norms and entrepreneurial intention.
Krueger and Carsrud (1993)	Entrepreneurial intention and behaviour, attitudes towards intention and performing behaviour, perceived social norms and behavioural control and self-efficiency.	None, literature only.	The purpose of the study was to discuss the TPB and its link to entrepreneurial intent. Findings indicated that intention models allow for a better understanding of the impact various factors have on business start-ups.
Engle *et al.* (2010)	Attitude towards behaviour, social norms and perceived self-efficiency.	1748 university business students from 12 different countries.	The purpose of the study was to test the ability of the TPB's prediction ability in determining entrepreneurial intention. Results indicated that the TPB does indeed predict entrepreneurial intention.
Shook and Bratianu (2010)	Specific desirability, perceived desirability, subjective norms, self-efficiency, perceived feasibility and entrepreneurial intention.	324 Romanian university students.	The purpose of the study was to measure entrepreneurial intention by means of the TPB. Results indicated that self-efficiency and desirability associated with starting a business were positively linked to entrepreneurial intent.
Van Gelderen *et al.* (2008)	Attitude, perceived behavioural control and subjective norm.	1235 undergraduate business management students from four universities in the Netherlands	The purpose of the study was to investigate the entrepreneurial intentions of business students. Findings stated that the two most important variable explaining intention to start a business was entrepreneurial alertness and financial security.
Kautonen, van Gelderen and Tornikoski (2013)	Behaviour, intention, attitude, subjective norms and perceived behavioural control.	117 Finnish residents between the age of 15 and 74 years.	The aim of the study was to investigate the efficiency of TPB in the accurate prediction of entrepreneurial behaviour. Results indicated that intention and perceived behavioural control predict entrepreneurial behaviour.

Table 4.3: Theory of Planned Behaviour and entrepreneurial intention studies (continued...)

Author/s	Measurements	Sample	Purpose and main findings of study
Gird and Bagraim (2008)	Perceived behavioural control, subjective norms, attitude towards entrepreneurship, entrepreneurial intent, need for achievement, locus of control, tolerance for ambiguity, instrumental readiness and social support.	247 final year commerce students at two universities in the Western Cape (South Africa)	The TPB was tested to determine if it predicts entrepreneurial intent. The variables from the TPB was used including four additional variables: personality traits, situational factors, exposure to entrepreneurship and demographics. Results found that 27 percent of the variance in students' entrepreneurial intention could be significantly explained by the TPB.
Lo *et al*. (2012)	Entrepreneurial intention, attitude towards entrepreneurship, subjective norm and perceived behavioural control.	411 engineering students from three Hong Kong universities.	The aim of the study was to compare the entrepreneurial intentions between female and male engineering students. The results indicated that the TPB is an appropriate method to predict entrepreneurial intention in both male and female students. They also found that differences between male and female students regarding attitudes, social norms and entrepreneurial intentions do exist.
Chowdhury, Shamsudin and Ismail (2012)	Entrepreneurial intention, desirability, subjective norms and perceived behavioural control.	101 Final year international women students studying business related fields at a university in Malaysia.	The aim of the study was to test the effects of entrepreneurial intention using the TPB. Results indicated that the TPB model is supported, however, subjective norms in this case were found to be non-significant to entrepreneurial intentions.

It is evident from Table 4.3 that most studies conducted on intention were based on intention to start a business and not the intention to remain in business. This was not only the case in research conducted on the TPB and entrepreneurship, but also on research into entrepreneurial intention in general. In addition, most studies were aimed at students' intention to start a business. This further highlighted the gap within the current literature and adds to the significance of this study investigating the intention of female entrepreneurs to remain in business.

While over many decades several researchers have praised and supported the use of TPB to predict intention and behaviour, some criticism surrounding the use of this model also exists. Sniehotta *et al.*, (2014:1) found that very few experimental tests of the TPB were done and those that have been conducted did not support the theory's assumptions. They point out that a systematic review conducted in 2002 of 24 studies, which used the TPB, concluded that insufficient evidence was found to support the theory. Other criticism surrounding the theory includes the questioning of the balance between parsimony and validity, the exclusion of rational reasoning, not including the effects of unconscious influences on behaviour, impact of emotional outcomes and the static descriptive nature of the TPB (Sniehotta *et al.,* 2014:2). Regardless of the aforementioned criticism, the TPB is nevertheless still considered a valuable tool to predict intention.

4.4 THEORY OF ENTREPRENEURIAL INTENTION

As the study comprises several aspects germane to intention, a discussion on intention theory is required. Although the TPB, which was explained in the aforementioned section, links directly to intention, other theories also portray the concept of intention and specifically, entrepreneurial intention. Intention refers to an individual's motivation to make an attempt to act on a cognisant decision or plan of action (van Gelderen *et al.,* 2008:543). Thus, for the purpose of this study, intention is included in two dependent variables, first, intention to remain in business and second, intention to grow the business. Some of these theories explaining the concept referred to as entrepreneurial intention are the entrepreneurial event model (Shapero & Sokol, 1982), the entrepreneurial attitude orientation model (Robinson, Stimpson, Huefner & Hunt, 1991) and the entrepreneurial intentions model also referred to as Shapero-Krueger's intention model (Krueger, Reilly & Carsrud, 2000). Several other models derived and developed from these models also exist, but for the purpose of this study, the entrepreneurial intention theory is only briefly described as it is similar to the TPB which was discussed in Section 4.3.

The theory of the entrepreneurial event was designed by Shapero and Sokol (1982) and contemplates business start-up as a result of the interaction between certain factors, which directly and indirectly, would have a stimulus on a person's perceptions. Three basic perceptions are included in the model which could lead to entrepreneurial intention and ultimately business start-up and which could also contribute to the individual's intention to remain or grow a business (Liñán, 2004:15). These perceptions are perceived desirability which refers to the magnitude an individual experiences and attraction towards a certain

behaviour, such as becoming or remaining an entrepreneur; propensity to act which refers to the willingness of an individual to act upon a certain behaviour of action and perceived feasibility, which can be defined as the magnitude to which an individual would consider themselves capable of executing the behaviour (Liñán, 2004:15; Izquierdo & Buelens, 2011:75).

These perceptions may be influenced by several factors which include the presence of a role model, mentor as well as cultural and social aspects amongst others. Figure 4.2 illustrates the entrepreneurial event model.

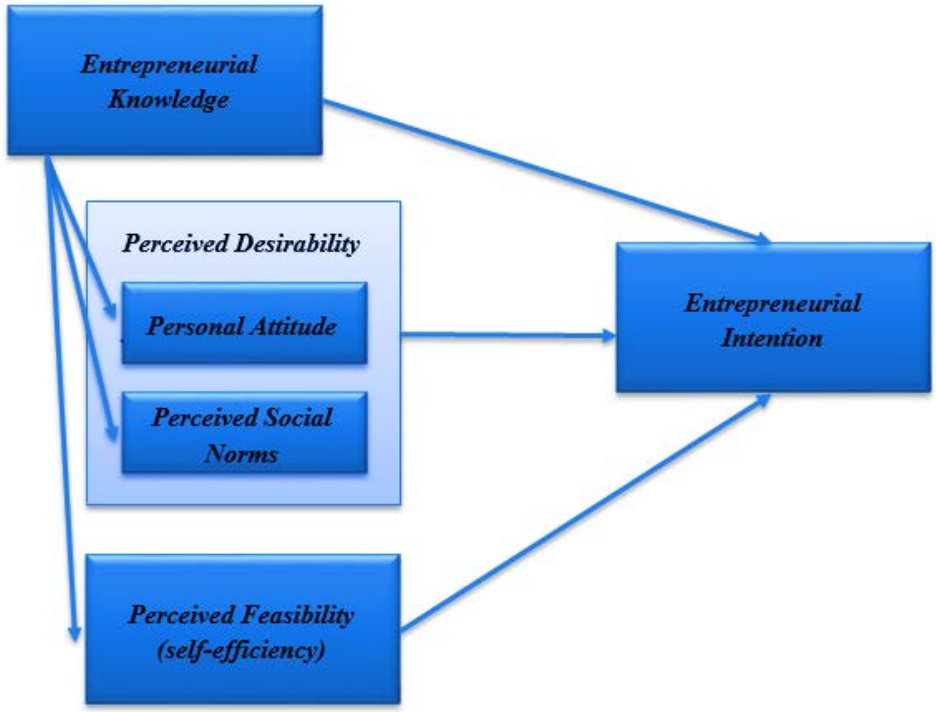


Figure 4.2: Entrepreneurial event model

Source: Liñán (2004:15)

Wilson *et al.* (2007:389) consider that self-efficiency may be linked to an individual's self-perceptions of their capabilities, skills and attitude. Gender plays a significant role in the self-efficiency phenomenon. Empirical evidence suggests that females may have lower levels of self-perceived efficiency, which in some instances may negatively affect their intention towards starting a business and if already started, remaining in and growing that business. Stereotypically, business establishment and high-growth business continuation has been associated with males (Wilson *et al.,* 2007:390). In addition, females are more likely to limit their career aspiration to lower-growth, lifestyle type businesses. Studies suggest that females have lower entrepreneurial self-efficiency, intentions and growth aspirations (Chen, Greene & Crick, 1998; Kourilsky & Walstad, 1998:79; Gatewood, Shaver, Powers, & Gartner, 2002:189; Chowdhury & Endres, 2005).

Entrepreneurial intention is an important aspect as it is considered a minority phenomenon with several factors that could influence this choice, so that no single predictor can ever be identified as contributing to this precise phenomenon (Davidsson, 1995:3). However, many factors may collectively contribute to intention. The following section focuses on the literature linked to the dependent variables included in this study (intention to remain in business and to grow the business and attitude towards the business).

4.5 VARIABLES LINKED TO INTENTION

Based on the aforementioned discussion on the Theory of Planned Behaviours and Theory of Entrepreneurial Intention, three dependent variables were identified for this study. These include intention to remain in business, intention to grow the business and attitude towards the business. These three variables are closely linked to one another as a person's attitude towards the business can have an influence on the intention to remain in business and to grow the business. Several other factors also contribute to intention and are discussed as the independent variables in Section 4.6.2.

4.5.1 Intention to remain in business

Traditionally, literature considers the entrepreneurial intention to start new businesses, but fails to address aspects linked to the intention to remain in or grow the business. As with the intention to start a business, likewise there are factors that may be linked to the intention to remain in or grow the business. Krueger and Carsrud (1993:316) suggest that exogenous factors, such as demographics, traits and situations like government support and policy, may affect intention and the attitude of the individual. In addition, aspects linked to the individual's characteristics and motivation also directly contribute to intention and attitude (Davidsson, 1995:3). As mentioned before, no studies could be found that specifically investigate the intention of entrepreneurs and in particular, female entrepreneurs, to remain in business. Although entrepreneurs do not have jobs in the traditional sense, they do indeed have jobs and tasks when they start and manage a business (Izquierdo & Buelens, 2011:77). Hence, literature from studies conducted on employees' intention to remain or leave their jobs, seemed a useful substitute to include as a foundation for this section.

Knight and Leimer (2010:111) mention that several factors may make a direct or indirect contribution to an individual's intention to remain or leave employment. These include, but are not limited to: gender, education, personal traits and interests, motivation, support, promotional opportunity and so forth. Likewise, many of these factors may also impact on the entrepreneur's intention to remain in business. Morrison (1997:45), in a study conducted on franchisee owners, found that job satisfaction positively influences the decision to remain in business. Considering the factors mentioned by Knight and Leimer (2010:111), factors linking to support, such as government support, access to finance and socio-cultural support may have a direct or indirect impact on a female entrepreneur's intention to remain in business. In the case of promotional opportunity, the growth potential of the business may act as a contributing factor. More personal aspects adding to intention to remain in business includes personal motivation, education

levels and risk-taking propensity. When some of these factors negatively affect the entrepreneur, such as lack of finance, stereotyping, lack of government support and even lack of motivation, such as push- versus pull-factors (discussed further in Section 4.6.2.1), the appetite of the entrepreneur (job satisfaction) towards the business may be reduced, which could decrease the intention to remain in business. In addition, Knight and Leimer (2010:111) state that in cases where negative factors impact on the employee (entrepreneur), females are more inclined to quit or exit the specific job situation or decide to close the business.

Müller, De Lange, Weigl, Oxfart and Van der Heijden (2013:69) mention the importance of the SOC (selection, optimisation and compensation) model and suggests that behaviour may influence the decision of an employee to remain in employment. The behaviours contributing to the SOC model are selection, optimisation and compensation. This model can also be applied to an entrepreneur's intention to remain in business. In this case, selection refers to the entrepreneur's motivation and setting of goals. Thus, in the case of entrepreneurs, selection will be linked to the reason or motivation for remaining in business and whether the entrepreneur decides to manage a lifestyle or high-growth business for example. When considering optimisation, this term refers to having access to resources to achieve the desired goals. In the case of entrepreneurs, this may be connected to aspects such as access to finance, education and training, government support and socio-cultural support. The final behaviour, compensation, relates to the optimisation behaviour referring to the required means and resources for an individual or entrepreneurs to maintain the desired level of income or profit (compensation). In conclusion, the SOC model could act as a valuable framework for explaining intention to remain in a job or, in the case of this study, in business (Müller *et al.*, 2013:69).

4.5.2 Intention to grow the business

Business growth is another important aspect of entrepreneurship and many studies on this topic mention that business success is in most cases measured by financial performance or increase in the number of employees, which in turn could be considered growth factors (Basu & Goswami, 1990; Walker & Brown, 2004:578; Cassar, 2007; Ming-Yen & Siong-Choy, 2007; Manolova et al., 2012:7). Marlow and Strange (1994:180) state that all business must be financially sustainable and therefore have growth aspirations. However, not all entrepreneurs may be equally inclined to operate high-growth businesses (Littunen & Virtanen, 2006:93). Morris, Schindehutte and Allen (2005:732) distinguish between two types of business styles: lifestyle and high-growth. The former can be defined as a type of business with a narrower product or market focus, which may be more reliant on customer relations and most likely operate on a lower volume economic model. Business owners managing this type of business may choose not to grow their business into a large corporation and, in many cases, only have the business to provide for their families, generate an income and be in charge of their own schedule and time (Henderson, 2002:49; Mitchelmore & Rowley, 2013:83). Contrary to a lifestyle business is that of a high-growth business, where the owner

would likely have aspirations to grow the business to be as large and profitable as possible (Henderson, 2002:49). According to Veena and Nagaraja (2013:141) female entrepreneurs may be more inclined to have lifestyle businesses compared to high-growth businesses. Several aspects may be the cause of this, but one dominant reason could be due to the motivation behind starting and continuing with the business venture. Many female entrepreneurs may be more driven by internal motivations, such as more freedom, work-life balance and making a difference in society, compared to external motivations such as wealth creation and autonomy (Veena & Nagaraja, 2013:141; Kim & Sherraden, 2014:50). In addition to motivational aspects, many female entrepreneurs ultimately establish businesses in sectors with low barriers to entry such as services, crafts and education that are generally not considered as high-growth industries (Kitindi, 2006:4; Herrington & Maas, 2007:55). These sectors may, in some cases, also be very competitive with low profit margins. However, Kitindi (2006:4) states that even in higher-growth industries, female owners often tend to be less successful in terms of profit, turnover and number of employees and thus less successful when considering business growth. Once again, several authors state various reasons for this, which include aspects such as gender bias when considering start-up capital application and prejudice against female business owners (Lupinacci, 1998; Verhuel & Thurik, 2001:330; Kitindi, 2006:5). Contradicting this view, some authors opine that no gender bias exists and that causes of low growth may be due to the specific sector, lack of collateral, lack of business experience and even due to the female entrepreneurs not wishing to pursue a high-growth business (Fabowale, Orser & Riding, 1995:42; Kitindi, 2006:6).

As shown in Figure 4.2, intention is a direct result of knowledge, attitude, social norms and self-efficiency, thus implying that if the entrepreneur lacks any of these factors, she or he may intentionally or unintentionally not show any intention to grow their business. Walker and Brown (2004:577) hold the view that an entrepreneur's personal abilities and motivation will have a significant impact on their decision to grow the business or not. Therefore, if an individual thinks they lack the needed knowledge, or may not have a positive attitude towards a high-growth industry, they may be content to remain small and not expand or grow the business. From existing literature, this is more commonly the case for female entrepreneurs than their male counterparts (Kitindi, 2006:7; Veena & Nagaraja, 2013:141). Another interesting view on females and growth intentions came from recent research conducted by Justo *et al.* (2015:775). The authors of this study found that the so called female underperformance hypothesis may not solely be due to male entrepreneurs performing better compared to female entrepreneurs. The female underperformance hypothesis emerged during the 1990s stating that 'all else equal, female entrepreneurs tend to be less successful than their male counterparts in terms of conventional economic performance measures' (Du Rietz & Henrekson, 2000:1). Wiklund, Davidsson and Delmar (2003:247) and Justo *et al.* (2015:776) assert that the mentioned hypothesis may be a result not only due to underperformance but may also be as a result of choice. This choice may be as a direct result of females deliberately deciding to exit the business voluntarily due to personal reasons and other professional or financial opportunities

compared to business failure (Justo *et al.*, 2015:776). In addition, some entrepreneurs may have different, non-financial motivational factors driving them such as autonomy, work-life balance and job satisfaction and may choose not to grow the business to a large scale firm (Walker & Brown, 2004:579; Manolova *et al.*, 2012:7). Notwithstanding this, the bulk of research conducted on a firm's growth still claims that female entrepreneurs underperform when compared to male counterparts. Table 4.4 summarises findings from previous studies indicating possible factors contributing to female underperformance.

Table 4.4: Factors possibly contributing to female entrepreneurs' underperformance

Factor	Male entrepreneur	Female entrepreneur	Author(s)
Industry sector	Manufacturing, construction and high-technology industries generating higher growth	Services, education and retail generating slower growth	Miskin and Rose, 1990; Olsen 1993
Goals	Economic performance, wealth driven and growth	Economic and social performance	Bird and Brush, 2002; Kuratko, Hornsby and Naffziger, 1997
Responsibility	Less family orientated	Tend to focus more on work-family balance	Brush *et al.*, 2006b
Risk	More willing to take risk	More risk-averse	Sexton and Bowman-Upton, 1990
Expectation	Financial expectation	Independence expectation	Kepler and Shane, 2007

Source: Manolova *et al.* (2012:8)

From the aforementioned, it is clear that different views and opinions on the topic of female business growth exists and that further research on this sub-topic could prove valuable. In addition to the factors listed in Table 4.4, Ibeh (2017:41) lists five other factors that contribute to gender (un)performance; motivations and goals, social learning (entrepreneurial socialisation), network affiliation (contacts and membership in organisations), human capital (educational level, business skills) and environmental influences (location, sectoral participation and socio-political variables). Welsh, Kaciak, Memili and Zhou (2017:179) further emphasises the work-family balance factor. Intention to grow the business is closely related to the overall attitude of the entrepreneur towards the business (Wiklund *et al.*, 2003:247). Therefore, the following section discusses this aspect.

4.5.3 Attitude towards the business

Attitude can be defined as the valuation of a situation, thought or object of being either good or bad or, somewhere in between (Wiklund *et al.*, 2003:248). In the past, much emphasis has been placed on entrepreneurial behaviour research, focusing on personality variables, including aspects such as Need for Achievement and Locus of Control; however, fewer studies directly investigate the effect of attitude (Stimpson, Robinson, Waranusuntikule & Zheng, 1990; Robinson, Stimpson, Heufer & Hunt, 1991; Wiklund *et al.*, 2003). As attitude is a specific determinant of one's feelings and valuation over a certain situation, it may be considered an important determinant of behaviour. Kim and Hunter (1993) found that attitude is a strong predictor of behaviour, especially goal orientated behaviour ($r = 0.79$). However, attitude may also change quite suddenly due to interactions with the direct environment and could be less

stable over time (Wiklund *et al*., 2003:149). Delmar and Wiklund (2008:437) further opine that business growth is strongly linked to motivation, especially external motivational aspects; thus, a further link could be made between motivation, attitude and growth. Motivation affects the choice of behaviour so that when a positive attitude towards the business and business growth is experienced by the entrepreneur, they may be more inclined to external motivational factors for the choice of remaining in business. This assumption is based on Ajzen's (1991) Theory of Planned Behaviour.

When considering attitude as a factor of firm growth, it should be noted that growth aspirations may not be instantaneous and may only develop over time. Walker and Brown (2004:579) mention that as businesses mature, the owners may alter their attitudes towards business growth in a positive manner. In addition, Delmar and Wiklund (2008:438) state that this process of motivation towards achieving a firm's growth may take up to 5 years for a small business entrepreneur to actively seek and for a positive attitude towards growth to be developed. Although the aforementioned referred to attitude towards growth, this is closely linked to the entrepreneur's attitude towards the business in general. If the entrepreneur has a strong feeling of commitment, satisfaction, passion, attachment and so forth to the business, they may even develop a more positive attitude towards growth or it may even evolve over time.

Eagly and Chaiken (1993) broke down the notion of attitude into three evaluative responses: cognitive, affective and behavioural. Cognitive responses are also referred to as beliefs a person may hold about the specific situation. Affective responses include feelings, emotions and the mood an individual may display in relation to the specific situation, whereas behavioural responses link to action or intentions displayed by the individual in relation to the specific situation. In addition to Eagly and Chaiken's (1993) attitude evaluation, Davidsson (1995:6-7) breaks attitude down into two categories: general attitude and domain attitude. General attitudes are more informal and broad and may be less stable during situations of change; thus, these types of attitudes may vary, depending on the entrepreneur's direct environment and current situations. For example, a statement such as 'I will never leave my current business' may be positive in the event of the business doing well but negative in the event of the business not performing according to the entrepreneur's expectations. The second category, domain attitudes, is more specific to the entrepreneur's beliefs. Here, three sub-variables are present: payoff, societal contribution and 'know how'. The payoff sub-variable encompasses the entrepreneur's belief regarding the relationship between risk, work-load and financial gain (Davidsson, 1995:7). In economic terms, this variable would link to the Utility or Expectancy Theory advocated by Vroom (1964) and perhaps to the rationalistic model of determinants of entrepreneurial acts advanced by Campbell (1992). In addition, Douglas and Shepherd, (2002:82) opine that attitude may be based on utility gained (for example, independence, autonomy, self-accomplishment) and not on anticipated income alone. The authors further distinguish between entrepreneurial attitude and abilities, stating that just because attitude towards an action is elevated or positive, it does not necessarily mean that the desired outcome will be achieved. For example, if an

entrepreneur has a very positive attitude towards business growth, but lacks the ability to achieve the desired growth, the outcome will be less successful.

The second sub-variable in the domain attitude category, societal contribution, directly links to the level of value the entrepreneurs think they may be able to bring to society. Some cultures may have higher levels of this variable and may exhibit a large motivational drive towards helping society. In some cases, this is also gender sensitive, where female entrepreneurs may be more inclined to act according to societal needs, compared to their own needs (Davidsson. 1995:8). For example, a statement such as 'giving people a job gives me great satisfaction' may form part of this variable. The third sub-variable is know-how; this is orientated more towards the entrepreneur themselves. Where one would have a higher perceived level of knowledge or 'know how', a more positive attitude may be reported as the perceived skill and ability to act on the attitude and intention would be present. The 'know how' aspect is strongly influenced by training and education, experience and mentoring and these aspects are further discussed in Sections 4.6.1.4 to 4.6.1.6 and 4.6.2.4 respectively.

These attitude domain variables can once again be linked back to Figure 4.2 (Page 121), where intention is a direct result of knowledge, attitude, social norms and self-efficiency. Based on the aforementioned discussion and for the purpose of this study the business owner's attitude towards their business was measured using statements pertaining to ambition, personal and job satisfaction, advantage as well as passion and emotion towards the business.

4.6 FEMALES AND ENTREPRENEURSHIP

Several researchers have pointed out the need to develop an improved understanding of females and their contribution to the entrepreneurial field (Chell & Baines, 1998; Gatewood *et al.*, 2009; Ahl 2006; De Mel, McKenzie & Woodruff, 2014). Although some researchers might suggest that female and male entrepreneurial aspects are similar, there are many who propose that, in fact, several distinct differences between gender-related entrepreneurial concepts exist (Ahl, 2006:596). Although this study is not focused on comparing similarities or differences between genders, it remains necessary to briefly discuss what is meant by gender and how, in the context of this study, it affects entrepreneurship. Emanating from Harding's (1987) feminist theory, three distinct classifications relating to gender can be made. The first of these is the liberal feminist theory which perceives males and females as fundamentally similar. This theory states that humans are defined by their ability to think rationally and, in this sense, males and females are seen as being equally able to complete actions. In the event of females being less likely to complete certain tasks compared to males this may be as a result of either discrimination or as a direct result of structural barriers impeding these females. Such barriers could include unequal access to opportunities such as education (Ahl, 2006:596). The second of these theories, the social feminist or radical feminist theory, states that males and females are essentially different from one another. This theory states that differing feminine traits should be seen as an advantage and not as a barrier and that

females should embrace the differences. The third grouping under the feminist theory refers to social constructionist or poststructuralist feminist theory. This theory is less concerned with what males and females are and how they are similar or different, but focuses rather on how masculinity and femininity are constructed and how this affects social order (Ahl, 2006:597). For the purpose of this study, the second theory, the social feminist or radical feminist theory, is adopted, thus accepting that males and female do differ and that these differences should be seen as a positive aspect of female entrepreneurship.

4.6.1 Characteristics and other elements of female entrepreneurs

As mentioned earlier, clear differences in general entrepreneurial characteristics, between male and females do exist. Although it could be argued that female entrepreneurs have, to an extent, adapted to survive in a previously male dominated sphere (Gupta *et al*., 2014:273), females still tend to have a very specific set of characteristics when it comes to managing their businesses. In addition, as females in many societies have specific gender related roles, differences in demographic characteristics also exist. Table 4.5 compares some of the characteristic differences between male and female entrepreneurs.

Table 4.5: Male and female characteristics

Characteristic	Male entrepreneur	Female entrepreneur
Motivation	Achievement focused	Goal of independence
	Independence and improving self-image	Job satisfaction emanating from previous unhappiness in jobs
	Job satisfaction and control	Flexibility
Reason	Dissatisfaction	Frustration in job
	Lack of promotion or challenge in previous job	Recognition of skills
	Acquiring higher status	Changes in personal situation
Start-up capital	Investor	Bootstrapping
	Bank loan	Loans from family and friends
	Bootstrapping	Personal loans
Work experience background	Industry related experience	Little experience
	High level of prior achievement	Management or administrative experience
Personality traits	Competent and persuasive	Flexibly and goal-orientated
	Goal-orientated	Realistic and creative
	Idealistic	Lower self-confidence levels
	Innovative	Social-goal driven
	Confidence	
	Desire to be self-employed	
Personal background	Start-up age 25 to 35 years	Start-up age 35 to 45 years
	Potentially from a business family background	Involved in child and home caring activities
	Educated in business or technical field	Less educated in business and technical field
Support	Friend	Family
	Colleagues	Friends
	Professional acquaintances	Other female business owners
Business type	High growth business	Part of family business
	Technology	In business with spouse
	Innovative	Service and educational related
		Lifestyle business

Source: Rasego (2011:29-30)

It is evident from Table 4.5 that factors leading to entrepreneurial activity differ between the genders. Although this is only a summary of the main findings from several studies conducted over many years

and may not be the case for each male and female entrepreneur, in most situations these listed characteristics would be correct. It should be noted that although a general profile of female entrepreneurs is created in these sections based on empirical findings from other studies, several aspects may cause varying results in findings. Some of these include the choice between necessity- and opportunity-driven motives and type of economy (factor-, efficiency- and innovation-driven) for example. Some of the elements which may affect female entrepreneurs in a different way compared to males are discussed in the following sections.

4.6.1.1 Race

South Africa has encountered various events leading to racial inequality during the Apartheid era, between 1948 and 1994. People of Black African, coloured or mixed origin were discriminated against. These political laws and policies of separate development prevented many communities from starting businesses and thinking entrepreneurially. Black and coloured females were even more deprived during this period (SAHO, 2011:1; Bobby-Evans, 2015). They were further constrained as no or little financial support was available to prospective small business owners (Ngcamu, 2002:4). Racial disparities in entrepreneurial activity are not unique to South Africa; several other countries also have variances between their entrepreneurial levels and racial distributions. Fairlie and Robb (2008:1) found that during 2008 while one in ten people in the USA were self-employed, a mere 5.1 percent were Black and 7.5 percent Latino. The authors state that low business levels amongst Black Americans persisted during the twentieth century and that this trend is not improving fast enough. In addition to this low inclusion rate, Black owned businesses tend to be smaller and less successful (Fairlie & Robb, 2008:1). Main findings from the study by Fairlie and Robb (2008:1) indicate that Black Americans are less likely to own a business compared to White and Asian Americans; Black-owned business tend to have lower sales, profit and employee numbers and obtain less access to start-up capital; owners tend to have less exposure to family business whilst growing up and have attained lower education levels. Bradford and Mijid (2016) contribute to the findings of Fairlie and Robb (2008) by stating that Black American business do not perform as well as Asian and White-owned businesses. On a positive note, Herrington, Kew and Mwanga (2017:33) found that three-quarters of South Africa's early stage entrepreneurial activity (TEA) comprises Black Africans. This rate amongst White early stage entrepreneurs has dropped from 18 percent (2015) to 12 percent (2016). Table 4.6 presents the TEA rates for South Africa from 2005 to 2016 given by race and drive motive.

Table 4.6: TEA rates for South Africa from 2005 to 2016 by race and drive motive

Race	Motive	2005	2009	2013	2014	2015	2016
Black African	Opportunity-driven	22.9*	49.1	58.3	59.8	43.3	55.4
Black African	Necessity-driven	29.3	30.1	27.4	24.8	24.2	20.6
Coloured	Opportunity-driven	9.3	3.0	1.5	3.4	4.8	4.0
Coloured	Necessity-driven	2.1	0.6	1.2	1.7	2.8	2.8
Indian	Opportunity-driven	6.4	1.8	1.8	3.0	4.4	4.6
Indian	Necessity driven	3.6	0.6	0.9	0.0	1.6	0.6
White	Opportunity-driven	19.3	9.7	7.3	4.7	14.3	9.7
White	Necessity-driven	3.6	1.2	0.9	1.7	3.6	2.3

*Read as 22.9% of TEA activity in 2001 was by Black Africans and was opportunity-motivated

Source: Herrington *et al.* (2017:33)

Table 4.6 indicates that the majority of new entrepreneurs are Black and that the Coloured and Indian populations exhibit the lowest rates. Necessity-driven entrepreneurship is lower than opportunity-driven firms across all races. Although this might seem as a positive result considering South Africa's high unemployment rate, one would have expected a higher necessity-driven rate. Although the South African racial distribution differs from results in other countries, this may be due to the fact that the proportion of African Black population is higher (80.8% of 2017 population) than the other races (StatsSA, 2017a). In addition, these business are in most cases characterised by informal business styles and low growth (StatsSA, 2014:v).

Considering the existing barriers and challenges faced by Black and other minority races in certain countries, females in these groups experience even more challenges in creating successful businesses. According to the Department of Trade and Industry (2005:10) entrepreneurship is affected by a number of factors, amongst which race and gender are listed. Statistics reveal large disparities between males and females as well as between Black and White females. Black females tend to have lower education levels, are caught up in family responsibilities and lack resources such as capital and skills (DTI, 2005:10). In addition, when they do start a business, it tends to be small and informal in nature in many cases. Table 4.7 reflects the proportion of the working-age population running informal (non-VAT) businesses by gender and race for 2001 to 2013.

Table 4.7: Proportion of the working-age population running informal (non-VAT) businesses gender and race: 2001 - 2013

Gender/Race	2001		2005		2009		2013	
	%	'000	%	'000	%	'000	%	'000
Female	60.7	1 370	55.5	925	48.7	557	44.6	677
Male	39.3	888	44.5	743	51.3	587	55.4	840
Black	89.4	2 019	92.5	1 542	89.9	1 028	88.8	1 346
Coloured	3.7	83	3.1	52	3.8	44	3.1	47
Indian/Asian	2.2	49	0.9	16	1.2	13	2.6	39
White	4.7	107	3.5	58	5.1	58	5.5	84

Source: StatsSA (2014:25)

From Table 4.7, it is evident that Black businesses tend to, in many cases, remain small and informal in nature. Furthermore, females also recorded higher informal business rates compared to males during the 2001 and 2005 survey. On a positive note, this ratio changed in 2009 and 2013, where more male

entrepreneurs' businesses were rated informal than those of females. In an attempt to right the past wrongs of Apartheid, the South African government has implemented various policies to assist in improving racial and gender inequality. One of the most well-known of these policies includes the Broad-Based Black Economic Empowerment (B-BBEE) Act that was passed by parliament in 2003 (SAB&T, 2016). Essentially, B-BBEE aims at converting economic practices to ensure Black ownership. Part of this policy includes advancing Black female business owners.

4.6.1.2 Age

Another factor contributing to entrepreneurial activity is age. Kelley *et al.* (2015:29) opine that age-related patterns of entrepreneurial activity could be considered moderately consistent on a global level for both genders. Hatak, Harms and Matthias (2014:42) state that as people age they may tend to be less entrepreneurial or less inclined to business growth aspirations. Older individuals may have higher levels of capabilities leading to improved means of doing business, though they may be less inclined to take new risks in expanding or extending their business ventures (Curran & Blackburn, 2001:890; Weber & Schaper, 2004:150; Stangler & Spulber, 2013:4). Stangler and Spulber (2013:5) found that in the USA, as the working age of the population as a share of the total population increased, the start-up and established business ownership rate declined. Many empirical studies have over time pointed out that the peak age for new venture creation entrepreneurs tends to be in their mid-thirties and low forties. This may be due to the aspects involved in entrepreneurial activity linking to risk-taking and desire for challenges amongst younger individuals (Parker, 2009:114). A longitudinal study conducted in the USA, amongst 5000 companies established during 2004, indicated that the median age of business founders was 45 years. The age distribution of new business founders included in this study indicated that 1.5 percent was younger than 24 years and 17.5 percent was between 25 to 34 years while the category aged between 35 and 44 years equated to 33.8 percent, 28. 9 percent was between the ages of 45 and 54 years and 18.3 percent was older than 55 years. This age distribution followed an inverted U-shaped form (Stangler & Spulber, 2013:6-7). In addition to the age distribution of owners of start-up ventures, similar trends were reported in innovation and high growth technology industries with 65 percent of high-growth business founders being aged between 30 and 49 years (Stangler & Spulber, 2013:9). Herrington *et al.* (2017:29) state that the link between age and entrepreneurial activity tends to be alike through all the GEM participating countries. Following an inverted U-shape too, individuals between the ages of 18 to 24 years tend to have the lowest entrepreneurial inclination, increasing at around 25 to 34 years, peaking at 35 to 44 years and declining sharply after 54 years (Herrington *et al.*, 2017:29). Possible reasons for the peak at around 35 to 44 years could be that these individuals have had time to develop skills, possess some degree of experience, have confidence in their abilities and may also be in possession of collateral and resources (Herrington *et al.*, 2017:29). Table 4.8 presents the South African TEA distribution per age category.

Table 4.8: South African TEA by age: 2001 - 2016

Age	2001	2005	2009	2013	2014	2015	2016	African Average 2016
18 – 24 Years	3.4*	3.1	4.7	7.8	4.8	6.3	6.7	16.3
25 – 34 Years	5.3	6.1	7.4	14.1	9.0	10.9	6.3	20.8
35 – 44 Years	9.1	7.2	7.7	11.5	7.5	12.3	8.4	18.9
45 – 54 Years	4.3	4.5	5.9	10.9	7.4	8.0	9.6	15.6
55 – 64 Years	1.9	5.4	2.2	6.0	4.9	4.4	3.1	11.4

*Read as 3.4% of 18-24 year olds in 2001 were engaged in early-stage entrepreneurial activity

Source: Herrington *et al.* (2017:29)

South African entrepreneurs are predominantly between the ages of 25 and 44 years, which accounts for between 50 and 60 percent of all TEA. Although this group is considered the most entrepreneurial, the rates are still far below the average for this age category when compared to the rest of the African region (Herrington *et al.*, 2017:29).

When looking at the average ages of female entrepreneurs starting businesses, studies suggest that females fall in a slightly older age category of 35 to 45 years (Hisrich & Peters, 1995:62). Female entrepreneurial studies by Rasego (2011:57), Stander, (2011:55), Meyer and Mostert (2016:59) and Kot, Meyer and Broniszewska (2016:215) all found that the majority of females included in the samples were in an older age category of 31 to 40 years (42.9%), 40 to 49 years (43.68% and 39.6%) and 36 to 45 years (34%), respectively. A possible reason for this older start-up age may concern responsibilities in raising children, increasing experience and confidence levels and saving for start-up capital of collateral for loans. Bush (2017) stated that several reasons may exist why older females may be more inclined to entrepreneurial activity and even perform better compared to younger women in some cases. These include the following aspects:

- **Personal experience** – as most of the global markets are orientated to needs of millennials, the older population, which in some cases commands higher spending power, are often neglected. Older entrepreneurs may be more inclined to meet the needs of older consumers and as females often make most of the purchasing decisions in a household, female entrepreneurs may know how to tap into these spending patterns
- **Established networks** – females may tend to take longer building and trusting networks and the advantage of age may contribute to better networks
- **Research and knowledge** – research has shown that there are double the amount of entrepreneurs over the age of 50 years compared to under 25 years and that approximately 38 percent of business founders are older than 40 years. This is the case for female entrepreneurs as well
- **Building a legacy** – older females may want to start looking at what they can leave as a legacy for the future. This statement is supported by the eight stages of life development (Erikson & Erikson, 1998) indicating that older individuals are moving into the generativity stage characterised by increased productivity and creativity (Bush, 2017).

It should be noted that aspects adding to necessity-driven entrepreneurial activity as a result of unemployment, poverty and child-headed households for example may distort these general findings which are more prevalent in developed countries. Age trends also tend to differ in factor-, efficiency- and innovation-driven economies (Kelley *et al.*, 2015:29). Factor- and efficiency-driven economies may show lower ages for entrepreneurial activity due to necessity. Once again strengthening the need for additional research in developing economies.

4.6.1.3 Marital status and children

According to Veena and Nagaraja (2013:139) male and female entrepreneur's impact of marital status differs significantly. From these studies referred to by Veena and Nagaraja (2013:139) around 90 percent of the male group were married with wives or partners acting in a supportive role. When considering the female sample, they were less stable in marriage relationships with approximately half still young and married and a significant larger group were divorced or single compared to the male sample. Males tend to have less conflicting demands when it comes to family responsibility (Veena and Nagaraja, 2013:139). Another contributing factor which in many cases runs hand-in-hand with marriage is having children. The DTI (2005:8) identified family responsibility as a potential unique female entrepreneur challenge. Although some females may willingly enter into entrepreneurial activity when having children as this may provide more work-life flexibility, some may be challenged by time restrictions, especially when children are still young (Noseleit, 2014:550). However, empirical data shows that females who decide to become self-employed may in many cases do so to enjoy higher flexibility (Wilde, Batchelder & Ellwood, 2010).

DeMartino and Barbato (2003:816) also found that fewer differences were observed between males with children and males without children, compared to females with and without children, thus implying that the responsibility of children amongst men does not have a large effect on their business motivation and activities. Noseleit (2014:550) opines that clear differences in entrepreneurial motivation amongst gender, married and unmarried gender groups and groups with and without children exist. A study conducted in the USA that included 2840 MBA alumni returned the following results (Table 4.9) pertaining to marital status, having children or not and reason for self-employment. Six motivations were listed which included having career flexibility, being able to create family-friendly policies to assist employees with children, being able to tend to family obligations, forming a co-career with one's spouse, advancing one's career and creating wealth.

Table 4.9: Reason for self-employment by gender

Motivation	Female	Male	Married with children		Married without children	
			Female	Male	Female	Male
Career flexibility	85.4	50.8	96.4	55.3	68.4	48.1
Family-friendly policies	64.6	28.7	92.9	35.0	21.1	15.4
Family obligations	54.1	22.8	78.6	29.3	15.8	11.8
Co-career with spouse	58.3	21.8	71.4	22.8	36.8	21.2
Advancement	23.4	42.7	17.9	43.6	27.8	47.1
Wealth creation	29.1	75.9	21.4	76.5	36.8	76.9

*This sample included only those who were married and self-employed

Source: DeMartino and Barbato (2003:824)

Although respondents from the sample had similar backgrounds (Alumni from MBA programmes), demographics as well as timing and age of business, clear differences in motivation between gender and number of dependents were noted. From Table 4.9 it is evident that amongst married females in total, those with and without children choose to be self-employed to ensure a flexible career in order to achieve a work-life balance. Males in all three comparisons indicated that wealth creation was their main motivation for self-employment. This links to information included in Table 4.4. These findings correspond to previous findings by Goffee and Scase (1983), Kaplin (1988) and Buttner (1993); however, they contradict findings by Fischer, Reuben and Dyke (1993). Again, these findings may differ in developing countries where some females may be restricted from starting businesses due to socio-cultural barriers which are discussed in more detail in Section 4.6.2.6.

4.6.1.4 Education

Davidsson (1995:9) points out that individuals with lower levels of education may show less interest in entrepreneurial activities, as empirically proven through comprehensive data from the USA. Individuals with higher levels of education may have a greater chance of success, not just as entrepreneurs but also as employees (Davidsson, 1995:9).

South Africa, as a developing country, has many times been characterised as a country with low levels of education (Meyer, 2009:13; Alexander, 2017:1). Education as a characteristic is referred to as basic education (primary and secondary school levels) in this context and not as additional entrepreneurial training and education. This type of education and training is further discussed in Section 4.6.2.4. Education constitutes a substantial part of the development of a nation. Fairlie and Robb (2008:10-11) found evidence that education levels and previous work experience of the owner are positive determinants of business success. Low levels of basic education may result in decreased levels of perceived capabilities which could negatively impact the intention to start a business (Herrington *et al.*, 2015:34). The perception of one's ability to actually act on intentions is critical for the development of new entrepreneurs. Many studies have suggested that higher education levels may lead to higher start-up rates and greater sustainability for these entrepreneurs (Danish Agency for Science, Technology and Innovation, 2016:5; O'Malley, 2016).

The education system in South Africa has failed many prospective entrepreneurs, especially those wanting to act out of necessity, as they lack basic business-operating and life-skills (Herrington *et al.*, 2015:34). Education might create confidence and may provide individuals with skills needed to ensure successful start-up of new businesses. Low levels of education continue to negatively affect South Africa, due to a rising skills gap and, because, ultimately, poor and inappropriate education leaves a gap in a person's readiness and ability to start successful businesses (Herrington *et al.*, 2015:34-35).

A further concern is that in many countries, including South Africa, females in some cultures are sometimes further disadvantaged with lack of basic education and generally lower education levels compared to males. The NPC places much emphasis on female development, of which education is rated amongst its top priorities (The Presidency, 2012:29). In addition, the Department of Women's Affairs added as a top priority the promotion and encouragement of female students to take business and entrepreneurial training courses in school and during their tertiary education (The Presidency, 2009:129). The lack of access to proper education, inability to apply for finance and lack of land ownership, results in many females not being able to take advantage of opportunities to start a business (Ngcamu, 2002:3). Even in the event of successfully establishing a business, lack of proper training and education may result in lower success rates as challenges and problems may be more difficult to solve without a strong foundation of analytical and problem solving skills that may have been part of quality education.

4.6.1.5 Previous work experience

Evidence that amongst other factors, previous work experience of the owner was a positive determinant of business success (Lerner, Brush & Hisrich, 1997) was found. Fairlie and Robb, (2008:10-11) had similar results and noted that these were consistent with previous findings. These results indicated that previous work experience, especially if it was in a similar industry to the one being started, may have a significant impact on business performance. Earlier research by Bailey (1995), Bishop (1996), Osterman (1995) and Poczik (1995) suggested that work experience, even as early as in high school, may assist in the development of the labour force and even contribute to the economic success of the individual. Work experience might have many positive effects on individuals not just as employees but also as business owners. Some of the common benefits of work experience include enhancing soft skills, personal development and self-discovery.

Soft skills are important not only in self-employment but for life in general. Work experience may prepare an individual with many of these important skills such as working in teams, communicating, getting systems and processes in place, presenting skills and the like (Holzherr, 2013). When referring to self-discovery, Holzherr (2013) is of the view that work experience, especially in various jobs or positions in a younger age, may provide the opportunity for the individual to try out a variety of different career options in different sectors. The relevance to this for future entrepreneurs is that they can pre-test whether they actually like the business industry they are working in before starting a business in that industry. In

addition, on-the-job training may in some cases have a higher impact on learning compared to traditional learning programmes, although this type of training is just as important. The individual may also identify their strengths and weaknesses through this process of work experience. Personal development occurs when an individual develops through experience, as a result, expanding their personal goals. As a young employee, working for a larger business may provide some room for making mistakes, and learning from them, in an environment that may not be negatively affected too much as a result of the mistake (Holzherr, 2013).

In addition to these common advantages of work experience, some more complex advantages may prevail. For example, Dragoni, Tesluk, Moore, VanKatwyk and Hazucha (2014:867) mention that experience creates critical thinkers and leaders while Verhofstadt, Baillien, Verhaest and De Witte (2017:297) state that experience could assist the individual to deal with work related stress and strain in a better manner. This is mainly due to her or him being able to adapt to conditions over time and developing coping strategies. Aldrich, Reese and Dubini (1989:340) stress the importance of work experience as this creates a platform for important personal and social networks to be created, which is a very important component of entrepreneurial success.

As with most of the aforementioned characteristics and elements, several differences between males and females regarding work experience exist. The U.S. Bureau of the Census (1984) reported several important differences between males and females regarding work experience. In general, females had less work experience as they went through longer and more frequent periods where they were not employed in a job or not managing a business. Female were employed for lesser periods in their current job compared to males. Females earned less per comparable waged hour than males. Although these findings have improved over time, there are still large disparities between male and females in the labour market which impact negatively on females' ability to obtain work experience. Another study conducted by the U.S. Bureau of the Census (1995:1) established that companies with more male employees paid substantially higher wages. In addition, males change jobs more frequently and work for more companies at a younger age, thus increasing work experience compared to females; in addition, males tend to have longer tenure once finding their ideal career. By age 30, on average, males have had 1.25 more jobs than females, thus increasing work experience (U.S. Bureau of the Census, 2014). Based on the aforementioned discussion, clear differences in males and females regarding work experience also exist.

4.6.1.6 Entrepreneurial role-models and networking

Several studies have highlighted the importance of networking and the benefits of having an entrepreneurial role model at some stage (Aldrich *et al.*, 1989, Carr & Sequeira, 2006; Bogren, Friedrichs, Rennemo & Widding, 2012, Wyrwich, Stuetzer & Sternberg, 2016). Entrepreneurial role-models, such as a family member, work colleague, close friend or other relative, provide valuable opportunities to an individual to learn and see first-hand how entrepreneurial tasks and activities are performed. Growing up,

or being exposed to, such an environment might potentially reduce the uncertainty felt by a prospective young or new entrepreneur (Wyrwich *et al*., 2016:468). In addition, a prolonged period of contact with an entrepreneur, especially a successful one, may substantially decrease the fear of failure of new entrepreneurs. Hence, the presence of an entrepreneurial role-model could increase entrepreneurial intent (Krueger *et al*., 2000:412; Wyrwich *et al*., 2016:468). Even more powerful than merely general role-models is growing up in a family business. Carr and Sequeira (2006:1091) mention that growing up in a family business may have many psychologically important impacts on the development of an individual, some positive and some negative. Individuals with prior family involvement may integrate negative or positive experiences, such as behaviour and attitudes, into entrepreneurial action. One defining factor of a family business is that it is most probably aimed at the succession of future family members (Carr & Sequeira, 2006:1090). Intergenerational relations in family business are strong as a result of continuous exposure to business activities. Fairlie and Robb (2008:10) found that more than 50 percent of the small business owners from their study sample, based on the Characteristics of Business Owners (CBO) data set compiled by the U.S. Census Bureau, grew up in a family business. However, doing so played just a minor role in regression models whereas work experience in that family business exercised a large positive effect on business success levels, once again indicating that work experience may be considered a contributing factor to business success (Fairlie & Robb, 2008:10).

Likewise, a role model's characteristics and personality play a crucial role in the success of role model enhancement. This is based on the role identification theory and the role model function of increasing self-efficiency (Bosma, Hessels, Schutjens, Van Praag, and Verheul, 2012:416). Without some degree of similarity, it may be more difficult for the future entrepreneur to perceive the behaviour of the role model as being compatible with his/her own behaviour. This is an important aspect in gender role models as females may tend to emulate female role models so that a lack of these may have a negative effect on the behaviour of some potential female entrepreneurs. Empirical evidence confirms the view that in many instances individuals and their role models may be similar in gender and even race; a phenomenon is referred to as homophily (Bosma *et al.*, 2010:416, 420). Noguera, Alvarez, Merigo, and Urbano (2015:346) further state that role models are important as they may have the capability to enhance self-efficiency. In the case of females, exposure to role models may even have a higher impact, especially on how they perceive their own entrepreneurial capabilities. The authors opine that a lack of female role models, especially in larger organisations which place a higher value on male characteristics, may reduce the probability that females might learn from homophily role models and even prevent them from becoming role models to other (Noguera *et al.,* 2015:346). As females may encounter certain unique entrepreneurial challenges, such as balancing work and family responsibilities, seeing other female entrepreneurs managing and overcoming some of these challenges may prove very beneficial (Noguera *et al.*, 2015:346). In addition, some females may perceive male role models as a threat; however, this is not always the case.

Another important element to entrepreneurship and specifically female entrepreneurship, is the presence of a strong network. A network can be defined as a set of people with whom entrepreneurs regularly have communication or with whom they interact. These may be in the form of suppliers, partners, customers, bankers, creditors, trade and business associations, government agencies, other businesses owners and family, for example (Aldrich *et al.,* 1989:340). Many studies have over the years indicated the importance of networks, not only for business development, but also for business growth (Granovetter, 1985; Bogren *et al.,* 2013). Business growth might be influenced by a network's size, the extent to which the network is similar or diverse from the entrepreneur's business and how effectively the various networks can be utilised (Bogren *et al.,* 2013:61). As with most of the characteristics and elements discussed in this chapter thus far, the types of networks and how they are utilised also differ to some extent between male and female entrepreneurs. Three life events ultimately affect male and female networks: workplace, marriage and family and organised social life. When considering workplace networks, most entrepreneurs will for some time have been formally employed before starting a business. Females in general may be excluded from formal work networks as many of these networks are male dominated. Marriage and family life events also affect females very differently from males. Females may be caught up in family responsibilities for long periods of time during their entrepreneurial path and may once again have fewer and more informal networks compared to males (Aldrich *et al.,* 1989:340). Studies also suggest that many female entrepreneurs tend to rely more on the networks their husbands have established and their associations and that male entrepreneurs are supported more by their wives than the other way around (Goffee & Scase, 1985; Aldrich *et al.,* 1989; Xie & Lv, 2016). Although most networks are of a professional nature, many social networks can also be very rewarding for entrepreneurs. Once again, in some cases females lack informal social networks or may have much smaller networks compared to males (Aldrich *et al.,* 1989:340). As with role models, females may also prefer to be part of female networks and if there is a shortage of these type of networks it could potentially mean that these entrepreneurs may not be part of any network.

The aforementioned sections discussed several characteristics and elements that differ to a certain extent between male and female entrepreneurs. These characteristics and elements were included in the research instrument in the form of either multiple choice or dichotomous questions.

4.6.2 Factors contributing to female entrepreneurs' intention to remain in business

The following sections discuss some of the variables that may contribute to female entrepreneurs' intention to remain in business. These include motivation, financing constraints, government support, entrepreneurship training and education, risk-taking propensity, socio-cultural barriers and business growth factors. These factors formed the independent variables for this study and the proposed model.

4.6.2.1 Motivational factors

Motivation has been a well-researched area of interest in past and recent years, with many studies investigating reasons why entrepreneurs decide to start a business (Kolvereid, 1992; Buttner & Moore, 1997; Zapalska, 1997; Sarri & Trihopoulou, 2004; Segal, Borgia & Schoenfeld, 2005; Hessels, Van Gelderen & Thurik, 2008; Benzing *et al.*, 2009; Gabrielsson & Politis, 2011; Meyer & Landsberg, 2015). These same motives may also encourage an entrepreneur to remain in business. Several motivational reasons that influence one's decision to start a business or remain in business, exist. In order to understand these motivational reasons better, it is necessary to discuss the differences between push- and pull-factors, which are also referred to as negative and positive entrepreneurial motivation. Push-factors can be defined as factors forcing a person from their current position into employment. These reasons are normally unrelated to their entrepreneurial characteristics or abilities (Amit & Eitan, 1995:65). Dawson and Henley (2012:698) refer to these individuals as those who may consider entrepreneurship as a way out of recessionary economic conditions and contribute to a less desirable state of entrepreneurship. Examples include factors such as a low salary at the current employer, unsatisfactory working conditions and unemployment, with the most common push-factors being the inability to find paid employment, underemployment, retrenchment, job-dissatisfaction and economic necessity (Isaga, Masurel & Van Montfort, 2015:193).

Contrary to this, pull-factors are those positive motivations that lure an individual into starting or remaining in business (Amit & Eitan, 1995:65). These individuals form part of the group of people who willingly partake in entrepreneurial activities due to the strong presence of and belief in self-efficiency, as well as market opportunities (Dawson & Henley, 2012:698). These entrepreneurs start businesses, or remain in them, because of the opportunities and attractiveness presented by the activity itself rather than necessity or survival. They typically start and remain in business due to a passion, following a dream, seeing a gap in the market or trying to solve a problem through operating a new business. Isaga *et al.*, (2015:193) found that the most important pull-factors could be considered higher social status, need for independence, wealth creation and more personal control over circumstances. These push- or pull-factors ultimately determine the motivation behind starting or remaining in a business. Table 4.10 summarises some previous studies investigating the motivation behind business start-up.

Table 4.10: Motivation for self-employment

Author	Sample	Findings
Hisrich & Brush (1986)	217 nascent entrepreneurs	Need for achievement, opportunity seeking and anticipated job satisfaction
Dubini (1989)	163 nascent entrepreneurs	Need for recognition, money, work flexibility, role models and individual achievement
Akande (1994)	Nigerian entrepreneurs	Earning money
Bewayo (1995)	Ugandan entrepreneurs	Desire for money
Vijaya & Kamalanabhan (1998)	Various literature related to entrepreneurs' motives	Need for innovation, desire for independence and doing work that they want to
Nchimbi (2002)	350 Tanzanian female entrepreneurs	Family security
Swierczek & Thai (2003)	Vietnamese entrepreneurs	Challenge and achievement
Mitchell (2004)	South African entrepreneurs	Desire for independence, money and need for achievement
Roy & Wheeler (2006)	West African entrepreneurs	To satisfy basic needs
Veciana (2007)	Review of various motivational studies	Desire for independence, need for achievement and being marginalised
Chu, Benzing & McGee (2007)	Ghanaian and Kenyan entrepreneurs	Increase income and provide themselves with employment
Kirkwood (2009)	Review of various motivational studies	Desire for independence
Edelman, Brush, Manolova, & Greene (2010)	American entrepreneurs	Desire to innovate

It is evident from Table 4.10 is that entrepreneurs from developing countries may be more inclined to pursue entrepreneurial activities for reasons linked to improved income, family caring, basic needs and necessity. Western entrepreneurs from developed countries on the other hand may act more out of independence, filling a need or gap in the market and for innovation purposes. These same motives for starting a business may also contribute to the decision to remain in business.

The literature suggests that although similarities do exist as to why females and males decide to start businesses (or remain in business) there are clear differences as well. Dawson and Henley (2012:698) mention that females may in many cases be motivated by the option of flexible working hours when deciding to pursue an entrepreneurial venture. Another finding suggests that females tend to start businesses for more internally motivated reasons than males. Internal drive may refer to motivations such as a greater work-life balance, adding or contributing to the community and being in charge of one's time, whereas an external drive may refer more to financial wealth and authority motivation (Rasego, 2011:29-30). In addition, the latter author states that males may decide to leave full-time employment due to dissatisfaction, lack of promotional opportunities or challenges in their previous job and acquiring higher status whereas females may do so due to frustration in their job, recognition of skills and changes in their personal situation. DeMartino and Barbato (2003:824) found that female entrepreneurs were more inclined towards career flexibility and taking care of family obligations whereas male entrepreneurs reported much higher interest in career advancement and wealth creation.

Differences between male and female motivation for starting or remaining in business may be present, however, some studies identified similarities too. Veena and Nagaraja (2013:140), for example, found that one of the primary reasons for self-employment for both genders is to gain more control over their working conditions. In addition, personal autonomy and self-determination were high motivation factors for both males and females. However, females reported much higher motivation in an attempt to escape a confined labour market with low paying wages, strong supervisory and hierarchy structures and to discard social stereotypes (Veena & Nagaraja, 2013:140). Along with other studies, Veena and Nagaraja (2013:140) also found that financial independence was a high motivation factor for both males and females. Nevertheless, females also listed having independence and being able to control their own labour input as strong motivations. Similar to other findings, Veena and Nagaraja (2013:140) found that flexibility is a major motivational factor for many females deciding to start entrepreneurial ventures. This is not the case for male entrepreneurs.

The aforementioned section defined two predominant motivational factors: push- and full-factors; however, Dawson and Henley (2012:699) identified a third in the case of female entrepreneurs. They may in many instances, or at least for a certain period during their careers, be motivated to follow a lifestyle or family orientated entrepreneurial path by choice and not as part of the traditional push-factor category. This means that these female entrepreneurs may be capable of forming part of the pull-factor group, thus having potential to see opportunities, fill a need or gap and manage to set up high-growth businesses but may simply choose not to. In addition to this, and for the purpose of this study, a further division of motives is made in terms of internal and external motivation. The internal motivation category includes motivation such as independence, achieving a work-life balance and flexibility, being one's own boss, using one's own talents, knowledge and skills, being innovative, wanting to achieve a sense of self-accomplishment and self-fulfilment, pursuing a challenge, having freedom, contribute to society, moving away from negative experiences, providing security for one's family and contributing to the success of the business. On the other hand, the external motivation category includes aspects linking to desire for more wealth and economic stability, filling a gap in the market, improving the status of one's family, enjoying direct benefits if the business is a high status one, achieving a higher and more recognised position in society and influencing the community (Mitchell, 2003:733-734). Although the external motivation category may include mostly pull-factors, the internal motivation category also includes pull-factors as well as a few push-factors. Therefore, just distinguishing between push- and pull-factors is not sufficient, especially when considering the distinct characteristics of female entrepreneurs. Veena and Nagaraja (2013:141) mention that some female entrepreneurs may choose to generate lower profits and employ fewer employees as they may be more motivated to achieve a certain goal than to make money, and that this is not necessarily a negative or push-factor.

4.6.2.2 Financing constraints

Access to financial resources has been identified as a main contributor to business success, not only during the start-up phase of a business but also in order to assure sustained growth (Verheul & Thurik, 2001:330; Bowen, Morara, & Mureithi, 2009; OECD, 2009; Herrington *et al.,* 2015:35). Several financing constraints may act as a barrier to business growth, which include aspects such as strict conditions imposed by banks, cash flow challenges, complicated application processes, high taxes and limited government support (Verheul & Thurik, 2001:330; Ifelunini & Wosowei 2013:7; Makina *et al.,* 2015:1). Various authors have noted that when SMEs are restricted from accessing finance or credit they remain small in size and their growth is constrained (Wagenvoort, 2003; Beck, Demirguc-Kunt & Peria, 2011; De Maeseneire & Claeys, 2012). In addition, Makina *et al.,* (2015:1) are of the view that financial difficulties and lack of access to sufficient financial means may ultimately result in business failure, especially in the case of SMEs. When SMEs are restricted to access external finances, they have to rely on internally generated finances, which places a heavy burden on the owner and the business and may slow down potential growth. Financial institutions are in many cases unwilling to lend money to SMEs as they are in many instances expected to show low or even no growth, lack sufficient collateral and may be a high risk recipient (Verheul & Thurik, 2001:330).

Fairlie and Robb (2008:10) reported a strong positive relationship between start-up funds and business success. Businesses with a higher amount of start-up finance are less likely to fail and return higher profits through sales. In addition, these businesses tend to hire more employees, which in some cases may have a positive impact on the growth of the businesses. Although access to start-up capital and expansion capital may be more readily available in developed countries, this still remains a global challenge for small businesses. However, access to finance has proven more of a challenge in developing countries, such as for example Nigeria and South Africa (Ifelunini & Wosowei, 2013:6; Makina *et al.,* 2015:1). The World Bank (2009:1) states that, generally, opportunity businesses, which are more prevalent in developed countries, are much more successful than necessity businesses. In general, in the first category of businesses, there is more access to finance, infrastructure, more educated owners/managers and fewer barriers to face during daily activities; thus, they are more efficient and productive. A study by Fatoki and Odeyemi (2010), found that 75 percent of small business loan applications are rejected. Several reasons may be afforded for this rejection, of which low growth and lack of collateral may be listed as the main reasons (Makina *et al.,* 2015:1). Ngcamu (2002:3) states that the absence of growth in a SME may be due to lack of access to proper education, inability to apply for finance and lack of land ownership; and as financial institutions are sometimes reluctant to provide finance as a result of low growth, this becomes a vicious cycle where no growth equals no finance and vice versa.

As previously mentioned, access to finance and credit for SMEs is in many cases a challenge and for female entrepreneurs this issue is sometimes even greater (Buttner & Rosen, 1988:250; Gicheva & Link,

2015:729). Verheul and Thurik (2001:330) state that female entrepreneurs encounter several challenges concerning the financial aspects of their businesses. These include aspects pertaining to start-up capital and operational capital. These difficulties comprise having smaller equity capital at their disposal, sector related capital restrictions due to many female entrepreneurs operating service industry related businesses and lending institutions being more reluctant to lend money to entrepreneurs in these sectors. Furthermore, females are, in many instances, likely to be more risk-averse than males, which may lead to their declining higher risk opportunities and lessening subsequent access to finance. In addition, female-owned businesses tend to be smaller in size and less efficient, which may result in more failed loan applications (Makina *et al.*, 2015:3).

As access to finance for small business owners is pivotal in the potential success and growth thereof, several initiatives have been implemented by the South African Government, not only to improve funding opportunities for entrepreneurs, but also specifically for females. Much emphasis has been placed on access to finance for SMEs by, for example, the DTI, Department of Small Business Development and National Development Plan (Republic of South Africa, 2005:3; The Presidency, 2012:40; Republic of South Africa, 2016b). Several initiatives have also been instilled to try and improve access to finance to small business entrepreneurs. Some of these include the 'Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises' initiated through the DTI which focuses on several aspects, of which facilitating access to finance and financial incentives are on offer (Republic of South Africa, 2005:3). Specific attention to female entrepreneurs is given by the Department of Women's Affairs through various special funds, one of which is the Women's Entrepreneurs Fund. This fund provides loans, specific business advice and support for the establishment of female-owned small businesses. Loans, in the form of bridging finance, start from R50 000 and range up to R1 million. This fund also provides micro finance opportunities to female entrepreneurs (The Presidency, 2009:103). In addition, emphasis has been placed on promoting the availability and access to funding or credit for female entrepreneurs and small business owners, thus increasing the chances for females to start new ventures (The Presidency, 2009:11). Finally, initiating of agreements, based on incentives with major financial institutions to grant loans to female entrepreneurs, was also negotiated (The Presidency, 2009:129).

4.6.2.3 Government support

The matter of support structures for small businesses has been a well-researched topic in recent years (Van Vuuren & Groenewald, 2007:269; Ijeoma & Matarirano, 2011:863; Peters & Naicker, 2013:13; Meyer, 2015:6; Meyer *et al*., 2016:53). One of these support structures is government support which, if provided to a certain level in the form of either funding opportunities or entrepreneurship development, may be instrumental in small business development and growth. One of the main purposes of government, when viewed in the context of small business development, is surely the creation of an enabling environment. Thindwa (2001:3) describes this type of environment as having 'a set of cohesive

conditions such as bureaucratic, fiscal, legal, informational, cultural and political aspects – that has an impact on the capacity of development actors to engage in the development transformation in an effective and sustained manner'. Even more so than previously, the public sector is faced with advanced challenges of which the provision of service and infrastructure may be considered the most perplexing and difficult to sustain (Badenhorst-Weiss & Ambe, 2011:453). Effective service delivery and infrastructure development may form the foundation for an enabling environment for local business in which to thrive and assist in economic development (Grootaert, 1998:8; PWC, 2010:5; Meyer, 2014:30; Meyer & Meyer, 2016:151).

Internationally, many countries are faced with increased challenges concerning service delivery and infrastructure development; South Africa is no exception (Mpehle, 2012:217). Some aspects that could negatively impact a business as a result of government not creating an enabling environment include strict regulation and 'red tape' procedures. Trousdale (2005:6) considers that regulations within a government need to accommodate business development. In addition, UNIDO (2008:1) states that governments should, as far as possible, relax business registration and licensing. When too strict regulation exists, many businesses may try to find loopholes and bend rules in order to ensure businesses growth. In addition, lack of adequate support from government in the form of business development policies may restrict businesses from expanding. Infrastructure maintenance and development is crucial for a sustainable enabling environment; without this, business growth may be restricted (The Presidency, 2012:34). If sufficient capacity does not exist, local businesses will not achieve growth, which may lead to reduced local economic development (Meyer, 2014:37).

South Africa has a lengthy history concerning gender policy restrictions. Black and Coloured females were deprived of taking part in any business activity pre-1994 (SAHO, 2011:1; Bobby-Evans, 2015). These political policies and lack of government support prevented many females from starting businesses and thinking entrepreneurially. However, initiatives were implemented post-1994 to redress the gender discrimination caused during the Apartheid era (SAHO, 1994:1). Some of these include, but are not limited to, SAWEN (South African Women Entrepreneurs Network), SAWIMA (South African Females in Mining) and TWIB (Technology for Females in Business). Despite these initiatives there is still much necessary work to be done to level the playing field when it comes to gender representation in the economic business world; entrepreneurship development and policy formation could assist in this (Herrington *et al.*, 2010:41).

4.6.2.4 Entrepreneurship training and education

Entrepreneurial training and education is a controversial matter as some may say it is a critical part of becoming a successful entrepreneur while others may argue it is not (Maycotte, 2015). However, it has been identified as a key contributor to entrepreneurial success and much effort has been focused on designing and developing such programmes (Robinson & Sexton, 1994:142; Onstenk, 2003:74; Fatoki,

2014:295). Several studies emphasise the importance of entrepreneurship training and education beginning as early as the primary school level and point out the importance of including such in curricula as early as possible (Kolvereid & Moen, 1997; Onstenk, 2003; Kuratko, 2005; Nabi, Walmsley, Liñán, Akhtar & Neame, 2018). For example, Onstenk (2003:74-75) mentions that entrepreneurial training and education provides individuals at vocational and higher education levels with flexibility and innovation options, creates an entrepreneurial spirit from a young age, prepares potential entrepreneurs for the market and stimulates entrepreneurial behaviour whilst teaching scholars and students valuable skills. In addition, other benefits, such as conceptualising motivation, increasing business knowledge, improving practical abilities and creating awareness of social networks and how to use them, may also be activated (Nabi *et al.*, 2018:454).

Kolvereid and Moen (1997:154-155) state that an individual's values and personality may develop at an early life-stage due to experiences, of which education forms a large part. For example, characteristics such as creativity, autonomy and independence may be developed early in life as a result of conducive education and this may contribute to the decision to act entrepreneurially, or not, at a later stage in life. Several empirical studies established that having an entrepreneurial major, whilst completing a higher education degree or being part of an entrepreneurial training programme, resulted in entrepreneurial intent and ultimately, new business creation (Garavan & O'Cinneide, 1994; Letowski, Le Marois & Peign, 1994; Kolvereid & Moen, 1997; Lorz, Mueller & Volery, 2013). Some studies suggest that highly educated entrepreneurs remain in business for longer, grow faster and are more profitable and productive (McPherson, 1996; Kangasharju, 2000; Dickson, Solomon & Weaver, 2008; Soriano & Castogiovanni, 2012; Lofstrom, Bates & Parker, 2014). A study by Kum-Lung and Teck-Chai (2010) moreover reported that higher levels of education may lead to higher values and business ethics. An increase in entrepreneurial education, for example, curriculum amendments, including entrepreneurial modules and short courses, creates options for students to start their own businesses and also improves the quality of technological and innovative start-ups.

Several higher education facilities in various countries have realised the importance of this and have implemented entrepreneurial courses and majors. South Africa has also to some extent realised the necessity of this in higher education. However, Herrington *et al.*, (2015:34) point out that the South African rating of entrepreneurial attention and awareness provided in primary and secondary education has declined from 1.75 in 2013 to 1.47 in 2014. This rating measures the level of skills-driven education in a country. Another shortfall in the South African education system is that, more often than not, higher education is promoted as one of the few ways to professional advancement – but this is not always the case. Entrepreneurship is not promoted strongly enough as another sustainable and rewarding career choice. Teachers and trainers sometimes lack entrepreneurial ability and passion, which are very important in the creation of an entrepreneurial culture. As a result of a lack of entrepreneurial training and awareness in the South African schooling system, many short courses and diploma and certificate

programmes have been developed both privately and at a public level. The EDD deems it necessary to create partnerships with other government departments such as the DTI, the Department of Higher Education (DHE), the various SETAs and Further Education and Training institutions (FETs) in order to promote a culture of entrepreneurship in South Africa (Republic of South Africa, 2016a).

Veena and Nagaraja (2013:139) are of the opinion that males and female come from different educational and business experience backgrounds. The authors state that for many males the choice of starting a business is more natural than for females. As mentioned earlier, there are more male entrepreneurial role models, while, in many cultures, business is still believed to be a male orientated career choice. This may be a reason why many females do not naturally choose an entrepreneurial career option. Therefore, exposure to such an option is very important, especially for females. Entrepreneurial education and training programmes may assist in this. Veena and Nagaraja (2013:139) further state that although many females are well educated, this education sometimes lacks background in business. Empirical evidence has, from various studies conducted, demonstrated that substantially more males than females had received business education, had previous management experience or were involved in a business venture prior to starting a business. In addition, more males possessed specific business and managerial knowledge than females (Veena & Nagaraja, 2013:139).

Several statements pertaining to training and education were included in the research instrument. These were linked to the importance of qualifications, skills and self-improvement, whether the level of entrepreneurial education determines how successful one's business will be and if mentoring as a form of training is important for the entrepreneurs.

4.6.2.5 Risk-taking propensity

Taking risk is an essential part of the traditional definition of an entrepreneur. Risk was identified as a key entrepreneurial characteristic as early as 1755 by Cantillon (1755); thereafter many concurred with this belief that taking risk is a crucial part of entrepreneurship (Knight, 1921; Kirzner, 1979; Kihlstrom & Laffont, 1979; Wennekers & Thurik, 1999; Bula, 2012:82; Brown & Thornton, 2013:402). However, Masters and Meier (1988:31), Carter *et al.* (2006:1) and Dawson and Henley (2015:510) specifically refer to females as being more risk- and debt- averse, which could lead to certain conclusions about why their businesses, in many cases, do not attract the investment opportunities (and consequently, potential growth) that their male counterparts so often do. Veena and Nagaraja (2013:140) state that even sociology and psychology indicates that females are more risk-averse compared to males across a wide variety of situations. Sundheim (2013) mentions that males' risk-taking levels tend to increase under stress but the opposite occurs in female behaviour. This raises the question of whether male entrepreneurs may not in some cases be less responsible when making business decisions. This instinctive risk aversion of females may carry over to their entrepreneurial decision-making. For example, female entrepreneurs may have more financial risk aversion, be warier of employing more employees, expanding the business and

partnering with investors or other networks. As a result of this lower risk propensity level, female entrepreneurs are thought by some to be less prone to growing the business and, as a result, may be less successful (Sharma & Vasakarla, 2013:498; Veena & Nagaraja, 2013:140).

However, many other factors may also contribute to the level of risk-taking, apart from gender. Aspects such as motivation, acting out of necessity or opportunity and attitude towards monetary aspects may also have an impact on the level of risk-taking propensity (Block, Sandner & Spiegel, 2015:184). These authors also opine that such a propensity is not only the result of an individual's personal attributes but may also be affected by the actual business situation and decisions being made. Therefore, just to assume that female entrepreneurs are more risk-averse in every business situation would not be correct.

4.6.2.6 Socio-cultural barriers

Female entrepreneurial activity is substantially lower compared to male activity in most cultures and societies. Numerous authors are of the opinion that one of the factors contributing to this may be as a result of them encountering more socio-cultural barriers (Loscocco & Smith-Hunter, 2004; Walker *er al.*, 2008; Liñán & Chen, 2009; Noguera, Alvarez & Urbano, 2013; Gupta et al., 2014; Maziku et al., 2014; Poggesi *et al.*, 2017). Many socio-cultural aspects affect female entrepreneurs more than their male counterparts: some of these include, lack of respect from the community, stereotypical treatment, doubt about their ability to conduct business, discrimination in the labour market and other work places, and balancing work and home duties especially when raising children. In addition, Lerner *et al.*, (1997:318) assert that even religion and country of origin may have a significant influence on female entrepreneurship as a socio-cultural barrier. For example, in South America, a general belief exists that females should refrain from business and that their main responsibilities are child-raising and taking care of household chores. In most Muslim countries, it is believed that if a woman enters into business she dishonours her husband.

Gupta *et al.* (2014:274) state that a growing body of research on social psychological issues has shown that some differences which have been found between male and female gender-type responsibilities and capabilities may be due to stereotyping and that this may negatively or positively affect one's perception about that capability. For example, some male entrepreneurs may perceive they possess higher capability in certain activities as society stereotypically expects them to be capable of that activity. Likewise, in some cases, the opposite is true for females (Spencer & Castano, 2007:419). Stereotyping can be defined as a cognitive thought by a person or even a larger group of people (society, community or gender group) over-generalising certain beliefs with regard to another group such as gender-, race-, and age-groups, or even different social classes (Ashmore & Del Boca, 1981). As entrepreneurship has in the past, and even to a certain extent today, been defined as a masculine and male dominated career option and females have been classified as home-makers and being responsible for raising children, a clearly stereotypical situation has emerged (Onyishi & Agbo, 2010:3049). Maziku *et al.* (2014:51) mention that many females,

especially in developing rural areas, are negatively affected by these socio-cultural and stereotypical aspects and that this may have an effect on the business size, growth potential and eventually, the business success rate. Many of these females are forced into traditionally female-oriented businesses as they are deemed more appropriate. Veena and Nagaraja (2013:141) state that in general, many people expect female entrepreneurs to earn lower profits compared to males. This may also be linked to stereotypical behaviour. In addition, Gupta *et al.* (2014:227) established that, as a result of gender stereotyping, female entrepreneurs were less likely to spot business opportunities compared to male entrepreneurs. These stereotypical beliefs can be changed over time by emphasising the importance of the fact that some of the feminine characteristics, such as forming partnerships and caring for stakeholders involved in the business, are also able to greatly contribute to successful entrepreneurial ventures (Gupta *et al.*, 2014:226-227).

Another socio-cultural barrier hindering female entrepreneurial development is balancing the responsibility of having a career, raising children and taking care of home activities simultaneously (Loscocco & Smith-Hunter, 2004; Walker *et al.*, 2008). Work-life balance is considered one of the most difficult matters facing modern day families. As more situations occur where two breadwinners are required to make ends meet, inter-role conflict or work-family conflict (WFC) due to domestic and societal demands and expectations transpire more often (Posig & Kickul, 2004:375). Although the challenge of balancing work and domestic activities is present for both genders, Walker *et al.* (2008:259) consider that this is in many cases a larger and more common challenge for females. As discussed in the motivation section (Section 4.6.2.1) many females are motivated to start and remain in business as this may in some cases ease the burden of work-life balance and inter-role conflict. Loscocco and Smith-Hunter (2004:164) found interesting evidence indicating that in the USA, the number of female home-based business (HBB) owners is rising. Many females are taking control of their employment situation and choose to manage their entrepreneurial ventures from home instead of in a formal CBD or office block. Although choosing to manage a HBB may hold certain benefits for female entrepreneurs such as more freedom, being able to complete some home chores during other work related activities and being able to assist their children with their needs, it also results in some negative aspects (Poggesi *et al.*, 2017:2). Probably one of the most negative results of HBB in some cases is lack of business growth. As these HBB female owners may be sharing their time and devotion between several tasks at once, they may in some cases be neglecting important business functions which may lead to improved growth. In addition, many HBB may be located outside of the main economic and business hubs, and this might also restrict sales and growth. In some cases, these businesses may seem less professional: this causes one of the social-cultural challenges as some customers may not respect these businesses as much as they might traditional ones (Poggesi *et al.*, 2017:2). Nevertheless, these HBB do provide some female entrepreneurs with the necessary freedom to manage WFC in a more effective manner and, as stated in Section 4.5.2

and 4.6.2.1, some female entrepreneurs may deliberately choose not to manage high-growth business and opt for a HBB.

4.6.2.7 Business growth factors

Several business success factors that may improve female entrepreneurs' business growth have been identified by researchers. These have been discussed in the previous sections as potential barriers, elements and characterises. They include financing constraints, government support, training and education, experience and skills, networks, role-models and socio-cultural barriers. Although these factors may not impact female entrepreneurs in the same way and may also be country- and culture sensitive, they still in some way or another affect the growth of most female-owned businesses in either a positive or a negative way. This section briefly summarises these factors.

Walker and Brown (2016:577) state that, traditionally, financial aspects have been the most common measure of business success. These measures would include having access to start-up capital or credit, a positive balance statement, a good cash-flow and realising a profit (Hall & Fulshaw, 1993:229; Marlow & Strange, 1994:180). Although these aspects are very important for a successful business, they are surely not the only measures of success. Some other aspects that may contribute to a business' success rate are listed as possessing experience, social and managerial skills, government support and some political influence, support from family and friends, a good reputation in the community as well as positive market related facets such as a good product, sound marketing plan and competitive prices (Walker & Brown, 2004; Hayrapetyan, Nunes & Turyan, 2016).

Cooper and Gimeno-Gascon (1990) state that experience, education and social and managerial skills could impact business performance in a progressive manner and may thus be seen as a positive business growth factor. Many former studies have proven that the level of human capital as a result of experience, skills and education not only affects the decision to start a business or choice of business but also the performance of a business (Box, White & Barr, 1993; Teoh & Chang, 2007:6; Fairlie & Robb, 2008).

In addition, setting successful networks and support systems in place can greatly contribute to business success (Lerner *et al.,* 1997:323). The authors further mention that networks and support systems provide moral support and business guidance to entrepreneurs in times of need. Environmental influences which can be categorised into external or internal factors could be considered important determinants of performance (Lerner *et al.,* 1997:323). Aspects such as government support and market related factors, including a conducive market environment, competitive prices, an enabling economic environment, functioning legislative systems and access to markets, are seen as external areas of importance (Cooney, 2012:2). Internal areas of importance include a good product and business location, sufficient management capacity, funding and strong motivational factors (Cooney, 2012:2). Hattab (2010:211) mentions that the existence of favourable environmental factors, both internally and externally, contributes greatly to the success and growth of female-owned businesses.

Putting the aforementioned success factors in place may have a considerably large and positive impact on business success and growth. Although some of these factors may be easier to manage and improve, a number, especially those linking to the external environment, may sometimes be harder to manage or mitigate the risk associated with them. Table 4.11 summarises the key aspects pertaining to entrepreneurship characteristics and elements of both males and females as discussed in this chapter.

Table 4.11: Entrepreneurship characteristics and elements

Characteristic and element	Male entrepreneurs	Female entrepreneurs
Race	Black and other minority races in certain countries are more restricted.	Females in these groups experience even more challenges in creating successful businesses.
Age	Average age category between 25 and 44 years.	Average age category of 35 to 45 years.
Marital Status	More male entrepreneurs were married with wives or partners acting in a supportive role.	Less stable in marriage relationships with more still young and married and a significant larger group were divorced or single compared to the male sample.
Presence of children	Presence of children amongst men does not have an effect on their business motivation and activities.	Presence of children affects female motivation and business activities.
Education	Males have in many case higher education levels than females, especially in certain cultures.	Females in some cultures are sometimes further disadvantaged with lack of basic education and generally lower education levels compared to males.
Previous work experience	More work experience, more different jobs, higher earning comparable waged hour than females.	Had less work experience, were employed for lessor periods and earned less per comparable waged hour than males.
Entrepreneurial role-model	More male role models exist, making it easier for male entrepreneurs to relate to a similar role model.	As fewer female role models exist, it is sometimes more difficult for female entrepreneurs to relate to a role model.
Networks	Male entrepreneurs have more formal networks and form part of networks more easily.	Females tend to get caught up in family responsibility and are normally part of more informal networks including mostly family and friends.
Motivational factors	Males are in some cases more motivated to be entrepreneurs in order to obtain wealth and autonomy.	Females in same cases are more inclined to start business for internal reasons such as flexibility, work-life balance and contributing to society.
Financing constraints	Male entrepreneurs find it easier to apply and obtain finance and credit.	Literature suggests that female find it harder to access finance and credit.
Government support	Former South African government policies were more supportive of male entrepreneurs.	Several former South African policies made it difficult for females to own businesses.
Entrepreneurship training and education	Males choose entrepreneurial careers more naturally and have more business education.	Female have less business education and managerial skills at the same age compared to males.
Risk-taking propensity	Male entrepreneurs in general take more risks.	Female entrepreneurs are more risk-averse.
Socio-cultural barriers	Fewer socio-cultural barriers affect male entrepreneurs.	Several socio-cultural barriers affect female entrepreneurs, including stereotyping and family-work balance.

Source: Own compilation

The aforementioned sections discussed several important aspects contributing to entrepreneurship; more specifically, to female entrepreneurship. These factors were included in the proposed model for the study, as shown in Figure 1.1 (Section 1.2), in an attempt to determine South African female entrepreneurs' intention to remain in business. These factors also link to elements included in the GEM's conceptual or entrepreneurial framework which was discussed in Section 2.5. These include socio-cultural, political, economic and personal aspects.

The proposed model takes into consideration several factors that may potentially contribute to female entrepreneurs' intention to remain in and grow the business, and attitude towards the business. These factors are internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity. It was hypothesised that all these factors would in some way affect female entrepreneurs' intention to remain in business. It was empirically tested among South African female entrepreneurs; the results could assist in understanding their intention and decision to remain in business. The various constructs used in the research instrument are further discussed in Section 5.7.1 Several hypotheses were developed (Section 6.8) after testing the constructs for reliability and nomological validity (Section 6.5).

4.7 CONCLUSION

Entrepreneurship is an integrated and complex phenomenon which encompasses various facets. Many factors contribute to the smooth functioning of businesses and the eventual growth thereof. This chapter commenced with a review of the literature linking to the Theories of Planned Behaviour and Intention and discussing the theory behind intention to remain in business, intention to grow the business and attitudes towards the business.

As discussed in this chapter, elements and characteristics such as age, race, marital status, presence of children, education levels, previous work experience and the presence of entrepreneurial role-models all contribute to the business functioning and even succeeding in some or other manner. As shown throughout this study so far, female entrepreneurs may experience some aspects differently to the way in which their male counterparts do. In addition to these elements and characteristics, several factors may contribute to females' entrepreneurial intentions and growth aspirations. Motivation can be considered a key contributor to intention to remain in business, as well as to eventually grow that business, and females in many cases have distinctly different motivations, compared to males. It was found that female entrepreneurs are more motivated by internal aspects such as having a work-life balance and being independent whereas males, in many cases, were found to be externally motivated by aspects such as wealth creation and autonomy.

In addition, various factors constraining business continuation and growth were identified. These include financing constraints, lack of government support, the availability of entrepreneurial training, a female's

risk-taking propensity and the level of socio-cultural barriers. The literature supports the belief that female entrepreneurs may in some cases find it more difficult to apply for finance, have less government support or policies that aid them and may have attained lower levels of entrepreneurial training and experience compared to male entrepreneurs. They also seem more risk-averse and encounter several socio-cultural barriers that may not affect male entrepreneurs in the same manner.

The following chapter focuses on the methodological aspects of this study, with specific reference to the description of the research methodology and design data collection methods as well as which statistical analysis methods were utilised. In addition, the philosophical underpinning and research paradigm in which this study finds itself is explained in order to provide a foundation for the rest of the methodology.

CHAPTER 5

RESEARCH DESIGN AND METHODOLOGY

'There's lots of bad reasons to start a company. But there's only one good, legitimate reason, and I think you know what it is: it's to change the world.' (Phil Libin: CEO of Evernote)

5.1 INTRODUCTION

The practice referred to as research has become more significant and increasingly important in the modern world due to the fast pace of change in society and the need for up-to-date information. In addition, it has an important role to play due to its scientific and non-scientific attributes. The occurrence of new events, processes, phenomena and everyday problems and challenges requires finding novel and better solutions and recommendations, which may well be achieved through conducting research (Rajasekar, Philominathan & Chinnathambi, 2006:2 Booth, Colomb & Williams, 2008). Research may be described as a process of scientific investigation that might include various objectives, such as the following: identifying new realities, determining the relationships between cause and effect in a specific moment in time or of a certain event, designing new or improved solutions to both scientific and non-scientific problems and, last but not least, developing tools, processes and theories to assist in everyday problem solving (Kothari, 2004:1; Rajasekar *et al*., 2006:1). Considering the above, research may be simplistically explained as an important process required to assist in the collection of information, the analysis thereof and problem solving of many day-to-day events and situations. Likewise, conducting quality research studies that render valid and trustworthy findings which offer usable solutions and recommendations necessitates that the research methodology used in the process be lucidly defined and documented. Therefore, the aim of this chapter is to provide a detailed description and explanation of the research methodology and design utilised in this study, which was designed to determine female entrepreneurs' intention to remain in business. This includes specific reference to the methods used to gather the data employed in the empirical section of the study, as well as a description of the statistical analysis methods utilised in analysing the captured data. The chapter commences with a discussion of the philosophical underpinning and research paradigm of the study in order to provide a foundation for the rest of the methodology.

5.2 RESEARCH PARADIGM AND PHILOSOPHICAL UNDERPINNINGS

As research is a crucial part of new theory development, which, ultimately, leads to new practices within an industry, having the correct philosophical foundation is as important as using the correct methodology. Philosophy may be described as the value, judgement, standards, norms, frame of reference, world view and /or perspective one may have on a given phenomenon. In addition, philosophy includes aspects such as ideologies, theories and acceptable procedures that guide the thinking and, ultimately, the actions of people (Mafini, 2015:92). Somekh and Lewin (2005:79) and Groenewald (2004:44) opine that the

philosophies could define thinking patterns of individuals concerning specific circumstances. Furthermore, a philosophy represents an individual's world view and, thus, his or her understanding of the world, including how people (participants and respondents in a study) fit into different environments and settings (Guba & Lincoln, 1994:107). Research philosophy may be further defined by explaining the various research paradigms. A paradigm serves as a specific framework or foundation that facilitates the appropriate answering of a set of research questions (Creswell & Clark, 2007:21). Patel (2012:11) indicates that different world views will definitely impact the research processes of a study as individuals each have a set of diverse factors that influence philosophies that add a degree of uniqueness to a study. Healy and Perry (200:118) explain that there are three central dimensions surrounding such a world view. These include aspects relating to ontology, epistemology and methodology. Ontology refers to the beliefs surrounding people's expression of reality: in other words, do the researchers view themselves as independent from the study or do they subjectively assume that the study exists due to their contribution and involvement (Orlikowski & Baroudi, 1991:7)? Epistemology pertains to one's beliefs, as expressed through a precise body of knowledge (Ezell & Crowther, 2007:269); that is, can knowledge be formed around facts and evidence or around aspects that are more subjective because they are based on personal experience (Cohen, Manion & Morrison, 2013:116)? The methodological aspect links to the processes used while completing the actual research. This is linked to a researcher's ontology and epistemology, and the goal of producing new objective knowledge from research (Hammersley, 2006:273).

In an attempt to better understand which philosophical underpinning would best suit a specific study, the different theoretical paradigms should be understood. Figure 5.1 depicts the four sub-categories associated with theoretical paradigms: the radical structuralist, also known as the positivist, paradigm; the functionalist or realist paradigm; the humanist/interpretivist or constructivist paradigm and the radical humanist or critical theory paradigm. A study may either fit perfectly into one of these categories or consist of a combination of sub-categories. In the event of purely empirical research, the study will tend to fit better into the radical structuralist or the functionalist category, whereas a qualitative study will follow a humanist/interpretivist or radical humanist approach. Understandably, a mixed method study could include aspects from all categories.

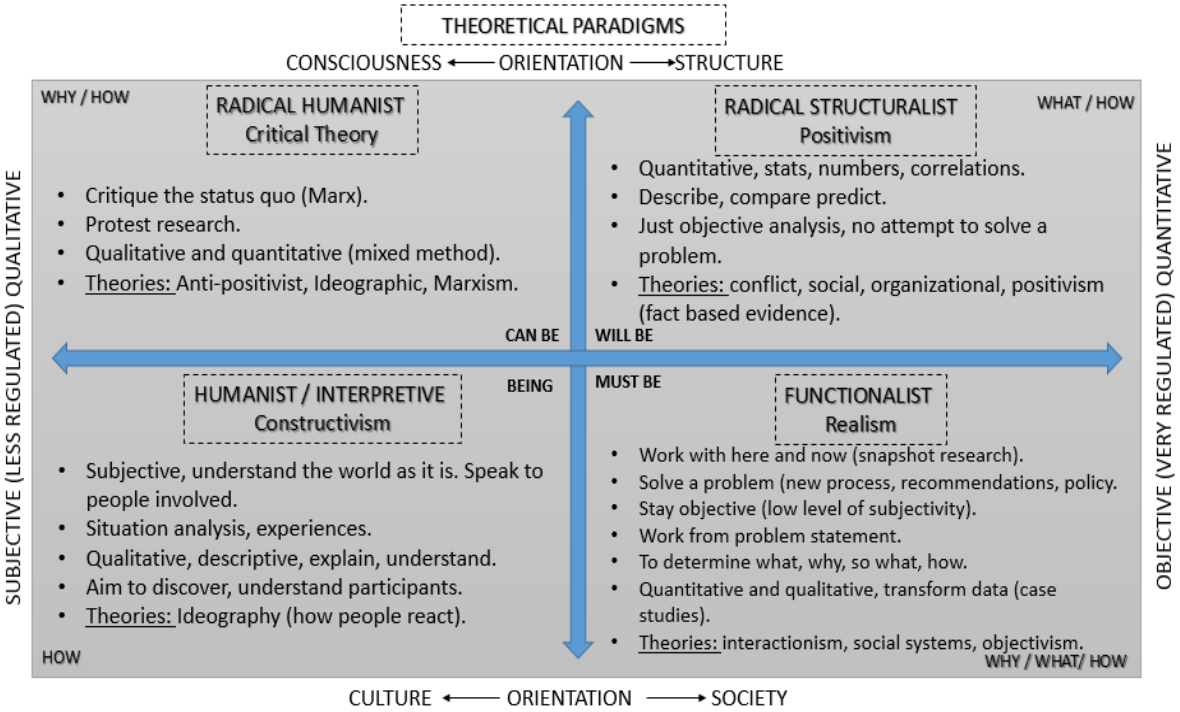


Figure 5.1: Theoretical paradigms

Source: Burrell and Morgan (1997)

Table 5.1 provides a summary of the main aspects pertaining to these theoretical paradigms.

Table 5.1: Theoretical paradigms and their beliefs

Theoretical Paradigm	Aspects and beliefs
Radical structuralist (Positivist paradigm)	Fundamentally assumes that independent facts about a reality can be measured in a quantifiable manner (Healy & Perry, 2000:119). The researchers are independent from the study (Krauss, 2005:759). A cause and effect relationship must be established as this is one of the main beliefs of researchers (Dammak, 2015:2). Researchers are unbiased, independent observers and make predictions through the use of scientific methods (Mack, 2010:6). Results from the data analysis are unbiased and do not change if being observed (Healy & Perry, 2000:119; Bryman, 2009). Results are obtained in an objective manner (Neuman, 1997:64). Research places importance on numerical, quantitative data that includes statistical analysis procedures (Dammak, 2015:4).
Functionalist (Realist paradigm)	Believes there is a 'real world to discover' (Healy & Perry, 2000:118). Shared reality researching how individuals within a system operate independently from one another (Sobh & Perry, 2005:1200). Perception that there is a reality to discover, existing independently from the researcher (Pring, 2000:58). To gain new knowledge through theoretical experimentation (Outhwaite, 1983:332). Methods used include statistical analysis, unstructured and semi-structured in depth interviews and case studies (Krauss, 2005:762). Objective of research to develop a mass of answers extending over many different philosophical contexts (Healy & Perry, 2000:123).

Table 5.1: Theoretical paradigms and their beliefs (continued...)

Theoretical Paradigm	Aspects and beliefs
Humanist/ interpretivist (Constructivism paradigm)	Researchers are of the opinion that research is formed from a specific belief system forming part of a specific framework (Healy & Perry, 2000:120). Places emphasis on the capability of researchers to construct meaning; they regard themselves as participants within the specific research study they are investigating (Edge & Richards, 1998:336). Usually seek to understand the research topic rather than explain it (Mack, 2010:8). Research findings are linked to the world viewed by individuals, leading to several constructed realities (Sobh & Perry, 2005:1195). Multiple perspectives about reality due to various perspectives of many individuals all holding to different interpretations of events (Mack, 2010:8). Multitudes of perceptions may impact on the quality of the answers obtained from the research and cannot be judged according to a set benchmark (Lincoln & Guba, 1985:295). Due to involvement of people, the research should be observed from the inside and should never be objectively observed from the outside alone (Mack 2010:8).
Radical humanist (Critical theory)	Places emphasis on social realities incorporating historic events Researchers aim to transform and criticise social, economic, cultural, gender, political and ethnic ideals (Healy & Perry, 2000:119). Researchers have the objective of changing the social world (Sobh & Perry, 2005:1195). Researchers are action orientated and less concerned with discovering new information (Edge & Richards, 1998:341). Both participants and researcher are involved in the research procedure (Dammak, 2015:9). Studies are normally long-term in duration and include processes that are historical and ethnographic (Healy & Perry, 2000:119). Findings are subjective and may be doubted by other researchers (Healy & Perry, 2000:119).

Considering the primary and subsequent theoretical and empirical objectives of this study, its underlying philosophical underpinning originates from the radical structuralist or positivist paradigm as it predominantly makes use of empirical data obtained objectively and interpreted in a statistical manner (Howlett, Ramesh & Perl, 2009:21). Lincoln and Guba (1985:290) argue that the use of this paradigm permits confirmation of when independent variables cause variations in the dependent variables in some manner. Similarly, Mouton (2011:65) and Kaboub (2008:343) state that this paradigm is scientifically quantifiable and makes use of statistical methods to determine relationships and test hypotheses.

5.3 RESEARCH DESIGN

Research may be described as a process that has certain procedures and steps that have to be followed to elicit new knowledge and potential answers to certain research questions (Creswell, 2013:14). As with any project, when conducting research, a well-designed plan is required to determine exactly what is expected, what needs to be done and which proposed outcomes could potentially be obtained (De Jongh, 2017:104). Taking this into consideration, a researcher needs to devise a clear research design to ensure that set objectives are achieved. Leedy (1997:195) as well as Churchill and Iacobucci (2005:741) describe a research design as a framework guiding the researcher through the data collection and analysis process.

Malhotra (2010:102), and McDaniel and Gates (2010:49), refer to it as a blueprint explaining the research process to be followed in striving to achieve the set objectives of a study.

Research can be broadly grouped into two categories: exploratory and conclusive research. The first category, exploratory research, is defined as the process undertaken when the knowledge obtained through the findings of the study is relatively novel. This type of research design has as its main aim that of obtaining clarity on imprecise situations and/or of gaining greater insight on a topic under investigation (Struwig & Stead, 2010:7; McDaniel & Gates, 2010:43; Zikmund & Babin, 2013:48). Cant, Gerber-Nel, Nel and Kotze (2005:30) contend that this form of research design is less rigid as it can be structured in a more flexible manner. In addition, Iacobucci and Churchill (2010:60) state that using this research design might assist in the formulation of certain hypotheses and research questions that may then be tested using conclusive research. As this research design mostly aims to investigate new ideas and is exploratory in nature, qualitative based approaches could, in most cases, be most appropriate. This type of approach includes in-depth interviews, focus groups and projective techniques (Bhattacherjee, 2012:6).

The second category, conclusive research, encapsulates a more definite or conclusive outcome in that it examines specific relationships and tests hypotheses. Conclusive research includes descriptive and causal research (Malhotra, 2010:103). Causal methods mostly make use of experiments to test relationships. The main objective of this research design is to investigate the cause and effect relationships between different variables (Kolb, 2008:27; Malhotra, 2010:113; Hair, Wolfinbarger, Ortinau & Bush, 2013:37). This design aims to determine the effect of independent variables on dependent variables through experiments, thus allowing for more definitive conclusions (Feinberg, Kinnear & Taylor, 2013:59). In comparison, the main aim of a descriptive research design is to describe the features and characteristics of individuals, groups of people or environments (Zikmund & Babin, 2013:49). According to Knupfer and McLellan (1996:1196) this design provides an understanding of a sample group's characteristics and describes this in an appropriate manner. The findings are usually based on the primary focus of people's beliefs and perceptions on a specific issue or topic and allow for an understanding of the fundamental causes of a certain occurrence (Kumar, 2008:15). This form of research could be either longitudinal or cross-sectional in nature (Iacobucci & Churchill, 2010:86). Lac (2016:1) defines a longitudinal design as a process of repeating the same measures on the same sample over a period of time. In contrast, cross-sectional designs involve obtaining a measurement from a sample (single cross-sectional design) or samples (multiple cross-sectional design) at a specific point in time (Moutinho & Hutcheson, 2011:109). As the study focused on understanding and predicting the factors that motivate female entrepreneurs to remain in business, and determining which factors restrict or promote the growth of their business, a descriptive single-sample cross-sectional design approach was followed. This involved the use of a structured questionnaire to collect data from a sample once only.

5.4 RESEARCH APPROACH

A research approach refers to the process or specific manner in which the data for a study is collected, analysed and interpreted (Wei, 2010:17). As the research questions or formulated hypothesis have certain elements, related to their nature, linked to them, the research approach may differ from one study to the next. The most popular and well-known research approaches are classified into three categories: the quantitative, qualitative or mixed method approaches (Williams, 2007:65). The quantitative research approach tended to be the favoured on up until the twentieth century. Owing to its inclusion of epistemological, methodological and ontological principles, it was considered to be the preferred and even the only appropriate way of conducting research (Onwuegbuzie & Leech, 2007:266). However, at the turn of the twentieth-century, the qualitative research approach started to gain in popularity. Not long thereafter, there was a move towards combining these two approaches, leading to the emergence of the mixed method approach in the 1960s (Onwuegbuzie & Leech, 2007:266).

The decision as to which approach is the most appropriate is governed by the research paradigm and research design of the study. Harrison and Reilly (2011:7) make the point that a qualitative approach aims to answer questions about the why and how of a phenomenon. This type of approach is investigative in nature and may be considered unstructured (Malhotra, 2010:73). Being exploratory in nature, it aims to gain greater insight into and understanding of the underlying factors of a problem or phenomenon (Creswell, 2012:16). Qualitative approaches relate to the collection and analysis of textual data such as interviews, observations, surveys and conversational analysis (Borrego, Douglas & Amelink, 2009:55). Such approaches include several data collection techniques, with the most common of these being focus groups, in-depth interviews and projective techniques. Non-disguised qualitative research methods include focus groups and in-depth interviews that potentially yield rich, high quality and detailed data which is versatile and useful (Surujlal, 2011:121). In-depth interviews involve conducting thorough one-on-one unstructured interviews or structured interviews that may include open and closed ended questions with individual participants (Boyce & Neale, 2006:3). By contrast, focus groups involve a group discussion amongst a selected group of participants, normally between seven and 10 people (Marczak & Sewell, 1998), which is facilitated by a trained moderator (Marczak & Sewell, 1998). The disguised qualitative research procedure makes use of projective techniques, such as association techniques, completion techniques, construction techniques and the like (Malhotra, 2010:173). One of the main objectives of qualitative approaches is to develop a deeper understanding of the topic being researched (Berndt & Petzer, 2011:84). What differentiates this approach most from quantitative approaches is that it makes use of non-numerical data to interpret and better understand the individuals or matters under investigation (McDaniel & Gates, 2013:117). Qualitative researchers make use of a wide-ranging spectrum of interrelated interpretive methods (Denzin & Lincoln, 2008:29). In this regard, Krauss (2005:764) cautions that researchers engaged in qualitative research need to guard against contaminating their findings with their own views. However, in reality, due to the exchange of knowledge and ideas

between the researcher and the participants, subjective understanding may be difficult to avoid when compared to the utilisation of quantitative approaches.

Quantitative approaches make use of numerical observations and calculations (Sobh & Perry, 2000:1194; Sukamolson, 2010:1). Maree, Creswell, Ebersöhn, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen, Plana Clark and van der Westhuizen (2011:257) state that quantitative research approaches mainly test or examine the relationships between different variables. This approach is most appropriate when gathering data and information from large samples as it allows for logical investigations providing insight into the influence of certain factors on each other (Struwig & Stead, 2010:5). Moreover, quantitative studies allow researchers to assess whether or not the results and conclusions from the statistical analysis may be replicated or applied within larger or different population samples (Borrego *et al.*, 2009:54). One of the advantages of using a quantitative research approach is that due to the use of several statistical techniques a researcher contributes information objectively to the study field; thus prejudice may be reduced. In addition, Creswell (2012:15) articulates the point that values and biases do not have an influence on the results gained from a statistical analysis as the study design allows for the control of all variables that may have led to some form of bias in the study. Williams (2007:67) indicates that, in the case of the descriptive research design, the two main quantitative data collection techniques are the observational method and the survey method. A third approach is the mixed-method approach, which entails utilising elements from both qualitative and quantitative approaches during data collection and analysis in a single study (Borrego *et al.*, 2009:57-58; 2009:15).

Essentially, the research approach chosen should be one that maps and plans the research question in a manner that offers an individual the best chance to obtain valuable outcomes (Johnson & Onwuegbuzie, 2004:16-17). As the primary objective of this study was to determine the factors influencing South African female entrepreneurs' intention to remain in business, the use of a quantitative research approach was deemed most appropriate. The study made use of primary data collected through the use of structured questionnaires, which were subsequently analysed and interpreted in a statistical manner. The following section describes and explains the sampling strategy adopted for this study.

5.5 SAMPLING STRATEGY

The next step in the process of describing the methodology best suited for this study is to explain the sampling strategy followed. It encompasses aspects pertaining to the designs and methods utilised in drawing a sample from the population, which, in turn, could provide precise and dependable assumptions (Zikmund & Babin, 2013:312). Essentially, a sampling strategy involves aspects such as defining the target population, identifying a sample frame, selecting the correct sampling method, determining the sample size and implementing the actual sampling plan. Salkind (2012:95) refers to a sample as a subset group, which may, to some extent, be representative of a bigger portion or even the whole population. As sampling an entire population may be very costly, time consuming and even, in some cases, impossible,

the sampling strategy and subsequent procedures may provide justification as to why merely a certain percentage of the population is included in the study. The sampling strategy can be explained in five steps as depicted in Figure 5.2. These five steps were also used in the sampling strategy for this study.

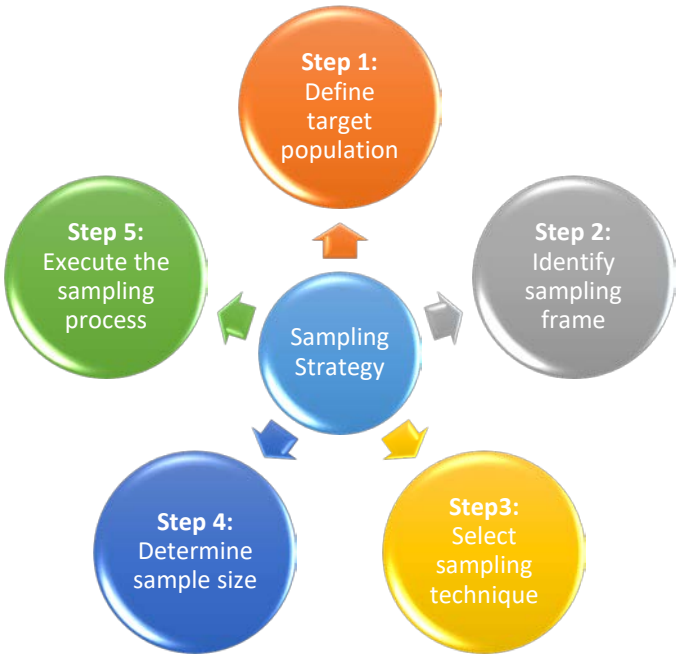


Figure 5.2: Sampling strategy

Source: Malhotra (2010:375)

In the following sections, the sampling strategy utilised in this study is explained.

5.5.1 Step 1: Defining the target population

Zikmund (2000:342) and Charmaz (2006:18) refer to a target population as a group of specific elements or objects applicable to a study. The collection of these elements or objects is the source of the information required to fulfil the research objectives (Kent, 2007:227). Cant *et al*. (2005:164) assert that the target population establishes which elements should or should not be incorporated into the sample. As mentioned above, it may be very costly, time consuming and even impossible to conduct a census and gather data from an entire target population; thus, defining a sample to be drawn from the target population is important. Malhotra (2010:372) and Hair *et al.* (1998:328) state that a target population should be described in terms of the elements and sampling units to be included in the study, the geographical area where the study will take place and time frame during which the study will be conducted.

In terms of the elements and sampling units, the target population relevant to this study included female business owners who owned the majority of the shares in the business and were actively involved in managerial aspects of the business at the time of data collection.

As to the extent of the study, the research was conducted in South Africa and included respondents from all nine provinces. South Africa's population was calculated at approximately 56 521 900 of which 28 901 400 (51.133%) were females as per the mid-2017 figures (StatsSA, 2017a:2). Section 3.3 provided an overview of South Africa's economic and entrepreneurial landscape and Section 3.4 an overview on female entrepreneurship in South Africa. Figure 5.3 indicates South Africa's nine provinces and the number of respondents from each province. Gauteng resulted in the highest number of respondents as this province is known for being the business hub of South Africa (RSA-Overseas.com, 2017).

Figure 5.3: Map indicating South Africa's provinces and the distribution of the sample

Source: Provincial Government (2017)

Concerning the duration of the study, data collection was conducted over a two month period during 2017.

5.5.2 Step 2: Identifying sampling frame

Zikmund and Babin (2013:317) refer to a sampling frame as a list, as does Warnecke (2005). For example, telephone directories, memberships of certain related organisations and maps or geographical blocks, derived from a target population, from which a representative sample may be drawn. These frames indicate the segment or portion of the target population from which the sample is drawn (Adams,

Khan, Raeside & White, 2007:88). The said population for this study comprised females who already owned and managed a business in South Africa. From this target population, female business owners from South Africa who were part of a business network or association were identified as forming part of the sampling frame. This included organisations such as the Small Business Institute (SBI) (formerly known as Afrikaanse Handelsinstituut (AHI)), the National African Federated Chamber of Commerce (NAFCOC), the South African Chamber of Commerce and Industry (SACCI), the South African Women Entrepreneurs Network (SAWEN), the Business Women's Association (BWA), the Department of Trade and Industry (DTI), the Business Partners, the Organisation for Women in Science for the Developing World (OWSD) and the Golden Triangle Chamber of Commerce (GTCOC).

5.5.3 Step 3: Selecting sampling techniques

McDaniel and Gates (2010:379) make the point that a sampling technique or method will depend mainly on the objectives of the study, time and financial restrictions as well as the nature of the research questions being addressed. More specifically, the sampling technique refers to the method by which the sample will be drawn (Cant *et al.*, 2005:165). Sampling techniques are categorised into two main groups: probability or non-probability sampling (Coldwell & Herbst, 2004:79; Berndt & Petzer, 2011:173). Zikmund and Babin (2013:322) describe a probability sample as a method that emanates from the selection of sample units (respondents) where all the units have a known chance or equal probability of being included in the sample. Using a probability sampling technique provides a study with a completely impartial instrument for the selection process (Maree & Pietersen, 2012:173). Probability sampling makes use of the reliability of mathematics as it is based on comprehensive theoretical principles of chance and likelihood (Chisnall, 1992:66). The four main methods of choice, when using this sampling technique, include random, systematic, stratified and cluster sampling (Sekaran & Bougie, 2010:26).

In contrast, non-probability sampling techniques do not rely on chance; rather, the personal judgement of the researcher is used to select the elements to be included in the sample. One of the negative aspects of using this sampling technique is that it cannot be considered totally representative of the whole population (Feinberg *et al.*, 2013:304). Although this shortcoming exists, this sampling technique is not required to provide insight into a full sample or population, but rather into just a specific group (Somekh & Lewin, 2011:224).

As the study focused specifically on female entrepreneurs already owning a business, it made use of a single cross-sectional non-probability sampling approach. A combination of two non-probability sampling techniques was used in the selection of the sample elements as identified from the target population. First, a purposive sampling technique was utilised as it focuses on characteristics of a population based on the objective of the study, in this case female entrepreneurs owning a business for longer than a year (Crossman, 2017). Second, a convenience sampling technique was employed based on specific participant selection criteria. The decision to utilise this technique was made on the basis that no,

or limited, prior knowledge of the precise locations and the names of the individuals from which the sample could be drawn, was available.

The sample was obtained through the following methods:

- Contacting the various business organisation and networks (listed in Section 5.5.2) in order to obtain access to their databases of local businesses
- A snowball sampling technique was used to identify additional female entrepreneurs
- Trained fieldworkers were used to administer questionnaires in the different provinces in South Africa
- The appointment of two external service providers specialising in data collection.

Demographic questions, such as race, age, area, number of years in business, education level, home language and the business location were included in the questionnaire in order to overcome the limitations of using convenience sampling. This assisted in determining the extent to which the sample was representative of the target population and, consequently, the degree to which the study's findings could be generalised to that population.

5.5.4 Step 4: Determining the sample size

Berndt and Petzer (2011:182) define a sample size as the number of respondents which it is necessary to involve in a study to obtain irrefutable findings. Malhotra and Birks (1999:385) assert that a suitable sample size can be determined by considering various factors. These include the nature of the study, sample sizes used in previous similar studies and the availability of financial and time resources. Malhotra (2010:374) adds that the number of variables and the planned methods of statistical analysis, for example univariate, bivariate and multivariate statistical methods, may influence the sample size required. Although what constitutes an appropriate sample size differs from one study to another, Fowler (2014:39) emphasises that there is no definitive answer to the question as to what the optimal sample size is, since research is a complex science. Noordzij, Tripepi, Dekker, Zoccali, Tanck, and Jager (2010:1392) opine that determining the correct or most appropriate sample size may be a very subjective process, in which the judgement regarding such a size may be based on context specific conditions.

As the exact population size of female business owners in South Africa is unknown, it was difficult to statistically determine the sample size to present a reflective proportion of the whole population. Avikaran (1994:29) advises that a sample size of between 200 and 500 should be used when undertaking multivariate statistical analysis. Given that one of the main statistical methods planned for data analysis in this study was canonical correlation, which is a multivariate statistical analysis technique, it was anticipated that a sample exceeding 500 female entrepreneurs would be appropriate. The final sample amounted to 510 usable questionnaires. The sample size is therefore deemed adequate because it exceeds

the recommended 200 to 500 respondents when using multivariate analysis, such as canonical correlation. The final step in developing a sampling strategy is the execution of the sampling process.

5.6 LITERATURE REVIEW

One of the most important phases of conducting a new research study is undoubtedly the literature section. A literature review constitutes the theoretical foundation of a study and may be described as a critical and in-depth assessment of previous research studies (Shuttleworth, 2009:1). A review of relevant academic literature helps to identify the theory that should guide the research (Malhotra, 2010:83). Shuttleworth (2009:1) adds that a properly executed literature review not only justifies why specific research questions are addressed in a study but also forms the foundation of concepts and aspects relating to the specific problem or topic. It is not only a consecutive directory of all academic sources used in the study but, more importantly, an assessment that pulls together thoughts of previous researchers and describes how it interacts with and links to the research in the proposed new study (Mafini, 2015:98). A literature review should not simply re-hash existing literature, but should rather critically assess and review important concepts, agreements and even arguments relating to the topic at hand (Shuttleworth, 2009:1). A well-constructed literature review enables one to build on the existing body of knowledge.

The literature survey compiled in this study made use of a variety of national and international sources in order to support the theoretical and empirical objectives of this research. Several secondary sources were consulted, including relevant Internet sources, textbooks and publications, business articles, reports, journal articles, academic journals, newspaper articles and online academic databases. Furthermore, the literature review conducted made a twofold contribution to the success of this study. First, the insights and content development of the research instrument used to obtain primary data for the empirical portion of this study were identified through an in-depth review of the literature as suggested by Notar and Cole (2010:12). Existing scales and additional items included in the questionnaire were obtained from insights and gaps identified in the existing literature (Randolph, 2009:8). Second, the literature review enabled an enhanced understanding of issues already investigated in other studies, definitions, explanations, trends and findings from studies conducted on similar topics as well as the possible implications of such studies (Bloomberg & Volpe, 2008:227).

5.7 DATA COLLECTION INSTRUMENT AND PROCEDURES

The process of data collection refers to the manner in which the data relevant to addressing the empirical objectives of a study is collected from the sampling elements. Blumberg, Cooper and Schindler (2008:278) refer to two methods in which primary quantitative data can be collected. The first of these two methods is known as the observation technique. Observation encompasses the systematic observing and recording of occurrences or actions of an identified group of individuals, objects or events (Zikmund & Babin, 2013:237). Schmuck (1997) defines this method as a systematic approach that uses recordings of non-verbal actions to provide an understanding of certain events. By contrast, survey methods typically

make use of a questionnaire to collect the required data. The questionnaire is used to capture and, subsequently, interpret responses from sample participants to answer a set of questions linked to the research problem (Cant *et al*., 2008:95; Mertens, 2010:172). Questionnaires utilised in the survey method may be administered in a variety of ways, including telephonically, online, through traditional mailing systems or by means of face-to-face interviews (Struwig & Stead, 2001:86). The appropriate administration method for a study depends on factors such as the type and complexity of information that is to be collected, the characteristics of the target population, including its members' geographic spread, as well as cost and time constraints (FAO, 2017).

Furthermore, questionnaires may be self-administered or interviewer-administered. In the case of the former, questionnaires are distributed to respondents who are subsequently requested to complete the questionnaires themselves. Interview questionnaires involve the interviewer reading the questions aloud to respondents either face-to-face or via telephone and then recording the respondents' replies on the questionnaire (Johnson & Reynolds, 2008:49). Some of the advantages associated with using a self-administered questionnaire include: that this is a cost-effective data collection option; it limits researcher bias; data capturing is rapid; data is easy to analyse and interpret; less time is required to administer the questionnaires compared to the time needed for interviews; this approach allows for data collection from large samples and it is easy to duplicate studies using similar research instruments (Drew, Hardman & Hosp, 2008:16). Given these advantages, this study utilised the self-administered questionnaire survey to collect the required data. As the sample was spread across all nine South African provinces and not conveniently situated in a smaller demographic area, the questionnaires were distributed either in hard copy (where possible) or electronically via email. Trained fieldworkers and two independent data collection companies, as mentioned, were appointed to assist in the data collection process.

5.7.1 Questionnaire design

Questionnaires comprise a selection of questions and/or items aimed at addressing the research objectives of a study (Cant *et al.,* 2005:147). When designing a questionnaire, Iacobucci and Churchill (2010:221) are of the opinion that the professional appearance of the questionnaire is very important, and that including a comprehensive but brief covering letter may ensure a better response rate. The purpose of such a letter is to provide the respondent with the purpose of the study and to motivate participation in the latter (Zikmund & Babin, 2013:174).

Designing a questionnaire entails a detailed planning process: according to Lee (2006:760), if done correctly, appropriate questions may result in the provision of information that contributes to testing of theories and the accurate investigation of research questions. Berndt and Petzer (2011:186, 198) as well as Struwig and Stead (2010:91) state that a well-designed questionnaire would include questions directed to specific subject matter, be logically-structured, use a proper question format, while wording should be well-planned, questions should be short and to the point and follow a comprehensive flow. While a

questionnaire should include all the relevant questions/items necessary to answer the research questions, it should also be kept as short as possible to allow respondents to complete it within a reasonable time frame, because lengthy questionnaires may result in either a low response rate or partially completed questionnaires. McDaniel and Gates (2013:359) maintain that a questionnaire should not require more than 20 minutes to complete nor should it include more than 100 to 120 items. Struwig and Stead (2010:91) propose that a set of overall guidelines may assist in a well-designed questionnaire. These guidelines include:

- Questions should be topic specific and focus on just one concept
- Words used in the questionnaire should correspond with the vocabulary level of the respondents
- Words such as usually, normally and sometimes should be avoided if possible
- Do not use leading questions that may force a certain response
- Do not use any slang or abbreviations
- Avoid assumptions and implicit alternatives
- Keep the questions simple
- A combination of positive and negative questions should be variously posed
- Avoid double negative questions
- Refrain from asking sensitive information as this may result in incomplete questionnaires
- In the case of complicated questions, rather split them up into shorter and simpler questions.

The designing process typically takes account of several considerations, including the question format. The questionnaire format refers to a specific arrangement of sets or scales of questions into a logical instrument (Czinkota & Ronkainen, 2010:258). A self-administered questionnaire was used; this form of instrument places the responsibility of reading and answering the questions on the respondent (Zikmund & Babin, 2013:171). Bell (2005:160) indicates that questions may be structured or unstructured. The former is closed-ended, meaning that the respondent only selects one or more of the options provided, whereas unstructured or open-ended questions provide respondents with the opportunity to express their opinion in their own words (Cant *et al.*, 2005:151; Maree *et al.*, 2011:161). Analysing open-ended questions is more complicated because of the unstructured nature of these questions; hence, in the case of quantitative research, these questions should be limited in number. Table 5.2 summarises the advantages and disadvantages of using structured and unstructured questions.

Table 5.2: Advantages and disadvantages of using structured and unstructured questions

Question Type	Advantage	Disadvantage
Structured Questions (Closed-ended)	Easy to capture	Respondents may pick selections without reading questions properly
	Analysis based on statistics (less bias)	Does not provide in-depth reasons as to why respondents selected a certain response
	Questions are easy and quick to answer	
	Sensitive questions answered more easily	
Unstructured Questions (Open-ended)	Allows respondents to provide in-depth reasons for their response	Difficult to capture
	Provides a level of detail for the topic being investigated	Difficult to analyse
		Questions take long to answer and this may result in lower response rates or non-completed answers
		Researcher needs some level of involvement to analyse results, creating the possibility of bias

Source: Berndt and Petzer (2011:187); Iacobucci and Churchill (2010:604)

Most of the questions in this instrument were structured, with the exception of a few questions that provided an 'other' or 'indicate how many' option. The respondent could include an option in this space that was not provided in the selection, or supply a precise figure. This was the case, for example, where respondents were asked how long they had owned a business or how many children they had. Open-ended questions were included only in the demographic and business information sections (Questions K4, K7, L1, L2, L4, L5, L7, L9 – L13 and L15).

Malhotra (2010:344) points out that several types of structured questions may be posed. These include multiple choice, dichotomous or scales. Multiple-choice questions request respondents to choose one or more options from a selection of possibilities while dichotomous questions only provide two responses to choose from, for example yes or no (Zikmund & Babin, 2013:285). Malhotra (2010:282) explains that scaling involves 'creating a continuum upon which measured objects are located', with responses being measured using either comparative or non-comparative scales. Examples of the first-mentioned scales include rank order, paired comparison or constant sum scales (Cant *et al.*, 2005:137). None of these were utilised in this study. Non-comparative scales include the use of either continuous rating or itemised rating scales, with itemised rating scales including Likert, semantic differential and staple scales, or a combination thereof (Cant *et al.*, 2005:137). As just the Likert scale was used in this study, this is the single scale that will be discussed in more detail.

In Sections A to J, which measured the factors contributing to female entrepreneurship, Likert scales recorded respondents' responses. This type of scale is a psychometric response scale measuring a respondent's degree of agreement regarding a statement (Bertram, 2008:1). Likert scales may include an odd number of categories; for example, a 5-, 7- or 9-point scale with a neutral choice in the middle or an

even number of categories, with no neutral option (Malhotra, 2010:313). The scales used in this study consisted of a six-point equal scale ranging from 1-Strongly Disagree to 6 – Strongly Agree. Even-scaled response categories are employed in situations where the respondents are believed to have adequate information on the questions at hand. In other words, they should possess a certain degree of knowledge on the research topic. Odd-scaled response categories are used in scenarios where respondents are selected at random and may not have information on the specific topic (Bertram, 2008:2). As the sample used in this study included females who are actively involved in managing a business, the assumption was made that they should have acquired some degree of knowledge or opinion about the statement or questions posed; therefore, a response was forced to fall either into the agree or the disagree category. Section K and L consisted of a variety of multiple-choice and dichotomous questions where, in some cases, open-ended questions were asked.

The questionnaire format was designed with the aim of addressing the empirical objectives as set out in Chapter 1. The variables used in the questionnaire were developed using the GEM conceptual or entrepreneurial framework as part of the research methodology. This framework explains that several factors, referred to as Entrepreneurial Framework Conditions (EFCs), impact on entrepreneurship; some of these were incorporated into the research instrument. As no existing scales could be obtained on certain of the variables, these constructs were developed from an extensive literature review. However, the motivation scale, intention to remain scale, intention to grow scale and the attitude scale, were adapted from existing scales. In addition, the decision to use scales, instead of independent single item questions, was based on various reasons. Williams (2003:1) remarks that individual items may result in measurement errors and if numerous items link to a similar underlying issue, multicollinearity and unnecessarily complex results may be obtained. Therefore, the creation of scales with multiple items may be more appropriate. The following section explains the variables used in the questionnaire.

The specific actions undertaken in designing the questionnaire used in this study are also discussed.

5.7.1.1 Section A: What motivates you to stay in business?

The ‘motivation to remain in business’ scale was included in the questionnaire to determine the reasons motivating female entrepreneurs to stay in business. These motives are divided into internal and external motives. The original scale, developed by Mitchell (2003:733-734), was aimed at identifying the factors affecting female entrepreneurs’ intention to start a business and was adapted to suit the context of this study, which focused on female entrepreneurs’ intention to stay in business. As the two studies differ slightly, the items in the original scale were amended and combined where needed in order to accommodate this study. Several items were added to enhance the effectiveness of the scale. Table 5.3 depicts the items from the original scale, the amended items adapted for this study and the new items included in the scale.

Table 5.3: Development of Scale A

Original item	Adapted item
Control my own time	I prefer being independent and having control of my own life (A1)
Item added	I like having a work life balance (A2)
Have greater flexibility for private life	I prefer having flexibility in my life (A3)
Item added	I prefer being my own boss (A4)
Desire to have earnings and needed more money to survive	I desire more wealth and economic stability (A5)
Item added	I like being creative and using my talents (A6)
To keep learning	I like applying my knowledge and skills, and continuously learning (A7)
To be innovative and in the forefront of new technology	I like being innovative and keeping abreast with developments in my field (A8)
Item added	I enjoy the self-accomplishment and self-fulfilment associated with my business (A9)
Item added	I like pursuing a challenge (A10)
Develop idea for product / business	I like filling a gap in the market (A11)
Increase status of family	I want to improve the status of my family within the community (A12)
Be respected by friends and access to indirect benefits	I enjoy the indirect benefits of having a higher status in the community (A13)
Item added	I want to achieve a higher position / recognition in society (A14)
Achieve something and get recognition	I want to prove that I own a successful business (A15)
Welfare of community I live in, have more influence in community and achieve position in society	I enjoy having an influence in my community (A16)
Freedom to adapt my own approach to work	I like the freedom of being able to adapt my own approach to work (A17)
Welfare of ethnic group	I want to contribute to society (A18)
Not to work for an unreasonable boss and frustrated in previous job	My negative experiences/frustrations of being employed motivates me to continue running my own business (A19)
Welfare of relatives and give self and family security	I want to give myself and my family more security by bettering my financial position (A20)
Direct contribution to success of company	I like making a direct contribution to the success of the business (A21)

Source: Mitchell (2003:733-734)

5.7.1.2 Section B: Intention to stay in business

Section B measured the intention to remain in business by using a five-item scale adapted from the Intent to Stay scale by Weiss, Dawis, England and Lofquist (1967). The latter scale was adapted to measure female entrepreneurs' intention to remain in business and retrieved from Mustapha *et al*. (2010:66). Table 5.4 depicts the items from the original scale, the amended items adapted for this study and new items included in the scale.

Table 5.4: Development of Scale B

Original item	Adapted item
I have planned to remain with this organization to advance my career	I would never consider closing or selling my business and returning to full employment (B1)
I am always thinking of resigning my job	Item not used in final scale
Added item	I plan to continue with my business for many years (B2)
Added item	I plan on running my business for the foreseeable future (B3)
Added item	I am building my business for my children to take over one day (B4)
Added item	I see myself remaining in this business forever (B5)

Source: Weiss *et al*. (1967)

As the original scale comprised just two items of which one was a negative statement, it was decided to add more items to the construct. The negatively-worded item was also altered to a positive statement. The final scale consisted of five positive statements measuring female entrepreneurs' intention to stay in business.

5.7.1.3 Section C: Intention to grow business

The intention to grow the business scale in Section C made use of a four-item scale. The scale used was adapted from a scale developed by Human and Matthews (2004) and retrieved from Manolova *et al.* (2012:13). Table 5.5 depicts the items from the original scale, the amended items adapted for this study and new items included in the scale.

Table 5.5: Development of Scale C

Original item	Adapted item
I want the business to be as large as possible	I plan on growing my business as large as possible (C1)
Added item	I plan on growing my business over the next few years (C2)
Added item	Growing my business is my dream (C3)
I want a size I can manage myself or with a few key employees	I want my business to remain a size that I can manage with a few key employees (C4)

Source: Human and Matthews (2004) and retrieved from Manolova *et al.* (2012:13)

The original scale made use of a self-reported single-item dichotomous measure. The respondents were given the option to choose either one of the statements. The items in this study were adapted to allow respondents to rate their responses to the two items on a six-point Likert scale, rather than only to be able to choose one statement. Again, another two items were added to the scale to improve the reliability thereof. Williams (2015:1) asserts that individual items that measure a similar concept, if well-constructed, will be more reliable than one or two item scales. The final scale consisted of four items.

5.7.1.4 Section D: Financing constraints

As mentioned, several factors that affect entrepreneurial activity were included in the questionnaire. These factors were derived from the GEM conceptual framework and are referred to as the EFCs. Financing constraints comprises one of the nine identified EFCs. The entrepreneurial finance conditions, which assess issues such as availability of loans and other types of finance, equity, debt and risk, were

included as Section D in the final questionnaire and consisted of 12 items. As no existing scale on finance constraints could be found in the literature, a new scale was developed from an extensive literature review. Table 5.6 depicts the items compiled to make up the finance constraint scale.

Table 5.6: Development of Scale D

Item number	Item included in scale
D1	The conditions imposed by banks in granting credit to small businesses restrict me from expanding or growing my business
D2	Banks are generally stricter in granting credit to female business owners
D3	I needed financing before, but could not obtain a loan / overdraft
D4	Limited financial support from the government makes it difficult for small businesses to expand or grow
D5	The amount of taxes I have to pay adversely affects the expansion and growth of my business
D6	High labour and production costs represent one of the barriers in conducting or expanding my business
D7	The high cost of obtaining skills and business training constitute a barrier and restricts me from expanding or growing my business
D8	Cash flow challenges restricts me from expanding or growing my business
D9	Lack of financial management skills restricts me from expanding or growing my business
D10	There are strict policies regarding granting funding to small businesses
D11	The application process for funding makes it difficult to access funds
D12	The requirements (e.g. guarantors, business plans, feasibility study etc.) makes applying for funding a difficult process

The items were constructed from literature sources indicating that the aspects addressed in the scale have an impact on a business (Verheul & Thurik, 2001; Falkena, Abedian, von Blottnitz, Coovadia, Davel, Madungadaba, Masilela & Rees, 2002; Ifelunini & Wosowei, 2013; Makina, Fanta, Mutsonziwa, Khumalo & Maposa, 2015). These aspects include obtaining finance, strict regulations for doing so, complicated application processes and related financial aspects.

5.7.1.5 Section E: Government support

Government support also forms part of the EFCs; hence, it is included in the final questionnaire. No scale measuring government support for female entrepreneurs could be found; thus, a new scale was constructed based on the literature. The government policy/support conditions specifically investigate the support from government for existing entrepreneurs and the further development and support for new entrepreneurs. In addition, the EFCs refer to government entrepreneurship programme conditions, which assess the availability and quality of programmes assisting entrepreneurs and their businesses on various levels. Table 5.7 depicts the items compiled to make up the government support scale.

Table 5.7: Development of Scale E

Item number	Item included in scale
E1	Government regulations and 'red tape' restrict my business from growing
E2	Lack of adequate infrastructure such as electricity, water and roads are preventing me from growing my business
E3	Lack of adequate support from government business development policies restrict me from growing my business
E4	Entrepreneurs are sometimes forced to find a loophole or bend rules in the regulations to ensure business growth
E5	Limited financial support from the government makes it difficult for small businesses to expand or grow
E6	Women entrepreneurs do not have equal access to government support, holding back the potential of women-owned businesses

The items were constructed from literature sources indicating that the aspects addressed in the scale have an impact on a business (Kitching, 2006; Teoh & Chang, 2007; Harash, Al-Tamimi & Al-Tamimi, 2014). These aspects include unnecessary 'red tape', strict regulation and restrictive policies as well as unequal access to support.

5.7.1.6 Section F: Entrepreneurship training and education

The factor measuring entrepreneurial training and education was also derived from the EFCs, as discussed in Section 2.6. The literature states that entrepreneurial training is imperative for a successful business venture (Cooney, 2012:1). This section aimed at obtaining the views of the female entrepreneurs on entrepreneurial training and education. The EFCs refer to entrepreneurial education as comprising the conditions determining to what extent entrepreneurship training is incorporated into the schooling system and how additional training (post schooling level) affects the success of a business. The section was also compiled from the literature as no scale measuring this factor could be found. A five-item scale was subsequently developed. Table 5.8 depicts the items compiled to make up the government support scale.

Table 5.8: Development of Scale F

Item number	Item included in scale
F1	My qualifications, skills and self-improvement are adequate for me to run my own business
F2	The level of entrepreneurial education determines how successful one's business will be
F3	Entrepreneurial training should be a pre-requisite for any entrepreneurial venture
F4	Training in life-skills (planning and budgeting skills) are essential for success
F5	It is important to have mentoring on entrepreneurship before embarking on an entrepreneurial venture

Several items from existing literature sources were compiled; these included aspects pertaining to qualifications, skills and mentorship (Onstenk, 2003: De Bruin, Brush & Welter, 2007: Hughes, Jennings, Brush, Carter & Welter, 2012).

5.7.1.7 Section G: Risk-taking propensity

The concept surrounding risk is also a contributing factor in running a successful business. Risk propensity is likewise listed as a factor contributing toward entrepreneurial activities in the EFCs. The risk scale included several items that were adapted from an existing risk scale while some were added

from the literature. The risk scale developed by Meertens and Lion (2008:15) was used and adapted to suit this study; the final scale included seven items. The original questions and adapted questions appear in Table 5.9.

Table 5.9: Development of Scale G

Original item	Adapted item
Added item	Women in general are more risk-averse when it comes financial decisions (G1)
Added item	Women with greater risk tolerance are more likely to enter into entrepreneurial ventures (G2)
Added item	Women in general take fewer risks when it comes to running a business (G3)
I prefer to avoid risks	I prefer to avoid risks (G4)
I take risks regularly	I take risks regularly (G5)
I really dislike not knowing what is going to happen	I dislike not knowing what is going to happen (G6)
I usually view risks as a challenge	I usually view risks as a challenge (G7)

Source: Meertens and Lion (2008:15)

Questions G1 to G3 were added with specific reference to female entrepreneurs and in the belief that females are more risk-averse. Several studies indicate that females are more risk-averse and tend to take fewer or more calculated risks than men (Sharma & Vasakarla, 2013:498; Sundheim, 2013).

5.7.1.8 Section H: Socio-cultural barriers

Socio-cultural barriers create another factor that, in various instances, may affect female entrepreneurship (Maziku, Majenga & Mashenene, 2014:51). This prompted the decision to include this factor in the research study and questionnaire. No scale could be found regarding socio-cultural barriers amongst female entrepreneurs; therefore, a scale was developed from the existing literature. The final scale consisted of seven items. These are depicted in Table 5.10.

Table 5.10: Development of Scale H

Item number	Item included in scale
H1	My cultural background makes it difficult for me to earn respect in my business community
H2	Stereotypical treatment of women in the business world sometimes affects my business negatively
H3	Because I am a woman, people sometimes question my abilities
H4	Women business owners are discriminated against in the South African labour market
H5	I sometimes struggle to balance work and home duties
H6	I sometimes need to neglect my business responsibility to take care of family issues
H7	The views held by society on the traditional roles of women (e.g. wife, mother) impact negatively on my business ventures

Several aspects gleaned from existing literature sources were used to compile the list of items used in this scale. Items pertaining to cultural background, stereotyping and family responsibility, for example, were added (DeMartino & Barbato, 2003: Loscocco & Smith-Hunter, 2004; Walker, Wang & Redmond, 2008; Poggesi, Mari & De Vita, 2017).

5.7.1.9 Section I: Business growth factors

Section I contained items on respondents' attitudes towards business growth factors. The scale by Benzing *et al.* (2009:75) was adapted for this section. As one of the empirical objectives was to determine

the female entrepreneurs' intention to grow their businesses, this factor was deemed necessary to be included in the questionnaire. Items were adapted to fit the objectives and scope of this study; these resulted in a 17-item scale and are depicted in Table 5.11.

Table 5.11: Development of Scale I

Original item	Adapted item
Previous business experience	Having previous business experience helps me grow my business more successfully (I1)
Support of family and friends	Support from my family and friends is important for the growth of my business (I2)
Hard work	Hard work ensures the successful growth of my business (I3)
Position in society	My position in my community and society is important for the growth of my business (I4)
Good customer service	Good customer service and relations is an important factor for the growth of my business (I5)
Political involvement	Having some level of political involvement contributes to the growth of my business (I6)
Good product at competitive prices	Having a good product or service is an important factor for the growth of my business (I7)
Good product at competitive prices	Having competitive prices is an important factor for the growth of my business (I8)
Marketing/Sales promotion	Promoting your product or service by means of a good marketing strategy contributes to the growth of my business (I9)
Reputation for honesty	Having a reputation for honesty is important for the growth of my business (I10)
Social skills	Having good social skills is an important factor for the growth of my business (I11)
Ability to manage personnel	My ability to manage my personnel is a contributing factor to the growth of the business (I12)
Good management skills	Good general management skills is an important factor for the growth of my business (I13)
Access to capital	Access to finance is an important factor for the growth of a business (I14)
Satisfactory government support	Government support to entrepreneurs is a contributing factor to the growth of the business (I15)
Appropriate training	Entrepreneurial training is an important factor for the growth of my business (I16)
Item added	The entrepreneur's business growth depends on his/her level of education (I17)

Source: Benzing *et al.* (2009:75)

The original item, 'good product at competitive prices', was split into two separate items (I7 and I8) as this statement included two issues and may have caused confusion amongst the respondents. In addition, two items from the original scale were excluded as they were deemed unnecessary for the objective of the study. These items relate to charisma/friendliness and the maintenance of accurate records. Item I17 was also added to the scale as the level of education might also have an effect on the success of a business (Cooney, 2012:1).

5.7.1.10 Section J: Attitude towards business

The final section containing factors contributing to female entrepreneurship chosen for this study is based on females' attitude towards their business. This scale was amended and adapted from an existing scale

developed by Beckman (2003). The final scale measuring female entrepreneurs' attitude toward their business consisted of 14 items. These items are recorded in Table 5.12.

Table 5.12: Development of Scale J

Original item	Adapted item
Item added	I am as ambitious now as when I first started the business (J1)
I would not leave my organisation right now because I have a sense of obligation to the people in it	Giving people a job gives me great personal satisfaction (J2)
I would be very happy to spend the rest of my career in this organisation	I would be very happy to spend the rest of my life in my own business (J3)
It would be very hard for me to leave my organisation right now, even if I wanted to	It would be very hard for me to leave my business right now, even if I wanted to (J4)
Item added	The idea of owning my own business is pleasing (J5)
Item added	I love working for myself (J6)
Too much of my life would be disrupted if I decided I wanted to leave my organisation right now	Too much of my life would be disrupted if I decided I wanted to leave my business right now (J7)
Even if it were to my advantage, I do not feel it would be right to leave my organisation now	Even if it were to my advantage, I do not feel it would be right to leave my business now (J8)
Item added	I get personal satisfaction being self-employed (J9)
Right now, staying with my organisation is a matter of necessity as much as desire	Right now, staying with my business is a matter of necessity as much as I desire (J10)
I would feel guilty if I left my organisation now	I would feel guilty if I leave my business now (J11)
I do not feel 'emotionally attached' to this organisation	I feel 'emotionally attached' to my business (J12)
This organisation has a great deal of personal meaning for me	My business has a great deal of personal meaning for me (J13)
I do not feel a strong sense of belonging to my organisation	I feel a strong sense of belonging to my business (J14)

Source: Beckman (2003)

The original scale by Beckman (2003) tested employees' organisational commitment and had to be amended to fit this specific study. As a result, several items pertaining to employee- organisation-specific items were left out and four items specifically aimed at determining the respondents' attitude towards being self-employed were added (question J1, J5, J6 and J9). Item J2 was rephrased to suit the study better and Items J12 and J14, which were negatively posed in the original study, were amended into positive statements. All the other items were kept as close as possible to the original.

5.7.1.11 Section K: Demographic information

As the questionnaire consisted of several sections, a decision to include the demographic and business information within the final section of the questionnaire was made. This was done to allow respondents to complete the sections pertaining to factors relating to the objectives of the study first, in an attempt to minimise incomplete and rushed completion of the questionnaire. Section K included several demographic questions:

- K1. Which ethnic group do you fall in?
- K2. What is your age?
- K3. Marital status

- K4. Do you have any children?
- K5. What is your highest level of education?
- K6. Which province is your business situated in?
- K7. What was your labour market status before starting your own business?
- K8. How long have you worked before starting your own business?
- K9. What was the reason for leaving your previous work?
- K10. How long have you been self-employed?
- K11. How long have you owned your current business?

5.7.1.12 Section L: Business information

As the study focused on female entrepreneurs who are managing an existing business, it was important to establish the business information and status of the business. Section L comprised several questions covering the said status. These questions included:

- L1. Which sector does your business operate in?
- L2. What is your company's legal form?
- L3. What is the size of your business?
- L4. Place of business premises
- L5. What was your main source of start-up capital?
- L6. Which option below best describes your business?
- L7. Which of the following are the most important growth measures that you use to assess the growth of your business?
- L8. Are you satisfied with the current size (turnover, profit, employees) of your business?
- L9. If you are not satisfied with the current growth of your business, please indicate where you would want to grow?
- L10. Have you had any exposure to business before starting your own business?
- L11. Have you ever received any entrepreneurial or business management training?
- L12. Do you think that the current South African Government is creating an enabling environment for the development of new female-owned business?
- L13. Is your business a member of the following organisations?

- L14. Are you familiar with any of the following government / private agencies or associations?
- L15. Are you part of, or inherited, a family business?

Table 5.13 provides a summary of the 12 sections included in the final questionnaire as well as codes assigned to each question/item.

Table 5.13: Summary and coding of data

Data type	Code	Question
Internal motives	A1-A4, A6-A10, A17-21	Section A: Questions A1-A4, A6-A10, A17-21
External motives	A5, A11-A16	Section A: Questions A5, A11-A16
Intention to remain in business	B1-B5	Section B: Questions B1-B5
Intention to grow business	C1-C4	Section C: Questions C1-C4
Financing constraints	D1-D12	Section D: Questions D1-D12
Government support	E1-E6	Section E: Questions E1-E6
Attitude towards entrepreneurship training and education	F1-F5	Section F: Questions F1-F5
Risk-taking propensity	G1-G7	Section G: Questions G1-G7
Socio-cultural barriers	H1-H7	Section H: Questions H1-H7
Attitude towards growth factors	I1-I17	Section I: Questions I1-I17
Attitude towards business	J1-J14	Section J: Questions J1-J14
Demographic information	K1-K11	Section K: Questions K1-K11
Business information	L1-L15	Section L: Questions L1-L15

5.7.2 Questionnaire layout

The professional layout of a questionnaire and the positioning of questions is an important aspect within the design process (McDaniel & Gates, 2010:347). The logical positioning of the various sections included in the questionnaire is vital in an attempt to reduce confusion and promote a more thorough comprehension of the topic under investigation. A well-designed and properly organised questionnaire may result in a higher response rate (Berndt & Petzer, 2011:196). Malhotra (2010:351) maintains that questions should be grouped together based on their relation to a specific topic or subject matter. This should be done in an attempt to avoid confusion. In addition, questions should be structured in a simple and clear manner and participants should have their attention drawn to changes in topics or sections to provide them the opportunity to make a transition in their thinking pattern (Maree *et al.*, 2011:159). Based on the recommendations of several authors (McDaniel & Gates, 2013; Berndt & Petzer, 2011; Maree *et al.*, 2011), the layout of the questionnaire was designed in a systematic, well-structured manner and included 12 sections. The layout is depicted in Table 5.14.

Table 5.14: Questionnaire layout

Section	Number of items/questions	Construct	Purpose
A	21	Internal motives (A1-A4, A6-A10, A17-21) External motives (A5, A11-A16)	The purpose of this construct was to determine what motivates female entrepreneurs to stay in business
B	5	Intention to remain in business (B1-B5)	This construct measured female entrepreneurs' intention to stay in business
C	4	Intention to grow business (C1-C4)	This construct measured female entrepreneurs' intention to grow their business
D	12	Financing constraints (D1-D12)	The purpose of this construct was to determine the level of financing constraints faced by the respondents
E	6	Government support (E1-E6)	This construct measured female entrepreneurs' perception on government support
F	5	Attitude towards entrepreneurship training and education (F1-F5)	The purpose of this construct was to determine the females' attitude towards entrepreneurship training and education
G	7	Risk-taking propensity (G1-G7)	This construct aimed at measuring the risk-taking propensity
H	7	Socio-cultural barriers (H1-H7)	The purpose of this construct was to determine the females' attitude towards socio-cultural barriers
I	17	Attitude towards growth factors (I1-I17)	This construct measured the respondents' attitude towards growth factors
J	14	Attitude towards business (J1-J14)	This construct measured the respondents' attitude towards business
K	11	Demographic information (K1-K11)	This section aimed at identifying the demographic profile of the respondents
L	15	Business information (L1-L15)	This section aimed at identifying the business profile of the respondents

The questionnaire was accompanied by a covering letter providing the background and purpose of the study as well as contact details of the researcher and promotors. The following sections discuss the pre-testing of the questionnaire and the pilot study process and results.

5.7.3 Pre-testing of the questionnaire

After the design phase of the questionnaire, it was pre-tested. This stage is a significant component of the questionnaire design phase. When pre-testing a questionnaire, the participants selected to assess it should be representative of the main study, possess knowledge of or background to the topic and should be drawn from the same population sample (McDaniel & Gates, 2010:353). Conducting a proper pre-test will ensure that errors and confusing, irrelevant and complicated questions are eliminated prior to conducting the final study (Zikmund & Babin, 2013:183). In addition, this phase may improve on the content, phrasing, layout and proper instructions of a questionnaire. It also assists in determining the duration of time needed to complete the latter (Cant *et al.*, 2005:157). The pre-test was conducted in two

ways. First, an academic peer review process was used. This included four academic experts who were asked to review the content of the questionnaire. Two of them were research experts and English first language speakers, while one was an industry expert in business management and development and the fourth a specialist with several years' experience in research.

Second, an industry peer review process was employed, which included two female entrepreneurs with extensive knowledge in the field of business management and business development. A pre-test was also conducted in an attempt to establish the time it took to complete the questionnaire and to ascertain face and content validity (Synodinos, 2003). This was done in an attempt to ensure the readability, feasibility, consistency and the appropriate technical formatting in the layout of the questionnaire (Parsian & Dunning, 2009:3). Both female entrepreneurs stated that it took them just over 20 minutes to complete the questionnaire. This phase assisted in reducing the number of unclear questions/items. During this phase, several changes to the original questionnaire were made. Expert 1 is a female entrepreneur with more than 20 years' experience in owning and managing a business. Expert 2 is a female business development consultant employed in an enterprise development centre, which consists of a business incubator, virtual incubation and other business related facilities. She is also part of the local business chamber and has extensive knowledge and experience of working with small businesses. Appendix A provides a summary of the changes and suggestions that were proposed by the two industry experts in an attempt to improve the final questionnaire. These changes were either accepted and changed, or rejected for a specific reason. The final questionnaire is included in Appendix B.

5.7.4 Pilot testing of the questionnaire

After completing the pre-testing phases, the next step in the design process of a questionnaire includes a pilot test in order to further refine the content of the questionnaire, if needed (Polit *et al.*, 2001:467). The aim of a pilot study is to determine whether the questionnaire may be deemed a reliable instrument (Pallant, 2010:6). It may also be used to assess the convergent and discriminant validity of the measures. While the pilot study is similar to the main study, it is conducted on a much smaller sample that should be representative of the target population but whose members should be excluded from inclusion in the final study sample (Iacobucci & Churchill, 2010:223). The detail and results of the pilot study conducted for this study are presented in Table 5.15.

The pilot study consisted of 34 female entrepreneurs. Hence, the researcher contends, the results from this study aided in assessing the adequacy of the research instrument. As the main study was conducted in all nine provinces of South Africa, the pilot study was conducted in one of the neighbouring countries, Namibia. This was done in an attempt to avoid a situation where pilot study respondents were accidentally included in the main study. Namibia has similar economic and structural characteristics to this country as it was formerly administered by South Africa. It uses a local currency equal to the South African Rand while the latter currency is also legal tender. The most common languages spoken there are

English, German and Afrikaans (CIA, 2017). Therefore, the use of this country as a pilot-study locality was deemed appropriate. Respondents in the said study were recruited on a voluntary basis with no incentives given for their participation. Table 5.15 depicts the results obtained from this study.

Table 5.15: Results from pilot study

Items	Construct Name	Number of items	Mean	Standard deviation	Cronbach alpha	Average inter-item correlation
A1-A4, A6-A10, A17-21	Internal motivation	14	4.859	0.680	0.908	0.419
A5, A11-A16	External motivation	7	4.836	0.435	0.856	0.458
B1-B5	Intention to stay in business	5	4.624	1.012	0.887	0.625
C1-C4	Intention to grow business	4	4.743	0.843	0.661	0.411
D1-D12	Financing constraints	12	4.681	0.797	0.884	0.392
E1-E6	Government support	6	4.466	0.972	0.867	0.533
F1-F5	Training and education	5	4.612	0.863	0.730	0.391
G1-G7	Risk-taking propensity	7	4.643	0.932	0.844	0.465
H1-H7	Socio-cultural barriers	7	4.034	0.876	0.783	0.350
I1-I17	Business growth factors	17	5.131	0.566	0.903	0.379
J1-J14	Attitude towards business	14	4.824	0.576	0.838	0.290

As evident in Table 5.15, the questionnaire consisted of several sections. These were grouped into 11 constructs. All items were measured on a six-point Likert scale. Nunnally (1978) states that the Cronbach Alpha coefficient values may be below 0.7 to be acceptable, but not lower than 0.6. Likewise, Malhotra (2010:319) avers that, depending on the nature and purpose of the study and scale, a minimum Cronbach Alpha of above 0.6 is recommended.

The average inter-item correlation values provide an indication of the convergent and discriminant validity estimates of construct validity. According to Clark and Watson (1995:316), average inter-item correlation values below 0.15 are indicative of a lack of convergent validity, whilst those that greatly exceed 0.50 may point towards a lack of discriminant validity. An acceptable Cronbach Alpha of above 0.6 was achieved on all the scales, with the majority exceeding the 0.70 level. Moreover, the majority of the average inter-item correlation values fell between the recommended 0.15 to 0.50 levels, with only two constructs marginally exceeding 0.50. As the pilot sample comprised just 34 respondents, the calculated measures of internal-consistency reliability, together with those of convergent and discriminant validity, were deemed acceptable and no changes were made to the questionnaire based on the pilot study results.

5.8 ADMINISTRATION OF THE QUESTIONNAIRE

The data for this study were collected during a two month period in 2017. As the intention was to obtain information from all nine provinces in South Africa, several resources were used in an attempt to collect the data as efficiently as possible. These sources included the researcher's contacts and references obtained through the use of the snowball sampling technique, as well as those respondents recruited by the two independent data collection companies, students and other trained fieldworkers. The questionnaire was also electronically distributed to all the business organisations who agreed to send it

out to their networks. These organisations included SBI, NAFCOC, BWA, GTCOC and OWSD. The data collection process and teams involved are described in Table 5.16.

Table 5.16: Data collection process and team

Province	Number of questionnaires collected	Number of usable questionnaires	Team members involved	Process followed in collecting the questionnaires
Gauteng	100	87	Researcher's contacts, local chamber of commerce and trained fieldworkers.	All fieldworkers, students and the two independent data collection companies were briefed and trained. Proper instructions were given to them indicating the expectations, method of distribution and ethical considerations. The various teams made use of existing networks and collected questionnaires from several towns situated in the various provinces.
North-West	50	50	Independent data collection company A and trained fieldworkers.	
Free State	55	53		
Mpumalanga	50	50		
Northern Cape	50	50	Independent data collection company B.	
KwaZulu Natal	55	55		
Limpopo	60	60		
Western Cape	50	43	An independent business consultant with links to a large network of small businesses.	
Eastern Cape	61	61	Independent data collection company B and students.	

As can be seen from Table 5.16, various resources were used to obtain the required number of completed questionnaires in the shortest time possible. As economic conditions might change rather suddenly, it was important to obtain the required data in a brief period as the questionnaire included aspects pertaining to the economic environment; therefore, a team was appointed to ensure that all nine provinces could be surveyed within approximately two months. The various teams and processes they followed are explained in the following sections.

5.8.1 Researcher's contacts and fieldworkers

As the researcher was in close contact with several businesses and networks, the initial phase of the questionnaire distribution was conducted by disseminating these documents to local female business owners. This was carried out through the personal distribution of hard copies, the emailing of electronic copies and by using the snowball sampling technique to identify other qualifying respondents. Students and fieldworkers were also trained to assist with this distribution. Training of all students and fieldworkers was provided in a neutral environment where they were informed of the objective of the study. In addition, each question/item in the questionnaire was explained and any uncertainties amongst the fieldworkers were resolved. They were informed of the ethical aspects of data collection and each received a chance to practice administering a questionnaire to the researcher to perfect this process.

5.8.2 Independent data-collection companies

Two independent data-collection companies were appointed to assist in collecting data. Both representatives of the companies were briefed in detail about the objectives of the study. Fieldworkers used by them were trained in a manner similar to those used by the researcher. Independent Company A made use of a network of female business owners affiliated with the business association NAFCOC. In addition, this company used fieldworkers to identify and administer questionnaires to female entrepreneurs in several cities in the various provinces. Independent Company B utilised a similar process but made use of female business owners affiliated with the DTI. Representatives of both companies signed a sworn statement that all ethical aspects pertaining to data collection would be adhered to.

5.8.3 Business associations

Simultaneously with the aforementioned processes, an electronic version of the questionnaire was sent to several business organisations who, prior to commencement of the study, had agreed to circulate it to businesses affiliated with them. These organisations are listed above. Requests to distribute the questionnaire had been made to several other organisations, but they either did not reply or declined the request. An independent business consultant assisted in distributing the questionnaire to his network in the Western Cape.

The combined efforts from the various members involved in the data collection process resulted in an acceptable number of completed and usable questionnaires being collected over the two month period.

5.9 PRELIMINARY DATA ANALYSIS AND PREPARATION

Once the required number of questionnaires was obtained, the next step was to convert the data into a usable format that allowed for answering the formulated research questions (Zikmund & Babin, 2013:64). There are three steps that are generally followed when preparing the data: data editing, coding and tabulation. The editing process involves critically examining the questionnaires for errors, omissions and inconsistencies (Cant *et al.*, 2005:189; Shukla, 2008:95). Malhotra (2010:453) explains that this process allows for more accurate and precise results. During the data collection process, 531 hard copy questionnaires were distributed. The number of questionnaires distributed electronically by the various business organisations is unknown as they were sent to their various databases respondents. A total of 515 completed questionnaires were returned (some were electronically received) and after a thorough process of editing and examining, five questionnaires were excluded because they had missing values of more than 10 percent. The final number of usable questionnaires was therefore 510. It should be noted that when calculating the number of questionnaires per province, just 509 responses were received since one missing value in this section was observed. All missing values, excluding those found in Section K and L (demographic and business information), were replaced by using the mean of the item.

Following the editing of questionnaires, coding is the next step in the data preparation process. Coding involves assigning numerical numbers to the questions, allowing for statistical analysis (Shukla, 2008:96). The coding process allows raw data to be converted into numeric symbols, enabling grouping of responses into categories (Iacobucci & Churchill, 2010:351). A summary of the final sections was provided in Table 5.13: Summary and coding of data.

Tabulation is the final step in the data preparation process. This involves organising the data in a methodical manner by calculating the sum of responses allotted to each question/item (Iacobucci & Churchill, 2010:32; Silver, Stevens, Wrenn & Louden, 2013:232). After the researcher had successfully completed the said steps, the data were ready for statistical analysis. The following sections outline the statistical techniques utilised in this study.

5.10 STATISTICAL ANALYSIS

In order to provide meaningful answers to the research objectives set out in Chapter 1, several statistical analysis methods were applied in this study. These included descriptive statistics, reliability and validity measures, correlation analysis, canonical correlation analysis, MANOVA and ANOVA. These techniques were applied using the Statistical Package for Social Sciences (SPSS 25.0). The statistical analysis commenced with a descriptive analysis reporting on the means, standard deviations, skewness and kurtosis in order to identify trends. The internal-consistency reliability of the scales was assessed by computing the Cronbach Alpha values. In terms of the construct validity, convergent and discriminant validity were assessed by looking at the average inter-item correlation values, while nomological validity was assessed by constructing a matrix of Pearson's Product-correlation values. In addition, collinearity diagnostics were performed to check for any multicollinearity concerns. Thereafter, canonical correlation testing was conducted to identify any relationships between the set of dependent variates, defined as attitude towards one's own business, intention to stay in business and intention to grow the business, and the set of independent variates, defined as per the results of the correlation matrix, which, owing to nomological validity issues, resulted in the exclusion of certain variables. Following this, MANOVA and ANOVA were used to test for differences between variables reported on in the demographic and business information sections (Section K and L). The following sections discuss each of the statistical methods utilised in this study.

5.10.1 Reliability and validity

As the reliability and validity of cross-sectional studies is central in determining the trustworthiness of the results obtained from the data collection process (Brinkman, 2009:42), this was measured and reported on.

5.10.1.1 Internal-consistency reliability

Pallant (2013:6) explains that reliability indicates how free from random error a scale or questionnaire is. Scholtes *et al.* (2011:237) define reliability as the ability of a measuring instrument to produce dependable and consistent results, time-after-time. Reliability can be measured by various methods which include test-retest approaches, an internal observer approach, parallel forms and internal consistency (Karanicolas, Bhandari & Kreder, 2009:103). Amongst these measures, the most used and preferred measure of reliability is internal consistency (Anastasiadou, 2006:341); this study therefore made use of it. Pallant (2013:1010) refers to internal consistency as the degree to which items in a scale belong together. The Cronbach Alpha is measured between 0 and 1 where values closer to 1 constitute higher internal consistency or reliability (Pallant, 2010:183). Ideally, a scale should return a Cronbach Alpha of 0.7 or above. In the case of a low Cronbach Alpha, it is advisable to check the corrected-item-to-total correlation values of the individual items, where low values of less than 0.30 may indicate that a certain item in a scale is a candidate for deletion (Pallant, 2013:100). As indicated in Section 5.7.4, the Cronbach Alpha was used to measure the internal-consistency reliability.

5.10.1.2 Construct validity

Validity refers to the degree to which a scale actually measures what it is supposed to (Karros, 1997:144; Pallant, 2013:7; Synodinos, 2014:112). Various validity measures were utilised in this study. Construct validity assesses whether the instrument logically correlates with the underlying theory (McDaniel & Gates, 2010:256). Three measures are generally followed when determining construct validity: convergent, discriminant and nomological validity. Convergent validity signifies the extent of correlation between different items measuring the same or similar constructs (Struwig & Stead, 2001:142). Discriminant validity measures the uniqueness of an item, thus indicating that a too high correlation between items may suggest the latter are not unique and measure very similar aspects (Zikmund & Babin, 2013:260). As indicated in Section 5.7.4, convergent and discriminant validity was used to determine construct validity in this study by considering the average inter-item correlation. Clark and Watson (1995:316) point out that an average inter-item correlation falling somewhere between 0.15 and 0.50 suggests both convergent and discriminant validity. Inter-item correlation below 0.15 indicates that items are not related to each other while an inter-item correlation above 0.5 may suggest that items are closely related to each other (Clark & Watson, 1995:316).

The third measure of construct validity is nomological validity: it denotes the degree to which various constructs are systematically inter-related with each other (Malhotra, 2010:321). In order to establish nomological validity, it is necessary to construct a correlation matrix of Pearson's product-moment coefficients. When there is significant correlation ($p \leq 0.01$) between the pairs of constructs and when those relationships are in the correct direction (positive/negative), nomological validity may be assumed.

The mathematical formulation for the Pearson correlation coefficient can be expressed as follows (Deviant, 2018):

$$r = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2][N\Sigma y^2 - (\Sigma y)^2]}} \quad (5.1)$$

Where:

N	= number of pairs of scores,
Σxy	= sum of the products of paired scores,
Σx	= sum of y scores,
Σy	= sum of x scores,
Σx^2	= sum of squared x scores,
Σy^2	= sum of squared y scores.

5.10.2 Collinearity diagnostics

Whilst significant correlation between pairs of constructs planned for inclusion in a model is important to establish nomological validity, with multivariate analysis it is equally essential to ensure that there are no serious multicollinearity concerns. Multicollinearity occurs when two or more variables strongly correlate with each other (Miles & Shevlin, 2010:126). The disadvantage of this is that when variables strongly correlate (r = 0.9 and above) with one another it is difficult to determine which of the variables is most important. In testing for collinearity, two diagnostic statistics may be used to help identify whether collinearity exists. These are the tolerance and variance inflation factors (VIF) (Miles & Shevlin, 2010:130). Tolerance can be explained as an extension of the R^2. When testing the tolerance of an independent variable the extent to which the independent variable is not predicted by other independent variables is determined. Miles and Shevlin (2010:130) state that tolerance is calculated as:

$$1 - R^2 \quad (5.2)$$

Tolerance is measured between zero and one. Values close to zero signify that the variable is fully predictable from other independent variables, thus referring to perfect collinearity (Miles & Shevlin, 2010:130). Variables with a tolerance closer to one indicate they are uncorrelated with the other independent variables in the model. Tolerance levels are acceptable if they are closer to one (Miles & Shevlin, 2010:130). The second diagnostic statistic to analyse is the variance inflation factor (VIF), which is closely connected to the tolerance measure. When more than two independent variables are present, the VIF is calculated as follows (Miles & Shevlin, 2010:130):

$$\text{VIF} = \frac{1}{\text{tolerance}} \quad (5.3)$$

The VIF conveys that the standard error of the variable has been increased because of collinearity and should not exceed two (Miles & Shevlin, 2010:130). All tolerance and VIF values for this study fell within the recommended parameters and no collinearity was detected between variables. The data is presented in Section 6.7, Table 6.5.

5.10.3 Descriptive statistics

After the reliability and validity of the scales were tested, the next level of analysis included descriptive data analysis. Descriptive statistics are generally used to provide a summary of the sample (Kanda, 2013:454). Such statistics can measure a number of aspects, including the characteristics of the sample, violation of any variables and specific research questions (Pallant, 2013:55). Some of the said statistics employed in this study included measuring means, standard deviations, skewness and kurtosis. Frequency distribution tables were also included. Descriptive statistics provide three important insights into data sets. First, an understanding of the variables and their positions amongst one another; second, a perspective on data trends and, third, a perspective on the variations of the data (Creswell, 2012:183). In conclusion, descriptive statistics provide an essential summary of the collected data (Borrego *et al*. 2009:54; Kanda, 2013:454). The following sections explain the descriptive statistics measures utilised for this study.

5.10.3.1 Measure of location

Measures of location include finding a central point around which the data revolves or are grouped (Leedy & Ormrod, 2010:265). There are three statistical measures used to determine location: arithmetic mean, mode and median (Jaccard & Becker, 2010:76; Malhotra, 2010:486). Kolb (2008:254) refers to a median as the value in the centre of a set of variables, whereas the mode is the value that occurs most frequently in a set of variables (Struwig & Stead, 2010:158). The most commonly used measure of location is the mean ($\bar{x}$ or m); these are also reported on in this study. A mean can be defined as the calculated average of all the data values (Miles & Shevlin, 2010:2; Mann, 2011:306). The arithmetic mean value can be calculated using the following formula (Mann, 2011:306):

$$\bar{x}(m) = \frac{x_1+x_2+x_3+\cdots+x_n}{n} \qquad (5.4)$$

Remler and Van Ryzin (2011:251) state that the formula may also be expressed as follows:

$$\bar{x} = \frac{1}{N}\sum_{I=1}^{N} x_i \qquad (5.5)$$

Where:
x_i = individual observations,
N = sample size, and
Σ = sum of all.

5.10.3.2 Measures of variability

The measures of variability are another important characteristic when analysing variables and refer to the extent to which scores are similar, or not (Jaccard & Becker, 2010:81). Several techniques are available to assess the measure of variability: range, interquartile range, sum of squares, variance and standard

deviation. As just the standard deviation was used for this study, it is the only measure of variability that is further discussed.

The measurement of variability referred to as standard deviation is considered the one that is most commonly employed. According to Malhotra (2010:487) the standard deviation (*s*) is the square root of the variance and can be formulated as follows:

$$s = \sqrt{s^2} \qquad (5.6)$$

Where:

s^2 = variance.

5.10.3.3 Measures of shape

In data reporting, two measures of shape are commonly used: skewness and kurtosis (Maree *et al.*, 2011:189). Skewness provides a signal of the symmetry of the distribution of data and is one of the procedures in measuring the shape distribution (Struwig & Stead, 2010:159; Maree *et al.*, 2011:189). If the distribution of data is perfectly normal, the skewness value would be zero (Pallant, 2013:59). This would be exceptional in social science studies. Positive skewness would indicate scores clustered predominantly to the left of the mean (at the low values), whereas negative skewness indicates clustering of scores to the right of the mean (high end of the graph) (Jaccard & Becker, 2010:94: Pallant, 2013:59). Skewness would not make a substantial difference in analysis of large samples. Figure 5.4 depicts symmetrical distribution as well as positive and negative skewness.

1 – Symmetrical distributions

2 – Positive skewness

3 – Negative skewness

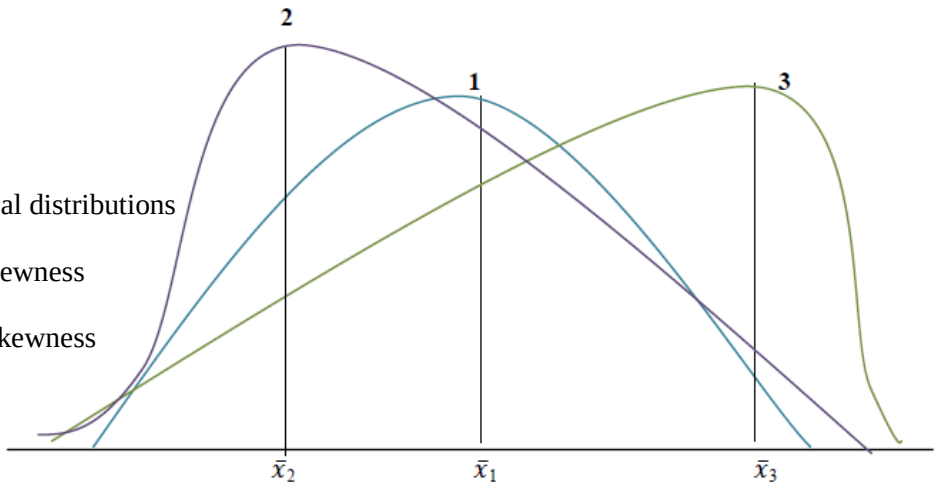


Figure 5.4: Measure of skewness

Source: Van Deventer (2013:99)

Kurtosis, as a second measure of shape, is slightly more technical and relates to the peak and tails of the distribution. A sharp peak with long flat tails is known as a leptokurtic (2) distribution whereas a flat peak with short steep tails is termed a platykurtic (3) distribution (Jaccard & Becker, 2010:95). Figure 5.5 illustrates these distributions.

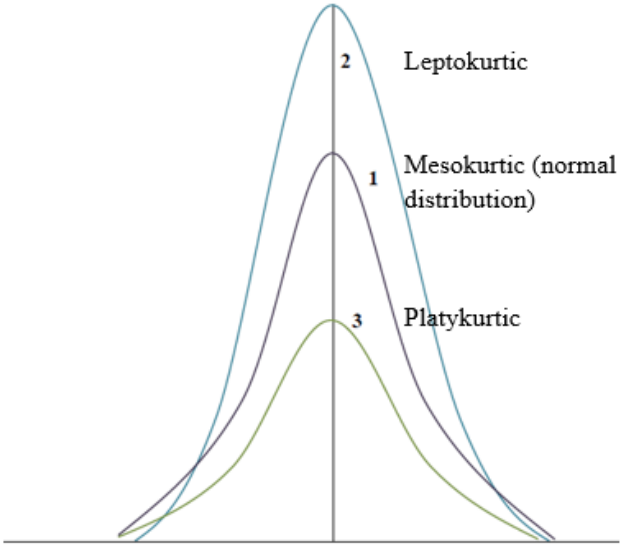


Figure 5.5: Measure of kurtosis

Source: Van Deventer (2013:100)

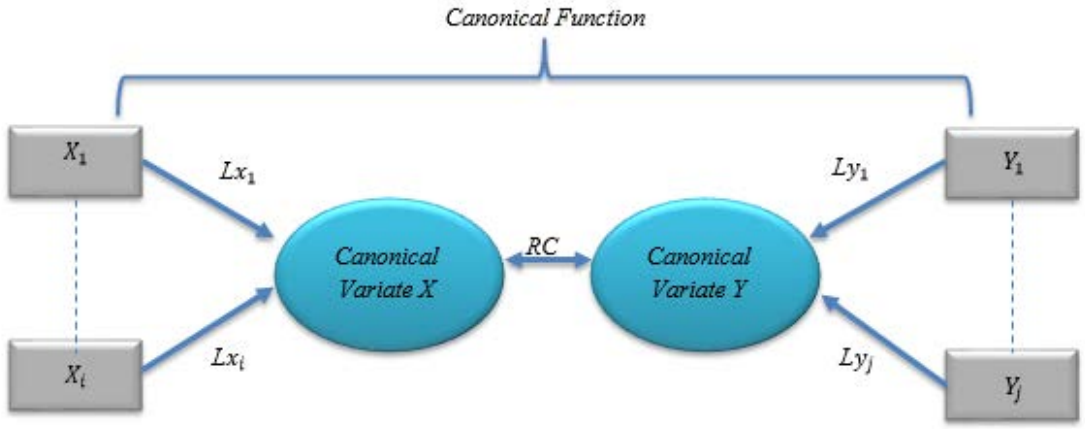
Descriptive statistics were used in this study to determine whether or not the data obtained from the respondents were normally distributed. In addition, the application of descriptive statistics assisted in forming an overall picture of the characteristics of the sample and providing the summary measures of the data. The following sections explain the statistics used to determine relationships and correlations between the numerous variables.

5.10.4 Canonical correlation analysis

Several statistical methods exist that test for relationships between one dependent variable and either one (univariate) or several (multivariate) independent variables. In the case of more than one dependent and independent variable, the employment of these techniques is not sufficient. As regression models, for example, solely test for a single metric dependent variable, from a linear function of a set of more than one independent variable (Hair *et al.*, 2010:235; Tabachnick & Fidell, 2014:617), the use of such models would not fit the proposed model of this study. In the case of this study, more than one dependent variable was identified, signalling the use of canonical correlation analysis (CCA). Barnett and Preisendorfer (1987:1825) state that regressing one variable with another may be explained as the simplest form of regression, after which regressing multiple variables can be considered one step up. Stepwise multiple regression attempts to select the most predictable variable explaining a single predictor

from a large set of data (Barnett & Preisendorfer, 1987:1825). A CCA attempts to complete all of these functions in one.

Canonical correlation analysis, as a multivariate statistical method, may be used to test relationships between sets of multiple dependent and independent variables. When using CCA, components from two sets of variables are simultaneously extracted to maximise the correlation between these components (Van den Wollenberg, 1977:207). It is a technique of comparing or correlating linear associations between two multidimensional variables (Hardoon, Szedmak & Shawe-Taylor, 2004:1). When sets of multiple dependent and independent variables exist, canonical correlation (CCA) represents an appropriate statistic method to test for relationships. In SPSS, CCA may be calculated by using the MANOVA and/or CANCORR syntax. As mentioned, CCA makes use of two sets of variables, referred to as independent and dependent variables, and a canonical variate is formed for each of these sets (Akaho, 2007:1). A canonical variate can be defined as a linear combination representing the optimal weighted sum of two or more variables (Johansen, 1988:232). These linear combinations are formed in both the dependent and independent variables for each canonical function. Such a function can be defined as the correlational relationship between two canonical variates. Each canonical function has a canonical variate for the dependent variable set as well as for the independent variable set. The strength of the relationship is presented by the canonical correlation coefficient (Hair *et al.*, 2010:236). This coefficient signifies the bivariate correlation between the two canonical variates within a canonical function (Ter Braak, 1986:1170). Canonical loadings are calculated for each canonical variate and these are similar to factor loadings computed in factor analysis techniques. Canonical loading can be defined as simple linear correlations between independent variables and the particular canonical variates. Every independent variable is assigned with different canonical loadings for each of the canonical functions (Hair *et al.*, 2010:236). Other important terminology that will be used in Chapter 6 includes canonical cross-loadings, canonical roots and the redundancy index. Canonical cross-loadings refers to the correlation of each dependent or independent variable with the opposed canonical variate, whereas a canonical root is the squared canonical correlation coefficient. This coefficient provides an estimate of the amount of shared variance between canonical variates of the two sets of variables and is also referred to as an eigenvalue (Hair *et al.*, 2010:236). The amount of variance in the canonical variate described by the other canonical variate in the canonical function is termed the redundancy index. This index measures the variance of one set of predictable variables from the linear groupings of the other sets of variables (Van den Wollenberg, 1977:208). Figure 5.6 is a graphical representation of a canonical function between the sets of variables and variates.



Where:
X_i = i[th] measured variable on canonical variate X,
Y_j = j[th] measured variable on canonical variate Y,
Lx_i = Loading of i[th] X measured variable on canonical variate X,
Ly_j = Loading of j[th] Y measured variable on canonical variate Y,
RC = Canonical correlation coefficient

Figure 5.6: Relationship of canonical loadings with variates and function

Source: Hair *et al.* (2010:237)

When conducting CCA various assumptions need to be adhered to. The first if these assumptions refers to linearity. Linearity affects two aspects of CCA; first, the CCA coefficient between the pair of variates should be based on a linear relationship and if the variates behave in a nonlinear way, the relationship will not be captured by the CCA coefficient. Second, the CCA maximizes the linear correlation between the variated. The second important assumption is that of normality. CCA can accommodate any metric variable without strictly adhering to normality. However, normality is required because it allows for the highest correlation amongst the variables. Lastly, CCA needs to adhere to the assumption of homoscedasticity and multicollinearity. CCA best depicts the relationships when this assumption is adhered to. Homoscedasticity is important as it increases the correlation between the variables. However, to much correlation, i.e. multicollinearity, should also not be present as it will confound the ability of the technique to isolate the impact of the variables leading to less reliable interpretation (Hair et al., 2010:244).

When conducting a CCA, several multivariate tests for significance must be conducted which include: Pillai's Criterion Test, Hotelling's Trace Test, Roy's greatest characteristic root test (gcr) and Wilks' Lambda Test. Table 5.17 provides a summary of these.

Table 5.17: Multivariate tests of significance

Test	Equation	Explanation	Measurement
Pillai-Bartlett Trace (Pillai's Trace) Symbol: *V*	$V = \sum_{i=1}^{s} \frac{\lambda_i}{1+\lambda_i}$	Used as a test statistic in MANOVA and MANCOVA. Pillai's test represents the sum of the proportion of explained variance based on the discriminant function.	Positive value statistics ranging from 0 to 1 where higher values suggest that effects are donating more towards the model.
Hotelling-Lawley Trace (Hotelling's T^2 Trace) Symbol: *T*	$T = \sum_{i=1}^{s} \lambda_i$	Hotelling's Trace is the multivariate complement for a traditional t-test. T is the sum of eigenvalues.	If the T^2 value is greater than the F-table statistic the null hypothesis may be rejected. When rejecting the null hypothesis at least one of the parameters is significantly different from the others.
Roy's greatest root Symbol: Roy's gcr	$Roy's\ gcr = \frac{(k-1)F_{max}}{(N-k)}$	Roy's greatest root represents the eigenvalues for the first variate and represents the proportion of variance explained to that not explained.	Roy's gcr is a more powerful test statistic and is mainly applied when one is certain that all assumptions were met. Values of above 0.8 are favourable.
Wilks' Lambda Symbol: λ	$\lambda = \prod_{i=1}^{s} \frac{1}{1+\lambda_i}$	Wilks' Lambda tests for differences between the means of groups, considering different combinations of the dependent variables. It measures the percent of variance not explained by the independent variables.	Positive value statistic ranging from 0 to 1 where 0 refers to total discrimination and 1 suggests no discrimination. The closer this variable is to 0, the more variance is explained by the independent variable and the more this variable contributes to the model. The variance explained is calculated by subtracting λ from 1.

Sources: Hotelling (1931:360-364); Pillai (1955:118); Olson (1976:579); Todorov and Filzmoser (2010:38); Hair *et al.* (2010:236)

Although this study made use of all four mentioned multivariate tests for significance, Wilk's Lambda was the most widely used and assisted in determining the variance explained within the model. Hotelling's trace is best utilised when manipulated or experimental variables are utilised or when the design is free from internal validity problems. Pillai's trace test is considered as being the most conservative amongst the selection of tests available, but if there are some problems in the model design this test is robust towards these problems (Ainsworth, 2011:15).

5.10.5 Tests of differences

When conducting research, it is of great value to be able to test and compare results from different groups in an attempt to draw usable conclusions. Several methods exist that allow a researcher to compare outcomes from data collected between different groups and to test for statistical significance. This study makes use of two of these methods, i.e., independent sample t-tests and analysis of variance (ANOVA).

T-tests and ANOVA are used to test hypotheses concerning differences. However, the possibility exists that the wrong conclusion may be drawn from the test results. This is referred to as errors; two errors may occur. A Type 1 error refers to the null hypothesis being rejected when in actual fact it may be true. This occurrence of this error may be reduced by selecting an appropriate alpha level of either 0.05 or 0.01

(Pallant, 2013:215). A Type 2 error is the inverse of a Type 1 error; it refers to a null hypothesis being accepted when it is actually false (Pallant, 2013:215). Stevens (1996) states that when large samples are used (larger than 100) the possibility of making either a Type 1 or 2 error is significantly reduced. This study made use of t-tests and analysis of variance (ANOVA). These statistical methods are explained in the following sections.

5.10.5.1 Analysis of variance (ANOVA)

ANOVA is used to test the relationship between several variables and groups. In the case of testing one independent variable with various options or levels provided, a one-way ANOVA is used (Pallant, 2013:258). These options or levels would correspond to the different groups or conditions. The dependent variable would be a continuous variable and the independent variables, categorical (Miles & Shevlin, 2010:41; Pallant, 2013:258). ANOVA compares the variance between different groups with the variability within each of the groups. This is done by calculating an F-ratio which can be formulated as follows (Pallant, 2013:258):

$$F = \frac{variance\ between\ the\ groups}{variance\ within\ the\ groups} \qquad (5.7)$$

Large F-ratios indicate more variability between groups compared to that within groups. Calculating a significant F test indicates that the null hypothesis may be rejected, indicating that sample means are equal (Pallant, 2013:258). However, merely calculating an *F*-statistic does not indicate which of the groups differs and to determine this, post-hoc tests need to be conducted. Post-hoc tests are solely relevant when three or more groups are tested against each other (Pallant, 2013:280). The most common post-hoc statistic used to determine in which groups differences were present is the Tukey Honestly Significant Difference (HSD) test.

The Tukey HSD test distinguishes the nature of the association by testing a null hypothesis for each likely pair of means, for the selected groups included in the analysis. By merely conducting t-tests to test the possibility of rejecting the null hypothesis, the possibility of Type 1 errors arising increases. Hence, the Tukey HSD test assists in overcoming this shortcoming. The said test calculates the critical difference and can be formulated as follows (Jaccard & Becker, 2010:379):

$$CD = q\sqrt{\frac{MS_{WITHIN}}{n}} \qquad (5.8)$$

Where:
CD = Critical Difference,
MS_{WITHIN} = mean score within,
n = per group sample size, and
q = studentized range values.

When determining if the rule for the Tukey HSD test was met, the absolute difference between the sample means for the various groups included in the assessment surpasses the critical difference; consequently,

the null hypothesis should be rejected (Jaccard & Becker, 2010:381). Alternatively, when significance levels within the Tukey HSD results screen are less than 0.05, these groups differ significantly from each other (Pallant, 2013:281).

5.10.5.2 Multivariate analysis of variance (MANOVA)

MANOVA is an extension of ANOVA, with the difference being that it may be used in the event of more than one dependent variable. It is a multivariate statistical procedure as it tests for group differences across various metric dependent variables at the same time (Hair *et al*., 2010:439) and can be used with one-way, two-way or advanced factorial designs using one or more independent variables (Pallant, 2013:110). MANOVA compares the different groups of dependent variables by considering mean differences between the groups. Results from the MANOVA analysis will demonstrate whether significant differences between groups exist. Running several individual ANOVA tests may increase the risk of Type 1 errors, and MANOVA is useful as it adjusts or controls data to reduce these errors (refer to Section 5.10.5) (Pallant, 2013:293). Akin to other types of statistical analysis, when using MANOVA several assumptions should be adhered to, which include a large enough sample size, normally distributed data, no outliers, linearity, homogeneity of regression, multicollinearity and singularity and lastly, homogeneity of variance-covariance matrices (Pallant, 2013:295). When performing MANOVA, several tests are run to confirm whether the assumptions were met. These include:

- **Box's Test of Equality of Covariance Matrices** measures whether the data violates the assumption of homogeneity of variance-covariance matrices. In order not to violate this assumption the significance value should be larger than 0.001 (Pallant, 2013:304; Tabachnick & Fidell, 2013:254)
- **Levene's Test of Equality of Error Variances** measures equality of variance for variables. To test whether this assumption is not violated, significance levels should be higher than 0.05. In the event of violating this assumption a more conservative alpha value of 0.025 or 0.01 should be set (Pallant, 2013:304)
- **Wilks' Lambda** is used as a multivariate test of significance and measures for statistical significant differences between the groups. If Wilks' Lambda significance level is less than 0.05 it can be concluded that there is a difference between the groups (Pallant, 2013:304).

5.11 ETHICAL CONSIDERATIONS

The study adhered to strict academic research ethical guidelines. Ethical, objective and integrity practices were followed during the completion of this study. It was conducted in a professional and responsible manner in order to provide society and the respondents within this specific subject field with valuable new knowledge pertaining to the study topic. Thus protection of respondents' identities and interest was taken into account. Furthermore, information received from respondents was handled confidentially at all times. The study followed strict ethical and technical guidelines in order to reduce incidents of plagiarism

and inconsistent or fabricated data reporting. The necessary ethical clearances and approvals were obtained from the North-West University's Ethics Committee prior to commencement of the data collections phase under ethical clearance number: **ECONIT-2016-106**. Furthermore, the research instrument did not extract any sensitive information from the respondents. Participation in the study was voluntary and anonymity of respondent information was assured. In addition, all respondents were provided with the researcher's contact details in the event of any concerns or questions arising. The questionnaire included a cover letter that explained the nature and scope of the study and respondents were informed that they could withdraw from the study, without any consequences, at any point during the survey.

5.12 CONCLUSION

Research has become an integrated part of society, attempting to provide answers and solutions to questions and problems. The aim of this chapter was to formulate a detailed research methodology explaining the methods and aspects applying to the study process followed. A quantitative descriptive research approach, utilising a single cross-sectional design through the use of structured questionnaires, was employed for this study because this research design was regarded as best suited for addressing the empirical objectives set out in Chapter 1. This approach fits into the radical structuralist or positivist paradigm as it predominantly makes use of empirical data obtained objectively and interpreted in a statistical manner.

In addition, the sampling strategy was explained with specific reference to the study area, target population, sampling frame as well as techniques and the sample size. Since the data instrument is a key component of a cross-sectional survey study, the development and design thereof were explained in depth. Several existing scales were used and adapted (Scales A, B, C, G, I and J), but in the event that no proper extant ones could be found, new scales were developed from the existing literature (Scales D, E, F and H). The research instrument administration process, including the process of pre-testing and results of the pilot study, was discussed in detail. The final section of this chapter explained the statistical methods to be used in the chapter presenting the analysis. These methods include descriptive statistics, reliability and validity, correlation, collinearity diagnostics, canonical correlation, MANOVA and ANOVA. The aim of this chapter has therefore been achieved as it provided a detailed explanation and description of the research methodology utilised for the purpose of this study. To recapitulate, this is to determine female entrepreneurs' intention to remain in business.

Chapter 6 focuses on the statistical analysis and results by means of discussing the empirical findings. Several hypotheses are formulated in Chapter 6 (Section 6.8); these are tested in Chapter 6. This was accomplished by using the statistical methods discussed and explained in this chapter.

CHAPTER 6

ANALYSIS AND INTERPRETATION OF RESULTS

'I didn't get there by wishing for it or hoping for it, but by working for it.' (Estee Lauder: Co-founder of Estee Lauder Cosmetics)

6.1 INTRODUCTION

The previous chapter explained the research methodology chosen and followed in this study. It discussed details pertaining to sample selection and sample size as well as questionnaire design, format and layout to name but a few. In addition, Chapter 5 drew attention to the statistical methods used in order to answer the research questions, test hypotheses and, subsequently, make determinations on the empirical objectives set out in Chapter 1. The purpose of this chapter is to conduct several statistical examinations and report on the results, findings and interpretation thereof. The information used in this chapter consists of the survey data obtained during the distribution and collection of the questionnaires and the capturing of the data contained therein. Statistical analyses included frequencies, percentages, reliability and validity measures, descriptive statistics, correlation analysis, canonical correlation analysis, analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA). Through the use of these statistical techniques as explained in Section 5.10, this chapter aims to address the following empirical objectives as set out in Chapter 1:

- Develop a profile of South African female entrepreneurs pertaining to demographic and business information (Empirical objective 1)
- Determine South Africa female entrepreneurs' intentions to remain in their businesses, grow their businesses and attitude towards their businesses (Empirical objective 2)
- Determine the relationship between the various entrepreneurial factors and female entrepreneurs' intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 3)
- Determine which demographic aspects of South African female entrepreneurs' affect the various entrepreneurial factors, intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 4)
- Determine which business aspects of South African female entrepreneurs' affect the various entrepreneurial factors, intentions to remain in business, to grow the business and attitudes towards the business (Empirical objective 5).

The statistical analysis was conducted using Statistical Package for Social Sciences (SPSS) Version 25.0. As the pilot study results have already been addressed in Section 5.7.4, this chapter will elaborate solely on the final data obtained from the sample. The following sections explain and report on the findings from the study, starting with the tabulation of frequencies and the demographic and business characteristics of the sample.

6.2 DATA ANALYSIS

The preliminary data analysis was explained in detail in Chapter 5. A total of 515 completed questionnaires were returned and, after a thorough process of editing and examining, five questionnaires were excluded as they were missing values of more than 10 percent (questionnaire Numbers 104 – 41 missing values, 211 – 12 missing values, 408 – 39 missing values, 409 – 39 missing values, 410 – 22 missing values). The final number of usable questionnaires was 510. All missing values were replaced by using the mean of the item. The data were tabulated and frequencies from responses are represented in Table 6.1.

Table 6.1: Frequencies

Section A: What motivates you to remain in business?						
Scale item	**Strongly disagree (1)**	**Disagree (2)**	**Slightly disagree (3)**	**Slightly agree (4)**	**Agree (5)**	**Strongly agree (6)**
A1	3	5	39	45	127	**291**
A2	1	11	22	70	**207**	199
A3	3	6	25	101	**200**	175
A4	1	10	26	75	153	**245**
A5	2	7	28	94	147	**232**
A6	3	3	37	71	148	**248**
A7	1	11	33	88	**189**	188
A8	3	7	29	88	186	**197**
A9	4	12	25	84	163	**222**
A10	17	20	46	72	148	**207**
A11	3	10	11	85	**218**	183
A12	7	15	42	63	142	**241**
A13	13	25	67	116	132	**157**
A14	11	12	56	97	**181**	153
A15	7	21	39	99	158	**186**
A16	7	21	39	99	158	**186**
A17	0	18	22	97	171	**202**
A18	1	7	17	87	189	**209**
A19	17	31	63	98	143	**158**
A20	3	4	24	78	148	**253**
A21	0	4	16	41	144	**305**
Section B: Intention to remain in business						
B1	12	20	25	70	150	**233**
B2	3	5	14	76	198	**214**
B3	4	9	20	71	187	**219**
B4	9	31	42	78	146	**204**
B5	6	7	9	59	193	**236**
Section C: Intention to grow business						
C1	4	13	17	56	148	**272**
C2	1	9	21	86	187	**206**
C3	2	8	16	83	168	**233**
RC4	**167**	147	78	41	27	50

Table 6.1: Frequency table of responses (continued…)

Scale item	Strongly disagree (1)	Disagree (2)	Slightly disagree (3)	Slightly agree (4)	Agree (5)	Strongly agree (6)
Section D: Financing constraints						
D1	16	38	66	107	**180**	103
D2	14	31	62	101	**209**	93
D3	27	46	50	72	**163**	152
D4	18	18	42	**147**	144	141
D5	16	31	40	75	**213**	135
D6	18	17	39	76	**229**	131
D7	16	32	88	**141**	139	94
D8	11	13	26	87	**224**	149
D9	31	31	41	106	**170**	131
D10	17	32	54	122	**186**	99
D11	13	29	39	70	**187**	172
D12	22	23	31	67	**193**	174
Section E: Government support						
E1	21	36	55	92	113	**193**
E2	33	69	55	58	**166**	129
E3	14	45	54	108	**174**	115
E4	18	52	39	123	**162**	116
E5	14	24	62	98	**168**	144
E6	20	37	57	100	**177**	119
Section F: Attitude towards entrepreneurship training and education						
F1	19	18	44	58	184	**187**
F2	19	44	51	144	**146**	106
F3	6	23	42	125	**166**	148
F4	4	13	22	88	176	**207**
F5	8	10	27	96	**214**	155
Section G: Risk-taking propensity						
G1	12	35	51	94	**219**	99
RG2	**215**	161	71	43	16	4
G3	5	34	50	110	**234**	77
G4	16	55	74	119	120	**126**
RG5	98	**146**	143	69	33	21
G6	19	40	25	85	160	**181**
RG7	109	**223**	111	24	20	23
Section H: Socio-cultural barriers						
H1	51	100	50	77	111	**121**
H2	40	57	65	93	**145**	110
H3	25	55	46	104	**176**	104
H4	20	72	90	**123**	114	91
H5	18	34	67	111	**170**	110
H6	20	70	33	105	**175**	107
H7	35	78	59	100	**155**	83

Table 6.1: Frequency table of responses (continued…)

Scale item	Strongly disagree (1)	Disagree (2)	Slightly disagree (3)	Slightly agree (4)	Agree (5)	Strongly agree (6)
Section I: Attitude towards growth factors						
I1	16	24	40	56	161	**213**
I2	5	12	27	102	**185**	179
I3	1	7	16	50	149	**287**
I4	4	37	57	**146**	144	122
I5	4	8	21	37	141	**299**
I6	51	79	35	99	**124**	122
I7	2	14	17	53	184	**240**
I8	4	16	30	80	**196**	184
I9	1	22	40	76	140	**231**
I10	6	9	26	71	131	**267**
I11	0	8	24	82	182	**214**
I12	2	14	25	96	185	**188**
I13	2	16	39	93	178	**182**
I14	6	16	27	93	160	**208**
I15	17	25	44	91	**212**	121
I16	10	35	43	75	129	**218**
I17	32	68	54	97	**150**	109
Section J: Attitude towards business						
J1	6	28	39	69	151	**217**
J2	2	11	17	74	177	**229**
J3	3	14	14	86	164	**229**
J4	2	11	72	101	146	**178**
J5	2	6	8	89	199	**206**
J6	1	6	33	65	147	**258**
J7	7	25	46	123	151	**158**
J8	2	27	40	112	153	**176**
J9	2	10	16	72	**228**	182
J10	5	23	45	90	141	**206**
J11	5	19	37	123	162	**164**
J12	9	21	46	82	175	**177**
J13	3	9	25	112	159	**202**
J14	7	17	27	68	168	**223**

Table 6.1 presents the frequencies obtained from the sample for Sections A to J. Questions C4, G2, G5 and G7 were reverse scored because the original questions were asked as a negative response. The highest frequencies were bolded. Sections 6.3 and 6.4 presents the demographic and business characteristics.

6.3 DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

The following section provides an in-depth discussion on the demographic profile of the sample. The said profile includes aspects pertaining to race, age, marital status, number of children, level of education, as well as the provinces where the sample respondents' businesses are situated. In addition, this section describes the labour market status and number of years in full-time employment before starting a business, reason for leaving full-time employment and the number of years owning a business.

6.3.1 Race distribution

Considering the racial divide that affected a large part of the South African history, race, even today, plays a role in many aspects, including the economic and business arenas, with many Black or Coloured people still occupying lower socio-economic positions (De Jongh, 2017:126). From Figure 6.1 it can be observed that the majority of the sample were of African origin, comprising 72 percent, followed by

Whites at 16 percent and Coloureds at 9 percent. Asian/Indian female entrepreneurs comprised the minority of the sample at 3 percent. The race distribution of the sample is presented in Figure 6.1.

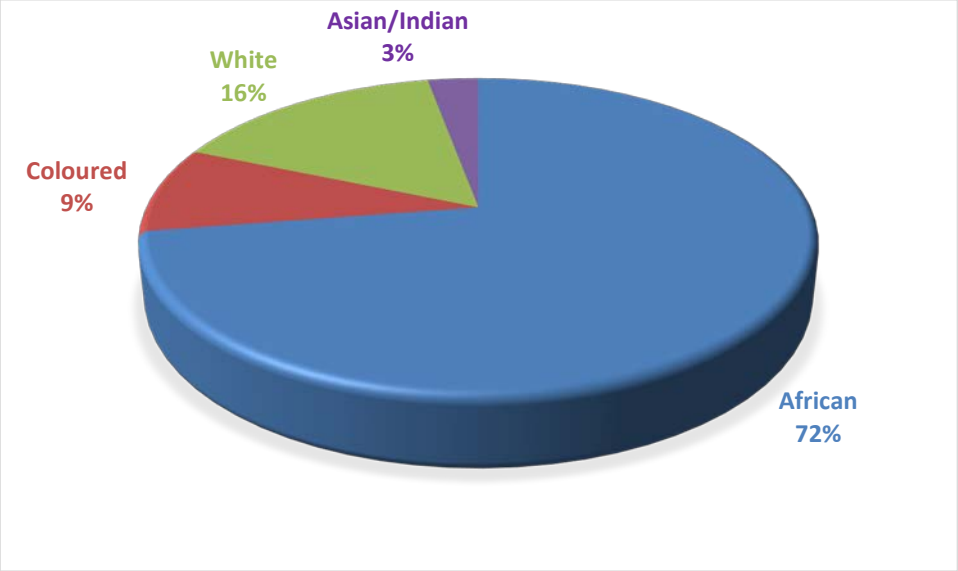


Figure 6.1: Race composition of the sample

These figures are representative of the overall South African population race distribution, with figures from the 2011 Census that amount to 79.2 percent of the population being Black, 8.9 percent Coloured, 8.9 percent White and just 2.5 percent Indian or Asian (World Elections, 2014).

6.3.2 Age composition

Age is a contributing factor in entrepreneurship; Herrington *et al.* (2015:28) state that across all genders, early stage entrepreneurial activity tends to be low in the age category of 18 to 24 years, peaking during the [period] age group of 25 to 34 years and flattening down thereafter. The age composition of the sample is illustrated in Figure 6.2.

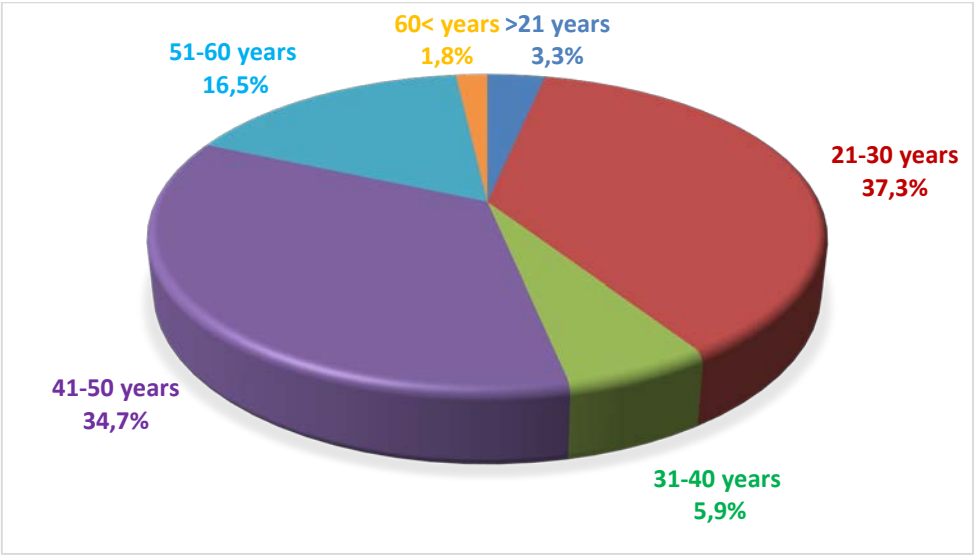


Figure 6.2: Age composition

Kelley *et al.* (2015:7) add that early stage female entrepreneurs in factor- and efficiency-driven economies tend to be younger (25 – 34 years) and that innovation-driven countries tend to contain older early stage female entrepreneurs (35 – 44 years). When studying the age composition of this sample, the preponderance of female entrepreneurs was between the ages of 21 and 30 years (37.3%) as represented in Figure 6.2. This is in line with the finding by Kelley *et al.* (2015:7) as South Africa is considered an efficiency-driven economy. In addition, 34.7 percent of the sample were between the ages of 41 to 50 years. This suggests that the majority of female entrepreneurs start their businesses after the completion of their tertiary education or at a later stage when they possibly have saved up enough capital and/or pursued a different career. Another reason for the large portion of female entrepreneurs in the age group of 41 to 50 years is that they may only decide to start a business after completing family responsibilities, such as raising and schooling their children.

6.3.3 Marital status

Veena and Nagaraja (2013:139) state that there are substantial differences between the circumstances of female and male entrepreneurs when it comes to marital status. Male entrepreneurs who are married, which in most instances is the case, usually have wives who act in a supportive role concerning the business. The abovementioned authors also found that females tend to follow a different pattern and in many cases are more inclined to start a business after being divorced or becoming widowed. More females who are single, divorced or widowed tend to start a business than someone who is in a more stable financial relationship. However, this is not exclusive and there are also many married and financially stable women who may also decide to start a business due to factors initiated by pull- instead of push-factors (refer to Section 4.7.1). Figure 6.3 illustrates the marital status of the sample.

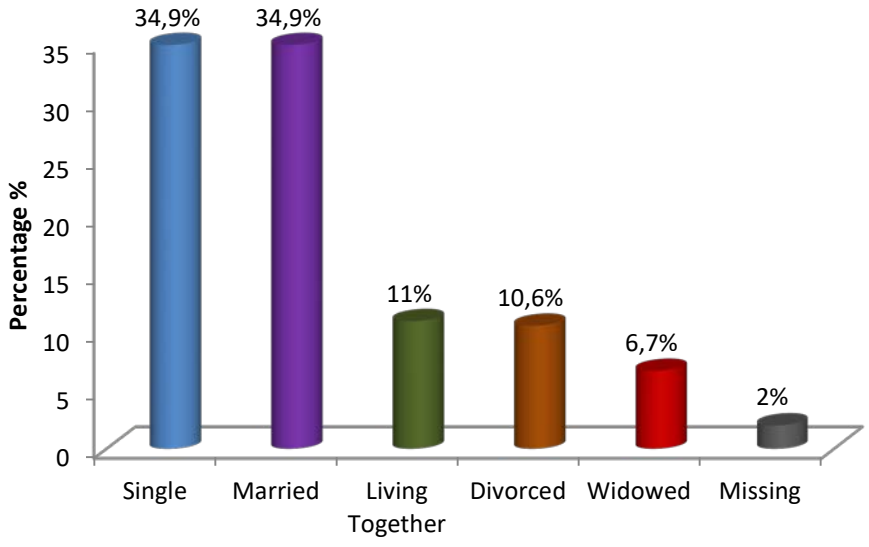


Figure 6.3: Marital status

Interestingly, as can be observed from Figure 6.3, the study sample consisted of an equal percentage of single and married female entrepreneurs, suggesting that the one is not more inclined to be an entrepreneur than the other. However, when adding the single (34.9%), divorced (10.6%) and widowed

(6.7%) together, this figure is slightly higher at 52.2 percent compared to the 45.9 percent of females who are either married (34.9%) or in a relationship and living together (11%).

6.3.4 Number of children

Undoubtedly, the majority of females will encounter motherhood during some stage of their lives. According to DeMartino and Barbato (2003:816), more females with small children decide to start a business purely due to the flexible nature of self-employment. They also found that the presence of children does not impact male entrepreneurs as much as it does females. The respondents who participated in this study were asked if they had children, and how many in the case of the answer being affirmative. Figure 6.4 depicts the results based on this question.

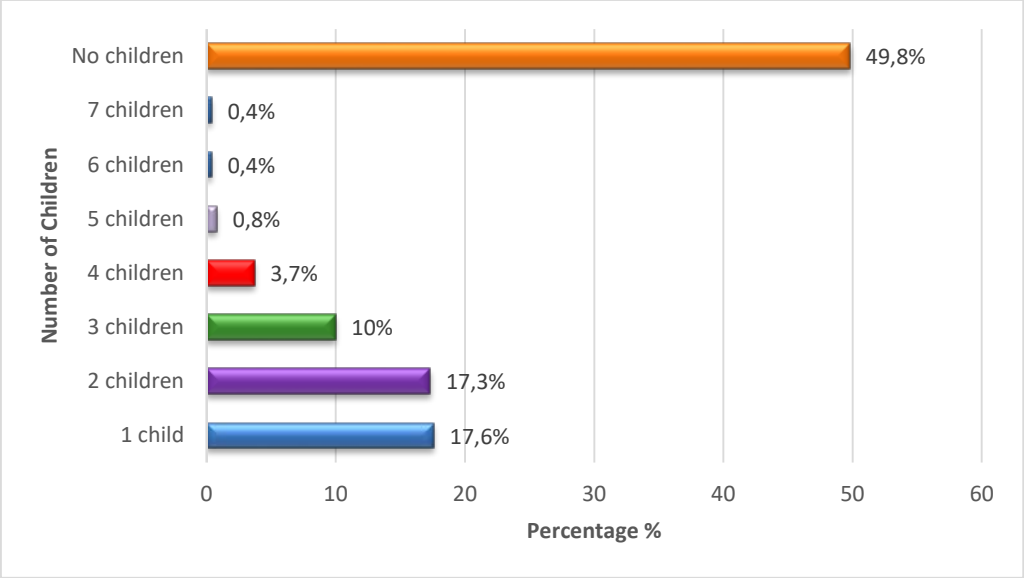


Figure 6.4: Number of children

Referring to Figure 6.4, the percentage of female entrepreneurs with children made up 50.2 percent of the sample. A total of 49.8 percent of the sample did not have any children. A possible reason for this may be the young age of the sample, of which 37.3 percent were between 21 and 30 years. Figure 6.4 shows how many children each female entrepreneur had. A total of 34.9 percent of the sample had either one or two children whereas 15.3 percent had more than three children.

6.3.5 Level of education

Education, in the context of this study, does not refer to basic education as any business owner should possess reading, writing and to some extent a certain level of analytical, managerial and mathematical skill sets. Education, in this context, refers to additional diplomas, degrees and/or entrepreneurial specific training. The aforementioned type of education is a somewhat controversial matter as some may say it is a critical part of becoming a successful entrepreneur while others may argue it is not (Maycotte, 2015). Figure 6.5 portrays the highest level of qualification obtained by each respondent.

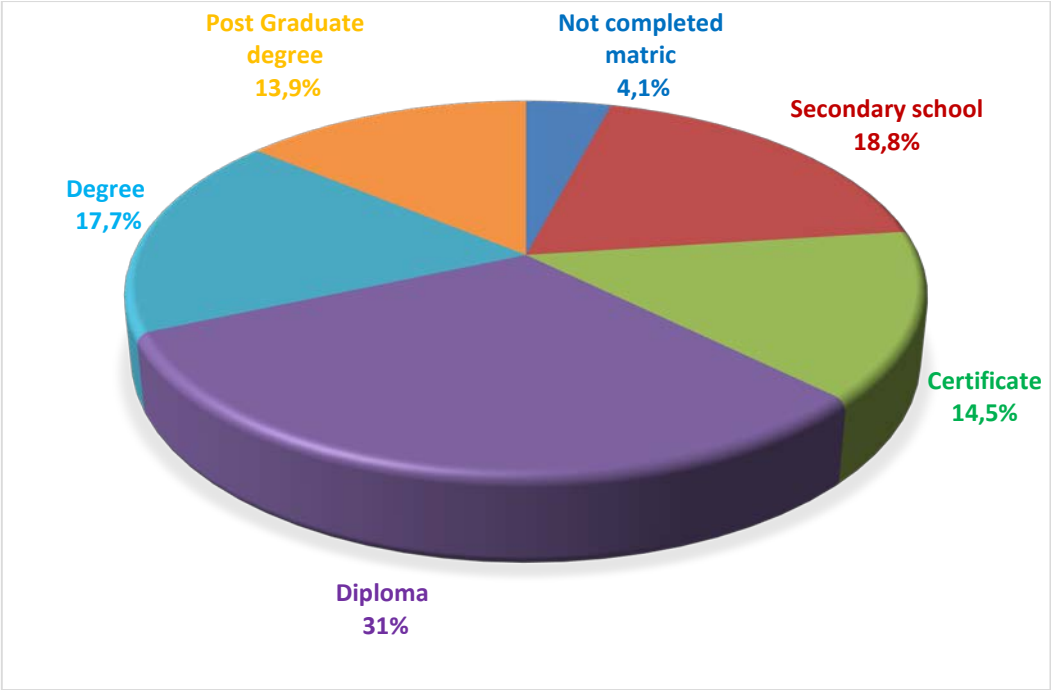


Figure 6.5: Level of education

With regard to the respondents' highest level of education and as reflected in Figure 6.5, a total of 31.6 percent (17.7% + 13.9%) of respondents obtained a degree or higher while 45.5 percent (31% + 14.5%) were in possession of a certificate or diploma. A mere 22.9 percent (18.8% + 4.1%) did not have a qualification higher than high school level. This may suggest that although a formal education is not a prerequisite for starting a business, having completed some level of formal education does improve one's chances in successfully starting and continuing with a business.

6.3.6 Province where business is situated

As the study is representative of South Africa, all nine provinces were surveyed. Figure 6.6 illustrates the provinces in which the respondents' businesses are situated. This reveals that over 17 percent of the sample is from Gauteng, which is considered the business hub of South Africa (RSA-Overseas.com, 2017). The Eastern Cape had the second highest response rate at 12 percent and Limpopo, the third highest at 11.8 percent. The remaining provinces had response rates of between 8.4 percent and 10.8 percent.

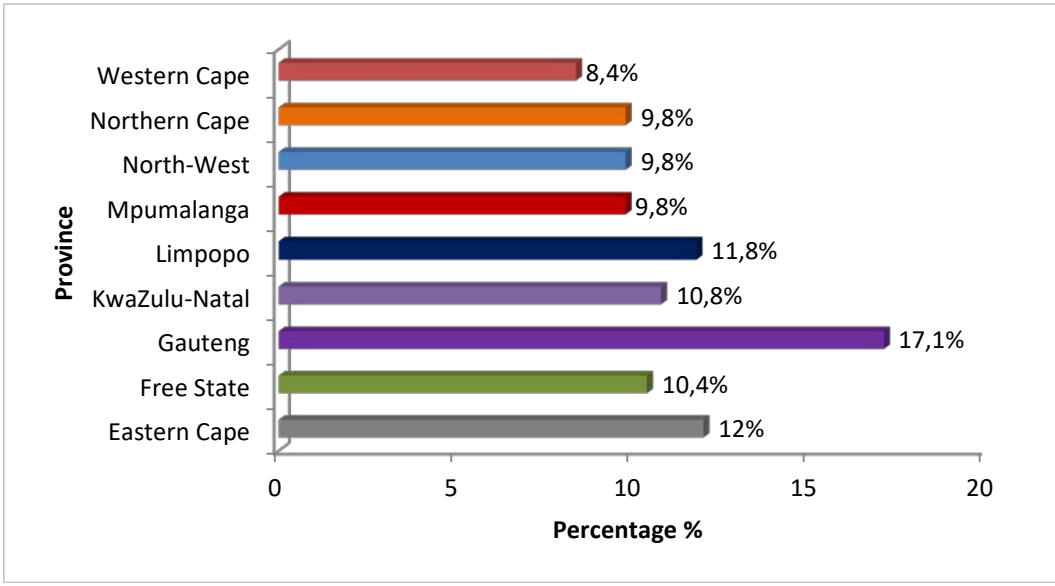


Figure 6.6: Provinces in which the businesses of the sample are situated

6.3.7 Labour market status prior to starting a business

The respondents were asked what their labour market status was prior to starting a business. This was to determine how many female entrepreneurs started a business after being employed, and how many were unemployed or students. The South African Department of Labour provides an Unemployed Insurance Fund (UIF) for unemployed people who are registered with them. Therefore, the unemployed option was divided into people claiming monthly UIF payments and those who did not as this may have an impact on necessity-driven entrepreneurial activity. Figure 6.7 illustrates the sample's labour market status prior to the participants starting their own business.

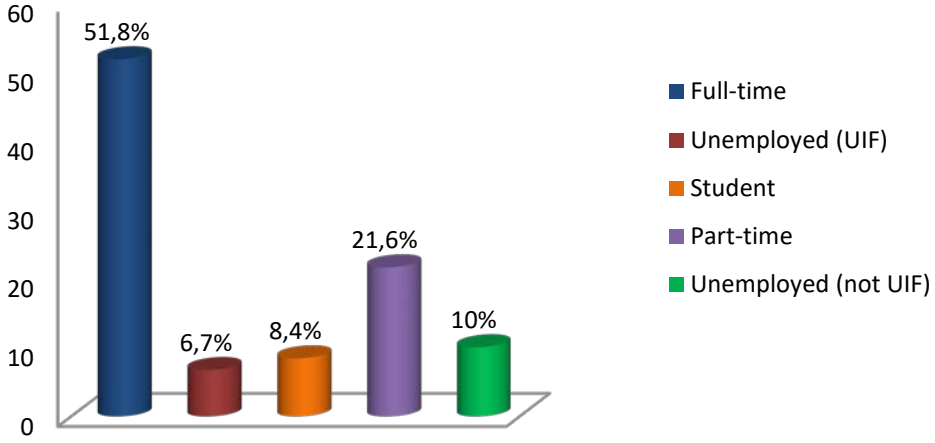


Figure 6.7: Labour market status prior to starting their own business

From Figure 6.7 it may be observed that more than half (51.8%) of the female entrepreneurs had been full-time employees before starting their own businesses while 21.6 percent had been employed part-time. The group who had been unemployed made up 16.7 percent, of which 6.7 percent had received a UIF

contribution prior to starting a business. Just 8.4 percent of the sample started a business directly after completion of their studies.

6.3.8 Number of years in employment prior to starting a business

This section was solely relevant for the female entrepreneurs who had been employed before starting their own business. The number of years they had been employed prior to doing so is indicated in Figure 6.8.

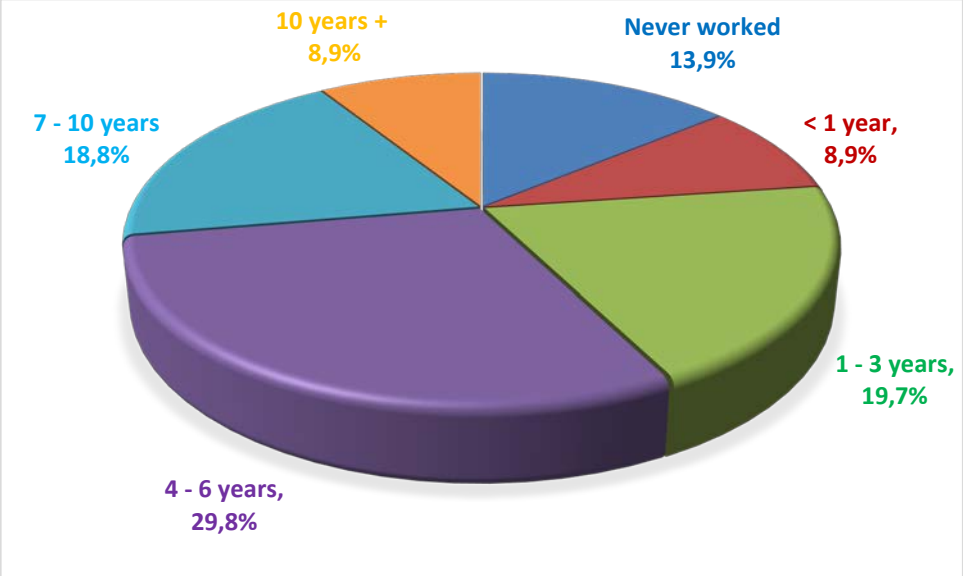


Figure 6.8: Respondents' period of employment before starting their own business

As depicted in the sample (Figure 6.8), the largest percentage of females were employed for between four and six years (29.8%) before deciding to start their own business, while 19.7 percent were employed for between one and three years. Of the remaining respondents, 18.8 percent were employed for between seven and ten years, before embarking on their own businesses. Coincidentally, the group with the most (more than 10 years) and least (less than 1 year) work experience reported the same value of 8.9 percent and 13.9 percent had never previously worked.

6.3.9 Reason for leaving full-time employment

Section 6.3.7 makes it clear that 73.4 percent of the respondents had been employed either full- or part-time prior to starting their own business. Therefore, identifying the determining factors that motivated them to do so was undertaken by dividing the reasons into push- and pull-factors. Push-factors are generally negative aspects forcing someone into taking a certain decision or action (Kirkwood, 2009).

From the selection offered to the respondents, several push-factors were listed: possible retrenchment, lack of promotional opportunity, low salary, discrimination, the company closed down, negative atmosphere, lack of development and the possibility of losing [their] job. Of these push-factors, the option: low salary, received the highest response at 16.34 percent followed by a negative atmosphere at work (9.34%). Figure 6.9 provides a summary of all the reasons for the respondents leaving their employment.

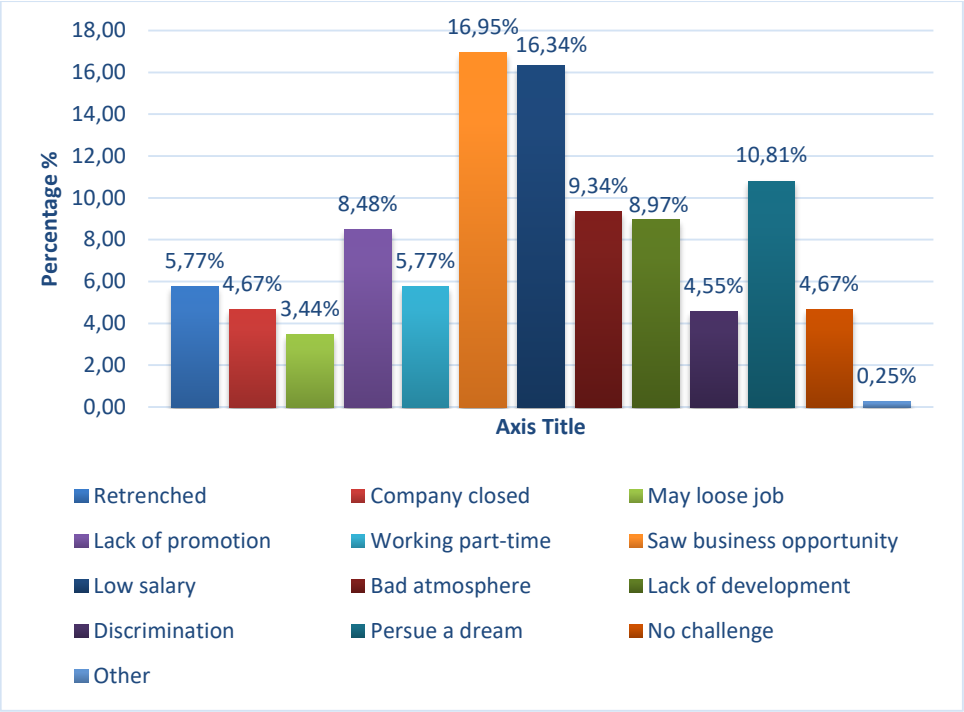


Figure 6.9: Participants' reasons for leaving their previous work

Pull-factor options included pursuing a dream, seeing a business opportunity and experiencing no challenge at the current job. From these, both pursuing a dream (10.81%) and seeing a business opportunity (16.95%) received the high response rates. More often than not, people deciding to start a business based on pull-factors are more successful compared to those who are forced into staring a business as a result of some form of push-factor (Amit & Muller, 2013:65).

6.3.10 Period of being self-employed

Another factor affecting the success rate of businesses may be previous experience as an entrepreneur or business owner (Philip, 2010:11). Philip (2010:7) refers to this as the 'know-how' of an entrepreneur. Figure 6.10 illustrates the duration that the respondents reported being self-employed. From this, one is able to note that the majority of the sample were relatively new entrepreneurs, with 46.9 percent of the female entrepreneurs being self-employed for between one to three years. In addition, 15.3 percent indicated having been self-employed for a year or less. A total of 35.1 percent indicated being self-employed for more than three years.

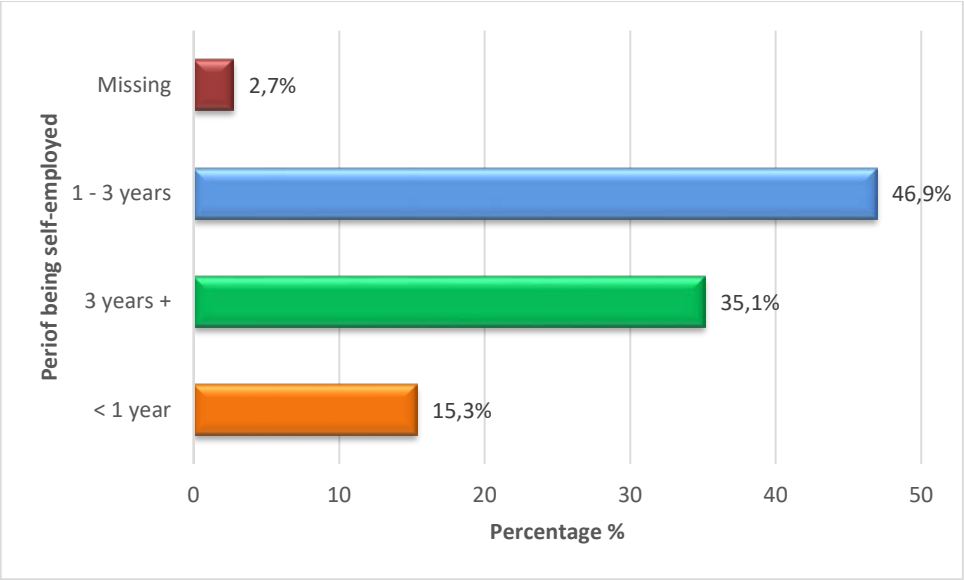


Figure 6.10: Period of self-employment

Figure 6.11 illustrates the number of years that female entrepreneurs were self-employed, if longer than three years.

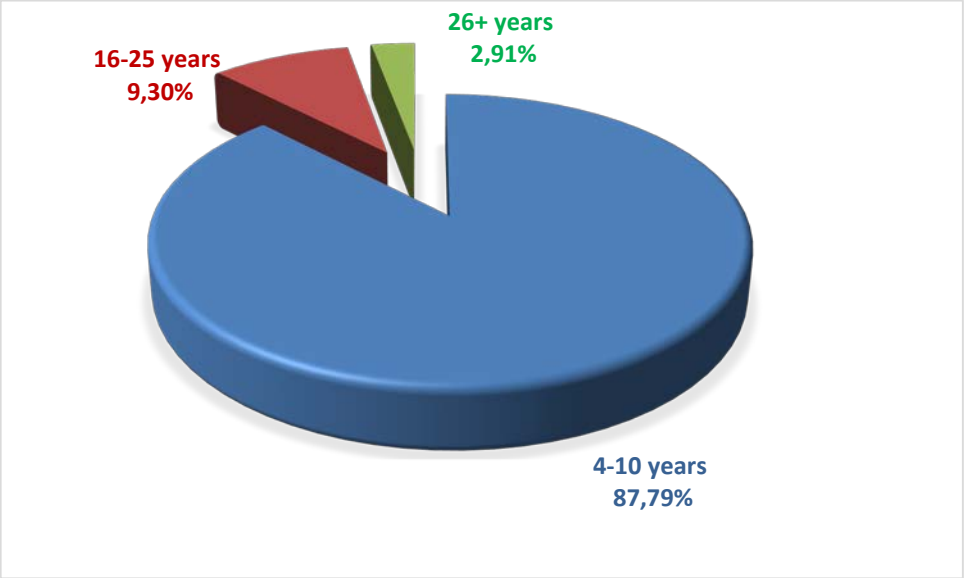


Figure 6.11: Period of self-employment if more than 3 years

As observable in Figure 6.11, of the 172 respondents who indicated that they had been self-employed for more than three years, more than 88 percent of these had been self-employed for between four to ten years. In addition, 9.3 percent had been self-employed for between 16 to 25 years and 2.91 percent for more than 26 years. One of the female entrepreneurs had been self-employed for 40 years.

6.3.11 Period owning current business

Regarding the period of time that respondents have owned their current businesses, the largest group of female entrepreneurs (38.2 percent) indicated that they have had their current business for more than three years on average. This is followed by 35.5 percent of the sample who have had their current business for a

period of one to three years. The minority of the respondents, at 24.1 percent, have had their current business for less than a year. Figure 6.12 illustrates the period for which respondents have owned their current business.

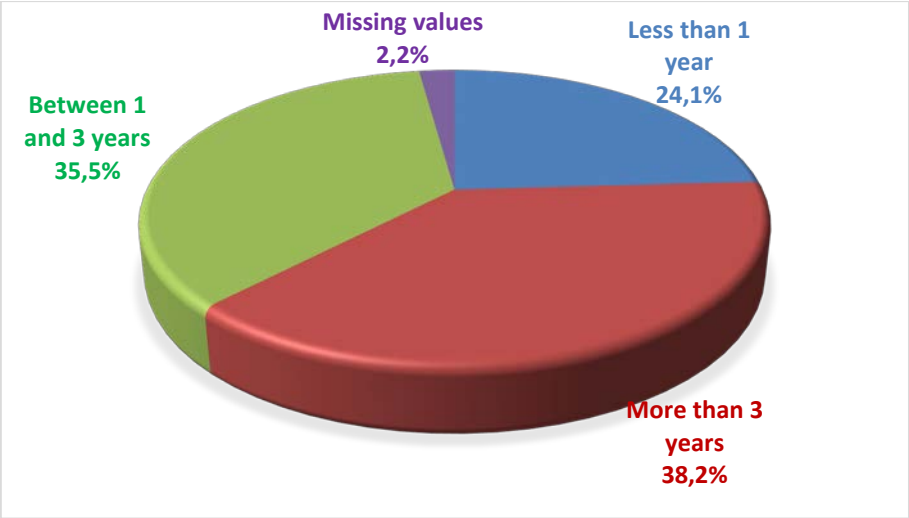


Figure 6.12: Period that respondents have owned their current business

Of the 170 female entrepreneurs who have owned their current business for more than three years: 85 percent had done so for between four and ten years. Furthermore, 11 percent indicated that they have owned their current business for between 11 and 19 years and 5 percent for more than 20 years. Figure 6.13 illustrates these findings.

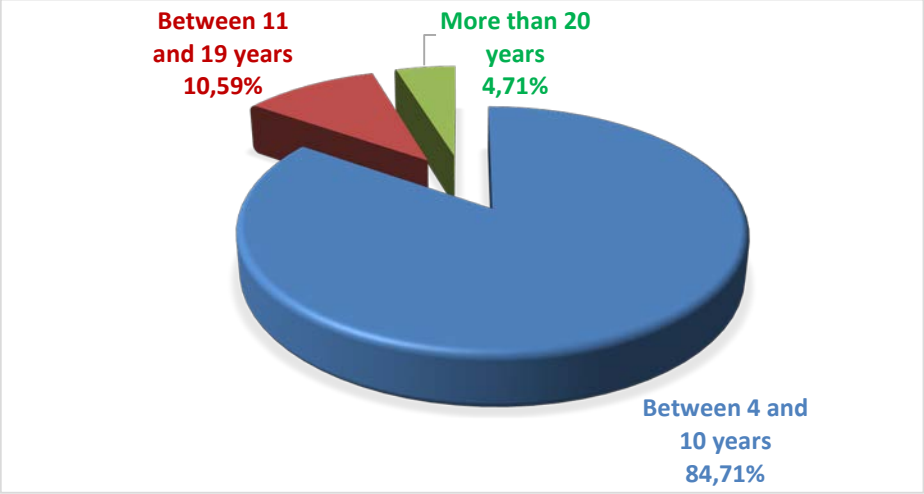


Figure 6.13: Duration of owning current business (more than 3 years)

The aforementioned sections provided an in-depth discussion on the demographic profile of the sample. It is evident from the information supplied that a very specific demographic profile can be developed for this sample, as most of the topics discussed had very precise responses.

Figure 6.14 provides an illustration which summarised the demographic profile for this study, including race, age, marital status, number of children, level of education and province where business is situated. In addition, the labour market status and number of years in full-time employment before starting a

business, reason for leaving full-time employment and the number of years owning a business are also depicted in this figure.

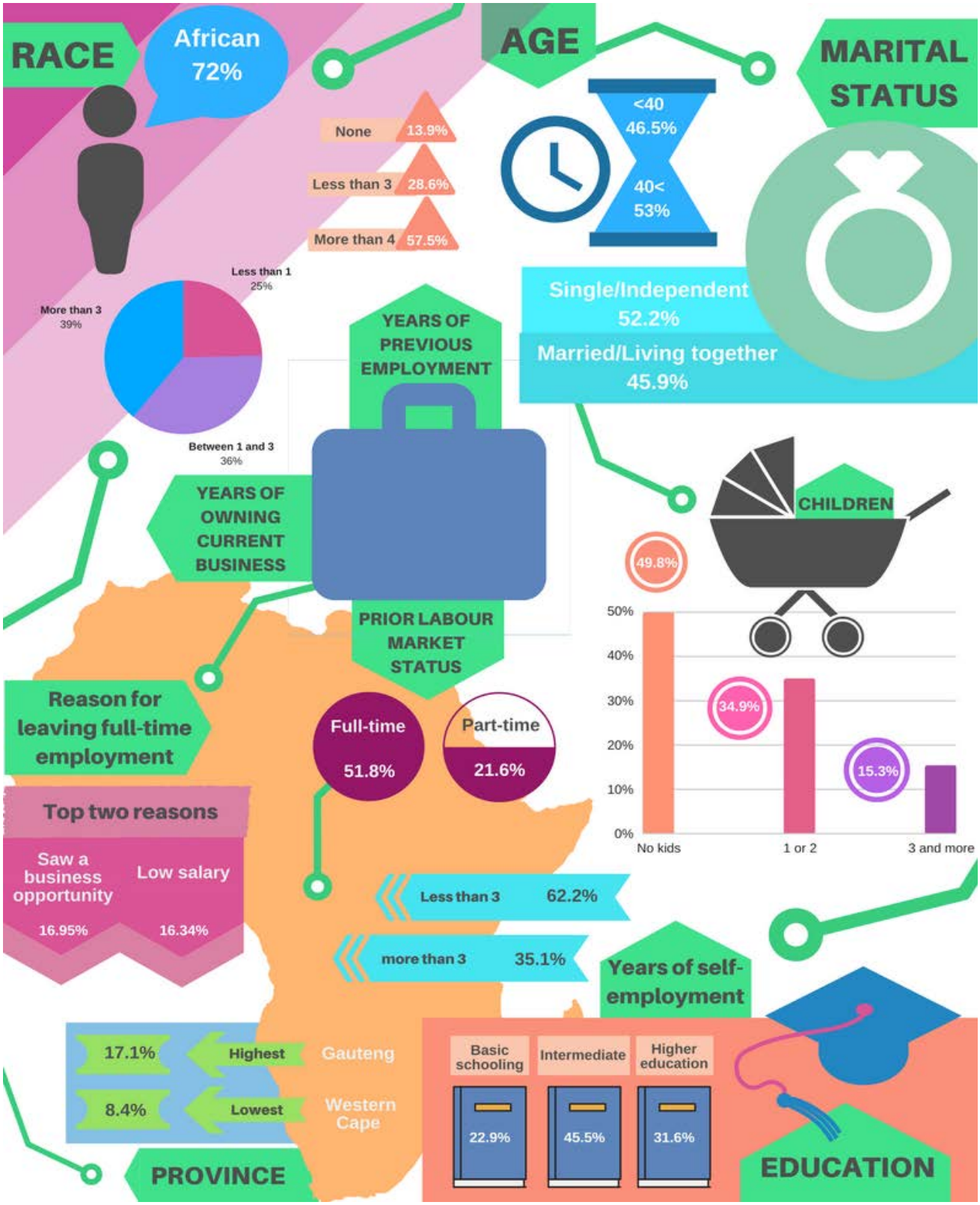


Figure 6.14: Summary of demographic information

6.4 BUSINESS CHARACTERISTICS OF THE SAMPLE

The following section offers an in-depth discussion on the business profile of the sample. The business profile includes aspects pertaining to the industry sector, legal form, size and place of business and start-up capital used. In addition, this section describes the business style, growth measures, satisfaction with business size, prior exposure to entrepreneurship, entrepreneurial training professional body memberships and whether the respondents were part of a family business. They were also asked if they felt that the local municipalities were creating an enabling environment for their business to grow in.

6.4.1 Industry sector in which business operates

Considering the industry in which a business predominantly operates, some businesses may have a higher growth potential as they may be positioned in a high growth industry sector. According to Statistics South Africa (2017b:2), the sectors indicating the highest growth rates during the third quarter of 2017 were the agriculture sector (0.9%), mining and manufacturing (0.5%), the finance sector (0.3%) and personal service sector (0.1%). The electricity, construction, trade and government sectors all reported negative growth.

As depicted in Figure 6.15, the respondents were predominantly doing business in the service sector (31.6%), production (13.7%) and trade (13.8%) sectors. The financial (3.7%), health and safety (5.5%), transport and distribution (7.5%), education (4.6%), construction (2.6%), manufacturing (5.7%) and agriculture (5.8%) sectors were all represented, but at a rate of less than 10 percent of the total sample. Figure 6.15 illustrates the sectors within which the female entrepreneurs indicated operating their businesses.

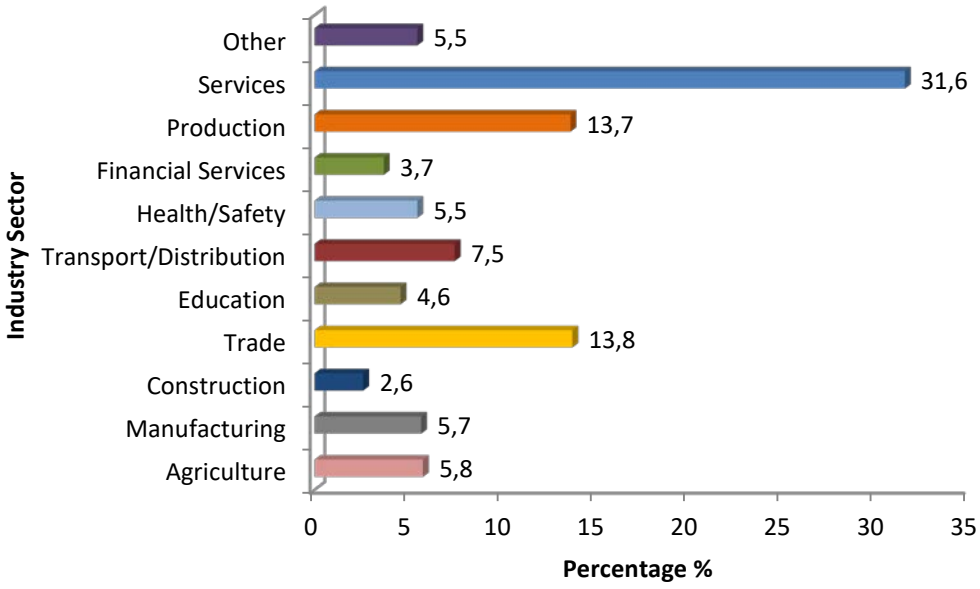


Figure 6.15: Participants' industry sector of operation

6.4.2 Legal form of business

Entrepreneur.com (2018) states that the choice of legal structure in a business is very important as this may significantly influence the amount of paperwork, personal liability, ability to raise money and tax implications for the business. The South African Companies Act of 2008 defines the following business legal structures available; of these, sole proprietorship, partnership, private and public company are the most frequently used types. Other legal forms include personal liability, state owned, non-profit and foreign and external companies; however, these are less regularly used as a choice for small to medium sized businesses (Intergate-Immigration, 2017). Figure 6.16 presents the legal form of choice, according to the sample.

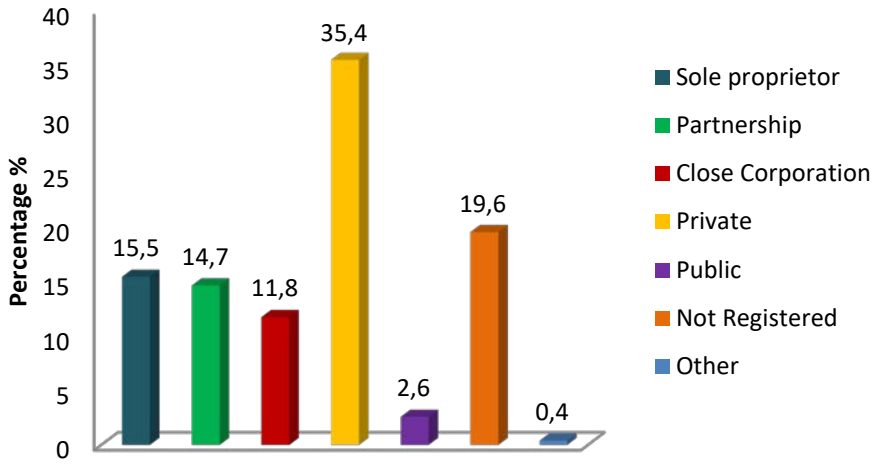


Figure 6.16: Participants' business legal form

A former legal structure, the close corporation (CC), was a popular choice amongst small business owners; however, this business structure was phased out and no new close corporations were allowed after the implementation of the new Companies Act of 2008, which came into operation in 2010. However, if a business was registered as a CC prior to 2010, it may remain in this legal form (Mncwango & Ramnarain, 2009).

From Figure 6.16 it is evident that most of the female entrepreneurs from the sample manage their businesses under the private company legal structure (35.4%). This could be explained by the fact that 59.6 percent of the sample had owned their current business for less than three years and thus were not permitted to register a CC, which, as stated, was the prevalent choice for small businesses prior to 2010. However, 11.8 percent of the sample's businesses had been formerly registered as a CC. Furthermore, 19.6 percent of the sample indicated that their businesses are not registered; these are most probably some of the more newly established businesses. Following in close proximity to each other, 15.5 percent of the female entrepreneurs are sole proprietors, whereas 14.7 percent consisted of partnerships.

6.4.3 Current number of employees

As the sample predominantly included small businesses, it is not surprising that 35 percent of the sample consisted just of the entrepreneur as the sole labour unit in the business. Du Rietz and Henrekson (2000:2) found that female-owned businesses tend to underperform in contrast to male owned business concerning the number of employees. Figure 6.17 portrays the number of employees employed within the business, as stated by respondents in the sample.

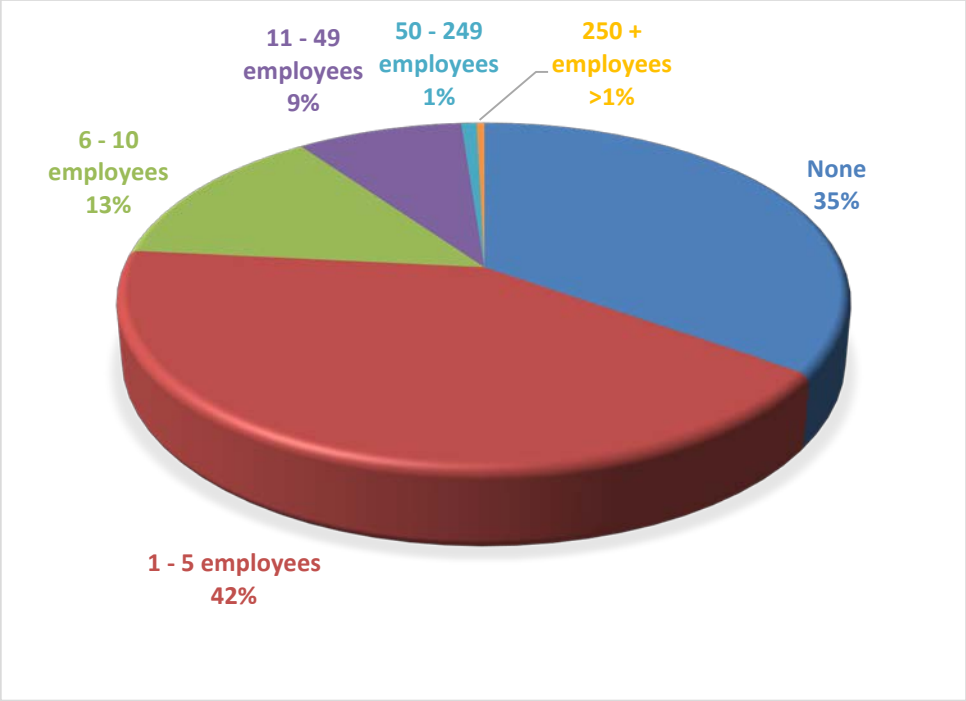


Figure 6.17: Number of employees

As mentioned, 35 percent of the sample consisted of just the entrepreneur as a labour unit in the business. Female entrepreneurs who employed between one and five employees made up 42 percent while 13 percent had between six and ten employees. These are typically micro to small businesses. The next category, small to medium businesses, consists of 11 and more employees. From the sample, 9 percent reported that they employed between 11 and 49 employees, whereas less than 2 percent of the sample can be considered a large business with more than 50 employees.

6.4.4 Start-up capital used

Verheul and Thurik (2001:330) state that female entrepreneurs encounter several challenges concerning the financial aspects of their businesses. These include aspects pertaining to start-up capital and operational capital. The authors list these challenges as having smaller equity capital at their disposal, sector related capital restrictions due to many female entrepreneurs having service industry-related businesses and lending institutions being more reluctant to lend money to entrepreneurs in these sectors and, lastly, the fact that females are, in many instances likely to be risk-averse, which may lead to the declining of higher risk opportunities and subsequent access to finance.

Regarding the main sources of capital used by the female entrepreneurs for starting their business in this sample, the majority of the respondents (57.2 %) made use of their own resources or bootstrapping, as illustrated in Figure 6.18.

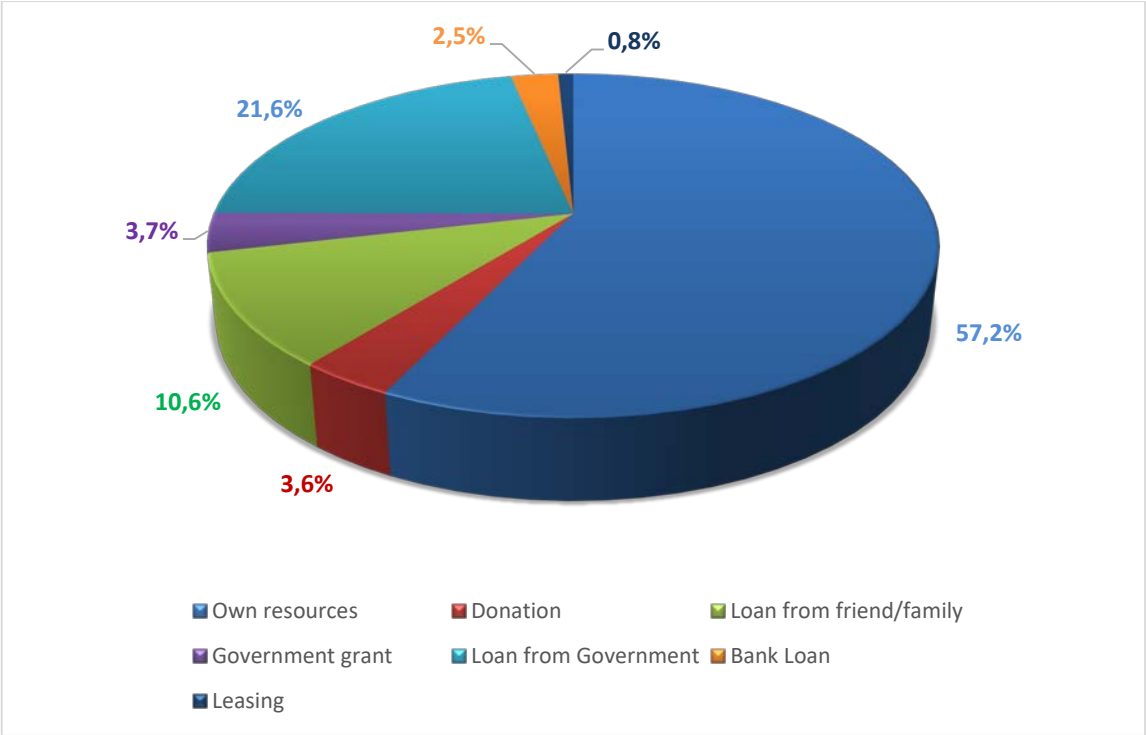


Figure 6.18: Participants' source of start-up capital

The second largest source of start-up capital used was loans from the government, with 21.6 percent of the sample belonging to this group. In addition, 3.7 percent of the sample made use of government grants. As discussed in Sections 2.7 and 3.3.3.2, several policies and initiatives providing funding opportunities are available to qualifying entrepreneurs and some of these, or those not discussed in this study, may have been a source of government grants or loans. In addition, 10.6 percent of respondents indicated that they made use of loans from their friends or family as start-up capital.

6.4.5 Place of business premises

Once again, as can be seen from Figure 6.19, the majority of respondents indicated that they operated their businesses from their home. This makes sense as 77 percent of the sample had five or less full-time employees and 59.1 percent had owned their business for less than three years. This is an indication that these businesses qualify as micro to small businesses and they typically start out as home-based businesses. Naturally, as the business grows so they may decide to move to more formal premises. Figure 6.19 illustrates these different types of premises.

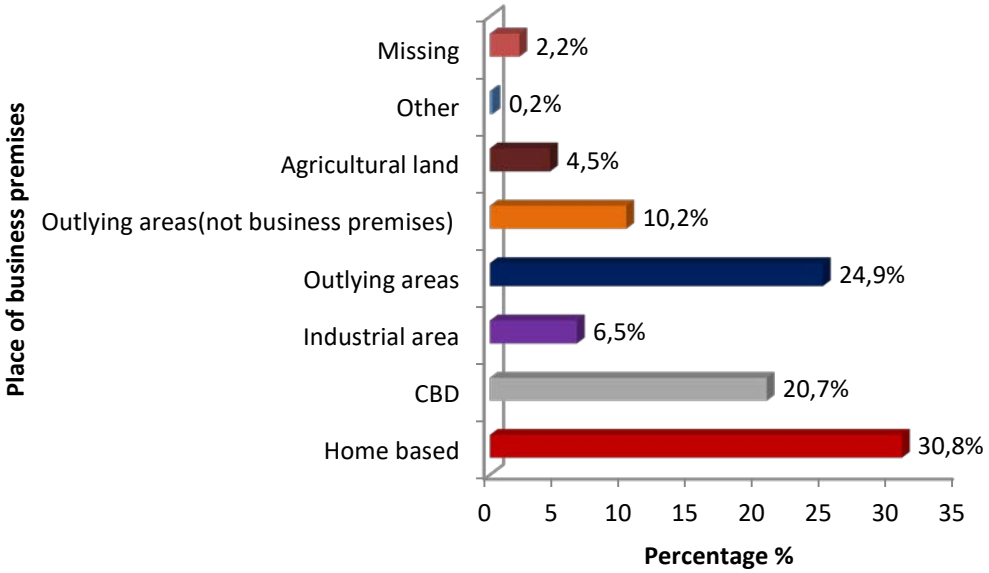


Figure 6.19: Place of business premises

Several studies suggest that many micro to small business female entrepreneurs prefer to have home-based businesses for various reasons, which include: convenience, lack of funds for more formal premises and the small size of the business (Loscocco & Smith-Hunter, 2004; Walker *et al*., 2008; Thompson, Jones-Evans, & Kwong, 2009). Some businesses will, however, not be able to function in a home-based setup if land, warehousing or a brick and mortar factory is required for the business to run at an optimal level. These business requirements are reflected in the responses for agricultural land (4.5%), industrial area (6.5%), central business district (CBD) (20.7%) and outlying areas such as small holdings and areas outside of traditional business districts.

6.4.6 Business style

As one of the empirical objectives was to determine whether female entrepreneurs have the intention to grow their businesses, a question relating to business style was asked. Here, two options were provided to the respondents. The first option related to just having a lifestyle business. This type of business can be described as having a narrower product or market focus, may be more reliant on customer relations and is likely to operate on a lower volume economic model (Morris *et al.,* 2005:732). Business owners managing this type of business may choose not to grow their business into a large corporation and, in many cases, only have the business to provide for their families, generate an income and be in charge of their own schedule and time (Henderson, 2002:49). Contrary to a lifestyle business is that of a high-growth business, where the owner would likely have aspirations to develop the business into being as large and profitable as possible (Henderson, 2002:49). Figure 6.20 illustrates the selections made by the respondents.

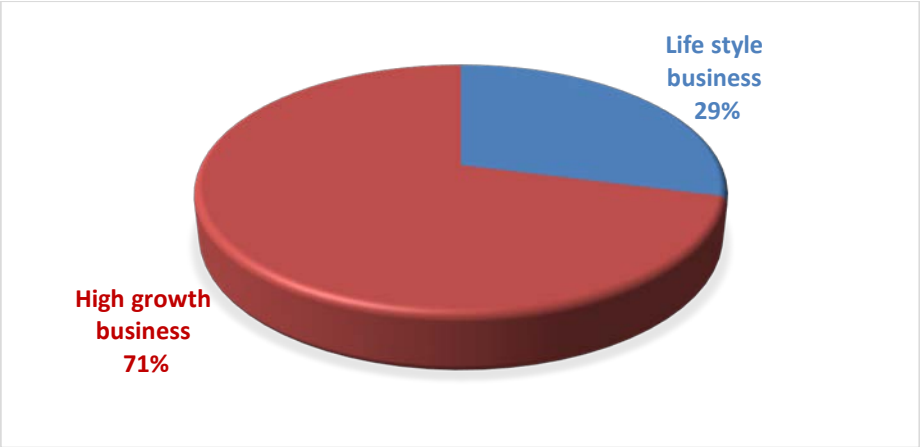


Figure 6.20: Business style

Figure 6.20 demonstrates that 71 percent of the sample envisioned developing their businesses into high growth ones, whereas just 29 percent were content with merely having a lifestyle oriented business.

6.4.7 Measures used in assessing business growth

As not all entrepreneurs may perceive the same measurements as constituting a form or indication of business growth, respondents were asked which of the options provided they deemed most important when measuring the success of their business or assessing business growth. They were given the choice of more than one option; the averages of the responses received were calculated. Figure 6.21 illustrates the most important growth measures that the female entrepreneurs use in assessing the growth of their business. Most of them (21.21%) indicated that they utilise their sales turnover as a determinant of their business' growth. Second, 20.26 percent of the respondents employed the increase in their customer base for assessing the growth of their business, while 14.48 percent made use of the increase in their productivity rate as a measure. These measures and the related averages are depicted in Figure 6.21.

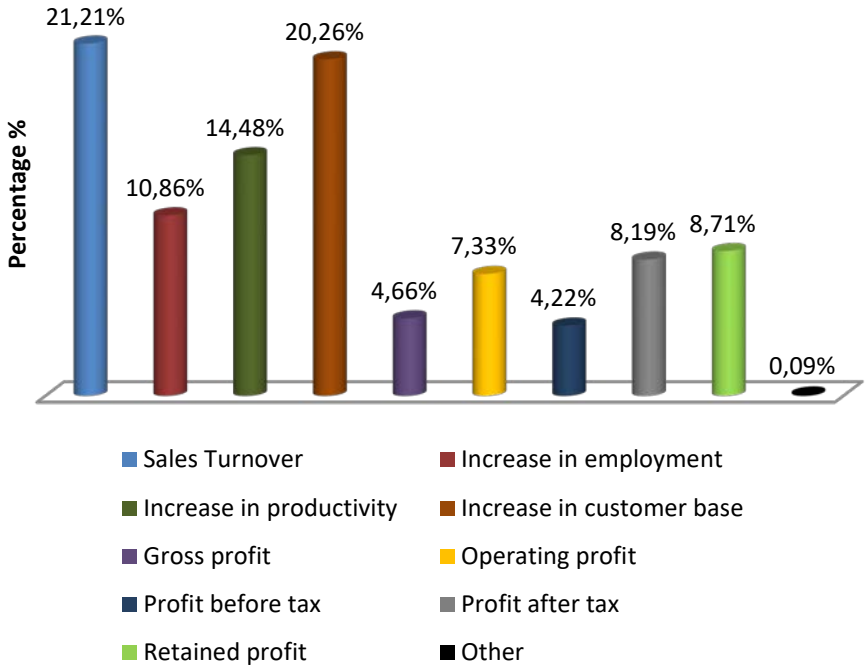


Figure 6.21: Most important growth measures to access the business's growth

The female entrepreneurs who were not satisfied with the current size of their business, indicated the various aspects of their business which they wished to increase: the results are illustrated in Figure 6.22. From this Figure it is clear that most of the female entrepreneurs (18.04%) would like to increase the current size of the customer/client base, while 16.21 percent would like to increase their number of employees. The other main areas for improvement were their sales turnover (13.73%), retained profit (12.42%) and their current productivity (11.11%).

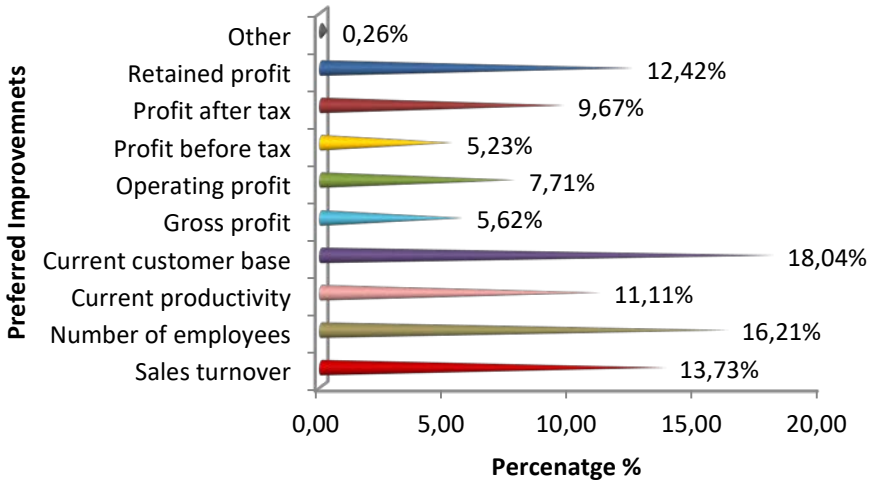


Figure 6.22: Preferred improvements in businesses

6.4.8 Satisfaction with current size of business

Regarding the respondents' satisfaction with the current size of their business, which includes aspects such as number of employees, turnover and profit; for example, 64 percent of them were not satisfied with the current size of their business. This result links to the information provided in Section 6.4.6, since 71 percent of the sample indicated that they would like to develop their business into a high-growth business, thus justifying why 64 percent of the sample is not satisfied with their current size of the business. The remaining 36 percent indicated that they are satisfied with the current size of their business. The results are depicted in Figure 6.23.

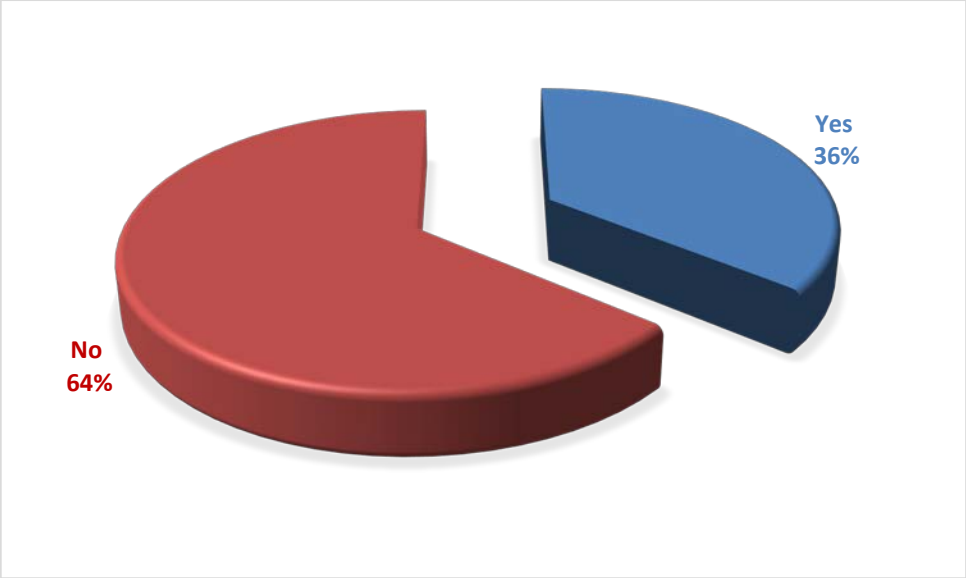


Figure 6.23: Satisfied with the current size of the business

6.4.9 Previous exposure to business

Carr and Sequeira (2007:1090) suggest that being part of a family business may have a lasting impact on family members who grew up in such an environment. The resource shortages and lack of success, or on the other hand, financial rewards and autonomy of a parent or close relative's business may have an influence on the decision of a family member to pursue a dream to start a business - or not (Carr & Sequeira, 2007:1090). These may even have an effect on how someone would manage a business differently as opposed to how they experienced it while growing up. Therefore, growing up in a business environment may shape one's actions towards entrepreneurship in either a positive or a negative manner.

Subsequently, Figure 6.24 presents the responses from the sample pertaining to the question as to whether they had any previous exposure to the business environment prior to starting their own business. Of the sample, 71.6 percent indicated that they did not have any, whereas 18.6 percent indicated that they had exposure through their parents owning a business. The remaining 9.8 percent indicated that they received some sort of exposure through someone close to them who owned a business, such as an uncle, aunt or a friend.

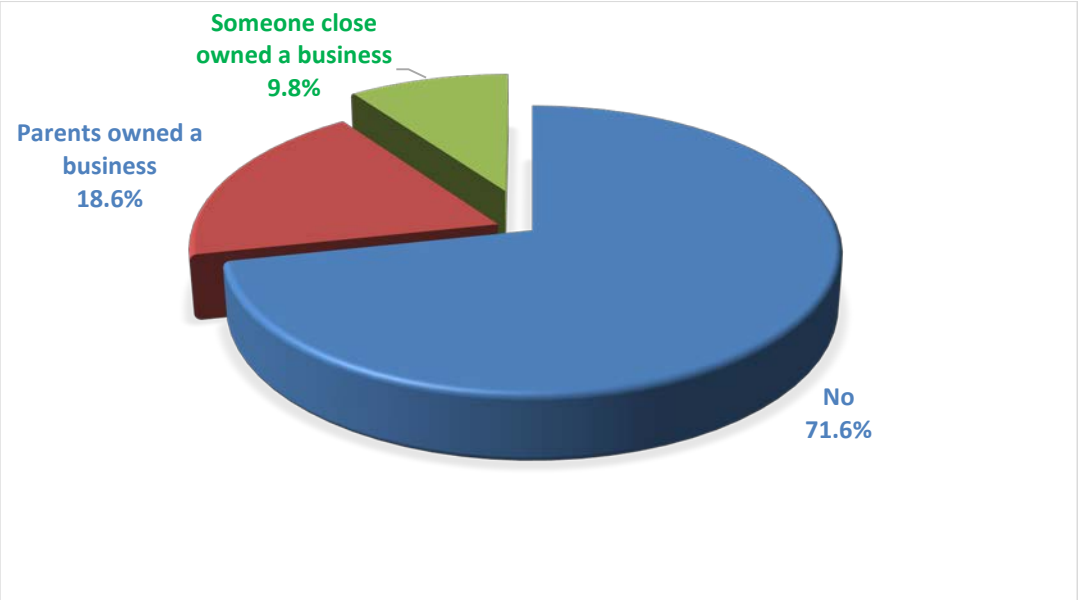


Figure 6.24: Respondents' previous exposure to business

6.4.10 Entrepreneurial training

As discussed in Section 4.7.4, entrepreneurial training may be a contributing factor in the success rate of a business. With regard to the number of female entrepreneurs who indicated that they have had previous training in business management, Figure 6.25 illustrates that 69 percent have not obtained any previous training in business management or entrepreneurial-related fields. However, 26.5 percent indicated that they have had such training. This previous exposure to business and entrepreneurial management training included tertiary education, government programmes, as well as various short courses, including those offered by private institutions. From the sample, 4.5 percent did not respond to this question.

Figure 6.25: Respondents' business and entrepreneurial management training

6.4.11 Enabling environment

Local government plays a significant role in the creation of an enabling environment for the growth of small businesses (Meyer *et al.*, 2016:55). The term, enabling environment, can be explained as a mix of conditions that creates a favourable setting for businesses and other sectors in the community to thrive (Meyer & Meyer, 2016:150). As the importance of creating an enabling environment is essential in stimulating the success of any economy, it is an important aspect of small business survival and growth.

Figure 6.26: Creation of an enabling environment

Figure 6.26 illustrates the responses of female entrepreneurs as to whether or not they think the local municipal government is indeed supporting female entrepreneurs and creating an enabling environment. From the responses, over 72 percent of the sample were of the view that the government is not doing so in South Africa and that it does not successfully support entrepreneurs and small businesses. Just 22 percent of the sample was of the opinion that the government is doing this.

6.4.12 Networking

Several authors and business experts have pointed out the importance of networking (Aldrich *et al.*, 1989; Katz & Williams, 1997; Elfring & Hulsink, 2007). Aldrich *et al.* (1989:339) and Bogren *et al.*, (2013:61) opine that female entrepreneurs encounter different challenges (from males) when it comes to creating valuable networks. Female entrepreneurs form more homogeneous networks compared to male entrepreneurs, and these networks would typically include family and friends. Therefore, forming networks amongst successful and established networks may be very fruitful for the future growth and success of these businesses. Several business networks and associations exist in the South African business sphere.

These networks and organisations were discussed in detail in Sections 2.7 and 3.4.1. Figure 6.27 illustrates the female entrepreneurs' familiarity with some of the main agencies and associations related to female entrepreneurship and development. As the figure indicates, SEDA (Small Business Development

Agency) is the most well-known agency amongst female entrepreneurs, as over 26 percent of the respondents indicated that they are familiar with it. The second most well-known agency is NYDA (National Youth Development Agency) (21.59%), followed by SEFA (Small Enterprise Finance Agency) (14.02%).

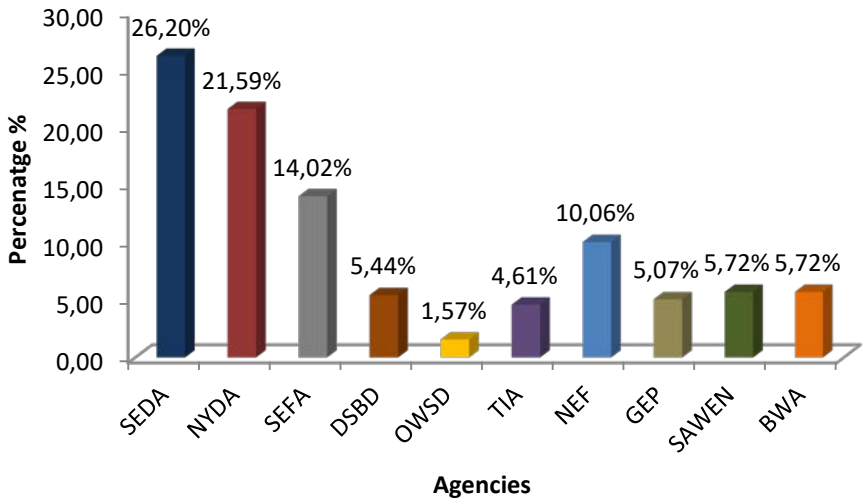


Figure 6.27: Familiarity with government/private agencies and/or associations

6.4.13 Family business

In Section 6.4.9, it was indicated that 18.6 percent of the sample had gained some type of entrepreneurial exposure from a family prior to starting their own businesses. However, these female entrepreneurs did not necessarily form part of or take over this business. This section determined how many of the females were involved or took over a family business. Figure 6.28 shows that only 4 percent of the sample were part of a family business.

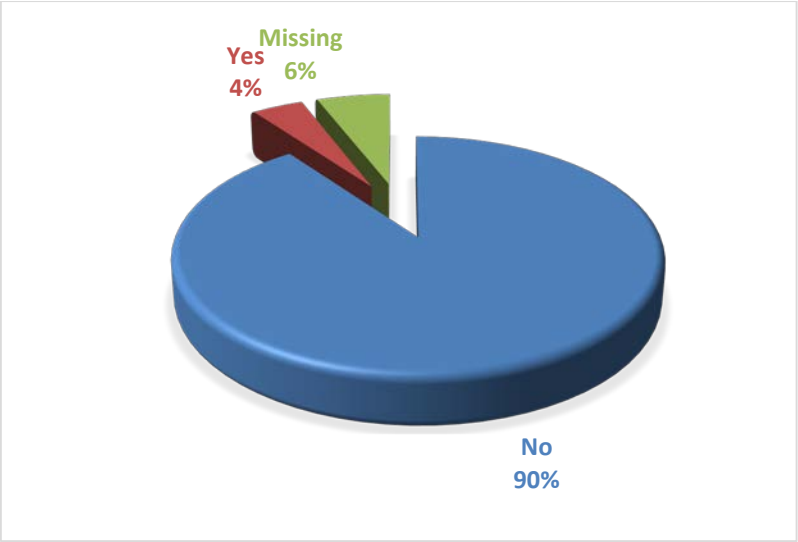


Figure 6.28: Part of or took over a family business

Considering those who did form part of or take over a family business, Figure 6.29 indicates how long they have been managing that business. A total of 35 percent formed part of the family business for between one and 19 years, while 59 percent had done so for between 20 and 29 years. Those having done so for more than 30 years comprised 6 percent of the sample.

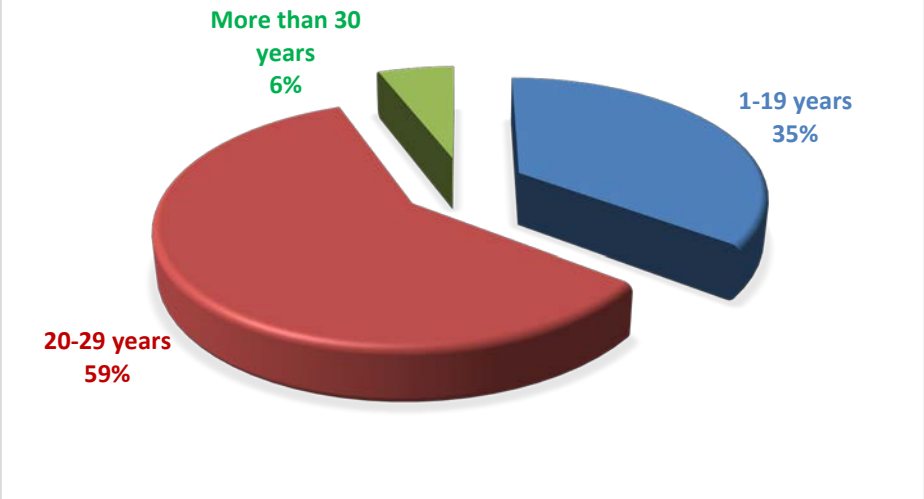


Figure 6.29: Number of years in a family business

The preceding sections furnished an in-depth discussion on the business profile of the sample. This profile included aspects pertaining to industry sector, legal form, size and place of business and start-up capital used. In addition, this section describes the business style, growth measures satisfaction with business size, prior exposure to entrepreneurship, entrepreneurial training, professional body memberships and whether the respondents were part of a family business. Figure 6.30 offers a summary of the sample's business profile.

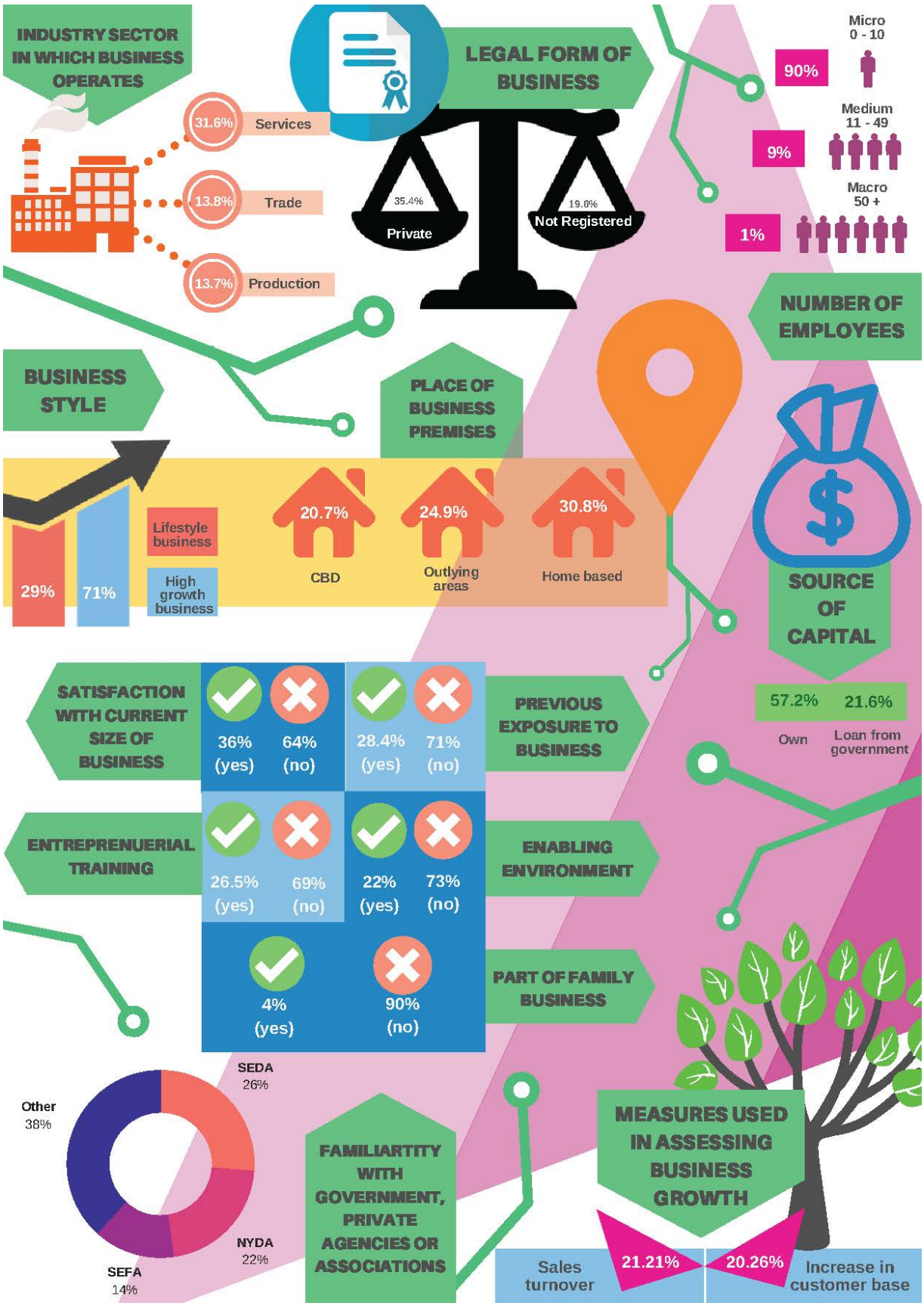


Figure 6.30: Summary of business characteristics

The following sections afford an in-depth discussion of the statistical results obtained from the survey data. These sections include reliability and validity testing, descriptive analysis, correlation, collinearity diagnostics and canonical correlation analysis and significance tests (ANOVA and MANOVA).

6.5 VALIDITY AND RELIABILITY OF SCALES

As explained in Chapter 5 (Section 5.10.1), reliability and validity of cross-sectional studies is central to trustworthiness of the results obtained from the data collection process (Brinkman, 2009:42). The pilot study returned acceptable reliability (Section 5.7.4) and this section tested for reliability and validity of scales based on the final survey data. The results are reported in Table 6.2.

Table 6.2: Reliability results

Items	Construct Name	Number of items	Cronbach alpha	Average inter-item correlation
A1-A4, A6-A10, A17-21	Internal motivation (I)	14	0.750	0.179
A5, A11-A16	External motivation (I)	7	0.725	0.260
B1-B5	Intention to remain in business (D)	5	0.731	0.372
C1-RC4	*Intention to grow business*	*4*	***0.496***	*0.271*
C1-C3	Intention to grow business (D)	3	0.768	0.524
D1-D12	Financing constraints (I)	12	0.859	0.339
E1-E6	Government support (I)	6	0.793	0.391
F1-F5	Training and education (I)	5	0.730	0.355
G1-G7	*Risk-taking propensity*	*7*	***0.361***	*0.069*
H1-H7	Socio-cultural barriers (I)	7	0.833	0.416
I1-I17	Business growth factors (I)	17	0.788	0.195
J1-J14	Attitude towards business (D)	14	0.819	0.248

D=Dependent variable; I=Independent variable

Initially, the low Cronbach alpha of 0.496 for the C construct (Intention to grow business) was a cause for concern. However, an inspection of the corrected item-to-total correlation values highlighted that RC4 had a corrected item-total correlation value of 0.23, which is well below the recommended cut-off value of 0.3, and that the deletion of this item would increase the Cronbach alpha value to an acceptable 0.768. The final C construct thus excluded RC4 and consisted of only three items. The Cronbach alpha and the average inter-item correlation for construct G (Risk-taking propensity) were too low to consider including this construct. An inspection of the corrected item-to-total statistics also indicated that the deletion of certain items would fail to improve the overall internal-consistency reliability of the construct. As such, the risk-taking propensity construct was excluded from subsequent data analysis in this study. All other constructs returned a satisfactory Cronbach alpha.

Concerning construct validity, with the exception of the risk-taking propensity construct, the average inter-item correlation values fall within Clark and Watson's (1995:316) recommended levels of 0.15 to 0.50, with the intention to grow business being marginally higher. As such, it was reasonable to assume convergent and discriminant validity of the items within the construct. The third measure of construct validity, i.e., nomological validity, is reported on in Section 6.7. In the following section, the summary measures of the constructs retained in the study are reported on and discussed.

6.6 DESCRIPTIVE ANALYSIS

The descriptive analysis section includes statistics pertaining to measures of location, variability and shape, which were explained in detail in Sections 5.10.3. Table 6.3 records the means, standard deviations, skewness values and kurtosis values of the various scales. As the scaled responses allowed for a selection of between 1 (strongly disagree) to 6 (strongly agree) on a Likert scale, higher means represent a more positive attitude from the respondents based on the specific construct topic. Table 6.3 reports the results as mentioned.

Table 6.3: Descriptive statistics summary for constructs

Items	Construct name	Number of items	Mean statistic	Standard deviation	Skewness	Kurtosis
A1-A4, A6-A10, A17-21	Internal motivation	14	5.067	0.509	-0.660	2.422
A5, A11-A16	External motivation	7	4.867	0.724	-1.054	1.865
B1-B5	Intention to remain in business	5	5.071	0.757	-1.809	5.189
C1-C3	Intention to grow business	3	5.170	0.815	-1.764	3.772
D1-D12	Financing constraints	12	4.567	0.813	-1.589	2.933
E1-E6	Government support	6	4.452	0.984	-1.080	0.908
F1-F5	Training and education	5	4.754	0.827	-1.201	1.597
H1-H7	Socio-cultural barriers	7	4.148	1.053	-0.603	-0.448
I1-I17	Business growth factors	17	4.882	0.564	-1.727	5.909
J1-J14	Attitude towards business	14	4.959	0.603	-0.970	2.635

N = 510

It is evident from Table 6.3, that all scales may be considered normally distributed as the skewness statistics for the various constructs resulted in a measure of between -2 and +2. All means calculated indicated that respondents strongly agreed with each of the constructs, with means above 3.5 on the six-point Likert scale. The high means suggest that female entrepreneurs intend to remain in business ($\bar{x}$ = 5.071) and grow their business ($\bar{x}$ = 5.170) and that they have a positive attitude towards their business ($\bar{x}$ = 4.959). Kozan, Oksoy and Ozsoy (2012:412), as well as Arthur-Aidoo, Algbavboa and Thwala (2016:232), opine that one's attitude towards the business strongly correlates to one's intention to grow the business and, ultimately, remain in business. The correlation between these three constructs is discussed in Section 6.7. It should be noted that female entrepreneurs who enter into business due to necessity may have a negative attitude towards their business and may be less inclined to remain and grow the business or they may even exit the business if they find alternative employment (Herrington & Kew, 2017:9). In addition, Herrington and Kew (2017:9) opine that entrepreneurs who are improvement-driven, thus aiming to grow their business for the purpose of increased independence or increased income, are more prevalent in innovation-driven economies compared to factor- and efficiency-driven economies.

Moreover, the evidence in the sample suggests that female entrepreneurs are motivated by both internal ($\bar{x}$ = 5.067) and external factors ($\bar{x}$ = 4.867), and believe that entrepreneurship training ($\bar{x}$ = 4.754) and sound business growth practices ($\bar{x}$ = 4.882) are salient to their success. This being said, they also believe that they experience several challenges and obstacles as female entrepreneurs in South Africa, including a lack of government support for the business ($\bar{x}$ = 4.452), financial constraints ($\bar{x}$ = 4.567) and socio-cultural barriers ($\bar{x}$ = 4.148). While the constructs pertaining to financing constraints, lack of government support and socio-cultural barriers resulted in the lowest means, they all yielded mean values in excess of

3.5, indicating that respondents in the sample did perceive these factors as obstacles. From the results pertaining to the financial constraint construct, it can be concluded that the members of the sample felt that several financing constraints restrict their business growth, which include aspects such as strict conditions imposed by banks, cash flow challenges, complicated application processes, high taxes and limited government support. These findings are supported by studies from Verheul and Thurik, (2001:330), Ifelunini and Wosowei (2013:7), and Makina *et al.*, (2015:1). Several authors have noted that when SMEs are restricted from accessing finance or credit they remain small in size and are constrained from growth (Wagenvoort, 2003; Beck *et al*., 2011; De Maeseneire & Claeys, 2012).

Regarding the 'lack of government support' construct, the respondents felt that stringent government regulation and 'red tape' restricts them from expanding their businesses, as do a lack of adequate infrastructure and development support from government. Meyer (2014:32) and Meyer *et al*. (2016:57) opine that governments should create an enabling environment within which SMEs can grow. Factors that contribute to the creation of such environment include reduced regulation ('red-tape'), provision of infrastructure development and entrepreneurship promotion and development, to name a few. These factors were also listed as important by Pretorius and Schurink (2007:19), as well as Blakely and Leigh (2013:61).

The lowest scoring mean, socio-cultural barriers, implies that female entrepreneurs still felt that issues such as their cultural background, stereotyping, discrimination and managing a 'work-life' balance affects their businesses in a negative manner. Several studies have indicated that these types of barriers may affect a female entrepreneur and especially the growth of a business (DeMartino & Barbato, 2003:819; Loscocco & Smith-Hunter, 2004:171; Walker *et al.,* 2008:262; Maziku *et al.,* 2014:58). On closer inspection of the frequency distribution in Table 6.1 (Section 6.2), it can be noted that although the female respondents acknowledged that these issues negatively influence their businesses, more respondents did not agree with some of the statements compared to the other constructs. This may indicate that not all females felt that socio-economic barriers were restricting them from managing their businesses in an effective manner.

6.7 NOMOLOGICAL VALIDITY ASSESSMENT USING CORRELATION ANALYSIS AND COLLINEARITY DIAGNOSTICS

A correlation analysis is useful to determine the linear relationship between variables. In addition, Spiro and Weits (1990:65) and Hair *et al.* (2010:710) emphasise that making use of a correlation matrix is a useful method to determine nomological validity of a selection of constructs proposed for inclusion in a model. The significance level was set at $p \leq 0.01$.

The first step was to ensure that there was a statistically significant positive correlation between the three proposed dependent variables of attitude towards business, intention to remain in business and intention to grow business. The computed results indicate that intention to remain in the business and intention to grow the business had a high correlation ($r = 0.531$), while intention to remain in the business and the attitude towards the business were correlated at a medium to high correlation ($r = 0.408$). The female

entrepreneurs' attitude towards their business and intention to grow the business was correlated at a medium level (r = 0.370). As no other study could be found that tests the relationship between business attitude, intention to grow and intention to remain in business, these results could be considered unique. In addition, studies that tested the relationship between firm growth and attitude used variables such as actual sales and employee growth instead of future intentional growth aspirations (Wiklund *et al*., 2003; Kozan *et al.* 2012). The findings from this study suggest that female entrepreneurs' attitude towards their business, their intention to grow the business and remain in business are closely linked to each other.

Thereafter, it was necessary to establish whether there were statistically significant positive correlations between internal and external motives, as well as entrepreneurship training and sound business growth practices, and each of the proposed dependent factors. Internal motivation had a significant positive correlation with attitude towards business (r = 0.416), intention to remain in business (r = 0.291) and intention to grow business (r = 0.195). External motives also had a significant positive correlation with attitude towards business (r = 0.147), intention to remain in business (r = 0.150) and intention to grow business (r = 0.184). Similarly, belief in entrepreneurship training had a significant positive correlation with attitude towards business (r = 0.312), intention to remain in business (r = 0.186) and intention to grow business (r = 0.236). Along the same lines, a belief in sound business growth practices had a significant positive correlation with attitude towards business (r = 0.468), intention to remain in business (r = 0.275) and intention to grow business (r = 0.279). Therefore, the inclusion of internal motives, external motives, belief in entrepreneurship training and belief in sound business growth practices, together with the constructs of attitude towards business, intention to remain in business and intention to grow business in the model exhibit nomological validity.

Following this, it was necessary to establish whether there were statistically significant negative correlations between a lack of government support for the business, financial constraints and socio-cultural barriers, and each of the proposed dependent factors. There was no statistically significant relationship between socio-cultural barriers and attitude towards business (r = 0.099), intention to remain in business (r = 0.100) and intention to grow business (r = 0.057). However, there was a statistically significant relationship between financial constraints and attitude towards business (r = 0.167), intention to remain in business (r = 0.186) and intention to grow business (r = 0.199). There was also a statistically significant relationship between lack of government support and intention to grow business (r = 0.125), but not between this and attitude towards business (r = 0.112) and remaining in business (r = 0.125). Statistical significance aside, the most interesting finding here was that all of these obstacles have a positive, rather than the envisioned negative, association with the three proposed dependent variables. Whilst this contradicts the theory and means that it would not be nomologically valid to include these variables in the proposed model, it does highlight the importance of the female psyche: females' fortitude in the face of adversity; that is, the more adverse the conditions, the more determined female entrepreneurs are to remain in business and grow their business. The mean inter-item correlations ranged from 0.18 to 0.52 for each construct, and the Pearson's Product-Moment correlation coefficients between

factors were low to medium, which suggests that convergent and discriminant validity may be assumed. The results of the correlation analysis are reported in Table 6.4.

The next step was to run collinearity diagnostics on the constructs planned for inclusion in the proposed model. As discussed in Section 5.10.2, multicollinearity occurs when two or more variables strongly correlate with each other (Miles & Shevlin, 2010:126). In the event that variables strongly correlate (r=0.9 and above) with one another, it becomes difficult to determine which of the variables are most important. The results of the collinearity diagnostics are presented in Table 6.5.

Table 6.4: Pearson's correlation matrix

Construct	Intention to remain in business	Intention to grow business	Internal motivation	External motivation	Financing constraints	Government support	Training and education	Socio-cultural barriers	Business growth factors	Attitude towards business
Intention to remain in business	1									
Intention to grow business	0.531**	1								
Internal motivation	0.291**	0.195**	1							
External motivation	0.150**	0.184**	0.355**	1						
Financing constraints	0.186**	0.199**	0.74	0.291**	1					
Government support	0.108*	0.125**	-0.070	0.179**	0.631**	1				
Training and education	0.186**	0.236**	0.133**	0.150**	0.318**	0.266**	1			
Socio-cultural barriers	0.100*	0.057	-0.26	0.076	0.451**	0.463**	0.240**	1		
Business growth factors	0.275**	0.279**	0.318**	0.174**	0.276**	0.228**	0.328**	0.292**	1	
Attitude towards business	0.408**	0.370**	0.416**	0.147**	0.167**	0.112*	0.312**	0.099*	0.468**	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 6.5: Collinearity

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
Constant	304.587	81.152		3.753	0.000		
Internal motivation	-42.847	14.953	-0.148	-2.865	0.004	0.713	1.402
External motivation	7.541	9.631	0.037	0.783	0.434	0.849	1.178
Intention to remain in business	-3.265	10.491	-0.017	-0.311	0.756	0.653	1.532
Intention to grow business	27.626	9.637	0.153	2.867	0.004	0.669	1.496
Training and education	16.151	8.466	0.091	1.908	0.057	0.842	1.188
Business growth factors	-1.176	13.444	-0.005	-0.087	0.930	0.717	1.394
Attitude towards business	-13.304	13.593	-0.054	-0.979	0.328	0.615	1.627

Table 6.5 presents the results of the collinearity diagnostics. Given that the tolerance values range between 0.615 and 0.849, which are well above the cut off level of 0.10, and given that the average VIF value is 1.40, which is well below the cut-off level of 10, there were no serious concerns as regards multicollinearity. After testing for reliability and nomological validly of the constructs, the Cronbach alpha and the average inter-item correlation for construct G (Risk taking propensity) were too low to consider including this construct. In addition, no statistically significant relationship between socio-cultural barriers and attitude towards business, intention to remain in business and intention to grow business were evident. This resulted in construct H (Socio-cultural barriers) to also be excluded from the final model. Although constructs D (Financing constraints) and E (Government support) returned a statistically significant relationship between some of the dependent variables, all of these obstacles had a positive, rather than the envisioned negative, association with the three proposed dependent variables and no nomologically valid could be proven. This resulted in these constructs also being excluded from the final model. Figure 6.31 illustrates the final model to be tested in this study.

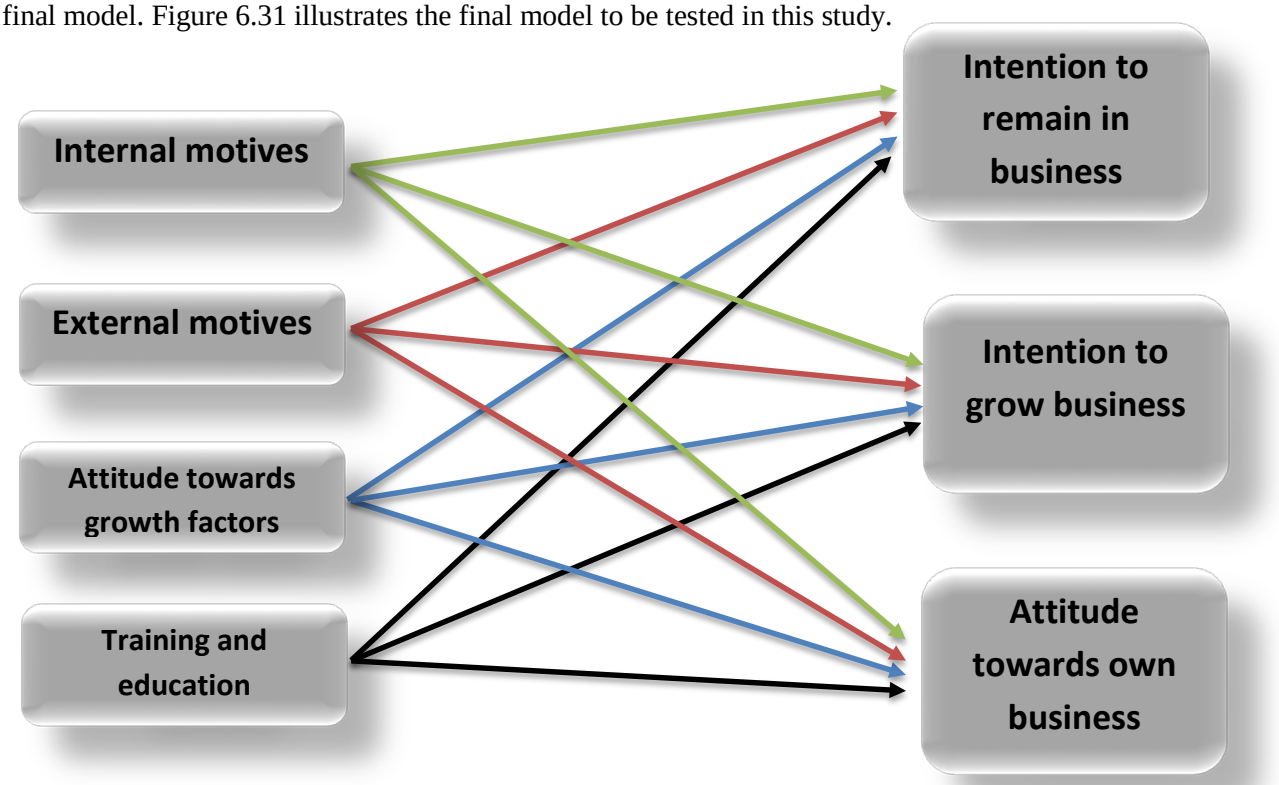


Figure 6.31: Proposed new model of female entrepreneurs' intention to remain in business

Previous models (Krueger & Carsrud, 1993; Engle *et al.*, 2010; Kautonen, van Gelderen & Tornikoski, 2013; Zampetakis *et al*., 2017) have investigated entrepreneurs' intent to start a business and behavioural aspects regarding start-up intention. However, no previous model investigating female entrepreneurs' intent to remain in business could be found in the literature. The current proposed model is therefore, unique in its contribution to this research study. The current model which encapsulates several factors contributing to female entrepreneurs' intention to remain in business is a vast improvement and contribution to the current literature base. The formulated hypotheses to be tested using the canonical correlation analysis and tests of differences are set out in the following section.

6.8 HYPOTHESES TO BE TESTED

A hypothesis can be defined as a set of statements or proposals that attempt to explain the nature of an occurrence and can be used as a guideline to investigate a certain phenomenon. If proven correct, the null hypothesis may be rejected and the alternative is accepted (Dictionary.com, 2018). Kolb (2008:259) and Pallant (2010:242) state that alpha levels of $\alpha = 0.05$ are acceptable; consequently, the significance level for the hypotheses to be tested in this study was set at the conventional 5 percent level. Considering the literature reviewed in Chapters 2 and 4, several hypotheses were formulated testing female entrepreneurs' intention to remain in business. These are explained in the following discussion.

As discussed in Section 2.6, the GEM Entrepreneurial Framework Conditions (EFCs) makes mention of several factors that may potentially influence entrepreneurial activity. These conditions include aspects such as financing, government policies and programmes, entrepreneurial education, research and development, infrastructure, market openness, and social and cultural norms (Herrington & Kew, 2013:17; Herrington *et al.*, 2015:16-17; GEM Consortium, 2016; Herrington & Kew, 2016:9). For the purpose of this study, these EFCs were used as a guideline and more variables were added to test the relationship. In light of this, the following hypothesis was formulated:

$H_0 1$: There is no relationship between South African female entrepreneurs' internal motives, external motives, attitude towards entrepreneurship training and education and attitude towards business growth factors, and their attitude towards their business, their intention to remain in business and grow that business.

$H_a 1$: There is a relationship between South African female entrepreneurs' internal motives, external motives, attitude towards entrepreneurship training and education and attitude towards business growth factors, and their attitude towards their business, their intention to remain in business and grow that business.

Masurel, Nijkamp, Tastan and Vindigni (2001:1) state that race or ethnicity is a factor contributing to entrepreneurial activity in many countries. Adding to this, while the hurdles mentioned below here still exist in South Africa, the additional hindrances regarding racial and gender equality were even more drastic and exaggerated during the Apartheid era of 1948 to 1994. Black and coloured females were still more disadvantaged during this period (SAHO, 2011:1; Bobby-Evans, 2015). In light of this, the following hypothesis was formulated.

$H_0 2$: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards their business between different South African female entrepreneur race groups.

$H_a 2$: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business

growth factors and attitude towards the business between different South African female entrepreneur race groups.

Age is another factor that may potentially influence entrepreneurial activity. South African entrepreneurs are predominantly between the ages of 25 and 44 years (Herrington *et al.*, 2017:29). When examining the average ages of female entrepreneurs starting businesses, studies suggest that females fall in a slightly older age category than males (Hisrich & Peters, 1995:62). In light of this, the following hypothesis was formulated.

$H_0$3: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs younger than 40 years of age and those who are 40 years and older.

H_a3: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs younger than 40 years of age and those who are 40 years and older.

According to McStay (2008) and Fatoki (2014:296), individuals with prior work experience may be influenced in other ways regarding their decision-making and business performance. In addition, Verheul and Thurik (2001:332) state that females are more likely to have less previous work experience before starting a business, compared to males. In light of this, the following hypothesis was formulated.

$H_0$4: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs with three years or less of previous work experience and those with more than three years of previous work experience.

H_a4: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs with three years or less of previous work experience and those with more than three years of previous work experience.

Studies suggest that the number of years of being self-employed may affect entrepreneurial activity either positively or negatively. According to Kuckertz and Wagner (2010:529), business experience could potentially diminish the positive relationship between ethical and sustainable entrepreneurship because experience may cause entrepreneurs to appraise entrepreneurial actions more rigorously. However, Robinson and Sexton (1994:152) found a strong positive relationship between business experience and self-employment. In consideration of this, the following hypothesis was formulated.

$H_0$5: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who had been self-employed for three years or less and those who had been self-employed for more than three years.

H_a5: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who had been self-employed for three years or less and those who had been self-employed for more than three years.

Carr and Sequeira (2007:1090) suggest that being part of a family business may have a lasting impact on family members who grew up in such an environment. It may even have an effect on how someone would manage a business in a manner that is different from how they experienced it while growing up. Thus, growing up in a business environment may shape one's attitude towards entrepreneurship in either a positive or a negative manner. In light of this, the following hypothesis was formulated.

$H_0$6: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have previous exposure to an entrepreneurial environment and those who have no such exposure.

H_a6: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have previous exposure to an entrepreneurial environment and those who have no such exposure.

Several studies suggest that entrepreneurial training and education contribute to forming new entrepreneurs and business ventures and, to a certain extent, preparing entrepreneurs for the business environment (Verheul & Thurik, 2001:332; De Bruin *et al.*, 2007). The Consortium of Entrepreneurship Education (2013) specifically points out that entrepreneurship education may assist in the preparation of individuals, especially females and the youth. De Bruin *et al*. (2007:333) found that entrepreneurial training has a stronger effect on females than on males. In consideration of this, the following hypothesis was formulated.

$H_0$7: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between those South African female

entrepreneurs who have prior entrepreneurial/business management training and those who have no such training.

H_a7: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between those South African female entrepreneurs who have prior entrepreneurial/business management training and those who have no such training.

Several studies have indicated that for SMEs to survive and grow, an enabling environment should be created by government (Pretorius & Schurink, 2007:19; Blakely & Leigh, 2013:61; Meyer, 2014:32). Previous studies also indicate that in South Africa, in particular, SMEs do not hold the view that governments are creating enabling environments for businesses within which to grow (Meyer *et al.*, 2016; Meyer & Meyer, 2017). The aforementioned initiated the formulation of the following hypothesis.

$H_0$8: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between those South African female entrepreneurs who believe that Government is creating an enabling environment for the development of new female-owned businesses and those who do not believe so.

H_a8: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between those South African female entrepreneurs who believe that Government is creating an enabling environment for the development of new female-owned businesses and those who do not believe so.

Cooney (2012:4) states that high-growth and lifestyle businesses may view business barriers and challenges differently. High-growth businesses may perceive more opportunity in unfavourable economic conditions as they may have a higher need for maintaining a certain level of growth compared to lifestyle businesses. The aforementioned initiated the formulation of the following hypothesis.

$H_0$9: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who manage a lifestyle business and those who manage a high-growth business.

H_a9: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who manage a lifestyle business and those who manage a high-growth business.

Veena and Nagaraja (2013:139) declare that female entrepreneurs tend to be less stable in marriage relationships compared to males. Many may be young and married but, compared to the male entrepreneurs, a significantly larger group may be divorced or single. Marital status may thus have an impact on certain entrepreneurial factors. In light of this, the following hypothesis was formulated.

$H_0$10: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have a partner (married or living together) and those who have no partner (single, divorced or widowed).

H_a10: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have a partner (married or living together) and those who have no partner (single, divorced or widowed).

According to Maas and Herrington (2011:226), education may cultivate an improved entrepreneurial mind-set and culture amongst people. In addition, proper education may lead to improved management, business and general life skills needed to establish and maintain a successful business. The aforementioned initiated the formulation of the following hypothesis.

$H_0$11: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have different education levels.

H_a11: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have different education levels.

Another contributing factor that, in many cases, goes hand-in-hand with marriage, is having children. The DTI (2005:8) identified family responsibility as a potential unique challenge for the female entrepreneur. Although some females may willingly enter into entrepreneurial activity when having children because such activity may provide more work-life flexibility, others may be challenged by time restrictions, especially when children are still small (Noseleit, 2014:550). In light of this, the following hypothesis was formulated.

$H_0$12: There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs

who have children and those who do not have children.

H_a12: There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have children and those who do not have children.

The following section discusses the canonical correlation modelling utilised to test the model of variables influencing female entrepreneurs' intention to remain in business, as presented in hypothesis *H_o1*. Subsequently, hypotheses *H_o2* to *H_o12* are tested in Section 6.10 employing tests of differences (MANOVA and ANOVA).

6.9 CANONICAL ANALYSIS

Canonical correlation was conducted to identify any relationships between the variates formed by South African female entrepreneurs' internal motives, external motives, attitude towards entrepreneurship training and education and attitude towards business growth factors, and their attitude towards their business, their intention to remain in business and grow that business, as stated in hypothesis *$H_0 1$*. The canonical correlation analysis was run using the MANOVA and CANCORR macro syntax in SPSS.

The set of dependent variables was defined as intention to remain in business, intention to grow the business and attitude towards the business. The set of independent variables was defined as internal motives, external motives, attitude towards entrepreneurship training and education as well as attitude towards business growth factors.

Given that the smallest set of variables comprises just three indicators, three canonical functions were derived. These three functions, together with the measures of the overall model fit are outlined in Table 6.6.

Table 6.6: Measures of overall model fit

Canonical function	**Canonical correlation**	**Canonical R^2**	**F statistics**	**Probability**
1	0.590	0.348	20.93	0.000
2	0.156	0.024	2.52	0.020
3	0.071	0.005	1.28	0.279
Multivariate tests of significance				
Statistic	Value	Approximate F statistic		Probability
Wilk's lambda	0.633	20.93		0.000
Pilia's trace	0.377	18.16		0.000
Hotelling's trace	0.564	23.56		0.000
Roy's gcr	0.348			

The results recorded in Table 6.6 indicate that the analysis resulted in three functions with squared canonical correlations of 0.348, 0.024 and 0.005 for each successive function. In terms of the model fit, Wilk's lambda, Pilia's trace, Hotelling's trace and Roy's greater characteristic root (gcr) suggest that the overall model across all functions is statistically significant and explained 37 percent ($1-\Lambda_{CV1}$) of the variance shared between the two variable sets; that is, there is a relationship between the variable sets.

The canonical correlation of the first function was 0.590, while that of the second was 0.156 and that of the third was substantially lower at 0.071. Therefore, just the first function was considered for further analysis given that, in comparison to the other functions, Functions 2 and 3 were not statistically significant ($p \leq 0.01$) while Function 1 explained nearly 35 percent of the amount of shared variance between the two sets of canonical variate scores. Function 2 explained 2.4 percent but the third function explained less than 1 percent of the overlapping variance. Function 2 and 3 were not statistically significant at the 0.01 level, which is not practically significant.

A redundancy analysis for the independent and dependent variables of the first function was conducted and the results are reported in Table 6.7.

Table 6.7: Redundancy analysis for the first canonical function

Standardised variance of the dependent variables explained by					
	Shared variance			Redundancy	
Canonical function	Percentage	Cumulative percentage	Canonical R^2	Percentage	Cumulative percentage
1	0.535	0.535	0.348	0.186	0.186
Standardised variance of the independent variables explained by					
	Shared variance			Redundancy	
Canonical function	Percentage	Cumulative percentage	Canonical R^2	Percentage	Cumulative percentage
1	0.401	0.401	0.348	0.140	0.140

Table 6.7 illustrates that the redundancy for the dependent variate (0.186) is higher than that for the independent variate (0.140). Therefore, the independent variate is able to predict almost 19 percent of the variance in the dependent variate.

Once it was established that the canonical relationship was statistically significant and the redundancy index acceptable, the next step was to analyse the canonical weights, canonical loadings and canonical cross-loadings, which are presented in Table 6.8.

Table 6.8: Canonical weights, loadings and cross-loadings for Function 1

Function 1	**Canonical weights**	**Canonical loadings**	**Canonical cross-loadings (Variance explained %)**
Independent variables			
Internal motives	0.521	0.730	0.430 (18)
External motives	-0.027	0.301	0.177 (3)
Attitude towards entrepreneurship training and education	0.310	0.558	0.329 (11)
Attitude towards growth factors	0.555	0.818	0.483 (23)
Dependent variables			
Intention to remain in business	0.192	0.607	0.358 (13)
Intention to grow business	0.139	0.551	0.325 (11)
Attitude towards own business	0.836	0.965	0.569 (32)

The canonical weights, loadings and cross-loadings are reported on in Table 6.8. Hair *et al.* (2010:250) indicate that when interpreting the nature of canonical relationships, it is preferable to analyse the canonical cross-loadings. In terms of the squared canonical cross-loadings of the dependent variables, 13 percent of the variance in intention to remain in business, 11 percent of the variance in intention to grow the business and approximately 32 percent of the variance in attitude towards one's own business is explained by the first canonical function. An examination of the independent variables' cross-loadings

reveals that attitude towards growth factors (0.483) has the highest correlation with the dependent variate, followed by internal motives (0.430). Therefore, approximately 23 percent of the variance in attitude towards growth factors, 18 percent of the variance in internal motives, 11 percent of the variance in attitude towards entrepreneurship training and education, and 3 percent of the variance in external motives are explained by the dependent variate. This suggests that attitude towards growth factors, internal motives and, to a lesser extent, attitude towards entrepreneurship training and external motives have a direct and positive relationship with South African female entrepreneurs' attitudes towards their business as well as intention to remain in business and to grow their business.

The canonical correlation analysis had two primary objectives to address: to identify the dimensions amongst the dependent and independent variable set and to determine the relationship between the dimensions. From a managerial perspective, the results suggest that females who started a business from an internal motivation outlook and who initially held a more positive attitude towards business growth factors may be more inclined to grow and remain in their business. They also display a more positive attitude towards their business in general. Kozan *et al.* (2012:412) and Arthur-Aidoo *et al.* (2016:232) opine that a person's attitude strongly correlates with their intention to grow the business and ultimately remain in business. Hence, the theory corresponds to the findings. The three dependent variables are closely related, as evident from the canonical correlation analysis, and create a well-defined dimension for representing the overall intention of females to remain in business. In addition, this dimension (dependent set) is fairly well predicted by the set of independent variables. When interpreting the independent variate set, it is noticeable that female entrepreneurs' attitude towards growth factors and their internal motivations, which includes aspects such as independence, work-life balance, pursuing a challenge, contribution to society and family security amongst others, provide the highest contributions and could thus be regarded as the key predictors of female entrepreneurs' intention to remain in business. In this case the null hypothesis ($H_0 1$) is rejected and the alternative is accepted ($H_a 1$) as a relationship between the dependent and independent sets was established.

The following section reports on tests for differences between the variables and the demographic and business information of the sample.

6.10 TESTS OF DIFFERENCES

As this study included several dependent and independent variables, it was deemed necessary to test for differences between the different variables and the demographic (Section K) and business information (Section L). Ahmed, Nawaz, Ahmad, Shaukat, Usman, Rehman and Ahmed (2010:15) point out that demographical aspects could potentially have an impact on entrepreneurial activity. Likewise, certain business aspects, such as the size of business, business style and having parents or someone close owning a business, may also exercise an influence on entrepreneurial activity. The original variables included in the questionnaire were internal and external motivation, intention to remain in and grow the business, financing constraints, government support, entrepreneurship training and education, risk taking

propensity, socio-cultural barriers, business growth factors and attitude towards the business. However, as a result of low reliability and correlation financing constraints, government support, risk taking propensity and socio-cultural barriers were excluded from the canonical correlation analysis. These variables were also excluded in the tests for differences. Several hypotheses (Section 6.8), which will subsequently be tested using MANOVA and ANOVA, were developed.

6.10.1 Multivariate analysis of variance (MANOVA)

Multivariate analysis of variance (MANOVA) was utilised to determine the differences in scores of the four independent variables (internal and external motivational factors, entrepreneurship training and education and business growth factors), the three dependent variables (intention to remain in business, intention to grow business and attitude towards business), various demographic characteristics (race, age, years of work experience and years of being self-employed, marital status, education level and having children or not) and business information (business style, previous exposure to business, previous entrepreneurial training and perceptions of an enabling environment). These demographic and business variables were analysed for statistical significance. The differences in the dependent and independent variables based on the demographic and business information variables that were found to be statistically significant were then analysed further using analysis of variance (ANOVA). Table 6.9 presents the results from the MANOVA analysis.

Table 6.9: MANOVA results for differences between variables and demographic and business information

Variable	Wilks' Lambda	F	df	P	η^2
Demographic information					
Race	0.811	7.919	14.000	0.000*	0.056
Age	0.964	2.700	7.000	0.009*	0.027
Years of work experience	0.980	1.410	7.000	0.199	0.007
Years of being self-employed	0.944	4.112	7.000	0.000*	0.031
Marital status	0.991	0.666	7.000	0.701	0.006
Education level	0.939	2.255	14.000	0.005*	0.011
Children	0.993	0.491	7.000	0.841	0.006
Business information					
Exposure to entrepreneurial environment	0.912	4.322	11.000	0.000*	0.017
Previous entrepreneurial training	0.959	2.910	7.000	0.005*	0.019
Perception of an enabling environment	0.945	3.947	7.000	0.000*	0.041
Business style	0.966	2.531	7.000	0.014*	0.029

$\eta 2 > 0.01 < 0.09$ = small effect; $\eta 2 > 0.09 < 0.25$ = medium effect; $\eta 2 > 0.25$ = large effect.
* Statistically significant difference: $p < 0.05$.

Table 6.9 illustrates that there was a significant effect of internal and external motivation, intention to remain in business, intention to grow business, entrepreneurship training and education, business growth factors, attitude towards business based on demographic groups of race ($p = 0.000$), age ($p = 0.009$), number of years being self-employed ($p = 0.000$), education level ($p=0.005$) and business information variables referring to previous exposure to an entrepreneurial environment ($p = 0.000$), previous entrepreneurial training ($p = 0.005$), perception of an enabling environment ($p = 0.000$) and business style ($p = 0.014$).

The variables: years of work experience (p = 0.199), marital status (p = 0.701) and number of children (p = 0.841) returned non-significant results in the MANOVA analysis. Therefore, no further ANOVA analysis was conducted for these hypotheses and, subsequently, there was insufficient evidence to reject the null hypotheses *$H_0$4, $H_0$10* and *$H_0$12*.

Hypothesis *$H_0$4* stated that there is no significant difference in the various entrepreneurial factors between South African female entrepreneurs with three years or less of previous work experience and those with more than three years of previous work experience. This may imply that, based on this sample, experience was not a factor when considering the various entrepreneurial factors such as motivation, intention to remain and grow the business and so forth. As mentioned by Verheul and Thurik (2001:332), females are more likely to have less previous work experience before starting a business and this might have an influence on the set hypothesis.

Hypotheses *$H_0$10* and *$H_0$12* stated that there is no significant difference in the various entrepreneurial factors between South African female entrepreneurs who have a partner (married or living together) and those who have no partner (single, divorced or widowed) and who have children and those who do not have children respectively. Although no differences were observed in this analysis, the constructs financing constraints, government support and socio-cultural barriers were excluded. These factors may have had more of an influence on female entrepreneurs marital and children status. Veena and Nagaraja (2013:139) state that female entrepreneurs tend to be less stable in marriage relationships compared to males. Many may be young and married but, compared to the male entrepreneurs, a significantly larger group may be divorced or single. Marital status may thus have an impact on certain entrepreneurial factors however in this case, it did not have an effect on the entrepreneurial variables contained in the analysis. Likewise, the DTI (2005:8) identified family responsibility as a potential unique challenge for female entrepreneurs. However, in this case and linked to the variables used in this study, no differences between those female entrepreneurs with and without children was observed.

As noted from Table 6.9, several statistically significant differences between groups were identified. In order to determine where the differences exist, an ANOVA was performed. The following section focuses on the ANOVA results and discussion.

6.10.2 Analysis of variance (ANOVA)

Because several significant effects were identified in the MANOVA analysis (Table 6.9), the next phase involved identifying where the differences between groups existed. Analysis of variance (ANOVA) was used to determine this. Tables 6.10 to 6.17 presents the results from the ANOVA tests for the variables that returned a significance value of $p < 0.05$ in the MANOVA analysis.

6.10.2.1 Differences based on race groups

The first analysis tested for differences between race groups and the identified variables as set out in *$H_0$2*.

Table 6.10: ANOVA results for differences between variables and race groups

Variable	Black-African	Indian/ Coloured/ Asian	White	P	η^2
Internal motivation	5.011	5.104	5.301	0.000*	0.043
External motivation	4.932	4.831	4.593	0.001*	0.029
Intention to remain in business	5.096	5.097	4.935	0.219	0.006
Intention to grow the business	5.265	4.972	4.879	0.000*	0.037
Entrepreneurship training and education	4.772	4.913	4.550	0.026*	0.014
Business growth factors	4.873	4.860	4.938	0.614	0.002
Attitude towards the business	4.929	4.895	5.144	0.010*	0.018

*Statistically significant difference: $p < 0.05$

Table 6.10 reports the results from the one-way between-groups ANOVA conducted to explore the differences in the variables between different South African female entrepreneurs' race groups. Respondents were divided into three groups according to their race (Group 1: Black/African female entrepreneurs, Group 2: Indian/Coloured/Asian female entrepreneurs and Group 3: White female entrepreneurs). There were statistically significant differences at the $p < 0.05$ level for the internal ($p = 0.000$) and external motivation ($p = 0.001$), intention to grow ($p = 0.000$), entrepreneurship training and education ($p = 0.026$) and attitude toward business variables ($p = 0.010$). The statistical differences found between race and several variables, as listed in Table 6.10, were then investigated by the post-hoc Tukey HSD test to determine where the specific variances lay.

The Tukey HSD (Appendix C) indicated that in the case of race, differences were observed between Black and White female entrepreneurs and internal and external motivation, between Black and Indian/Coloured/Asian and between Black and White female entrepreneurs and intention to grow the business. Additional differences were noted between Indian/Coloured/Asian and White female entrepreneurs and entrepreneurship training and education and, lastly, between Black and White and Indian/Coloured/Asian and White female entrepreneurs and attitude towards the business.

Of the three race groups, White female entrepreneurs measured the highest levels ($\bar{x} = 5.301$) for internal motivation, which includes aspects such as independence, work-life balance, pursuing a challenge, contributing to society and family security, amongst others. What is interesting is that when one considers external motivational factors, Black/African female entrepreneurs reported the highest mean ($\bar{x} = 4.932$). External business motivation includes aspects such as desire for wealth, applying skills and knowledge, proving oneself and improving one's status, for example. These results are slightly contradictory to the findings reported by Masurel *et al.* (2001:6) who found that African/Black groups tend to be motivated by family more than wealth. A possible reason for this in the South African context could be that certain ethnic groups may want to prove they can manage a successful business, thus the higher external motivation. In addition, Black/African female entrepreneurs have a higher intention to grow their business ($\bar{x} = 5.265$) compared to that of Indian/Coloured/Asian ($\bar{x} = 4.972$) and White female entrepreneurs ($\bar{x} = 4.879$). This is logical since Black/African female entrepreneurs also reported the highest external motivation, which included aspects linking to higher growth.

When analysing the statistics for the entrepreneurship training and education variable, the Indian/Coloured/Asian group reported the highest mean ($\bar{x} = 4.913$) followed by the Black/African group

($\bar{x}$ = 4.772). This may possibly be due to historical reasons where, prior to 1994, the White population received more opportunities than other races, including education and training (Ngcamu, 2002:3; SAHO, 2011:1; Bobby-Evans, 2015). This may suggest that Black, Indian, Coloured and Asian female entrepreneurs perceive higher value from education in comparison to White female entrepreneurs.

The final variable that yielded a significant difference between groups was the attitude towards the business variable. White female entrepreneurs recorded the highest mean ($\bar{x}$ = 5.144) relating to the attitude towards their business. This may possibly be a result of their high internal motivation, which could result in them holding a more positive attitude towards the business. Burton (2012:6) states that motivation and attitude are closely related and that the one in many cases might have an influence on the other. When inspecting the effect sizes (η2), just small effects (η2 > 0.01 < 0.09) were noted between all the variables and the three race groups.

Therefore, in the case of intention to remain in business and the business growth factors, there is insufficient evidence to reject the null hypothesis ($H_0 2$). Concerning internal and external motivation, intention to grow business, entrepreneurship training and education and attitude toward business variables, $H_0 2$ is rejected and the alternative ($H_a 2$) is accepted.

6.10.2.2 Differences based on age groups

The next analysis tested for differences between age groups and the numerous variables as set out in $H_0 3$.

Table 6.11: ANOVA results for differences between variables and age groups

Variable	Younger than 40 years	40 years and older	P	η^2
Internal motivation	5.039	5.159	0.023*	0.010
External motivation	4.886	4.810	0.310	0.002
Intention to remain in business	5.062	5.106	0.579	0.001
Intention to grow the business	5.207	5.049	0.061	0.007
Entrepreneurship training and education	4.764	4.711	0.537	0.001
Business growth factors	4.867	4.932	0.271	0.002
Attitude towards the business	4.930	5.047	0.063	0.007

*Statistically significant difference: p < 0.05

Table 6.11 displays the results from the one-way between-groups ANOVA conducted to explore the differences in the variables between different South African female entrepreneurs' age groups. Respondents were divided into two groups according to their age (Group 1: female entrepreneurs younger than 40 years and Group 2: female entrepreneurs 40 years and older). Only the internal motivation variable returned a statistically significant difference at the $p < 0.05$ level ($p = 0.023$); accordingly, no statistical differences between the age groups and the other variables exist.

Although the effect was small (η2 > 0.01 < 0.09), female entrepreneurs older than 40 years recorded a higher mean for internal motivation ($\bar{x}$ = 5.159) compared to those younger than 40 years ($\bar{x}$ = 5.039). When considering the aspects contained in the internal motivation scales linking to independence, work-life balance, pursuing a challenge, contributing to society and family security, amongst others, this result corresponds to the literature since older females may not want to prove themselves in the community as

much as the younger group, and consider internal motivation more important than external. Hatak *et al.* (2014:37) state that people (both genders) may be less inclined to act entrepreneurially when they reach a certain age. As external motivation links to actively seeking wealth, recognition, influence and self-accomplishment, traits which are generally associated with opportunity-driven and high-impact motivation, younger people may have a higher drive for this type of entrepreneurial motivation compared to older entrepreneurs who may be more content with internal motivations and more aware of the opportunity cost of time (Lévesque & Minniti, 2006:179).

Therefore, in the case of external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business, there is insufficient evidence to reject the null hypothesis ($H_0 3$). Concerning the internal motivation variable, $H_0 3$ is rejected and the alternative ($H_a 3$) is accepted.

6.10.2.3 Differences based on number of years being self-employed

The following analysis tested for differences between the female entrepreneurs' number of years being self-employed and the numerous variables as set out in $H_0 5$.

Table 6.12: ANOVA results for differences between variables and number of years being self-employed

Variable	0 to 3 years	More than 3 years	P	η^2
Internal motivation	5.014	5.152	0.004*	0.017
External motivation	4.895	4.793	0.135	0.005
Intention to remain in business	5.056	5.093	0.601	0.001
Intention to grow the business	5.213	5.078	0.077	0.006
Entrepreneurship training and education	4.743	4.751	0.916	0.000
Business growth factors	4.896	4.835	0.253	0.003
Attitude towards the business	4.913	5.016	0.065	0.007

*Statistically significant difference: $p < 0.05$

Table 6.12 represents the results from the one-way between-groups ANOVA conducted to explore the differences in the variables between different groups of South African female entrepreneurs' number of years being self-employed. Respondents were divided into two groups according to their years of being self-employed (Group 1: female entrepreneurs who have been self-employed for between 0 and 3 years and Group 2: female entrepreneurs who have been self-employed for more than 3 years). The only statistically significant difference reported amongst the groups was the internal motivation variable (p = 0.004). Female entrepreneurs with less than three years self-employment experience presented a lower mean ($\bar{x}$ = 5.014) compared to those with more than three years self-employment experience ($\bar{x}$ = 5.152). The effect of this significant difference between the two groups was small ($\eta 2 > 0.01 < 0.09$).

What is interesting is that females with more than three years self-employment experience were motivated more by internal factors such as independence, work-life balance, pursuing a challenge, contribution to society and family security, amongst others. This suggests that females who have been self-employed for longer may not have as much of an external motivation; for example: desire for wealth, applying skills and knowledge, proving oneself and improving one's status, compared to females who

have just started a new business. Once again, females who have owned a business for longer may be older and also more likely to be internally motivated. Block and Sandner (2009:5) suggest that non-monetary benefits, such as those included in the internal motivation scale, play an important role in entrepreneurial activity and people with longer self-employment experience may be more inclined to these benefits. Given their experience and qualification level, some entrepreneurs may earn more if employed in a full-time job, but prefer to be self-employed as it seems to be that money is only part of what matters (Hamilton, 2000:605). This may be even more so in the case of females who may value aspects, such as work-life balance and contributing to society, more highly. For many entrepreneurs, greater value is obtained from independence, broader skill application, and from the possibility of following their own ideas (Hundley, 2001:296; Frey & Benz, 2008:365). Some empirical evidence exists that self-employed individuals may be more satisfied with their jobs compared to paid employees (for example, Blanchflower, 2000:500; Frey & Benz, 2008:365).

Therefore, in the case of external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business, there is insufficient evidence to reject the null hypothesis ($H_0 5$). Concerning the internal motivation variable, $H_0 5$ is rejected and the alternative ($H_a 5$) is accepted.

6.10.2.4 Differences based on exposure to an entrepreneurial environment

The following analysis tested for differences between the female entrepreneurs' previous exposure to an entrepreneurial environment and the variables as set out in $H_0 6$.

Table 6.13 reports the results from the one-way between-groups ANOVA conducted to explore the differences in the variables between groups of diverse South African female entrepreneurs in terms of their previous exposure to an entrepreneurial environment. Respondents were divided into two groups according to their exposure (Group 1: no previous exposure from a parent, close friend or relative and Group 2: previous exposure from a parent, close friend or relative).

Table 6.13: ANOVA results for differences between variables and exposure to an entrepreneurial environment

Variable	No exposure	Had exposure	P	η^2
Internal motivation	5.022	5.191	0.001*	0.022
External motivation	4.907	4.799	0.123	0.005
Intention to remain in business	5.083	5.042	0.587	0.001
Intention to grow the business	5.192	5.121	0.380	0.002
Entrepreneurship training and education	4.770	4.704	0.427	0.001
Business growth factors	4.865	4.934	0.215	0.003
Attitude towards the business	4.931	5.032	0.094	0.006

*Statistically significant difference: $p < 0.05$

From Table 6.13, it is evident that just one variable, internal motivation, returned a small effect ($\eta 2 > 0.01 < 0.09$) of statistically significant value ($p = 0.001$). Female entrepreneurs who were raised in an entrepreneurial environment; that is, having a parent, close friend or relative who managed an entrepreneurial business, reported a higher mean for internal motivation ($\bar{x} = 5.191$) compared to those who did not have this exposure ($\bar{x} = 5.022$). Several studies suggest that benefiting from an entrepreneur

role model such as a parent, close friend or relative may lead to a more positive outlook on entrepreneurship and a stronger inclination to start a business (Van Auken, Fry & Stephens, 2006; Bosma *et al.*, 2012; Hoffmann, Junge, & Malchow-Møller, 2015; Wyrwich *et al*., 2016).

As Wyrwich *et al.* (2016:468) observe, various studies suggest that individuals who grew up or were exposed to entrepreneurs in their environments had more opportunities to learn valuable entrepreneurial skills, thus reducing the fear of the possibility of failure and increasing their entrepreneurial intention to a certain extent. No studies could be found which stated that role models influence existing business owners to remain in business. The results from the current study also indicated that there was no statistical significance between intention to remain in business and previous exposure to an entrepreneurial role model, which may suggest that other factors may contribute to remaining in business. Linking the impact of role models on internal motivation, those females who had previous exposure to an entrepreneurial role model reported a higher mean than those who had not had such exposure. This may suggest that the former group of females may have noticed the direct benefits linking to work-life balance, pursuing a challenge, contribution to society and family security, amongst others.

Therefore, in the case of external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business there is insufficient evidence to reject the null hypothesis ($H_0 6$). Concerning the internal motivation variable, $H_0 6$ is rejected and the alternative ($H_a 6$) is accepted.

6.10.2.5 Differences based on prior entrepreneurial training

The following analysis tested for differences between the female entrepreneurs' prior entrepreneurial training and the variables as set out in $H_0 7$.

Table 6.14: ANOVA results for differences between variables and prior entrepreneurial training

Variable	No training	Had training	P	η^2
Internal motivation	5.052	5.133	0.107	0.005
External motivation	4.902	4.756	0.041*	0.009
Intention to remain in business	5.039	5.173	0.078	0.006
Intention to grow the business	5.128	5.291	0.046*	0.008
Entrepreneurship training and education	4.702	4.904	0.016*	0.012
Business growth factors	4.855	4.965	0.049*	0.008
Attitude towards the business	4.926	5.038	0.070	0.007

*Statistically significant difference: $p < 0.05$

Table 6.14 represents the results from the one-way between-groups analysis of variance conducted to explore the differences in the variables between diverse South African female entrepreneurs' entrepreneurial training groups. Respondents were divided into two groups according to their exposure to training (Group 1: female entrepreneurs with no previous entrepreneurial training and Group 2: female entrepreneurs with previous entrepreneurial training). Four variables returned a statistically significant value: external motivation ($p = 0.041$), intention to grow the business ($p = 0.046$), entrepreneurship training and education ($p = 0.016$) and business growth factors ($p = 0.049$). From the variables that returned a statistically significant value, all, with the exception of the external motivation variable,

reported higher means for the group who had previous exposure to entrepreneurial training; however, once again, the effect sizes were small ($\eta 2 > 0.01 < 0.09$).

Some might view entrepreneurial training as a pre-requisite to starting a business where others may not. Another argument states that entrepreneurs are born and cannot be taught. However, some truth may lie in both arguments and it is becoming clear that some facets of entrepreneurship can indeed be refined, improved and even be taught through training (Kuratko, 2005:580). The importance of entrepreneurial training has been stressed by several authors (Kolvereid & Moen, 1997; Ibrahim & Soufani, 2002; Kuratko, 2005; Nabi *et al.*, 2018) and research proving the empirical value of training is also favourable. Results from this study indicated that females who had previous entrepreneurial training reported higher means for the intention to grow the business ($\bar{x}$ = 5.291), entrepreneurship training and education ($\bar{x}$ = 4.904) and business growth factors ($\bar{x}$ = 4.965) variables. Surprisingly, females with previous entrepreneurial training reported a lower mean ($\bar{x}$ = 4.756) for external motivation, possibly suggesting that training may affect their outlook as regards desire for wealth, applying skills and knowledge, proving oneself and improving one's status for example. However, this result might also be due to other factors. According to Veena and Nagaraja (2013:139), although most female entrepreneurs are well educated, many of them often lack an education that has a business background. Males, more often than not, have gained additional business and management skills and training, compared to females. As such, the importance of continued entrepreneurial training for female entrepreneurs is evident.

Therefore, in the case of internal motivation, the intention to remain in business and attitude towards the business factors, there is insufficient evidence to reject the null hypothesis ($H_0 7$). Concerning external motivation, intention to grow the business, entrepreneurship training and education, business growth factors variables, $H_0 7$ is rejected and the alternative ($H_a 7$) is accepted.

6.10.2.6 Differences based on perception of local Government creating an enabling environment

The following analysis tested for differences between the female entrepreneurs' perception about the local Government (municipality) creating an enabling environment and the variables as set out in $H_0 8$.

Table 6.15: ANOVA results for differences between variables and perception of the creation of an enabling environment

Variable	No enabling environment	There is an enabling environment	P	η^2
Internal motivation	5.031	5.176	0.008*	0.015
External motivation	4.893	4.835	0.440	0.001
Intention to remain in business	5.005	5.277	0.001*	0.023
Intention to grow the business	5.174	5.135	0.661	0.000
Entrepreneurship training and education	4.776	4.661	0.199	0.003
Business growth factors	4.879	4.892	0.824	0.000
Attitude towards the business	4.947	4.980	0.610	0.001

*Statistically significant difference: $p < 0.05$

Table 6.15 represents the results from the one-way between-groups ANOVA conducted to explore the difference in the variables between diverse South African female entrepreneurs' perceptions about the

creation of an enabling environment. Respondents were divided into two groups according to their perception (Group 1: female entrepreneurs who perceive that the local government is not creating an enabling environment and Group 2: female entrepreneurs who perceive that the local government is creating an enabling environment). From the analysis, two variables returned a statistically significant value: internal motivation (*p = 0.008*) and intention to remain in business (*p = 0.001*) although both resulted in just a small effect size ($\eta 2 > 0.01 < 0.09$).

As mentioned previously, the local government plays a significant role in the creation of an enabling environment in which small businesses may grow (Meyer *et al.*, 2016:55). What is of interest is that the group who thought that an enabling environment was being created by their local government reported a higher mean ($\bar{x}$ = 5.176) for the internal motivation variable. A possible reason for this may be that internal motivation includes internally-driven aspects that, to a certain extent, do not involve external parties or factors – thus having a reduced effect on the outcome. Regarding the variable: intention to remain in business, the group who thought that an enabling environment was being created by their local government also reported the highest mean ($\bar{x}$ = 5.278). An important aspect towards fostering small business survival and growth is the existence of an enabling environment which includes several aspects such as good infrastructure, partnership formation and entrepreneurship development (Meyer, 2014:40). It is a critical part of a business owner's decision making process regarding the continuation of the business. Therefore, it makes sense that those who thought that the local government was creating an enabling environment for business to grow recorded a higher mean regarding the intention to remain in business variable.

Therefore, in the case of external motivation, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business variables, there is insufficient evidence to reject the null hypothesis ($H_0 8$). Concerning the internal motivation and intention to remain in business variables, $H_0 8$ is rejected and the alternative ($H_a 8$) is accepted.

6.10.2.7 Differences based on type of business style

The following analysis tested for differences between the female entrepreneurs' business styles and the variables as set out in $H_0 9$.

Table 6.16: ANOVA results for differences between variables and type of business style

Variable	Life style business	High-growth business	P	η^2
Internal motivation	5.054	5.069	0.753	0.000
External motivation	4.771	4.902	0.068	0.007
Intention to remain in business	4.931	5.127	0.008*	0.014
Intention to grow the business	4.970	5.256	0.000*	0.026
Entrepreneurship training and education	4.681	4.781	0.222	0.003
Business growth factors	4.798	4.916	0.033*	0.009
Attitude towards the business	4.880	4.989	0.065	0.007

*Statistically significant difference: $p < 0.05$

Table 6.16 represents the results from the one-way between-groups analysis of variance conducted to explore the differences in the variables between groups of diverse South African female entrepreneurs

and their business style. Respondents were divided into two groups according to their business style preference (Group 1: female entrepreneurs with lifestyle business preference and Group 2: female entrepreneurs' with high-growth business preference). Differences were noted between the groups with intention to remain in business (p = 0.008), intention to grow the business (p = 0.000) and business growth factors (p = 0.033). Female entrepreneurs who prefer to follow a high-growth business style reported higher means for all variables with statistical significant differences. These included intention to remain in business ($\bar{x}$ = 5.127), intention to grow the business ($\bar{x}$ = 5.257) and business growth factors (m=4.916). The effect of these significant differences between the two groups was small, however ($\eta 2 > 0.01 < 0.09$).

These results are logical as the definition for a high-growth business would include aspects such as intention to grow the business, wanting to remain in business to ensure growth and focussing on business growth factors in order to obtain maximum growth. Morris *et al.* (2005:730-731) define a high-growth business model as one with the intention to grow the monetary value of the business, to the point that it eventually generates a substantial capital gain for the owners and investors. They further point out that a lifestyle business may display a narrower perspective on products, market focus, may be more dependent on customer relations and potentially may employ an economic model that requires lower turnover and sales volumes.

Therefore, in the case of internal and external motivation, entrepreneurship training and education and attitude towards the business variables, there is insufficient evidence to reject the null hypothesis ($H_0 9$). Concerning the intention to remain in business, intention to grow the business and business growth factors variables, $H_0 9$ is rejected and the alternative ($H_a 9$) is accepted.

6.10.2.8 Differences based on education levels

The following analysis tested for differences between the female entrepreneurs' education levels and the numerous variables as set out in $H_0 11$.

Table 6.17: ANOVA results for differences between variables and education levels

Variable	Basic schooling	Diploma or certificate	Degree or post-graduate	P	η^2
Internal motivation	5.081	5.076	5.048	0.833	0.001
External motivation	5.058	4.881	4.689	0.000*	0.035
Intention to remain in business	5.053	5.120	5.013	0.374	0.004
Intention to grow the business	5.100	5.247	5.117	0.173	0.007
Entrepreneurship training and education	4.651	4.841	4.701	0.085	0.010
Business growth factors	4.866	4.887	4.916	0.751	0.001
Attitude towards the business	4.969	4.968	4.932	0.822	0.001

*Statistically significant difference: $p < 0.05$

Table 6.17 represents the results from the one-way between-groups analysis of variance conducted to explore the differences in the variables between diverse South African female entrepreneurs grouped in terms of education level. Respondents were divided into three groups, according to education level (Group 1: female entrepreneurs with primary and secondary schooling, Group 2: female entrepreneurs

with a diploma or certificate and Group 3 female entrepreneurs with a degree or post-degree). There was just one statistically significant difference at the $p < 0.05$ level for the external motivation ($p = 0.000$) variable. Further investigation regarding the statistically significant difference in the variable was further performed by the post-hoc Tukey HSD test to determine where the specific variances lay.

The Tukey HSD (Appendix D) indicated that in the case of education, differences were observed between females with basic schooling or with a degree or post-degree and females with a diploma or certificate or those with a degree or post-degree for the variable external motivation.

It is noteworthy that female entrepreneurs with just basic schooling (primary and secondary education) had the highest external motivation levels ($\bar{x} = 5.058$). Thereafter, those with a diploma or certificate ($\bar{x} = 4.881$) and the group with a degree or post-degree reported the lowest external motivation levels ($\bar{x} = 4.689$). Because external motivation links to aspects such as desire for wealth, applying skills and knowledge, proving oneself and improving one's status, it may be assumed that females with lower levels of education might have an increased desire for autonomy and wealth. Once again, the effect of this significant difference between the two groups was small ($\eta 2 > 0.01 < 0.09$).

Therefore, in the case of internal motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business there is insufficient evidence to reject the null hypothesis ($H_0 11$). Concerning the external motivation variable, $H_0 11$ is rejected and the alternative ($H_a 11$) is accepted.

It is evident that the topic of female entrepreneurship is vast and that results differ substantially between the various groups, as indicated in the aforementioned analyses. Table 6.18 represents a summary of ANOVA results based on the various hypotheses.

Table 6.18: Summary of ANOVA results the various hypotheses

Variable	$H_a 2$	$H_a 3$	$H_a 4$	$H_a 5$	$H_a 6$	$H_a 7$	$H_a 8$	$H_a 9$	$H_a 10$	$H_a 11$	$H_a 12$
Internal motivation	✓	✓	*n/a*	✓	✓	x	✓	x	*n/a*	x	*n/a*
External motivation	✓	X	*n/a*	x	x	✓	x	x	*n/a*	✓	*n/a*
Intention to remain in business	X	X	*n/a*	x	x	x	✓	✓	*n/a*	x	*n/a*
Intention to grow the business	✓	X	*n/a*	x	x	✓	x	✓	*n/a*	x	*n/a*
Entrepreneurship training and education	✓	X	*n/a*	x	x	✓	x	x	*n/a*	x	*n/a*
Business growth factors	X	x	*n/a*	x	x	✓	x	✓	*n/a*	x	*n/a*
Attitude towards the business	✓	X	*n/a*	x	x	x	x	x	*n/a*	x	*n/a*

X = no significance between groups in ANOVA
✓ = significance between groups in ANOVA
n/a = no significance between groups in MANOVA

From Table 6.18 it is evident that internal motivational factors most strongly impact on female entrepreneurs as five hypotheses returned a statistically significant difference amongst the different groups for this variable. Results from the canonical correlation in Section 6.9 also supported this finding as internal motivations, which include aspects such as independence, work-life balance, pursuing a challenge, contribution to society and family security amongst others, provided the highest contributions

and could thus be regarded as one of the key predictors of female entrepreneurs' intention to remain in business.

6.11 CONCLUSION

The main aim of this chapter was to report on and interpret the results of the statistical analysis of the survey data. The first two sections of the chapter (Sections 6.3 and 6.4) addressed the demographic and business profiles of the sample and subsequently addressed one of the empirical objectives set out in Chapter 1. A descriptive analysis of the data was undertaken, which determined that data was normally distributed. Validity and reliability were ascertained through Cronbach's Alpha and the item-to-total statistics. Through the use of these statistics, item RC4 from the intention to grow scale and the risk taking propensity scale were excluded from further analysis as these returned unacceptably low levels of reliability. Furthermore, nomological validity of the constructs was established through the use of Pearson's correlation and, based on the results, financing constraints, lack of Government support and socio-cultural barriers, were excluded from the model. A further analysis was carried out to test for collinearity but none was detected between variables.

Several hypotheses were developed and tested through the use of canonical correlation and tests of differences (MANOVA and ANOVA). The analysis resulted in the alternative hypothesis for H_a1, H_a2, H_a3, H_a5, H_a6, H_a7, H_a8, H_a9 and H_a11 being accepted and H_a4, H_a10 and, H_a12 being rejected, subsequently addressing another two of the empirical objectives set out in Chapter 1. The main findings from this chapter were that female entrepreneurs' attitude towards growth factors and their internal motivations, which include aspects such as independence, work-life balance, pursuing a challenge, contributing to society and family security, amongst others, provided the highest contributions and could thus be regarded as the key predictors of their intention to remain in business.

The final chapter focuses on concluding the study and evaluating it by highlighting the key findings. Theoretical and empirical objectives are summarised along with findings relating to these objectives. In addition, recommendations towards improving possible issues emerging from the study are made. Further research proposals are also provided within this chapter.

CHAPTER 7

SUMMARY, RECOMMENDATIONS AND CONCLUSION

'It always seems impossible until it is done.' (Former South African President, Nelson Mandela)

7.1 INTRODUCTION

During the mid-eighteenth century the Western industrial era brought about major changes globally; from the outset, females were excluded from mainstream economic contributions and activities. However, as has been indicated, recent times have witnessed changes in this attitude with increasing numbers of females entering the entrepreneurial realm. Notwithstanding, many females still find it challenging to be regarded as equals to their male counterparts and also have a set of unique challenges affecting their day to day business decisions. In addition to these challenges faced worldwide by female entrepreneurs, South Africans faced an additional set of hurdles in the form of racial and gender discrimination during the former Apartheid era (1948-1994). This era also excluded all males and females of colour from mainstream business and economic activities. The introduction of a democratic government in 1994 changed this, but long term structural damage to this cohort is still evident.

Several aspects and challenges uniquely affect female entrepreneurs. These, for example, include: motivation, intention, growth, and access to finance, socio-cultural barriers, risk-taking, education and training. These aspects need further investigation to determine their impact, in particular on female entrepreneurs' intention to remain in business and the subsequent business growth. In determining which factors contribute most to this intention, recommendation and implementation processes could be suggested. These may essentially assist governments to adapt its policies and strategies in an attempt to possibly assist in the improvement of these factors.

For many years various academics and policy makers alike have identified entrepreneurship as a key driver of economic growth and development. Some countries' governments have placed emphasis on female entrepreneurship as an untapped source of additional economic growth and development. However, empirical evidence still indicates that even though the number of female entrepreneurs is growing, their businesses still tend to remain small in size, lack growth and do not significantly contribute to economic growth and development. This phenomenon seems even more prevalent in developing countries. However, although in many cases their businesses remain small, a large number of female owned business still remain active, prompting the concept of this study in an attempt to determine South African female entrepreneurs' intention to remain in business. The study aimed to determine the factors that mostly contribute to South African female entrepreneurs' intention to remain in business and ultimately, to grow that business.

7.2 OVERVIEW OF THE STUDY

The primary objective of this study, it will be recalled, was to determine the factors influencing South African female entrepreneurs' intention to remain in business. In achieving the said objective, a comprehensive literature and empirical review was undertaken and presented in Chapters 2, 3 and 4. This provided a framework in which the concept of female entrepreneurship and its challenges could be understood. This section provides the main contributions of the six chapters completed prior to the concluding chapter (Chapter 7) in order to provide a backdrop for a more comprehensive understanding of the main findings (Section 7.3) and subsequent implications and recommendations (Section 7.6) that are made.

Chapter 1 commenced the study by providing a brief background and an overview of female entrepreneurship as well as an outline of the topic at hand, which was provided by setting the research questions and objectives to be addressed. Although many studies identifying the reasons why females decide to start a business were found, none that investigated the reasons why they decide to remain in business could be discovered. This consequently resulted in a gap within the literature being identified, pointing out the importance of this study. Furthermore, the literature indicated that female entrepreneurs' businesses tend to remain small, with limited growth ambitions. This prompted the second part of the study, which was to investigate the intentions of respondents from this study to grow their businesses. In line with the problem statement, one primary objective, nine theoretical objectives, and five empirical objectives were formulated (Section 1.3). In addition, a brief overview of the research design and methodology followed in accomplishing the various objectives was given. The chapter concluded by explaining the ethical considerations, the delimitations of the study, briefly introducing the main terminology used as well as offering a clarification of the contribution of the study and the chapter layout.

Following on the discussion in the first chapter, Chapter 2 focused on the first four theoretical objectives identified. Emphasis was placed on developing a theoretical foundation for entrepreneurship by discussing the various definitions of entrepreneurship, small business ownership and management (Section 2.2, Theoretical objective 1). Several definitions of entrepreneurship were provided and, based on these, a final concluding definition for an entrepreneur was formulated. This definition states that an entrepreneur is a self-employed individual managing a business that contributes to the economy in a judicious and positive manner, taking risks, creating new products and processes as well as having the ability to see opportunities and adjust to change. In addition, it was identified that the term 'entrepreneurship' lends itself to various interpretations and should be considered in context. Therefore, for the purpose of this study, it was concluded that a small business entrepreneur is defined as a small to medium-sized business owner, taking calculated risks, contributing directly to the local economy, solving social needs and problems, but who may choose that her business remains a manageable size.

The importance of entrepreneurship, considering the relationship between the phenomena of economic growth and development, was emphasised in Section 2.3 (Theoretical objective 2). Several policy makers

and academics have identified entrepreneurs as key role players contributing to a country's economic prosperity. Entrepreneurship is directly and indirectly linked to economic growth and development and many studies have empirically identified entrepreneurship as a booster of economic growth. Entrepreneurship contributes to economic growth by improving competition in the market as the number of businesses increases. Knowledge 'spill-overs' are created, which lead to new knowledge and are seen as an important causal instrument for endogenous growth and the creation of diversified and innovative economic agents. In addition to these benefits and findings, some studies revealed that an increase in the number of entrepreneurs resulted in lower levels of unemployment and that entrepreneurship has a positive effect on GDP. In conclusion, enough empirical evidence was provided supporting the statement that entrepreneurship does impact economic growth and development.

Sections 2.4 and 2.6 provided a clear foundation of entrepreneurial principles and theory and explanation on the various entrepreneurial indicators and measurements (Theoretical objective 3) respectively. Richard Cantillon (1680-1734), was identified as one of the first economists to write about the notion of entrepreneurship. He stated that creating entrepreneurs leads to the development of an economy through the creation of exchange, price fluctuations, money transfer and increased competition, adding that entrepreneurs are responsible for bringing prices and production in line with demand. Many entrepreneurial and economic theorists followed thereafter, including the likes of Schumpeter, Von Thünen, Baumol, Menger, Von Mises, Marshall, Knight, Schultz and Kirzner, who affirmed the importance of entrepreneurship. These theorists established a variety of different schools of thought regarding entrepreneurship.

As mentioned in Chapter 2, Section 2.6, entrepreneurship is not a simple concept to measure. However, over the past two decades, the GEM Consortium has developed a method to measure and compare cross-national entrepreneurial activity as well as perform intra-country time series analysis. In doing so, several indicators measuring entrepreneurship were developed. The most important indicator has been identified as early-stage entrepreneurial activity (TEA), which consists of two stages; nascent and new entrepreneurs (Section 2.6.3). Thereafter, additional, very important, indications were considered: entrepreneurial intentions, fear of failure and the established business ownership rate (Sections 2.6.2 and 2.6.4). Other indicators include individuals' perceived 'good' opportunities, perceived capabilities, business failure rate and male to female ratio rates (Sections 2.6.1, 2.6.5 and 2.6.6). Entrepreneurs are also categorised into necessity- and opportunity-driven entrepreneurs (Section 2.6.7). Additional indicators include social and employee entrepreneurial activity measured by the GEM, the 'doing business rating' and 'starting a business rating' as measured by the World Bank and the global competitiveness indicator measured by the World Economic Forum (Section 2.6.8).

Chapter 2 concluded with a brief analysis of the current South African entrepreneurial environment, national policies as well as the government departments concerned, and of the emphasis they place on entrepreneurship; more specifically, female entrepreneurship development as a contributor to sustainable job creation (Section 2.7, Theoretical objective 4). The South African government deems

entrepreneurship to be an essential driver of job creation and growth and its economic policy places emphasis on the development and promotion of entrepreneurs. In addition, it promotes gender equality; hence a great deal of policy formulation has been implemented to support female development and reduce the gender gap. Several national policies were briefly analysed to determine the importance accorded to entrepreneurial development in South Africa. The National Development Plan can be considered one of the most important policies that focuses on many socio-economic challenges; of these, it lists job creation and reduction of unemployment as its number one priority. Resulting from this challenge, the NDP places ample emphasis and attention on small business and entrepreneurship development. Other departments and their various policies and strategies were discussed, including the Department of Trade and Industry, the Department of Economic Development, the Department of Small Business Development and the Department of Women's Affairs.

Chapter 3 addressed the fifth and sixth theoretical objectives, which respectively, included comparing the South African economic and entrepreneurial environments to several developed countries, as well as the BRICS and the SADC countries (Sections 3.2.1 to 3.2.3, Theoretical objective 5) and conducting a literature review on the current state of female entrepreneurship in South Africa (Section 3.4, Theoretical objective 6). The economic indicators chosen for this comparison were GDP, GDP growth, GDP per capita, unemployment and inflation. The main findings from this chapter regarding economic aspects were that South Africa was not as developed as the countries in the first comparison discussed in Section 3.2.1 (South Korea, Germany, United States of America, the Netherlands and Australia) and that these countries have significantly lower unemployment levels. The second comparison concluded in Section 3.2.2 (Angola, Namibia, Botswana, Malawi and Zambia), indicated that South Africa had the highest GDP per capita with the exception of Botswana which had a still higher rate. These countries face similar challenges in some respects. The final comparison as analysed in Section 3.2.3 (Brazil, Russia, India and China) indicated that similar GDP per capita was reported for South Africa and China, while India recorded a substantially lower contribution and Brazil and Russia made a higher contribution. Again, South Africa repots the only double digit unemployment rate amongst the BRICS countries. Similarly, the entrepreneurial indicators were also compared. In the comparison, including the developed countries, South Africa was the only efficiency-driven economy amongst the innovation-driven ones and reported the third lowest TEA rate. The SADC comparison revealed that South Africa and Namibia were classified as efficiency-driven economies amongst factor-driven ones and that South Africa had by far the lowest TEA of the compared countries. The final comparison, including the BRICS countries, indicated that with the exception of Russia, South Africa had the lowest TEA rate (Sections 3.2 and 3.3).

Additional findings from this chapter indicated that male TEA rates are consistently higher than female TEA rates (Section 3.4.1). The South African female TEA is less than half, if compared to the averages of other African and efficiency-driven economies. Even at the highest reported South African rate of 9 percent in 2013, comparative global female TEA rates still outperformed South Africa. When the South African female TEA rate is compared to the rest of Africa, South Africa is once again ranked second last,

with just Algeria scoring slightly lower. The importance of placing South Africa in a global context with regard to entrepreneurship in general and regarding female entrepreneurship levels in particular, provided evidence of a broader perspective on the current South African situation regarding entrepreneurship development (Section 3.4, Theoretical objective 6).

The final three theoretical objectives were addressed in Chapter 4. The first objective (Theoretical objective 7) was to review the literature on the Theory of Planned Behaviour and Theory on Intent. A sizable body of research exists on the Theory of Planned Behaviour and the link it has to entrepreneurial intention and behaviour. The theory suggests that an individual's decision to enter into a certain activity, for example, to start a business or remain in business, is a cautious but deliberate action relating on the intention to perform this behaviour. The three variables forming the TPB, attitude, perceived behaviour and subjective norms, may in theory, be determined by two elements; one's belief about a certain outcome and the evaluation of these outcomes. Entrepreneurial intention was identified as an important aspect with several factors influencing the choice of an individual's intention. Hence, no single factor can ever be identified as the sole contributing predictor to intention (Sections 4.3 and 4.4).

The second last objective (Sections 4.5 and 4.6, Theoretical objective 8) included reviewing the literature pertaining to female entrepreneurs' characteristics and other elements affecting entrepreneurial development. The elements race, age, marital status and having children, education, previous work experience, entrepreneurial role-models and networking were all identified as potentially impacting on female entrepreneurial development. Considering the existing barriers and challenges faced by Black people and minority races in certain countries, females in these groups experience even more challenges in creating successful businesses. Black females in some cases tend to have lower education levels, are caught up in family responsibilities and lack resources such as capital and skills. In addition, when they do start a business it tends to be small and informal in many cases.

Studies suggest that the average ages of female entrepreneurs starting businesses fall in a slightly older age category of 35 to 45 years. A possible reason for this older start-up age may be having responsibility for first raising children, increasing experience and confidence levels and saving for start-up capital or collateral for loans. Other studies further propose that family responsibility is potentially a unique female entrepreneurial challenge and that fewer differences were observed between males with children and those without children, compared to females with and without children. This implies that males with parental responsibilities are less affected with regard to their business motivation and activities. In addition, clear differences in entrepreneurial motivation amongst married and unmarried gender groups were noted.

As a developing country, South Africa has many times been characterised as a country with low levels of education and literature, suggesting that individuals with higher levels of education may have a higher chance of success, not only as entrepreneurs but also as employees. In many countries, including South Africa, where culture still plays an important role, females are sometimes further disadvantaged by the

lack of basic education and generally lower education levels, compared to males. In addition, evidence from former studies found that amongst other factors, previous work experience gained by the owner was a positive determinant of business success. As with most of the aforementioned characteristics and elements, several differences between males and females regarding work experience were found. In general, females had less work experience, earned less per comparable wage hour than males and possessed less managerial knowledge.

Several studies pointed out the importance of networking and the benefits of an entrepreneurial role model at some stage. Studies suggested that females prefer to have female role models and that a lack of these, may have a negative effect on the behaviour of some potential female entrepreneurs. Empirical evidence was found stating that, in many instances, individuals and their role models may be similar in gender and even race. Another important element to entrepreneurship and specifically female entrepreneurship was identified as the presence of a strong network. Females in general may be excluded from formal work networks as many of these networks are male dominated (Section 4.6.1).

The final theoretical objective, addressed in Section 4.6.2 (Theoretical objective 9), aimed at reviewing the literature pertaining to the various entrepreneurial factors (internal and external motivation, attitudes towards growth factors, attitude towards entrepreneurship training and education, government support, financial constraints, socio-cultural barriers and risk-taking propensity). The first factor, and potentially one of the most important factors when considering the TPB, is motivation (Section 4.6.2.1). The literature revealed that females, in general, have different motives for starting and remaining in business compared to males. Females may in many cases be motivated by flexible working hours when deciding to pursue an entrepreneurial venture. Another finding suggests that females tend to start businesses for more internally motivated reasons. Further findings suggested that female entrepreneurs were more inclined to career flexibility and taking care of family obligations whereas male entrepreneurs reported much higher interest in career advancement and wealth creation.

Several factors impeding female entrepreneurial development were identified, the first of which was being financial constraints (Section 4.6.2.2). The literature suggested that access to finance and credit for SMEs is in many cases a challenge and that this challenge is sometimes even greater for female entrepreneurs. Female entrepreneurs encounter several challenges concerning the financial aspects of their businesses. These include aspects pertaining to start-up capital and operational capital. In addition, female-owned businesses tend to be smaller in size and less efficient, which may result in more failed loan applications. Government support was also identified as a factor and restrictive policies; in the past, lack of government support prevented many females from starting businesses or thinking entrepreneurially (Section 4.6.2.3). Despite initiatives aimed at improving this past phenomenon there is still much work needing to be done to ‘level the playing field’ when it comes to gender representation in the economic business world; entrepreneurship development and policy formation could assist in this.

As mentioned earlier, education and especially entrepreneurial training and education may contribute to more successful businesses (Section 4.6.2.4). Some studies suggested that males and females come from different backgrounds with regard to education and business experience and that males may have more managerial experience and business training than females. Risk-taking is an essential part of the traditional definition of an entrepreneur (Section 4.6.2.5). Several studies specifically refer to females as being more risk- and debt-averse, which could lead to certain conclusions about why their businesses, in many cases, do not attract the investment opportunities, and consequently, potential growth, that their male counterparts so often do. However, many factors, other than gender, may also contribute to the level of risk-taking. Aspects such as motivation, acting out of necessity or opportunity and attitude towards monetary aspects may also have an impact on the level of risk-taking propensity. A final factor that may have an impact on the level of female development was identified as comprising socio-cultural barriers (Section 4.6.2.6). Some of these were listed as stereotypical treatment, discrimination in the labour market and other work places as well as balancing work and home duties, especially when raising children. Religion and country of origin may also have a significant influence on female entrepreneurship, as a socio-cultural barrier.

Following the theoretical objectives, the central purpose of Chapter 5 was that of clarifying the research methodology utilised for this study. Considering the primary and subsequent theoretical and empirical objectives of this study, its underlying philosophical underpinning originated from the radical structuralist or positivist paradigm as it predominantly made use of empirical data obtained objectively and interpreted in a statistical manner. This was explained in detail in Section 5.2, while Sections 5.3 and 5.4 addressed the research design and approach. This study made use of a descriptive single-sample cross-sectional design approach. The target population for this sample included female business owners who owned a majority share in the business and who were actively involved in the management aspects of the business. The data collection was conducted over a 2 month period during 2017. In order to narrow this sampling frame from the initial sample, female business owners from South Africa who were part of a business network or association were identified. A combination of two non-probability sampling techniques (purposive and convenience sampling technique) was used in the selection of the sample elements as identified from the target population. A final sample size of 510 female entrepreneurs was obtained. Data were collected through the use of a self-structured questionnaire which was administered through electronic correspondence, snowballing and trained fieldworkers. The statistical techniques used in analysing the data included the use of reliability and validity measures, descriptive statistics, correlation and canonical correlation analysis as well as, MANOVA and ANOVA analysis. The chapter also addressed the questionnaire design and pilot study results. All of these processes were discussed in Sections 5.5 to 5.10. The results of the aforementioned analysis methods were reported on in Chapter 6 and formed the basis of the empirical objectives of the study. These objectives are discussed in the following section.

7.3 MAIN FINDINGS OF THE STUDY

This section provides an overview of the main findings of this study as set out in Chapter 1 in accordance with the five empirical objectives. The first objective (Empirical objective 1) was to develop a profile of South African female entrepreneurs pertaining to demographic and business information (Sections 6.3 and Section 6.4). Several demographic categories were identified: race, age, marital status, having children, education level and, labour status before starting a business, number of years in full-time employment and being self-employed, number of years owning their current business and reason for leaving full-time employment. The majority of the sample were of Black African origin, followed by Whites and Coloureds while Asian/Indian female entrepreneurs made up a minority of the sample. These proportional figures are also representative of the overall South African population race distribution (World Elections, 2014). When studying the age composition of this sample, the preponderance of female entrepreneurs were between the ages of 21 and 30 years. This was in line with the findings by Kelley *et al.* (2015:7) as South Africa is considered an efficiency-driven economy. In addition, just over one third of the sample were between the ages of 41 to 50 years. This suggested that many female entrepreneurs start their businesses after the completion of their tertiary education or at a later stage, possibly when they have saved up enough capital. Other reasons may include having pursued a different career; or they may only decide to start a business after first completing family responsibilities, such as raising and schooling their children.

The study sample consisted of an equal percentage of single and married female entrepreneurs, suggesting that the one is not more inclined to be an entrepreneur than the other. However, when adding the single, divorced and widowed females together, this figure was slightly higher than half of the sample compared to the females who were either married, in a relationship or living together. The percentage of female entrepreneurs with children made up slightly more than half of the sample. A possible reason for the high number of females not having children may be the young age of those in the sample. With regard to the respondents' highest level of education, a third of the respondents obtained a degree or higher while slightly more were in possession of a certificate or diploma. The smallest portion of the sample did not have a qualification higher than high school level. Although a formal education is not a prerequisite for starting a business, this may suggest that having completed some level of formal education does improve one's chances in successfully starting and continuing with a business.

More than half of the female entrepreneurs from this sample had been full-time employees before starting their own businesses, although some had been employed part-time. The largest percentage of females had been employed for between four and six years before deciding to start their own business. Respondents decided to leave their employment for either push- or pull-factor reasons. Of the push-factors, low salary received the highest response, followed by a negative atmosphere at work. Pull-factor reasons, including both pursuing a dream and seeing a business opportunity, received the highest response rates. Findings indicated that more often than not, people deciding to start a business based on pull-factors are more successful than to those who are forced into starting a business as a result of some form of push-factor

(Amit & Muller, 2013:65). The majority of the sample were relatively new entrepreneurs, with just slightly over one third being self-employed for more than three years. The largest group of female entrepreneurs indicated that they have been operating their current business for more than three years and just over a third of the sample had been doing so for a period of one to three years. A summary of this sample's demographic profile was provided in Figure 6.14.

The second part of the first empirical objective was aimed at creating a business profile of the sample. The categories included the industry sectors in which the business operated, its legal form, current number of employees, start-up capital used, business premises, business growth measures, satisfaction with current business size, previous business exposure and training, perception of and enabling environment, networking and being part of a family business. The respondents from this sample were predominantly doing business in the service sector and production sectors. These results link to previous studies indicating that females predominantly start business in the service sector (Verheul & Thurik, 2001:330; Kitindi, 2006:4; Herrington & Maas, 2007:55).

Most of the female entrepreneurs from the sample managed their businesses under the legal structure of a private company. A fifth of the sample indicated that their businesses were not registered; these were most probably some of the more newly established businesses. In approximately one third of the sample the entrepreneur was the sole labour unit in the business. Du Rietz and Henrekson (2000:2) found that female-owned businesses tend to underperform in contrast to male-owned businesses concerning the number of employees. However, the largest portion of the sample consisted of a labour force of up to five employees excluding the owner, while a minority of the sample had more than ten employees.

Regarding the main sources of capital used by the female entrepreneurs for starting their business in this sample, the majority of the respondents made use of their own resources or bootstrapping. This finding links to evidence from previous studies suggesting that females encounter challenges when applying for start-up capital and due to being more risk-averse, they sometimes refrain from applying for finance (Verheul & Thurik, 2001:330; Carter *et al.,* 2006; Lo *et al*., 2012:9; Zampetakis *et al.,* 2017:452). The majority of respondents indicated that they operated their businesses from their home. This could be due to the large proportion of the sample having fewer than 5 employees. This is an indication that these businesses qualify as micro to small businesses and typically start out as home-based businesses. Several studies suggest that many micro to small business female entrepreneurs prefer to have home-based businesses; the reasons for this include: convenience, lack of funds for more formal premises and the small size of the business (Walker *et al.*, 2004; Wang & Redmond, 2008; Thompson *et al.,* 2009).

Of the options provided the top three measures of growth included: sales turnover, increase in their customer base and the increase in their productivity rate. A large proportion of the sample indicated that they were not satisfied with the current size of their business. Those who were not satisfied, indicated that they would like to improve the current size of their customer/client base, increase their number of employees and their sales turnover. Of the sample, more than two thirds indicated that they did not have

any prior exposure to business before starting their own. Carr and Sequeira (2007:1090) suggested that being part of a family business or having exposure may have a lasting impact on individuals who grew up in such an environment. This may also be part of the reason why so many of the entrepreneurs included in this sample in terms of business size, are still relatively small as they had not been exposed to that important aspect referred to as business mentorship. Another possible aspect adding to the causes of small sizes of the businesses of the sample, could be due to lack of previous entrepreneurial training. More than two thirds of the sample had not received any previous training in business management or entrepreneurial-related fields.

Local government plays a significant role in the creation of an enabling environment for the growth of small businesses (Meyer & Meyer, 2016:150). More than 70 percent of the sample indicated that the local government, which governs the area in which their businesses are situated in, did not create an enabling environment. The importance of networking has been pointed out by many academics and business specialists over time (Aldrich, Reese & Dubini, 1989; Katz & Williams, 1997; Elfring & Hulsink, 2007). The sample seemed rather familiar with the available business networks and associations in South Africa and the results indicated that SEDA was the agency most well-known amongst female entrepreneurs. Of the sample, a mere 4 percent were part of or inherited a family business. A summary of this sample's business information was provided in Figure 6.30.

The second objective (Empirical objective 2) determined South African female entrepreneurs' intentions to remain in their businesses, grow their businesses and attitude towards their businesses. Frequency distributions utilised in the descriptive analysis contained in Section 6.6, concluded that South African female entrepreneurs had high intentions to remain in their businesses and to grow them. This was measured by scaled responses determining the entrepreneurs' intention to remain in business, which yielded a mean response of 5.071 and their intention to grow the business resulting in a mean response of 5.170. A maximum mean of six could be achieved; therefore, higher means, such as in this case, represent a more positive attitude from the females based on the specific construct topic. The female entrepreneurs reported a slightly lower attitude towards their business rate ($\bar{x}$ = 4.959) although it was still concluded that they had a positive attitude towards their business.

The original proposed model (Figure 1.1) included eight independent variables referred to as the factors that may potentially contribute to female entrepreneurs' intention to remain in and grow the business and attitude towards the latter. However, after testing for reliability and nomological validity in Sections 6.5 and 6.7, four of these variables: risk-taking propensity, socio-cultural barriers as well as government support and finance constraints, were excluded from the rest of the study. This resulted in the new proposed model as depicted in Figure 6.31. Following this process, the hypotheses were subsequently formulated in Section 6.8. The third objective (Empirical objective 3) set out to determine the relationship between the various entrepreneurial factors and female entrepreneurs' intentions to remain in business, to grow the business and attitudes towards the business and was hypothesised as $H_0 1$. Canonical correlation analysis was utilised (Section 6.9) to identify any relationships between the mentioned variates. Results

suggested that females who have founded a business from an internal motivation outlook and who initially held a more positive attitude towards business growth factors may be more inclined to grow and remain in their business. They also have a more positive attitude towards their business in general. The literature supports these findings and indicates that an individual's attitude strongly correlates to their intention to grow the business and ultimately remain in business. Hence, the theory corresponds to the findings. Female entrepreneurs' attitude towards growth factors and their internal motivations, which included aspects such as independence, work-life balance, pursuing a challenge, contribution to society and family security, amongst others, provided the highest contributions and could thus be regarded as the key predictors of female entrepreneurs' intention to remain in business.

Multivariate analysis of variance (MANOVA) was utilised to determine the differences in scores of the four independent variables (entrepreneurial factors), the three dependent variables (intention to remain in business, intention to grow business and attitude towards business), various demographic characteristics (Empirical objective 4) and business information (Empirical objective 5). Several significant effects were identified in the MANOVA analysis (Table 6.9), and in order to identify where the differences between groups were, one-way analysis of variance (ANOVA) was further utilised (Tables 6.10 to 6.17). These analyses subsequently addressed the fourth and fifth empirical objectives respectively.

The intention of the fourth objective (Empirical objective 4) was to determine which demographic aspects of South African female entrepreneurs affected the various entrepreneurial factors: intentions to remain in business, to grow the business and attitudes towards the business. Consequently, hypotheses H_02, H_03, H_04, H_05, H_010, H_011 and H_012 were formulated. The variables, years of work experience, marital status and number of children, returned non-significant results in the MANOVA analysis. Therefore, no further ANOVA analysis was conducted for these hypotheses and, subsequently, there was insufficient evidence to reject the null hypotheses H_04, H_010 and H_012. However, the remaining variables did return significant statistical results and in the case of race, the intention to remain in business and the business growth factors returned insufficient evidence to reject the null hypothesis (H_02). Concerning internal and external motivation, intention to grow business, entrepreneurship training and education and attitude toward business variables, H_02 was rejected and the alternative (H_a2) was accepted (Section 6.10.2.1). For the variables: age and number of years being self-employed, just the internal motivation variable, H_03 and H_05 were rejected and the alternative (H_a3 *and* H_a5) accepted (Sections 6.10.2.2 and 6.10.2.3). The final variable, level of education, concluded the realisation of this empirical objective. In the case of internal motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business, there was insufficient evidence to reject the null hypothesis (H_011). The external motivation variable, H_011 was rejected and the alternative (H_a11) accepted (Section 6.10.2.8).

The final empirical objective (Empirical objective 5) set out to determine which business aspects of South African female entrepreneurs' affected the various entrepreneurial factors, such as intention to remain in business, to grow the business and attitude towards the business. The variables linking to business aspects

were previous exposure to business, previous entrepreneurial training or education, perception of an enabling environment and type of business style. Accordingly, hypotheses $H_0 6$, $H_0 7$, $H_0 8$ and $H_0 9$ were formulated. Concerning hypothesis $H_0 6$ (previous exposure to business), once again, just the internal motivation variable, $H_0 6$ was rejected and the alternative ($H_a 6$) accepted (Section 6.10.2.4). The previous entrepreneurial training and education variable, resulted in accepting the null hypothesis ($H_0 7$) for internal motivation, intention to remain in business and attitude towards the business factors as there was insufficient evidence to reject it. Concerning external motivation, intention to grow the business, entrepreneurship training and education and business growth factors variables, $H_0 7$ was rejected and the alternative ($H_a 7$) was accepted (Section 6.10.2.5). Regarding perception concerning the governments' creation of an enabling environment, only the internal motivation and intention to remain in business variables alternative hypothesis ($H_a 8$) could be concluded (Section 6.10.2.6). The final variable regarding the business style resulted in just the intention to remain in business, intention to grow the business and business growth factors variables' alternative hypothesis ($H_a 9$) to be accepted (Section 6.10.2.7).

From the aforementioned findings, it is evident that internal motivational factors had the most impact on female entrepreneurs as five hypotheses returned a statistically significant difference amongst the different groups for this variable. A summary of this was supplied in Table 6.18. Results from the canonical correlation in Section 6.9 also supported this finding. Sufficient evidence from previous studies was also provided in the various discussion sections (Sections 6.10.2.1 to 6.10.2.8). While the initial model in Chapter 1 (Figure 1.1), proposed that all the independent variables (internal and external motivation, attitude towards growth factors, entrepreneurship training and education, government support, financing constraints, socio-cultural barriers and risk taking propensity) would contribute to female entrepreneurs' intention to remain in business, the nomological assessment suggested otherwise. It was found that internal and external motivation, attitude towards growth factors and entrepreneurship training and education were the main determinants contributing to female entrepreneurs' intention to remain in business in the South African context. Therefore, the final model as depicted in Figure 6.31 provides a realistic illustration of female entrepreneurs' intention to remain in and grow their business in the South African context.

7.4 RESEARCH QUESTIONS

Flowing from the primary objective and various theoretical and empirical objectives, four research questions encapsulating the purpose of the study were developed. The first of these posed the question: What are South African female entrepreneurs' intentions to remain in their businesses, grow their businesses and attitude towards their businesses? The second empirical objective subsequently addressed this question; where it was found that South Africa female entrepreneurs do have strong intentions to remain in their businesses, grow them and have a positive attitude towards their businesses (Section 6.6). These three variables were further found to be strongly correlated with each other (Section 6.7), thus implying that if an entrepreneur has a good attitude towards the business, they may potentially want to remain in it and ultimately grow that business; these findings are supported by Kozan *et al*. (2012:412) as

well as Arthur-Aidoo *et al.* (2016:232). Herrington and Kew (2017:9) on the other hand, make the point that entrepreneurs who enter into business due to necessity may have a negative attitude towards their business and may be less inclined to remain and grow the business, or may even exit the business if they find alternative employment.

The second research question set out to determine if a relationship exists between South African female entrepreneurs' various entrepreneurial factors and intentions to remain in business, to grow the business and attitudes towards the business. This research question was addressed by the third empirical objective. Findings suggested that there is indeed a relationship between some of the various entrepreneurial factors influencing South African female entrepreneurs' intentions to remain in business. Since the three dependent variables (intention to remain in business, intention to grow the business and attitude towards the business) were closely correlated, as evident from the correlation and canonical correlation analysis (Sections 6.7 and 6.9), they were deemed appropriate to create a well-defined dimension for representing the overall intention of females to remain in business. What was noticeable was that female entrepreneurs' internal motivations and attitude towards growth factors (which includes aspects such as independence, work-life balance, pursuing a challenge, contribution to society and family security, amongst others) provides the strongest indicator (of their intention to remain in business) and could thus be regarded as the key predictors of female entrepreneurs' intention to remain. These findings link with those from studies by Dawson and Henley (2012:698) who mention that females may in many cases be motivated by flexible working hours when deciding to pursue an entrepreneurial venture. Another finding suggested that females tend to start businesses for more internally motivated reasons compared to males. Rasego, (2011:29-30) and DeMartino and Barbato (2003:824) also found that female entrepreneurs were more inclined to career flexibility and taking care of family obligations which could be considered an internal motivation.

The intention of the third research question was to identify whether there were any significant differences in the various entrepreneurial factors (intentions to remain in business, to grow the business and attitudes towards the business) between different South African female entrepreneur demographic groups. These groups were formed by considering the race, age, marital status, having children, level of education and labour status before starting the business, years of being employed and self-employed and period owning the current business. Empirical objective number four (Section 6.10.2) addressed this question; it was found that there were indeed significant differences between some of the groups and the various entrepreneurial factors. However, the groups relating to the number of years of previous work experience, marital status of the entrepreneurs and whether they had children or not, did not result in any significant difference. The most interesting finding from this analysis indicated that internal motivational factors again had the most impact on female entrepreneurs, because three of the four hypotheses from this category returned a statistically significant difference amongst the different groups for this variable. The findings from this study are in line with those of previous studies. Masurel *et al.* (2001:6) for example found that African/Black groups tend to be motivated by family more than wealth, which can be

considered as internal motivation. Block and Sandner (2009:5) further suggested that non-monetary benefits, such as those included in the internal motivation scale, play an important role in entrepreneurial activity and that people with longer self-employment experience may be more inclined to these benefits.

The last research question was developed to determine if there were any significant differences in the various entrepreneurial factors, intentions to remain in business, to grow the business and attitudes towards the business between different South African female entrepreneur business information groups. These groups were formed by considering the female entrepreneurs' previous exposure to business, entrepreneurial training, business style and perception of the creation of an enabling environment by local government. This research question was addressed by empirical objective five (Section 6.10.2). All of the groups showed statistically significant differences between certain of the entrepreneurial factors. From this analysis the internal motivation, intention to remain in and grow the business and the attitude towards business growth factors returned the most statistically significant differences for the various groups. Former studies supporting these findings suggested that having an entrepreneur role model such as a parent, close friend or relative may lead to a more positive outlook on entrepreneurship and higher inclination to start a business (Van Auken *et al*., 2006; Bosma *et al.*, 2012; Hoffmann *et al.*, 2015). Wyrwich *et al.* (2016:468) further observed that individuals who grew up or were exposed to entrepreneurs in their environments had more opportunities to learn valuable entrepreneurial skills, thus reducing the possibility of fear of failure and increasing entrepreneurial intention to a certain extent. In addition, the importance of entrepreneurial training has been stressed by several authors such as Kolvereid and Moen (1997), Ibrahim and Soufani (2002), Kuratko (2005) and Walmsley *et al.* (2018).

7.5 CONTRIBUTIONS TO THE FIELD OF THE STUDY

Entrepreneurship is not a new phenomenon and has been researched for centuries by many well-known researchers in this field. However, as stated, the first official research on the topic of female entrepreneurship appeared a mere 40 years ago. Considering that the first economist who recognised entrepreneurship as a key contributing economic factor did so over two centuries ago and during times when females were not considered part of mainstream economic activities, it could be stated that female entrepreneurship development is a fairly new academic research topic. The literature clearly states that there are significant differences between male and female motivations, characteristics and business growth and development aspects. For this reason, most studies that focus specifically on the female cohort and their activities and involvement in entrepreneurial activities could be considered a contribution to this growing research field. Furthermore, since most of the available research on female entrepreneurship relates to samples from developed countries, more empirical data on developing regions, such as South Africa, could prove valuable.

However, this study not only contributes in this sense, but adds valuable new knowledge on why female entrepreneurs decide to remain in business despite the number of challenges affecting them on a regular basis. Several studies could be identified that contribute to females' intentions to start a business, the

motivational factors for doing so and even on challenges and barriers restricting them from doing so. Nevertheless, no studies could be found that actually determine female entrepreneurs' intention to remain in business and their specific reasons for doing so. In addition, there are merely a small number of studies regarding female entrepreneurs' ambitions to grow their business. This study therefore contributes to this gap and has identified the main contributing factors that motivate female entrepreneurs' intention to remain in business despite depressed economic conditions. Determining the factors which contribute the most to female entrepreneurs' intention to remain in business may well assist in future development of policies directed to female empowerment, job creation and business development. These policies could aid in assisting females to remain in business and increase growth potential, which in turn could lead and contribute to improved economic growth. From a practical viewpoint, one should take cognisance of the factors such as limited access to finance, increased pressure regarding work-life balance, socio-cultural barriers, lack of government support and the need to survive in a male-dominated environment. Although these factors were not directly linked to contributing towards female entrepreneurs' intention to remain in business, they do create increased challenges. The reality is that despite having the willingness to remain in business, the constraining factors mentioned earlier would be difficult to overcome. Revealing that positive factors such as entrepreneurial training and education, internal and external motivation and attitudes towards growth factors contributes to female entrepreneurs' decision to remain in business could prove valuable for policies makers regarding where emphasis for improvement and development should be placed.

7.6 IMPLICATIONS AND RECOMMENDATIONS

The main findings from this study suggested that female entrepreneurs are mostly motivated to remain in business by positive factors linking to internal motivation and their attitude towards the business. However, various negative factors were identified, including financial constraints, lack of government support and socio-cultural barriers. Lowering these barriers by improving the abovementioned negative factors to the benefit of female entrepreneurs, may potentially lead to more female entrepreneurs, increased business growth and prolonged business continuation. The following sections provide some recommendations to improve the overall level of female development with specific reference to South Africa.

7.6.1 Promotion of female networks and associations

As mentioned in Section 4.6.1.6, the presence of strong networks is an important element in entrepreneurship and particularly in female entrepreneurship development. Female entrepreneurs may have different expectations when considering business and social networks and, in some cases, females lack informal social networks or may have much smaller networks than males. They may also prefer to be part of female networks and if there is a shortage of these type of networks it could potentially mean that these entrepreneurs may not be part of any network. As a result of the aforementioned, it can be recommended that more female orientated business networks be developed. This can be done either by

local government initiatives, business incubators or even through private initiatives. Although many female-driven business networks do exist in South Africa (SAWEN, SAWIMA, TWIB, OWSD and BWA) these networks are large and formal in size and may exclude smaller female owned businesses. Having smaller and similar network opportunities, for example: similar industry networks, business size, mothers in business groupings, on a local level could prove much more successful than large nationally driven networks, although the role of these is also very important for the bigger development picture of female entrepreneurship development. A possible way of initiating this could be by establishing small female entrepreneurial groups under the leadership of a successful female business owner from the local community in order to exchange advice, experience and problem solving mechanisms. This can also assist in promoting confidence for increased business growth. Several such initiatives have been successfully implemented in some of the European Union countries.

7.6.2 Greater media attention on the importance of female entrepreneurship

As mentioned in Section 4.6.2.6, stereotyping is a major problem in the development of female entrepreneurs. A growing body of research on psycho-social issues has revealed that certain differences, which have been found between male and female gender-types, are linked to perceptions of responsibilities and capabilities, which mostly affects female entrepreneurship in some manner. Although this phenomenon (the perception) has greatly improved in recent years, society in general, especially in certain cultures and countries, still perceives entrepreneurship as a male dominated realm. If this negative stigma can be reduced and more societies can accept that females are in most cases just as capable of managing successful, high-growth businesses as males, this stereotyping may eventually be curtailed and even disappear in totality. A possible recommendation for improving this situation is through devoting greater media attention to the importance of female entrepreneurship, their capabilities and successful females in the industry. This may not only have a positive effect on society, but might even give many females more confidence to start new businesses.

7.6.3 Better implementation of policies and awareness thereof

South Africa may possibly be one of the leaders in the development of gender equality policy. However, as stated in Section 2.7.5, the implementation and success rates of some of these policies and initiatives are sometimes questionable. Another concern regarding South African policies and initiatives stemming from these is that they are not adequately promoted and many entrepreneurs are not aware of the possibilities for potential mentorship and financial assistance. In light of this, a further recommendation could be that government implement stricter guidelines in following up assistance that was provided to entrepreneurs to determine the effectiveness of these policies and initiatives. Regarding the implementation aspects, special roadshows or campaigns could be held on an annual or bi-annual basis to promote the support offered by government departments. In addition, government policies that may assist in the promotion of female entrepreneurship should include: fostering a more gender neutral legal framework, especially in business, reducing red-tape, which includes aspects such as lesser administrative

obligations, relaxing regulatory restrictions, increasing access to finance especially for female entrepreneurs, improving financial, literacy and business management skills training for young females, particularly in rural areas, and promoting more family-friendly policies. This can be achieved though greater stakeholder and even public private partnership (PPP) co-operation, enhancing policy outcomes and principles and promoting and studying best practice case studies as benchmarks. In addition, many of the current policies are aimed at entrepreneurship in general. If specific policies that solely target female owned small businesses can be developed, the effect of these may be greater in achieving success. Policies such as these have already been implemented in the USA and South Korea with marked success rates.

7.6.4 Greater motivation and assistance for business growth

Female entrepreneurship policies should not be perceived simply as a subset of policies for start-ups and for small to micro businesses. The supposition that all female business owners prefer to stay small may be misleading for policy makers. Although it has been stated that some female entrepreneurs consciously decide that their businesses should remain a small and manageable size (Sections 4.5.2 and 4.6.2.1), there is a considerable pool of females who are enthusiastically pursuing growth strategies for their businesses. It is recommended that a sturdier effort and focus should be placed on ways to assist female entrepreneurs realise their growth aspirations. Using successful female role-models as inspiration may be a potential and very impactful manner of achieving this. Policies should be geared not just to increase the number of female owned businesses, but to also focus on assistance in enhancing existing businesses' growth potential. This could be done more successfully if better knowledge and data are available on why some female owned businesses remain small even if the owner has strong growth aspirations. Another recommendation to improve such businesses' growth rates could be the redesigning of public procurement policies to assist more female entrepreneurs to be able to compete in tender processes. Government may have considered applying a quota which ensures that a certain percentage of all government tenders be granted to females who are capable and own successful businesses. These types of policy changes have been successfully implemented in South Korea.

7.6.5 Exposing females to the business environment from a young age

Sections 4.5.3 and 4.6.1.6 explicitly stated that mentorship may be a contributing factor to entrepreneurial intention at a later stage in life. In addition, Section 4.6.2.4 emphasised that in many cases females do not naturally choose to become an entrepreneur as a first career option. Therefore, exposure to business environments when one is young may be valuable to future entrepreneurial intention. Some females may experience this exposure at a young age due to growing up in a family business or having first hand exposure through a close relative or family friend. However, for those who are not exposed to such an environment at an early age, exposure must be provided in another way. Possible recommendations could be visits to schools by local entrepreneurs or the local chamber of commerce, school market or entrepreneur days and special days throughout the year where successful female entrepreneurs invite local

schoolgirls to spend a day with them. A similar initiative was developed by a South African company which promotes taking schoolgirls to work, but the focus of this project does not fall on entrepreneurship specifically and adopts a more general outlook on gender equality. The focus of these projects could again be placed on rural areas as these often tend to lack more resources in terms of education and entrepreneurial initiatives. However, even urban and well-educated females sometimes lack a background in business. There is a definite need to provide more readily available information and also offer this in a more practical manner to females from an earlier age. This may assist in increasing the number of females who actually start new businesses.

7.6.6 Greater representation of females in the business world

Many countries still face female inequality when it comes to top ranked management positions as stated in Section 1.1. Although this situation has improved slightly over time, especially in South Africa, there is still a huge disparity regarding female representation. In addition, as mentioned in Section 4.6.1.5, even females in these positions earn less per comparable waged hour than males. Although females in top corporate positions are not considered entrepreneurs, the presence and success of these females may act as inspiration and motivation for younger females, not only to work hard and obtain a good education, but also to strive for success which could potentially ultimately evolve into new business start-ups. This might even motivate some female entrepreneurs who are experiencing difficulties in their businesses to stay motivated and remain in business. More structured and aggressive ways to ensure a greater representation of females in top positions would be through quotas, gender-balanced boards, and equity scoring; however, some may consider this strategy to be too forceful.

7.6.7 Enhanced finance opportunities

A challenge, not only for female entrepreneurs, but for most small business owners, is the access to start-up capital or finance to encourage business growth. However, as stated in Section 4.6.2.2, females may be restricted by further barriers, such as having less equity capital at their disposal, and or sector related capital restrictions due to many female entrepreneurs operating service industry related businesses as lending institutions are more reluctant to lend money to entrepreneurs in these sectors. Furthermore, females are, in many instances, likely to be more risk-averse than males, which may lead to them declining higher risk opportunities and lessening subsequent access to finance. A possible solution to these issues could be the creation of loan facilities that specialise specifically in female entrepreneurs running small businesses. These loan facilitators could assess these applications in a less strict manner and grant smaller loans that may be paid off over a longer time period. As many female-owned businesses operate in service industries, which as indicated above, are generally perceived as riskier by financiers, regulations for these types of business may be reduced slightly to allow for more successful credit applications. Government may opt to provide small grants for qualifying female owners of small businesses, especially those from rural areas. Another possible recommendation could be to create crowdsourcing platforms that allow larger, more successful companies and even individuals to source

small amounts of money from multiple sources to finance specific items or activities for qualifying, female, owners of small business.

7.6.8 Developing a greater understanding of the female entrepreneurship phenomenon

The final recommendation is aimed at creating a greater understanding of female entrepreneurship. Policy makers desiring to reinforce the economic impact of female entrepreneurship require a better understanding of the factors contributing to female entrepreneurship development. Throughout this study, but specifically in Section 4.6, it was highlighted that females do differ in many instances from males when it comes to entrepreneurial activities. Possible recommendations to improve the existing knowledge on female entrepreneurs and how they are unique could be generated through the implementation of research projects with specific focus on such entrepreneurs. This could be initiated through government and academic institutions. Special grants and funding could be made available that may assist academics to increase the sample sizes and geographic areas in which the research is being conducted. The promotion of longitudinal studies would also offer value because trends could prove to be more valuable compared to single-cross sectional sample studies. Further to this recommendation, the initiation of a central department or task team, collecting data from independent researchers and combining findings, may also prove fruitful as many studies may be available but no consolidation of findings and recommendations is available.

7.7 LIMITATIONS AND AREAS FOR FURTHER RESEARCH

Although this study contributed to an identified gap in the existing body of knowledge, it is not without its limitations, which might indirectly contribute to future research projects. The first identified limitation involved the use of non-probability sampling techniques (Sections 5.3 and 5.5). Although all possible attempts were made to ensure representativeness by expanding the sample over all nine South African provinces, the use of these techniques does feature a degree of sampling bias in selecting the respondents. Furthermore, and also stemming from the research design, an issue is the use of a single cross sectional design. This type of design only provides insight into specific problems during a single point in time. Future studies could prove more insightful if longitudinal designs, larger samples or the use of probability sampling techniques are followed. In addition, the use of alternative statistical methods such as structural equation modelling (SEM) may be considered and the constructs that were not obtained from previous studies (financing constraints, government support, entrepreneurship training and education and socio-cultural barriers) could be validated through the use of factor analysis. As the study made use of a qualitative design, it could be possible that some results may not be interpreted by statistics alone. This could be resolved in future studies by in-depth interviews or observational research methods. A final limitation may be that the study made reference to the differences between males and female entrepreneurs; however, the information based on male entrepreneurs was obtained from existing studies and not from empirical data obtained during the same time as which it was retrieved from the female

sample. Conducting a similar study on male entrepreneurs in South Africa and comparing it to the findings from this study would probably prove valuable and interesting.

7.8 CONCLUSION

The primary objective of this study was fulfilled since the study demonstrated that, in general, female entrepreneurs do intend to remain in business and even strive for increased business growth. Notwithstanding, it was noted that various factors hinder business growth; of these, access to finance, lack of government support and socio-cultural barriers may be deemed some of the most challenging. The literature highlighted the importance of female entrepreneurs' access to entrepreneurial training, having mentors and networks and previous work experience. It was also highlighted that females' entrepreneurial motivation differs from that of males and that they are mostly motivated by internal factors such as more freedom, work-life balance and making a difference in society, compared to external motivations such as wealth creation and autonomy. In addition, main findings suggested that there is an irrefutable relationship between some of the various entrepreneurial factors influencing South African female entrepreneurs' intentions to remain in business. What was observed, however, was that female entrepreneurs' attitude towards growth factors and their internal motivations, which includes aspects such as independence, work-life balance, persuing a challenge, contribution to society and family security amongst others provide the highest contributions and could thus be regarded as the key predictors of female entrepreneurs' intention to remain in business.

This chapter concludes the study by providing an overview thereof, summarising the main findings and linking each to the nine theoretical and five empirical objectives as set out in Chapter 1. In addition, it addressed the four overall research questions also formulated in Chapter 1. The contribution and limitations of the study were provided. The main contribution of the study is that it adds valuable new knowledge on why female entrepreneurs decide to remain in business even though several challenges affect them on a regular basis. In addition, it provides a deeper insight on female entrepreneurs from a developing country. Limitation included the sample size and that a longitudinal study could prove more insightful. In addition, conducting a similar study on a male sample may add interesting comparative data. The final contribution of this chapter was to provide recommendations to enhance female entrepreneurship development in future. The main recommendations included the promotion of female entrepreneurial networks and associations, greater media attention on the importance of female entrepreneurship, better implementation of policies and awareness thereof, greater motivation and assistance for business growth, exposing females to the business environment from a young age, greater representation of females in the business world, enhanced finance opportunities and developing a greater understanding of the female entrepreneurship phenomenon.

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APPENDIX A: AMENDMENTS TO QUESTIONNAIRE AS RECOMMENDED BY INDUSTRY EXPERTS

Original question	Comments - Expert 1	Position in Questionnaire	Action taken
Specifically, my study aims to determine the factors that contribute to females' inclination to continue as entrepreneurs and grow their businesses.	Are you aiming at entrepreneurs in the formal or informal sector? Some of your questions are definitely aimed at women above a certain 'level'?	Introduction cover letter.	None – as the questionnaire was distributed amongst females mostly in formal setup, it was anticipated that the respondents would understand the questions.
D6 - High labour and production costs represent one of the barriers in conducting or expanding my business.	Rather use the words managing and growing instead conducting or expanding of my business	Section D - Financing constraints.	Amended as per suggestion.
D7 - The high cost of obtaining skills and business training constitute a barrier and restricts me from expanding or growing my business.	No need to say expanding and growing.	Section D - Financing constraints.	Amended as per suggestion.
D3, D4 and D5.	Numbered incorrectly, Should be D10, D11 and D12.	Section D - Financing constraints.	Amended as per suggestion.
F4 - Training in life-skills (planning and budgeting skills) are essential for success.	What kind of planning? Family planning? Financial planning?	Section F - Entrepreneurship training and education.	None – it was decided that the heading of the section was clear and the no further explanation of the question is needed.
G1 - Women in general are more risk-averse when it comes financial decisions.	Averse is a big word.	Section D – Risk-taking propensity.	None – it was decided that the females would have enough knowledge to understand the word 'averse'.
G1 - Women in general are more risk-averse when it comes financial decisions.	Comes to financial. The word 'to' is not in the sentence.	Section D – Risk-taking propensity.	Amended as per suggestion.
G2 - Women with greater risk tolerance are more likely to enter into entrepreneurial ventures.	Risk tolerance is a big word.	Section D – Risk-taking propensity.	None – it was decided that the females would have enough knowledge to understand the word 'tolerance.
H5 - Society encourages and supports women like me to start business/embark on business ventures.	Question very vague?	Section H - Socio-cultural barriers.	Amended – question removed from questionnaire.
H6 - The views of other women impact positively on my entrepreneurial ventures.	Question very vague?	Section H - Socio-cultural barriers.	Amended – question removed from questionnaire.
I9 - Promoting your product or service by means of a good marketing strategy contributes to the growth of my business.	Promoting my product. The word 'my' is not in the sentence.	Section I - Business growth factors.	Amended as per suggestion.
J10 - Right now, staying with my business is a	Question very unclear? As much as I desire what, -	Section J - Attitude towards	Amended - At this moment, continuing to run my business is

matter of necessity as much as I desire.	what do you mean by staying with my business.	business.	a matter of necessity as much as a passion.
K6 - In which province is your business situated in?	Remove the word 'in'.	Section K - Demographic information.	Amended as per suggestion.
L1 - In which sector does your business operate in?	Remove the word 'in'.	Section L - Business information.	Amended as per suggestion.
L12. Do you think that the current South African Government is creating an enabling environment for the development of new female-owned business?	Difficult word? Maybe just use the word supportive?	Section L - Business information.	None – the phrase enabling environment is well known and cannot be changed.

Original question	Comments - Expert 2	Position in Questionnaire	Action taken
B2 - I plan to continue with my business for many years. B5 - I see myself remaining in this business forever.	Questions B2 and B5 may be similar.	Section B – Intention to remain in business.	None – these questions were deliberately designed to test this response.
C4 - I want my business to remain a size that I can manage with a few key employees.	Negative question considering the first 3 questions in section.	Section C – Intention to grow business.	None – this question was deliberately designed to test a reverse score response.
L10. Have you had any exposure to business before starting your own business?	Consider to insert the option of a friend/ colleague.	Section L - Business information.	None – the aim of this question was to determine if the respondent grew up in an entrepreneurial environment.
L12. Do you think that the current South African Government is creating an enabling environment for the development of new female-owned business?	I15 and section E might have answered this question, may be duplicate depending on purpose.	Section L - Business information.	None – this question was intentionally asked in order to conduct ANOVA or t-test statistical analysis.

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SOUTH AFRICAN FEMALE ENTREPRENEURS' INTENTION TO STAY IN BUSINESS

My name is Natanya Meyer and I am currently doing my PhD at the North-West University on female entrepreneurship. Specifically, my study aims to determine the factors that contribute to females' inclination to continue as entrepreneurs and grow their businesses. As I am sure you are aware, female entrepreneurs constitute a significant part of economic growth and development globally and in South Africa, and continuous research to enhance development of this topic is very important.

Your assistance in completing this questionnaire as part of this important study would therefore be highly appreciated.

Please take a few minutes to complete the attached questionnaire. It should take approximately 20 to 30 minutes to complete. All information you supply will be treated as confidential and the results will only be reported on in aggregate.

You can complete the questionnaire in Word format by using the shading or fill function.

Please use dark grey as shown in the example below. After completion, save it and email back to me please. Please complete all the sections as half completed questionnaires cannot be used.

A1	I prefer being independent and having control of my own life	1	2	3	4	5	6

Thank you for your important contribution to this study. Your time and input is greatly appreciated.

Natanya Meyer

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Prof J Surujlal (Promotor)

Prof AL Bevan-Dye (Co-Promotor)

Questionnaire

Sections A to J

Please indicate the extent to which you agree or disagree with each of the following statements by marking **ONE** of the blocks using a cross (**x**) where 1 = Strongly disagree and 6 = Strongly agree. Please complete in **PEN**.

SECTION A: WHAT MOTIVATES YOU TO STAY IN BUSINESS		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
A1	I prefer being independent and having control of my own life	1	2	3	4	5	6
A2	I like having a work life balance	1	2	3	4	5	6
A3	I prefer having flexibility in my life	1	2	3	4	5	6
A4	I prefer being my own boss	1	2	3	4	5	6
A5	I desire more wealth and economic stability	1	2	3	4	5	6
A6	I like being creative and using my talents	1	2	3	4	5	6
A7	I like applying my knowledge and skills, and continuously learning	1	2	3	4	5	6
A8	I like being innovative and keeping abreast with developments in my field	1	2	3	4	5	6
A9	I enjoy the self-accomplishment and self-fulfillment associated with my business	1	2	3	4	5	6
A10	I like pursuing a challenge	1	2	3	4	5	6
A11	I like filling a gap in the market	1	2	3	4	5	6
A12	I want to improve the status of my family within the community	1	2	3	4	5	6
A13	I enjoy the indirect benefits of having a higher status in the community	1	2	3	4	5	6
A14	I want to achieve a higher position / recognition in society	1	2	3	4	5	6
A15	I want to prove that I own a successful business	1	2	3	4	5	6
A16	I enjoy having an influence in my community	1	2	3	4	5	6
A17	I like the freedom of being able to adapt my own approach to work	1	2	3	4	5	6
A18	I want to contribute to society	1	2	3	4	5	6
A19	My negative experiences/frustrations of being employed motivates me to continue running my own business	1	2	3	4	5	6
A20	I want to give myself and my family more security by bettering my financial position	1	2	3	4	5	6
A21	I like making a direct contribution to the success of the business	1	2	3	4	5	6

SECTION B: INTENTION TO STAY IN BUSINESS		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
B1	I would never consider closing or selling my business and returning to full employment	1	2	3	4	5	6
B2	I plan to continue with my business for many years	1	2	3	4	5	6
B3	I plan on running my business for the foreseeable future	1	2	3	4	5	6
B4	I am building my business for my children to take over one day	1	2	3	4	5	6
B5	I see myself remaining in this business for a very long time	1	2	3	4	5	6
SECTION C: INTENTION TO GROW BUSINESS		**Strongly disagree**	**Disagree**	**Slightly disagree**	**Slightly agree**	**Agree**	**Strongly agree**
C1	I plan on growing my business as large as possible	1	2	3	4	5	6
C2	I plan on growing my business over the next few years	1	2	3	4	5	6
C3	Growing my business is my dream	1	2	3	4	5	6
C4	I want my business to remain a size that I can manage with a few key employees	1	2	3	4	5	6
SECTION D: FINANCING CONSTRAINTS		**Strongly disagree**	**Disagree**	**Slightly disagree**	**Slightly agree**	**Agree**	**Strongly agree**
D1	The conditions imposed by banks in granting credit to small businesses restricts me from expanding my business	1	2	3	4	5	6
D2	Banks are generally stricter in granting credit to female business owners	1	2	3	4	5	6
D3	I needed financing before, but could not obtain a loan / overdraft	1	2	3	4	5	6
D4	Limited financial support from the government makes it difficult for small businesses to expand	1	2	3	4	5	6
D5	The amount of taxes I have to pay adversely affects the expansion of my business	1	2	3	4	5	6
D6	High labour and production costs represent one of the barriers in managing and growing my business	1	2	3	4	5	6
D7	The high cost of obtaining skills and business training constitute a barrier and restricts me from expanding my business	1	2	3	4	5	6
D8	Cash flow challenges restricts me from expanding my business	1	2	3	4	5	6
D9	Lack of financial management skills restricts me from expanding my business	1	2	3	4	5	6
D10	Strict policies regarding funding to small businesses restricts me from expanding my business	1	2	3	4	5	6
D11	The application process for funding makes it difficult to access funds	1	2	3	4	5	6
D12	The requirements (e.g. guarantors, business plans, feasibility study etc.) makes applying for funding a difficult process	1	2	3	4	5	6

SECTION E: GOVERNMENT SUPPORT		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
E1	Government regulations and 'red tape' restrict my business from expanding	1	2	3	4	5	6
E2	Lack of adequate infrastructure such as electricity, water and roads are preventing me from expanding my business	1	2	3	4	5	6
E3	Lack of adequate support from government business development policies restrict me from expanding my business	1	2	3	4	5	6
E4	Entrepreneurs are sometimes forced to find a loophole or bend rules in the regulations to ensure business growth	1	2	3	4	5	6
E5	Limited financial support from the government makes it difficult for small businesses to expand	1	2	3	4	5	6
E6	Women entrepreneurs do not have equal access to government support, restricting the potential of women-owned businesses	1	2	3	4	5	6
SECTION F: ENTREPRENEURSHIP TRAINING AND EDUCATION		**Strongly disagree**	**Disagree**	**Slightly disagree**	**Slightly agree**	**Agree**	**Strongly agree**
F1	My qualifications, skills and self-improvement are adequate for me to run my own business	1	2	3	4	5	6
F2	The level of entrepreneurial education determines how successful one's business will be	1	2	3	4	5	6
F3	Entrepreneurial training should be a pre-requisite for any entrepreneurial venture (eg, financial and budgeting skills etc.)	1	2	3	4	5	6
F4	Training in business skills (such as planning and budgeting) are essential for success	1	2	3	4	5	6
F5	It is important to have mentoring on entrepreneurship before embarking on an entrepreneurial venture	1	2	3	4	5	6
SECTION G: RISK TAKING PROPENSITY		**Strongly disagree**	**Disagree**	**Slightly disagree**	**Slightly agree**	**Agree**	**Strongly agree**
G1	Women in general prefer to avoid risk when it comes to financial decisions	1	2	3	4	5	6
G2	Women with greater risk tolerance are more likely to enter into entrepreneurial ventures	1	2	3	4	5	6
G3	Women in general take fewer risks when it comes to running a business	1	2	3	4	5	6
G4	I prefer to avoid risks	1	2	3	4	5	6
G5	I take risks regularly	1	2	3	4	5	6
G6	I dislike not knowing what is going to happen	1	2	3	4	5	6
G7	I usually view risks as a challenge	1	2	3	4	5	6

SECTION H: SOCIO-CULTURAL BARRIERS		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
H1	My cultural background makes it difficult for me to earn respect in my business community	1	2	3	4	5	6
H2	Stereotypical treatment of women in the business world sometimes affects my business negatively	1	2	3	4	5	6
H3	Because I am a women, people sometimes question my abilities	1	2	3	4	5	6
H4	Women business owners are discriminated against in the South African labour market	1	2	3	4	5	6
H5	I sometimes struggle to balance work and home duties	1	2	3	4	5	6
H6	I sometimes need to neglect my business responsibility to take care of family issues	1	2	3	4	5	6
H7	The views held by society on the traditional roles of women (e.g. wife, mother) impact negatively on my business	1	2	3	4	5	6
SECTION I: BUSINESS GROWTH FACTORS		**Strongly disagree**	**Disagree**	**Slightly disagree**	**Slightly agree**	**Agree**	**Strongly agree**
I1	Having previous business experience helps me grow my business more successfully	1	2	3	4	5	6
I2	Support from my family and friends is important for the growth of my business	1	2	3	4	5	6
I3	Hard work ensures the successful growth of my business	1	2	3	4	5	6
I4	My position in my community and society is important for the growth of my business	1	2	3	4	5	6
I5	Good customer service and relations is an important factor for the growth of my business	1	2	3	4	5	6
I6	Having some level of political involvement contributes to the growth of my business	1	2	3	4	5	6
I7	Having a good product or service is an important factor for the growth of my business	1	2	3	4	5	6
I8	Having competitive prices is an important factor for the growth of my business	1	2	3	4	5	6
I9	Promoting my product or service by means of a good marketing strategy contributes to the growth of my business	1	2	3	4	5	6
I10	Having a reputation for honesty is important for the growth of my business	1	2	3	4	5	6
I11	Having good social skills is an important factor for the growth of my business	1	2	3	4	5	6
I12	My ability to manage my personnel is a contributing factor to the growth of the business	1	2	3	4	5	6
I13	Good general management skills is an important factor for the growth of my business	1	2	3	4	5	6
I14	Access to finance is an important factor for the growth of a business	1	2	3	4	5	6
I15	Government support to entrepreneurs is a contributing factor to the growth of the business	1	2	3	4	5	6
I16	Entrepreneurial training is an important factor for the growth of my business	1	2	3	4	5	6
I17	The entrepreneur's business growth depends on his/her level of education	1	2	3	4	5	6

SECTION J: ATTITUDE TOWARDS BUSINESS		Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
J1	I am as ambitious now as when I first started the business	1	2	3	4	5	6
J2	Giving people a job gives me great personal satisfaction	1	2	3	4	5	6
J3	I would be very happy to spend the rest of my life in my own business	1	2	3	4	5	6
J4	It would be very hard for me to leave my business right now, even if I wanted to	1	2	3	4	5	6
J5	The idea of owning my own business is pleasing	1	2	3	4	5	6
J6	I love working for myself	1	2	3	4	5	6
J7	Too much of my life would be disrupted if I decided I wanted to leave my business right now	1	2	3	4	5	6
J8	Even if it were to my advantage, I do not feel it would be right to leave my business now	1	2	3	4	5	6
J9	I get personal satisfaction being self-employed	1	2	3	4	5	6
J10	At this moment, continuing to run my business is a matter of necessity as much as a passion	1	2	3	4	5	6
J11	I would feel guilty if I leave my business now	1	2	3	4	5	6
J12	I feel “emotionally attached” to my business	1	2	3	4	5	6
J13	My business has a great deal of personal meaning for me	1	2	3	4	5	6
J14	I feel a strong sense of belonging to my business	1	2	3	4	5	6

Section K: Demographic information

Please mark each question with a cross (**x**) in the appropriate box with a **PEN.**

K1. Which ethnic group do you fall in?

1	Black / African	3	White
2	Coloured	4	Indian / Asian

K2. What is your age?

1	Younger than 21 years	4	Between 31 and 40 years
2	Between 21 and 30 years	5	Between 41 and 50 years
3	Between 51 and 60 years	6	Above 61 years

K3. Marital status:

1	Single	4	Divorced
2	Married	5	Widowed
3	Living Together		

K4. Do you have any children?

1	No	2	Yes
	If yes, how many?		

K5. What is your highest level of education?

1	Primary and secondary school not completing matric	4	Diploma (Technical College or similar)
2	Secondary school completed matric	5	Degree (University)
3	Certificate	6	Post Graduate degree

K6. Which province is your business situated in?

1	Eastern Cape	6	Mpumalanga
2	Free State	7	North-West
3	Gauteng	8	Northern Cape
4	KwaZulu-Natal	9	Western Cape
5	Limpopo		

K7. What was your labour market status before starting your own business?

1	Full-time employee	4	Part-time employee
2	Unemployed (Registered for UIF)	5	Unemployed (Not registered for UIF)
3	Student		
6	Other (Please specify):		

K8. How long have you worked before starting your own business (If you answer "I have never worked" please skip questions K9?

1	I have never worked	4	Between 4 and 6 years
2	Less than 1 year	5	Between 7 and 10 years
3	Between 1 and 3 years	6	More than 10 years

K9. What was the reason for leaving your previous work?

You may select more than one option if appropriate

1	I was retrenched	7	Low salary
2	The company closed down	8	Bad atmosphere at work
3	There was a possibility that I might lose my job	9	Lack of professional development opportunities
4	Lack of promotional opportunities	10	Discrimination
5	I am still employed and working part time on my business	11	I wanted to pursue a passion/dream of starting a business
6	I saw an opportunity to start my own business	12	Not challenging enough
11	Other: (Please specify):		

K10. How long have you been self-employed?

1	Less than 1 year	3	Between 1 and 3 years
2	If more than 3 years, please indicate how long:		

K11. How long have you owned your current business?

1	Less than 1 year	3	Between 1 and 3 years
2	If more than 3 years, please indicate how long:		

Section L: Business information

L1. Which sector does your business operate in?

1	Agriculture	6	Transport / Distribution
2	Manufacturing	7	Health Safety
3	Construction	8	Financial Services
4	Trade	9	Production
5	Education	10	Services (Salon, Hairdresser etc.)
11	Other: (Please specify)		

L2. What is your company's legal form?

1	Sole Proprietor	4	Private Company
2	Partnership	5	Public Company
3	Close Corporation	6	Not Registered
7	Other: (Please specify)		

L3. What is the size of your business?

1	Only myself (no employees)	4	Small (11-49 employees)
2	Micro (between 1 and 5 employees)	5	Medium (50-249 employees)
3	Micro (between 6 and 10 employees)	6	Large (More than 250 employees)

L4. Place of business premises:

1	Home based (working from home)	4	Outlying areas (business zoned premises)
2	CBD (Central Business District)	5	Outlying areas (Not business zoned premises)
3	Industrial area	6	Agricultural land / farm
7	Other: Please specify:		

L5. What was your main source of start-up capital?

Please select the most appropriate ONE

1	Own resources (Bootstrapping)	6	A bank loan
2	Donation	7	Leasing
3	A loan from a friend or family member		
4	A grant from a government department. If yes, please indicate which department or institution you received the grant from:		
5	A loan from a government department. If yes, please indicate which department or institution you received the loan from:		
8	Other: (Please specify)		

L6. Which option below best describes your business?

1	Lifestyle business (only for own income purposes, no desire to grow business into a large corporation)	2	High growth business (aimed at making maximum profit and growing the business into a large corporation)

L7. Which of the following are the most important growth measures that you use to assess the growth of your business? *You may select up to THREE options if appropriate*

1	Sales Turnover	6	Operating profit (Gross profit - administration expenses)
2	Increase in employment	7	Profit before tax
3	Increase in productivity	8	Profit after tax
4	Increase in customer base or number of clients	9	Retained profit (after dividends are paid)
5	Gross Profit (Sales turnover - costs of sales)		
10	Other: Please indicate		

L8. Are you satisfied with the current size (turnover, profit, employees) of your business? If you replied no, please complete L9.

1	Yes	2	No

L9. If you are not satisfied with the current growth of your business, please indicate where you would want to grow? *You may select up to THREE options if appropriate*

1	Sales Turnover	6	Operating profit (Gross profit - administration expenses)
2	Number of employees	7	Profit before tax
3	Current productivity	8	Profit after tax
4	Current customer base or number of clients	9	Retained profit (after dividends are paid)
5	Gross Profit (Sales turnover - costs of sales)		
10	Other: Please indicate		

L10. Have you had any exposure to business before starting your own business?

1	No	2	Yes, one of my parents owned a business
3	Yes, someone I am close to owned a business. Please indicate relationship e.g. brother, husband etc.		

L11. Have you ever received any entrepreneurial or business management training?

1	No
2	Yes, please indicate where and to what extent:

L12. Do you think that the current South African Government is creating an enabling environment for the development of new female-owned business?

1	No
2	Yes, please indicate how:

L13. Is your business a member of the following organisations?

You may select more than one option if appropriate

1	Local chamber of commerce	5	The Business Women's Association (BWA)
2	Afrikaanse Handels Instituut (AHI)	6	South African Women's Entrepreneurs Network (SAWEN)
3	National African Federated Chamber of Commerce (NAFCOC)	7	Organisation of Women in Science for the Developing World (OWSD)
4	South African Chamber of Commerce and Industry (SACCI)	8	Other, please specify:

L14. Are you familiar with any of the following government / private agencies or associations?

You may select more than one option if appropriate or none if you are not familiar with any

1	Small Business Development Agency (Seda)	6	Technology and Innovation Agency (TIA)
2	National Youth Development Agency (NYDA)	7	National Empowerment Fund (NEF)
3	Small Enterprise Finance Agency (SEFA)	8	Gauteng Enterprise Propeller (GEP)
4	Department of Small Business Development (DSBD)	9	South African Women's Entrepreneurs Network (SAWEN)
5	Organisation of Women in Science for the Developing World (OWSD)	10	The Business Women's Association (BWA)

L15. Are you part of, or inherited, a family business?

1	No
2	Yes, please indicate how long the business has been in the family:

THANK YOU

APPENDIX C: TUKEY HSD POST-HOC TESTS. MULTIPLE COMPARISONS BETWEEN RACE GROUPS

Dependent Variable	Race Groups	Race Groups	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Internal motivation	Black	Other**	-0.0926	0.06938	0.377	-0.2557	0.0705
		White	-0.2899*	0.06147	0.000	-0.4344	-0.1454
	Other**	Black	0.0926	0.06938	0.377	-0.0705	0.2557
		White	-0.1973	0.08514	0.054	-0.3975	0.0028
	White	Black	0.2899*	0.06147	0.000	0.1454	0.4344
		Other**	0.1973	0.08514	0.054	-0.0028	0.3975
External motivation	Black	Other**	0.1007	0.09946	0.569	-0.1331	0.3345
		White	0.3388*	0.08811	0.000	0.1317	0.5459
	Other**	Black	-0.1007	0.09946	0.569	-0.3345	0.1331
		White	0.2381	0.12205	0.126	-0.0488	0.5250
	White	Black	-0.3388*	0.08811	0.000	-0.5459	-0.1317
		Other**	-0.2381	0.12205	0.126	-0.5250	0.0488
Intention to remain in business	Black	Other**	-0.0010	0.10531	1.000	-0.2485	0.2465
		White	0.1607	0.09330	0.198	-0.0586	0.3800
	Other**	Black	0.0010	0.10531	1.000	-0.2465	0.2485
		White	0.1617	0.12922	0.424	-0.1421	0.4654
	White	Black	-0.1607	0.09330	0.198	-0.3800	0.0586
		Other**	-0.1617	0.12922	0.424	-0.4654	0.1421
Intention to grow the business	Black	Other**	0.2926*	0.11151	0.024	0.0305	0.5548
		White	0.3857*	0.09879	0.000	0.1535	0.6179
	Other**	Black	-0.2926*	0.11151	0.024	-0.5548	-0.0305
		White	0.0931	0.13684	0.775	-0.2286	0.4147
	White	Black	-0.3857*	0.09879	0.000	-0.6179	-0.1535
		Other**	-0.0931	0.13684	0.775	-0.4147	0.2286
Entrepreneurship training and education	Black	Other**	-0.1414	0.11446	0.433	-0.4105	0.1276
		White	0.2219	0.10140	0.074	-0.0165	0.4602
	Other**	Black	0.1414	0.11446	0.433	-0.1276	0.4105
		White	0.3633*	0.14045	0.027	0.0332	0.6935
	White	Black	-0.2219	0.10140	0.074	-0.4602	0.0165
		Other**	-0.3633*	0.14045	0.027	-0.6935	-0.0332
Business growth factors	Black	Other**	0.0133	0.07857	0.984	-0.1714	0.1980
		White	-0.0651	0.06961	0.618	-0.2287	0.0985
	Other**	Black	-0.0133	0.07857	0.984	-0.1980	0.1714
		White	-0.0784	0.09641	0.695	-0.3051	0.1482
	White	Black	0.0651	0.06961	0.618	-0.0985	0.2287
		Other**	0.0784	0.09641	0.695	-0.1482	0.3051
Attitude towards business	Black	Other**	0.0335	0.08327	0.915	-0.1622	0.2293
		White	-0.2150*	0.07378	0.010	-0.3884	-0.0416
	Other**	Black	-0.0335	0.08327	0.915	-0.2293	0.1622
		White	-0.2485*	0.10219	0.041	-0.4887	-0.0083
	White	Black	0.2150*	0.07378	0.010	0.0416	0.3884
		Other**	0.2485*	0.10219	0.041	0.0083	0.4887

**The mean difference is significant at the 0.05 level*

*** Other included Indian, Coloured and Asian races*

APPENDIX D: TUKEY HSD POST-HOC TESTS. MULTIPLE COMPARISONS BETWEEN EDUCATION LEVEL GROUPS

Dependent Variable	Education Groups	Education Groups	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Internal motivation	Basic schooling (1)	Diploma or certificate (2)	0.0052	0.0588	0.996	-0.1329	0.1432
		Degree/higher (3)	0.0328	0.0633	0.861	-0.1152	0.1809
	Diploma or certificate (2)	Basic schooling (1)	-0.0052	0.0588	0.996	-0.1432	0.1329
		Degree/higher (3)	0.0277	0.0527	0.859	-0.0963	0.1516
	Degree/higher (3)	Basic schooling (1)	-0.0328	0.0630	0.861	-0.1809	0.1152
		Diploma or certificate (2)	-0.0277	0.0527	0.859	-0.1516	0.0963
External motivation	Basic schooling (1)	Diploma or certificate (2)	0.1769	0.0820	0.080	-0.0160	0.3698
		Degree/higher (3)	0.3690*	0.0880	0.000*	0.1622	0.5758
	Diploma or certificate (2)	Basic schooling (1)	-0.1769	0.0820	0.080	-0.3698	0.0160
		Degree/higher (3)	0.1921*	0.0737	0.025*	0.0190	0.3653
	Degree/higher (3)	Basic schooling (1)	-0.3690*	0.0880	0.000*	-0.5758	-0.1622
		Diploma or certificate (2)	-0.1921*	0.0737	0.025*	-0.3653	-0.0190
Intention to remain in business	Basic schooling (1)	Diploma or certificate (2)	-0.0672	0.0874	0.722	-0.2726	0.1381
		Degree/higher (3)	0.0405	0.0936	0.902	-0.1796	0.2606
	Diploma or certificate (2)	Basic schooling (1)	0.0672	0.0874	0.722	-0.1381	0.2726
		Degree/higher (3)	0.1078	0.0784	0.355	-0.0766	0.2921
	Degree/higher (3)	Basic schooling (1)	-0.0405	0.0936	0.902	-0.2606	0.1796
		Diploma or certificate (2)	-0.1078	0.0784	0.355	-0.2921	0.0766
Intention to grow the business	Basic schooling (1)	Diploma or certificate (2)	-0.1465	0.0937	0.263	-0.3668	0.0739
		Degree/higher (3)	-0.0171	0.1005	0.984	-0.2533	0.2191
	Diploma or certificate (2)	Basic schooling (1)	0.1465	0.0937	0.263	-0.0739	0.3668
		Degree/higher (3)	0.1294	0.0841	0.274	-0.0684	0.3271
	Degree/higher (3)	Basic schooling (1)	0.0171	0.1005	0.984	-0.2191	0.2533
		Diploma or certificate (2)	-0.1294	0.0841	0.274	-0.3271	0.0684
Entrepreneurship training and education	Basic schooling (1)	Diploma or certificate (2)	-0.1894	0.0949	0.114	-0.4124	0.0337
		Degree/higher (3)	-0.0493	0.1017	0.879	-0.2884	0.1898
	Diploma or certificate (2)	Basic schooling (1)	0.1894	0.0949	0.114	-0.0337	0.4124
		Degree/higher (3)	0.1401	0.0852	0.228	-0.0602	0.3403
	Degree/higher (3)	Basic schooling (1)	0.0493	0.1017	0.879	-0.1898	0.2884
		Diploma or certificate (2)	-0.1401	0.0852	0.228	-0.3403	0.0602
Business growth factors	Basic schooling (1)	Diploma or certificate (2)	-0.0210	0.0623	0.939	-0.1675	0.1255
		Degree/higher (3)	-0.0494	0.0668	0.740	-0.2065	0.1076
	Diploma or certificate (2)	Basic schooling (1)	0.0210	0.0623	0.939	-0.1255	0.1675
		Degree/higher (3)	-0.0285	0.0560	0.867	-0.1600	0.1031
	Degree/higher (3)	Basic schooling (1)	0.0494	0.0668	0.740	-0.1076	0.2065
		Diploma or certificate (2)	0.0285	0.0560	0.867	-0.1031	0.1600
Attitude towards business	Basic schooling (1)	Diploma or certificate (2)	0.0009	0.0693	1.000	-0.1622	0.1639
		Degree/higher (3)	0.0369	0.0743	0.873	-0.1379	0.2116
	Diploma or certificate (2)	Basic schooling (1)	-0.0009	0.0694	1.000	-0.1639	0.1622
		Degree/higher (3)	0.0360	0.0622	0.832	-0.1104	0.1823
	Degree/higher (3)	Basic schooling (1)	-0.0369	0.0743	0.873	-0.2116	0.1379
		Diploma or certificate (2)	-0.0360	0.0623	0.832	-0.1823	0.1104

**The mean difference is significant at the 0.05 level*

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CERTIFICATE

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TO WHOM IT MAY CONCERN

This is to certify that I have edited the following document for English style, language usage, logic and consistency; it is the responsibility of the author to accept or reject the suggested changes manually, and interact with the comments in order to finalise the text.

Author:	Natanya Meyer
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Degree:	Doctor of Philosophy in Entrepreneurship

Sincerely

DAVID LEVEY
Electronically signed
2018-08-13