

# **An assessment of entrepreneurial intentions of secondary school learners in selected areas**

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## **ABSTRACT**

This study highlights the need for a youth entrepreneurship education program of value in South African secondary schools. It examines the enterprising tendencies of grade 12 learners in 10 secondary schools in the Lejweleputswa District of the Free State province, South Africa, using the General Enterprising Tendency (GET) test.

An investigation into the current status of entrepreneurship in South Africa revealed that there is a lack of entrepreneurs and not enough people who have the orientation and skills to create new businesses. This leads to a situation where the South African economy performs poorly and the recent financial crisis exuberated South Africa's challenges in terms of poverty, unemployment and income inequality. In addition, youth unemployment has worsened as a result of the recession, because the youth lack the needed qualifications, experience and skills to compete for the few job opportunities in the labour market. Entrepreneurship and innovation are widely seen as key sources of renewed economic growth, creating jobs and advancing human welfare.

This study shows that the South African youth has a positive enterprising tendency. The 'General Enterprising Tendency Questionnaire', completed by 530 grade 12 learners was evaluated and learners scored within the average score, although at the lower end of the suggested average. When the questionnaire's constructs are evaluated, learners scored below the suggested average score on 'need for achievement', 'need for autonomy', 'creative tendency' and 'moderate/calculated risks', but above the suggested average for 'drive and determination', but it can be conclude that learners shows a tendency to be entrepreneurial.

However, the study suggests that grade 12 learners in the Lejweleputswa sample have overrated expectations on the 'drive and determination construct'. It appears that they do not have the propensity to be creative and have a low drive to be autonomous. The study also reveals that there are no practical significant differences between the mean values for the demographic variables school, age, gender, home language and ethnic group regarding the measured constructs.

Major shortfalls in the current education system are highlighted, including teachers with no previous knowledge of commercial subjects that are forced to teach entrepreneurship, most schools do not implement Economic and Management Science (EMS) as learning area and as from 2013, EMS will only be introduced to the curriculum in the Senior phase (grade 7 to 9). In addition, learners are not motivated to be creators of jobs, but to rather seek employment.

The study concludes that public schools in South Africa do not have the capacity to implement a successful program of youth entrepreneurship education. The involvement of Government, Department of Education, schools, teachers, parents, learners, entrepreneurs and organised business is needed to promote youth entrepreneurship in South Africa. The study expands on recommendations and presents a national strategy to enhance youth entrepreneurship in South African schools, but concludes that future research is needed.

**Keywords:** Entrepreneurship, Entrepreneurship education, Entrepreneurship development, Youth, Unemployment.

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# CHAPTER 1

## NATURE AND SCOPE OF THE STUDY

### 1.1 INTRODUCTION

*“Youth are not lost – they are pushed”* Anonymous

Since the democratic election in 1994, the South African society made positive progress, but still faces many challenges like large-scale poverty, high levels of inequality and unemployment (McGrath & Akoojee, 2012:422; Muofhe & Du Toit, 2011:1; Faulkner & Loewald, 2008:5). Unemployment is perceived to be directly responsible for the high levels of socio-economic problems such as crime, violence and poverty (Beeka & Rimmington, 2011:146; Barker, 2003:3). Continued failure to create employment at the scale required is likely to heighten social tension (Philip, 2012:180).

South Africa's unemployment rate is currently 24.9% (Stats SA, 2012) and according to a survey of The Organisation for Economic Cooperation and Development (OECD), South Africa had the worst rate of unemployment for youth between the age of 15 and 24 among 36 countries in 2008 (Smith, 2011:4). South Africa's high youth unemployment rate are partly due to the fact of the 10.1 million individuals in the 15 to 24 age cohort, 32.7% (3.3 million youth) are neither employed nor attending an educational institution (Stats SA, 2011; Paton, 2010:32). Most have dropped out of school and only 28% of them have a matric certificate (Paton, 2010:32).

To significantly reduce the country's high unemployment rate an economic growth rate of 6% to 7% is required (Business Unity South Africa, 2011; Altman & Marock, 2008:6). The South African economy grew by an estimated 3.1% in 2011 and is expected to slow to 2.7% in 2012 before accelerating to 3.6% in 2013 (National Treasury, 2011:13, Gordhan, 2012:6). South Africa's current economic climate therefore does not favour employment and when jobs are scarce young people are more likely to be unemployed because of their lack of appropriate skills, work related capabilities and experience (De Lange, Gesthuizen & Wolbers, 2012:530; McGrath & Akoojee, 2012:423; Altman & Marock, 2008:11).

Entrepreneurship is considered to be an important mechanism for economic development through job creation and innovation (Luiz & Mariotti, 2011:47; Mahadea, Ramroop & Zewotir, 2011:68; Nieuwenhuizen & Groenewald, 2008:128; Khawar, 2008:3; Burger, Mahadea & O'Neill, 2004:187). The development of entrepreneurial skills and knowledge is a priority for governments that want to encourage an innovative and enterprising society (Muofhe & Du Toit, 2011:2). The development of an entrepreneurial spirit among the youth is thus vital to alleviate poverty and to address the socio-economic problems facing South Africa (Mahadea *et al.*, 2011:67).

Hence, this study is aimed at assessing entrepreneurial tendencies and perceptions of entrepreneurship as a career option of grade 12 school learners in the Lejweleputswa District (Free State province).

Entrepreneurship, youth and entrepreneurship education as major concepts will be defined followed by the background to the study, the problem statement, research objectives, scope of the study and research methodology. This chapter concludes with the limitations and layout of the study.

## **1.2 DEFINING MAJOR CONCEPTS**

### **1.2.1 Entrepreneurship**

Gibb (2007:3) defined entrepreneurship as “... *behaviours, skills and attributes applied individually and/or collectively to help individuals and organisations of all kinds to create, cope with and enjoy change and innovation involving higher levels of uncertainty and complexity as a means of achieving personal fulfilment.*”

According to Timmons and Spinelli (2009:47), the term entrepreneurship is used to denote a way of thinking, reasoning and acting that is opportunity oriented. It is much more than starting a new business. It is the process whereby individuals become aware of the self-employment career option, develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business (International Labour Organisation, 2005). Other definitions of entrepreneurship are reviewed in chapter 2.

### **1.2.2 Youth**

The United Nations (UN) defines youth as “*young people from 15 to 24 years of age*”, however the South Africa National Youth Commission Act of 1996 and the National Youth Policy of 2009 to 2014 (NYP, 2009:12) defined youth as people between the age of 15 and 34.

### **1.2.3 Entrepreneurship education**

Entrepreneurship education can be defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business (Isaacs, Visser, Friedrich & Brijlal, 2007:614).

## **1.3 BACKGROUND TO THE STUDY**

South Africa’s current situation of unemployment, poverty and the insufficient absorption rate of scholars into the South African labour market necessitate this study. Research on entrepreneurial attitudes of school learners and the formulation of recommendations to improve the youth’s employability and inclination towards self-employment will contribute towards the existing pool of knowledge.

Similar studies was conducted by Burger *et al.* (2004) and Burger, Mahadea and O’Neill (2005) in the Stellenbosch area of the Western Cape province that focused on grade 12 learners perceptions of entrepreneurship as a career option, as well as the impact of previous knowledge and experience on the entrepreneurial attitudes of grade 12 learners. Mahadea *et al.* (2011) also assessed entrepreneurship perceptions of High School learners in Pietermaritzburg, KwaZulu-Natal.

Steenekamp (2009), Steenekamp, Van der Merwe and Athayde (2011a, 2011b) examined the entrepreneurial attitudes of grade 10 learners in the Sedibeng District of the Gauteng province. This study aims to build on the outcomes of these studies.



## 1.4 PROBLEM STATEMENT

South Africa has a large youth population (Smith, 2011:1; Altman & Marock, 2008:11; Horn, 2006:115) that can actively contribute to the economy, however South Africa's current economic climate does not favour employment and when jobs are scarce young people are more likely to be unemployed because of their lack of appropriate skills, work related capabilities and experience (De Lange *et al.*, 2012:530; McGrath & Akoojee, 2012:423; Altman & Marock, 2008:12).

Herrington, Kew and Kew (2010:15) indicated that a culture of entrepreneurship can unleash the economic potential of all South Africans, particular the youth. For young South African's to be accommodated in the economy they will have to be trained and educated in the field of entrepreneurship. Young people need to be able to think of self-employment as a route to self-empowerment rather than seeking wage employment (Mahadea *et al.*, 2011:67; Nieuwenhuizen & Groenewald, 2008:128). Unfortunately it appears that starting a small business or becoming an entrepreneur is not a career choice among South Africans, especially Black South Africans (Herrington *et al.*, 2010:15; Altman & Marock, 2008:14; Du Toit, 2003:4).

According to a report of the Umsobomvu Youth Fund (2010), the Free State province shows the highest rate of youth unemployment for 15 to 24 year olds. This study is aimed at assessing the entrepreneurial intentions of grade 12 school learners in the Lejweleputswa District in the Free State province. The following research questions can be asked:

- What are the youth's entrepreneurial tendencies to pursue entrepreneurship as a career option?
- What are their prospects of becoming self-employed business owners and job creators?
- Why don't more young people consider entrepreneurship as a career option?
- Are the South African government and the private sector doing enough to promote youth entrepreneurship?

It is important to address this issue because South Africa needs more youth entrepreneurs to provide a long-term route out of poverty for many unemployed young people. The result of the survey can be beneficial in solving other concerns about youth unemployment and entrepreneurship education.

## **1.5 RESEARCH OBJECTIVES**

The purpose of this study is defined under a primary objective and secondary objectives.

### **1.5.1 Primary objective**

The primary objective of this study is to assess the entrepreneurial intentions of grade 12 school learners in the Lejweleputswa District (Free State province) registered with the Department of Education (DoE) and to make recommendations for enhanced entrepreneurial learning for school learners in South Africa.

### **1.5.2 Secondary objectives**

The secondary objectives in support of the main objective of this research are:

- To define entrepreneurship.
- To examine the entrepreneur and benefits of entrepreneurship.
- To examine the current state of entrepreneurship and entrepreneurship education in South Africa to highlight shortfalls.
- To examine successful entrepreneurship education programmes for the compilation of recommendations.
- To examine entrepreneurship tendencies and how to measure it with an appropriate measure instrument.
- To examine unemployment in South Africa, especially youth unemployment, reasons for youth unemployment and current youth development initiatives.
- To measure the current entrepreneurial tendencies of grade 12 school learners in the Lejweleputswa District with the use of a questionnaire.

- To compare the enterprising tendencies of the respondents according to their demographic profile.
- To make practical recommendations to enhance entrepreneurship education at school level in South Africa.

## 1.6 SCOPE OF THE STUDY

The scope of this study is limited in both the field of study and the geographical demarcation.

### 1.6.1 Field of the study

The field of research is limited to entrepreneurship and in particular, entrepreneurial intentions of grade 12 learners in 2012.

### 1.6.2 Geographical demarcation

The study is limited to the Lejweleputswa District of the Free State province, South Africa. Lejweleputswa is situated in the north western region of the Free State.

**Figure 1.1: Geographical map of Lejweleputswa**



Source: <http://web.ndmc.gov.za>

Figure 1.1 presents the geographical regions of the Lejweleputswa district which include the following towns: Allanridge, Boshof, Bothaville, Brandfort, Bultfontein, Dealesville, Hennenman, Hertzogville, Hoopstad, Odendaalsrus, Theunissen, Ventersburg, Virginia, Welkom, Wesselsbron and Winburg.

The total population of the Lejweleputswa District was 639 660 people in 2007, with a gender spread of 49.8% males and 50.2% females. The population is made up of 90.7% Black Africans, 7.9% Whites, 1.2% Coloureds and 0.2% Asians (Stats SA, 2007).

Schools that were targeted for the study includes all secondary and combined schools in the geographical area registered with the Department of Education (DoE).

## **1.7 RESEARCH METHODOLOGY**

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

### **1.7.1 Literature study**

In phase one of the study a review will be given regarding entrepreneurship education and development. Sources that will be consulted for the literature study include, but are not limited to, the following:

- Books by subject matter experts.
- Published journals.
- Credible internet sources.
- Previous dissertations on the subject.

The literature review for the study will be discussed in chapter 2 and 3. In chapter 2 a brief overview is given of entrepreneurship, the entrepreneur, as well as the benefits of entrepreneurship, the current state of entrepreneurship in South Africa, followed by entrepreneurial tendencies and how to measure entrepreneurial orientation. The chapter conclude with a discussion on entrepreneurship education and the requirements of successful youth entrepreneurship.

In chapter 3 an overview of youth unemployment in South Africa is given, starting with the definition of youth, unemployment and structural unemployment, the current state of unemployment in South Africa and youth unemployment, followed by possible reasons for youth unemployment. The chapter ends with initiatives that the South African government and the private sector have taken to address and promote youth entrepreneurship.

## **1.7.2 Empirical study**

The empirical study consists of the research design, the questionnaire used in this study, the study population, gathering of the data and statistical analysis.

### **1.7.2.1 Questionnaire**

An empirical study will be done by means of the '*General Enterprising Tendency Test*' (GET test) developed by Caird (1991). The GET test is an assessment tool used to evaluate the enterprising tendency of prospective or existing entrepreneurs.

### **1.7.2.2 Study population and sampling method**

The study population is limited to the 2012 intake of grade 12 learners in all secondary and combined schools in the Lejweleputswa District of the Free State province, registered with the Department of Education (DoE). The entire population was targeted due to the expectation of a poor response rate. A total of 66 secondary and combined schools with approximately 5022 grade 12 learners were identified in the research area (Free State Department of Education, 2012).

An invitation to participate in the study was sent to the Principal of schools. The invitation made provision for the schools' details, the appointment of a responsible person, an option whether or not to participate in the study and the expected number of grade 12 learners for 2012 (see Appendix A). The response rate however was weak and appointments were made by telephone with the schools.

### **1.7.2.3 Data collection**

The gathering of the data was initiated by a telephonic discussion with each of the responsible teachers whereby the purpose of the study was explained and an

appointment was made to visit the schools' grade 12 learners to complete the questionnaire.

#### 1.7.2.4 Data analysis

The statistical analysis of the data was carried out by the Statistical Consultation Services of the North-West University, Potchefstroom Campus. Descriptive statistics were used to examine the composition and characteristics of the sample.

### 1.8 LIMITATIONS OF THE STUDY

The limitations of the study are the following:

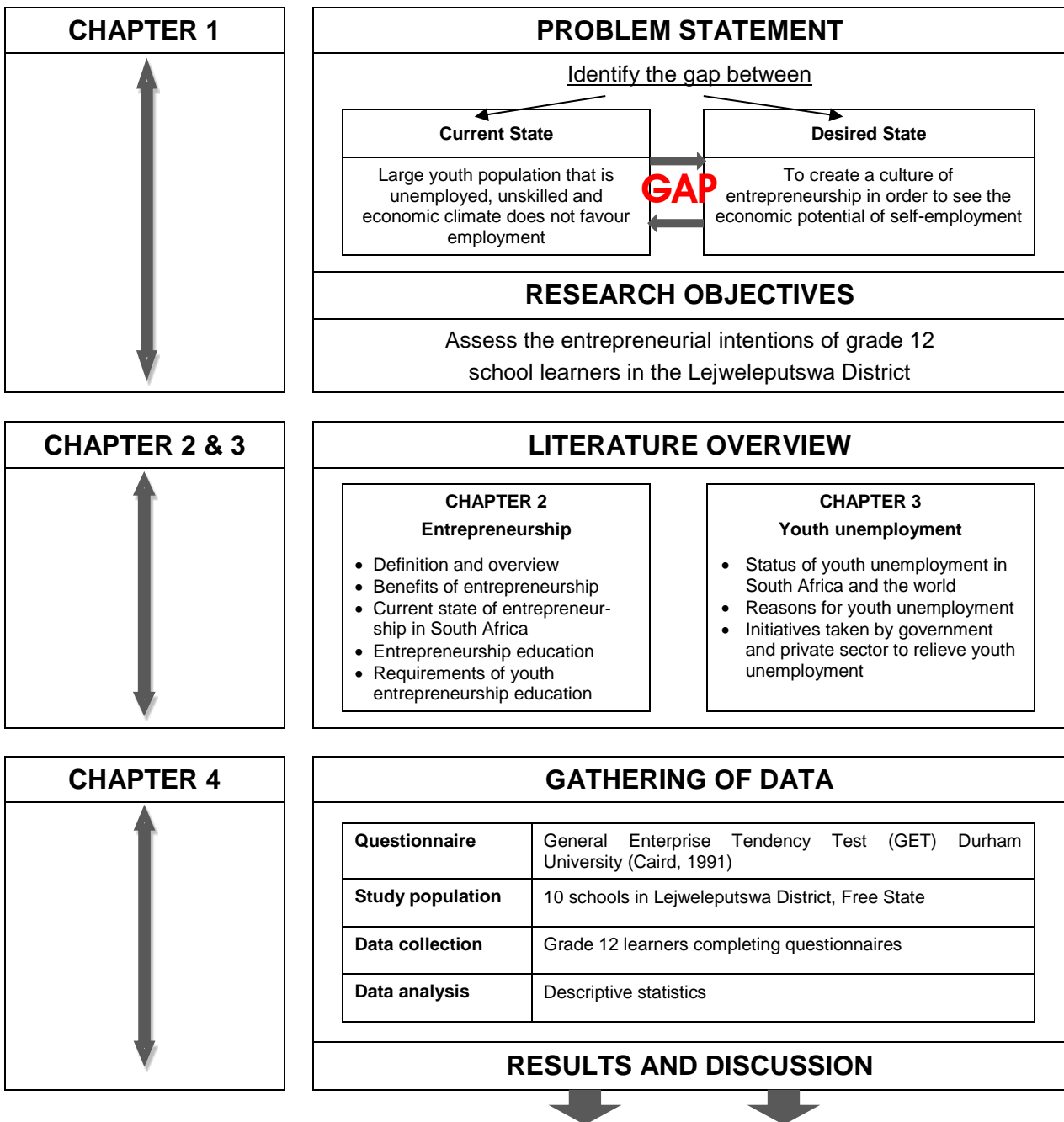
- The study will only focus on learners in a specific geographical area and findings of the study can therefore not be considered to be representative of all learners in South Africa nor of all learners in the Lejweleputswa District.
- The sample size maybe influence by the lack of response from participating schools and it can be argued that the study is limited to a particular group of learners in the demarcated area.
- The schools were contacted to determine whether they were willing to participate in the survey. Those that were not willing to participate were then not considered which limits the study to selected schools and participants only.
- It is only deemed to assess enterprising tendencies of grade 12 learners.
- The questionnaire only addressed selected determinants as compiled by the author.
- Respondents might treat the survey simply as another exercise, thus not completing the survey honestly; therefore, negatively impacting the research.
- Respondents may interpret questions in different contexts as initially intended.
- Any recommendations made as a result of the findings were very subjective to the population group and geographical area sampled, being very small so therefore the results cannot be seen in the general context for the rest of the grade 12 learners in South Africa, but can be used as a basis for further research and studies on enterprising intentions.

- The lack of valid data on the enterprising tendencies of the South African youth made it impossible to reach a conclusion as to whether the youth are more or less inclined to entrepreneurial behaviour than in the past.

## 1.9 LAYOUT OF THE STUDY

The layout and structure of the study is graphically presented in figure 1.2.

**Figure 1.2: Research process flow chart**



## CHAPTER 5



## CONCLUSIONS AND RECOMMENDATIONS

- South Africa lacks entrepreneurs and people with an entrepreneurial orientation and skills to create businesses.
- A positive attitude toward entrepreneurial behaviour will motivate learners towards owning and managing their own businesses.
- The South African school system fails to educate the youth to think and act entrepreneurial.
- A new cooperative approach involving all stakeholders with the right attitude and mind-set is needed, to enhance entrepreneurial learning at school level in South Africa.

Chapter 1 has defined the nature and scope of this study. The remaining chapters are presented in the following layout:

### **Chapter 2 – Overview of entrepreneurship**

This chapter examines entrepreneurship to provide a theoretical base and understanding for the construct of entrepreneurship and entrepreneurship education. A brief overview is given of entrepreneurship, the entrepreneur, as well as the benefits of entrepreneurship, the current state of entrepreneurship in South Africa, followed by entrepreneurial tendencies and how to measure entrepreneurial orientation. The chapter concludes with a discussion on entrepreneurship education and the requirements of successful youth entrepreneurship.

### **Chapter 3 – Unemployment**

The aim of this chapter is to provide an overview of youth unemployment in South Africa starting with the definition of youth, unemployment and structural unemployment. A brief overview of the current state of unemployment in South Africa and youth unemployment are discussed, followed by possible reasons for youth unemployment. The chapter ends with initiatives that the South African government and the private sector have taken to address and promote youth entrepreneurship.

### **Chapter 4 – Gathering of data, results and discussion**

This chapter contains an explanation of the research methodology that was followed to complete the empirical study. The data gathering process, statistical methods used to analyse the data and the interpretation of the results are discussed. The



main purpose of this chapter is to identify the current entrepreneurial perceptions of learners in the demographic area.

## **Chapter 5 – Conclusion and recommendations**

In the final chapter the gap between the desired and the current state of entrepreneurial learning in the Lejweleputswa District are examined through a gap-analysis. Conclusions are reached from the literature study, the demographical information and empirical study and based on the findings of the empirical study practical recommendations are made to enhance entrepreneurial learning for school learners in South Africa. The chapter concludes with a critical evaluation of the study in terms of achieving the primary and secondary objectives followed by suggestions for further research.

## **CHAPTER 2**

### **THE NATURE OF ENTREPRENEURSHIP**

#### **2.1 INTRODUCTION**

Entrepreneurship and innovation are widely seen as key sources of renewed economic growth, creating jobs and advancing human welfare (Luiz & Mariotti, 2011:47; Mahadea *et al.*, 2011:68; Nieuwenhuizen & Groenewald, 2008:128; Khawar, 2008:3; Burger *et al.*, 2004:187). Without an entrepreneurial attitude societies can stagnate, which can hinder the long-term growth and prosperity of a region (Organisjana & Matlay, 2012:207; Sowmya, Majumdar & Gallant, 2010:628; Mueller & Thomas, 2000:52).

South Africa's greatest limitation to economic development and growth is its lack of entrepreneurs (Fatoki & Patswawairi, 2012:133; Luiz & Mariotti, 2011:47; Isaacs *et al.*, 2007:613). Although the South African government has implemented various strategies to create an environment that encourage entrepreneurs and small businesses, the ratio of entrepreneurs to other workers in South Africa is approximately 1:52. In most developed countries the ratio is approximately 1:10 (Isaacs *et al.*, 2007:613). It is therefore evident that there are not enough people in South Africa who have the orientation and skills to create new businesses (Horn, 2006:120; Kroon & Meyer, 2001:47).

Herrington *et al.* (2010:15) indicated that a culture of entrepreneurship can unleash the economic potential of all South Africans, particular the youth. The school, apart from the home, are regarded as the place where the most profound impact can be brought about in the development of the youth (Isaacs *et al.*, 2007:613). There is an assumption that entrepreneurship characteristics and skills can be developed through transferring of knowledge and skills development to improve the self-efficacy and effectiveness of potential entrepreneurs (Gorman, Hanlon & King, 1997:63).

Given South Africa's high poverty and unemployment rates, skewed income distribution (as discussed in chapter 3) and potential high contribution that effective

entrepreneurship can make towards employment and economic growth, it is vital to determine how entrepreneurship can be effectively encouraged.

Hence this chapter examines entrepreneurship to provide a theoretical base and understanding for the construct of entrepreneurship and entrepreneurship education. A brief overview is given of entrepreneurship, the entrepreneur, as well as the benefits of entrepreneurship and the current state of entrepreneurship in South Africa, followed by entrepreneurial tendencies and how to measure entrepreneurial orientation. The chapter concludes with a discussion on entrepreneurship education and the requirements of successful youth entrepreneurship.

## **2.2 OVERVIEW OF ENTREPRENEURSHIP**

### **2.2.1 Introduction**

Entrepreneurship is regarded as one of the best economic development strategies to develop a country's economic growth and sustain the country's competitiveness in facing the increasing trends of globalisation (Beeka & Rimmington, 2011:147; Keat, Selvarajah & Meyer, 2011:206; Mahadea *et al.*, 2011:68; Gerry, Marques & Nogueira, 2008:45; Nieuwenhuizen & Groenewald, 2008:128). Given the importance of entrepreneurship in economic practice today, the question readily arises: what is entrepreneurship's role in economic theory and how did it develop?

### **2.2.2 Historical views on entrepreneurship**

The term entrepreneurship stems from a French verb *entreprendre* and the German *unternehmen*, both of which mean 'to undertake or to embark on' (Anderson, 2002:2).

Richard Cantillon, a pre-classical economist, introduced the term entrepreneur and was the first to acknowledge an entrepreneurial function within the economy (Van Praag, 1999:313). Cantillon recognised three classes of economic agents: landowners, entrepreneurs and employees with the entrepreneur as the central economic actor (Van Praag, 1999:313; Wennekers & Thurik, 1999:31). Cantillon focused on the function of the entrepreneur and viewed the entrepreneur as a risk

taker (Arthur & Hisrich, 2011:3) who exercises business engagements in the face of uncertainty (Hebert & Link, 1989:42). The entrepreneur therefore has a central role in the economic system because "*he is responsible for all the exchange and circulation in the economy*" (Van Praag, 1999:313).

The taxonomy of entrepreneurial theories can be condensed into three major intellectual traditions, each tracing its origin to Richard Cantillon (Wennekers & Thurik, 1999:31). The first is the **German tradition** of Von Thünen, Schumpeter and Baumol, secondly the **neo-classical tradition** of Marchall, Knight and Schultz and thirdly the **Austrian tradition** of Menger, Von Mises and Kirzner. Wennekers and Thurik (1999:31) indicated that these traditions share a heritage and common language, but they point out a different aspect of the function of the entrepreneur.

The neo-classicals stressed the role of the entrepreneur in leading markets to equilibrium. The Austrian tradition emphasised the alertness for profit opportunities and the importance of competition and the German or Schumpeterian tradition saw the entrepreneur as the innovator in economic life (Arthur & Hisrich, 2011:3; Lewis, 2011:431; Wennekers & Thurik, 1999:31).

Schumpeter (1951:261) emphasised that an entrepreneur is the person who gets new things done, and not necessarily the person who invents new things. In addition, Schumpeter (1951:263) theorised that reference to the entrepreneur means more a particular function than a physical person. Gartner (1989:64) supported Schumpeter's theory by stating that "*the entrepreneur is not a fixed state of existence; rather entrepreneurship is a role that individuals undertake to create organisations*".

Lewis (2011:432) highlighted the work of Kirzner (1973:75), a modern economist, who viewed the entrepreneur as a person who possesses greater perception and alertness to profit opportunities than others and act as an equilibrium force in the market process (Van Praag, 1999:325). Kirzner's work was supported by Casson (1982), who asserted that the entrepreneurial function relates to the individual who possess self-awareness and self-belief. Casson (1982) also emphasized that imagination is a key entrepreneurial quality and although other qualities and abilities cannot be acquired, they can be enhanced with training (Lewis, 2011:342).

## 2.3 ENTREPRENEURSHIP DEFINED

There is no consensus on the definition of entrepreneurship or what an entrepreneur does (Arthur & Hisrich, 2011:2).

Many researchers defined entrepreneurship as a **way of thinking**, reasoning and acting that is opportunity-oriented, holistic in approach and leadership balanced (Makgosa & Ongori, 2012:249; Timmons & Spinelli, 2009:101). Entrepreneurs can also be defined as **behaviours, skills and attributes** that are individually and/or collectively applied and encompass a dynamic process of vision, change and creation (Organisjana & Matlay, 2012:211; Gibb, 2007:3; Mueller 2004:200).

Entrepreneurship is the process of creating something new with value and includes the following: the vision to recognise an **opportunity** (Ali, Topping & Tariq, 2011:13; Kuratko, 2009:5; Kuratko & Hodgetts, 2007:30; Thompson, 2006:14), **taking responsibility** and making **judgmental decisions** (Hébert & Link, 1989:47), have **total commitment** to their cause and a **utilitarian view of what is right** (Mitton, 1989), the willingness to take **calculated risks** in terms of time (Hisrich, Peters & Shepherd, 2010), **equity or career** (Timmons & Spinelli, 2009:101; Drucker, 1985), the **creative skill** to marshal **needed resources** (Thompson, 2006:14; Cornwall & Naughton, 2003:62; Hisrich, 1990:209) and to adopt a broad **financial strategy** (Chell, Haworth & Brearley, 1991:8).

Van Aardt, Van Aardt, Bezuidenhout and Mumba (2008:5) defined entrepreneurship in terms of initiating, building and expanding a venture with the intention of staying in the market place for an extended period. Therefore an entrepreneur is an individual who establishes and manage a business for the principal purpose of profit, growth and wealth creation and is characterised by innovative behaviour (Thompson, 2006:14) and receiving the resulting rewards of monetary and personal satisfaction and independence (Hisrich, Peters & Shepherd, 2010).

On the other hand entrepreneurship is much more than starting a new business. It is the process whereby individuals become aware of the self-employment career option,

develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business (International Labour Organisation, 2005).

It is evident that in almost all of the definitions of entrepreneurship there is agreement that entrepreneurship is a kind of behaviour that include: (1) recognising an opportunity and taking initiative, (2) the willingness to take calculated risks, and (3) organising and reorganising of social and economic mechanisms to turn resources and situations to practical account (Arthur & Hisrich, 2011:5).

According to Pihie (2009: 341), entrepreneurs can be divided into two groups: actual entrepreneurs (that is, people that have actually started a business) and latent entrepreneurs or entrepreneurial intention (that is, people that intend to start a business in the near future) (Mueller 2004:200). This study focused on latent entrepreneurship.

For the purpose of this paper, entrepreneurship is therefore defined as “*an individual’s ability to turn ideas into action. It includes creativity, innovation and taking calculated risk, as well as the ability to plan and manage projects in order to achieve objectives*” (European Commission, 2008).

## **2.4 THE ENTREPRENEUR**

### **2.4.1 Introduction**

The word ‘entrepreneur’ is compiled from two French words: ‘*entre*’, meaning between, and ‘*prendre*’, meaning to take or seize (Lewis, 2011:431). Arthur and Hisrich (2011:2) stated that ‘entrepreneur’ literally translated, means ‘between-taker’ or ‘go-between’. French economists, however referred to an “*entrepreneur*” as a person who purchased goods at a specific price not knowing what the selling price would be (De Lange, 2000:17).

Therefore the entrepreneur can be described as an undertaker, who demonstrates initiative and creative thinking, is able to organise social and economic mechanisms to turn resources and situations to practical account and accepts risk and failure

(Hisrich, 1990). As a consequence, the entrepreneur disturbs the *status quo* and may thus be regarded as a change agent. In such a capacity, the entrepreneur does not just work for him/herself in a small firm, but may be employed in a large organisation (Kirby, 2005:174).

An entrepreneur is also perceived as an engine for economic development through the ability to create new job opportunities, exploitation of opportunities, generation of new technologies, and introduction of new products and efficient utilisation of resources (Makgosa & Organi, 2012:251; Gurol & Atsan, 2006).

#### **2.4.2 Why becoming an entrepreneur?**

Entrepreneurship as a career option is a lifetime goal and not a decision taken in isolation, although certain factors can affect the decision to become an entrepreneur (Beeka & Rimmington, 2011:149). Reynolds and Curtain (2008) pointed out that entrepreneurship is also a socio-economic choice and not always an individual in a bad situation. Entrepreneurship can be a career choice, particularly in situations of high unemployment. Thurik, Carree, Van Stel and Audretsch (2008:684) indicated that although unemployment increases self-employment, self-employment reduces unemployment.

It is important to understand the triggers or motivators of entrepreneurship and can be categorised as either push/pull situational factors or personal characteristics (Fatoki & Patswairi, 2012:135; Benzing, Chu & Kara, 2009; Segal, Borgia & Schoenfeld, 2005:44). Trigger factors may have consequences for the way in which a business is managed and how the business performs (Fatoki & Patswairi, 2012:134).

'Push' forces are negative external forces that drive individuals to pursue entrepreneurial activities such as difficulty in finding employment, recession and frustration with the previous employment. Frustrations with the previous employment include job dissatisfaction, insufficient salary, inflexible work schedule, redundancy and blocked promotion (Fatoki & Patswairi, 2012:135; Makgosa & Ongori, 2012:251).

'Pull' factors are identified as the desire to become one's own boss, increase wealth, changing lifestyle or need to use one's own experience and knowledge (Benzing *et al.*, 2009:62; Moreland, 2006:6). Research has shown that the pull factors are more instrumental than push factors as drivers of entrepreneurial behaviour (Orhan & Scott, 2001:232).

Burger *et al.* (2004:190) also commented that people became entrepreneurs for two reasons, because they have found an appropriate niche in the market (Nieuwenhuizen; 2004:33) or mere necessity. However, most necessity entrepreneurs do not have the essential business experience, skill or resources to start an informal sector venture and end up with an income below the poverty level (Bhorat & Leibrandt, 1998:28).

### **2.4.3 Entrepreneurial attributes and behaviours**

Although there is little consensus on what an entrepreneur is and what an entrepreneur does (Koh, 1996:13), the psychological characteristics of an entrepreneur, in addition to push and pull factors, also plays a role in new venture initiation (Mueller & Thomas, 2000:54). Gartner (1989:48) postulated the trait approach to explain entrepreneurship, since the entrepreneur 'causes' entrepreneurship.

Several psychological characteristics have been suggested as being good predictors of entrepreneurial behavior (Timmons & Spinelli, 2009:46-54; Gerry *et al.*, 2008:45; Demirer & Kara, 2007:51).

#### **2.4.3.1 Need for self-achievement**

The need for achievement is the desire to achieve something that is outstanding and thus something to be proud of by setting challenging, but attainable goals (Demirer & Kara, 2007:51; Herron, 1994:21). McClelland (1961) asserted that qualities associated with a high need for achievement, namely preferences for challenges, acceptance of personal responsibility for outcomes and innovativeness are defining characteristics of successful initiators of new businesses (Mueller & Thomas, 2000:54; Koh, 1996:14).



Demirer and Kara (2007:49) highlighted that the profile of an entrepreneur may be described as high in need for achievement and low in need for power, while good managers have high power and low need for achievement.

#### 2.4.3.2 Creativity, initiative and innovation

Schumpeter (1934, 1951) was the first to emphasise the role of innovation in the entrepreneurial process. Creativity and innovation refer to an individual's resourcefulness to create, experiment and investigate new ideas (De Lange, 2000:42; Koh, 1996:16). Creativity therefore gives rise to technological, artistic and cultural production.

Innovation is the “ . . . *process that turns an invention . . . into a marketable product*” (Gabor, 1970) and according to Demirer and Kara (2007:51), innovativeness is the ability and desire to discover new methods of managing a business, original ways of marketing a product or creative ways of improving it (Koh, 1996:51). Innovation is therefore more than invention; it also involves the commercialisation of ideas, implementation, and the modification of existing products, systems and resources (Mueller & Thomas, 2000:57).

#### 2.4.3.3 Propensity for risk-taking

Risk-taking propensity can be defined as the orientation towards taking chances in uncertain decision-making contexts (Koh, 1996:15). The entrepreneur faces four critical risk areas, namely: (1) financial risk, (2) career risk, (3) family and social risk and (4) emotional risk (Lee & Peterson, 2000:406). It is however evident that the entrepreneur prefers to take moderate risks in situations where they have some degree of control or skill in realising a profit (Demirer & Kara, 2007:51; Cromie, 2000, 200:19; Koh, 1996:15). They therefore calculate the risk carefully and thoroughly and do everything possible to get the odds in their favour (Timmons & Spinelli, 2009:52).

Although Bjerke (2007:82) and Nieman, Hough and Niewenhuizen (2003:29) noted that entrepreneurial ventures are significantly riskier than conservative firms, the entrepreneur cannot be perceived as a gambler (Timmons & Spinelli, 2009:52; Kuratko & Hodgetts, 2001:100). To foster a strong entrepreneurial orientation, a

society needs to support ambiguity and uncertainty and commit resources for risky venture formation (Lee & Peterson, 2000:406).

#### 2.4.3.4 Self-confidence

Successful entrepreneurs believe in themselves (Timmons & Spinelli, 2009:53; Koh, 1996:15) and to be a successful entrepreneur, self-confidence is needed to develop working relationships with a variety of people (Demirer & Kara, 2007:52). Entrepreneurs are therefore individuals with a positive self-image, are aware of their strong and weak points, confident and are able to do without continuous approval and recognition (Herron, 1994:18-29). Self-confidence and independence are reciprocally related (Demirer & Kara, 2007:52).

#### 2.4.3.5 Locus of control

The concept of locus of control was first introduced by Rotter (1954, 1966). Perceived internal locus of control is defined as the personal belief that one has influence over outcomes through ability, effort or skills; whereas external locus of control is the belief that external forces control outcomes (Demirer & Kara, 2007:51; Koh, 1996:14; Kaufmann, Walsh & Bushmarin, 1995:43). An internal locus of control has been one of the psychological characteristics most often used as predictive of entrepreneurship (Demirer & Kara, 2007:51; Kaufmann *et al.*, 1995:43).

Research done by Gilad (1982), found that persons who have internal locus of control (internals) have greater amounts of perceptual alertness. Gilad also noted that internals are alert, discover opportunities and scrutinise their environment to find information needed to formulate the optimal approach to developing those opportunities (Bygrave, 1993). Successful entrepreneurs do not believe that fate, luck or other powerful, external forces will govern the success or failure of their ventures; they believe that they personally can affect the outcome (Timmons & Spinelli, 2009:54).

#### 2.4.3.6 Desire for independence and autonomy

Autonomy is a quality of independent, single-minded people with a free spirit who are self-directed in their pursuit of a new idea and have the ability to carry their idea

through to completion (Lumpkin & Dess, 1996:140). Autonomy is also associated with high internal locus of control (Le Roux, 2003:5).

A desire for independence and autonomy indicates a definite preference for independence, to be economically self-reliant and autonomous. Entrepreneurs may also find it difficult to function in restrictive environments as they need to be in control (Cromie, 2000:21), therefore running their own business are a solution (De Lange, 2000:43; Durham University Business School, 1994:6-7).

#### 2.4.3.7 Motivation, energy and commitment

Successful entrepreneurs are motivated to excel (Timmons & Spinelli, 2009:53). Entrepreneurs are self-starters, who appear driven internally by a strong desire to compete against their own self-imposed standards and to pursue and attain challenging goals (Timmons & Spinelli, 2009:53). The aspiring entrepreneur must have a certain degree of persistence, to complete what they have started, even in the face of numerous failures (Timmons & Spinelli, 2009:52; Nieman *et al.*, 2003:29).

#### 2.4.3.8 Pro-activeness

According to Thompson (2006:21), pro-activeness is concerned with the implementation and creation of events. Pro-active behaviour aims at identification and exploitation of opportunities and in taking pre-emptory action against problems and threats.

Pro-active individuals are therefore seen as creators of change and are often initiators of activities that shape the environment by influencing trends and creating a demand. Pro-activeness is crucial to entrepreneurial orientation, because it suggests a forward-looking perspective on a new venture, especially with the implementation stage of entrepreneurship (Lee & Peterson, 2000:406).

#### 2.4.3.9 Tolerance for ambiguity

Tolerance for ambiguity indicates the ability to deal with uncertainty that surrounds the creation of a new business (Herron, 1994:22; Koh, 1996:15). A person who has a high tolerance of ambiguity finds ambiguous situations challenging and strives to

overcome unstable and unpredictable situations in order to perform well (Koh, 1996:15).

According to Mitton (1989), entrepreneurs eagerly undertake the unknown and willingly seek out and manage uncertainty. Therefore an entrepreneur requires a high degree of self-confidence, know his own personal qualities and have a disposition to act on his own opinion, venturesomeness and foresight, to deal with uncertainty (De Lange, 2000:45). According to Drucker (1985), the entrepreneur always searches for change, responds to it and exploits it as an opportunity (Beeka & Rimmington, 2011:147; Timmons & Spinelli, 2009:53).

Potential entrepreneurs need to be encouraged to identify opportunities, to grasp those opportunities that may arise and to be fully aware of their own entrepreneurial strengths and weaknesses. The decision to go into business for oneself must be made in an objective, deliberate and comprehensive manner. It is necessary to evaluate the pros en cons of a particular business venture and to take a realistic assessment of personal market resources capabilities (De Lange, 2000:107). A well-thought-out decision process, coupled with a heightened awareness of one's own personality traits is believed to enhance greatly the probability of entrepreneurial success.

## **2.5 BENEFITS OF ENTREPRENEURSHIP**

*“Entrepreneurs serve as founders, coordinators and finishers”* (Brush, 2008:23)

Entrepreneurship's importance to a country, society as well as individual development is widely emphasised at seminars, conferences and workshops all over the world (Keat *et al.*, 2011:206). Through the annual GEM reports more insight are given on the impact of entrepreneurial activity on a country's economy.

All over the world entrepreneurship contributes substantially to the social and economic development of a country and helps to address issues such as unemployment and poverty alleviation (Massey, 1988:6). Therefore policy makers have realised the effect of entrepreneurship on economic growth and have reacted

by making it a focus of social and political activity (Mashiapata, 2006:12). The economic and social influence of entrepreneurship has by far the largest impact on job creation, innovation and economic renewal compared to the formal sectors worldwide (Mahadea *et al.*, 2011:68; Mashiapata, 2006:12; Chigunta, Schnurr, James-Wilson & Torres, 2005:15).

Kalitany and Visser (2011:378) postulated that entrepreneurship plays a major role in reforming and revitalising economies, because it establishes new businesses and helps existing ones to grow (Ahmad, 2010:203; Timmons & Spinelli, 2009:27). Driver, Wood, Segal and Herrington (2001:49) support this argument and stated that the impact of entrepreneurial activity on economic growth is largely via those firms that survive to become new firms and continue to grow thereafter (Von Broembsen, Wood & Herrington, 2005:15; Foxcroft, Wood, Kew, Herrington & Segal, 2002:10). In less developed countries, new businesses can also be used to empower excluded people and as a result of increased entrepreneurial activity, economic growth can be expected (Beeka & Rimmington, 2011:145).

New start-up ventures provide valuable goods and services to society and in the process the local community is revitalised (Chigunta *et al.*, 2005:13). New small firms also tend to raise the degree of competition in the product market with the consumer gaining from it. Ali *et al.* (2011:15) highlighted that the development of entrepreneurial talent is also important in sustaining a competitive advantage in a global economy.

When new business ventures create jobs, unemployment is reduced and when new entrepreneurs innovate, they bring about new products, improve production processes, increased productivity, more competition and better consumer choices (Beeka & Rimmington, 2011:147; Thompson, 2006:14; Van Stel, Carree & Thurik, 2005:311; Wong, He & Autio, 2005:337). Entrepreneurship consists of the competitive behaviour that drives the market process therefore any introduction of new economic activity can be attributed to entrepreneurship (Wong *et al.*, 2005:336).

Without innovation new products, new services and unique ways of doing business would not exist. Innovation can be seen as the key driver of competitive advantage, growth and profitability (Drucker, 1985). According to Bird (as quoted by Mueller &

Thomas, 2000:57), innovation is more than just invention. Entrepreneurship is therefore especially important for firms facing rapid changes in industry and market structures, customer's needs, technology, and societal values (Van Stel *et al.*, 2005:311).

Entrepreneurship also has the potential to contribute to long-term economic empowerment, particularly disadvantage people that can improve their financial situation when starting and expanding small businesses (Burger *et al.*, 2004:189). Through entrepreneurship, people develop new skills and experience that can be applied to many other challenges in life (Chigunta *et al.*, 2005:14), entrepreneurship increases competitiveness and innovativeness among citizens and help individuals to develop the personal capacities needed to cope with risks and uncertainty (Korhonen, Komulainen & Rätty, 2011:3).

Although entrepreneurship has a number of potential benefits, Chigunta *et al.* (2005:13) noted that caution should be exercised so that entrepreneurship is not seen as a 'mass' or wide-ranging solution which can cure all society's social ills.

## **2.6 CURRENT STATE OF ENTREPRENEURSHIP IN SOUTH AFRICA**

In South Africa, as is true for most developing countries, there is a lack of entrepreneurs (Luiz & Mariotti, 2011:47; Isaacs *et al.*, 2007:613; Gouws, 2002:42). The lack of entrepreneurial activity or alertness is directly connected to low rates of innovation, unused profit opportunities and to risk-averse attitudes (Carree & Thurik, 2005:5). In South Africa there is not enough people who have the orientation and skills to create new businesses (Kroon & Meyer, 2001:47). This leads to a situation where the South African economy performs poorly because only a limited number of people succeed as entrepreneurs (Van Aardt *et al.*, 2008:4).

The rate of success of prospective entrepreneurs is slowed down by various factors that are inherent to a developing country like South Africa. The Global Entrepreneurship Monitor (GEM) report highlights some of these factors.

South Africa has participated in the Global Entrepreneurship Monitor (GEM) survey since 2001. Although South Africa's Total Early-stage Entrepreneurial Activity (TEA) rate improved from 5.9% in 2009 to 8.9% in 2010 and to 9.1% in 2011 (Simrie, Herrington, Kew & Turton, 2011:17), it is still below the average for all efficiency-driven economies (14.1%), as well as significantly below the average for all middle-to low-income countries (15.6%) (Mahadea *et al.*, 2011:68; Simrie *et al.*, 2011:20).

A country at South Africa's stage of economic development would be expected to have a TEA rate in the order of 15%, more than 60% than the actual rate of 9.1%. South Africans aged between 25 and 44 are the most entrepreneurially active, accounting for between 50% and 60% of all early-stage activity, with whites and Asians being more likely to start a business than coloured and black Africans (Mahadea *et al.*, 2011:68).

Niewenhuizen and Groenewald (2008:129) stated that South Africa's TEA rate is in line with countries like Poland, Hungary and Croatia that were also suppressed by legal and political systems rendering it illegal in socialist countries, as it was for blacks under the apartheid system. The lower TEA rates can be explained by the long term effect of these systems on the attitudes, skills and economic structures of these countries. Orford, Wood, Fisher, Herrington and Segal (2003:13) stated that the low survival rate of start-ups also contributes to the low TEA rate, because they do not actually contribute to economic development. Start-ups employ on average not more than one person as opposed to new firms that employ on average 2.5 people per firm.

The GEM reports highlighted that entrepreneurship was not well-supported in the South African community and that business failure was perceived negatively and carried a social stigma (Burger *et al.*, 2004:189). In addition most Black South Africans would prefer the security of a full-time job rather than the uncertainty of generating an income from running their own business (Isaacs *et al.*, 2007:619).

Past GEM reports also consistently highlighted the level of education and how this influences the formation of entrepreneurial ventures (Simrie *et al.*, 2011:15). The level of education can have a positive impact on youth entrepreneurship. If one can

improve on education levels it is assumed that more people will get involved in sustainable entrepreneurial ventures. There is a wide spread idea that entrepreneurship education would generate more and better entrepreneurs than there have been in the past and that education would increase the chance of obtaining entrepreneurial success (Alberti, Sciasca & Poli, 2004 as quoted by Keat *et al.*, 2011:207).

The GEM report of 2005 indicated that the number of young people in South Africa who believe they have the skills to start a new business is significantly lower than that of other developing countries. People who believe they have the ability to start a business are five times more likely than others to attempt starting one (Von Broembsen *et al.*, 2005:34).

Herrington *et al.* (2010:15) noted that a culture of entrepreneurship can unleash the economic potential of all people in South Africa, particular the youth. The South African youth needs to be provided with options that allow them to contribute towards the economy. Mahadea *et al.* (2011:67) stated that young people need to be able to think of self-employment as a route to self-empowerment rather than seeking wage employment, therefore the youth should be exposed more to the basics of micro business entrepreneurship at school level.

Education has been playing a major role in the shaping of an individuals' career and personality. Learners can develop a positive perception about entrepreneurship through early educational preparations (Kourilsky, 1995). Thus one's perception of an entrepreneurial career influences one's intentions to embark on such a career path (Farrington, Gray & Sharp, 2011:2). Children should learn from an early age to be knowledgeable consumers, develop the right attitude towards work and develop the skills needed to identify viable business opportunities and eventually start their own business undertakings (North, 2002:24).

Entrepreneurship education will therefore contribute to the ideal of empowering as many people as possible in order to unleash the previously stifled human potential of all South Africans (Hanekom as quoted by North, 2006:24). The development of an



entrepreneurial spirit among the youth is thus vital to alleviate poverty and to address the socio-economic problems facing South Africa (Mahadea *et al.*, 2011:67).

## **2.7 ENTREPRENEURSHIP EDUCATION DEFINED**

Van den Aardweg and Van den Aardweg (1993:76) define education as a *“purposeful, conscious, intervention by an adult in the life of a non-adult with the specific purpose of bringing the non-adult successfully to adulthood. Education includes, not only teaching of subject matter but through teaching the imparting of qualities such as leadership, perseverance, patience, morals, values, decision-making and so on”*.

The impact of formal education in the shaping of the personality is undoubtedly profound and besides the inputs in various fields of knowledge, formal education is also responsible for development of skills, shaping of the character and stabilising the value system (Jyothi, 2009:39).

Entrepreneurship education, according to Binks (as quoted by Keat *et al.*, 2011:207), refers *“to the pedagogical process involved in the encouragement of entrepreneurial activities behaviours and mind-sets”*.

Therefore entrepreneurship education can be defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business (Isaacs *et al.*, 2007:614; Gouws, 2002:43). Thus, the challenge is to develop future entrepreneurs capable of launching and maintaining successful businesses, irrespective of their academic background (Gibson, Harris, Mick & Burkhalter, 2011:13; WEF, 2009:12).

## **2.8 ORIGIN OF ENTREPRENEURSHIP EDUCATION**

*“Most of what you hear about entrepreneurship is all wrong. It’s not magic; it’s not mysterious; and it has nothing to do with genes. It’s a discipline and like any discipline, it can be learned.”* (Drucker, 1985:143)

Governments globally recognised the importance of entrepreneurial education (knowledge & skills) in schools, colleges and universities to encourage an innovative and enterprising society (Kirby & Ibrahim, 2012:98; Brijlal, 2011:818).

Although Shigeru Fijii was the first teaching pioneer to initiate entrepreneurship education at Kobe University, Japan in 1938 (Alberti *et al.*, 2004 as quoted by Keat *et al.*, 2011:207), most entrepreneurship courses and programmes were pioneered and introduced in American universities since the late 1940s. The Harvard Business School taught the first recorded course, with the UK and Western Europe followed much later in the early 1980s (Kirby & Ibrahim, 2012:98). The United States of America has experienced excess growth as compared to European countries, due to the fact that the country has been much quicker to absorb the virtues of entrepreneurship (Makgosa & Ongori, 2012:248).

All human beings are inherently entrepreneurial and surveys in many cultures indicated that youth specifically harbour strong, if latent entrepreneurial tendencies (WEF, 2009:25; Ibrahim & Soufani, 2002:247; Brockhaus, Hills, Klandt & Welsh, 2001:137), but the structure and delivery of mass education often thwart or throttle the natural entrepreneurial impulse in youth. However when learners are oriented into entrepreneurship from an early age, it becomes easier when they have their own entrepreneurial ventures (Niewenhuizen & Groenewald, 2004:1).

Entrepreneurship education's main role is to build an entrepreneurial culture among young people (Deakins, Glancey, Menter & Wyper, 2005). An interest as well as entrepreneurship awareness needs to be created to really understand entrepreneurship. The result will be a change in thinking and behaviour, and consequently the decision to form a new business, create job opportunities and to choose entrepreneurship as a viable career option (Gorman *et al.*, 1997:63).

In order to achieve functional entrepreneurship education, curriculum design needs to be creative, innovative and imaginative, combining theoretical knowledge with practical application (Robinson & Haynes 1991:51). Education systems around the world are changing in varying degrees to promote the entrepreneurial culture of promoting enterprises and creating new ventures (Kirby, 2005:173).

Entrepreneurship education has been recognised as one of the vital determinants that could influence students' career decisions (Sowmya *et al.*, 2010:627). Research conducted by Ibrahim and Soufani (2002:422) have shown that entrepreneurs who attended entrepreneurship courses have a high tendency to start their own business compared with those attending other business courses or not attending courses (Nieuwenhuizen & Groenewald, 2004:1).

Due to this influence, there is a need to examine how entrepreneurship education could influence students' propensity to entrepreneurship (Keat *et al.*, 2011:207).

## **2.9 ENTREPRENEURSHIP EDUCATION IN SOUTH AFRICA**

Although education is considered as one of the main sources of distributing entrepreneurial knowledge (Orford *et al.*, 2003:52), the South African Institute for Entrepreneurship (SAIE) (2006) noted the failure of South Africa to adequately educate its citizens, especially those from poor or modest backgrounds. The GEM report attributed this to the failure of schools to provide the vast majority of learners with the basic knowledge and skills required to start an opportunity motivated business venture (Von Broembsen *et al.*, 2005).

In addition Isaacs *et al.* (2007:619) commended that learners in a South African context were hardly motivated to be creators of jobs. Instead, they are taught to rather seek employment, as it would ensure a stable income for the family (Farrington *et al.*, 2011:3).

North (2002:25) highlighted that entrepreneurship education in South Africa started in the early 1990's when a committee comprising of education and curriculum experts where formed to investigate the feasibility of the inclusion of entrepreneurship as a possible future school subject. Entrepreneurship education was formally introduced in 2000, with the implementation of the Curriculum 2005 programme (C2005) as part of the learning area, Economic and Management Science (EMS) (Horn, 2006:120; De Waal, 2004:4; North, 2002:26).

Entrepreneurship was also introduced into the curriculum in 2005 for grades 10, 11 and 12 as part of the subject, Business Studies (which is an optional subject) (Horn, 2006:121). Learning outcomes for Business Studies include the ability for learners to develop business plans and transform these into action plans, critically reflect on business ventures, apply creative thinking to address business problems, and discuss the principles of professionalism and ethics (DoE, 2003:12).

The Curriculum 2005 programme was based on the notion of outcomes-based education (OBE) and one of the aims of the Curriculum 2005 programme was to develop an internationally competitive country (De Waal, 2004:3). Emphasis was placed to move away from rote learning to a pupil-centred learning environment that will lead to creativity and innovation. Economic and Management Science (EMS) aim is to prepare learners for the world of work and how to engage in entrepreneurial activity from Grade 3 to Grade 9 (DoE, 1997:6).

The Curriculum 2005 programme was also developed to produce citizens with a high level of skills, a high level of knowledge, and the attitudes and values needed to rebuild our country. The teachers who previously taught on the basis of subjects' disciplines were now required to develop competence to teach learning areas and to become facilitators of learning rather than the sole repository of knowledge (De Waal, 2004:42).

Driver *et al.* (2001:52) highlighted that teaching entrepreneurship skills are outside the capabilities of most teachers. Without business training, first-hand experience of business or commercial subjects, teachers encounter it for the first time when they have to teach EMS. Mashipata (2006:22) highlighted that the EMS teacher requires a lot of business knowledge, as indicated by Table 2.1.

Unfortunately most schools do not implement EMS as a learning area despite the fact that it is policy and is one of the eight learning areas that are compulsory in the General Education and Training (GET) phase (Mashipata, 2006:24; Horn, 2006:121; Shay & Wood, 2004:34). Teacher who are not qualified or have no interest in EMS are forced to teach the learning area, therefore learners do not acquire the right attitude or mind-set towards entrepreneurship.

**Table 2.1: Summary of knowledge and skills required in GET phase**

<p><b>LEARNING OUTCOME 1</b></p> <p><b>The economic cycle</b></p> <p>The role players in the economy - their roles, rights and responsibilities and how the economy functions.</p>	<p><b>LEARNING OUTCOME 2</b></p> <p><b>Sustainable growth and development</b></p> <p>Economic growth and development and how to sustain it.</p> <p>Productivity knowledge, values and attitude and its effect on economic prosperity, growth and living standards.</p>
<p><b>LEARNING OUTCOME 3</b></p> <p><b>Management, consumer and financial knowledge and skills</b></p> <p><u>Leadership and management issues</u> include: basic aspects of leadership, such as planning and directing, negotiation, motivation, delegation and conflict management, basic aspects of management such as administration, finance and production, marketing, purchasing, public relations and human resource development and rights and responsibilities of management and workers.</p> <p><u>Financial and consumer knowledge</u> includes: accounting, personal finance, consumer knowledge and skill, the importance of savings and investments.</p>	<p><b>LEARNING OUTCOME 4</b></p> <p><b>Entrepreneurial knowledge and skills</b></p> <p><u>Entrepreneurial skills, knowledge and attitudes include:</u> taking initiative, risk taking within the context of the process of conceptualizing a business, financing a business and running a business. Responsibilities of entrepreneurs within communities and business environments (to act as adviser, counsellor, mentor and role model to learners).</p>

Attitudes or mind-sets that learners acquire at school are probably more important than curriculum content, in terms of developing their entrepreneurial content. Driver *et al.* (2001:52) noted that schools where teachers are unmotivated, poorly trained and show no initiative, are unlikely to produce inspired, entrepreneurial thinkers (Korhonen *et al.*, 2011:2; Mashipata, 2006:31). The schooling system therefore fails to educate young minds to think and act entrepreneurial (Von Broembsen *et al.*, 2005:39).

Since the introduction of OBE and the implementation of the Curriculum 2005 programme in 2000, many reviews or changes were made to the South African school curriculum:

- Revised National Curriculum Statement Grades R-9, Government Gazette No. 23406 of 31 May 2002.
- National Curriculum Statement Grades 10-12 Government Gazettes, No. 25545 of 6 October 2003 and No. 27594 of 17 May 2005.

In 2012 The *National Curriculum Statement Grades R-12* replaced the above policy documents. The Curriculum and Assessment Policy Statements (CAPS) are now used for all approved subjects and promotion guidelines (DoE, 2011:3). CAPS were implemented in the Foundation Phase (Grade 1 to 3) and Grade 10 in 2012, with the Intermediate (Grade 4 to 6), Senior Phase (Grade 7 to 9) and Grade 11 in 2013 and Grade 12 in 2014. One major change of CAPS is that EMS is only introduced in the Senior Phase (DoE, 2011:3).

Horn (2006:120) stressed that effective schooling should develop awareness and skills in areas more specifically related to business, such as entrepreneurship, economics and accounting. Interesting to note is that these three areas are the main topics of the EMS curriculum for grade 7 to 9 (DoE, 2011:3), as indicated in Table 2.2.

However, only two hour teaching time per week is allocated for EMS, of which one hour per week must be used to develop grade 8 and 9 learners' accounting skills (Topic 2) and with Business Studies as an optional subject from grade 10, the question remains whether enough emphasise is placed on entrepreneurship education in South Africa.

South African schools are doing far less than schools in other developing countries to develop the skills required for entrepreneurship (SAIE, 2006). Isaacs *et al.* (2007:622) support this argument and stated that entrepreneurship education at school level does not receive a high priority in the South African context and that entrepreneurship education offered by schools differs from school to school.

**Table 2.2: Main topics in the EMS Curriculum Grade 7 to 9**

<b>The economy</b> (weighting of 30%)	<b>Financial literacy</b> (weighting of 40%)	<b>Entrepreneurship</b> (weighting of 30%)
1. History of money 2. Need and wants 3. Goods and services 4. Inequality and poverty 5. The production process 6. Government 7. The National Budget 8. Standard of living 9. Markets 10. Economic systems 11. The circular flow 12. Price theory 13. Trade unions	1. Savings 2. Budgets 3. Income and expenditure 4. Accounting concepts 5. Accounting cycle 6. Source documents 7. Financial management and keeping of records	1. Entrepreneurial skills and knowledge 2. Businesses 3. Factors of production 4. Forms of ownership 5. Sectors of the economy 6. Levels and functions of management 7. Functions of a business 8. Business plan

## 2.10 SUCCESSFUL ENTREPRENEURSHIP EDUCATION

No country has succeeded without educating its people (Mashiapata, 2006:18). An educational system reflects a society and the absence of an entrepreneurial orientation is symptomatic of a society that does not recognise entrepreneurial activity sufficiently (Le Roux, 2003:11). Therefore an understanding of the role of entrepreneurship in the economic process is critical for an understanding of the dynamics of society and its future well-being (Gouws, 2002:46).

Entrepreneurship is a mind-set that cannot be taught, but can be stimulated. A combination of a rounded education and exposure to entrepreneurship, from an early age, can help by encouraging children and young adults to think and behave more entrepreneurial and ultimately to consider ownership as a career option (Ibrahim & Soufani, 2002:427).

If learners are to achieve a mind-set change from wage-employment to self-employment and starting their independent ventures, they need the necessary

exposure, knowledge and skills provided by skilled teachers in order to develop their entrepreneurial orientation (Le Roux, 2003:2). Therefore entrepreneurship education should convince students to become actively involved in entrepreneurship, help them to understand the dynamics of the world of entrepreneurship and should slow down reality by means of formal and informal tuition (Timmons & Spinelli, 2009:6).

Solid learning will increase knowledge management and promote psychological attributes (entrepreneurial characteristics). Lee, Chang and Lim (2006) emphasised the school and education's role in predicting and developing entrepreneurial traits (Korhonen *et al.*, 2011:2; Mashipata, 2006:31; Gouws, 1997:147). A favourable entrepreneurial environment at an early stage will encourage positive and self-enabling perceptions of potential entrepreneurs (Krueger & Brazeal, 1994:91).

A successful entrepreneurial culture can be established through education (Kroon, 2002:215), involving the government, teachers, parents and learners themselves (Gouws, 2002:41). Some factors contributing towards an entrepreneurial culture are: perceptions towards entrepreneurship, business role models, negative mind-sets in terms of confidence, initiative and creativity and negative perception towards entrepreneurship as a career choice (Brijlal, 2011:819).

Entrepreneurial education should focus on developing perceptions of desirability and feasibility of entrepreneurial actions (Orford *et al.*, 2003:34; Krueger, 1993) and awareness and skills in areas more specifically related to business, such as entrepreneurship, economics and accounting (Horn, 2006:120). Schools also can play an important role in shaping learner attitudes in more subtle ways, for example in the areas of work ethic, career goals and expectations, and their outlook toward tertiary education (Orford *et al.*, 2003:34).

Orford *et al.* (2003:4) stress the fact that effective entrepreneurship education should improve the human capital base for entrepreneurship and have a significant positive influence on particularly four areas crucial to entrepreneurship:

- Learners' self-confidence about the ability to start a business.
- Learners' understanding of financial and business issues.



- Learners' desire to start their own business.
- Learners' desire to undertake higher education.

According to Chigunta *et al.* (2005:14), the Centre for Youth Entrepreneurship Education highlighted that: *“Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities”*. Ultimately effective entrepreneurship education should therefore focus on developing enterprising skills (Pittaway, Hannon, Gibb & Thompson, 2009:71; Ijeoma & Ndedi, 2008:4) and creative thinking (Lourenco & Jayawarna, 2011:225; Gibb, 2002:135).

## **2.11 ENTREPRENEURSHIP INTENSION/TENDENCIES**

Athayde (2009:481) noted that as young people increasingly become the target of entrepreneurial and enterprise policy initiatives and enterprise education in schools increases, so does the need to effectively measure the impact these programs have.

Mazzarol (2007:4) noted that several entrepreneurial intention models have emerged over the years and are accepted to explain entrepreneurial intentions (Drennan & Saleh, 2008:2). These models suggest that one's entrepreneurial intention is influenced by firstly, the perception of the extent to which it is desirable to become an entrepreneur. Secondly, entrepreneurial intention is influenced by perceptions of feasibility, which focus on one's ability to adopt entrepreneurial behaviour, given the prevailing entrepreneurship environmental conditions (Ali *et al.*, 2011:13).

Entrepreneurship development is also influenced by political-, legal- and economic conditions and infrastructure development. Finally, social and cultural norms about entrepreneurship are considered to influence one's decision to become an entrepreneur and these are largely influenced by one's family and friends. One's perceptions of desirability and feasibility are associated with the intention to engage in entrepreneurial activity (Ali *et al.*, 2011:13; Linan & Chen, 2006:4).

## 2.12 THE GENERAL ENTERPRISING TENDENCY (GET) TEST

One measure of entrepreneurial orientation is the General Entrepreneurial Tendencies (GET) test developed by Caird (1991). The GET test is an assessment tool used to evaluate the enterprising tendencies of the prospective or existing entrepreneur (Athayde, 2009:482).

Mazzarol (2007:5) highlighted that the GET test is developed from a range of existing psychometric tests including:

- The Thematic Apperception Test (TAT) as a measure of **achievement**,
- The Edwards Personal Preference Schedule (EPPS) as a measure of **autonomy**,
- The Honey and Mumford's Measure of Learning Styles (Mumford, 1993; Mumford & Honey, 1992) and the Jackson's Personality Inventory (Jackson, 1976), which is a measure of **risk-taking**.
- The GET test also incorporates elements from the Myers-Briggs Type Indicator (MBTI) (Briggs-Myers & McCaulley, 1985) which measures on four dimensions:
  - introversion-extroversion;
  - intuition-sensation;
  - thinking-feeling and
  - judging perception

The GET test measures five relevant entrepreneurial traits: (1) need for achievement, (2) need for autonomy, (3) creative tendencies, (4) moderated/calculated risks and (5) drive and determination (Caird, 1991; 1992). These dimensions have been thought to be predictive of an entrepreneurial personality (Stormer, Kline & Goldenburg, 1999:47). The assessment consists of 54 statements with which the aspiring entrepreneur has to either agree or disagree. Each of the subscales is scored, either from 0-6 or 0-12 depending on the subscale. A total score ranging from 0-54 can also be derived from the test (Stormer *et al.*, 1999:49; Caird, 1991). There is no time limit, although it takes about 10 minutes to complete the questionnaire. A

maximum score on the test is 54 while the average is 36. The test has to be scored by a psychometrist.

Mazzarol (2007:4) highlighted that key factors likely to influence the propensity for entrepreneurship are the need for achievement, a tolerance for ambiguity, the propensity to taking calculated risks, internal locus of control and the desire for personal control. The individual's previous work or career history may also trigger entrepreneurial behaviour as well as a person's gender, education level, family background and ethnicity.

The nascent or novice entrepreneur is likely to be influenced by their environment which serves to trigger their creativity and stimulate their desire for achievement leading to the formation of an entrepreneurial venture (Mazzarol, 2007:5).

### **2.12.1 Need for achievement (12 items)**

The need for achievement – nAch – has been associated with entrepreneurial behaviour since McClelland introduced the concept in 1961 (Cromie, 2000:16). McClelland defined the need for achievement as *“an arousal when there is competition with a standard of excellence on situations where performance may be assessed for success or failure”* (as quoted by Caird, 1991:180). Therefore nAch denotes a person's need, to strive hard to attain success and is regarded as a life rather than a simple drive (Cromie, 2000:16).

Self-awareness, planning, decision-making, initiative, problem-solving, responsibility, calculated risk-taking skills, innovation, seeking feedback, energy, determination, motivation and superego strength are all associated with a high need for achievement (Cromie, 2000:17; Caird, 1991:180).

It is believed that individuals with a high nAch have a strong desire to be successful and are consequently more likely to behave entrepreneurially (Koh, 1996:14). McClelland (1961) suggested that entrepreneurs have a high need for achievement and achievers will choose situations that are characterised by individual

responsibility, moderate risk-taking, knowledge of results of decisions, novel instrumental activity and anticipation of future possibilities (Kirby, 2005:178).

Entrepreneurs are dedicated to success, have high energy levels (Lewis, 2011:435; Kuratko & Hodgetts, 2001), are committed, determined, motivated to excess and wants to make things happen. Bolton and Thompson (2004) call it an '*activator talent theme*'. Several studies highlight perseverance and determination as entrepreneurial characteristics (Drennan, Kennedy & Renfrow, 2005:232). However Cromie (2000:17) highlighted that individuals create business ventures for many reasons and many people with a strong achievement drive are also attracted to other jobs such as management.

Bygrave (1993:258) highlighted that nAch formed the basis of training programmes because achievement motivation could be taught, studied and to some extent developed (Organisjana & Matlay, 2012:209) and is aimed at stimulating entrepreneurship in underdeveloped regions of the world. The need for achievement is also used to evaluate would-be entrepreneurs. However training for achievement motivation was unsuccessful when the participants' opportunities to act were limited by unfavourable business environments (Organisjana & Matlay, 2012:209).

Some examples of test items include:

Question 1: I would not mind routine unchallenging work if the pay was good (negatively assessed).

Question 10: I like challenges that really stretch my abilities rather than things I can do easily (positively assessed).

Question 42: When I am faced with a challenge I think more about the results of succeeding than the effects of failing (positively assessed).

High score interpretations suggest a future orientation and task orientation, strong work ethic, a tendency to set challenging goals and a planning orientation for achievement. Low score interpretations suggest a placid nature, a lack of ambition, an easy-going nature, a tendency either to give success a low priority or to disbelieve that success is an attainable goal for themselves (Caird, 1991:181).

### **2.12.2 Need for autonomy (6 items)**

Kirby (2005:176) points out that entrepreneurs want to be in control therefore, have a higher need for autonomy and a greater fear of external control than many other occupational groups (Cromie & O'Donoghue, 1992; Caird, 1991). They value individualism and freedom more than do either the general public or managers and they have a dislike of rules, procedures and social norms. As a consequence they have difficulty functioning in constraining environments that stifle creativity and can experience difficulty relating to others (Cromie, 2000:21). Douglas and Shepherd (2002:81) also found that entrepreneurs have a preference for independence as it was significantly related to become self-employed.

The need for autonomy relates to attributes of determination, self-reliance, inner control, calculated risk-taking, innovation and decision-making (Caird, 1991:181).

Some examples of test items include:

Question 3: I do not like to do things that are novel or unconventional (negatively assessed).

Question 12: I like to do things in my own way without worrying about what other people think (positively assessed).

Question 21: When I am in a group I am happy to let someone else take the lead (negatively assessed).

High score interpretations suggest: independence, poor employee potential in jobs which lack autonomy, the need to do things in an independent way, a stubborn and determined nature and unconventionality. Low score interpretations suggest: a facilitating nature, flexibility with decision-making, a preference for working with or for others rather than managing others (Caird, 1991:181)

### **2.12.3 Creative tendency (12 items)**

Kuratko and Hodgetts (2007) noted that creativity is not an exclusively inherited trait and suggest that creativity can be learnt. Successful entrepreneurs are creative, self-reliant and adaptable by being open-minded, flexible, quick learners and always uncomfortable with the status quo. Cromie (2000:20) highlighted that enterprising

individuals are responsible for the development of new ideas, spotting of market opportunities or for the combination of existing ideas and resources in different ways to create additional value. Our ability to think creatively and imaginatively is important enterprising skills to support decisions in uncertain business situations.

Some examples of test items include:

Question 8: Sometimes people find my ideas unusual (positively assessed).

Question 14: I like to find out about things even if it means handling some problems whilst doing so (positively assessed).

Question 53: It is harder for me to adapt to change than keep to routine (negatively assessed).

High score interpretations suggest: an imaginative and innovative orientation, versatility, a preference for novelty, intuition, a tendency to have ideas and sensitivity to opportunity. Low score interpretations suggest: a preference for stability, a practical orientation which is not given to flights of fancy and a preference for implementing others' ideas (Caird, 1991:180).

#### **2.12.4 Risk-taking (12 items)**

The role of risk-taking in the entrepreneurship process is keenly disputed by researchers. Some argue that entrepreneurship begins with risk-taking (Organisjana & Matlay, 2012:209; Lewis, 2011:435). Others, however, point out that entrepreneurs can minimize risks to such an extent that they hardly incur any threats (Timmons & Spinelli, 2009:52).

Therefore, Kuratko and Hodgetts (2001:100) argue that the entrepreneur is not a gambler and rather show risk calculation behavior that includes getting others to share inherent financial and business risk with them. It is believed that entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realising a profit (Organisjana & Matlay, 2012:209; Koh, 1996:15).

Some examples of test items include:

Question 2: When I have to set my own targets, I set difficult rather than easy ones (positively assessed).

Question 11: I would prefer to have a reasonable income in a job that I was sure of keeping rather than in a job that I might lose if I did not perform well (negatively assessed).

Question 29: Before I make a decision I like to have all the facts no matter how long it takes (negatively assessed).

High score interpretations suggest: the ability to judge that a risk is worth taking when the consequences of failure do not outweigh the incentive value of success, the ability to make decisions in uncertain conditions and the tendency to make decisions without exhaustively gathering information. Low score interpretations suggest: a cautious nature, a painstaking approach to decision-making and a preference for working with certainty (Caird, 1991:179).

#### **2.12.5 Drive and determination (12 items)**

The perception of self-efficacy, rather than objective ability, motivates individuals to demonstrate entrepreneurial behavior (Markman, Balkin & Baron, 2002:152). Unlike other personality traits of entrepreneurship which are relatively static, self-efficacy is affected by contextual factors such as education and past experiences (Hollenbeck & Hall, 2004; Pihie 2009:338).

Although much research has been done in an attempt to identify the characteristics of a successful entrepreneur, not one study has been able to come up with the exact personality traits that will predict whether or not a person will be successful as an entrepreneur (De Lange, 2000:36).

Some examples of test items include:

Question 7: You are either naturally good at something or you are not, effort makes no difference (negatively assessed).

Question 25: I will get what I want from life if I please the people with control over me (negatively assessed).

Question 34: Being successful is the result of working hard, luck has nothing to do with it (positively assessed).

High score interpretations suggest: proactivity, self-reliance, self-determination, self-confidence, and belief that achievement is due to ability and effort and tendency to believe that 'failures' are lazy or stupid. Low score interpretations suggest: the view that life is not controlled by self but by external factors, dependence, belief that success depends on fate, luck, others or being in the right place at the right time and consideration of others' 'misfortunes' (Caird, 1991:181).

Although the GET test appears to have criterion and convergent validity and good internal consistency, Cromie (2000) believed it requires further work to verify the psychometric properties of the test (Kirby & Ibrahim, 2012:104). Cromie and O'Donoghue (1992) also validated the criteria upon which the GET test was based. They found that the GET subscales were positively correlated with another and all subscales strongly correlated with the overall GET score. The GET scale was very useful measure for distinguishing between entrepreneurial traits of entrepreneurs and other groups of individuals (Lyng, 2008:40).

Problems were however encountered as far as reliability and validity are concerned with the use of the General Enterprising Tendency test (GET) developed at Durham University Business School (Johnson & Ma as quoted by De Lange, 2000:118). Although the GET test cannot determine whether or not a person is going to be an entrepreneur, it is a tool that has some potential in assessing enterprise tendencies and therefore entrepreneurial orientation (Mazzarol, 2007:6).

## **2.13 SUMMARY**

Entrepreneurship and innovation are widely seen as key sources of renewed economic growth, creating jobs and advancing human welfare and without an entrepreneurial attitude societies can stagnate, which can hinder the long-term growth and prosperity of a region. On the other hand is entrepreneurship linked to



employment generation, innovation and economic growth and is worldwide been accepted as an important way of integrating more young people into the economic environment.

Although the South African government has implemented various strategies to create an environment that encourage entrepreneurs and small business ventures, South Africa still lacks entrepreneurs who have the orientation and skills to create new businesses. Therefore entrepreneurship must be promoted as a powerful vehicle for reducing poverty and high unemployment.

Entrepreneurship can be defined as an individual's ability to turn ideas into action, and it includes creativity, innovation and taking calculated risk, as well as the ability to plan and manage projects in order to achieve objectives. An entrepreneur have the ability to be aware of the self-employment career options, develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business.

The need for self-achievement, creativity, initiative and innovation, propensity for risk-taking, self-confidence, locus of control, desire for independence and autonomy, motivation, energy and commitment, pro-activeness and tolerance for ambiguity were identified as good predictors of entrepreneurial behavior.

Although entrepreneurship is widely regarded as one of the best economic development strategies to develop a country's economic growth, entrepreneurship is not well-supported in the South African community and most South African's would rather prefer the security of a full-time job rather than the uncertainty of generating an income from running their own business.

A culture of entrepreneurship is needed to unleash the economic potential of all people in South Africa, particular the youth. They need to be able to think of self-employment as a route to self-empowerment rather than seeking wage employment. Entrepreneurship education will contribute to the ideal of empowering as many people as possible. Therefore the youth should be exposed more to the basics of micro business entrepreneurship at school level.

The South African government realised the importance of entrepreneurship education with the implementation of Economic and Management Science (EMS) from Grade 3 to Grade 9 and Business Studies (an optional subject) for grade 10, 11 and 12. The aim of EMS is to prepare learners for the world of work and how to engage in entrepreneurial activity.

Although education is considered as one of the main sources of distributing entrepreneurial knowledge, South African schools have failed to provide the vast majority of learners with the basic knowledge and skills required to start an opportunity motivated business venture. Learners are not motivated to be creators of jobs, instead they are taught to rather seek employment, as it would ensure a stable income for the family.

Teacher who are not qualified or have no interest in EMS are forced to teach the learning area, therefore learners do not acquire the right attitude or mind-set towards entrepreneurship, while at some schools EMS is not implement as a learning area despite the fact that it is policy. Attitudes or mind-sets that learners acquire at school are probably more important than curriculum content, in terms of developing their entrepreneurial content. The schooling system therefore fails to educate young minds to think and act entrepreneurial

Another major change in the school curriculum (Curriculum and Assessment Policy Statements, CAPS) will come into effect from 2013, with EMS only introduced in the curriculum in the Senior Phase (from grade 7 to grade 9). Disturbing to note is that only two hour teaching time per week is allocated for EMS. Entrepreneurship education will therefore be limited to only three years, because Business Studies is an optional subject from grade 10 to 12.

The absence of an entrepreneurial orientation is symptomatic of a society that does not recognise entrepreneurial activity sufficiently. It is therefore evident that entrepreneurship education at school level does not receive a high priority in the South African context. If learners are to achieve a mind-set change from wage-employment to self-employment and starting their independent ventures, they need

the necessary exposure, knowledge and skills provided by skilled teachers in order to develop their entrepreneurial orientation.

Although entrepreneurship education is implemented in South African schools, the impact of these programmes still needs to be effectively measured. One measure of entrepreneurial orientation is the General Entrepreneurial Tendencies (GET) test developed by Caird (1991). The GET test is an assessment tool used to evaluate the enterprising tendencies of the prospective or existing entrepreneur.

The GET test measures five relevant entrepreneurial traits: (1) need for achievement, (2) need for autonomy, (3) creative tendencies, (4) moderated/calculated risks and (5) drive and determination (Caird, 1991; 1992). These dimensions have been thought to be predictive of an entrepreneurial personality. The assessment consists of 54 statements with which the aspiring entrepreneur has to either agree or disagree.

The GET scale is a very useful measure for distinguishing between entrepreneurial traits of entrepreneurs and other groups of individuals and although the GET test cannot determine whether or not a person is going to be an entrepreneur, it is a tool that has some potential in assessing enterprise tendencies and therefore entrepreneurial orientation.

# CHAPTER 3

## THE NATURE OF YOUTH UNEMPLOYMENT

### 3.1 INTRODUCTION

Unemployment in South Africa is structural in nature and not transient and has grown out of economic structure changes since 1970 (Lam, Leibbrandt & Mlatsheni, 2008:2). Pike and Sharp (2010:26) noted that South Africa's unemployment rate increased from about 7% in the mid-1970s, to 13% in the mid-1990s and 25% in the late 2000s, making South Africa's unemployment rate one of the highest in the world (Klasen & Woolard, 2009:2; Ozler, 2007:487).

Part of the explanation for high unemployment in South Africa is that economic growth has not been high enough over the last 30 years to generate sufficient employment (McGrath & Akoojee, 2012:423; Banerjee, Galiani, Levinsohn, McLaren & Woolard, 2008:2) as well as the lack of job creation in the unskilled and semi-skilled labour category (Klasen & Woolard, 2009:12; Lewis, 2001:10).

Despite the structural nature of unemployment in South Africa there are just not enough job opportunities (Banerjee *et al.*, 2008:1). School leavers and new entrants to the job market needs to be aware of the realities of the changing market conditions in South Africa and should consider enhancing their employment prospects by taking the entrepreneurial path as job-creators rather than job-seekers (Mahadea *et al.*, 2011:67; Nieuwenhuizen & Groenewald, 2008:128) with the right entrepreneurial attitude (Naong, 2011:184).

The aim of this chapter is to provide an overview of youth unemployment in South Africa starting with the definition of youth, unemployment and structural unemployment. A brief overview of the current state of unemployment in South Africa and youth unemployment are discussed, followed by possible reasons for youth unemployment. The chapter ends with initiatives that the South African government and the private sector have taken to address and promote youth entrepreneurship.

## 3.2 DEFINITION OF CONCEPTS

### 3.2.1 Youth

The United Nations (UN) and The International Labour Organisation (ILO) defined youth as “*young people from 15 to 24 years of age*”, however the South Africa National Youth Commission Act of 1996 and the National Youth Policy of 2009 to 2014 (NYP, 2009:12) defined youth as people between the age of 15 and 34. According to Altman and Marock (2008:10), the reason South Africa uses this cohort is because African youth tend to enter the schooling system late and exit late due to slower throughput rates. The youth group is further categorised as teenagers (15 to 19), young adults (20 to 24), and prime adults (25 to 34) (Du Toit, 2003:7). For the purpose of this study the South African definition will be used (age 15 to 34).

### 3.2.2 Unemployment

Two definitions are employed to define unemployment in South Africa – the official or strict definition and the expanded definition (Altman & Marock, 2008:2; Du Toit, 2003:7). Both definitions include people age 15 or older who are not employed but are available for work.

- The **strict or narrow definition** requires that an individual must have taken steps to find employment for four weeks prior to a given point. (Stats SA, 2012).
- The **expanded or broad definition** include those who are discourage or despair and did not search for work in a 4-week reference period but report being available for work and would accept a suitable job offer (Stats SA, 2012).

## 3.3 UNEMPLOYMENT OVERVIEW

Unemployment imposes significant costs on the individual, society and a country. Not only are unemployed individuals not acquiring important skills and experience needed to provide for themselves and their families, the economy are robbed from useful talent and economic growth that are needed to elevate the on-going poverty and societal problems (Grosso & Smith, 2011:79).

### **3.3.1 Unemployment worldwide**

The financial crisis (2007-2008) that led to the global recession (2008-2009) had widespread consequences on the economic performance, labour productivity and employment in all countries around the world (Stewart, 2012:84; Choudhry, Marelli & Signorelli, 2010:2), especially in advanced economies, which were hit harder and are recovering more slowly than emerging market and developing economies (Morsy 2012:15; Stewart, 2012:84).

Global unemployment increased fast during the crisis in the global labour market with a rate of around 6% at the end of 2011 (International Labour Organisation, 2012:31). The increases in unemployment levels have been most severe in the United States, New Zealand, Spain and Taiwan (Wanberg, 2012:370). The International Labour Organisation estimates that, out of a workforce of 3.3 billion, around 200 million people will be unemployed in 2012 (International Labour Organisation, 2012:31).

### **3.3.2 Unemployment in South Africa**

South Africa is a developing country with an estimated population of over 50.6 million people (Stats SA, 2011). According to the Quarterly Labour Force Survey, in the second quarter of 2012 there were an estimated 32.9 million people aged between 15 and 64 (Stats SA, 2012). Among these people 13.45 million were economically active and nearly a quarter (24.9%: 4.47 million) were unemployed, according to the official definition (see Figure 3.1).

It is evident from Figure 3.1 that the level of unemployment climbed rapidly during the financial and economic crisis and peaked in June 2010 with approximately 4.4 million people unemployed. The rate stabilised for the rest of the year but climbed again to reach 4.5 million unemployed people in the second quarter of June 2011. Interesting to note is that unemployment declined each year in the fourth quarter but rose again in the first quarter of the next year (Stats SA, 2012:32).

The South African labour market has been characterised by a poor employment creation performance in the past decade (Pauw, Oosthuizen & Van der Westhuizen,

2008:46) therefore the high rate of unemployment is one of the major stumbling blocks in the social and economic growth of South Africa (Bezuidenhout, Schultz & Du Plooy, 2012:39; Altman & Marock, 2008:10; Vakalisa, 2005:41). South Africa currently suffers from higher unemployment levels than most developing countries in Africa, Latin America or Asia, and significantly higher unemployment rates than those of the middle- or high-income countries (Klasen & Woolard, 2009:2; Ozler, 2007:487; McCord & Borat, 2003:125).

**Figure 3.1: Total unemployment in South Africa from 2008 to 2012**



Source: LFS Quarter 2 (Stats SA, 2012)

Unemployment or the lack of labour market flexibility in South Africa is structural in nature and not transient and has grown out of economic structural changes since 1970 (Lam *et al.*, 2008:2). The South African economy has been undergoing a structural transformation into a new so-called ‘service-economy’ and businesses were forced to adapt to these changes as well as to foreign competition to compete in the changing domestic and international markets (Banerjee *et al.*, 2008:9; Horn, 2006:118).

These changes include technological development, declining of the agricultural sector, financial liberalisation and globalization (Banerjee *et al.*, 2008:9-10; Eatwell, 2000:346-351). Consequently the main focus in the workplace has shifted away from activities based in the primary sector of agriculture and mining towards the more knowledge-based secondary and tertiary sectors, and subsequently these displaced

workers were unable to relocate to other regions where jobs might be available (Banerjee *et al.*, 2008:9-10; Horn, 2006:118).

For South Africa to prosper as a country and for its people to grow and develop, it is essential that unemployment be addressed (Bezuidenhout *et al.*, 2012:39).

### 3.4 WHO ARE UNEMPLOYED IN SOUTH AFRICA?

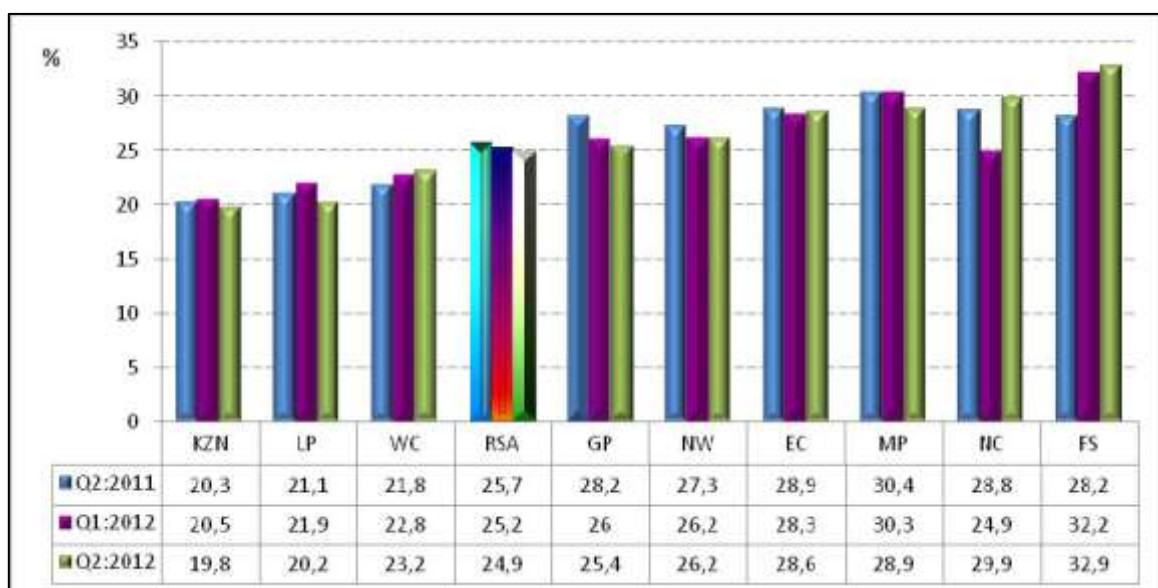
Unemployment is particularly concentrated among historically disadvantaged groups and is higher among rural, female, uneducated and young segments of the population (Arora & Ricci, 2005:23).

Unemployment will be discussed by province, gender, sex, population group, education level and age:

#### 3.4.1 Province

Figure 3.2 indicates that the Free State province (32.9%) recorded the highest unemployment rate in the second quarter of 2012, followed by the Northern Cape (29.8%), Mpumalanga (28.9%) and the Eastern Cape (28.6%) (Stats SA, 2012).

**Figure 3.2: Unemployment rate by province**



Source: LFS Quarter 2 (Stats SA, 2012)



### 3.4.2 Gender

Employment opportunities for young women are generally more limited than those for young men, therefore unemployment rates for young women are slightly higher than for men (Banerjee *et al.*, 2008:5; Du Toit, 2003:4). Although the female labour force participation rates have risen in most countries, the majority of working women are paid less than their male counterparts and they are also concentrated in jobs that are undervalued, such as domestic work (Ortiz & Cummins, 2012:4).

The difference in gender unemployment in South Africa is illustrated in Figure 3.3. Women unemployment was at 27.5% in the second quarter of 2012 with unemployed men at 22.8% (Stats SA, 2012). Although the unemployment rate for women remained higher than the national average between 2008 and 2012, the gap narrowed by 4.6%. The overall decline in the unemployment rate can be attributed to improvements in the labour market environment.

**Figure 3.3: Unemployment rate by sex**



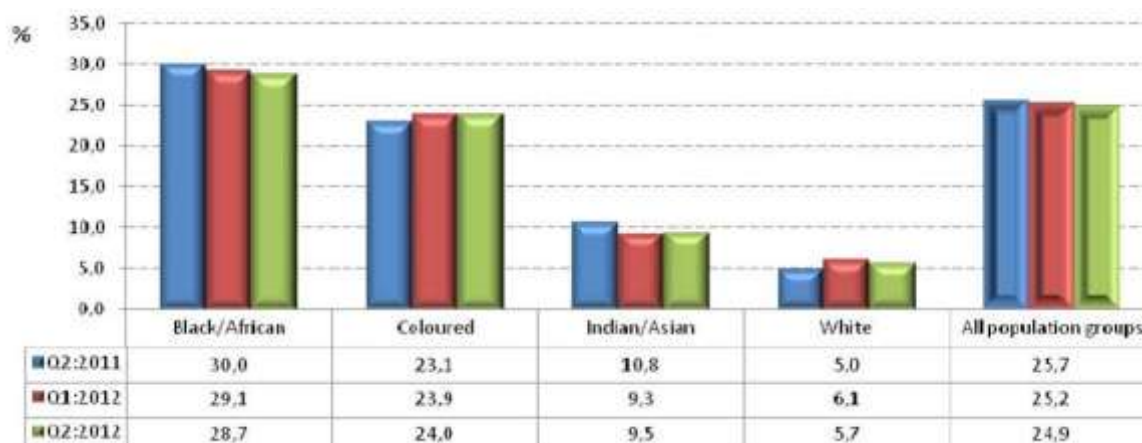
Source: LFS Quarter 2 (Stats SA, 2012)

### 3.4.3 Population group

Figure 3.4 indicates the year-on-year unemployment comparisons rate by population group and shows a slight decrease in the unemployment rate of black Africans (from 30% to 28.7%) and amongst the Indian/Asian population group (from 10.8% to 9.5%). Unemployment however increased amongst the coloured (from 23.1% to 24%) and

white population (from 5.0% to 5.7%). Although unemployment for black Africans decreased there is such a substantial pre-existing pool of unemployed persons and new entrants to the labour market each year that unemployment is still very high (Altman & Marock, 2008:14).

**Figure 3.4: Unemployment rate by population group**



Source: LFS Quarter 2 (Stats SA, 2012)

### 3.4.4 Education levels

The population are classified into four education groups: Lower than matric, matric, tertiary education completed and other. Pauw *et al.* (2008:47) stated that higher education is correlated with better employment outcomes and greater labour market participation as is evident in Figure 3.5. Only those with a university degree have reasonably low unemployment rates (Banerjee *et al.*, 2008:5).

**Figure 3.5: Unemployment rate by education level**



Source: LFS Quarter 2 (Stats SA, 2012)

Figure 3.5 indicates that approximately 59.3% of the unemployed in 2012 did not have matric and only 6.3% has tertiary qualifications (Stats SA, 2012). However the number of learners passing matric increased from 30% at the beginning of 2008 to 33.5% in 2012. According to the General Household Survey (2011), approximately 652 869 students were enrolled at higher educational institutions during 2011. Almost two thirds (65.4%) of these students were black African. However, proportionally this group is still underrepresented. Only 3.5% of Africans aged 18 to 29 years were studying as opposed to 14.9% of Indian/Asian individuals and 20.0% of the white population in this age group. Only 3.8% of the coloured population was studying during 2011.

Although the labour force has become better educated over time (Pauw *et al.*, 2008:47), Moleke (as quoted by Du Toit, 2003:4) found that youth unemployment is also high among the better educated. Pauw *et al.* (2008:46) support Moleke's findings and highlighted that although the graduate unemployment rate is low in comparison to the overall unemployment rate, it has been growing the fastest of all the education cohorts since 1995. Arora and Ricci (2005:24) indicated that the inability of highly educated people to find a job may be an indication of labour market rigidities.

### **3.4.5 Age group**

Altman and Marock (2008:6) highlighted that youth unemployment is extremely high in South Africa and approximately double the national unemployment rate. Youth unemployment differs by race with unemployment rates that are highest among African youth (50%–60%) and lowest among White youth (10%–20%) (Schoër, Rankin & Roberts, 2012:24; Altman & Marock, 2008:10). South Africa's unemployment crisis is therefore seen as a youth unemployment crisis in particular.

It is therefore evident from the above that Africans, rural people, uneducated people, young women and youth under the age of 24 years are most likely to be unemployed in South Africa (NYP, 2009:13).

### **3.5 REASONS FOR UNEMPLOYMENT**

Unemployment inhibits the economic growth of a nation and contributes to the problem of on-going poverty, which cannot be lessened without that growth (Altman & Marock, 2008:6). Unemployment is also accompanied by costs to the unemployed and society. These costs include financial ruin and significant mental and physical health problems to the individuals affected as well as societal problems, including increased poverty, crime, debt, and political instability (Grosso & Smith, 2011:79). Therefore the causes of unemployment need to be identified in order to rectify it.

Several causes of unemployment are cited in the extensive literature on South Africa's labour market. Banerjee *et al.* (2008), Kingdon and Knight (2007), Bhorat and Oosthuizen (2005), Bhorat and Leibbrant (1998) provide a good overview. In summary, these causes include:

#### **3.5.1 Weak economic growth rate**

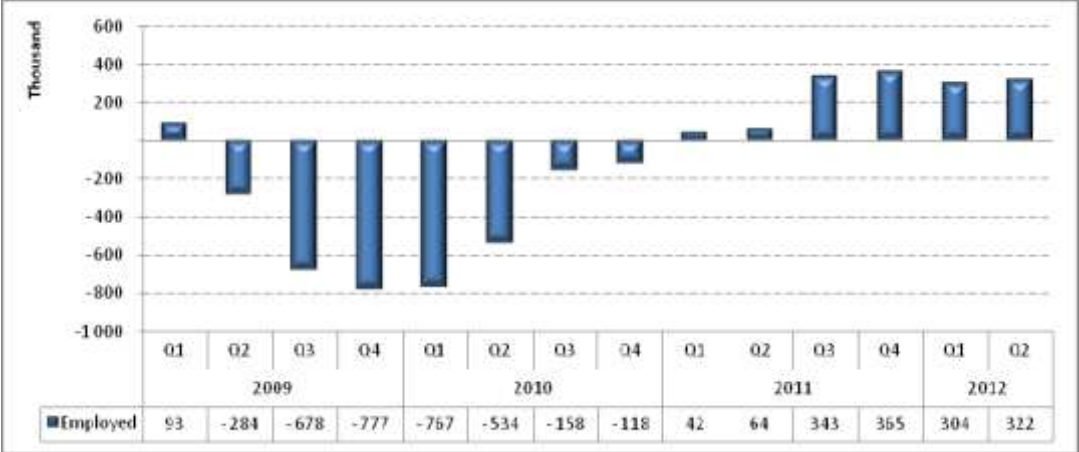
The South African economy averaged about 3% growth a year since 2009 and with the slowdown in the global economy, real GDP growth is likely to fall to about 2.7% in 2012 (Gordhan, 2012:6). A recovery of 3.6% and a 4.2% growth rate is expected in 2013 and 2014. The present growth trajectory of about 3% per annum fails to reverse the unemployment crisis in the labour market, because a growth rate of 6% or 7% per annum is required to significantly reduced unemployment (Altman & Marock, 2008:6).

The pace of job creation (from a low base) is closely linked to the general growth rate in the economy and in employment (Horn, 2006:116). If employment expanded more rapidly, it is probable that the labour force would also grow more rapidly – people would move to urban areas in search of work and people who are currently discouraged would start looking (Altman & Marock, 2008:13). High unemployment can therefore be contributed to weak economic growth.

Altman and Marock (2008:12) also noted that the rate of employment growth relative to economic growth has been surprisingly high in the 2000s. This growth is evident in Figure 3.6 and Figure 3.7. For every 1% in GDP growth, the SA economy generates

0.6% to 0.7% growth in employment. Internationally, the norm is around 0.3% to 0.5%. This strong relationship between GDP and employment growth is surprising in a capital intensive economy and may be due to new industries and activities and a strong growth in the services sector (Banerjee *et al.*, 2008:2).

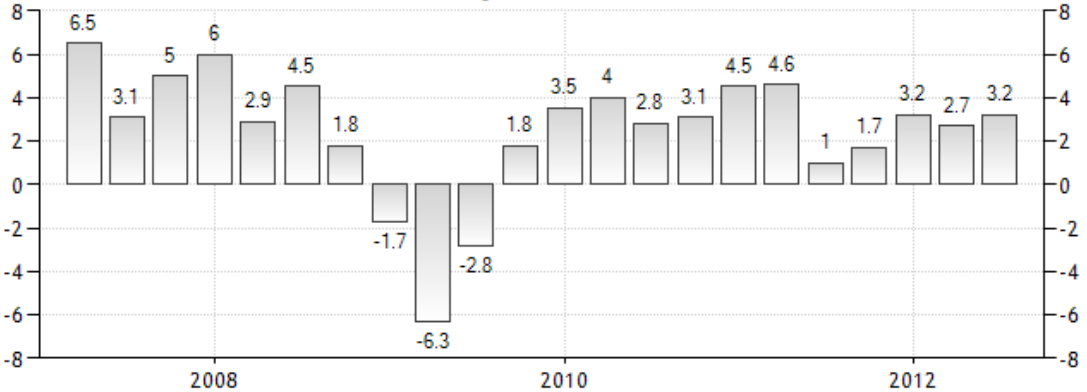
**Figure 3.6: Year-on-year change in employment from 2008 to 2012**



Source: LFS Quarter 2 (Stats SA, 2012)

Figure 3.6 indicates the solid employment growth South Africa has experienced in 2011 and 2012, with employment growing by 322 000 (or 2.5%), following growth of 304 000 (or 2.3%) in the year ended, March 2012. Employment grew for six consecutive quarters' year-on-year since quarter one of 2011 (Stats SA, 2012).

**Figure 3.7: South Africa GDP growth rate from 2008 to 2012**



Source: <http://www.tradingeconomics.com>

South Africa's Gross Domestic Product (GDP) growth rate increased from 2.7% to 3.2% in the second quarter of 2012 (Figure 3.7). Historically, from 1993 until 2012,

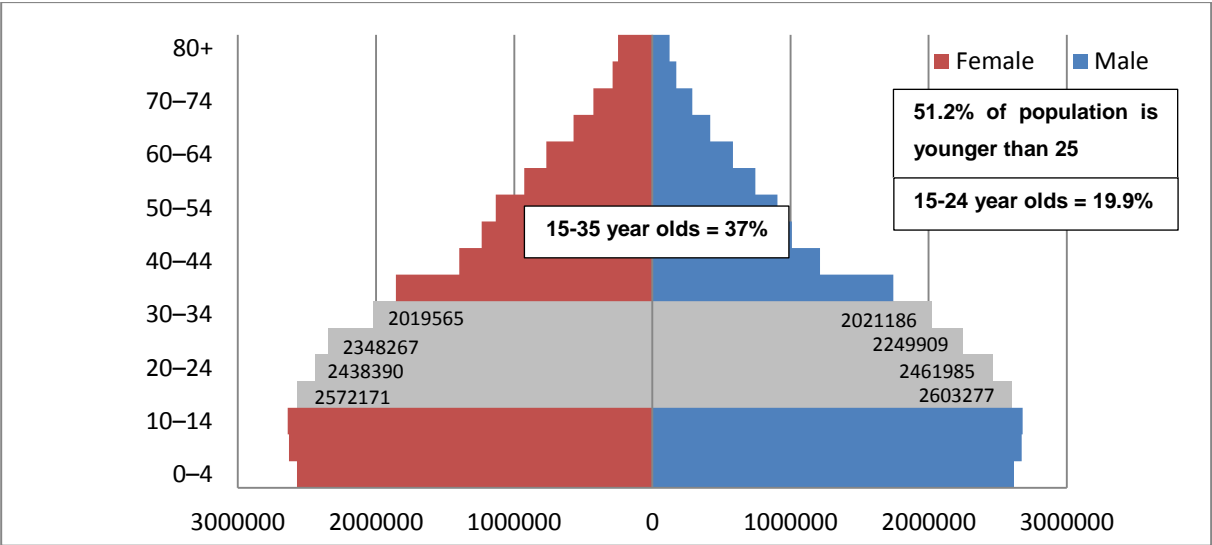
South Africa GDP Growth Rate averaged 3.26% reaching an all-time high of 7.60% in December of 1994 and a record low of -6.30% in March of 2009 (Trading Economics, 2012).

High unemployment and low growth are both ultimately the result of the shrinkage of the non-mineral tradable sector since the early 1990s. The weakness in particular of export oriented manufacturing has deprived South Africa from growth opportunities that other countries have been able to avail themselves of (Rodrik, 2008:4).

**3.5.2 High population growth rate**

South Africa has a large youth population (Smith, 2011:1; Horn, 2006:115) with about 51.2% of the population younger than 25 years (see Figure 3.8). According to Paton (2010:33), the origin of the huge young population lies in the population expansion or ‘demographic bulge’ which peaked in the late 1990s. However Ortiz and Cummins (2012:41) indicated 2004 as the year that the youth bulge peaked. Figure 3.8 indicates that new entrants to the labour market (15 to 24 years olds) made-up 19.9% of the total population and 31.3% of those normally considered economically active (15 to 64 year olds) (Stats SA, 2011). In addition, of the 31.3% normally considered economically active, 78% are black Africans with 48.1% between the ages of 15 and 34 years.

**Figure 3.8: South Africa population pyramid (June 2011)**



Source: Mid-year population estimates (Stats SA, 2010)

The prevalence of high unemployment rates of African youth reflects the growing inflow of increasingly younger job seekers into the labour market combined with a low outflow into employment due to the mismatch between low skill levels of the majority of the African youth and decreasing demand for unskilled workers (Schoër *et al.*, 2012:2; Banerjee *et al.*, 2008:3). It is therefore evident that the inability of the economy to absorb the growing labour supply has outstripped demand (Pauw *et al.*, 2008:46).

### **3.5.3 Change in participation rate of women, legal and illegal migrants**

The labour force participation increased with about 6% since the democratic election in 1994 (Banerjee *et al.*, 2008:5; Horn, 2006:115). Generally males are more likely to participate in the labour market and less likely to be unemployed (Banerjee *et al.*, 2008:5). According to the most recent Labour Force Survey (June 2012), published by Statistics South Africa, the labour force participation rate was at 54.5%, with women at 47.9% and men at 61.3%. The labour absorption capacity for the total economy was estimated at 40.9% with women at 34.7% and men at 47.3% (Stats SA, 2012).

The number of illegal labour migrants is difficult to determine but has increased substantially in the last two decades (Crush, 2011:5). Immigrants from Africa and more specific from Zimbabwe come to South Africa in prospect of finding better employment. Interesting to note is that despite the high unemployment rate in South Africa, most irregular migrants are able to find jobs in the construction and service sectors (Crush, 2011:15). The reason for this is that employers prefer non-South African workers, since they can subvert labour laws, avoid paying benefits, violate minimum wage legislation and ultimately they work much harder.

### **3.5.4 Role of the unions and labour market legislation**

The share of employees who are members of a union was particularly concentrated in sectors such as mining, manufacturing and electricity and among the highly skilled such as professionals and technicians (Arora & Ricci, 2005:25). As unions become

larger however, their bargaining power may affect the ability of small firms to recruit labour.

The South African government made four major changes in labour market regulation since 1995. The main regulatory reforms have been the Labour Relations Act (LRA) of 1996 which, among many other things, focuses on workers' rights to organise, conflict resolution and hiring and firing laws. The Basic Conditions of Employment Act (BCEA) of 1997 focuses on better working conditions for all workers who are employed and workers' rights in the workplace, among other things. The Employment Equity Act seeks to correct racial imbalance through, among other things, affirmative action and the Skills Development Levy of 1998 seeks to encourage firms to provide more worker-training (Lewis, 2002:12).

Although these regulations improved labour relations and helped raised labour productivity, most firms adjusted to these regulations by hiring fewer workers or using more machinery (Lewis, 2002:5).

### **3.5.5 Minimum wages and labour standards**

Although South Africa's real wage have not raised much since the transition to democracy in 1994, the wages in the formal sector are quite high by the standards of countries at similar income levels (Rodrik, 2008:3). The long-term increase in real wages directly dampens labour demand, a significant factor in the lack of employment growth among unskilled and semi-skilled workers (Lewis, 2002:13).

### **3.5.6 Education system**

The biggest contributor to youth unemployment is the education system that fails to produce employable people with the skills required to navigate their way through the modern labour market (Catholic Parliamentary Liaison Office, 2012:1; Development Bank of Southern Africa, 2011:5; National Treasury, 2011:16).

The link between education and unemployment is undeniable:

- Almost 95% of the unemployed have no tertiary education.



- Almost 30% to 40% have completed a secondary education.
- Almost 60% have less than secondary education (Catholic Parliamentary Liaison Office, 2012:2).

The education system generally fails to prepare young people with fundamental literacy, numeracy, problem solving, and critical thinking skills, neither does it encourage acquisition of values such as a work ethic and self-discipline that are required in the workplace (Development Bank of Southern Africa, 2011:5). Although we currently live in an information and service era, learners are educated and prepared to be successful in an industrial economy (Olivier as quoted by Horn, 2006:118). The content of school textbooks are out-dated and strengthen the argument that a vacuum developed between the education system and the job market (Horn, 2006:119).

### **3.5.7 Structural changes**

Structural changes of the economy led to job losses in the agricultural and mining sector. The financial and business services altered the composition of employment in terms of educational attainment where the demand for skilled workers is higher (Banerjee *et al.*, 2008:10; Field, 2000:8). Other factors related to apartheid necessitate firms to invest in capital-intensive rather than labour-intensive activities. This argument is also supported by Horn (2006:116) that highlights that as a result of technology and international competition South Africa had to become more capital and skill intensive.

Structural change of the economy led to a production decline in tradable sectors where employment is traditionally generated. The non-tradable sectors such as finance and business services grew the most, but they are primarily skilled labour intensive (Banerjee *et al.*, 2008:10; Rodrik, 2008:4). Horn (2006:118) also argues that the effect of structural unemployment and technological developments in South Africa highlights the deficiencies in the country's education system.

## **3.6 OVERVIEW OF YOUTH UNEMPLOYMENT**

Youth unemployment is a global phenomenon (Smith, 2011:4) with young people aged 15 to 24 that are three times more likely to be unemployed (Altman & Marock, 2008:10). Youth unemployment varies from one country to another, but according to Du Toit (2003:4), there are some common features: (1) youth unemployment is higher than adult unemployment in most countries, (2) there is a strong link between youth unemployment and adult unemployment, (3) upsets in the aggregate labour market have a more pronounced effect on youth unemployment, and (4) there is a link between (un)employment and economic growth.

### **3.6.1 Youth unemployment worldwide**

The financial crisis has increased global unemployment to 200 million people of which 75 million are young people between the ages of 16 to 24, an increase of more than four million since 2007 (Ortiz & Cummins, 2012:1). Although the global economic crisis only worsened pre-existing trends such as a lack of sufficient jobs and rising vulnerable employment, many countries experience a youth bulge (Ortiz & Cummins, 2012:6). The population cohort between 15 to 24 years old is increasing significantly compared to other age groups, whereas employment opportunities did not increase at the same rate.

Each year approximately 121 million 16 year olds become eligible to enter the world's labour market, but most of those that want to work are unable to find jobs. Although many young persons will hopefully continue their education and enhance their careers with a technical or university degree, many may not have this opportunity. High youth unemployment means young people are not acquiring the skills or experience needed to drive the economy forward (National Treasury, 2011:9). It is thus evident that millions of jobs need to be created just to meet the growing supply of young job seekers (Ortiz & Cummins, 2012:6).

### **3.6.2 Youth unemployment in South Africa**

Although youth unemployment is a global problem it poses a special problem for South Africa where at least half of young school leavers are unlikely to find work before the age of 24 (Smith, 2011:4; Altman & Marock, 2008:6). Youth in South Africa are twice as likely to be unemployed, with the 15 to 24 age group accounting for 31% of aggregate unemployment and the 25 to 34 age group for 41% (Stats SA, 2012) and if race is taken into consideration, the majority of the unemployed youth are young Africans between the age group 25 to 34 years (Schoër *et al.*, 2012:2; Altman & Marock, 2008:10; Du Toit, 2003:9). South Africa's unemployment crisis is therefore seen as a youth unemployment crisis in particular.

Youth unemployment in South Africa is acute and has worsened significantly over the last two years as a result of the recession (National Treasury, 2011:7). In times of a recession unemployment can be a special problem, because school-leavers are competing with more jobseekers for fewer vacancies, while the youth already in the labour market are generally among the first to lose their jobs (Morsy, 2012:16; Choudhry *et al.*, 2010:4). New entrants are therefore vulnerable and in a weak position, especially those with low (vocational) qualifications (De Lange *et al.*, 2012:530).

## **3.7 REASONS FOR YOUTH UNEMPLOYMENT**

### **3.7.1 Youth poverty**

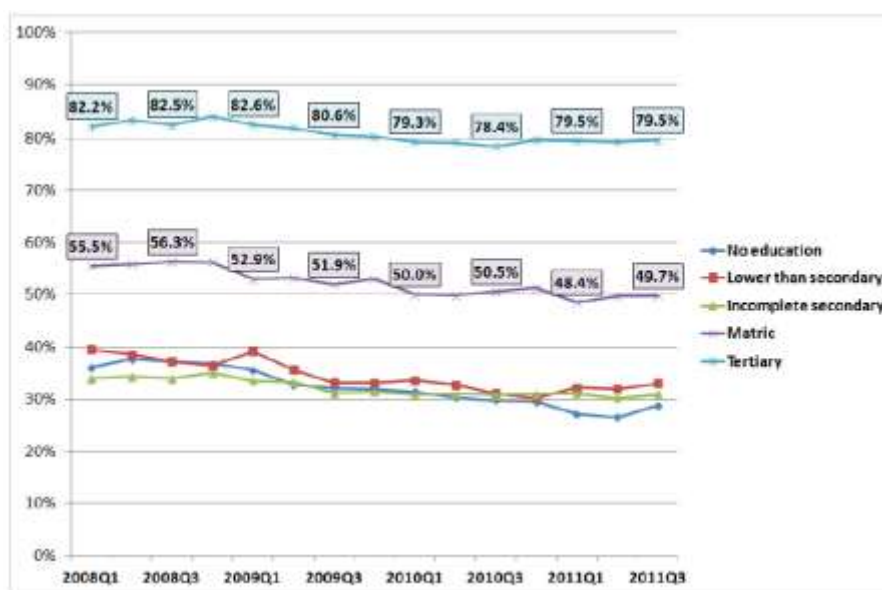
Poverty tends to reproduce itself among children and young people from already impoverished families (Morrow, Panday & Richter, 2005:10). Conditions of poverty further hamper access to basic services for large numbers of young people living in poor households and constrain their ability to take up opportunities offered in the context of South Africa's social development approach (NYP, 2009:14).

### 3.7.2 School dropout rate

The school dropout rate in South Africa is a large problem (Lam *et al.*, 2011:4). According to the National Treasury's report, almost 86% of unemployed youth did not stay in school beyond Grade 12, while two-thirds have never worked (Paton, 2010:32). Over the past five years, the continuation rate from Grade 11 to Grade 12 has averaged 67% (National Treasury, 2011:13). The Solidarity Research Institute report (Solidarity Research Institute, 2011) highlighted the incomplete schooling and low continuation rate of many young South African's. This might explain why the education level change so slowly.

However, individuals who have completed some level of tertiary qualification are two to three times more likely to be formally employed than those with matric or less (see Figure 3.9). As illustrated in Figure 3.9 pupils with a grade 8 (red line) and those with no formal training (blue line) have an absorption rate of approximately 30%. The absorption rate increase to almost 50% for pupils with matric as highest qualification and for those with tertiary training approximately 80% (Solidarity Research Institute, 2011:9). It is therefore evident that tertiary training does improve a person's chance to find employment (National Treasury, 2011:17; Smith, 2011:11; Solidarity Research Institute, 2011:12).

**Figure 3.9: Absorption rate according to training level from 2008 to 2011**



Source: Solidarity Research Institute (2011:11)

### **3.7.3 Resource constraints**

The youth lack labour market information, job search capabilities, access to the main information networks in the labour market, experience with the processes of applying for jobs, mobility and resources, which makes it hard for them to get a secure and stable job as compared to the established labour workforce (De Lange *et al.*, 2012:530; Du Toit, 2003:4). They therefore stay close to home where jobs may not be that readily available (Altman & Marock, 2008:12; Du Toit, 2003:4).

### **3.7.4 Struggle to gain work experience**

An important reason why joblessness is so high among the youth is that young people struggle to gain work experience, which is an important signal of ability to potential employers (Klasen & Woolard, 2009:8). This could explain the large number of young South Africans who are unemployed and the significant numbers who spend sustained periods without a job after leaving education (National Treasury, 2011:14). Research have shown that individuals who have never held a job before are 35% more likely to be unemployed than those who have had prior work experience (Smith, 2011:9; Klasen & Woolard, 2009:8; Altman & Marock, 2008:12).

In addition, many young people lack the skills employers need, often because of the backward-looking education systems. Education matters and the consequences of an economic crisis are usually more dramatic for low-skilled youth, already in great difficulties in good times, since the crisis further increases their risk of long-term inactivity and exclusion (Morsy, 2012:16). Therefore the lack of skills underpins employability (Altman & Marock, 2008:11).

### **3.7.5 Sectoral minimum wage**

Many countries differentiate minimum wages by age through the inclusion of sub-minima for youths, however this is not the case for South Africa. The minimum wage in South Africa therefore does not account for the lower productivity of younger workers. This exacerbates the implicit gap between entry-level wages and

productivity and hinders the hiring of younger workers (National Treasury, 2011:17; OECD, 2010).

### **3.8 EFFECT OF UNEMPLOYMENT**

#### **3.8.1 Physical and psychological effect**

Work is an essential source of identity (Jahoda, 1982 as cited by De Witte, Rothman & Jackson, 2012:236) and provides people with the feeling of self-worth and self-esteem as they experience a feeling of mastery and self-fulfilment when they successfully engage in work activities (Du Toit, 2003:2). Work also provides dignity, independence, accomplishment innovation, satisfy creative urges and provide an avenue for achievement and self-realisation (Sharma, 2012:539; National Treasury, 2011:9).

An unemployed individual may experience physical symptoms such as: head and stomach aches, sleeping problems, a lack of energy, hypertension, heart and kidney disease (De Witte *et al.*, 2012:235). Unemployment may also result in a range of stress-related consequences for the individual including hostility, depression, anxiety, anger, fear, despair, loneliness, social isolation and even suicide (Wanberg, 2012:370; De Witte *et al.*, 2012:236). Studies found evidence that spells of unemployment for a young person often hurt the individual's happiness, job satisfaction and health for many years thereafter (Morsy, 2012:16; De Witte *et al.*, 2012:236).

#### **3.8.2 Economic perspective**

People work to sustain themselves and their dependents in order to fulfil certain primary needs (Du Toit, 2003:2). Consumer spending from unemployed workers reduces business revenue, which forces them to cut more payrolls to reduce their costs (Pervaiz, Zainab Saleem & Sajjad, 2012:2558). High youth unemployment therefore means young people are not contributing to drive the economy forward. This inhibits the country's economic development and imposes a larger burden on the state to provide social assistance (National Treasury, 2011:7). If high national

unemployment continues, it can deepen a recession or even cause a depression (Du Toit, 2003:2).

### **3.8.3 Scarring effects**

The negative long-term consequences of early unemployment are known as the “*scarring effects*” and the longer a person is unemployed, the longer the scarring effect are likely to last (Morsy, 2012:16). People who are unemployed for a long time struggle not only with a loss of financial well-being, but also with a likely deterioration of their re-employment prospects (Valletta & Kuang, 2012:1; Du Toit, 2003:12).

### **3.8.4 Social problems**

In addition unemployment is associated with social problems such as poverty, crime, violence, a loss of morale, social degradation and political disengagement (National Treasury, 2011:7). Unemployment can let to an increase in crime and frustration that is express through violence (Fallahi, Pourtaghi & Rodriguez, 2012:440-441; Gouws, 2002:41). Over a third of the prison population in South Africa is under the age of 26, reflecting a high incidence of crime among the youth (Clark, 2012:78; Mahadea *et al.*, 2011:67).

The effect and consequences of unemployment are clear, but the question remains, what can be done to relieve the distress of this group (Du Toit, 2003:15).

## **3.9 YOUTH DEVELOPMENT, POLICIES AND SUPPORT STRUCTURES**

Mayer, Gordhan, Manxeba, Hughes, Foley, Maroc, Lolwana and Nell (2011:6) highlighted that since 1994, significant effort has been invested in developing a national youth development strategy that would ensure that the generation deeply affected by apartheid would have an opportunity to participate fully in the South African economy and society.

Several youth legislative policy frameworks were also undertaken such as:

- The National Youth Commission (NYC), Act No. 19 of 1996.

- The National Youth Policy (NYP) 2000.
- The National Youth Development Policy Framework (NYDPF) 2002/2007.
- The revised National Youth Policy (NYP) 2009-2014.

Despite these efforts, youth unemployment and marginalisation remain disconcertingly high at present (Mayer *et al.*, 2011:6). The magnitude of the youth employment challenge facing South Africa means it cannot be resolved by a single employment policy. A combination of interventions, or multi-pronged approach, is likely to offer the greatest potential for young people to gain decent work opportunities and alleviate youth unemployment (Morsy, 2012:17; Du Toit, 2003:15).

The following government interventions are currently utilised to facilitate young people's access to the labour market: formal education; public employment and development programmes; services available to the youth and entrepreneurship interventions.

### **3.9.1 Formal education**

#### **3.9.1.1 Schooling system**

The schooling system is by far the most significant system supporting young people's development in South Africa (Mayer *et al.*, 2011:24). The following improvements are highlighted:

- The access and retention rate in the basic education sub-system has improved with almost 98% of children between the ages of 7 to 15 attending school and only 10% of children aged 16 to 18 are reported to be out of school. Despite high enrolment in basic education, there is a growing concern with the low progression rate of learners and the quality of education (IYDS, 2011:20).
- In 2010 about 8 million (68%) learners were enrolled at 19 000 no-fee schools (IYDS, 2011:20).
- Government has implementing measures to improve the literacy and numeracy, increase the number of quality passes in maths and science and encourage the National Curriculum to offer vocational education options for



young South Africans in order to reduce drop-out rates after Grade 9 (Mayer *et al.*, 2011:24).

### 3.9.1.2 Vocational training

There are 50 Public Further Education and Training (FET) Colleges all over the country, with about 264 campuses offering a range of programmes that cater for most students' needs and interests. Students who are enrolling for either the National Certificate Vocational (NCV) or the NATED programmes (N Courses); will be able to apply for bursaries at the college where they wish to study.

#### Funding available for vocational training

The Government has prioritised the provision of financial assistance to deserving candidates via the National Student Financial Aid Scheme of South Africa (NSFAS). The NSFAS is a loan and bursary scheme funded by the Department of Higher Education (Anon., 2012:38). R1.7 billion is available for college bursaries in 2012 and is aimed at providing access to quality education and training at colleges for all students who cannot afford to pay for their studies (Nzimande, 2012).

### 3.9.1.3 Higher education

South Africa's 36 tertiary institutions merged successfully into 23 national universities and with the National Students Financial Aid Scheme (NSFAS) more students were able to enrol at tertiary institutions. Although this intervention has contributed towards growth in enrolment of African students, the graduation rate did not increase exponentially across all population groups (IYDS, 2011:21). The IDYS report also highlighted that unemployed graduates account for about 180 000 of unemployed people, either because they are irrelevantly or inadequately trained.

#### Funding available for Higher education

The NSFAS offers loans and bursaries for students enrolled in first undergraduate degrees and approximately R2.6 million are available for university loans for 2012 (Nzimande, 2012).

The NSFAS also administers the following bursary funds:

- *Funza Lushaka Bursary Programme* is a multi-year programme that promotes teaching in public schools. Full-cost bursaries are available to enable eligible students to complete a full teaching qualification in an area of national priority. Recipients of these bursaries will be required to teach at a public school for the same number of years that they receive the bursary (Anon., 2012:38).
- *Social Work Bursaries* are for those interested in studying social work and are provided by the Department of Social Development. These bursaries also have a work-back condition – i.e. the student works for the Department of Social Development for the number of years for which they received the bursary (or longer) (Anon., 2012:38).
- *National Skills Fund Bursaries* from the NSF are available for students with a study focus in an area of scarce skills. Universities determine which students qualify for these bursaries, to which no conditions are attached. Funding is made available through a mandate of the Skills Development Act, 1998, and provides bursary funding to undergraduate students in the following specific scarce skills areas: Accounting, Financial Management, Actuarial Studies, Auditing, Business Management, Economics, Physics, Computer Science, Chemistry, Geology, Information Systems, Mathematical Sciences, Agriculture, Statistics, Financial Accounting, Biotechnology and Engineering (Anon., 2012:38).

### **3.9.2 Public employment and development programmes**

#### **3.9.2.1 Expanded public works programme**

South Africa already has a policy commitment to public employment through the Expanded Public Works Programme (EPWP) by the department of Public Works (Philip, 2012:180). The EPWP is one of several government strategies aimed at addressing unemployment in South Africa and is short-to-medium term programmes aimed at the provision of additional work opportunities coupled with training (EPWP, 2012; National Treasury, 2011:18).

The Expanded Public Work Programme (EPWP) was launched in April 2004 to promote economic growth and create sustainable development. The immediate goal

of the EPWP phase one (from 2004/05 to 2008/09) was to help alleviate unemployment by creating at least one million work opportunities, of which at least 40% of beneficiaries will be women, 30% youth and 2% people with disabilities (DPW, 2009). The second phase began in 2009, the targets have been significantly increased to 4.5 million work opportunities, averaging 100 days' work per opportunity over five years to 2013/14 (Philip, 2012:180). It will remain a valuable short-term measure to mitigate unemployment and poverty (Philip, 2012:180; National Treasury, 2011:18).

Philip (2012:180) highlighted that the core activities of the EPWP are tied to wider processes of delivery and that it is hard to target the poorest areas where unemployment is highest. Government's delivery is typically the weakest in these areas and the capacity to apply labour-based methods is often most constrained. A complementary model for the delivery of public employment is required.

#### 3.9.2.2 Community Works Programmes

The Community Work Programme (CWP) is a government programme aimed at tackling poverty and unemployment (Department Of Cooperative Governance & Traditional Affairs, 2012). The programme provides an employment safety net by giving participants a minimum number of regular days of work, typically two days a week or eight days a month, thus providing a predictable income stream (the daily pay rate at present is R63.18) (TIPS, 2012).

The CWP was started to address the high unemployment and does not replace government's social grants programme, but supplements this. The programme is targeted at unemployed and underemployed women and men of working age. The programme aims to give those willing and able to work the opportunity to do so and afford them the dignity and social inclusion that comes from it (Department Of Cooperative Governance & Traditional Affairs, 2012).

Although the Expanded Public Works Programme creates many temporally jobs and workers gain 'valuable experience' that should enable them to get jobs in the private sector, these workers are however jobless again after a few months (Steyn, 2012:26).

### 3.9.2.3 Youth Economic Participation programme

The Youth Economic Participation (YEP) programme of the Department of Public Enterprises (DPE) aims to coordinate the efforts of State Owned Companies (SOC) under the Department of Public Enterprises, such as Eskom, Transnet, South African Airways, Broadband Infraco, Alexkor, South African Express, the South African Forestry Company and Denel, towards maximising their inputs towards youth economic empowerment, focusing on: job-creation, skills development, entrepreneurship development and corporate Social Investment (CSI) and related initiatives (DPE, 2012).

### 3.9.2.4 Learnerships

Learnerships are structured programmes, integrating theoretical learning with workplace experience and results in an NQF-registered qualification (NQF, 2012). The implementation of these learnerships programmes are guided by the Skills Development Act, aimed at developing the skills of the South African workforce and to improve the quality of life of workers and their prospects of work (National Treasury, 2011:18). Learnerships are linked to the Skills Development Strategy and must be registered with the Department of Labour (DoL) and last between 12 and 18 months (NQF, 2012). Learnerships are partnerships between government, training service providers and the private sector.

Learnerships are funded mainly from Sector Education and Training Authorities (SETA) grants to employers, and are linked to tax incentives for employers. Currently there is a maximum tax allowance of R30 000 on inception/registration and a further maximum allowance of R30 000 on completion of training (NQF, 2012; National Treasury, 2011:20). The learnerships incentive operates as a type of employment subsidy since it lowers the cost of employing jobless individuals.

### 3.9.2.5 National Rural Youth Service Corps programme

The National Rural Youth Service Corps (NARYSEC) is a youth skills development and employment programme, aim to train the youth through specifically developed programmes linked to community needs in rural areas, to develop youth with multidisciplinary skills through civic education, capacitate youth in retaining knowledge and technical skills acquired during training and to increase the number of

rural communities receiving support in their self-development through the Comprehensive Rural Development Programme (CRDP) (NARYSEC, 2012).

### **3.9.3 Services available to the youth**

#### **3.9.3.1 National Youth Service**

The National Youth Service (NYS) is a national project that is aimed at engaging young people in a disciplined process of a valued and necessary service to the community in which they live, while increasing their own skills, education and opportunities to generate income (NYS, 2012). The National Youth Service offers young people the chance of structured learning and personal development, preparing them for opportunities to further their studies, obtain formal employment or venture into self-employment.

Unemployed youth aged between 18 and 35 with a grade 10, 11 and 12 certificate are legible to participate in the National Youth Service project. The skills category offered by the National Youth Service include: technical and life skills and health sector (NYS, 2012). The National Youth Service differs from learnerships and internships because emphasis is placed on community services and civic duty with volunteers rendering for small stipend.

#### **3.9.3.2 National Youth Development Agency**

The National Youth Development Agency (NYDA) was formally launched on 16 June 2009, aimed at creating and promoting co-ordination in youth development matters (Anon., 2012:36). The National Youth Development Agency results from the merger of the National Youth Commission and the Umsobomvu Youth Fund (NYDA, 2012).

The National Youth Development Agency also provides a number of services that aim to facilitate the job search and match jobs to the requirements of young work seekers (Anon., 2012:36; National Treasury, 2011:18). These include:

- *The Graduate Development Programme (GDP) and Job Preparation Programme (JPP)* aim to enhance the employability of jobless graduates and matriculants by

providing job preparation and job development support that helps young people find work placements (National Treasury, 2011:23).

- *The National Youth Service* assists unemployed youth to acquire skills while providing community services (National Treasury, 2011:23).
- *The Jobs & Opportunity Seekers and Graduate Database* provide an online job-linking service which employers can use to find staff and on to which work seekers can load their CVs (National Treasury, 2011:23).
- *Youth Advisory Centres (YACs)* are walk-in centres established within communities, where young people can access all National Youth Development Agency (UYF) products and services including career counselling (National Treasury, 2011:23).

### **3.9.4 Entrepreneurship interventions**

Since the late 1990s, the government has invested significant resources into growing the entrepreneurial capacities of its citizens, alongside understanding what is required to create an enabling environment for entrepreneurs (Mayer *et al.*, 2011:32). The National Youth Development Agency is responsible for overseeing and monitoring these interventions for young people, including the provision of loans for young entrepreneurs, business development services, potential support for youth cooperatives and the introduction of youth entrepreneurial training in schools (Mayer *et al.*, 2011:32).

Unfortunately, most entrepreneurs are not aware of these government programmes, specifically designed to help them. There is little information on the types of financial products available to entrepreneurs as well as the procedure to apply for these products. Hence, there is a major gap in youth entrepreneurial training, which needs to be addressed if self-employment is to provide a pathway into employment for young people (Mayer *et al.*, 2011:32).

This present government interventions to address youth unemployment shows that existing programmes are not designed well enough to address the needs of young people wanting to enter the labour market and are also woefully inadequate.

## **3.10 PRIVATE SECTOR INITIATIVES**

### **3.10.1 South African Graduates Development Association**

South African Graduates Development Association (SAGDA) is a non-profit organisation aiming to prepare students for the world of work and empower graduates to actively participate in the mainstream economy of our country and the globe (SAGDA, 2012). The South African Graduates Development Association partners with private and public universities, FET colleges, SETA, municipalities and companies to champion the empowerment of graduates through high impact programmes.

Special projects include: career management, encyclopaedia of scarce & critical skills, student inventions and innovation, promoting graduates with disabilities, internship placement and management, reliable graduate database, top graduates magazine, graduate employability assessment sessions and graduate empowerment seminars (SAGDA, 2012).

### **3.10.2 Youth Entrepreneurship Program**

The Youth Entrepreneurship Program (YEP) has been launched in South Africa in association with the Dad Fund and various institutions of higher learning in the United States of America (USA). The Youth Entrepreneurship Program was launched as an initiative to assist young entrepreneurs to harness their leadership skills and to sharpen their business skills by offering exchange and mentorship programmes with USA-based tertiary institutions and businesses. A six week mentorship/exchange period is offered for South African entrepreneurs to be placed with specific institutions as part of a skills development program (YEP, 2012).

### **3.10.3 Junior Achievement SA**

Junior Achievement South Africa (JASA) is a nationwide, non-profit organisation that offers experiential entrepreneurial business, financial literacy and workplace readiness programmes for young people. JASA has educated young South Africans

across the country for the past 32 years in the fields of business and entrepreneurial skills through practical, experiential programmes (JASA, 2012).

JASA runs three programmes to encourage youth entrepreneurship.

- *Enterprise Dynamics Programme (EDP)* is school based and is suitable for learners from Grade 1 to Grade 12. Teachers use games, simulation activities, projects and role-play to help youngsters develop an understanding of the economy and business.
- *Mini-Enterprise Programme* aims to provide business and life skills training for senior secondary school learners. These skills will help them participate in corporate and industrial employment and/or start their own businesses. Learners are recruited from different cultural backgrounds. After participating in the programme, learners get an opportunity to write the international enterprise exam conducted by the Cambridge University in the United Kingdom (JASA, 2012).
- *Business Establishment and Sustainability Programme (BESP)* helps young people who have not finished school and cannot find work. The programme trains youths to set up and sustain their own job opportunities. Other services offered include: business plan development, help to access credit, establishing of businesses, counselling and mentoring (JASA, 2012).

#### **3.10.4 Entrepreneurship competitions**

There are also many local business competitions targeting young people. To name only a few:

- The annual Enablis Business LaunchPad competition.
- The annual National Innovation Fund Competition.
- South African Breweries' Kickstart Enterprise Development Initiative (Simplybiz, 2012).



### 3.11 SUMMARY

Although South Africa made positive progress since 1994, many challenges still need to be address. The high unemployment rate of 24.9% and the continued failure to create employment at the scale required must be a priority for the South African government because despite the progress there are just not enough job opportunities. To create more jobs, it is critical for the economy to achieve more rapid, sustained and inclusive growth.

The South African economy needs to grow at a rate of 6% to 7% to significantly reduce the country's high unemployment rate, unfortunately South Africa's current economic climate does not favour employment and when jobs are scarce young people are more likely to be unemployed because of their lack of appropriate skills, work related capabilities and experience.

Unemployment imposes significant costs on the individual, society and a country. Not only are unemployed individuals not acquiring important skills and experience needed to provide for themselves and their families, the economy are robbed from useful talent and economic growth that are needed to elevate the on-going poverty and societal problems.

Part of the explanation is that unemployment in South Africa is structural in nature and economic growth has not been high enough over the last 30 years to generate sufficient employment and to create jobs, especially in the unskilled and semi-skilled labour category. The South African economy has been undergoing a structural transformation into a new so-called 'service-economy' and the main focus in the workplace has shifted away from activities based in the primary sector of agriculture and mining towards the more knowledge-based secondary and tertiary sectors.

Several causes of unemployment are identified and include: weak economic growth rate, high population growth rate, change in participation rate of women and legal and illegal migrants, role of unions and labour market legislation, minimum wages and labour standards, the education system and structural changes.

Unemployment is particularly concentrated among historically disadvantaged groups and is higher among the rural, female, uneducated, and young segments of the population. Youth in South Africa are twice as likely to be unemployed with the 15 to 24 age group, accounting for 31% of aggregate unemployment and the 25 to 34 age group for 41%. Youth unemployment in South Africa is acute and has worsened significantly over the last two years as a result of the recession.

Reasons for the high youth unemployment in South Africa are identified as; youth poverty, the school drop-out rate, resource constraints, struggle to gain work experience and sectoral minimum wage. Unemployment has a negative effect, not only for the individual but also on the community and economy. Long-term unemployment can also lead to the “*scarring effect*” and people who are unemployed for a long time struggle not only with a loss of financial well-being, but also with a likely deterioration of their re-employment prospects

In addition unemployment is associated with social problems such as poverty, crime, violence, a loss of morale, social degradation and political disengagement. Unemployment can lead to an increase in crime and frustration that is expressed through violence.

Addressing youth unemployment requires both short- and long-term measures that encompass increasing demand for labour, improving education and skills, and labour market interventions that improve the employability of young people. Therefore many more people need to be provided with the opportunity to work and make a productive contribution to the economy and society. School leavers and new entrants to the job market need to be aware of the realities of the changing market conditions in South Africa and should consider enhancing their employment prospects by taking the entrepreneurial path as job-creators rather than job-seekers.

# **CHAPTER 4**

## **GATHERING OF DATA, RESULTS AND DISCUSSION**

### **4.1 INTRODUCTION**

This section of the study describes the gathering of data from participating schools, the statistical analysis of the data and the presentation and discussion of the results.

Invitations to participate in the study were sent to Principals of 66 secondary schools identified by the Department of Education (DoE) in the demarcated area (Lejweleputswa District, Free State province). The invitation included a short questionnaire for completion by each principal with provision for the school's details, an option to participate in the study and the total number of grade 12 learners for 2012 as well as the most convenient time to visit the school (see Appendix A).

The response on the invitation was very poor, therefore 15 schools were randomly selected and contacted to participate in the study. At the end, 10 schools were willing to participate in the study. Thereafter, an appointment was made by telephone with the 10 schools to gather the data. The 10 schools represented 15.15% of the total population of 66 schools with a total number of 655 grade 12 learners for 2012.

The data analysis commenced with the data being captured and summarised. The data was then presented in tabular form and appropriate graphs to allow accurate analysis of the data.

This chapter discusses the questionnaire, as well as the process that was adopted to collect the data from the participating schools. It further captures the responses of the various schools' grade 12 learners and the completing of the questionnaires. The chapter will conclude with the presentation and discussion of the empirical data captured.

## **4.2 GATHERING OF DATA**

In this section the questionnaire utilized in this study will be discussed, as well as the study population, the sample and the process of gathering the information.

### **4.2.1 The 'General Enterprising Tendency' questionnaire**

The purpose of qualitative research is to evaluate objective data consisting of larger numbers based on statistical significance (Welman, Kruger & Mitchell, 2005:6). For the purpose of this study, the General Entrepreneurial Tendency (GET) questionnaire developed by (Caird, 1991) was utilised. Refer to par. 2.12 for a comprehensive discussion of the questionnaire.

### **4.2.2 Method of data gathering**

Data was gathered during school hours under the supervision of the responsible teacher. Learners were informed, prior to the questionnaires being handed out, that participation in the study was not compulsory and that anonymity will be ensured. The responsible teacher provided supervision during completion of the questionnaires, but did not intervene in the presence of the researcher.

### **4.2.3 Sample size**

All the responding schools participated in the study over a period of two weeks in August 2012 (10 schools from a population of 66 schools ( $\frac{10}{66}$ ): 15.15%). A total of 530 questionnaires ( $n = 530$ ) were completed, translating into 80.92% ( $\frac{530}{655}$ ) of the targeted sample size. All the participating schools generated fewer responses for reasons that were not disclosed.

### **4.2.4 Statistical analysis of data**

The Statistical Consultation Services of the North-West University, Potchefstroom campus, conducted the statistical analysis of the data. The findings of the statistical analysis will be discussed in this chapter.

### 4.3 RESULTS OF THE DEMOGRAPHIC PROFILE

The demographic profile of the sample includes school, age, gender, home language and ethnic grouping (see Appendix C).

#### 4.3.1 School distribution of respondents

##### Purpose of the question

The purpose of the question regarding the school distribution of respondents (refer to Appendix C) was to determine the school distribution of respondents in order to make comparisons between the schools' enterprising tendencies.

##### Results obtained

Table 4.1 presents the school distribution of the respondents.

**Table 4.1: School distribution of respondents**

<b>School</b>	<b>Total</b>	<b>Percentage</b>
<b>Senzile Combined School</b>	61	11.5%
<b>Aramela Combined School</b>	29	5.5%
<b>Boshof Combined School</b>	59	11.1%
<b>Taiwe Secondary School</b>	46	8.7%
<b>Theunissen Combined School</b>	18	3.4%
<b>Winburg Combined School</b>	27	5.1%
<b>Naledi-Ya-Botjabela Secondary School</b>	43	8.1%
<b>Ipopeng Secondary School</b>	40	7.5%
<b>Marematlou Secondary School</b>	119	22.5%
<b>Hentie Cilliers High School</b>	88	16.6%
<b>Total</b>	530	100.0%

## Analysis of the results

A total of 10 schools participated in the study. Marematlou Secondary School (22.5%), Hentie Cilliers High School (16.6%), Sensile Combined School (11.5%) and Boshof Combined School (11.1%) make up 61.7% of the total sample size of 530 grade 12 learners. Theunissen Combined School, with only 18 grade 12 learners was the smallest group (3.4%) followed by Winburg Combined School with 27 learners and Aramela Combined School with 29 learners. Taiwe Secondary School (8.7%), Naledi-Ya-Botjabela Secondary School (8.1%) and Ipopeng Secondary School (7.5%) all have between 40 and 46 participating learners.

### 4.3.2 Age distribution of respondents

#### Purpose of the question

The purpose of the question in the Demographical information section of the questionnaire (refer to Appendix C) was to determine the age of participants in order to make comparisons between the age groups enterprising tendencies. The results were predefined to six age groups.

#### Results obtained

Table 4.2 presents the age distribution of all the respondents.

**Table 4.2: Age distribution of respondents**

Age group	Total	Percentage
17	25	4.7%
18	256	48.3%
19	122	23.0%
20	73	13.8%
21	44	8.3%
Other	10	1.9%
<b>Total</b>	<b>530</b>	<b>100.0%</b>

## Analysis of the results

The majority of respondents (48.3%) were 18 years of age followed by 19 year olds (23.0%). The age group 20 years old makes up 13.8% and is closely followed by the 21 year old group with 8.3%. Notable is that very few participants are younger than 18 years (4.7%) or older than 21 years (1.9%).

### 4.3.3 Gender distribution of respondents

#### Purpose of the question

The purpose of the question in the Demographical information section of the questionnaire (refer to Appendix C) was to determine and differentiate between the number of male and female participants and to make comparisons between the two gender groups' enterprising tendencies.

#### Results obtained

Table 4.3 presents the respondents' gender distribution.

**Table 4.3: Gender distribution of respondents**

<b>Gender</b>	<b>Total</b>	<b>Percentage</b>
<b>Female</b>	320	60.4%
<b>Male</b>	210	39.6%
<b>Total</b>	<b>530</b>	<b>100.0%</b>

#### Analysis of the results

Table 4.3 above indicates that fewer males (39.6%) participated in comparison with females (60.4%). That is a contradiction in terms of the population distribution of males and females (approximately equal distribution).

#### 4.3.4 Home language distribution of respondents

##### Purpose of the question

The purpose of this question in the Demographical information section of the questionnaire (refer to Appendix C) was to determine and differentiate between the participants' home language and to make comparisons between the home language groups enterprising tendencies. The respondents had to select between eight predefined language options.

##### Results obtained

Table 4.4 presents the respondents' home language distribution.

**Table 4.4: Home language distribution of respondents**

Home Language	Total	Percentage
Afrikaans	68	12.8%
English	14	2.6%
Southern Sotho	269	50.8%
Northern Sotho	18	3.4%
Tswana	103	19.4%
Xhosa	51	9.6%
Zulu	4	0.8%
Other	3	0.6%
<b>Total</b>	<b>530</b>	<b>100.0%</b>

##### Analysis of the results

Southern-Sotho (50.8%) and Tswana (19.4%) were the dominant home language of respondents. The combination of 'black' languages in South Africa represented 84% of respondents' home language followed by Afrikaans (12.8%). It was of interest to note that only 2.6% of respondents selected English as the language spoken at home.



### 4.3.5 Ethnic group distribution of respondents

#### Purpose of the question

The purpose of this question in the Demographical information section of the questionnaire (refer to Appendix C) was to determine and differentiate between the participants' ethnic group and to make comparisons between the different ethnic groups enterprising tendencies. The respondents had to select between four predefined ethnic group options.

#### Results obtained

Table 4.5 presents the respondents' ethnic group distribution.

**Table 4.5: Ethnic group distribution of respondents**

<b>Ethnic group</b>	<b>Total</b>	<b>Percentage</b>
<b>Black</b>	454	85.7%
<b>Coloured</b>	15	2.8%
<b>White</b>	61	11.5%
<b>Total</b>	<b>530</b>	<b>100.0%</b>

#### Analysis of the results

The ethnic group composition of the sample was representative of the population of Lejweleputswa (see section 1.6.2) with Black Africans (85.7%) being the majority followed by Whites (11.5%) and Coloureds (2.8%). No Indian/Asians participated in the study.

## 4.4 RESULTS OF THE GET TEST

The General Enterprising Tendency (GET) questionnaire measures five constructs: Need for achievement, Need for autonomy/independence, Creative tendency, Moderate/calculated risk-taking and Drive and determination (see Appendix B).

#### 4.4.1 Need for achievement

##### Purpose of the construct

The purpose of measuring this construct is to determine participants' need for achievement that is associated with entrepreneurial behaviour and is measured by 12 questions in the GET test (refer to par. 2.12.1). Individuals with a high need for achievement have a strong desire to be successful and are consequently more likely to behave entrepreneurially.

##### Results obtained

Table 4.6 presents the respondents' perception of the items measuring the need for achievement construct.

##### Analysis of the results

Only 20.97% of the respondents indicated that they would not do an unchallenging job even if the pay was good and most of the respondents also find it easy to relax on holiday (61.9%). These answers suggest that most of the respondents have a lack of ambition and are easy-going. Although respondents would rather work in a team without taking responsibility for a job (43.4%) they do like challenges that really stretch their abilities (91.3%) and they think more about the results of succeeding than the effects of failing (90.2%). This suggests that the respondents have a tendency to set challenging goals and have a planning orientation for achievement.

**Table 4.6: Results of the Need for achievement construct**

QUESTION		CORRECT ANSWER		INCORRECT ANSWER		MISSING		TOTAL
		n	%	n	%	n	%	n
1	I would not mind routine unchallenging work if the pay was good.	111	20.9	417	78.7	2	0.4	530
6	I usually defend my point of view if someone disagrees with me.	402	75.8	127	24.0	1	0.2	530

10	I like challenges that really stretch my abilities rather than things I can do easily.	484	91.3	45	8.5	1	0.2	530
15	If I am having problems with a task I leave it and move on to something else.	358	67.5	172	32.5	0	0	530
19	I think more of the present and the past than of the future. Disagree	374	70.6	155	29.2	1	0.2	530
24	It is more important to do a job well than to try to please people.	508	95.8	22	4.2	0	0	530
28	I get annoyed if people are not on time.	441	83.2	89	16.8	0	0	530
33	I would rather work with a person I liked, but who was not very good at the job, than work with someone I did not really like who was very good at the job.	385	72.6	141	26.6	4	0.8	530
37	I would rather work on a task as a member of a team than to take responsibility for it myself.	298	56.2	230	43.4	2	0.4	530
42	When I am faced with a challenge I think more about the results of succeeding than the effects of failing.	478	90.2	52	9.8	0	0	530
46	I get up early, stay late or skip meals in order to get special tasks done.	360	67.9	170	32.1	0	0	530
51	I find it easy to relax on holiday.	323	61.9	198	37.4	4	0.8	530

#### 4.4.2 Need for autonomy/independence

##### Purpose of the construct

The purpose of measuring this construct is to determine participants' need for autonomy and is measured by six questions in the GET test (refer to par 2.12.2). It is believed that an entrepreneur wants more independence and control.

##### Results obtained

Table 4.7 presents the respondents' perception of the items measuring the need for autonomy/independence construct.

## Analysis of the results

Most of the respondents (90.2%) indicated that they do what is expected and follow instruction and 61.3% would do conventional things rather than in an individual way. This suggests that the respondents are flexible with decision-making and have a preference for working with or for others rather than managing others and respondents have no need to do things in their own special way.

**Table 4.7: Results of the Need for autonomy construct**

QUESTION		CORRECT ANSWER		INCORRECT ANSWER		MISSING		TOTAL
		n	%	n	%	n	%	n
<b>3</b>	I do not like to do things that are novel or unconventional.	201	37.9	325	61.3	4	0.8	530
<b>12</b>	I like to do things in my own way without worrying about what other people think.	314	59.2	216	40.8	0	0	530
<b>21</b>	When I am in a group I am happy to let someone else take the lead.	237	44.7	292	55.1	1	0.2	530
<b>30</b>	When tackling a task I rarely need or want help.	354	66.8	175	33.0	1	0.2	530
<b>39</b>	I do what is expected of me and follow instructions.	52	9.8	478	90.2	0	0	530
<b>48</b>	Most people think that I am stubborn.	283	53.4	247	46.6	0	0	530

### 4.4.3 Creative tendency

#### Purpose of the construct

The purpose of measuring this construct is to determine participants' creative tendency and is measured by 12 questions in the GET test (refer to par 2.12.3). The entrepreneur is regarded as a creator therefore one's ability to think creatively and imaginatively is a vital entrepreneurial trait.

## Results obtained

Table 4.8 presents the respondents' perception of the items measuring their tendency towards creativity.

**Table 4.8: Results of the Creative tendency construct**

QUESTION		CORRECT ANSWER		INCORRECT ANSWER		MISSING		TOTAL
		n	%	n	%	n	%	n
<b>5</b>	I rarely day dream.	258	48.8	271	51.1	1	0.2	530
<b>8</b>	Sometimes people find my ideas unusual.	352	66.6	177	33.4	0	0	530
<b>14</b>	I like to find out about things even if it means handling some problems whilst doing so.	400	75.5	130	24.5	0	0	530
<b>17</b>	I do not like sudden changes in my life.	183	34.5	346	65.3	1	0.2	530
<b>23</b>	I do not like guessing.	217	40.9	313	59.1	0	0	530
<b>26</b>	Other people think that I ask a lot of questions.	314	59.2	216	40.8	0	0	530
<b>32</b>	I prefer to be quite good at several things rather than very good at one thing.	448	84.5	82	15.5	0	0	530
<b>35</b>	I prefer doing things in the usual way rather than trying out new ways.	357	67.4	173	32.6	0	0	530
<b>41</b>	I like to have my life organised so that it runs smoothly and to plan.	51	9.6	478	90.4	1	0.2	530
<b>44</b>	I can handle a lot of things at the same time.	243	45.8	287	54.2	0	0	530
<b>50</b>	Sometimes I have so many ideas I do not know which one to pick.	432	81.5	98	18.5	0	0	530
<b>53</b>	It is harder for me to adapt to change than keep to routine.	282	53.2	248	46.8	0	0	530

## Analysis of the results

A total of 84.5% respondents indicated that they prefer to be quite good at several things rather than very good at one thing and 81.5% of the respondents indicated that

they have so many ideas that they do not know which one to pick. Most of the respondents (75.5%) indicated that they like to find out more about things even if it means handling some problems whilst doing so. More than two thirds of the respondents (65.3%) indicated that have a preference for stability and do not like sudden changes and would rather prefer a planned life that's running smoothly (90.4%).

#### **4.4.4 Moderate/calculated risk taking**

##### **Purpose of the construct**

The purpose of measuring this construct is to determine participants' risk-taking propensity and is measured by 12 questions in the GET test (refer to par 2.12.4). It is believed that entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill to realise a profit.

##### **Results obtained**

Table 4.9 presents the respondents' perception of the items measuring their risk-taking propensity.

##### **Analysis of the results**

Although two thirds of the respondents (64.7%) set difficult targets and 69.1% would be willing to borrow some money to realise a good money making idea, 85.5% indicated that they will only take the risks if the chances of success are 50/50. Even though more than half of the respondents (55.5%) indicated that they would like to start new projects that may be risky and 81.9% of the respondents would take an opportunity that might lead to even better things, most of the respondents (89.4%) find it difficult to make decisions in uncertain conditions and would rather exhaustively gather information.

**Table 4.9: Results of the Risk-taking construct**

QUESTION		CORRECT ANSWER		INCORRECT ANSWER		MISSING		TOTAL
		n	%	n	%	n	%	n
2	When I have to set my own targets, I set difficult rather than easy ones.	343	64.7	187	35.3	0	0	530
9	If I had to gamble £1, I would rather buy a raffle ticket than play cards.	212	40.0	318	60.0	0	0	530
11	I would prefer to have a reasonable income in a job that I was sure of keeping rather than in a job that I might lose if I did not perform well.	70	13.2	460	86.8	0	0	530
18	I will take risks if the chances of success are 50/50.	453	85.5	77	14.5	0	0	530
20	If I had a good idea for making some money, I would be willing to borrow some money to enable me to do it.	366	69.1	164	30.9	0	0	530
27	If there is a chance of failure I would rather not do it.	244	46.0	285	53.9	1	0.2	530
29	Before I make a decision I like to have all the facts no matter how long it takes.	56	10.6	473	89.4	1	0.2	530
36	Before making an important decision, I prefer to weigh up the pros and cons rather quickly rather than spending a lot of time thinking about it.	350	66.0	180	34.0	0	0	530
38	I would rather take an opportunity that might lead to even better things than have an experience that I am sure to enjoy.	434	81.9	95	17.9	1	0.2	530
45	I find it difficult to ask favours from other people.	202	38.1	328	61.9	0	0	530
47	What we are used to is usually better than what is unfamiliar.	173	32.6	355	67.0	2	0.4	530
54	I like to start new projects that may be risky.	293	55.3	236	44.5	1	0.2	530

#### 4.4.5 Drive and determination

##### Purpose of the construct

The purpose of this construct is to determine participants' perception of self-efficacy. This construct is measured by 12 questions in the GET test (refer to par 2.12.5). Self-efficacy motivates individuals to demonstrate entrepreneurial behaviour.

##### Results obtained

Table 4.10 presents the respondents' perception of the items measuring their drive and determination (self-efficacy).

**Table 4.10: Results of the Drive and determination construct**

QUESTION		CORRECT ANSWER		INCORRECT ANSWER		MISSING		TOTAL
		n	%	n	%	n	%	n
<b>4</b>	Capable people who fail to become successful have not taken chances when they have occurred.	389	73.4	141	26.6	0	0	530
<b>7</b>	You are either naturally good at something or you are not, effort makes no difference.	402	75.8	127	24.0	1	0.2	530
<b>13</b>	Many of the bad times that people experience are due to bad luck.	352	66.4	178	33.6	0	0	530
<b>16</b>	When I make plans to do something, I nearly always do what I plan.	411	77.5	119	22.5	0	0	530
<b>22</b>	People generally get what they deserve.	363	68.5	166	31.3	1	0.2	530
<b>25</b>	I will get what I want from life if I please the people with control over me.	415	78.3	115	21.7	0	0	530
<b>31</b>	Success cannot come unless you are in the right place at the right time.	187	35.3	343	64.7	0	0	530
<b>34</b>	Being successful is the result of working hard, luck has nothing to do with it.	483	91.1	47	8.9	0	0	530



<b>40</b>	For me, getting what I want has little to do with luck.	381	71.9	149	28.1	0	0	530
<b>43</b>	I believe that what happens to me in life is determined mostly by other people.	396	74.7	132	25.0	2	0.4	530
<b>49</b>	People's failures are rarely the result of their poor judgement.	229	43.2	299	56.4	2	0.4	530
<b>52</b>	I get what I want from life because I work hard to make it happen.	477	90.0	53	10.0	0	0	530

### **Analysis of the results**

More than 90% of the respondents believe that they work hard to get from life what they want and that success is the result of hard work and most of the respondents (74.7%) feel that what happen to them is in their own hands. Interesting to note it that 24% of the respondents feel that effort makes no difference to life. Although 64.7% feels that you need to be at the right time and place to be successful, 73.4% feels that capable people who fail to become successful have not taken chances when they have occurred. Only 43.2% of the respondents feel that failure is the result of poor judgement and 33.6% feel that bad times are due to bad luck.

## **4.5 GET TEST CONSTRUCT ANALYSIS ACCORDING TO DEMOGRAPHIC PROFILE**

The GET test total scores and five constructs (need for achievement, need for autonomy, creative tendency, moderate/calculated risk-taking and drive and determination) will be analysed according to the demographic profile (as identified in 4.4) to draw comparisons.

### **4.5.1 Total GET test scores**

Table 4.11 presents respondents' actual scores on the GET test.

**Table 4.11: Respondents' actual scores on GET test**

Constructs	n	Max GET score	Norm average GET score	Actual mean score
Need for achievement	530	12	9	8.45
Need for autonomy	530	6	4	2.72
Creative tendency	530	12	8	6.68
Moderate/ Calculated risk-taking	530	12	8	6.03
Drive and determination	530	12	8	8.46
<b>Total GET score</b>	530	54	30-43	32.33

Table 4.11 shows the findings from the GET test of the participating grade 12 learners on the five enterprise tendency constructs and also the overall score. The GET test has a series of maximum scores for each of the five constructs that range from 6 to 12, as well as a series of suggested average scores derived from past studies of other occupational groups (Caird, 1991a). It can be seen that in terms of the five dimensions all scores except drive and determination were below average. The overall GET score was within the average score range, but at the lower end of the suggested average of 30 to 43.

#### 4.5.2 School distribution

Table 4.12 presents the GET scores of respondents' according to school distribution.

**Table 4.12: GET test scores according to participants' schools distribution**

School	n	1	2	3	4	5	TOTAL
<b>Senzile Combined School</b>	61	8.69	2.74	6.62	5.74	8.66	32.44
<b>Aramela Combined School</b>	29	9.17	2.24	6.59	5.86	8.97	32.83
<b>Boshof Combined School</b>	59	7.68	2.56	6.69	6.34	8.49	31.76
<b>Taiwe Secondary School</b>	46	8.37	3.04	6.52	5.48	8.59	32.00
<b>Theunissen Combined School</b>	18	8.22	2.89	5.78	5.83	8.78	31.50
<b>Winburg Combined School</b>	27	8.33	2.81	7.30	6.11	8.63	33.19
<b>Naledi-Ya-Botjabela Secondary School</b>	43	8.72	2.70	7.05	5.74	8.00	32.21
<b>Ipopeng Secondary School</b>	40	8.35	2.80	5.85	5.83	8.00	30.83

<b>Marematlou Secondary School</b>	119	8.59	2.66	6.55	5.93	8.36	32.10
<b>Hentie Cilliers High School</b>	88	8.40	2.78	7.16	6.75	8.53	33.63
<b>Suggested average score</b>	<b>530</b>	<b>9.00</b>	<b>4.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>30-43</b>

### **Comparison of total GET scores according to school distribution**

According to Table 4.12, Hentie Cilliers High School (33.63) scored the highest on the **total GET score**, while Winburg Combined School (33.19) and Aramela Combined School (32.83) scored respectively second and third highest. Sensile Combined School (32.44), Naledi-Ya-Botjabela Secondary School (32.21), Marematlou Secondary School (32.10) as well as Taiwe Secondary School (32.00) scored in closed proximity to one another. Boshof Combined School (31.76), Theunissen Combined School (31.50) and Ipopeng Secondary School (30.83) scored the lowest on the overall GET test score. However, all the scores are above the suggested average scores, although at the lower end of the suggested average of 30 to 43.

### **Comparison of Need for achievement according to school distribution**

The respondents from Aramela Combined School scored the highest in the construct **Need for achievement** with 9.17 and is the only school that scored above the suggested average score (see Table 4.12). The remaining schools in descending order are: Naledi-Ya-Botjabela Secondary School (8.72), Sensile Combined School (8.69), Marematlou Secondary School (8.59) and Hentie Cilliers High School (8.40). Taiwe Secondary School (8.37), Ipopeng Secondary School (8.35), Winburg Combined School (8.33) and Theunissen Combined School (8.22) scored very similar scores, while Boshof Combined School showed the least need for achievement with 7.68.

### **Comparison of Need for autonomy according to school distribution**

From the **Need for autonomy** results (suggested average score 6), it was evident that the respondents do not have a strong need for autonomy. There is a difference of 0.8 between the highest score of Taiwe Secondary School (3.04) and Aramela

Combined School (2.24). The second highest score was obtained by Theunissen Combined School (2.89), with Winburg Combined School (2.81), Ipopeng Secondary School (2.80) and Hentie Cilliers High School (2.78) scoring very close scores. Sensile Combined School (2.74), Naledi-Ya-Botjabela Secondary School (2.70), Marematlou Secondary School (2.66) and Boshof Combined School (2.56) scored respectively the lowest scores.

### **Comparison of Creative tendency according to school distribution**

Table 4.12 indicates that Theunissen Combined School scored the lowest result in the **Creativity tendency** construct with 5.78, although Ipopeng Secondary School differ only slightly with 5.85, followed by Aramela Combined School with 6.59. Taiwe Secondary School and Marematlou Secondary School's scores results in the seventh and sixth lowest scores respectively. Winburg Combined School scored the highest with 7.30, with a difference of 1.52 from the lowest scoring school followed by Hentie Cilliers High School (7.16) and Naledi-Ya-Botjabela Secondary School (7.05). It is worth noting that all the schools scores below the suggested average of 8.

### **Comparison of Moderate/calculated risks according to school distribution**

Hentie Cilliers High School (6.75) measured the highest in the construct **moderate/calculated risk-taking** followed by Boshof Combined School (6.34) and Winburg Combined School (6.11). The rest of the schools scores ranging between 5.93 (Marematlou Secondary School) and 5.74 (Senzile Combined School). It is evident that all the school's scored below the suggested average score of 8, which indicates a low risk-taking propensity.

### **Comparison of Drive and determination according to school distribution**

According to Table 4.12, Aramela Combined School (8.97) scored the highest for **Drive and determination**. It is worth noting that all the schools performed above the suggested average score of 8. The rest of the schools scores ranged between 8.78 (Theunissen Combined School) and 8.00 (Ipopeng Secondary School).

### 4.5.3 Age distribution

Table 4.13 presents the GET scores of respondents according to age distribution.

**Table 4.13: GET scores according to participants' age distribution**

Age group	n	1	2	3	4	5	TOTAL
17	25	8.36	2.76	7.00	6.36	8.80	33.28
18	256	8.52	2.66	6.87	6.13	8.52	32.70
19	122	8.37	2.63	6.58	5.94	8.33	31.85
20	73	8.42	2.82	6.29	5.62	8.41	31.56
21	44	8.45	3.20	6.36	6.25	8.52	32.80
Other	10	8.00	2.40	6.20	5.80	7.80	30.20
<b>Suggested average score</b>	<b>530</b>	<b>9.00</b>	<b>4.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>30-43</b>

#### Comparison of total GET scores according to age distribution

In the **total GET scores** results (suggested average score 30 to 43), all the age groups score well above 30, with the 17 year old age group (33.28) scoring the highest and the 20 year old age group (31.56) scoring the lowest on the overall GET test score. The remaining age groups scored between 31.85 and 32.80.

#### Comparison of Need for achievement scores according to age distribution

The 18 year old age group (8.52) scored the highest in the construct **Need for achievement** however it is below the suggested average score of 9. The remaining age groups in descending order are: the 21 year old age group (8.45), the 20 year old age group (8.42), the 19 year age group (8.37) and 17 year old age group which scored very similar scores. Although the other age group (8.00) measured the lowest score, it should be noted that this category only represents 10 respondents.

#### Comparison of Need for autonomy scores according to age distribution

From the **Need for autonomy** results (suggested average score 6) it was evident that all the age groups do not have a strong need for autonomy, however the 21 year

old age group (3.20) scored the highest. The second highest score was obtained by the 20 year old age group (2.82), followed by the 17 year age group (2.76), 18 year old age group and 19 year old age group (2.63), which all scored very similar scores. The other age group (2.40) scored the lowest on the construct Need for achievement.

### **Comparison of Creative tendency scores according to age distribution**

The 17 year old age group (7.00) scored the highest on the construct **Creative tendency** and the 20 year old and other age group scored the lowest with (6.29 and 6.20). The remaining age groups scored between 6.36 and 6.87. It is worth noting that all the age groups scores below the suggested average of 8.

### **Comparison of Moderate/calculated risks scores according to age**

The 17 year old age group (6.36) measured the highest in the construct **moderate/calculated risk-taking** followed by the 21 year old (6.25) and 18 year old age group (6.13) The rest of the age group scores ranging between 5.94 (19 year old age group) and 5.62 (20 year old age group). It is evident that all the age groups scored below the suggested average score of 8, which indicates a low risk-taking propensity.

### **Comparison of Drive and determination scores according to age distribution**

According to Table 4.13, the 17 year age old group (8.80) scored the highest for **Drive and determination**. It is worth noting that all the age groups except the 20 year old age group (7.80) performed above the suggested average score of 8. The rest of the age group scores ranged between 8.52 (18 and 21 year old age group) and 8.33 (19 year old age group).

#### **4.5.4 Gender distribution**

Table 4.14 presents the GET scores of respondents according to gender distribution.

**Table 4.14: GET scores according to participants' gender distribution**

Gender	n	1	2	3	4	5	TOTAL
Female	320	8.37	2.81	6.65	5.93	8.52	32.28
Male	210	8.56	2.58	6.71	6.19	8.37	32.41
<b>Suggested average score</b>	530	<b>9.00</b>	<b>4.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>30-43</b>

Although not a marginal difference, male respondents scored on average slightly higher than the female respondents in the study (32.41 compared to female score of 32.28). Male respondents scored 8.56 and 6.71 respectively on the **Need for achievement** and **Creative tendency** construct with the female respondents' scoring, 8.37 and 6.65. The male respondents are also more willing to take risks as is evident from their score on the **Moderate/calculated risks-taking** construct (6.19) compared to the female respondents score of 5.93. However the female respondents' **Need for autonomy** and **Drive and determination** construct scores are higher at 2.81 and 8.52 respectively, compared to the males scores of 2.58 and 8.37.

#### 4.5.5 Home language distribution

Table 4.15 presents the GET scores of respondents according to home language distribution.

**Table 4.15: GET scores according to participants' home language distribution**

Home language	n	1	2	3	4	5	TOTAL
Afrikaans	68	8.28	2.81	6.66	6.51	8.57	32.84
English	14	9.00	2.57	7.43	7.07	8.86	34.94
Southern Sotho	269	8.55	2.72	6.68	5.90	8.36	32.21
Northern Sotho	18	8.22	2.89	6.22	6.50	8.22	32.06
Tswana	103	8.38	2.73	6.78	5.87	8.65	32.41
Xhosa	51	8.39	2.51	6.45	6.06	8.45	31.86
Zulu	4	7.25	3.25	6.00	5.25	8.75	30.50
Other	3	7.00	2.67	6.67	5.33	8.00	29.67
<b>African languages combined</b>	446	8.45	2.70	6.64	5.91	8.42	32.12
<b>Suggested average score</b>	530	<b>9.00</b>	<b>4.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>30-43</b>

The **total GET scores** according to home language distribution indicated that the English speaking group scored the highest (34.94), followed by the Afrikaans (32.84), Tswana (32.41), Southern Sotho (32.21) and Xhosa (31.86) speaking groups. All the African languages combined (32.12) still scored lower than the English and Afrikaans speaking groups.

#### 4.5.6 Ethnic group distribution

Table 4.16 presents the GET scores of respondents according to ethnic group distribution.

**Table 4.16: GET scores according to participants' ethnic group distribution**

<b>Ethnic group</b>	<b>n</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>
<b>Black</b>	454	8.47	2.70	6.67	5.94	8.44	32.22
<b>Coloured</b>	15	9.13	2.73	6.53	6.60	8.07	33.07
<b>White</b>	61	8.13	2.85	6.75	6.54	8.70	32.98
<b>Suggested average score</b>	<b>530</b>	<b>9.00</b>	<b>4.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>30-43</b>

The **total GET scores** according to ethnic group distribution, indicated that the Coloured group scored the highest (33.07) closely followed by the White group (32.98) and the Black group with a score of 32.22.

When the five constructs of the GET test is taken in consideration, the coloured group (6.75) scored the highest on the constructs **Need for achievement** and **Moderate/calculated risks-taking** (6.60). The White group scored the highest on the constructs **Need for autonomy** (2.85), **Creative tendency** (6.75) and **Drive for determination** (8.70). Although the Black group did not score the highest score on any of the constructs, their scores were in close range of the other two groups.



## 4.6 SUMMARY

The empirical research done in this chapter was of a quantitative nature, as it consisted of a survey questionnaire. A questionnaire was used to measure the entrepreneurial tendency of grade 12 learners in the Lejweleputswa District (Free State province), based on the five constructs discussed in chapter 2. The data gathering process, response to the survey and demographical profile of the respondents was discussed.

The questionnaire was then assessed against the five constructs as measured by the General Enterprising Tendency (GET) test. It was concluded that the enterprising tendency of grade 12 learners is prevalent however the mean scores were at the lower end of the suggested average. This low score resulted from the five constructs measured by the GET test were all the scores, except Drive and determination measured below the suggested average score. Creative tendency and Need for autonomy is a real concern, as it measured far below the suggested average score. It is evident that these tendencies need to be harnessed for successful youth entrepreneurship development.

In the following chapter conclusions will be drawn from the findings discussed in this chapter and recommendation will be made on how to enhance entrepreneurship education.

# **CHAPTER 5**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

The preceding chapters presented an overview of the concept of entrepreneurship, the current status of entrepreneurship and entrepreneurial learning in South Africa (chapter 2), an examination of unemployment in South Africa, especially youth unemployment and reasons for youth unemployment (chapter 3) and the results of an empirical study on the entrepreneurial intentions of grade 12 learners in a small geographical area in South Africa (chapter 4).

The purpose of this study was to make practical recommendations for enhanced entrepreneurial learning for school learners in South Africa. Accordingly, this section of the study draws from earlier chapters to identify the gap between the desired and the current state of entrepreneurship education in South Africa to reach valid conclusions, and to construct practical recommendations for improved entrepreneurial learning.

### **5.2 GAP-ANALYSIS**

#### **5.2.1 Current state**

South Africa has a high concentration of discourage work seekers in the younger age group with income inequality based on race and gender (Stats SA, 2012; Banerjee *et al.*, 2008:5). A large part of the population is unemployed, lives in poverty and consequently depends on social grants and on the government to create sufficient number of new jobs (Altman & Marock, 2008:14).

In addition, entrepreneurial growth is not supported by education and training (Simrie *et al.*, 2011:30) because current education focused on preparing the youth to become employees rather than employers (Isaacs *et al.*, 2007:619; Horn, 2006:125). Although South African youth have a positive general enterprising tendency, these enterprising

tendencies need to be harnessed for successful youth entrepreneurship development.

Current entrepreneurship exposure at school level is ineffective and sporadic (Shay & Wood, 2004:34) and teachers with little or no knowledge and enthusiasm for economical subjects are forced to teach Economic Management Science (EMS) (Mashiapata, 2006:22). Consequently learners acquire the wrong perception and attitude of entrepreneurship (Korhonen *et al.*, 2011:2).

### **5.2.2 Desired state**

South Africa needs motivated and skilled young individuals that can actively contribute to economic growth (Bezuidenhout *et al.*, 2012:39) with income-earnings that will contribute to sustainable economic development and income equalities that are only based on skills.

South Africa needs an education system where theoretical and practical knowledge are shared through innovative methods to prepare the youth to be employers. In addition entrepreneurship needs to be a central theme during school years where learners' are shown why and how to be entrepreneurial (Timmons & Spinelli, 2009:6). South Africa needs motivated and energised educators to share their knowledge with passion. In addition, educators and organised businesses also need to be involved in aligning the curriculum that will better prepare learners for the modern labour market.

## **5.3 CONCLUSIONS ON THE LITERATURE STUDY**

This study concludes that entrepreneurship remains one of the least understood topics in academic research. There is no consensus on the definition of entrepreneurship or what an entrepreneur does, but the entrepreneur causes entrepreneurship (Arthur & Hisrich, 2011:2).

Entrepreneurship is beneficial to a country, community and an individual (Keat *et al.*, 2011:206). Most importantly it can be a career choice, particularly in situations of high unemployment, as is the case in South Africa (Mahadea *et al.*, 2011:68; Mashiapata,

2006:12, Chigunta *et al.*, 2005:15). Through entrepreneurship people develop new skills and experience that can be applied to many other challenges in life (Chigunta *et al.*, 2005:14). Entrepreneurship also increases competitiveness and innovativeness among citizens and help individuals to develop the personal capacities needed to cope with risks and uncertainty (Korhonen *et al.*, 2011:3).

South Africa's unemployment rate of 24.9% is very high (Stats SA, 2012) and Government has struggled to create employment at the scale required to relieve unemployment and poverty (Philip, 2012:180). The current economic climate also does not favour employment and youth are worse affected in times of a recession, because of their lack of appropriate skills, work related capabilities and experiences (De Lange *et al.*, 2012:530; McGrath & Akoojee, 2012:423, Altman & Marock, 2008:11).

Unemployment prevents individuals to acquire important skills and experience needed to obtain a job and to provide for themselves and their families (Grosso & Smith, 2011:79). Entrepreneurship seems like an alternative job solution for South Africa's unemployment crisis (Chigunta *et al.*, 2005:13). Unfortunately there are not enough people in South Africa who have the orientation and skills to create new businesses (Fatoki & Patswawairi, 2012:133; Luiz & Mariotti, 2011:47, Isaacs *et al.*, 2007:613).

Although the school, apart from the home, are regarded as the place where the most profound impact can be brought about in the development of the youth (Isaacs *et al.*, 2007:613), the South African school system fails to educate young minds to think and act entrepreneurial (Von Broembsen *et al.*, 2005:39). Young learners also do not receive adequate career guidance and support to help them to make the right career choice that will prepare them for the modern world of work (Catholic Parliamentary Liaison Office, 2012:1; Development Bank of Southern Africa, 2011:5; National Treasury, 2011:16).

## 5.4 CONCLUSIONS ON THE EMPIRICAL STUDY

The conclusions from the empirical study were drawn from the demographic composition of the Lejweleputswa sample and the results of the GET test employed in the study.

### 5.4.1 Demographical information results

Results obtained from the respondents on the GET test did not differ much. All ten **schools** results are within the same range on all five constructs measured by the GET test as well as the total scores. The 17 year old age group measured the highest entrepreneurial tendencies, with the 20 year old group the least entrepreneurial. There is not a marginal difference between males and females, although the male respondents scored slightly higher. English speaking respondents measured higher entrepreneurial tendencies with the African languages combined measured the lowest. This trend was also visible within the ethnic grouping with the Coloured group the highest followed by the White group. It can be concluded that entrepreneurial tendency is not very high among secondary school learners within the Lejweleputswa District, irrespective of their demographic profile.

### 5.4.2 Conclusions on the GET test results

#### 5.4.2.1 Total on the GET test

Participants scored 32.28 with 30 to 43 being the average suggested score on the GET test (Caird, 1991). Although the score is within the suggested average score, it is at the lower end. To identify individuals that have the enterprising tendency to start their own business, participants need to score higher on the GET test

#### 5.4.2.2 Need for achievement

Participants scored 8.45 with 9 being the suggested average score for need for achievement (Caird, 1991). This just below average score is influenced by respondents' answers on the following questions: **I would not mind routine unchallenging work if the pay was good** (78.7%) and **I would rather work on a task as a member of a team than to take responsibility for it myself** (43.4%).

Persons with a **high need for achievement** suggest that they have a preference for challenges, accept personal responsibility for outcomes and innovativeness which are defining characteristics of successful initiators of new businesses (Lewis, 2011:435; Cromie, 2000:16; Koh, 1996:14). The desire for personal achievement is needed to provide the motivation and determination to excel in life. Ambition is about mastering a special skill and receiving recognition (Fels, 2004:51).

#### 5.4.2.3 Need for autonomy

Participants scored 2.72 with 4 being the suggested average score for need for autonomy (Caird, 1991). This score is far below the average score and is influenced by respondents' answers on the following questions: **I do what is expected of me** (90.2%), **I do not like to do things that are novel or unconventional** (61.3%) and **when I am in a group I am happy to let someone else take the lead** (55.1%).

**Autonomy** is a quality of independent, single-minded people with a free spirit who are self-directed in their pursuit of a new idea and have the ability to carry their ideas through to completion (Lumpkin & Dess, 1996:140). Conformity is a high priority for schools as part of enforcing discipline, therefore autonomy is not yet an objective of respondents as is evident from the GET test results.

#### 5.4.2.4 Creative tendency

Participants scored 6.68 with 8 being the suggested average score for creative tendency (Caird, 1991). This below average score is influenced by respondents' answers on the following questions: **I like to have my life organised so that it runs smoothly and to plan** (90.4%), **I do not like sudden changes in my life** (65.3%) and **I do not like guessing** (59.1%).

**Creativity and innovation** refer to an individual's resourcefulness to create experiment and investigate new ideas (De Lange, 2000:42; Koh, 1996:16). The school structure is mainly to blame for inhibiting learners' creativity.

#### 5.4.2.5 Moderate/calculated risk-taking

Participants scored 6.03 with 8 being the suggested average score for moderate/calculated risk-taking (Caird, 1991). This well below average score is

influenced by respondents' answers on the following questions: **Before I make a decision I like to have all the facts no matter how long it takes** (89.4%), **I would prefer to have a reasonable income in a job that I was sure of keeping rather than in a job that I might lose if I did not perform well** (86.8%), **what we are used to is usually better than what is unfamiliar** (67%), **I find it difficult to ask favours from other people** (61.9%) and **if I had to gamble £1, I would rather buy a raffle ticket than play cards** (60%).

The entrepreneur prefers to take **moderate risks** in situations where they have some degree of control or skill in realising a profit (Demirer & Kara, 2007:51; Cromie, 2000:19; Koh, 1996:15). Respondents are still at school and not yet in a real job situation where they need to take calculated risks.

#### 5.4.2.6 Drive and determination

Participants scored 8.46 with 8 being the suggested average score for drive and determination (Caird, 1991). This slightly above average score is influenced by respondents' answers on the following questions: **Being successful is the result of working hard, luck has nothing to do with it** (91.1%), **I get what I want from life because I work hard to make it happen** (90%), **I will get what I want from life if I please the people with control over me** (negatively assessed) (78.3%) and **when I make plans to do something, I nearly always do what I plan** (77.5%).

Successful entrepreneurs do not believe that **fate, luck or other powerful, external forces** will govern the success or failure of their ventures; they believe that they personally can affect the outcome (Timmons & Spinelli, 2009:54). It must be noted that the respondents' are school learners and their drive and determination perception is based on their school career experience.

#### 5.4.3 General conclusions on the GET test results

It should be note that the following conclusions are not based on scientific evidence emanating from the study. It does, however, provide a starting point that can be considered to improve entrepreneurial education at secondary schools in South Africa.

- *Respondents lack ambition:* Respondents' main motivation is money. They have unrealistic expectations that they will earn a high salary even though they do not have the skills and experience to justify the high income. There also seems to be a strong sense of entitlement among the youth expecting to receive rather than to work for what they want out of life. It seems that they are not willing to work hard, to start from the bottom and work their way up.
- *Respondents do not want to take responsibility:* The youth are reluctant to take responsibility because there is safety in numbers. The South African culture of *Ubuntu* (I am what I am because of who we all are) and *Batho pele* (putting other people first before considering your own needs or yourself) also justify this reluctance. It is also worth noting that peer group pressure might influence the youth not to take the lead and associated responsibility.
- *Respondents are immature:* Respondents are still at school therefore extenuating circumstances exist. However it seems that the youth are immature and lack the necessary skills and knowledge to do something new and on their own unique way or to take responsibility for it. Peer group pressure should also be taken into consideration.
- *Respondents thought processes are not challenged enough:* The low score on the propensity to be creative is a big concern when the South African context is taken in consideration. The current curriculum does not challenge learners thought processes enough and learners are reluctant to challenge themselves or they may lack the skills to be creative.
- *Respondents have a sense of insecurity/lack self-confidence:* Respondents' cautious nature and difficulty to make decisions in uncertain conditions can be contributed to a sense of insecurity or lack of self-confidence. There is also a correlation with their need for achievement, given that they rather prefer a stable income even if the work is unchallenging. Buying a raffle ticket seems to be the easy solution, rather than to strategies in the card game. Respondents' also feel uncomfortable when they are challenged or put in situations where they need other people's help. It seems that they are insecure about their future and is rather looking for stability.
- *Respondents have unrealistic expectations:* It seems that respondents have unrealistic expectations of what a job entails and although they believe that hard work will get them what they want out of life, that success is the result of hard



work and that what happens to them is in their own hands, caution should be taken when real job expectations are taken into consideration.

#### **5.4.4 General conclusions on the empirical results**

Most of this year's grade 12 learners started their school career in 2000 and were educated with the Curriculum 2005 programme, aiming to prepare learners for the world of work and how to engage in entrepreneurial activity. However, the curriculum with all its revisions seems to be insufficient. Learners are not prepared for the world of work and lacks creativity, as is evident from their scores on the GET test.

The teaching of entrepreneurship should, in the long run, undoubtedly contribute to the full development of learners and the social wellbeing of the nation at large. By developing a positive attitude towards entrepreneurial behaviour among learners, it is likely that more learners will wish to own and manage their own business. However, a realistic and balanced portrayal of an entrepreneurial career must be provided.

Therefore more should be done to develop young entrepreneurs. The learning environment that an individual is exposed to play a pivotal role in determining whether or not a learner is favourable disposed towards becoming an entrepreneur. Career choices are influenced by a person's way of upbringing, exposure, frame of reference and on their perception of capabilities.

All stakeholders; Government, the Department of Education (DoE), schools, teachers, parents and guardians, learners and entrepreneurs and organised business must take responsibility to address South Africa's unemployment crisis. An entrepreneurship culture and mind-set is needed to unleash the economic potential of all people in South Africa. Effective entrepreneurship education and development is required to produce entrepreneurs.

### **5.5 RECOMMENDATIONS**

Entrepreneurial education and training in South Africa is characterised by shortfalls and weaknesses. However, a new approach needs to be put in place if

entrepreneurship education and training is indeed to produce entrepreneurs; one that should start early as possible to allow for maximum impact and effect.

Practical recommendations are needed to provide stakeholders at the grassroots level with the means to improve the current situation. Accordingly, this section of the study provides brief recommendations to each of the stakeholders identified at the grassroots level to improve youth entrepreneurship education and development.

### **5.5.1 Government**

The South African Government need to find a way to include entrepreneurship as an independent learning area in the national curriculum. In addition, it is proposed that Government should take note of the following recommendations:

- South Africa needs an explicit policy mandating and enabling youth entrepreneurship education.
- Entrepreneurship education should receive strong governmental support, sufficient funding as well as thorough monitoring and evaluation.
- More research regarding youth entrepreneurship education should be encourage and funded.

### **5.5.2 The Department of Education (DoE)**

Entrepreneurship education at school level does not receive a high priority in the South African context, because entrepreneurship is only presented in the Senior phase (grade seven to nine) and in Business Studies from grade 10 to 12 as an optional subject.

Schools' primary function is to help learners develop literacy, numeracy and critical thinking skills to enhance their ideas and thoughts clearly during their journey through life. In addition, it is proposed that the Department of Education (DoE) should take note of the following recommendations:

- A concerted effort should be made to address the youth's needs through an expanded curriculum that integrates small businesses into other courses and specialities.
- Entrepreneurial education needs to be incorporate and integrate in as many different learning experiences as possible, that will contribute to a realistic expectation of the work-life of an entrepreneur.
- Enforce entrepreneurship market days at all schools.
- Provide cross curriculum assessment guidelines (Integrated Assessment Task, ISAT) to assess entrepreneurship market days.
- Assistance and guidance should be provided to previously disadvantage schools in organising the entrepreneurship market days.
- Professional career counselling should be provided at all schools on a permanent base or through regular school visits by a career counsellor.
- Improve the awareness programs at schools to heighten government services available to the youth (e.g. the National Youth Service and National Youth Development Agency services).
- Encourage schools to partner with businesses as well as stakeholders from the public and private sector on entrepreneurship education.
- Entrepreneurial education demands entrepreneurial teachers therefore suitable, competent teachers must be found, trained and supported.

### **5.5.3 Schools**

Schools should become active institutional role players in promoting commercial subjects, business skills and entrepreneurship as a career choice as well as building the self-image and positive "I can" attitude among young learners (Burger *et al.*, 2004:202). In addition, it is proposed that schools should take note of the following recommendations:

- The right entrepreneurship mind-set should be enforced from top management, teachers and learners.
- All role players need to make a mind-shift to acknowledge and recognise the value and importance of entrepreneurship in real life.

- Schools should adjudicate teachers with the appropriate knowledge, passion, mind-set and attitude to educate EMS and Business Studies.
- At least two entrepreneurship market days needs to be held annually.
- Entrepreneurship market days need to be well organised with cross curricular assessment (ISAT) combined with life skill learning.
- All teachers should be involved with the Entrepreneurship market days, not just the EMS or Business Studies teachers.
- Through the entrepreneurship market day, focus should be placed on simulated work experiences and learners should be encouraged to participate in peer group partnerships.
- These peer group partnerships need to evolve and should be evaluated to provide guardians and feedback for improvement.
- Learners and teachers should be awarded for their efforts to encourage enthusiasm, creativity and innovation.
- Schools should liaise with organisations, businesses and parents to strengthen cooperation and input from the community.
- Formal and direct links between teachers and entrepreneurs should be encouraged so that the theory and practice are intertwined.

#### **5.5.4 Teachers**

Teachers are expected to fulfil various roles, such as *“being mediators of learning, interpreters and designers of learning programmes and materials, leaders, administrators and managers, scholars, researchers and life-long learners, community members, citizens and pastors, assessors, as well as subject specialists”* (DoE, 2003:18).

However not all teachers have this kind of skill to fulfil all these various roles and in order for learners to benefit from entrepreneurship education in the curriculum, teachers should be trained to teach. In addition, it is proposed that teachers should take note of the following recommendations:

- Strongly dedicated, motivated teachers are needed to teach entrepreneurship.

- Teachers need to ensure that they have first-hand up to date knowledge of the latest development in their discipline (Horn, 2006:125).
- Teachers also act as role models, therefore a positive attitude and enthusiasm for their subject will make the subject more attractive to learners and even encourage them to follow a career in the same discipline.
- Teachers need to include interactions with local companies to practically demonstrate that entrepreneurship as a career option is viable even in their own small community.
- Teachers need to do more to assist learners to develop a greater measure of entrepreneurial and critical thinking.
- Learners should be guided to visualise and plan their business.
- Teachers should make use of visuals and multimedia and make use of real examples to inspire learners.
- The achievement of young entrepreneurs should be highlighted.
- Learners need to be introduced to various job possibilities and career paths at an early stage to enable them to make the right subject choice at the end of grade nine.
- Teachers need to make learners aware of South Africa's unemployment problem and that they have to take responsibility for creating their own jobs and career success.
- An enterprising culture and mind-set therefore needs to be inculcated which favours the formation of employers and not employees (Horn, 2006:125).

### **5.5.5 Parents and guardians**

Between providing in financial needs, parents are also responsible for the emotional wellbeing of their children. Most households require both parents to work to support the family needs and therefore the absence of parents are inevitable. It seems that parents are lacking parenting skills and do not spent enough time and effort with their children from a young age to teach or influence them to be creative, ambitious young entrepreneurs. In addition, it is proposed that parents should take note of the following recommendations:

- Parents should encourage and support their children to do something remarkable.
- Parents should set challenges that will stretch their children's capabilities and creativity.
- Parents should give their children opportunities to see new things, new places and meet new people, because an inquisitive mind stimulates creative thinking.
- Children should be taught the value of work, work ethics, as well as the value of money and how to use it.
- Parents should rather encourage ambition than discourage it and should celebrate their children's successes.

### **5.5.6 Learners**

The primary purpose of the National Curriculum Statement (NCS) Grades 10 to 12 is to equip learners with the knowledge, skills and values that will enable them to participate in, and offer benefits to society. It also aims to provide a basis for further learning in Higher Education and Training, to lay a foundation for future careers and to prepare learners to be productive and responsible citizens (DoE, 2008:12). In addition, it is proposed that learners should take note of the following recommendations:

- Young people need to start thinking about their future career at a younger age and should focus their energy on acquiring the specific subject requirements, skills and knowledge needed to pursue that career.
- Learners need to think of themselves as job-creators, rather than job-seekers.
- Learners should focus on occupations that are growing or show growth potential (Horn, 2006:126).
- Learners need to start thinking of other career opportunities that have emerged in the job market because of globalization and information technology.
- Learners need to realise that passing matric is not good enough to secure a job in the competitive job market. Learners need to further themselves through studies or acquire trade skills, such as: electricians, fitters and turners, boilermakers and instrument makers.

### **5.5.7 Entrepreneurs and organised business**

Businesses all over South Africa, no matter how small, should invite schools to visit their business as part of a field trip to demonstrate entrepreneurship in practice and not just theoretical. In addition, it is proposed that entrepreneurs and organised business should take note of the following recommendations:

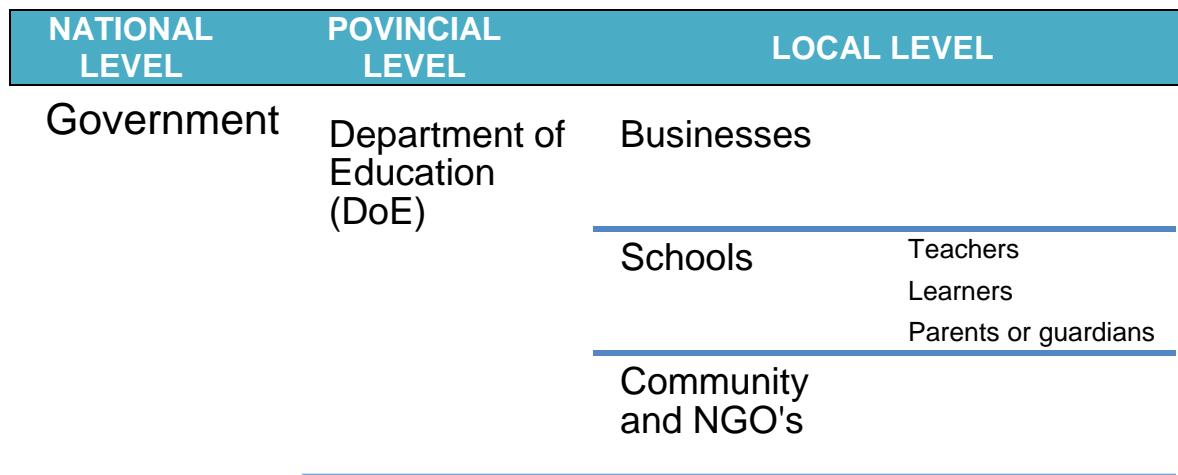
- Tri-party alliance should be established between the private sector, public sector and communities.
- All businesses should encourage school learners to participate in their internship programmes and job shadowing opportunities.
- Businesses should sponsor schools and provide incentives for schools and learners to encourage entrepreneurship development.
- Entrepreneurship education requires sustained input and expertise from entrepreneurs and organised business.
- Business owners and existing entrepreneurs should act as mentors and coaches to develop young entrepreneurs.

### **5.6 AN ENHANCED ENTREPRENEURSHIP EDUCATION STRATEGY AT SCHOOL LEVEL IN SOUTH AFRICA**

It was concluded earlier that a new approach to entrepreneurial education and training in South African schools could be implemented through an assertive effort involving all stakeholders.

A cooperative approach to youth entrepreneurship enhancement cannot be over-emphasized. Government, Department of Education (DoE), teachers, learners, parents and guardians, organised business and the community should be included to ensure successful entrepreneurship education.

**Figure 5.1: Stakeholder involvement hierarchy**



### 5.6.1 National level

Entrepreneurship education should be endorsed at national level whereby the Department of Education receive the mandate to implement entrepreneurship in the education system as a subject with the necessary personal allocation and funding. In addition guidelines need to be formulated for school learner internships (grade 8 to 12) as well as an incentive structure as part of organised business social responsibility initiatives.

### 5.6.2 Provincial level

The Department of Education (DoE) need to oversee that a **planning committee** is formed representative of all the stakeholders. The committee will be responsible to formulate a strategy on how to implement entrepreneurship education at school level, as well as the following:

- Set an implementation date for the entrepreneurship curriculum.
- Formulate policy documents for the Intermediate, Senior and FET phase.
- Compile an entrepreneurship curriculum from grade 4 to 12 with Integrated assessment Tasks (ISAT's) according to age and capabilities.
- The national ISAT should comprise of two tasks to evaluate learner's competencies. The first task assessing the job shadowing and internship programme and the second the application of the first task.



- ISAT guidelines should be available at the beginning of the implementation year to enable entrepreneurship educators to prepare learners accordingly.
- Compile the educator's qualification and minimum requirements to teach entrepreneurship education.
- Compile the objectives and training material for the entrepreneurship educators training course that will be presented by each provincial education department.

The Department of Education (DoE) in each province needs to determine the entrepreneurship teacher allocation, advertise vacancies and employ entrepreneurship educators and/or career guidance according to the set qualification and minimum requirements. All appointed educators need to be trained and educated to implement the entrepreneurship curriculum and objectives.

In addition, the Department of Education (DoE) in each province needs to organise an Entrepreneurship Expo in all the districts, to introduce the new curriculum and implementation strategy. As part of the introduction, it is important to involve local entrepreneurs and businesses to establish role models, mentors and coaches to the learners. Local businesses need to introduce their job shadowing and internship programmes at the Entrepreneurship Expo. Learners should also be made aware of Government's services available to the youth (National Youth Service and National Youth Development Agency).

### **5.6.3 Local level**

The success of entrepreneurship education will be determined by the enthusiasm and support that schools received from the Department of Education (DoE). Therefore regular visits should be made to the district schools to assess their progress and to provide support and guidance were needed. Each school's principal should take responsibility for his/her schools entrepreneurship education program and should be evaluated accordingly. In addition the school principal should see to the following:

- That the schools' learners from grade 4 to 12 as well as all the teachers attend the District Entrepreneurship Expo.

- Two entrepreneurship market dates (early in the second term and at the end of the third term) should be set and all the responsible people should be informed as well as the district DoE.
- Parents and other stakeholders also need to be informed of the entrepreneurship education curriculum and objectives. Parents should be encouraged to get involved in the planning of the entrepreneurship market days and to support children with their tasks.
- Principals should have a hands-on approach with regular feedbacks from the entrepreneurship educator as well as the support and cooperation of all the staff at the school.
- It is vital that the school liaise with businesses, parents and communities for support and funding of the entrepreneurship market days.

Although the well-trained entrepreneurship educator is responsible for the implementation and learning of entrepreneurship, all teachers need to provide learners with support, enthusiasm and guidance. Local entrepreneurs or businesses from different sectors should be invited to introduce learners to different business sectors and operations. Possible career opportunities within the sector should be highlighted. Learners should be encouraged to explore all possible opportunities through the job shadowing and internship programmes.

Local businesses need to formulate internship programme and job shadowing opportunities for grade 8 to 12 learners in accordance with the guidance set by the Government (Department of Labour) and introduced it at the District Entrepreneurship Expo. Follow-up school visits should be made to encourage learners to pursue the opportunities and as a possible career option. In addition, local businesses need to get involved at schools with sponsorships as part of their corporate social responsibility and skills development initiatives, aimed at the youth. Local entrepreneurs need to act as mentors and coaches for learners within the internship programmes and job shadowing.

#### **5.6.4 Right attitude and mind-set**

The successful functioning of the proposed entrepreneurship education program depends on the right attitudes and mind-sets of the stakeholders involved. As mentioned before attitudes and mind-sets that learners acquire at school are probably more important than curriculum contents in terms of developing their entrepreneurial content.

### **5.7 CRITICAL EVALUATION OF THE STUDY**

This section critically evaluates the success of this study against the research objectives formulated in section 1.5.

#### **5.7.1 Primary objective re-visited**

The primary objective of this study is to assess the entrepreneurial intentions of grade 12 school learners in the Lejweleputswa District (Free State province) registered with the Department of Education (DoE) and to make recommendations for enhanced entrepreneurial learning for school learners in South Africa.

#### **5.7.2 Secondary objectives re-visited**

- To define entrepreneurship.
- To examine the entrepreneur and benefits of entrepreneurship.
- To examine the current state of entrepreneurship and entrepreneurship education in South Africa to highlight shortfalls.
- To examine successful entrepreneurship education programmes for the compilation of recommendations.
- To examine entrepreneurship tendencies and how to measure it with an appropriate measure instrument.
- To examine unemployment in South Africa, especially youth unemployment, reasons for youth unemployment and current youth development initiatives.
- To measure the current entrepreneurial tendencies of grade 12 school learners in the Lejweleputswa District with the use of a questionnaire.

- To compare the enterprising tendencies of the respondents according to their demographic profile.
- To make practical recommendations to enhance entrepreneurship education at school level in South Africa.

The first secondary objective namely, **to define entrepreneurship** was achieved through the definition of entrepreneurship in section 2.3.

The second secondary objective namely, **to examine the entrepreneur and benefits of entrepreneurship** was achieved in section 2.4 and 2.5 where entrepreneurial attributes and behaviours and benefits of entrepreneurship was discussed.

The third secondary objective was **to examine the current state of entrepreneurship and entrepreneurship education in South Africa to highlight shortfalls**. This objective was achieved in chapter 2, and in particular, in section 2.6 where factors such as entrepreneurial activity in South Africa, emanating from the South African GEM Reports, were discussed. Section 2.9 addresses entrepreneurship education in South Africa.

Chapter 2 also addressed the fourth secondary objective **to examine successful entrepreneurship education programmes for the compilation of recommendations**. Section 2.10 on entrepreneurship education provided various perspectives of successful entrepreneurship education programmes.

The fifth secondary objective namely, **to examine entrepreneurship tendencies and how to measure it with an appropriate measure instrument** was achieved in section 2.11 and 2.12. Entrepreneurship tendencies and the 'General Enterprising Tendency' test were discussed as a valid instrument to evaluate entrepreneurship orientation.

Chapter 3 addressed the sixth secondary objective **to examine unemployment in South Africa, especially youth unemployment, reasons for youth unemployment and current youth development initiatives**. In section 3.3 to 3.5, unemployment in South Africa were discussed, with section 3.6 and 3.7 focusing on

youth unemployment and reasons for youth unemployment. In section 3.9 youth development, policies and support structures as part of youth development initiative were discussed.

The seventh secondary objective namely, **to compare the enterprising tendencies of the respondents according to their demographic profile** was achieved through the empirical research discussed in chapter four and concluded in chapter five.

The eight secondary objective namely, **to make practical recommendations to enhance entrepreneurship education at school level in South Africa** was achieved through the empirical research discussed in chapter four and concluded in chapter five. The results of this empirical research led to the development of practical recommendations as presented in this chapter.

Through the achieving of all secondary objectives it can therefore be concluded that the primary objective namely, to assess the entrepreneurial intentions of grade 12 learners in the Lejweleputswa District (Free State province) registered with the Department of Education (DoE) and to make recommendations for enhanced entrepreneurial learning for school learners in South Africa was achieved.

## **5.8 SUGGESTIONS FOR FURTHER RESEARCH**

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

- The effectiveness of government initiatives to support youth entrepreneurship.
- Specific needs to be addressed in training and education programmes for youth entrepreneurs.
- The development of a youth entrepreneurial spirit.
- The link between education and being a successful entrepreneur.

## 5.9 SUMMARY

The purpose of chapter 5 was to conclude on the empirical study starting with a gap-analysis between the current and the desired state of entrepreneurship education in South Africa. Wide-ranging differences were identified through the gap-analysis, thus emphasizing the need for interventions to stimulate new venture and job creation in South Africa.

This study concluded that South African youth have a positive general enterprising tendency, but these enterprising tendencies need to be harnessed for successful youth entrepreneurship development. This finding was supported by statistical evidence showing that there is no practical significant difference in the enterprising tendencies between learners from different schools, age, gender, home language or ethnic group.

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

Whilst it needs further development and empirical research on implementation, it nevertheless provides a conceptual platform from which to explore further the complex areas of entrepreneurial education and training and influence design and delivery.

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## APPENDIX A

### Invitation letter to participate in the study

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**Juanita M. Barnard**

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P.O. Box 828 Bultfontein 9670 - Office Tel: (051) 8531768 - Mobile: 082 473 1714 - E-Mail: [nitajmb@yahoo.com](mailto:nitajmb@yahoo.com) - Fax: 086 293 4226

June 2012

#### **The Principal**

Secondary Schools in the Lejweleputswa district

Dear Sir / Madam

#### **RE: RESEARH ON GRADE 12 LEARNERS**

I am currently a phase III MBA student at the Potchefstroom Business School, North-West University. As part of the curriculum I must submit a dissertation at the end of October 2012.

The aim of my study is to research *Youth Entrepreneurship* and evaluate the perceptions of secondary school learners in the Lejweleputswa district registered with the DoE (Department of Education), and in particular Grade 12 learners.

However, a study of this magnitude cannot be conducted without the support of schools in the research area. The purpose of this letter is therefore:

1. To determine the support of your school.
2. To schedule an appointment.

The envisaged empirical study will be conducted from the 13 – 24 August 2012, where the Grade 12 learners will be expected to complete a questionnaire which would take no longer than 30 minutes.

Without the assistance of your schools in the research area it would be impossible to conduct the planned research. I therefore kindly request that you complete the attached questionnaire and return it via e-mail to [nitajmb@yahoo.com](mailto:nitajmb@yahoo.com) or fax it to 086 293 4226.

I trust that the value of this research topic for our learners, and the future development of our country will receive your kind consideration.

Thank you in advance for your kind support.

Yours truly,  
Juanita



## Questionnaire

### Research on Youth Entrepreneurship: Perceptions of secondary school learners in South Africa

Name of School: \_\_\_\_\_

Physical Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postal Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Agreement to participate in Empirical Study (2012)

Yes, we agree to participate in the study

No, we do not wish to participate in the study

Total number of Grade 12 learners for 2012

Most convenient time for visit	Monday	Tuesday	Wednesday	Thursday	Friday
Time					

Questionnaire completed by:

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Contact number: \_\_\_\_\_

Date: \_\_\_\_\_

*Thank you for completing and returning this questionnaire!*

## **APPENDIX B**

### **General Enterprising Tendency (GET) Test**

**UNIVERSITY OF DURHAM  
SMALL BUSINESS CENTRE  
DURHAM BUSINESS SCHOOL**

**GENERAL ENTERPRISING TENDENCY**

**(GET) TEST**

## **The Durham University General Enterprising Tendency (GET) Test**

### **INTRODUCTION**

The test has been designed to bring together and measure a number of personal 'tendencies' commonly associated with the enterprising person. These include: need for achievement; need for autonomy; creative tendency; risk taking; and drive and determination. The test was designed as part of the work of the Enterprise in Education and Learning Team within the Foundation for Small and Medium Enterprise Development (formerly the Enterprise and Industry Education Unit at Durham Business School). This work has been concerned with the development of Enterprise in schools, further and higher education institutions. There is obviously a need to develop measures of enterprise for purposes of assessment and perhaps also to identify training needs. The General Enterprising Tendency Test embodies the enterprise tendencies described above, expresses them in statement form and measures enterprise aptitudes against norms.

The test has been developed following research into a variety of measures used to measure entrepreneurship and enterprise. It has been validated with a number of different groups of personnel and amended accordingly. The aim during this research and development process has been to develop a measure of enterprising tendency rather than of entrepreneurial traits.

The GET test may be of use in a variety of situations. It might for example be used to measure the enterprise of personnel involved in providing support to business, social and community enterprise. It might be used to measure the enterprise of those wishing to set up in business. It might be used, just as importantly, by employers concerned to foster enterprising individuals within their own organisations. It may be used in the recruitment and selection of personnel. It may be used to identify changes that have taken place as a result of training or exposure to certain structured situations designed to encourage enterprise.

A great deal of research has been undertaken into the process of enterprise development. Much of this in the past has concentrated on the personality of the entrepreneur in attempting to identify entrepreneurial traits. It has been argued that these desires, drives and attitudes ensure that an individual has the willingness to take responsibility, the determination to complete projects, the creativity which will lead to innovation and a healthy appreciation of risk. This research, much of which stems from the work of Atkinson and McClelland in the 1960's is controversial, particularly in respect of whether measures taken are of 'inherent' as opposed to 'learned' traits. The Durham research, funded by the University Grants Committee, carried out by Sally Caird under the direction of Professor Gibb and Cliff Johnson, extensively reviewed the literature and a variety of related tests. \*Out of this review and out of subsequent experiment came the GET test. The test has been used extensively in teaching and research.

This booklet explains how the test can be administered and the results usefully collated.

\*Report on the Development and Validation of a Measure of General Enterprising Tendency.

\*A Review of Methods of Measuring.  
Sally Caird DUBS  
August 1988

## Instructions

This exercise could not be simpler:

- It will only take about ten minutes
- There are no right or wrong answers
- It will help you to gain a better understanding of yourself

In the following pages of this booklet, you will find a list of 54 different statements. You are merely required to agree or disagree with the statements that have been made. For example, one statement might say:

I prefer swimming to running

or

I often take on too many tasks

On the answer sheet provided, you should:

- Circle the A in the box which corresponds to the statement if you agree with the statement,

OR

- Circle the D if you disagree with the statement.

If, for any reason, you neither fully agree nor fully disagree with a particular statement, please try to decide whether you agree with it more or disagree with it more and circle the appropriate answer.

Please be honest when completing the answer sheet. The more accurate your answers are increases the precision of the test.

Now turn over the page to begin the test.

1. I would not mind routine unchallenging work if the pay was good.
2. When I have to set my own targets, I set difficult rather than easy ones.
3. I do not like to do things that are novel or unconventional.
4. Capable people who fail to become successful have not taken chances when they have occurred.
5. I rarely day dream.
6. I usually defend my point of view if someone disagrees with me.
7. You are either naturally good at something or you are not, effort makes no difference.
8. Sometimes people find my ideas unusual.
9. If I had to gamble £1, I would rather buy a raffle ticket than play cards.
10. I like challenges that really stretch my abilities rather than things I can do easily.
11. I would prefer to have a reasonable income in a job that I was sure of keeping rather than in a job that I might lose if I did not perform well.
12. I like to do things in my own way without worrying about what other people think.
13. Many of the bad times that people experience are due to bad luck.
14. I like to find out about things even if it means handling some problems whilst doing so.
15. If I am having problems with a task I leave it and move on to something else.
16. When I make plans to do something, I nearly always do what I plan.
17. I do not like sudden changes in my life.

18. I will take risks if the chances of success are 50/50.
19. I think more of the present and the past than of the future.
20. If I had a good idea for making some money, I would be willing to borrow some money to enable me to do it.
21. When I am in a group I am happy to let someone else take the lead.
22. People generally get what they deserve.
23. I do not like guessing.
24. It is more important to do a job well than to try to please people.
25. I will get what I want from life if I please the people with control over me.
26. Other people think that I ask a lot of questions.
27. If there is a chance of failure I would rather not do it.
28. I get annoyed if people are not on time.
29. Before I make a decision I like to have all the facts no matter how long it takes.
30. When tackling a task I rarely need or want help.
31. Success cannot come unless you are in the right place at the right time.
32. I prefer to be quite good at several things rather than very good at one thing.
33. I would rather work with a person I liked, but who was not very good at the job, than work with someone I did not really like who was very good at the job.
34. Being successful is the result of working hard, luck has nothing to do with it.
35. I prefer doing things in the usual way rather than trying out new ways.

36. Before making an important decision, I prefer to weigh up the pros and cons rather quickly rather than spending a lot of time thinking about it.
37. I would rather work on a task as a member of a team than to take responsibility for it myself.
38. I would rather take an opportunity that might lead to even better things than have an experience that I am sure to enjoy.
39. I do what is expected of me and follow instructions.
40. For me, getting what I want has little to do with luck.
41. I like to have my life organised so that it runs smoothly and to plan.
42. When I am faced with a challenge I think more about the results of succeeding than the effects of failing.
43. I believe that what happens to me in life is determined mostly by other people.
44. I can handle a lot of things at the same time.
45. I find it difficult to ask favours from other people.
46. I get up early, stay late or skip meals in order to get special tasks done.
47. What we are used to is usually better than what is unfamiliar.
48. Most people think that I am stubborn.
49. People's failures are rarely the result of their poor judgement.
50. Sometimes I have so many ideas I do not know which one to pick.
51. I find it easy to relax on holiday.
52. I get what I want from life because I work hard to make it happen.
53. It is harder for me to adapt to change than keep to routine.
54. I like to start new projects that may be risky.

# ANSWER SHEET

## THE DURHAM UNIVERSITY GET TEST

46 A D	37 A D	28 A D	19 A D	10 A D	1 A D
47 A D	38 A D	29 A D	20 A D	11 A D	2 A D
48 A D	39 A D	30 A D	21 A D	12 A D	3 A D
49 A D	40 A D	31 A D	22 A D	13 A D	4 A D
50 A D	41 A D	32 A D	23 A D	14 A D	5 A D
51 A D	42 A D	33 A D	24 A D	15 A D	6 A D
52 A D	43 A D	34 A D	25 A D	16 A D	7 A D
53 A D	44 A D	35 A D	26 A D	17 A D	8 A D
54 A D	45 A D	36 A D	27 A D	18 A D	9 A D



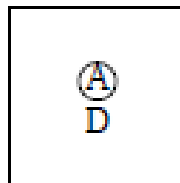
## ASSESS THE RESULTS

### CALCULATING YOUR SCORE

Starting with box 1 in the top right hand corner of your answer sheet and working across the sheet to the left, give yourself one point for every D that you have circled in the shaded boxes on that line like this:



Similarly give yourself one point for every A that you have circled in the unshaded boxes on that line like this:



Now add up your total score in the top row and write it in the margin.

Do the same for the remaining eight rows scoring in the same manner as above.

When you have finished transfer your scores for each row to the boxes below.

ROW 1	....	ROW 2	....	ROW 3	....
ROW 4	....	ROW 5	....	ROW 6	....
ROW 7	....	ROW 8	....	ROW 9	....

Please add the total for row 1 and row 6 together.

This will give you a score for Section 1

Row 3 alone will give you a score for Section 2

Add your scores in rows 5 and 8 for Section 3

Add your scores in rows 2 and 9 for Section 4

Add your scores in rows 4 and 7 for Section 5

## ASSESSING YOUR SCORE

Each section assesses particular attributes. A high score in any category means that you have many of the qualities which that particular section has been measuring. The sections are as follows:

### SECTION 1 Need for achievement

Maximum score – 12 Average score – 9

If you have scored well in this section you have many if not all of the following qualities:

- Forward looking
- Self sufficient
- Optimistic rather than pessimistic
- Task orientated
- Results orientated
- Restless and energetic
- Self-confident
- Persistent and determined
- Dedication to completing a task

### SECTION 2 Need for autonomy/independence

Maximum score – 6 Average score – 4

The person who scores high in this section:  
Likes doing unconventional things

- Prefers working alone
- Need to do their 'own thing'
- Needs to express what they think
- Dislikes taking orders
- Likes to make up their own mind
- Does not bow to group pressure
- Is stubborn and determined

### SECTION 3 Creative tendency

Maximum score – 12 Average score – 8

A high score in this section means that you:

- Are imaginative and innovative
- Have a tendency to daydream
- Are versatile and curious
- Have lots of ideas
- Are intuitive and guess well
- Enjoy new challenges
- Like novelty and change

#### **SECTION 4 Moderate/calculated risk taking**

Maximum score – 12 Average score – 8

If you have done well in this section, you tend to:

- Act on incomplete information
- Judge when incomplete data is sufficient
- Accurately assess your own capabilities
- Be neither over nor under-ambitious
- Evaluate likely benefit against likely costs
- Set challenging but attainable goals

#### **SECTION 5 Drive and determination**

Maximum score – 12 Average score – 8

If you have achieved a high score in this section, you tend to:

- Take advantage of opportunities
- Discount fate
- Make your own luck
- Be self-confident
- Believe in controlling your own destiny
- Equate results with effort
- Show considerable determination

**THANK YOU VERY MUCH FOR COMPLETING THIS EXERCISE**

**Please discuss your results with the person who supervised your test**

## APPENDIX C

### Demographical information

#### DEMOGRAPHICAL INFORMATION

Please answer the following questions. Mark choice with a clear 'X'

Name of school:

--

Your age:

17 [01]	18 [02]	19 [03]	20 [04]	21 [05]	Other (please specify) ..... [06]
------------	------------	------------	------------	------------	--------------------------------------

Gender:

Female [01]	Male [02]
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Home language

Afrikaans [01]	English [02]	S.Sotho [03]	N.Sotho [04]	Tswana [05]	Xhosa [06]	Zulu [07]	Other (please specify) .....[08]
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Please mark your ethnic group (for statistical purpose only)

Asian [01]	Black [02]	Coloured [03]	White [04]	Other (please specify) .....[05]
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