

A comparative study between white and black women  
entrepreneurs in selected areas in South Africa

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# ABSTRACT

Worldwide, entrepreneurship is seen as one of the most important solutions to unemployment, poverty and low economic growth. The creation of new ventures and the growth of existing businesses are vital contributing factors to any economy. Women outnumber male entrepreneurs, which have led to a renewed focus on gender entrepreneurship and the development of appropriate interventions for gender-specific groups across the globe. In South Africa, women make up just less than 50% of the entrepreneurial population. There is therefore, considerable scope to improve the number of women entrepreneurs in the economy and the level at which they operate. Literature review in this study highlighted that female business ownership is concentrated primarily in the service industries where businesses are relatively smaller in terms of employment and revenue, as opposed to the technology, construction and manufacturing sectors. Women entrepreneurs want to expand their businesses as much as male entrepreneurs but women have a hard time in obtaining external financing and credibility as business owners.

The objective of the study was to explore white and black women entrepreneurs in the Carletonville and Soweto areas and to provide practical recommendations to ensure successful women entrepreneurship in the country.

This study had a total of 58 black and white women entrepreneurs that were motivated by factors like the need for independence, confidence in the product/service offered, self- fulfillment and the need for a challenge into owning a business. A typical woman entrepreneur in this study is between the ages 40 to 59 years, is married with an average of one to two children. The woman entrepreneur is fairly educated with an education level of matric and a diploma. But her business is micro or very small with an annual turnover of R50 000 to R500 000.

Participating women entrepreneurs are faced with obstacles such as inequality of access to credit, awareness and access to business support, risk averse, lack of

focused women entrepreneurship policies from regional municipalities and government, lack of education and training in their business start-up phase. They are faced with obstacles such as awareness / access to business support, gaining acceptance and respect of people, liquidity and other financial problems and lack of timely business information in running their businesses.

Women entrepreneurs in this study declared that they need support on factors such as business advice, information, counselling, mentoring, marketing support and women entrepreneurship specific based policies to enhance women entrepreneurship in the areas of Soweto and Carletonville.

The study also conducted t-tests to compare white and black women entrepreneurs in the Carletonville and Soweto areas. The t-tests focused on motivational factors to self-employment, obstacles to business start-up and obstacles faced in current business operations.

The t-test in this study revealed that black women entrepreneurs rated the following motivating factors: desire to wealth, the need for independence, need for flexible work schedule, need for a challenge, self-fulfillment, to develop my hobby, insufficient family income and ensure high job security more positively than the white women entrepreneurs. In addition, the t-tests also revealed that black women entrepreneurs are affected more than the white entrepreneurs by fear of failure and their perceived inequality of access to credit in their business start-up. Furthermore, black women entrepreneurs, in running their businesses are severely affected by family pressures in relation to gender roles and a lack of awareness of or access to business support more than the white women entrepreneurs.

This study offered recommendations such as exposing women in entrepreneurship at a tender age, increasing access to finance and the establishment and enhancement of women entrepreneurs' organisations like SAWEN, BWASA, and SAWIMA amongst

others. The women entrepreneurs' organisations should embark on campaigns and intensify their marketing strategies amongst others.

**Keywords:** Women entrepreneurship; small and medium-sized enterprises; motivational factors; obstacles; access to finance.

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# CHAPTER 1

## NATURE AND SCOPE OF THE STUDY

### 1.1 INTRODUCTION

Entrepreneurship is seen as a solution to the problems of unemployment, low economic growth and poverty worldwide. The growth of businesses is extremely vital in the economy of any country (Botha, Nieman & Van Vuuren, 2006:1). Herrington, Kew and Kew (2009:7) support the above statement by stating that the entrepreneurial activity is considered to be an important mechanism for economic development through job creation, innovation and its welfare effect, which led to a growing policy interest in entrepreneurship at a national level.

The primary measure of entrepreneurship used by the Global Entrepreneurship Model (GEM) is the Total Early-stage Entrepreneurial Activity (TEA) index. The TEA index indicates that the prevalence of business start-ups (or nascent entrepreneurs) and new firms in the adult (18 to 64 years of age) population captures the level of dynamic entrepreneurial activity in a country (Herrington *et al.*, 2009:25). South Africa's TEA in 2009 stood at 5.15%, in 2008 stood at 7.8%, which is greater than it was in 2006 (5%) but still lower than India, Brazil (11.5%-12%), Columbia (24.5%), Mexico (13.1%) and even the United States (10.8%) (Herrington *et al.*, 2009:60).

Globally women entrepreneurs are a source of power in today's modern economy. They shape and redefine the workplace, networks, financial institutions and culture. There is however a profound difference between female and male businesses (Department of Trade and Industry's (DTI) special report, 2005:10).

South Africa is faced with economic, political and social problems in the democratic era, due to a high and growing rate of unemployment (Herrington *et al.*, 2009:7). The majority of women entrepreneurs in South Africa trade in sectors like crafts, hawking,

personal services and retail (Herrington *et al.*, 2009:7). Maas and Herrington (2006:38) argue that only 41% of the adult women in South Africa are part of the active working population. The DTI has concluded that women make up half of the business force but their contribution is not adequately nurtured (DTI's special report, 2005:4).

The reason women entrepreneurs are not adequately nurtured is because women entrepreneurs deal with poor access to finance, sub-standard infrastructure and regulations that create administrative burdens and costs, making survival and success in the entrepreneurial business world even tougher. In addition to this, women have to contend with negative prevailing socio-cultural attitudes and gender discrimination (Maas cited in Blair, 2007:1).

Therefore, based on the introduction, this study focuses on black and white women entrepreneurs in small, micro and medium sized women-owned businesses. The South African National Small Business Act (1996) and National Small Business Amendment Act (2004:4) classifies micro, very small, small and medium-sized businesses as businesses that employ less than 200 full-time equivalent of paid employees. There is an exploration on the women entrepreneurs' challenges, differences and similarities including individual differences if any, and support programmes that are offered to these women in their businesses.

## **1.2 PROBLEM STATEMENT**

Research on women entrepreneurship remains limited in the South African context and this has a direct influence on the formulation and implementation of policies and support programmes (Blair, 2007:1). Therefore, Blair (2007:1) and Botha *et al.* (2006:293) suggest that it is important to understand the factors that motivate women in starting their own businesses so that policy makers could generate an enabling environment to that effect. Secondly, it is pivotal to understand the challenges women entrepreneurs face in starting or running their businesses.

In addition, there is limited research on differences in individual characteristics across groups of women entrepreneurs. *Consequently, it is the intention of this study to explore women entrepreneurs across cultures, understand their individual differences, and hence, how businesses are started and their dynamics to the process* (DTI's special report, 2005:10).

The women entrepreneurs that participated in this study were drawn from Carletonville in the Merafong city local municipality and the Soweto Township, which lies south west of Johannesburg city. The two areas are densely populated with industrial areas having high potential for entrepreneurship. Therefore, this study is aimed at gathering information that can be applied in the development of women entrepreneurship in the areas of Carletonville and Soweto.

In summary, women entrepreneurs are studied for the following reasons:

- Women entrepreneurs play a big role in the economy of the country.
- Women entrepreneurs' research is needed to understand the group better.
- Women entrepreneurs are not well researched, as such intervention is difficult.
- The women are different and their differences and uniqueness need to be focused on.

### **1.3 OBJECTIVES OF THE STUDY**

The research objective of the study comprises of two parts namely, the primary and secondary objectives.

#### **1.3.1 Primary objective**

The primary objective of the study is to explore white and black women entrepreneurs in selected areas. The study intends to provide recommendations to ensure successful women entrepreneurship in the country, after the exploration.

### **1.3.2 Secondary objectives**

For this study to implement the primary objective effectively, the following secondary objectives were formed:

- To gain insight into the role women entrepreneurs can play in the South African economy by means of a literature study.
- To study the unique elements that the areas of Carletonville and Soweto can offer the female entrepreneurs.
- To determine what motivate women to start their own business.
- To identify challenges that female entrepreneurs may face entering and growing own ventures.
- To determine differences between white and black women-owned businesses by means of t-tests and effect sizes.
- To examine current development and support programmes in the South African context.
- To determine the needs of women entrepreneurs in the Carletonville and Soweto areas regarding support, training and development.
- To suggest practical recommendations to develop women entrepreneurship in the Soweto and Carletonville areas.

## **1.4 SCOPE OF THE STUDY**

The scope of the study constitutes the field of study and the geographical demarcation.

### **1.4.1 Field of study**

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

## **1.4.2 Geographical demarcation**

The research is focused on women entrepreneurs in the Soweto Township and Merafong city local municipality.

The following section offers information on demographics, population profile and culture, economics and employment status of the Soweto Township and Carletonville in Merafong city local municipality.

### **1.4.2.1 Soweto Township demographics**

Soweto is a derivation of the name South Western Township. The name was chosen following a competition instituted by the Non-European Affairs Department of the Johannesburg City Council. As the name indicates, Soweto lies south west of the city of Johannesburg and it is the largest black residential area in South Africa. Soweto consists of 34 suburbs and covers an area estimated at 9 640 ha (Ramchander, 2004:26).

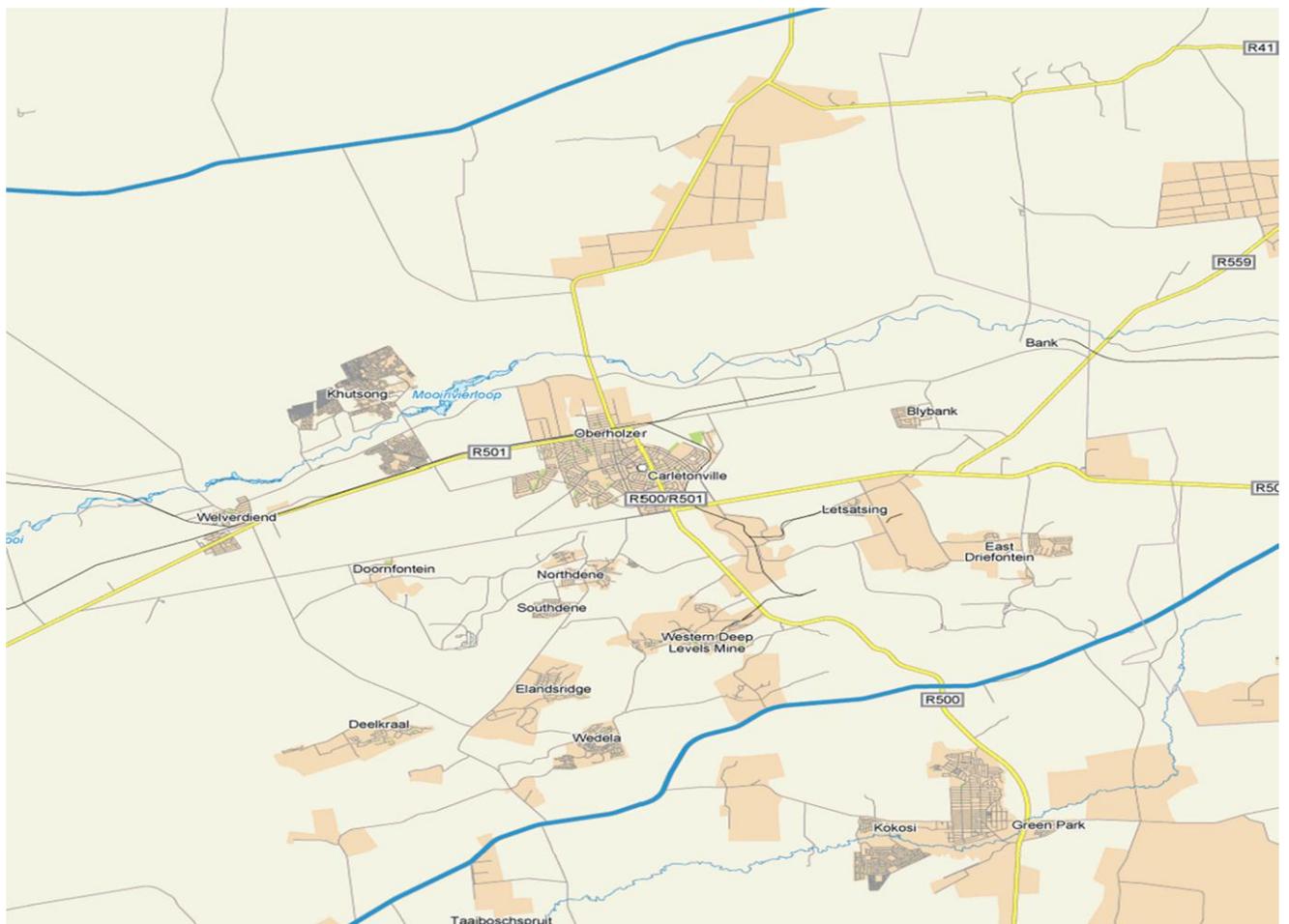


gold producing areas in the world. Carletonville was named after an engineer called Carleton Jones that used to work for Goldfields Limited (Ltd) mining company. Carleton Jones played a role in the establishment of the West Wits gold field of which Carletonville is part of. As a result of Carleton Jones' role Gold Fields Ltd decided to establish Carletonville as a town in November 1946 and the town accomplished its Town Council Status on the 1<sup>st</sup> July 1959. The township or location of Carletonville is called

Khutsong (Merafong City Local Municipality, 2010:1).

Figure 1.2 below depicts the map of the Merafong City Local Municipality.

**Figure 1.2 Map of the Merafong city local municipality**



**Source:** [www.mapstudio.co.za/locationmap.php=Carletonville](http://www.mapstudio.co.za/locationmap.php=Carletonville).

### **1.4.2.3 Population profile and culture of Soweto and Merafong city local municipality**

The people in Soweto are mostly black South Africans that belong to all indigenous groups in the country. It is found that Zulus, Xhosas and Sothos dominate the place. The population is estimated at 3.5 million even though it is difficult to offer a precise figure on the population. This is due to the rise and fall of the population and illegal immigrants from neighbouring countries that continue to flock the township. Women are in the majority and they account for 57% of the total population and males account for 43% of the remaining population (Ramchander, 2004:26).

The Soweto Township has its people speaking eleven official languages that are: isiZulu, isiXhosa, siSwati, Tshivenda, Setswana, Sepedi, Sesotho, isiNdebele, Shangaan, English and Afrikaans. People in Soweto speak at least three to five languages (Ramchander, 2004:26).

On the other hand, Merafong city local municipality accounts for 287 607 people, as it was measured in the 2001 census. The municipality is male dominated due to immigration of males to the mining areas. Males account for 57% and females account for 43% of the total population, but females reveal higher growth rates than males. The population in Merafong city local municipality speaks all eleven official languages just like the population of Soweto (Urban Econ, 2010:15 &16).

The study has an intention of gathering data from a female dominated area of Soweto and a male dominated area of Carletonville, and thus, determine if there are any similarities or differences amongst women entrepreneurs in the two areas. Furthermore, verify if language plays an important role in business.

### **1.4.3 Soweto Township and Merafong city local municipality's economics**

This section will elaborate on employment status and the economic trends in the areas of Merafong city local municipality and Soweto.

#### **1.4.3.1 Employment status of Soweto and Merafong city local municipality**

An estimate of 51.9 % of the population in Soweto is unemployed. A total of 37.8 % are employed and 1.8 % is housewives. Amongst the employed which is 37.8%, only 18% are employed in the white or blue collar sectors (Market Decisions, 2004:13).

On the other hand, a total of 75% of the population in the Merafong city local municipality is economically active in the ages between 15 to 64 years. There was a slight decrease of 2% because the active population stood at 73% in 2007. In the total population, 11% has no formal schooling and only 20% of the population has completed matric (Urban Econ, 2010:10).

#### **1.4.3.2 Economic Trends of Soweto and Merafong city local municipality**

A feature of Soweto is a proliferation of spaza shops. Spaza in isiXhosa means an imitation or something not real. Spaza shops are convenient shops selling goods that the community requires such as milk, bread and clothes which depend on demands. The spaza shops are normally opened in spare rooms, garages and makeshift shanties near taxi ranks and railway stations. The shops are no longer illegal because owners have to attain licenses for them (Ramchander, 2004:34).

Industrial activity is ranging wide in Soweto with much emphasis on the informal sector. The Small Business Development Corporation has developed approximately 80 business sites for factories varying from tent manufacturing to upholstering, welders to panel beaters and leather to candle makers (Creighton 2003, cited in Ramchander, 2004:41).

In the previous years, government contributed an amount of R40 million to the Small Business Development Corporation for job creation and to promote entrepreneurial ventures all throughout Gauteng. Government's initiative led to the development of industrial sites in mainly Naledi and Orlando East. The initiative contributed to a total of 1 200 licensed traders in greater Soweto (Ramchander, 2004:41).

On the other hand, the economy of Merafong City is still dominated by the mining sector, which in 2008 contributed 35% to the total economy of the municipality. The recent surge (March 2006 to January 2010) in gold prices led to a turn-around in the profitability of the mining sector in the Merafong city local municipality. There was nonetheless, a decline in both production and employment in the mining industry over the past decade. However, the dependency of this sector on international prices and exchange rates points to a need for economic diversification (Urban Econ, 2010:15 &16).

Despite the decline in the mining industry, the municipality realised an increase in the trade, finance and business services through manufacturing, government services and the construction sectors which also contributed to growth in the municipality (Urban Econ, 2010:13).

As mentioned above Soweto received support from government to open up business sites, thus, the research want to verify if women entrepreneurs were supported.

On the other hand, Merafong city local municipality realised an increase and growth in trade, finance and business services, thus, the research want to verify if women entrepreneurs were supported

## **1.5 RESEARCH METHODOLOGY**

The research of this study was conducted by means of a literature review and the empirical study.

### 1.5.1 Literature review

The literature review describes the concept of entrepreneurship on a broader spectrum then proceeds to explore women entrepreneurs. Women entrepreneurs' characteristics, factors that motivate women to establish their businesses and their challenges are explored. In addition, the study delves into the growth of women-owned businesses and the support women entrepreneurs requires to establish and grow their businesses.

Sources consulted to gain more insight into entrepreneurship are:

- Relevant textbooks.
- Previous researches on the topic (theses and dissertations).
- Scientific journal articles.
- Articles from the website.

### 1.5.2 Empirical study

The empirical study was conducted by selecting a sample of black and white women entrepreneurs. A standard questionnaire was distributed either personally or via email where available. Structured interviews using the standard questionnaire were conducted.

To conduct empirical research, three activities are required:

- **Measurement:** The aim of the measurement activities is to obtain scores on measurement that correspond to the concepts studied.
- **Research design:** Research design establishes procedures on how to obtain participants and determines how scores are obtained on measures.
- **Analyses:** Analyses are performed to describe scores on single measures and specifically to identify relationships that may exist between scores across different measures (Schwab, 1999:3).

### **1.5.2.1 Questionnaire used in the research**

The research utilised a structured questionnaire developed by the Potchefstroom Business School (PBS) for the purpose of the study. The questionnaire has five sections (the questionnaire is attached as Appendix A).

Section A focuses on collecting bibliographic information from the black and white women entrepreneurs that are also called respondents. The respondents were requested to answer nine questions on race, home language, age group, marital status, highest academic qualification obtained, number of children, age of children, experience before self-employment and number of years in self-employment. The black and white women entrepreneurs were required to put a cross in the appropriate answer.

Section B focuses on gathering information on the respondents' business and it comprises of ten questions. The questionnaires' characteristics comprise of: the industry in which the business operates, legal status of the business, age of the business, the respondents' path to business ownership, source of start-up funding, the business' premises, the amount of permanent employees, annual turnover generated, exposure to business in childhood and whether the business is the first owned by the respondent. The respondents were required to put a cross in the appropriate answer.

Section C was developed to gather information on factors that may motivate black and white women entrepreneurs to start their own businesses. This section has sixteen questions that focus on personal motivating factors and six questions on demographic factors. The respondents were required to put a cross when answering the motivating and demographic factors in the Likert scale that vary from one to seven where one refers to strongly disagree and seven refers to strongly agree.

Section D was developed to gather information on obstacles that might inhibit women entrepreneurs. This section has a total of twenty six questions, where fourteen questions focus on gathering information on factors or obstacles that inhibit the female

entrepreneurs to start their own businesses. The other twelve questions focus on gathering information on factors that the women entrepreneurs are currently facing in running their own businesses. Respondents were required to put a cross when answering the Likert scale that vary from one to seven, where one refers to strongly disagree and seven refers to strongly agree.

Section E was developed to establish the needs of the women entrepreneurs. This section focuses on women entrepreneurs' offered training, the organisations that women might be affiliated to and their needs. Respondents were required to put a cross in the appropriate answer.

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

The study population is small, that is, a total of sixty (60) women entrepreneurs in the Soweto Township and the Carletonville areas. The women entrepreneurs were issued with a questionnaire to examine the determinants of entrepreneurship in women entrepreneurs. A snowball technique was utilised to track women-owned businesses to participate in the study. A list of women entrepreneurs was generated to check the possibility of conducting research. The women entrepreneurs were visited to judge their willingness to participate in the study.

#### **1.5.2.3 Data collection**

Data was collected using a questionnaire which was distributed personally to participants. Respondents were visited individually to offer clarity on questions and to encourage participants to participate in the study. A cover letter was attached in each questionnaire to offer the participants assurance that their information will be treated with confidentiality. A total of 58 questionnaires were fully completed and collected which resulted in a response rate of 97%.

#### **1.5.2.4 Data analysis**

The data that has been collected was analysed using Statistica (Statsoft, 2010) and SPSS (SPSS, 2010). Information from the questionnaires was coded and converted into frequency tables that comprises of mean and standard deviation. The differences between white and black women-owned businesses were assessed by means of the t-test. Lastly, results were used to draw conclusions and make recommendations for the development of women entrepreneurs in the Soweto Township and Carletonville.

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

- The small sample size might not be representative of the situation in two areas under investigation (Soweto and Carletonville).
- Respondents will know that research is being done, and the true situation in some of the businesses might not be reflected.
- Limited information is available on women entrepreneurship in Soweto and Carletonville.
- No previous empirical research on women entrepreneurs has been conducted in Soweto and Carletonville, resulting in literature from other regions in South Africa and other countries being used.
- The research will be limited to Soweto and Carletonville and thus not representative of the whole of Gauteng Province and South Africa.

### **1.7 LAYOUT OF THE STUDY**

Figure 1.3 below illustrates the research process through which research will predicatively follow.

## **Chapter 2: Literature review**

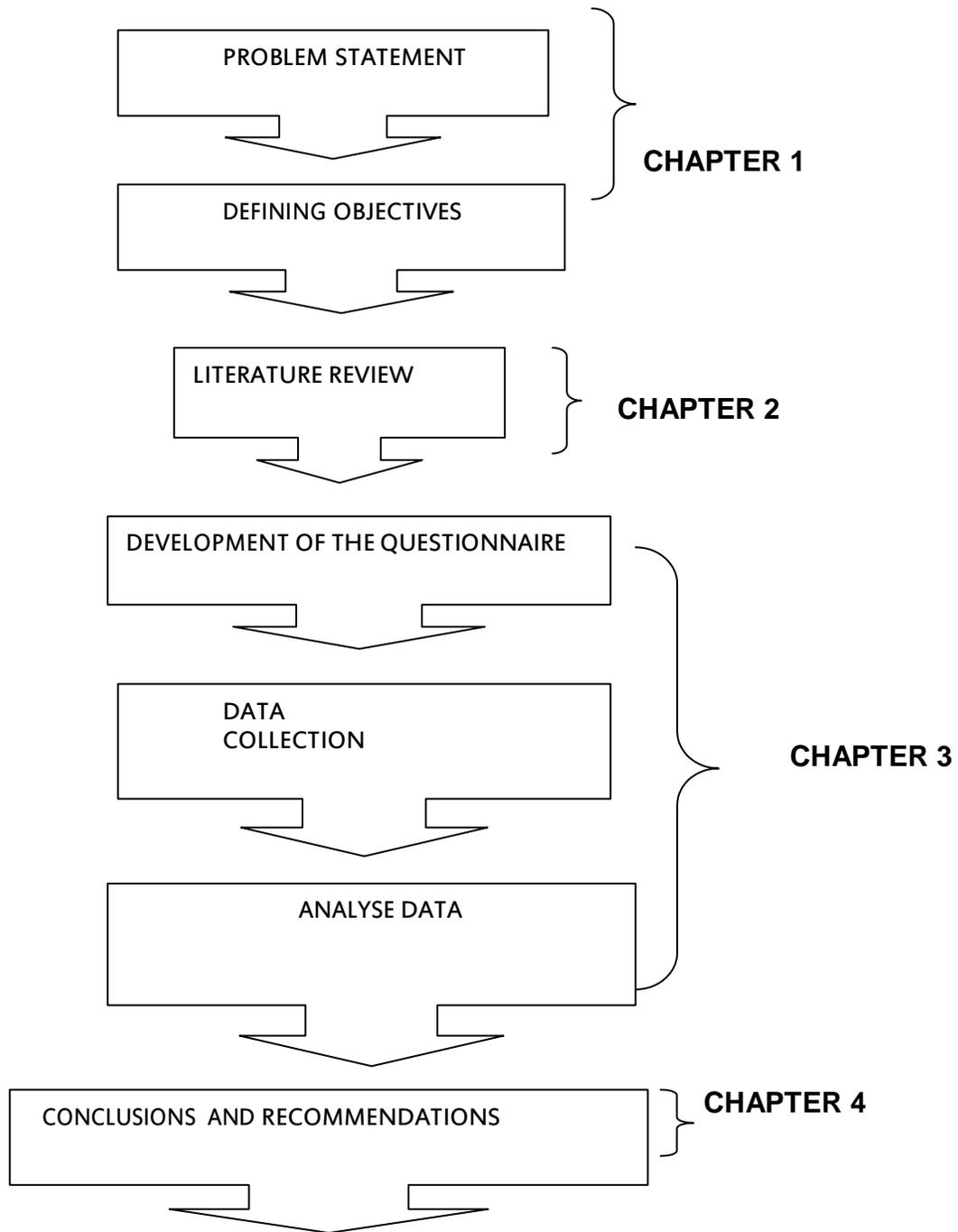
Chapter 2 focuses on the literature review of the study which provides information on entrepreneurship and specifically information on women entrepreneurship. Focus is also placed on factors that motivate women to start their businesses paying attention to push and pull factors. Furthermore, obstacles to women entrepreneurship, support for women entrepreneurs and women entrepreneurship development are addressed in the literature review.

## **Chapter 3: Results and discussion of empirical study**

Chapter 3 of the study presents the results and the discussion of the empirical study. The chapter encloses the following: data collection, utilised measuring instruments, classification of the study population, the employed method in the research and the analysis of the study population.

The analysis of the study population comprises of the following: the respondents' biographical information, structure of the participating businesses, business start-up information, motivation to self-employment, obstacles facing participating women entrepreneurs and support and development needs of women entrepreneurs.

**Figure 1.3: Research process flow chart**



## **Chapter 4: Conclusion and recommendation**

Chapter 4 of the research concentrates on conclusions, realistic recommendations, achievement of the objectives and suggestions for future research.

# **CHAPTER 2**

## **LITERATURE REVIEW ON WOMEN ENTREPRENEURSHIP**

### **2.1 INTRODUCTION**

Worldwide, entrepreneurship is seen as one of the most important solutions to unemployment, poverty and low economic growth. The creation of new ventures and the growth of existing businesses are vital contributing factors to any economy (Botha, *et al.*, 2007:163). Women entrepreneurship is mainly important as an instrument for economic growth. Businesses have, or should have (depending on country and prevalence of women entrepreneurs), an important impact on the economy in terms of jobs, sales, innovation, economic growth, and renewal (Ahl, 2006:602).

Women outnumber male entrepreneurs, which have led to a renewed focus on gender entrepreneurship and the development for appropriate interventions for gender-specific groups across the globe. But in South Africa women make up just less than 50% of the entrepreneurial population. There is therefore considerable scope to improve the number of women entrepreneurs in the economy and the level at which they operate (Blair, 2007:1).

The aim of this chapter is to provide insight into women entrepreneurship, focusing on the definition of entrepreneurship, the contributions of entrepreneurship in the economy, women entrepreneurship, factors that motivate women to start their businesses, unique challenges facing women entrepreneurship and support and development facing women entrepreneurship.

### **2.2 DEFINITION OF ENTREPRENEURSHIP**

“Entrepreneur” is a French word with its origin dating back to the 1700s, and since then has evolved to mean someone who “undertakes a venture”. Jean-Baptiste Say, a

French economist of the 1800s, stated that: “...an entrepreneur shifts economic resources out of an area of low productivity into an area of higher productivity and greater yield” (Herrington et al., 2009:11).

There are numerous contemporary definitions, many of which evolved during the latter half of the 20th century and were well summarised by Hitt, Ireland, Camp and Sexton in 2002. The following table offers the different definitions of entrepreneurship.

**Table 2.1: Definitions of Entrepreneurship**

<b>Author</b>	<b>Definition</b>
Schumpeter (1934)	Entrepreneurship is seen as new combinations, including the doing of new things that are already being done in a new way. New combinations include: <ul style="list-style-type: none"> <li>• Introduction of new goods</li> <li>• New method of production</li> <li>• Opening of new markets</li> <li>• New sources of supply</li> <li>• New organisations</li> </ul>
Kirzner (1973)	Entrepreneurship is the ability to perceive new opportunities. This recognition and seizing of the opportunity will tend to “correct” the market and bring it back to equilibrium.
Drucker (1985)	Entrepreneurship is the act of innovation that involves endowing existing resources with new wealth capacity.
Stevenson, Roberts and Crousbeck (1985)	Entrepreneurship is the pursuit of an opportunity without concern for current resources or capabilities.
Rumelt (1987)	Entrepreneurship is the creation of new business: new business meaning that they do not exactly duplicate existing business but have some element of novelty.
Low and MacMillan (1988)	Entrepreneurship is the creation of new enterprise.
Gartner (1988)	Entrepreneurship is the creation of organisations: the process by which new organisations come into existence.
Timmons (1997)	Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach, and leadership balanced.
Venkataraman (1997)	Entrepreneurship research seeks to understand how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom and with what consequences.
<b>Author</b>	<b>Definition</b>

Morris (1998)	Entrepreneurship is the process through which individuals and teams create value by bringing together unique packages of resource inputs to exploit opportunities in the environment. It can occur in any organizational context and can result in a variety of possible outcomes, including new ventures, products, services, processes, markets, and technologies.
Sharma and Chrisman (1999)	Entrepreneurship encompasses acts of organisational creation, renewal, or innovation that occur within or outside an existing organisation.
Sharma <i>et al.</i> (2004)	Entrepreneurs are individuals or groups of individuals, acting independently or as part of a corporate system, who create new organisations or instigate renewal or innovation within an existing organisation.

**Source:** Herrington *et al.* (2009:12) and Sharma *et al.* (2004:1)

As it can be noted in the table above and herewith, entrepreneurship is characterised by words such as innovation, change, risk taking, opportunity recognition, driving force, and economic growth (Ahl, 2006:601). O'Neill and Viljoen (2001:37) add and agree with the above definitions of entrepreneurship by saying that the common image of an entrepreneur is someone who owns a small business. There is a widespread acceptance of the notion that entrepreneurship is a variable phenomenon and that it has underlying dimensions. The most frequently cited dimensions are innovativeness, risk taking and proactive behaviour.

Botha *et al.* (2007:166) also contribute to the definition of entrepreneurship by arguing that the entrepreneurial skills needed by an entrepreneur amongst others include:

- Risk propensity.
- Creativity and innovation.
- Opportunity identification.
- Role model analysis (success factor).
- Networking.
- Leadership.
- Motivation.

- Social skills.
- Start-up skills.

Becoming an entrepreneur, as it is believed, is not only potentially very lucrative, but also provides individuals with challenge and the opportunity to maximize their power, autonomy, and impact (Heilman & Chen, 2004:348). There are two types of entrepreneurs, the opportunity and the necessity entrepreneurs. The opportunity entrepreneurs are people who identify available opportunities and exploit them. Necessity entrepreneurs are those who create self-employment in response to job loss or when their options for work or participation in the economy are absent or are considered unsatisfactory (Tominc & Rebernik, 2003:784).

Jalbert (2000:23) perceives entrepreneurship as a highly personal and a subjective process. Hence, becoming an entrepreneur is an evolution of encountering, assessing, and reacting to a series of experiences, situations, and events produced by political, economical, social and cultural change. These diverse circumstances prompt individual entrepreneurs to modify their personal living conditions.

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions (Kuratko & Hodgetts, 2004:30 in Kuratko, 2005:578).

Entrepreneurship's essential ingredients include:

- The willingness to take calculated risks in terms of time.
- Equity or career.
- The ability to formulate an effective venture team.
- The creative skill to marshal needed resources and fundamental skill of building solid business plan.
- The vision to recognise opportunity where others see chaos, contradiction, and confusion (Kuratko *et al.*, 2004:30 in Kuratko, 2005:578).

## 2.3 THE CONTRIBUTION OF ENTREPRENEURSHIP IN THE ECONOMY

Entrepreneurship has been identified as being vitally important to the wellbeing of any economy, and its potential to contribute to the creation of employment and the alleviation of poverty (Herrington *et al.*, 2009:11). Furthermore, the entrepreneurial activity is considered to be an important mechanism for economic development through job creation, innovation and its welfare effect, which has led to a growing policy interest in entrepreneurship at a national level (Herrington *et al.*, 2009:7).

Kuratko (2005:577) argues that entrepreneurship emerged over the last two decades as arguably the most potent economic force the world has ever experienced. The entrepreneurial revolution has taken hold across the globe and has undeniably impacted the world of business forever. It is argued in the US (United States) that entrepreneurial firms make two indispensable contributions to the market economies. First, they are an integral part of the renewal process that pervades and defines market economies. Entrepreneurial firms play a crucial role in the innovations that lead to technological change and productivity growth. In short, they are about change and competition because they change the market structure. The market economies are dynamic organic entities always in the process of “becoming,” rather than an established one that has already arrived. They are about prospects for the future, not about the inheritance of the past (Kuratko, 2005:577).

Second, entrepreneurial firms are the essential mechanism by which millions enter the economic mainstream. Entrepreneurial firms enable millions of people, including women and minorities to access the pursuit of economic success. The greatest source the US strength, for example, has always been the American dream of economic growth, equal opportunities, and upward mobility. In this evolutionary process, entrepreneurship plays the crucial and indispensable role of providing the “social glue” that binds together both high-tech and “Main Street” activities (Small Business Administration (SBA) in Kuratko, 2005:577).

Ahl (2006:602) says that entrepreneurship is constructed as something positive, leading to improvement. It fits nicely into the grand narrative of modernity in which development not only implies change but also implies progress, which is both valued and expected. Furthermore, entrepreneurship is an instrument for economic growth.

The 1995 publication of the White Paper on the Development of Small Business indicated that the government in South Africa realised the importance of developing entrepreneurship and small businesses (White Paper, 1995:5 in O'Neill *et al.*, 2001:37). It was stated that small, medium and microenterprises (SMMEs) offered an important vehicle to addressing the challenges of job creation, economic growth and equity in South Africa: the stimulation of SMMEs must be seen as part of an integrated strategy to take this economy onto a higher road, one in which our economy is diversified, productivity is enhanced, investment is stimulated and entrepreneurship flourishes (O'Neill *et al.*, 2001:37).

Hence, the 2002 South African GEM report acknowledged a growing consensus within South Africa about the importance of entrepreneurship as a factor impacting on economic development. In 2002, the Adult Population Survey (APS) and National Expert Survey (NES) argued that South Africa was still ranked as one of the lowest of all developing countries involved in GEM. For example, South Africa was ranked as 15th out of 37 in start-up activity and 29th in new firm activity, with only 2% of the adult population being involved in new firms. South Africa ranked in the lowest quartile of all GEM countries in two key measures, namely opportunity entrepreneurship and new firm activity. Total early-stage entrepreneurial activity (TEA) rates in South Africa were particularly low, approximately half of what the TEA rates were in other developing countries (Herrington *et al.*, 2009:33).

South Africa's TEA rate remained unchanged in 2005 and was still the lowest of all the developing countries participating in the GEM survey. Not only was the rate of necessity entrepreneurship (2.05%) extremely low but, more importantly, the opportunity rate (2.95%) remained the lowest of all the developing countries. In 2006, despite improved

macro-economic conditions in the country and the fact that its TEA indices had remained relatively constant over time, South Africa's position in the GEM rankings was shown to have deteriorated (Herrington *et al.*, 2009:33).

In addition, the TEA rates for most countries have remained fairly stable over this period (2002 - 2008). South Africa's TEA (ranging from 4.3% – 9.4%) remained consistently below the average of the efficiency-driven countries (8.3% – 14.9%) and well below the average of factor-driven economies (10.3% – 31.6%). This is of obvious concern, given the extremely high levels of unemployment in South Africa (Bosma & Levie, 2010: 11 in Malaza, 2010:7).

As a result of South Africa's low TEA, Blair (2007:1) argues that the majority of South African women entrepreneurs are working in the lower order sector: crafts, hawking and personal services, which are low tech and without significant potential to create much needed jobs.

Subsequent, it is important to ask why South Africa's early stage entrepreneurial rate is so low. The GEM report conclusively show that the low level of early stage entrepreneurial activity in South Africa is influenced by amongst others:

- A low level of overall education, especially in maths and science.
- Social and entrepreneurial factors that do not encourage entrepreneurship as a career path of choice.
- A lack of access to finance, particularly in the micro-financing arena.
- A difficult regulatory environment (Herrington *et al.*, 2009:15).

Therefore, the entrepreneurial development is important for economic development, but for entrepreneurship to be seen as a viable income generating activity it must be linked to factors that influence confidence, a positive perception of entrepreneurship and the desire to take the risk necessary to start a new business. A culture of entrepreneurship could unleash the economic potential of all people in South Africa, particularly the youth

who need to be provided with options that allow them to actively contribute towards the economy (Herrington *et al.*, 2009:25).

The GEM report recommends the following for South Africa to enhance entrepreneurship (See Table 2.2 below).

**Table 2.2: National experts’ recommendations to stimulate entrepreneurial activity**

Category	Recommendations
Education and training	<p>Improve basic education, with special emphasis on numeracy, literacy and vocational training. South Africa should employ volunteers from the UK and US to assist in raising Maths and English competency in South African schools.</p> <ul style="list-style-type: none"> <li>• Improve education in business skills at school level to stimulate entrepreneurial capacity in the youth.</li> <li>• Increase investment in training programmes and educational institutions in the fields of maths and science.</li> <li>• Extend financial literacy and vocational training programmes to the unemployed.</li> <li>• Establish a wide-ranging apprenticeship system to provide artisan skills, especially to young people.</li> <li>• Provide up-to-date training programmes that focus on the entrepreneurs’ needs, rather than outdated programmes that cater predominantly for general managers.</li> <li>• Entrepreneurial trainers and consultants must themselves be well-trained and/or experienced in the specific area of expertise they offer.</li> <li>• Enterprise support programmes must be properly and regularly evaluated, and constantly improved.</li> </ul>

Government policies	<ul style="list-style-type: none"> <li>• Introduce policies that reduce the cost of doing business: set up costs (e.g. administration costs such as licensing, statutory requirements), telecommunications, BEE scorecard. <ul style="list-style-type: none"> <li>• Simplify business registration procedures, e.g. a single form of maximum three pages for bank/ tax/ CIPRO. Provide online facilities (where possible) for forms, returns, and access to other entrepreneurs.</li> <li>• Simplify tax regulations for start-up entrepreneurs.</li> <li>• Liberalise the labour market, or introduce a two-tier labour market with increased flexibility for smaller companies.</li> <li>• Government should aggressively incentivise entrepreneurship through greater development of specialised economic zones, providing tax breaks for businesses below certain revenue thresholds and lowering barriers to entry in certain industries.</li> </ul> </li> <li>• Refine the Preferential Procurement Act and institute better performance management of the implementers of the Act.</li> </ul>
Financial support	<p>Simplify funding application processes to accommodate the reality of the majority of South African entrepreneurs.</p> <ul style="list-style-type: none"> <li>• Ensure that the provision of start-up funding is coupled to ongoing mentorship, training and access to support services.</li> <li>• A full audit should be done on all organisations (private and government) that offer funding/ funding advice to SMMEs. Once the successful organisations have been identified, they should be partnered with government funding agencies such as Khula to ensure that best-practice models are replicated.</li> </ul>
Other	<p>Create clusters/incubators/business hubs – including entrepreneurs as well as commercial and professional support structures – so that start-ups can be assisted in a more protected and supportive environment. This is particularly important in rural and semi-rural areas where poor infrastructure (physical and commercial) is a major barrier to small businesses.</p> <ul style="list-style-type: none"> <li>• Provide incentives for high-growth entrepreneurial ventures, especially in the technology sector.</li> <li>• A societal ethos of self-sufficiency rather than state-dependency should be inculcated from primary school level.</li> <li>• All current government support programmes for new and small businesses should be privatised. In general, government-administered programmes are ineffective at best and corrupt at worst.</li> </ul>

**Source:** Herrington *et al.* (2009:91)

## 2.4 REVIEW ON WOMEN ENTREPRENEURSHIP

Worldwide, the number of female business owners continues to increase steadily. For example, women produce more than 80 percent of the food for Sub-Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East, and more than 30 percent for Latin America. Female entrepreneurs are active at all levels: domestically, regionally and globally (Jalbert, 2000:10).

Increasingly, female entrepreneurs are considered important for economic development. Not only do they contribute to employment creation and economic growth through their increasing numbers, they also make a contribution to the diversity of entrepreneurship in the economic process (Verheul, Stel & Thurik, 2004:3). Women bring commitment and integrity because they care about economic empowerment, entrepreneurial development and innovation (Jalbert, 2000:9).

Thus, women business owners are innovators, job creators, and providers of economic security. As owners of small and medium-sized enterprises (SMEs) women can also supply multinational companies with ideas, inventions, technology, raw materials, supplies, components, and business services. Ultimately, female business owners will be recognised for who they are, what they do, and how significantly they impact the global economy (Jalbert, 2000:8).

The TEA index for women entrepreneurs in South Africa was lower than the averages of all countries who participated in the GEM 2006 studies. This is of importance as the ratio of male to female entrepreneurs in other efficiency-driven countries such as Peru and Argentina is 1.1:1. In South Africa women make up 52% of the adult population. Of this only 41% are considered to be part of the active working population and only 14.7% find themselves in executive management positions. Female involvement in entrepreneurship has remained constant over time, despite a number of initiatives undertaken by government (DTI, 2005) for an example: SAWEN (South African Women

Entrepreneurs Network), SAWIMA (South African Women in Mining) and TWIB (Technology for Women in Business) (Herrington *et al.*, 2009:41).

#### **2.4.1 Definition of women owned businesses**

The National Directory of Woman-Owned Business Firms defines a woman-owned business as follows (Business Research Services, 2001 in Mattis, 2004:154):

- One or more of the principal owners, or the majority of shareholders are women.
- As a group, the woman owners or shareholders own at least 51 percent of the business.
- The woman owners or shareholders have dominant control over the business and participate in day-to-day operations.
- The business is a going concern.

#### **2.4.2 Distinctiveness of women entrepreneurs**

Verheul *et al.* (2004:3) argue that there is a difference between male and female entrepreneurs. They argue that female and male entrepreneurs differ with respect to their personal and business profile: they start and run businesses in different sectors, develop different products, pursue different goals and structure their businesses in a different fashion (Fischer, Reuber & Dyke, 1993; Brush, 1992; Chaganti & Parasuraman, 1996; Verheul & Thurik, 2001; Verheul, 2003; Carter, Williams & Reynolds, 1997).

Female entrepreneurs are suggested to be different from their male counterpart in terms of age, educational background, financial skills, and more importantly in terms of self-efficacy (Chowdhury & Endres, 2005:2). Zabludovsky (1998:1) adds by arguing that women business owners share their business decision making and partially delegate the function of the company. Many of them conceive that they have a participatory

leadership style. Tenacity and dedication to work are considered the most important personal qualities for success.

Table 2.3 below offers a comparison between men and women entrepreneurs' characteristics.

**Table 2.3: Comparison between men and women entrepreneur's characteristics**

<b>Characteristic</b>	<b>Male entrepreneurs</b>	<b>Female entrepreneurs</b>
Motivation	Achievement – strive to make things happen. Person independence-self – Image as it relates to status through their role in the corporation is unimportant. Job Satisfaction arising from the desire to be in control	Achievement – Accomplishment of a goal independence – to do it alone Job satisfaction arising from previous job frustration
Departure	Dissatisfaction with present job Sidelined in college Sidelined to present job Outgrowth of present job Discharge or layoff Opportunity for acquisition	Job frustration Interest in and recognition of opportunity in the area Change in personal circumstances
Source of funds	Personal assets and savings Bank financing Investors Loans from friends or family	Personal assets and savings Personal loans
Occupational background	Experience in line of work Recognized specialist or one who has gained a high level of achievement in the field	Experience in area of business, middle- management or administrative level Experienced in the field.
Personality characteristics	Competent in variety of business functions Opinionated and persuasive Goal-oriented Innovative and idealistic High level of self confidence Enthusiastic and energetic Must be own boss	Service-related occupation background Flexible and goal-oriented Creative and realistic Medium level of self-confidence Enthusiastic and energetic Ability to deal with the social and economic environment
Background	Age when starting venture 25-35	Age when starting venture 35-45

	Father was self-employed College educated-degree in business or technical area (usually engineering) Firstborn child	Father was self-employed College educated-degree in liberal arts Firstborn child
Support group	Friends Professional acquaintances (lawyers, accountants) Business associates & Spouse	Close friend
Type of business started	Manufacturing or construction Average net income \$7,100/Year	With spouse Family woman's profess. groups Trade associations Service-related-educational service Consulting; Public relations Average net income \$2,200/year

**Source:** Hisrich and Peters (1995: 63 in Lebakeng 2008:31)

Hisrich and Peters (1995:62) argue that women entrepreneurs mainly fall in the age group of 35 to 45 and were married with children. These authors also found that most of the women entrepreneurs were the first born in their families. They as well as their parents had high levels of education. This type of background provided the women entrepreneurs with good role models and a supportive financially sound environment in which to start a new venture.

Coulter (2003:18 in Lebakeng, 2008:30) argues that some of the more popular demographic factors include; family birth order, gender, work experience, education and an entrepreneurial family. However, other demographic traits that have been studied by entrepreneurship researchers include: marital status, education level of parents and social economic status. While characteristics of both male and female entrepreneurs are generally very similar, in some respect female entrepreneurs possess very different motivation, business skill levels and occupational suitable backgrounds than their male counterparts as demonstrated in Table 3 (Hisrich & Peters, 1995:62).

Chowdhury and Endres (2005:1) offer a counter argument to the statement by saying that women entrepreneurs are generally suggested to have characteristics somewhat

different from their male counterparts. Besides several unique individual characteristics, it is proposed that women's self-confidence of being an entrepreneur is less than men's. Female entrepreneurs have the ability to build and maintain long-term relationships and networks, to communicate effectively, to organise efficiently, to be fiscally conservative, to be aware of the needs of their environment, and to promote sensitivity to cultural differences. As a result women's enterprises are qualitatively different from men's enterprises (Jalbert, 2000:24).

Despite the different arguments and counter arguments offered in this document, entrepreneurship has two different, though related, components. First, there are variables that influence entrepreneurial behaviour across countries and across gender. These variables are universal determinants of entrepreneurial behaviour, although they may have gender specific effects. In other words, they influence both sexes but not necessarily in the same way or with the same intensity. For example, the stability of the ratio of female-to-male entrepreneurship, and the stability of prevalence rates for different age groups, both indicate that women and men are influenced by many of the same variables when making entrepreneurial decisions (Minniti & Arenius, 2003:7).

### **2.4.3 Industry and business characteristics**

Men and women entrepreneurs are found in two distinct sectors: the formal or traditional mainstream sector, and the informal or marginalised sector. An informal sector that operates outside the formal sector is very active in developing and transitional economies. Informal economic activities and their related incomes and outlays often escape statistical reporting; yet self-employment is an important economic opportunity for women (Jalbert, 2000:16).

Table 2.4 below discusses the different types of businesses between males and females and their dominance.

**Table 2.4: Business characteristics for males and females**

<b>Name of business</b>	<b>Females</b>	<b>Males</b>
<b>Business form by gender:</b> <b>Limited company</b> is the most common form of business organization, and partnership is the least common.	Limited companies are mostly owned by males	Few limited companies are owned by women.
<b>Sole proprietorship</b>	The most common form of business organization for female businesses is sole proprietorship	Few sole proprietorships are owned by males.
<b>Partnership</b>	Females are few in the partnership business compared to males.	Most males own partnerships.
<b>Business sector by gender:</b>	Females are few in this sector compared to males.	Most males own this sector
<b>Agriculture/Forestry/Fishing/Construction</b>	Very few females in the construction sector	Mostly and highly owned by males
<b>Mining</b>	Very few females in the mining sector	Mostly and highly owned by males
<b>Manufacturing</b>	Few women in the manufacturing sector	More males compared to females
<b>Transport/Manufacturing</b>	Few females in the sector	More males compared to females
<b>Wholesale/ retail</b>	Few females	More males compared to females
<b>Services</b>	More females in the sector	Few males in the sector

**Source:** Mukhtar (1998: 46) and Shim and Eastlick (1998:25)

Verheul *et al.* (2004:9) distinguished that the size of the informal sector might positively impact women entrepreneurship. The informal sector activity might appeal to women since it is relatively easy to operate in and is often close to home. Informal activity might be a way for women to realize greater flexibility to combine work and household activities. Furthermore, Verheul *et al.* (2004:495) argue that the majority of women-owned businesses are concentrated in service sectors, which are perceived as traditional areas of female employment. Watson (2003: 262) conquers and argues that female business ownership is concentrated primarily in the service industries where

businesses are relatively smaller in terms of employment and revenue as opposed to high technology, construction and manufacturing.

Botha *et al.* (2006:16) quotes Arenius, Minniti and Langowitz (2005: 28) as saying businesses headed by women tend to be smaller than those headed by men. Botha *et al.* (2006: 16) goes on to argue that normally the smaller size is perceived as a problem and it is assumed that, if they could, women would want to expand their businesses as much as male entrepreneurs do. This perception has important consequences for women entrepreneurship, as women may have a harder time in obtaining external financing and, in general, credibility as business owners and managers.

## **2.5 FACTORS THAT MOTIVATE WOMEN TO START THEIR BUSINESSES**

Entrepreneurship is a survival instinct that motivates women to start a business. Around the world, dismal economic conditions, high unemployment rates, and divorce catapult women into entrepreneurial activities. Desperate to put food on the table for their children, women are defying societal norms in order to survive (Jalbert, 2000:23). In addition women entrepreneurs face different issues, depending on the stage of their personal life cycle, region or industry of location and role perceptions in entrepreneurship (DTI, 2005:8).

Langowitz and Minniti (2007:347) quote Acs, Arenius, Hay, and Minniti (2005) as saying it is particularly important that we understand what factors mobilise or prevent women from starting new businesses. Failure to understand these factors may result in the underutilization of women's human capital and, as a result, in the perpetuation of lower living standards and in the implementation of costly and ineffective policies. But what factors influence the entrepreneurial propensity of women? (Langowitz *et al.*, 2007:347). Segal, Borgia and Schoenfeld (2005:42) argue that because motivation plays an important part in the creation of new organisations, theories of organisational creation that fail to address this notion are incomplete.

Kock (2008:53) offers a compilation of pull and push motivational factors together with other researchers that have studied different motivational factors. Table 2.5 below offers push and pull motivational factors (as compiled by Kock, 2008:53).

**Table 2.5: Push and pull motivational factors**

<b>PULL MOTIVATIONAL FACTORS</b>	
Desire for greater independence	Bradley and Boles (2003:301) Marlow (1997:208) Hisrich and Peters (1996:98) Hughes (2006:109)
Provides a challenge	Hughes (2006:109)
Improved financial opportunity	Hughes (2006:109) Marlow (1997:208)
Self-fulfillment	Borgia, Schoenfeld and Segal (2005:3) Hughes (2006:109) Bruni, Gherardi and Poggio (2004:260)
Desire to be own boss	DeMartino and Barbato (2003:830) Hughes (2006:109)
Flexibility for balancing family and work	Borgia <i>et al.</i> (2005:3) Carter, Gartner, Shaver and Gatewood (2003:17) Hughes (2006:109) Lombard (2001:216)
Potential to develop a hobby	Bradley and Boles (2003:301) Marlow (1997:208)
Gaining recognition of others	Eckel and Grossman (2002:288)
Role model influence	Anna, Chandler, Jansen and Mero (2000:392)

<b>PUSH MOTIVATIONAL FACTORS</b>	
Job dissatisfaction	Borgia <i>et al.</i> (2005:3) Tangiguchi (2002:882)
Prolonged joblessness	Hughes (2006:109)
Lack of available work	Hughes (2006:109)
Insufficient salary	Hughes (2006:109)
Hitting the glass ceiling	Borgia <i>et al.</i> (2005:3)
Involuntary layout	Hughes (2006:109)
Career frustration	Marlow (1997:208)

Source: Kock (2008:53)

The authors Orhan and Scott (2001) in McClelland, Swail, Bell and Ibbotson (2005:86) argue that the “pull” or positive factors are those associated with factors of choice and the desire for entrepreneurial aspirations. They include factors like: independence, self-fulfillment, autonomy, self-achievement, being one’s own boss, using creative skills, doing enjoyable work, entrepreneurial drive and desire for wealth, social status and power. Simpson (1991) and Carter and Cannon (1992) in McClelland *et al.* (2005: 86) found that the need for independence and the challenge of business ownership are the most frequently quoted ‘pull’ motivators for women entrepreneurs.

On the other hand the “push” or negative factors are associated with the necessity factors that force the female into pursuing her business idea. Push factors are those that push individuals into entrepreneurship (McClelland *et al.*, 2005: 86). Alstete (2002) and Orhan *et al.* (2001) in McClelland *et al.* (2005: 86) argue that the push factors include: redundancy, unemployment, frustration with previous employment, the need to earn a reasonable living and a flexible work schedule, reflective of the family caring role that is still expected from women. Welsh (1988) and Carter *et al.* (1988) in McClelland *et al.* (2005: 86) argue that there is evidence of a “glass ceiling effect” that impede executive women from reaching more senior executive positions and thus pushes them from management positions into their own business.

Still and Timms (2000) in DeMartino and Barbato (2003:819) argue that women are motivated to start a business because of lifestyle issues, that is, flexibility and the ability to balance work with their relationships and family. Research (Keeble, Bryson & Wood,1992; Orhan *et al.*, 2001 in Segal *et al.*, 2005:44) indicates that individuals become entrepreneurs primarily due to “pull” factors, rather than “push” factors.

Although this is the case, Lebakeng (2008: 6) quotes Ghosh and Cheruvalath (2007:149) as saying that only one-fifth of women are drawn into entrepreneurship by pull factors. The rest are forced into entrepreneurship by push factors.

In South Africa, women’s reasons or factors motivating them into business are the following:

- Government policies are favouring previously disadvantaged groups such as women.
- There are more role models for women entrepreneurs.
- Women compete against male entrepreneurs and that motivates them to prove themselves.
- Networking with other women entrepreneurs helps them to become better entrepreneurs. There are enough opportunities for networking but they are not fully utilised.
- Women want to become financially independent and do things on their own, particularly because they have not previously had the opportunity to do so.
- Women entrepreneurs experience a flexibility in their businesses that allows them to organise their business around their personal requirements such as taking care of the family.
- Women who cannot make it in the corporate environment normally start their own businesses.
- Women have a passion to work with people.
- The support of family helps women to go into business.

- Women entrepreneurs can offer and deliver the same services as corporate companies at less cost to clients.
- Women start their own businesses to get away from corporate politics because women are not natural corporate political players.
- Women want to take care of their children and extended family.
- Business presents an opportunity for gaining experience and self-development and realizing self-potential.
- Women can make a name for themselves in businesses that require a woman's understanding, such as house cleaning (Maas & Herrington, 2007:39).

## **2.6 UNIQUE CHALLENGES FACING WOMEN ENTREPRENEURSHIP**

Heilman *et al.* (2004:351) argue that achieving a good balance between work and family life is a major concern. It is not an easy task, and working women, in particular, are feeling the challenges of trying to maintain such a balance (Phillips & Imhoff, 1997 in Heilman *et al.*, 2004:351; Shelton, 2006:286).

Minniti *et al.* (2003:12) argue that male and female entrepreneurs tend to face very different business obstacles; they experience different domestic demands, as well. Women are starting new businesses at an increasing rate, but they are still more likely to be the primary parent, emotional nurturer and housekeeper.

Herrington *et al.* (2009:71) argue that women in South Africa are confronted with the following factors in starting their businesses:

- Higher levels of domestic responsibility.
- Lower levels of education (particularly in developing countries).
- Lack of female role models in the business sector.
- Fewer business orientated networks in their communities.
- Lack of capital and assets.

- Lower status in society and a culturally-induced lack of assertiveness and confidence in their ability to succeed in business.

Herrington *et al.* (2009:71) assert that the above factors may prevent women from perceiving as well as acting on entrepreneurial opportunities.

Blair (2007:1) argues that women entrepreneurs, like men, have to deal with poor access to finance, sub-standard infrastructure and regulations that create administrative burdens and costs, making survival and success in the entrepreneurial business world even tougher. However, in addition to this, women have to contend with negative prevailing socio-cultural attitudes and gender discrimination. Women entrepreneurs have lower credibility when it comes to dealing with suppliers at banking institutions and clients. They are also more likely than men to lack belief in themselves, over 50% do not believe they have the skills and mindset to become entrepreneurs as they have lower levels of education.

The Department of Trade and Industry's (DTI) special report (2005:8) identified factors that affect women entrepreneurs in South Africa, these include the following:

- Race, gender and geographic location.
- Poverty.
- Landlessness.
- Vulnerability.
- Education.
- Family responsibilities.
- HIV and AIDS.

A detailed explanation of the above mentioned factors that affect women entrepreneurs is tabled underneath (See table 2.6).

**Table 2.6: Detailed explanation of the factors affecting women entrepreneurs**

<b>Factors affecting women entrepreneurs in South Africa</b>	<b>Explanation</b>
Race, gender and geographic location	Entrepreneurship in South Africa is affected by a number of factors including race, gender and location. The statistics on gender in the economy reveal large differences between women and men and between black and white women. Because of the limited opportunities in the formal employment sector, many women, and especially black women, are forced to work in the poorly paid and largely unregulated informal sector. Access and control over resources is still based on race, gender and class. Consequently, South Africa remains characterised by extreme poverty, social disintegration, mass unemployment and the exclusion of the majority of people from socio-economic development and growth (Kehler, 2000 in DTI, 2005:12).
Poverty	A number of factors contribute towards the poverty of women in South Africa. The gendered division of labour in the household, the low value accorded to women's work with the concomitant clustering of women in low-paid jobs contributes to female poverty. Although the position of some people from previously disadvantaged groups has improved, this improvement merely seems to indicate that the specific character of inequality is changing from being race-based to being class-based. However, the racial dimension of poverty in South Africa is still profound, with income patterns highly skewed against Africans. The plight of the poor is exacerbated by a lack of basic services, poor housing and inadequate infrastructure. African women have been worst affected by poverty (DTI, 2005:12).
Land	Historical factors and unequal gender relations continue to hinder women's access to land and control over resources in a number of ways: Women's land rights are still limited and insecure (Brohman, 1996; Pose, 1999; World Bank, 1990 in DTI, 2005:12).
Family responsibility	Pressure to run a home, look after children and care for the husband and family limit women. Negative economic development impacts negatively on women as they have to cope with taking care of children, often as single parents (Morris & Brennan, 2003; Ndu, 1997; Paper, 2000; Portes, 1999).
HIV and AIDS	HIV/AIDS has a direct effect on women's entrepreneurship in South Africa. It is imperative that all community/family/business networks be engaged in the process of building the social and cultural capital required to address the problems (Cabinet Memorandum, 1996, unpublished; Gilbert & Walker, 2002 in DTI, 2005:13).

<p>Education and training</p>	<p>Women entrepreneurs are ill-equipped educationally and financially. Training requires preparation of targets, budgets and knowledge of business performance. Communication technologies, in some instances, still contribute towards the negative or degrading portrayal of women (Brohman, 1996; Cabinet Memorandum, 1996, unpublished; Maistry, 1999; Ndu, 1997).</p> <p>Creating educational tactics for improving technical skills is fundamental for entrepreneurial growth. Technology, education, and training issues are tightly interwoven and can prevent women entrepreneurs from reaching their profitability potential (Jalbert, 2000: 28).</p>
<p>Access to finance</p>	<p>Black women entrepreneurs are denied access to affordable financial services (Brohman, 1996; the DTI, 2004; World Bank, 1990 in DTI, 2005:13).</p> <p>Jalbert (2000:26) named access to finance and credit barrier. The importance of access to credit is identified as a major barrier to entry into self-employment throughout the world. Women setting up microenterprises, SMEs, or formal large-scale businesses all encounter varying degrees of difficulty in obtaining capital, collateral, and fair lending terms. In fact, according to a study by Clark and Kays, in Jalbert, (2000:26) argue that 41% of entrepreneurs report that lack of money is the greatest obstacle to starting a business, and 47% cite lack of capital as the greatest barrier to business growth. Bankers' pessimistic view of women's creditworthiness fosters a reluctance to grant credits. This constitutes another obstacle to female entrepreneurship.</p>

**Source:** DTI (2005:12) and Jalbert (2000:26)

In support of the above, Ndubizi (2003:114) argues that most entrepreneurs are short of resources, capital and expertise, which constrain exorbitant deployment and experimentation with sophisticated technologies.

In addition to the above-mentioned factors (Refer to Table 2.6), Table 2.7 below offers a summary compiled by Lebakeng (2008:9) of the relevant literature highlighting the obstacles and challenges facing women entrepreneurs.

**Table 2.7: A summary of the relevant literature highlighting the obstacles and challenges facing women entrepreneurs:**

Obstacles	Relevant literature
Lack of business management skills	Kock (2008:103); Coleman (2007:315); Maas and Herrington (2006:41); Brindley (2005:154); McClelland <i>et al.</i> (2005:4); Welter (2004:214); Kantor (2001:6); Boden and Nucci (2000:348); Catley and Hamilton (1998:77); Lee-Gosselin and Grisé (1990:427); Kuratko and Welsch (1994:333); Katepa-Kalala (1999:7)
Lack of education and training (in general)	Coleman (2007:315); Botha (2006:146); Maas and Herrington (2006:41); McClelland <i>et al.</i> (2005:11); Kuratko and Welsch (1994:332); Birley, Moss and Saunders (1987:281)
Inter-role conflict (work/home conflict)	Kock (2008:103); Ahl (2006:605); Bruni, Gherardi and Poggio (2004b:416); Winn (2004:148); Chell (2001:159); Mazzarol, Volery, Doss and Thein (1999:58), Breen, Calvert and Oliver (1995:447); Cannon (1991:334); Catley and Hamilton (1998:78); Mallette and McGuinness (1998:1); Watson (2003:263), Chell and Baines (1998:119); Kuratko and Welsch (1994:333)
Inequality of access to credit (difficult to obtain financing as a woman)	Wasilczuk and Zieba (2008:160); Van Vuuren and Groenewald (2007:273); Abor and Biekpe (2006:106); De Bruin <i>et al.</i> (2007:325); Revivo-Steiner (2006:20); Cavalluzzo and Wolken (2005:2155); Bruni, Gherardi and Poggio (2004a:260); Richardson <i>et al.</i> (2004:52); Verheul, Van Stel and Thurik (2004:14); Welter (2004:212); Baeva (2003:3); Bridge <i>et al.</i> (2003:262); Watson (2003:263); Gundry, Ben-Yoseph and Posig (2002:72); Heidrick and Johnson (2002:2); Kantor (2001:6); O'Neill and Viljoen (2001:39); Weiler and Bernasek (2001:92); Hisrich and Ozturk (1999:123); Breen <i>et al.</i> (1995:446); Cannon (1991:344) Kuratko and Welsch (1994:332); Fay and Williams (1991:65)
Inhibiting laws and regulations (lower access to land, contractual rights- husband's consent or judge approval)	Ong (2008:1); Van Vuuren and Groenewald (2007:273); Maas and Herrington (2006:41); Baeva (2004:3); Welter (2004:214)
Family pressures (gender-role expectations)	Winn (2004:147); Bradley and Boles (2003:22); O'Neill and Viljoen (2001:39); Jalbert (2000:30); Chell and Baines (1998:132)

Lack of self-confidence	Kock (2008:103); Greene <i>et al.</i> (2005:11); Bradley and Boles (2003:17); Minniti and Arenius (2003:16); Jones and Tullous (2002:245); Mallette and McGuinness (1998:12)
Risk averse (great fear of failure)	Kock (2008:103); Verwey (2006:1); Brindley (2005:153); Orhan (1999:6); Cliff (1998:523); Mallette and McGuinness (1998:12); Hutchenson (1995:238)
Socio-cultural environment (lack of respect from male community and stereotype)	Van Vuuren and Groenewald (2007:273); Maas and Herrington (2006:41); Baeva (2004:3); Richardson <i>et al.</i> (2004:82); Kutani and Bayraktaroglu (2003:3); Learner, Brush and Hisrich (1997:318)
Isolation from business network	De Bruin <i>et al.</i> (2007:325); Manolova, Carter, Manev and Gyoshev (2007:411); Welter (2004:213); Learner <i>et al.</i> (1997:324)
Lack of female role models	Mattis (2004:154); Matthews and Moser (1995:366); Lee-Gosselin and Grisé (1990:431)
Lack of timely business information	Kock (2008:103); Van Vuuren and Groenewald (2007:273); Bruni <i>et al.</i> (2004a:256); Welter (2004:213); Kantor (2001:6); Kouriloff (2000:65)
Pressure of childcare	McClelland <i>et al.</i> (2005:11); Affholder and Box (2004:18); Winn (2004:147); Bradley and Boles (2003:22); O'Neill and Viljoen (2001:39); Jalbert (2000:30); Chell and Baines (1998:132)

**Source:** Lebakeng (2008:9)

In conclusion, the 2006 GEM Report highlighted a number of issues that could explain some of the reasons why women in South Africa are less entrepreneurial than men and less entrepreneurial than in other developing countries. The key findings were:

- The majority of women entrepreneurs (71%) had an educational qualification equal to or lower than Grade 12. This may influence the way women entrepreneurs operate, such as their tendency to become involved in opportunities that do not require a high level of expertise.
- The specific entrepreneurial skills that women entrepreneurs lacked were in areas such as financial management, idea generation skills, conducting feasibility studies, exporting and technology skills.

- Women generally do not believe that they are entrepreneurial. However, they are in agreement that an entrepreneurial culture exists in South Africa.
- Women entrepreneurs in South Africa were not concerned about growth and were mostly involved in “me-too” projects.
- As women are often responsible for family welfare, they need to balance family and business obligations. In order to do this they are often involved in projects where the emphasis is on creating additional income, rather than on expanding the business. Often the woman is the head of a family and hence running a business is a large risk.
- Women often do not have assets which can be used as security, nor do they tend to know and understand the terminology used by banks and are therefore hesitant to approach them (Herrington *et al.*, 2009:41).

## **2.7 SUPPORT AND DEVELOPMENT NEEDS OF WOMEN ENTREPRENEURS**

The World Bank President, James Wolfensohn, mentioned in a 1995 address to the Bank’s Board of Governors, that investing in people, particularly through education programs, is the principal engine of social and economic progress (Jalbert, 2000:29).

Worldwide the number of groups offering micro-enterprise credit had grown to an estimated 3,000 by 1998, reaching some 8 million people. The popularity of the microcredit strategy propelled a global movement toward making micro-loans available to people all over the world. Advocacy groups, existing banks, NGOs, and alliances such as the International Coalition on Women and Credit, RESULTS Education Fund (USA), Women’s World Bank, Grameen Bank (Bangladesh), Accion International (USA), FINCA (USA), SEWA (India), VOICE (Africa) and many others promoted the idea of microcredit for microenterprises in policy circles. The 1997 Microcredit Summit was a high point in mainstreaming the microcredit approach by bringing together leaders of governments and development organizations. In 1997, the Microcredit Summit launched its global campaign to reach 100 million of the world’s poorest families, especially the women of those families by the year 2005 (Jalbert, 2000:27).

Meyer (2009:35) quotes Maas and Herrington (2006:39) as saying the South African DTI (Department of Trade and Industry) considers developing a set of incentives for women entrepreneurs, for example incubation, training and creation of networking organisations. The DTI also has an initiative called Technology for Women in Business. This initiative focuses on women entrepreneurs at all levels of business, tracking their skill development and helping them to familiarise with relevant technologies.

Botha *et al.* (2006: 7) highlights other organisations and associations that can provide support and assistance to women entrepreneurs in South Africa. The organisations are tabled in Table 2.8 below.

**Table 2.8: Support organisations for women entrepreneurs in South Africa**

<b>Name of organisation</b>	<b>Abbreviation used</b>
South African Women Entrepreneurs Network	SAWEN
Business Women’s Association of SA	BWASA
SA Women in Mining Association	SAWIMA
National Women in Agribusiness Co-operative	NAWACO
Women in Oil and Energy of SA	WOESA
Women in Nuclear	WIN
African Women Chartered Accountants	AWCA
Women in Information Communication and Technology	WICT
The National African Women’s Alliance	NAWA
Women In Research	WIR
South African Women in Construction	SAWIC

**Source:** Botha *et al.* (2006: 7)

The DTI (2005:11) further advises that support should focus on:

- Education from dependency and entitlement to self-sufficiency and economic growth.
- Development of information technologies to bridge the gap between new and established businesses.

- Establishment of networking links, international partnership, community participation and access to national and global markets.
- Development of partnerships between stakeholders of business incubation and monitoring and support services.
- Establishment and appropriate changes to trade, investment and tax policies to promote and sustain women entrepreneurship.
- Review/change of regulatory frameworks that discourage women entrepreneurship and hinder economic growth.

Botha *et al.* (2007:164) quote O'Neill *et al.* (2001) offering support on how, including training, could be improved for women entrepreneurs in South Africa gave the following is suggested:

- There must be specially developed entrepreneurship development programmes.
- Training should be linked to services like mentoring and after-care.
- Training must be skills- and sector-based.
- Training in life skills (planning and budgeting skills) for the less educated should be considered.

Van der Merwe (2002 in Botha *et al.*, 2007:163) argues that it is imperative to focus on the training of entrepreneurs, particularly the development of previously-disadvantaged individuals, specifically women entrepreneurs.

Van der Merwe and Nieman (2003 in Botha *et al.*, 2007:164) suggested areas in which women entrepreneurs require training. Training on: guidance and advice on compiling a business plan, market research, identifying business and market opportunities, marketing and advertising, entrepreneurial skills training, financial and cash-flow planning, empowerment and enrichment opportunities for women, networking opportunities, relationship building programmes, including mentoring, counselling and advice on managing a business, and risk management and taxation issues were identified.

### **2.7.1 Training model**

Botha *et al.* (2007:168) propose a training model which illustrates the most significant skills to be included in the Women Entrepreneurship Programme (WEP). The WEP includes topics like: networking and support, making use of role models, mentors and counsellors, and confidence-building. It emphasises the marketing and financial aspects of a business, as these aspects are perceived to be the two topics presenting the greatest problems for women entrepreneurs when operating a business.

### **2.7.2 The GEM entrepreneurial framework conditions**

To tap into women entrepreneurship as a source of economic growth, South African entrepreneurship policies need to be addressed. These policies need to focus on ensuring that women who enter the labour market as entrepreneurs can sustain their involvement over time and graduate to higher levels of entrepreneurial activities, this all in the favour of encouraging stronger and more stable economic growth and job creation in South Africa (Maas in Blair, 2007:1).

In promoting and supporting women entrepreneurs in South Africa, an integrated approach needs to be followed. The GEM study recommends nine framework conditions, which need to be addressed, which are: access to finance; government policies; government programmes; education and training; transfer of research and development; commercial, legal and financial infrastructure; openness of the domestic market; access to physical infrastructure; and the extent to which social and cultural norms support the choice of starting a business as a career option (Blair, 2007:1). The above mentioned nine framework conditions are discussed below (See Table 2.9) (Herrington *et al.*, 2009:83).

**Table 2.9: The GEM Entrepreneurial Framework Conditions**

Framework condition	Description
EFC1: Financial support	The availability of financial resources, equity, and debt, for new and growing firms, including grants and subsidies
EFC2: Government policies	The extent to which government policies, such as taxes or regulations, are either size-neutral or encourage new and growing firms. There are two sub-divisions – the first covers the extent to which new and growing firms are prioritised in government policy generally, and the second is about the regulation of new and growing firms.
EFC3: Government programmes	The presence and quality of direct programmes to assist new and growing firms, at all levels of government (national, regional, municipal).
EFC4: Education and Training	The extent to which each level of the education and training system incorporates training in creating/ managing new, small or growing business entities. There are two sub-divisions – primary and secondary school entrepreneurship education and training, and post-school entrepreneurship education and training
EFC5: Research and development transfer	The extent to which national research and development will lead to new commercial opportunities, and whether or not these are available for new, small and growing firms
EFC6: Commercial and professional infrastructure	The presence of commercial, accounting and other legal services and institutions that allow for or promote the emergence of small, new and growing business entities

EFC7: Internal market openness	The extent to which commercial arrangements undergo constant change and redeployment as new and growing firms compete with and replace existing suppliers, subcontractors and consultants. There are two sub-divisions: market dynamics, i.e. the extent to which markets change dramatically from year to year; and market openness, i.e. the extent to which new firms are free to enter existing markets.
EFC8: Access to physical infrastructure	Ease of access to available physical resources – communication, utilities, transportation, land or space – at a price that does not discriminate against new, small or growing firms.
EFC9: Cultural and social norms	The extent to which existing social and cultural norms encourage, or do not discourage, individual actions that might lead to new ways of conducting business or economic activities which might, in turn, lead to greater dispersion in personal wealth and income.

Given the scarce resources available in South Africa and the importance of using them effectively, support should be channelled to those that are capable of contributing to both wealth and job creation (Herrington *et al.*, 2009:48). It is relevant to mention that the South African government has emphasised in the 2009 GEM report the need to support entrepreneurs in the country as entrepreneurship is seen as a system that would assist in job creation and alleviate poverty.

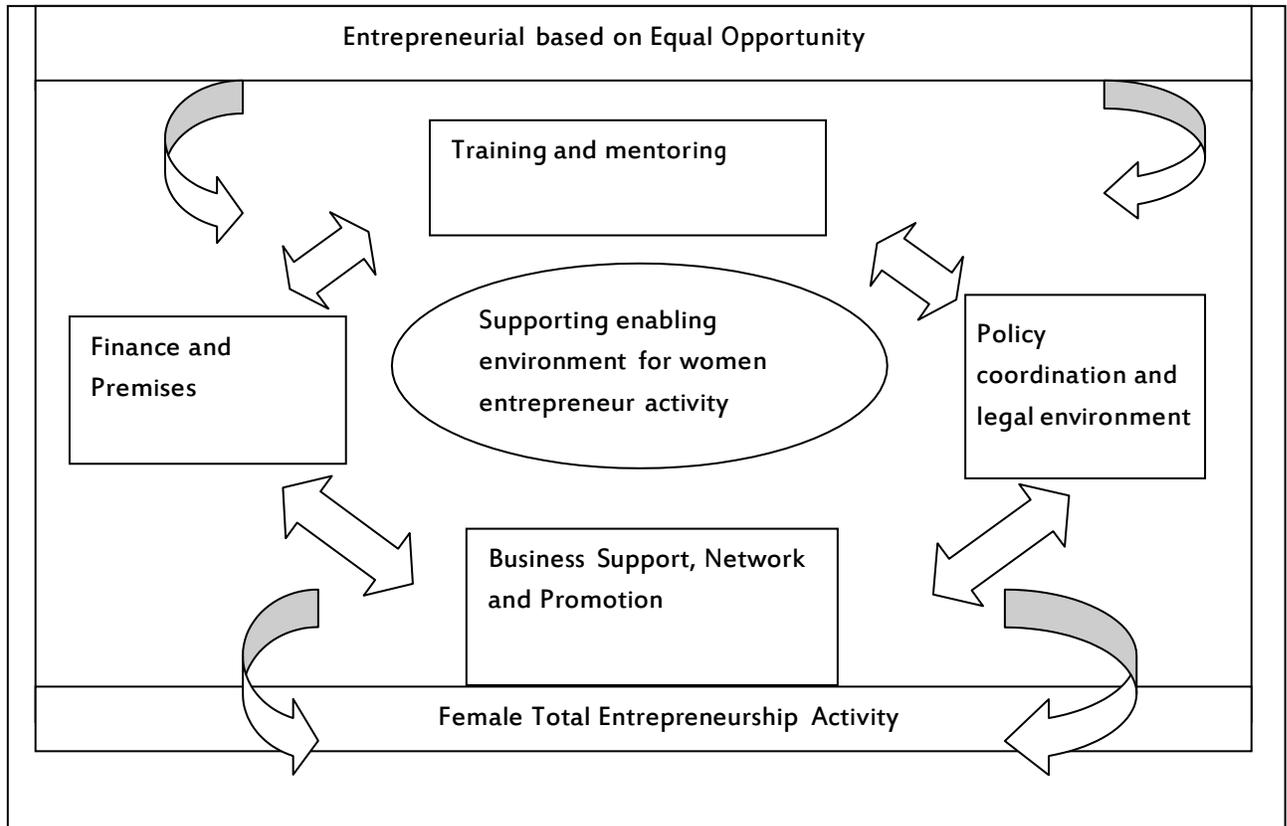
In agreement with the above, Kock (2008:62) quotes Sannikova (2007:4) as saying it is important to create an enabling environment for entrepreneurship, there are key resources that support the creation of an enabling environment for women's entrepreneurship. These are:

- Policy coordination and legal environment.
- Finance and premises.
- Training and mentoring.
- Business support.
- Network.

- Promotion.

The above mentioned resources will be highlighted in the following framework:

**Figure 2.1: Framework for supporting women entrepreneurship activity**



**Source:** Sannikova (2007:18-19 in Kock, 2008:63)

Kock (2008:63) argues that the framework falls in line with current issues addressed by the International Labour Office (ILO). It is in line with the ILO's gender policy, the approach to women entrepreneurship seeks to address that all small enterprise initiatives address gender in their formulation and roll-out. The ILO's work to date has been in four main areas (International Labour Office (ILO), 2004:12):

- The development of a knowledge base on women entrepreneurs.

- The development of a variety of support services for women entrepreneurs and their service providers.
- Supporting advocacy.
- Developing internal and external partnership.

This section highlighted different methods by which women entrepreneurs can be supported, promoted and trained. The section also highlighted other initiatives by the South African government and the International Labour Office on women entrepreneurs' support and training. Despite, government's initiative, women entrepreneurs remain constant as mentioned in section 2.4. This calls for further intervention and initiative by government and the private sector.

## **2.8 SUMMARY**

Being an entrepreneur, one who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else. Entrepreneurs accept the personal financial risks that go with owning a business but also benefit directly from the potential success of the business. Being an entrepreneur is often viewed as an aversive career choice where one is faced with everyday life and work situations that are fraught with increased uncertainty, impediments, failures, and frustrations associated with the process of new firm creation (Campbell, 1992 in Segal *et al.*, 2005:42).

In conclusion, it is relevant to mention that female entrepreneurs' involvement in new business formation, "the economic impact of women led businesses has been downplayed" (Carter, Brush, Gatewood, Greene & Hart, 2002 in McClelland *et al.*, 2005:85). As a result female entrepreneurship is an under-researched area with tremendous economic potential and one that requires special attention (Henry, 2002 in McClelland, *et al.*, 2005:85).

# **CHAPTER 3**

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

### **3.1 INTRODUCTION**

The purpose of this chapter is to present the results of the empirical study, in relation to the problem statement in section 1.2 and the objectives of the study in section 1.3 of chapter one. The discussion of the findings in this chapter will be concluded and associated with the research questions. The different methodological factors and reflections regarding data gathering is discussed.

### **3.2 GATHERING OF DATA**

This section of the chapter offers a detailed explanation of the various methodological factors and reflections in conducting and obtaining the data used in the study.

The section consists of two parts, each demonstrating a different component of the data collection and the gathering process. The first part comprises of information pertaining to the development and construction of the questionnaire and the second part comprises of information pertaining to data collection.

#### **3.2.1 Development and construction of questionnaire**

It is stated in chapter one, that the instrument used in the study is a standardised questionnaire developed by the Potchefstroom Business School (Lebakeng, 2008; Kock, 2008; Meyer, 2009). Information regarding the questionnaire could either be entered by the respondents personally or in assistance utilising the structured interviews.

The initial step was the development of the standard questionnaire where the questions and items were developed from the literature review on women entrepreneurship and the research problem. Questions or items of the same type or rather that pursue the same type of information, were clustered together. The reason for that was to prompt information of a specific or actual type. Design of the investigative categories applicable to the research and literature is combined in the following analytical manner:

- **Section A: Personal information**

- Ethnic group
- Home language
- Age
- Marital status
- Highest academic qualification
- Number of children
- Age of the children
- Past experience before self-employment
- Number of years in self-employment

- **Section B: Business information**

- Industry
- Legal status of the business
- Age of the business
- Path to business ownership
- Source of start-up funding
- Business premises
- Number of employees
- Annual turnover
- Previous exposure to business

- **Section C: Motivational factors and demographic aspects**
  - Motivation or entering self-employment
  - Demographic aspects
  
- **Section D: Obstacles towards women entrepreneurship**
  - During start-up phase of business
  - During current operations
  
- **Section E: Development needs of women entrepreneurs**
  - Previous development by private or government agency
  - Women entrepreneurship association awareness
  - Needs sorting

Sections A, B and E in the standard questionnaire required that the respondents indicate the applicable answer by marking the designated block with a cross. The respondents could mark more than one block where applicable. Sections C and D used a seven point Likert scale to measure responses that sorts from “strongly disagree” with a value of one, to “strongly agree” with a value of seven. The Likert scale gives a reliable measure of the actual position on the continuum, instead of indicating only whether the respondent was favourably inclined on an issue or not.

### **3.2.2 Data collection**

The standard questionnaire was printed and distributed to 30 black women entrepreneurs and 30 white women entrepreneurs in the areas of Carletonville and Soweto because of the sampling method useful.

This research used the snowball sampling method and a convenience sampling method to collect data. Snowball sampling involves using referrals from original possible respondents to create additional respondents. Distinguished black and white women-owned businesses in Carletonville and Soweto were contacted. An initial list of black

and white women entrepreneurs was generated. The black and white women entrepreneurs acted as informants and identified other potential women-owned ventures for inclusion in the sample. A list of 60, that is, 30 black women and 30 white women-owned businesses was gathered and regarded as possible respondents. The 60 identified women were then contacted to check if they regard themselves as women entrepreneurs or not.

The procedures used to distribute the questionnaires encompassed distribution via e-mail, personal delivery and structured interviews using the standard questionnaire (as stated in Section 1.5.2). These structured interviews were conducted as some of the respondents could not write or read and some were disabled but enthusiastic to participate in the research. The research also aimed to distribute questionnaires to a wide variety of business sectors to get a demonstrative and descriptive view of both black and white women-owned businesses. Business sectors included were: retail trade, restaurants, food industry, beauty and skin care services, construction, consulting, training, health services, guest houses, transport and manufacturing.

Demographic areas included the areas of Carletonville and Soweto.

A period of four weeks for responding to the questionnaires was allowed before the researcher could personally collect the questionnaires or receive them via email. A total of 58 usable questionnaires were returned from the sample, which constitutes 97% of the response rate. The main reasons for non-returns during the research period were the inadequate time accessible to respondents to complete the questionnaires and the women entrepreneurs' busy work schedules.

### 3.3 BIOGRAPHICAL INFORMATION OF THE RESPONDENTS

#### 3.3.1 Ethnic group classification of respondents

- **Purpose of question**

The purpose of question A1, in Section A of the questionnaire (refer to Appendix A) was to determine the ethnic group of respondents. The results can be used to check if there are any differences between black and white women entrepreneurs.

- **Results obtained**

The ethnic groups of the women entrepreneurs that responded to the questionnaire are obtainable in Table 3.1 below.

**Table 3.1: Ethnic group classification of respondents**

<b>Ethnic group</b>	<b>Frequency</b>	<b>Percentage</b>
Black	30	51.75%
White	28	48.28%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

The largest group in this analysis is characterised by the black female entrepreneurs which is 51.75%, followed by white female entrepreneurs which is 48.28%.

### 3.3.2 Home language of respondents

- **Purpose of question**

The purpose of question A2, in Section A of the questionnaire (refer to Appendix A) was to determine respondent's home language. The results can be used to check if language plays an important role in business or not.

- **Results obtained**

The home language of all women entrepreneurs that responded to the questionnaire is accessible in Table 3.2 below.

**Table 3.2: Home language of respondents**

Home language	Frequency	Percentage
Afrikaans	22	37.93%
English	5	8.62%
IsiXhosa	5	8.62%
IsiZulu	5	8.62%
Sesotho sa Lebowa	3	5.17%
Sesotho	7	12.07%
Setswana	4	6.90%
Xitsonga	3	5.17%
Missing value	4	6.90%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

The largest group in this analysis is characterised by female entrepreneurs that indicated that they speak Afrikaans which stands at 37.93%, followed by female entrepreneurs that speak Sesotho standing at 12.07%. The third category stands at

8.62% that speak English, isiXhosa and isiZulu, the fourth category stands at 5.17% which speak Xitsonga and Sesotho sa Lebowa. Four respondents did not answer the question.

### 3.3.3 Age group explanation of respondents

- **Purpose of question**

The purpose of question A3, in Section A of the questionnaire (refer to Appendix A) was to determine the age group category of respondents.

- **Results obtained**

The age group category of both black and white women entrepreneurs that responded to the questionnaire is accessible in Table 3.3 below.

**Table 3.3: Age group category of respondents**

Age group	Frequency	Percentage
20 to 29 years old	3	5.17%
30 to 39 years old	10	17.24%
40 to 49 years old	23	39.66%
50 to 59 years old	16	27.59%
60+ years old	5	8.62%
Missing value	1	1.72%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

The largest grouping in this analysis is characterised by the 40 to 49 year age which is 39.66% followed by the 50 to 59 year age group at 27.59%. The third category represents 17.24% which is indicated by the 30 to 39 year age. The fourth category

represents 8.62% which is indicated by the 60 + years old, lastly, 5.17% are 20 to 29 years old. One respondent did not answer the question which constitutes 1.72%.

### 3.3.4 Marital status of respondents

- **Purpose of question**

The purpose of question A4, in Section A of the questionnaire (refer to Appendix A) was to define the marital status of the female entrepreneurs. The results can be used to conclude if there is an association between the marital status and the women’s path to self-employment or rather to check if marriage plays a role in the decision of self-employment.

- **Results obtained**

The marital status of both black and white women entrepreneurs that responded to the questionnaire is obtainable in Table 3.4 below.

**Table 3.4: Marital status of respondents**

<b>Marital status</b>	<b>Frequency</b>	<b>Percentage</b>
Single	9	15.52%
Married	27	46.55%
Divorced	8	13.79%
Widowed	9	15.52%
Living together	5	8.62%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

Table 3.4 indicates that 27 (46.55%) of the respondents are married. A total of nine women entrepreneurs (15.52%) are single and widowed respectively. Eight (13.79%) women entrepreneurs are divorced and five (8.62%) are living together.

### 3.3.5 Highest academic qualification of respondents

- **Purpose of question**

The purpose of question A5, in Section A of the questionnaire (refer to Appendix A) was to determine the highest academic qualification of the respondents. The results can be used in defining the impact of previous education on specific development needs of the respondents.

- **Results obtained**

The highest academic qualification of all participating women entrepreneurs is presented in Table 3.5 below:

**Table 3.5: Highest academic qualification of respondents**

Highest academic qualification	Frequency	Percentage
Lower than matric	10	17.24%
Matric	16	27.59%
Certificate	8	13.79%
Diploma	13	22.41%
Degree	6	10.34%
Post graduate degree	4	6.90%
Missing value	1	1.72%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

Table 3.5 specifies that the most women entrepreneurs have matric (27.59%), followed by a diploma representing 22.41%. A total of ten (17.24%) respondents indicated lower than matric as their highest academic qualification. A total of eight (13.79%) of the respondents indicated a certificate as their highest academic qualification, six respondents (10.34%) indicated a qualification of a degree, four (6.90%) indicated a post graduate and one (1.72%) respondent did not answer the question.

### 3.3.6 Number of children

- **Purpose of question**

The purpose of question A6, Section A of the questionnaire (refer to Appendix A) was to determine the number of children of participating women entrepreneurs.

- **Results obtained**

The number of children of participating women entrepreneurs is presented in Table 3.6 below.

**Table 3.6: Number of children of participating women entrepreneurs**

<b>Number of children</b>	<b>Frequency</b>	<b>Percentage</b>
None	8	13.79%
One (1) child	12	20.69%
Two (2) children	23	39.66%
Three (3) children	9	15.52%
Four (4) children	5	8.62%
Six (6) children	1	1.72%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

The majority of the participants 23 (39.66%) have 2 children, followed by 12 (20.69%) respondents having only one child. A total of nine (15.52%) respondents have three children and eight (13.79%) have no children. Five (8.62%) respondents have four children and only one (1.72) respondent has six children.

### 3.3.7 Past experience before self-employment

- **Purpose of question**

The purpose of question A8, Section A of the questionnaire (refer to Appendix A) was to establish past experience before self-employment. The results can be utilised to determine if past experience has an influence on the path to business ownership.

- **Results obtained**

Past experience for all women entrepreneurs that responded to the questionnaire is presented in Table 3.7 below.

**Table 3.7: Past experience**

Past experience	Frequency	Percentage
Unemployed	10	17.24%
Self-employed	21	36.21%
Worker	12	20.69%
Supervisor	6	10.34%
Middle management	6	10.34%
Top management	1	1.72%
Missing value	2	3.45%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

Table 3.7 indicates that the majority of the respondents with a total of 21 (36.21%) have been self-employed in the past before starting their own businesses, followed by 12 (20.69%) respondents who were employed. A total of ten (17.24%) respondents were unemployed before owning a business.

An equal amount of six (10.34%) women entrepreneurs indicated that they were supervisors and middle managers before owning a business. One (1.72%) women entrepreneur was in top management before starting her own business.

Two (3.45%) women entrepreneurs did not answer the question.

### **3.3.8. Years in business**

- **Purpose of question**

The purpose of question A9, Section A of the questionnaire (refer to Appendix A) was to establish the women entrepreneurs' years in business.

- **Results obtained**

The women entrepreneurs' years in business for all respondents that responded to the questionnaire is presented in Table 3.8 below:

**Table 3.8: Years in business for women entrepreneurs**

<b>Years in business</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1	6	10.34%
1 to 3 years	8	13.79%
4 to 5 years	6	10.34%
6 to 10 years	21	36.21%
10 years plus	17	29.31%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

A total of 21 (36.21%) respondents have indicated that they have been in business for 6 to 10 years, followed by 17 (29.31%) respondents that have been in business for 10 years plus. Eight (13.79%) women entrepreneurs have been in business for 1 to 3 years. Lastly, there is an equal amount of six (10.34%) women entrepreneurs that indicated that they have been in business for the years: less than 1 and 4 to 5 years.

### **3.4 STRUCTURE OF PARTICIPATING WOMEN-OWNED BUSINESSES**

#### **3.4.1 Legal status of the business**

- **Purpose of question**

The purpose of question B2, in Section B of the questionnaire (refer to Appendix A) was to determine the legal status of participating women entrepreneurs and to determine whether most of the businesses are legally registered or not.

- **Results obtained**

The legal status of the business for all women entrepreneurs that responded to the questionnaire is presented in Table 3.9 below.

**Table 3.9: Legal status of the business of women entrepreneurs**

<b>Legal status of the business</b>	<b>Frequency</b>	<b>Percentage</b>
Sole proprietorship	13	22.41%
Partnership	3	5.17%
Close Corporation	26	44.83%
Company (private)	5	8.62%
Not registered	7	12.07%
Other	2	3.45%
Missing value	2	3.45%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

Table 3.9 shows that a total of 26 (44.84%) women-owned businesses are registered as close corporations followed by 13 (22.41%) registered as sole proprietorship. A total of seven (12.07%) businesses are not registered and five (8.62%) are registered as private companies. Three (5.17%) of the businesses are registered as partnerships and two (3.45%) indicated that they registered as other. Two (3.45%) of the women entrepreneurs did not answer the question and none of the women indicated a public company or business trust.

### **3.4.2 Path to business ownership**

- **Purpose of question**

The purpose of question B4, in Section B of the questionnaire (refer to Appendix A) was to determine the path to business ownership of the participating women entrepreneurs.

- **Results obtained**

The path to business ownership for all women entrepreneurs that responded to the questionnaire is presented in Table 3.10 below.

**Table 3.10: Path to business ownership**

<b>Path to business ownership</b>	<b>Frequency</b>	<b>Percentage</b>
Founded	38	65.52%
Purchased	8	13.79%
Join family business	6	10.34%
Inherited business	1	1.72%
Other	4	6.90%
Missing value	1	1.72%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

A total of 38 (65.52%) women entrepreneurs, which is more than 50 % of the respondents have indicated that they have founded their own businesses, followed by eight (13.79%) that have mentioned that they have purchased the business. Six (10.34%) women entrepreneurs have indicated that they have joined the family business, four (6.90%) have indicated other and one (1.72%) woman business owner indicated that she inherited the business. Only one (1.72%) woman entrepreneur did not answer this question.

### **3.4.3 Source of start-up funding**

- **Purpose of question**

The purpose of question B5, in Section B of the questionnaire (refer to Appendix A) was to determine the source of start-up funding of participating women business owners.

- **Results obtained**

The source of start-up funding for all women entrepreneurs that responded to the questionnaire is presented in Table 3.11 below.

**Table 3.11: Source of start-up funding**

<b>Start-up funding</b>	<b>Frequency</b>	<b>Percentage</b>
Personal savings	35	60.34%
Borrowed or gifted from relative or friend	7	12.07%
Household/spouse	3	5.17%
Bank loan	5	8.62%
Other	1	1.72%
Missing value	7	12.07%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

A total of 35 (60.43%) women entrepreneurs, which is more than half of the total respondents, indicated that they have started their businesses utilising personal savings, followed by seven (12.07%) women entrepreneurs that have indicated that they have borrowed or got money from a friend or a relative. Five (8.62%) women entrepreneurs indicated that they borrowed money from a bank to be able to start up their businesses and three (5.17%) mentioned that they received money from their spouses or household. One woman entrepreneur indicated that she got money from other sources either than the above mentioned items in Table 3.11. Seven (12.07%) women entrepreneurs in the survey did not answer the question on start-up funding.

### 3.4.4 Business premises

- **Purpose of question**

The purpose of question B6, in Section B of the questionnaire (refer to Appendix A) was to determine the business premises of the participating women entrepreneurs.

- **Results obtained**

The business premises for all women entrepreneurs that responded to the questionnaire are presented in Table 3.12 below.

**Table 3.12: Business premises**

<b>Business premises</b>	<b>Frequency</b>	<b>Percentage</b>
From home (Home-based)	13	22.41%
Central Business District (CBD)	29	50.00%
Outlying business area	8	13.79%
Industrial area	1	1.72%
Agricultural land	1	1.72%
Missing value	6	10.34%
<b>Total</b>	<b>58</b>	<b>100%</b>

- **Analysis of the results**

Half of the respondents, which is 29 (50.00%) women entrepreneurs have indicated that they operate their businesses from the Central Business District (CBD) followed by 13 (22.41%) women that have indicated that they operate their businesses from home.

A total of eight (13.79%) women entrepreneurs have mentioned that their businesses are based in the outlying business areas. One (1.72%) woman entrepreneur indicated that her business is based in an industrial area and one other (1.72%) woman entrepreneur mentioned that her business is based in an agricultural area. Six (10.43%)

women entrepreneurs did not answer the question of where do their businesses operate from.

### 3.4.5 Number of permanent employees

- **Purpose of question**

The purpose of question B7, in Section B of the questionnaire (refer to Appendix A) was to determine the number of permanent employees of the respondents and to decide if family businesses can be categorised as a micro-, very small-, small- or a medium-sized enterprise.

- **Results obtained**

The number of permanent employees for all women entrepreneurs that responded to the questionnaire is presented in Table 3.13 below.

**Table 3.13: Number of permanent employees**

<b>Number of permanent employees</b>	<b>Frequency</b>	<b>Percentage</b>
Myself	11	18.97%
2-5	34	58.62%
6-10	10	17.24%
11-25	1	1.72%
26-50	1	1.72%
Missing value	1	1.72%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

A combined 45 (77.59%), which makes up the majority of the women-owned businesses, can be categorised as micro-enterprises, where 34 (58.62%) of the businesses employ two to five employees and 11 (18.97%) of the businesses are ran by the women entrepreneurs themselves.

A total of 10 (17.24%) businesses can be categorised as very small enterprises because they comprise of six to ten employees. Small enterprises are characterised by one (1.72%) operation which employs 11 to 25 employees and another one (1.72%) operation employs 26 to 50 employees. None of the women entrepreneurs indicated that their businesses are medium-sized businesses which employ 101-200 employees or a business that employs 200+ employees.

### **3.4.6 Turnover of the business**

- **Purpose of question**

The purpose of question B8 in Section B of the questionnaire (refer to Appendix A) was to attain statistics on the financial success and the size of the respondents business.

- **Results obtained**

The annual turnover of the women entrepreneurs in this research is accessible in Table 3.14 below.

**Table 3.14: Annual turnover of the business**

<b>Annual turnover</b>	<b>Frequency</b>	<b>Percentage</b>
Less than R30 000	11	18.97%
R30 000 to R50 000	9	15.52%
R50 000 to R100 000	12	20.69%
R100 000 to R500 000	12	20.69%
R500 000 to R1 million	2	3.45%
R1 million to R5 million	9	15.52%
R5 million+	1	1.72%
Missing value	2	3.45%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

A total of 12 (20.69%) women-owned businesses' annual turnover falls in the R50 000 to R100 000 range and another 12 (20.69%) falls in the R100 000 to R500 000 range. Eleven (18.97%) of the businesses in the survey falls in the less than R30 000 category. A total of 18 (31.04%) businesses where nine (15.52%) falls in the R30 000 to R50 000 range and the other nine falls in the R1 million to R5 million category.

Two (3.45%) women entrepreneurs indicated that their businesses fall in the R500 000 to R1 million category, one (1.72%) woman indicated that her business falls in the R5 million+ category. Two respondents did not indicate their annual turnover.

### **3.4.7 Role models**

- **Purpose of question**

The purpose of question B9, in Section B of the questionnaire (refer to Appendix A) was to establish if participating women entrepreneurs in their youth have been motivated or inspired by anyone to become entrepreneurs. The results can be used to check if there

is a link between previous influence and women entrepreneurs' decision to get into self-employment.

- **Results obtained**

The influence of role models of all participants in this research is accessible in Table 3.15 below.

**Table 3.15: Role models**

Influenced by role models	Frequency	Percentage
Yes	27	46.55%
No	29	50.00%
Missing value	2	3.45%
<b>Total</b>	<b>58</b>	<b>100.00%</b>

- **Analysis of the results**

Table 3.15 specifies that the majority of the participants (29 or 50.00%) did not have role models which motivated or inspired them in their youth to become women entrepreneurs in the future. A total of 27 (46.55%) participants indicated that they were influenced from their parents, other close family and close friends. Two (3.45%) respondents did not answer the question on role modeling.

### **3.5. MOTIVATIONAL FACTORS**

#### **3.5.1. Women entrepreneurship motivational factors**

- **Purpose of question**

The purpose of questions C1-15 in Section C of the questionnaire (refer to Appendix A) was to define the main motivational factors for women entrepreneurs getting into self-employment. The results can be utilised to determine the influence of the motivational factors on the women entrepreneurs' development needs.

- **Results obtained**

The average or mean ( $\bar{x}$ ) and the standard deviation ( $s$ ) (variation around the mean) of each of the 15 items representing motivational factors for getting into self-employment are specified in Table 3.16 .The motivational factors are ranked from the highest to the lowest mean score.

Where Likert scale type questions (where 1 = “Strongly disagree” and 7 = “Strongly agree”) are asked, relatively low numbers represent disagreement with the statement, while relatively high numbers represent agreement with the statement. A higher number thus suggests that the respondents perceived the statement as true. In the same way, a low number represents disagreement and suggests that the statement is perceived to be false.

**Table 3.16: Women entrepreneurship motivational factors**

<b>Motivation</b>	<b>n</b>		<b>s</b>
The need for independence	58	6.379	1.211
Confidence in the product/service offered	57	6.368	0.975
Self-fulfillment	58	6.362	0.950
Need for a challenge	58	6.241	1.189
Ensure high job security	54	5.778	1.513
Desire for wealth	58	5.759	1.579
Need for flexible work schedule	57	5.719	1.688
Role models and other people's influences	58	5.172	1.749
Insufficient family income	58	5.155	1.899
To develop my hobby	58	5.017	1.906
Compatibility with family duties	58	4.862	1.914
Dissatisfaction with salaried jobs	56	4.536	2.080
Difficulty finding a job	55	3.364	2.206
Entered the family business	56	3.125	2.265
Redundancy	55	3.018	2.281

- **Analysis of the results**

The respondents rated **The need for independence** as the highest motivational factor because participants indicated a very high mean of  $\bar{x} = 6.379$  for this statement. Other statements that also obtained high levels of agreement were **Confidence in the product/service offered** ( $\bar{x} = 6.368$ ), **Self-fulfillment** ( $\bar{x} = 6.362$ ) and **Need for a challenge** ( $\bar{x} = 6.241$ ). This suggests that respondents are very much in agreement with these statements.

Six items indicated average means higher than five, **Ensure high job security** indicated an average mean of  $\bar{x} = 5.778$ , **Desire for wealth** ( $\bar{x} = 5.759$ ), **Need for flexible work schedule** ( $\bar{x} = 5.719$ ), **Role models and other people's influences** ( $\bar{x} = 5.172$ ), **Insufficient family income** ( $\bar{x} = 5.155$ ) and **To develop my**

**hobby** yielded an average mean of  $\bar{x} = 5.017$ . Two items yielded average means higher than four. The factors, **Compatibility with family duties** indicated an average mean of  $\bar{x} = 4.862$ , and **Dissatisfaction with salaried jobs** indicated an average mean of  $\bar{x} = 4.536$ . The factors, **Difficulty finding a job income** indicated an average mean of  $\bar{x} = 3.364$ , **Entered the family business** indicated an average mean of  $\bar{x} = 3.125$ , and **Redundancy** indicated an average mean of  $\bar{x} = 3.018$ . This suggests that respondents are not in agreement with the statements.

### 3.5.2. Carletonville and Soweto support

- **Purpose of question**

The purpose of questions C17-21, in Section C of the questionnaire (refer to Appendix A) was to determine the women entrepreneurs' feelings towards Carletonville and Soweto and the support this district is providing to their business operations. The participating women entrepreneurs had to indicate their responses on five statements. The responses were set out on a Likert scale type questionnaire (where 1= "Strongly disagree" and 7 = "Strongly agree"). Lower numbers again represent disagreement with the statement and higher numbers represent agreement with the statement.

- **Results obtained**

Women entrepreneurs' views towards Carletonville and Soweto and the support the districts are providing to their business operations are reflected in Table 3.17 below. The results are ranked from the highest to the lowest mean score.

**Table 3.17: Women entrepreneurs' views towards Carletonville and Soweto and the support this district is providing to their business operations**

<b>Category</b>	<b>n</b>		<b>s</b>
Carletonville and Soweto infrastructure (electricity, water, and road network) adequately meets the needs of my business.	57	5.018	1.653
Carletonville and Soweto are a source of an ambient number of entrepreneurial opportunities.	58	4.776	1.787
The Carletonville and Soweto region provides ambient network opportunities with other businesses.	58	4.138	1.811
Carletonville and Soweto have proper policies in place for enhancing women entrepreneurship in the region.	58	4.069	1.756
Carletonville and Soweto provide an excellent base for export opportunities.	57	3.632	1.644

- **Analysis of the results**

A high mean of  $\bar{x} = 5.018$  was calculated for the statement **Carletonville and Soweto infrastructure (electricity, water, and road network) adequately meets the needs of my business**. This result indicates that the participants have a high level of agreement with the statement. The same accounts for the rest of the statements: **Carletonville and Soweto are a source of an ambient number of entrepreneurial opportunities**. ( $\bar{x} = 4.776$ ), **The Carletonville and Soweto region provides ambient network opportunities with other businesses**. ( $\bar{x} = 4.138$ ), **Carletonville and Soweto have proper policies in place for enhancing women entrepreneurship in the region** ( $\bar{x} = 4.069$ ) and **Carletonville and Soweto provide an excellent base for export opportunities**. ( $\bar{x} = 3.632$ ). The results obtained in this section of the questionnaire are much lower when compared to the results obtained for women entrepreneurship motivational factors.

### 3.5.3. Obstacles to business start-up

- **Purpose of question**

The purpose of questions D1-13, in Section D of the questionnaire (refer to Appendix A) was to accumulate information of obstacles that were faced by participants in the research in entering their own business ventures. The respondents had to mark an applicable cross on 14 statements. The responses were set out on a Likert scale type questionnaire (where 1 = “Strongly disagree” and 7 = “Strongly agree”). Lower numbers represent disagreement with the statement and higher numbers represent agreement with the statement.

- **Results obtained**

Agreement to obstacles that the respondents experienced during the start-up phase of their businesses is presented in Table 3.18 .The results are ranked from the highest to the lowest mean score.

- **Analysis of the results**

All 13 statements as reflected in Table 3.18 indicated relative high levels of agreement. The respondents rated **Inequality of access to credit** as the biggest obstacle in their way of starting their own business. This factor obtained an average mean of  $\bar{x} = 5.053$ . Seven other statements also indicated relative high levels of agreement with **Awareness/access to business support** indicating an average mean of  $\bar{x} = 5.035$ , **Risk averse** ( $\bar{x} = 4.789$ ), **Legislation** ( $\bar{x} = 4.714$ ), **Family pressures** ( $\bar{x} = 4.603$ ), **Lack of timely business information** ( $\bar{x} = 4.500$ ), **Lack of education and training** ( $\bar{x} = 4.263$ ), **Inter role conflict (work/home conflict)** ( $\bar{x} = 4.241$ ) and **Lack of business management skills** ( $\bar{x} = 4.140$ )

**Table 3.18: Obstacles during business start-up**

<b>Obstacles</b>	<b>n</b>		<b>s</b>
Inequality of access to credit (difficult to obtain financing as a woman)	57	5.053	1.747
Awareness/access to business support	57	5.035	1.511
Risk averse (great fear of failure)	57	4.789	1.934
Legislative (lack of focused women entrepreneurship policies from regional municipalities or government)	56	4.714	1.796
Family pressures (gender-role expectations)	58	4.603	1.891
Lack of timely business information	56	4.500	1.640
Lack of education and training	57	4.263	1.914
Inter role conflict (work/home conflict)	58	4.241	1.867
Lack of business management skills	57	4.140	1.856
Isolation from business network	57	3.842	1.791
Lack of female role models	57	3.825	1.541
Lack of self-confidence	56	3.821	1.927
Socio-cultural environment (lack of respect from male community and stereotype)	57	3.421	1.841

According to the respondents the **Socio-cultural environment (lack of respect from male community and stereotype)** was the least obstacle in their way to self-employment .The average mean for this statement was calculated as  $\bar{x} = 3.421$ .

### 3.5.4. Obstacles currently faced in business

- **Purpose of question**

The purpose of questions D15-25, in Section D of the questionnaire (refer to Appendix A) was to gather information on obstacles that were faced by participants currently operating their own business ventures. The women entrepreneurs had to mark the applicable block with a cross on 11 statements. The responses were set out on a Likert scale type questionnaire (where 1 = “Strongly disagree” and 7 = “Strongly agree”).

Lower numbers represent disagreement with the statement and higher numbers represent agreement with the statement.

- **Results obtained**

Obstacles that the participants are facing in their current business operations are reflected in Table 3.19 below. The results are ranked from the highest to the lowest mean score.

**Table 3.19: Obstacles currently faced in business**

<b>Obstacles</b>	<b><i>n</i></b>		<b><i>s</i></b>
Awareness/access to business support	56	4.214	1.806
No time for training/upgrading of skills	56	4.179	1.879
Gaining acceptance/respect of people	56	4.161	1.961
Liquidity and other financial problems	57	4.158	2.007
Lack of timely business information	56	4.018	1.959
Lack of business management skills	57	3.772	1.722
Isolation from business network	56	3.625	1.996
Inter role conflict (work/home conflict)	55	3.491	1.942
Family pressures (gender-role expectations)	56	3.482	1.897
Lack of female role models	56	3.482	1.859
Socio-cultural environment	57	3.088	1.755

- **Analysis of the results**

Participants indicated that **Awareness/access to business support** is currently the largest constraint they have to face, while running their businesses. The average mean for this statement was calculated relatively high on  $\bar{x} = 4.214$ . Nine of the other statements also indicated relative high levels of agreement with average mean values all higher than between four and three. The statement that respondents disagree with was **Socio-cultural environment**. This is the case because the average mean for this statement was calculated as  $\bar{x} = 3.088$ .

## 3.6 SUPPORT NEEDS OF RESPONDENTS

### 3.6.1 Entrepreneurial training

- **Purpose of question**

The purpose of question E1, in Section E of the questionnaire (refer to Appendix A) was to determine participating women entrepreneurs' training, reflected in Table 3.20 below and the type of training reflected in Table 3.21.

- **Results obtained**

The participating women entrepreneurs' training indicated by all the women entrepreneurs that responded to the survey are presented in Table 3.20 below.

**Table 3.20: Women entrepreneurs' training**

<b>Women entrepreneurs' training</b>	<b>Frequency</b>
Yes	20
No	36
Missing value	2
<b>Total</b>	<b>58</b>

- **Analysis of the results**

Table 3.20 specifies that majority of the participants with a total of 36 did not have training by either a government agency or the private sector to become women entrepreneurs. A total of 20 participants indicated that they received training from either a government agency or the private sector to become women entrepreneurs. Two respondents did not answer the question on entrepreneur's training.

### 3.6.2 Types of training received

- **Results obtained**

The type of training that the participating women entrepreneurs received is reflected in Table 3.21 below.

**Table 3.21: Types of training received**

Type of training received	Frequency
Technical skills	5
Communication skills	12
Accounting skills	6
Management skills	11
Technological skills	11
Other	6

- **Analysis of the results**

Table 3.21 specifies that five out of the 20 women entrepreneurs that have been trained, by either a government agency or the private sector have mentioned that they were trained on technical skills which are hand crafting and 12 out of 20 women entrepreneurs have been trained on communication skills. Six out of 20 women entrepreneurs have been trained on accounting skills and 11 out of 20 women entrepreneurs were trained on management and technological skills. Six out of 20 women entrepreneurs mentioned that they were trained on other training either than the technical, communication, accounting, management and technological skills.

### 3.6.3 Organisations established for women entrepreneurs

- **Purpose of question**

The purpose of question E2, in Section E of the questionnaire (refer to Appendix A) was to determine organisations specifically established for women entrepreneurs reflected in Table 3.22 below and the assistance of the organisation is reflected in Table 3.23 (refer to p.82).

- **Results obtained**

The organisations specifically established for women entrepreneurs indicated by all women participants that responded to the survey are presented in Table 3.22 below.

**Table 3.22: Organisations specifically established for women entrepreneurs**

<b>Organisations specifically established for women entrepreneurs</b>	<b>Frequency</b>
Yes	16
No	40
Missing value	2
<b>Total</b>	<b>58</b>

- **Analysis of the results**

Table 3.22 specifies that 40 respondents who are in the majority did not know of organisations specifically established for women entrepreneurs. A total of 16 participants indicated that they know organisations specifically established for women entrepreneurs.

### 3.6.4 Assistance of the mentioned organisations

- **Results obtained**

The assistance received by the mentioned women organisations is presented in Table 3.23 below.

**Table 3.23: Assistance of the organisation**

<b>Assistance of the organisation</b>	<b>Frequency</b>
Provides education and training	<b>7</b>
Provides financial assistance	<b>5</b>
Supports/enables networking with other women entrepreneurs	<b>15</b>
Provides access /exposure to motivational speakers /role models	<b>15</b>
Provides business information	<b>14</b>
Other	<b>1</b>

- **Analysis of the results**

Table 3.23 specifies that seven out of 16 women entrepreneurs indicated that the organisations specifically established for women entrepreneurs provide education and training. Five out of 16 women entrepreneurs indicated that the organisations specifically established for women entrepreneurs provide financial assistance. A total of 15 out of 16 women entrepreneurs indicated that the organisations established specifically for women entrepreneurs support and enable networking with other women entrepreneurs. A total of 15 out of 16 women entrepreneurs indicated that the organisations established specifically for women entrepreneurs provide access and/or exposure to motivational speakers and/or role models.

A total of 14 out of 16 women entrepreneurs indicated that the organisations established specifically for women entrepreneurs provide business information and one out of 16

mentioned that the organisations provide other aspects either than the once offered in Table 3.23.

### 3.6.5 Support needs of women entrepreneurs

- **Purpose of question**

The purpose of question E3, in Section E of the questionnaire (refer to Appendix A) was to determine development needs of respondents which is reflected in Table 3.24 below.

- **Results obtained**

Development needs indicated by all women entrepreneurs that responded to the survey are presented in Table 3.24 below.

**Table 3.24: Support needs of respondents**

Category	Frequency
Business advice, information, counselling, mentoring	37
Marketing support	37
Women entrepreneurship specific based policies for the area	37
Networking with other business owners	36
Training/knowledge/skills	32
Financial support	31
Growth Support	29
Legal support	24
Tools, equipment, machinery	22
Infrastructure (roads, telephone, electricity)	19
Suitable business premises	17
Technical support	16
Psychological support	16

- **Analysis of the results**

Table 3.24 stipulates that 37 out of 58 women entrepreneurs have stated that they need business advice, information and counselling, mentoring, marketing support and women entrepreneurship specific based policies for the areas Carletonville and Soweto.

A total of 36 out of 58 women entrepreneurs have declared that they need to network with other business owners and 32 out of 58 women entrepreneurs said that they need training, knowledge and skills.

An aggregate of 31 out of 58 women entrepreneurs revealed that they need financial support and 29 out of 58 women entrepreneurs stated that they require growth support.

A total of 24 out of 58 women entrepreneurs indicated that they require legal support and 22 out of 58 women entrepreneurs specified that they need tools, equipment and machinery.

19 out of 58 women entrepreneurs mentioned that they require infrastructure like roads, telephone and electricity, 17 out of 58 women need suitable business premises. Finally, 16 out of 58 women entrepreneurs need technical and psychological support.

### **3.7 RELIABILITY OF THE QUESTIONNAIRE MEASURING THE CONSTRUCTS**

In order to determine the internal consistency between the constructs of the questionnaire, Cronbach alpha coefficients were calculated (Schimtt, 1996: 350). The Cronbach alpha coefficient is based on the average correlation of variables within a test. The greater the Cronbach alpha coefficient, the more reliable the scale. A Cronbach alpha coefficient greater than 0.7 could be interpreted as reliable and internally consistent (Schimtt, 1996: 351; Nunnally & Bernstein, 1994: 265; Cortina, 1993: 99).

Table 3.25 shows the reliability and internal consistency of the constructs measured in the questionnaire.

**Table 3.25: Cronbach alpha to indicate the reliability of the constructs**

Construct	Cronbach alpha
Motivational factors to self-employment	0.818
Regional support	0.843
Obstacles faced during start-up	0.896
Obstacles faced currently	0.913

The results indicate that the measuring instrument used in this study to measure the constructs has acceptable reliability, with no factors with a Cronbach Alpha value below the customary cut-off value of 0.70 suggested for internal consistency (Nunnally & Bernstein, 1994: 265).

### 3.8 COMPARISON BETWEEN WHITE AND BLACK WOMEN ENTREPRENEURS

The relationships between the demographical variable race and the motivational factors to self-employment and the obstacles faced during start-up and currently were examined by independent t-tests and effect sizes. For the purpose of this analysis, any statistical significant differences regarding the  $p$ -values ( $p \leq 0.05$ ) will only be mentioned, but any significant differences regarding the  $d$ -values will be discussed in more detail.

These effect sizes ( $d$ ) will be interpreted, according to Cohen's guidelines, as follows: small effect ( $d = 0.2$ ), medium effect ( $d = 0.5$ ) and large effect ( $d = 0.8$ ). Results with medium effects can be regarded as visible effects and with  $d \geq 0.8$  as practically significant, since it is the result of a difference having a large effect (Field, 2005:32; Ellis & Steyn, 2003:51-53; Thompson, 2001:80-93; Cohen, 1992:155-159).

### 3.8.1 Comparison regarding motivational factors to self-employment

The comparison between the perception of white and black entrepreneurs regarding the motivational factors to self-employment is presented in figure 3.26.

**Table 3.26: Comparison between races with regard to the motivational factors**

Motivational factor	Black			White			$\rho$	$d$
	$n$	$\bar{x}$	$s$	$n$	$\bar{x}$	$s$		
The need for independence	30	6.83	0.38	28	5.89	1.57	<b>0.002</b>	0.60
Need for flexible work schedule	30	6.33	1.16	27	5.04	1.93	<b>0.003</b>	0.67
Need for a challenge	30	6.63	0.56	28	5.82	1.52	<b>0.008</b>	0.54
Self-fulfillment	30	6.63	0.62	28	6.07	1.15	<b>0.023</b>	0.49
To develop my hobby	30	5.50	1.64	28	4.50	2.06	<b>0.045</b>	0.48
Role models and other people's influences (friends & family members)	30	5.43	1.59	28	4.89	1.89	0.243	0.29
Redundancy (lost your job, retrenchment)	29	2.93	2.15	26	3.12	2.46	0.768	0.08
Difficulty finding a job	30	3.07	1.98	25	3.72	2.44	0.278	0.27
Dissatisfaction with salaried jobs (job/ career frustration)	30	4.48	2.15	27	4.59	2.04	0.846	0.05
Compatibility with family duties	30	4.73	1.93	28	5.00	1.93	0.600	0.14
Insufficient family income	30	5.77	1.36	28	4.50	2.19	<b>0.010</b>	0.58
Desire for wealth	30	6.60	0.72	28	4.86	1.74	<b>0.000</b>	1.00
Ensure high job security	30	6.23	1.31	28	5.38	1.59	<b>0.033</b>	0.55
Entered the family business	30	2.83	2.02	26	3.46	2.52	0.305	0.25
Confidence in the product/service offered	30	6.37	1.07	27	6.37	0.88	0.989	0.00

The results indicated a statistical significant difference ( $p < 0.05$ ) in the mean values between the perceptions of black and white women entrepreneurs with regard to the motivational factors: **The need for independence** ( $p = 0.002$ ), **Need for flexible work schedule** ( $p = 0.002$ ), **Need for a challenge** ( $p = 0.002$ ), **Self-fulfillment** ( $p = 0.002$ ), **To develop my hobby** ( $p = 0.002$ ), **Insufficient family income** ( $p = 0.002$ ), **Desire for wealth** ( $p = 0.002$ ) and **Ensure high job security** ( $p = 0.002$ ).

Black women entrepreneurs rated only one motivational factor to self-employment, **Desire to wealth** ( $p < 0.001$ ;  $d = 1.00$ ), statistically and practically significant ( $d > 0.08$ ) more positive than white women entrepreneurs. Various motivational factors were, however, rated visible ( $d > 0.05$ ) more positive by black women entrepreneurs in direct comparison to white women entrepreneurs. It is thus clear that, although the average scores for black women entrepreneurs are higher than those of white entrepreneurs with regard to the factors that yielded a medium effect, it could not be regarded as a practically significant difference between the perceptions of black women entrepreneurs in direct comparison with their white counterparts regarding the particular motivational factors (Cohen, 1992:155-159).

### 3.8.2 Comparison regarding the obstacles faced during business start-up

Table 3.27 (refer to p.88) presents the comparison between the perceptions of black and white women entrepreneurs regarding the obstacles they faced during the start-up of their respected businesses.

The results indicated a statistical significant difference ( $p < 0.05$ ) in the mean values between the perceptions of black and white women entrepreneurs with regard to the constructs, **Risk averse** (great fear of failure) ( $p = 0.018$ ) and **Inequality of access to credit** (difficult to obtain financing as a female) ( $p = 0.011$ ). Although black participants rated these obstacles more severe than their white counterparts, the differences were not practical significant and only a medium effect ( $d = 0.64$ ,  $d = 0.54$ ) could be determined respectively.

**Table 3.27: Comparison between races with regard to the start-up obstacles**

Obstacles during start-up	Black			White			$\rho$	$d$
	$n$	$\bar{x}$	$s$	$n$	$\bar{x}$	$s$		
Inter role conflict (work/home conflict)	30	4.07	1.93	28	4.43	1.81	0.466	0.19
Family pressures (gender-role expectations)	30	4.73	1.98	28	4.46	1.82	0.593	0.14
Awareness/ Access to business support	30	5.40	1.13	27	4.63	1.78	0.054	0.43
Lack of timely business information	29	4.83	1.36	27	4.15	1.85	0.122	0.37
Lack of female role models	30	3.73	1.72	27	3.93	1.98	0.696	0.10
Isolation from business network	30	3.80	1.73	27	3.89	1.89	0.854	0.05
Socio-cultural environment (lack of respect from male community and stereotype)	30	3.33	1.71	27	3.52	2.01	0.708	0.09
Lack of business management skills	29	4.31	1.77	28	3.96	1.95	0.487	0.18
Lack of education and training (in general)	29	4.52	1.79	28	4.00	2.04	0.312	0.25
Inequality of access to credit (difficult to obtain financing as a female)	29	5.62	1.29	28	4.46	1.97	<b>0.011</b>	<b>0.59</b>
Lack of self-confidence	29	3.72	1.94	27	3.93	1.94	0.699	0.10
Risk averse (great fear of failure)	29	5.38	1.82	28	4.18	1.89	<b>0.018</b>	<b>0.64</b>
Legislative (lack of focused women entrepreneurship policies from regional municipalities or government)	29	5.14	1.62	27	4.26	1.89	0.067	0.46

### 3.8.3 Comparison regarding the obstacles faced currently

Table 3.28 (refer to p. 89) presents the comparison between the perceptions of black and white women entrepreneurs regarding the obstacles they face currently in managing their respected businesses.

**Table 3.28: Comparison between races with regard to the current obstacles**

Current obstacles	Black			White			$\rho$	$d$
	$n$	$\bar{x}$	$s$	$n$	$\bar{x}$	$s$		
Inter role conflict (work/home conflict)	28	3.82	1.85	27	3.15	2.01	0.202	0.33
Family pressures (gender-role expectations)	28	4.32	1.85	28	2.64	1.57	<b>0.001</b>	<b>0.91</b>
Awareness/ Access to business support	29	4.69	1.67	27	3.70	1.74	<b>0.040</b>	<b>0.54</b>
Lack of timely business information	29	4.24	2.01	27	3.78	1.91	0.381	0.23
Lack of female role models	28	3.29	1.82	28	3.68	1.91	0.434	0.21
Isolation from business network	29	3.52	1.86	27	3.74	2.16	0.679	0.10
Socio-cultural environment (lack of respect from male community and stereotype)	29	3.17	1.69	28	3.00	1.85	0.714	0.09
Lack of business management skills	29	3.90	1.63	28	3.64	1.83	0.583	0.14
Liquidity and other financial problems	29	4.55	1.94	28	3.75	2.03	0.133	0.39
Gaining acceptance/respect of people (internally and externally)	29	4.59	1.90	27	3.70	1.96	0.093	0.45
No time for training/upgrading of skills	29	3.97	1.80	27	4.41	1.97	0.384	0.22

The results indicated a statistical significant difference ( $p < 0.05$ ) in the mean values between the perceptions of black and white women entrepreneurs with regard to the following obstacles they are facing in managing their businesses, i.e. **Family pressures (gender-role expectations)** ( $p = 0.001$ ) and **Awareness/Access to business support** ( $p = 0.040$ ). Furthermore, a practical significant difference or large effect ( $d = 0.91$ ) was calculated for the difference in the perception between black and white entrepreneurs regarding the obstacle, **Family pressures (gender-role expectations)**. There was only a visible (medium effect;  $d = 0.54$ ) between the perception of black entrepreneurs in direct comparison with white entrepreneurs regarding the obstacle **Awareness/Access to business support**. Both these obstacles were rated as to be more severe in the black-owned businesses.

### 3.9 SUMMARY

The chapter started by deliberating on data gathering which encompasses two parts, which is questionnaire development and data collection utilising a standard

questionnaire. A total of 58 (97%) black and white women entrepreneurs in the areas Carletonville and Soweto were involved in the study. The participants obtained information was captured and presented in frequency tables. Furthermore, the study results were analysed as set in the context of the research objectives and the problem statement.

The collected data comprised of women entrepreneurs' biographical information which included information like ethnic group, home language, age, marital status, highest academic qualification, number of children, years in business and past experience before self-employment.

Collected data included information regarding women-owned businesses' structure which is legal status of the business, path to business ownership, source of start-up funding, business premises, number of employees, annual turnover and previous exposure to business, specifically role modeling.

Important elements which were collected included motivational factors for women entrepreneurs in entering into own business ventures. Women entrepreneurs' attitudes and stances towards the support Carletonville and Soweto areas are offering them. Obstacles towards women entrepreneurship which includes business start-up, current factors confronted by women entrepreneurs in running their businesses and development needs including support needs.

The t-tests conducted, revealed that black women entrepreneurs rated the following motivating factors more positively than the white women entrepreneurs: desire to wealth, the need for independence, need for flexible work schedule, need for a challenge, self-fulfillment, to develop my hobby, insufficient family income and ensure high job security. In addition, Black women entrepreneurs are affected more than the white entrepreneurs by fear of failure and their perceived inequality of access to credit in their business start-up. Furthermore, black women entrepreneurs, in running their businesses are severely affected by family pressures in relation to gender roles and a

lack of awareness of or access to business support more than the white women entrepreneurs.

The next chapter, which is chapter four, will focus on the empirical study's conclusion and practical recommendations to women entrepreneurship in the areas of Carletonville and Soweto.

# **CHAPTER 4**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **4.1 INTRODUCTION**

The purpose of this chapter is to conclude the empirical study, by enlisting a profile and the characteristics of women entrepreneurs in the areas of Carletonville and Soweto. The chapter will further suggest useful recommendations to expedite women entrepreneurship, objectives as well as suggestions for more research will be discussed which will be followed by a critical assessment of the study.

### **4.2 CONCLUSIONS ON THE EMPIRICAL STUDY**

The following paragraph illustrates a typical woman entrepreneur in the areas of Carletonville and Soweto as concluded in the empirical study conducted.

#### **4.2.1 Biographical information results**

A typical woman entrepreneur in the areas of Carletonville and Soweto that participated in this study is between the ages 40 to 59 years, is married with an average of one to two children. The woman entrepreneur is fairly educated with an education level of matric and a diploma, she was either previously employed or a worker before getting into self-employment.

#### **4.2.2 Structure of participating women-owned businesses results**

The average woman-owned business in the Carletonville and Soweto areas have an annual turnover in the R50 000 to R500 000 range. The business falls within the micro-enterprise environment because it employs between two to five employees or the woman owner works by herself. The operation is based in the Central Business District (CBD) or home based and the legal status of the business is mainly a close corporation.

### 4.2.3 Path to ownership results

The Carletonville and Soweto female-owned business is mainly founded by the female entrepreneur herself, with an average of six to ten years in self-employment. Personal savings provided start-up capital and the woman entrepreneur was not motivated by childhood role models, meaning the woman entrepreneur was not motivated by a parent, friend or a relative to start a business.

### 4.2.4 Motivational factors to self-employment

The main motivators for participating women entrepreneurs in the areas Carletonville and Soweto are the need for independence, confidence in the product/service offered, self-fulfilment and the need for a challenge. Factors like difficulty finding a job, entering the family business and redundancy are least motivational for women that participated in the research. This shows that a typical woman in the areas Carletonville and Soweto is pulled rather than pushed into self-employment.

Black women entrepreneurs rated the motivational factor, **Desire to wealth** ( $p < 0.001$ ;  $d = 1.00$ ), statistically and practically significant ( $d > 0.08$ ) more positive than white women entrepreneurs. Various motivational factors were, however, rated visible ( $d > 0.05$ ) more positive by black women entrepreneurs in direct comparison to white women entrepreneurs. These factors are: **The need for independence, Need for flexible work schedule, Need for a challenge, Self-fulfillment, To develop my hobby, Insufficient family income, Desire for wealth** and **Ensure high job security**.

It is thus clear that, although the average scores for black women entrepreneurs are higher than those of white entrepreneurs with regard to the factors that yielded a medium effect, it could not be regarded as a practically significant difference between the perceptions of black women entrepreneurs in direct comparison with their white counterparts regarding the particular motivational factors (Cohen, 1992:155-159). But, it

should be noted that black women entrepreneurs are more attracted to entrepreneurship by the mentioned factors in direct comparison to their white counterparts.

#### **4.2.5 Support services offered by Carletonville and Soweto**

Carletonville and Soweto seems to meet the needs of a typical woman entrepreneur by providing infrastructure in a form of electricity, water and roads and they network adequately for the enhancement of the business. The areas are a source of ambient number of entrepreneurial opportunities as well as ambient network opportunities with other businesses. In addition, the areas have proper policies in place to enhance women entrepreneurship in the districts. However, respondents are not in agreement with the statement that states that Carletonville and Soweto provide an excellent base for export opportunities.

#### **4.2.6 Obstacles to business start-up**

Participating women in the areas of Carletonville and Soweto maintain that inequality of access to credit (difficult to obtain financing as a woman), awareness /access to business support, risk averse (great fear of failure), legislative (lack of focused women entrepreneurship policies from regional municipalities or government), family pressures (gender-role expectations), lack of timely business information, lack of education and training, inter role conflict (work/home conflict) and lack of business management skills are major obstacles encountered by women entrepreneurs in the start-up phase of their businesses.

Factors such as isolation from business network, lack of female role models, lack of self-confidence and socio-cultural environment (lack of respect from male community and stereotype) are not regarded as major obstacles encountered by women entrepreneurs in their business start-up.

With regard to the comparison between black and white entrepreneurs concerning the obstacles they faced during business start-up, the results indicate that, although the average scores for black women entrepreneurs are higher than those for white women entrepreneurs, it could not be regarded as a practically significant difference between the black and white women entrepreneurs regarding the obstacles, **Risk averse** and **Inequality of access to credit** during the start-up phase of their businesses (Cohen, 1992: 155-159). It seems, however, that blacks were more severely affected by their fear for failure and their perceived inequality of access to credit during the start-up of their businesses.

#### **4.2.7 Obstacles experienced in current business operations**

The current obstacles experienced by a typical woman entrepreneur in the areas of Carletonville and Soweto are awareness/access to business support, no time for training/upgrading of skills, gaining acceptance/respect of people, liquidity and other financial problems, lack of timely business information, lack of business management skills, isolation from business network and inter role conflict (work/home conflict).

Factors such as family pressures (gender-role expectations), lack of female role models and socio-cultural environment are not considered as major current obstacles experienced in running a business or an operation for women entrepreneurs.

With regard to the comparison between black and white entrepreneurs concerning the obstacles they are facing in managing their respected businesses, the results indicate that black entrepreneurs experience more family pressure regarding their gender-role expectations and a lack of awareness of or access to business support in comparison with the white entrepreneurs.

#### **4.2.8 Women entrepreneurial support**

Women entrepreneurs in the areas of Carletonville and Soweto declare that they can benefit greatly on business advice, information, counselling, mentoring, marketing support and women entrepreneurship specific based policies. Furthermore, women entrepreneurs assert that they can again benefit from networking with other business owners, training, knowledge, skills, financial growth and legal support, tools, equipment and machinery. These are the aspects women entrepreneurs need entrepreneurial support on.

The women respondents state that infrastructure which is roads, telephone and electricity, suitable business premises, technical and psychological support are not a dire need for their businesses like the above mentioned support needs.

#### **4.3 RECOMMENDATIONS**

Entrepreneurship has been identified as a vitally important wellbeing of any economy since it is an instrument for economic growth. This is based on the premise that it has potential to create employment and alleviate poverty.

- **Poverty and unemployment:** were identified as factors that affect women entrepreneurs and South Africa as a country is confronted with high rates of unemployment. Literature proved that women entrepreneurship will assist with poverty alleviation and the reduction of unemployment in the country. It is recommended that women entrepreneurship be encouraged and supported by government agencies and the private sector.
- **Establishment and enhancement of women entrepreneurs' organisations:** Women entrepreneurs make up less than 50% of the entrepreneurial population in South Africa. It is recommended that more organisations that are specifically meant for women entrepreneurs be established and funded by either

government, the private sector or both government and the private sector, to increase the number of women entrepreneurs in the country. Literature reflected that women entrepreneurs' numbers remain constant despite efforts made to increase them. This study supports the statements because results reflect that majority of the respondents are not aware of the women entrepreneurs' organisations existence. Existing organisations like (reflected in literature): South African Women Entrepreneurs Network (SAWEN), Business Women's Association of SA (BWASA), Technology for Women in Business (TWB), SA Women In Mining Association (SAWIMA), National Women in Agribusiness Co-operative (NAWACO), Women in Oil and Energy of SA (WOESA), Women In Nuclear (WIN), African Women Chartered Accountants (AWCA), Women in Information Communication and Technology (WICT), The National African Women's Alliance (NAWA), Women In Research (WIR) and South African Women In Construction (SAWIC) must intensify their visibility by embarking on campaigns that will target women entrepreneurs in the rural and urban areas of South Africa.

Secondly, existing and new women entrepreneurs' organisations should increase their marketing strategies and not only rely on websites as other women entrepreneurs or women intending to be in business might not have access to computers and website.

Thirdly, literature review in the study reflected that women-owned businesses are concentrated more in the service sectors because their businesses are relatively smaller in terms of employment and revenue as opposed to the technology, construction and manufacturing sectors that have high revenues and employment. This study also proved that the majority of the women participants' businesses employ an average of two to ten permanent employees and their enterprises fall within the annual turnover of the R50 000 to R500 000 range, which means that participating women entrepreneurs' businesses are small and micro. It is recommended that women entrepreneurs be exposed to sectors like

technology, construction and manufacturing so that women entrepreneurs can own and run businesses that will yield high turnover and employ more employees.

- **Incorporation of women entrepreneurship in municipal policies:** Women entrepreneurs in the study have declared that their support needs are: business advice, information, counselling, mentoring and marketing support, women entrepreneurship specific based policies, networking with other business owners, training, knowledge, skills, financial and growth support. It is recommended that municipalities of Soweto and Carletonville incorporate entrepreneurship in their programmes and make sure that their developmental policies encourage and implement women entrepreneurship in an attempt to supporting and meeting the needs of women entrepreneurs in the areas.
- **Access to finance:** this is a challenge for the majority of women entrepreneurs in this study as they indicated that their start-up funding was from personal savings, very few respondents got a loan from a bank to start their businesses. It is recommended that women entrepreneurs have access to funding information, requirements and funding especially from banks and funding units in government. Government and the private sector should relax their funding requirements for easy access. In addition, funding information and requirements must be published in websites, information leaflets in banks or government offices must be readily available. Government and the private sector must embark on campaigns and road shows to educate women entrepreneurs about funding requirements.
- **Language barrier:** this is one of the factors amongst others, which affect women entrepreneurs in their businesses as well as relations. It is recommended that uneducated women entrepreneurs be trained in their languages, to gain maximum training and education. The uneducated women entrepreneurs' training should also be conducted in forms of drama, role plays as other women

entrepreneurs cannot read and write due to lack of education and others, due to disability.

- **Exposure to women entrepreneurship at an early age:** Programmes like take a girl child to work should robustly be introduced in businesses and not only at the workplace. Girls should be introduced to different types of businesses, particularly the male dominated sectors like construction, technology, transport and the manufacturing sectors at a tender age to sensitise and expose them to women entrepreneurship.

#### **4.4 CRITICAL EVALUATION OF THE STUDY**

The success of this study is based upon comprehending the primary and secondary objectives, as outlined in section 1.3 of this research.

##### **4.4.1 Primary objectives revisited**

The primary objective of the study was to explore white and black women entrepreneurs in selected areas and to make recommendations to ensure successful women entrepreneurship in the country. For this study to implement the primary objective effectively, the following secondary objectives were formed:

##### **4.4.2 Secondary objectives revisited**

- To gain insight into the role women entrepreneurs can play in the South African economy by means of a literature study.
- To study the unique elements that Carletonville and Soweto can offer the female entrepreneurs.
- To determine what motivate women to start their own business.
- To identify challenges that female entrepreneurs may face entering and growing own ventures.

- To determine differences between white and black women-owned businesses by means of t-tests and effect sizes.
- To examine current development and support programmes in a South African context.
- To determine the needs of women entrepreneurs in Carletonville and Soweto areas regarding support, training and development.
- To suggest practical recommendations to develop women entrepreneurship in the areas of Carletonville and Soweto.

The first secondary objective specifically, **To gain insight into the role women entrepreneurs can play through a literature study** was realised and concluded in a literature study in chapter two of this document. This chapter acts as a motivation to this question by supplying a structured understanding on the role that women entrepreneurs play in the South African economy.

The second secondary objective namely, **To study the unique elements that Carletonville and Soweto can offer the female entrepreneurs** was comprehended through the empirical research deliberated in chapter three and determined in chapter four.

The third secondary objective, **To determine what motivate women to start their own business** was attained by both the literature review in chapter two and the comprehensive empirical research in chapter three and determined in chapter four.

The fourth secondary objective, **To identify challenges that female entrepreneurs may face entering and growing own ventures** was realised through the detailed empirical research discussed in chapter three and concluded in chapter four.

The fifth secondary objective, **To determine differences between white and black women-owned businesses by means of t-tests and effect sizes**, was realised by calculating the differences in the mean scores.

The sixth secondary objective, **To examine current development and support programmes** was realised through the detailed empirical research discussed in chapter three and concluded in chapter four.

The seventh secondary objective, **To determine the needs of women entrepreneurs in the Carletonville and Soweto areas regarding support, training and development** was realised through the detailed empirical research discussed in chapter three and concluded in chapter four.

The eighth secondary objective, **To suggest practical recommendations to develop women entrepreneurship in the Carletonville and Soweto areas** was realised through the detailed empirical research discussed in chapter three and concluded in chapter four. The results of this empirical research led to the development of practical recommendations as presented in this chapter.

Through the achievement of all secondary objectives it can then be decided that the primary objective that is, primary objective of the study was to explore white and black women-owned entrepreneurs in selected areas and to make recommendations to ensure successful women entrepreneurship was achieved.

#### **4.5 SUGGESTIONS FOR FUTURE RESEARCH**

There was no evidence found of prior research in the Carletonville and Soweto areas that focuses specifically on women entrepreneurship determinants and obstacles therefore it is recommended that further research in these areas be conducted to support a structured understanding of the broader issues on this subject at a grass root level.

The following topics concerning women entrepreneurship in Carletonville and Soweto provide base for further research:

- Financing of women-owned businesses.
- Strategies for growth in women-owned enterprises.
- How different motivators for women entrepreneurs affect business performance.
- Women culture and entrepreneurship.
- How government policies affect women entrepreneurial activities.
- Business strategies and choice.
- Effect of education level on the performance of women entrepreneurs.
- The study of successful and unsuccessful women entrepreneurs.
- How does the level of education affect the performance of women entrepreneurs?

#### **4.6 SUMMARY**

The purpose of this chapter was to conclude the empirical study conducted in this study, by compiling a profile of the women entrepreneur in the Carletonville and Soweto areas. A detailed description of the female entrepreneurs in the Carletonville and Soweto areas was specified that included the following aspects: the biographical information of the female entrepreneurs as discussed followed by the structure of female-owned businesses within the Carletonville and Soweto areas. The path to ownership was explored which includes the views of the women entrepreneurs in regards to support offered by the Carletonville and Soweto areas.

The motivational factors to self-employment, obstacles faced during the start-up phase and experienced obstacles in running woman entrepreneur operations and women entrepreneurs' support needs were explored.

In addition to the exploration, t-tests were conducted and they displayed the differences between the black women entrepreneurs and white women entrepreneurs in relation to motivational factors, obstacles in start-up and running their businesses.

The empirical research resulted in the formulation of recommendations to women entrepreneurship development in the Carletonville and Soweto areas, amongst others. A critical evaluation of the study in regards to the achievement of this study's objectives and suggestions for future studies were also recommended.

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**Code number:**

**QUESTIONNAIRE:  
WOMEN ENTREPRENEURSHIP IN SOUTH  
AFRICA**

**CONTACT DETAILS:**

Carol Rasego  
Cell: 082 448 4036  
E-mail: [carolrasego@telkomsa.net](mailto:carolrasego@telkomsa.net)

**PLEASE NOTE:**

This questionnaire must only be completed by women owner-managers (entrepreneurs) in South Africa.

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

**Instructions for completion:**

1. Please answer the questions as objectively and honestly as possible.
2. Place a cross (x) in the space provided at each question which reflects your answer the most accurately. Use the following key: **1** = Strongly disagree; **2** = Disagree; **3** = Slightly disagree; **4** = Neutral view; **5** = Slightly agree; **6** = Agree; **7** = Strongly agree.  
It is essential you indicate your choice clearly with a **pen**.
3. Where asked for comments or to express your own opinion, keep answers short and to the point.
4. Please answer all the questions, as this will provide more information to the researcher so that an accurate analysis and interpretation of data can be made.

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

**QUESTIONNAIRE DEVELOPED BY:**

Prof Stephan van der Merwe

Tel: (018) 299 1414

Email: [stephan.vandermerwe@nwu.ac.za](mailto:stephan.vandermerwe@nwu.ac.za)

## SECTION A: PERSONAL INFORMATION

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

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

<b>A1</b>	<b>In which ethnic group do you fall?</b>	Black	Coloured	Indian/ Asian	White
		(01)	(02)	(03)	(04)

<b>A2</b>	<b>Indicate your home language</b>	
	Afrikaans	(01)
	English	(02)
	IsiNdebele	(03)
	isiXhosa	(04)
	isiZulu	(05)
	Sesotho sa Leboa	(06)
	Sesotho	(07)
	Setswana	(08)
	siSwati	(09)
	Tshivenda	(10)
	Xitsonga	(11)
	Other	(12)

<b>A3</b>	<b>In which age group do you fall?</b>	$\leq 19$	20 - 29	30 - 39	40 - 49	50 - 59	60+
		(01)	(02)	(03)	(04)	(05)	(06)

<b>A4</b>	<b>What is your marital status?</b>	Single	Married	Divorced	Widowed	Living Together
		(01)	(02)	(03)	(04)	(05)

<b>A5</b>	<b>Indicate your highest academic qualification.</b>	
	Lower than matric	(01)
	Matric	(02)
	Certificate	(03)
	Diploma (Technical College or Technicon)	(04)
	University degree	(05)
	Postgraduate degree	(06)

<b>A6</b>	<b>Indicate the number of children that you have.</b>		
	None		(01)
	One (1) child		(02)
	Two (2) children		(03)
	Three (3) children		(04)
	Four (4) children		(05)
	Five (5) children		(06)
	Six (6) children		(07)
	More than six (6) children. <b>Please specify.</b>		

<b>A7</b>	<b>Indicate the age of your children</b>		
	No children		(01)
	One (1) to five (5) years		(02)
	Six (6) to 10 years		(03)
	11 – 18 years		(04)
	18+		(05)

<b>A8</b>	<b>Indicate your past experience before self-employment (occupational background).</b>		
	Unemployed		(01)
	Self-employed (owned a business)		(02)
	Worker (administration, clerk, secretary, cashier)		(03)
	Supervisor (first-line management)		(04)
	Middle management		(05)
	Top (executive) management		(06)

<b>A9</b>	<b>Indicate the number of years that you are self-employed.</b>		
	Less than one (1) year		(01)
	1 –3 years		(02)
	4 – 5 years		(03)
	6 – 10 years		(04)
	More than 10 years. <b>Please specify:</b>		(05)

## SECTION B: BUSINESS INFORMATION

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

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

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

<b>B3</b>	<b>What is the age of the business (years)?</b>
	<b>Please specify:</b>

<b>B4</b>	<b>Indicate your path to business ownership.</b>		
	Started (founded) the business		(01)
	Purchase the business		(02)
	Join the family business		(03)
	Inherited the business (from the family)		(04)
	Other: <b>(Please specify)</b>		(05)

<b>B5</b>	<b>Indicate your source of start-up funding.</b>		
	Personal savings		(01)
	Borrowed or gifted(donated) from relative or friend		(02)
	Household/spouse		(03)
	Sold previous business		(04)
	Bank loan		(05)
	Other: <b>(Please specify)</b>		(06)

<b>B6</b>	<b>Indicate the business premises (from where does the business operates?).</b>		
	From home (home-based)		(01)
	Central business district (CBD)		(02)
	Outlying business area		(03)
	Industrial area		(03)
	Agriculture land		(04)
	Other: <b>(Please specify)</b>		(05)

<b>B7</b>	<b>How many permanent employees are employed by your business?</b>							
	Myself	2-5	6-10	11-25	26-50	51-100	101-200	200+
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)

<b>B8</b>	<b>Indicate the turnover (annual sales) that your business generates.</b>		
	Less than R30 000		(01)
	R30 000 – R50 000		(02)
	R50 000 – R100 000		(03)
	R100 000 – R500 000		(04)
	R500 000 – R1 million		(05)
	R1 million – R5 million		(06)
	R5 million+		(07)

<b>B9</b>	<b>Did you have any exposure to business in your childhood? (i.e. parents, close family friend that owned a business).</b>	<b>Yes</b> (01)	<b>No</b> (02)
	<b>If yes, who owned the business? (Please specify – i.e. father, mother, sibling, family friend, close friend.)</b>		

<b>B10</b>	<b>Is the present business the first business that you own?</b>	<b>Yes</b> (01)	<b>No</b> (02)
	<b>If no, please indicate what happened to the business previously owned.</b>		
	Went out of business		(03)
	Still successful		(04)
	Sold of		(05)
	Other <b>(Please specify):</b>		(06)

## SECTION C: MOTIVATIONAL FACTORS

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

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

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>MOTIVATION FOR ENTERING SELF-EMPLOYMENT OR TO START OWN BUSINESS</b>								
<b>C1</b>	The need for independence	1	2	3	4	5	6	7
<b>C2</b>	Need for flexible work schedule	1	2	3	4	5	6	7
<b>C3</b>	Need for a challenge	1	2	3	4	5	6	7
<b>C4</b>	Self-fulfilment	1	2	3	4	5	6	7
<b>C5</b>	To develop my hobby	1	2	3	4	5	6	7
<b>C6</b>	Role models and other people's influences (friends & family members)	1	2	3	4	5	6	7
<b>C7</b>	Redundancy (lost your job, retrenchment)	1	2	3	4	5	6	7
<b>C8</b>	Difficulty finding a job	1	2	3	4	5	6	7
<b>C9</b>	Dissatisfaction with salaried jobs (job/ career frustration)	1	2	3	4	5	6	7
<b>C10</b>	Compatibility with family duties	1	2	3	4	5	6	7
<b>C11</b>	Insufficient family income	1	2	3	4	5	6	7
<b>C12</b>	Desire for wealth	1	2	3	4	5	6	7
<b>C13</b>	Ensure high job security	1	2	3	4	5	6	7
<b>C14</b>	Entered the family business	1	2	3	4	5	6	7
<b>C15</b>	Confidence in the product/service offered.	1	2	3	4	5	6	7
<b>C16</b>	Others ( <b>Please specify</b> )							

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

## SECTION D: OBSTACLES TOWARDS WOMEN ENTREPRENEURSHIP

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

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

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>FACTORS (OBSTACLES) THAT INHIBIT THE FEMALE ENTREPRENEUR TO <u>START</u> HER OWN BUSINESS</b>								
<b>D1</b>	Inter role conflict (work/home conflict)	1	2	3	4	5	6	7
<b>D2</b>	Family pressures (gender-role expectations)	1	2	3	4	5	6	7
<b>D3</b>	Awareness/ Access to business support	1	2	3	4	5	6	7
<b>D4</b>	Lack of timely business information	1	2	3	4	5	6	7
<b>D5</b>	Lack of female role models	1	2	3	4	5	6	7
<b>D6</b>	Isolation from business network	1	2	3	4	5	6	7
<b>D7</b>	Socio-cultural environment (lack of respect from male community and stereotype)	1	2	3	4	5	6	7
<b>D8</b>	Lack of business management skills	1	2	3	4	5	6	7
<b>D9</b>	Lack of education and training (in general)	1	2	3	4	5	6	7
<b>D10</b>	Inequality of access to credit (difficult to obtain financing as a female)	1	2	3	4	5	6	7
<b>D11</b>	Lack of self-confidence	1	2	3	4	5	6	7
<b>D12</b>	Risk averse (great fear of failure)	1	2	3	4	5	6	7
<b>D13</b>	Legislative (lack of focussed women entrepreneurship policies from regional municipalities or government)	1	2	3	4	5	6	7
<b>D14</b>	Other ( <b>Please specify</b> )							

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
<b>FACTORS (OBSTACLES) YOU ARE FACING <u>CURRENTLY</u> IN RUNNING YOUR BUSINESS</b>								
<b>D15</b>	Inter role conflict (work/home conflict)	1	2	3	4	5	6	7
<b>D16</b>	Family pressures (gender-role expectations)	1	2	3	4	5	6	7
<b>D17</b>	Awareness/ Access to business support	1	2	3	4	5	6	7
<b>D18</b>	Lack of timely business information	1	2	3	4	5	6	7
<b>D19</b>	Lack of female role models	1	2	3	4	5	6	7
<b>D20</b>	Isolation from business network	1	2	3	4	5	6	7
<b>D21</b>	Socio-cultural environment (lack of respect from male community and stereotype)	1	2	3	4	5	6	7
<b>D22</b>	Lack of business management skills	1	2	3	4	5	6	7
<b>D23</b>	Liquidity and other financial problems	1	2	3	4	5	6	7
<b>D24</b>	Gaining acceptance/respect of people (internally and externally)	1	2	3	4	5	6	7
<b>D25</b>	No time for training/upgrading of skills	1	2	3	4	5	6	7
<b>D26</b>	Other <b>(Please specify)</b>							

## SECTION E: DEVELOPMENT NEEDS OF ENTREPRENEURS

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

<b>E1</b>	<b>Have you ever been trained or developed by either a government agency or the private sector?</b>	<b>Yes (01)</b>	<b>No (02)</b>
(03)	<b>If yes, name the institution:</b>		
	<b>Indicate the type of training that you received.</b>		
	Technical skills (i.e. hand crafting)		(04)
	Communication skills		(05)
	Accounting skills		(06)
	Management skills		(07)
	Technological skills (computers)		(08)
	<b>Other: (Please specify)</b>		(09)

<b>E2</b>	<b>Do you know any organisation which is specifically established for women entrepreneurs?</b>	<b>Yes (01)</b>	<b>No (02)</b>
(03)	<b>If yes, what is the name of that organisation?</b>		
	<b>How does the organisation helps to develop women entrepreneurs in their activities? (Choose one or more.)</b>		
	Provides education and training		(04)
	Provides financial assistance		(05)
	Supports/enables networking with other women entrepreneurs		(06)
	Provides access/exposure to motivational speakers/role models		(07)
	Provides business information		(08)
	<b>Other: (Please specify)</b>		(09)

<b>E3</b>	<b>Indicate your specific needs. (Choose one or more.)</b>	
	Financial support	(01)
	Training/knowledge/skills	(02)
	Tools, equipment, machinery	(03)
	Business advice, information, counselling, mentoring	(04)
	Marketing support	(05)
	Suitable business premises	(06)
	Growth Support	(07)
	Technical support	(08)
	Psychological support	(09)
	Networking with other business owners	(10)
	Infrastructure (roads, telephone, electricity)	(11)
	Legal support	(12)
	Women entrepreneurship specific based policies for the area.	(13)
	Other: <b>(Please specify)</b>	(14)

**THANK YOU FOR YOUR TIME.**