

UNIVERSITY OF KWAZULU-NATAL

Title page

Female Entrepreneurs, the key to economic growth in KwaZulu-Natal

By

Jessantha Naidoo

Student Number: 961088619

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Supervisor: Professor Anesh Singh

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Date:	1 December 2010
Student Name:	Jessantha Naidoo
Student no.:	961088619
Dissertation Title:	Female Entrepreneurs, the key to economic growth in KwaZulu-Natal

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Name of Supervisor:

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Abstract

The South African government has set a target of reducing unemployment by fifty percent by the year 2014. In order for government to achieve this target, more attention needs to be given to female entrepreneurs. This is due to the fact that women in South Africa make up half the business force and their contributions have not been adequately nurtured. The South African government is aware of the significance that female entrepreneurship has had on the growing economy of the country. As a result, many initiatives have been undertaken by the South African government, including business start-up training and advice as well as mentoring and coaching programmes.

Thus, the aim of this study is to critically evaluate the role of female entrepreneurs and their contribution to economic growth in KwaZulu-Natal. The study will further analyse the role played by the South African government in terms of promoting female entrepreneurship, specifically relating to access to finance and training programmes.

A 'snowball' sample of fifty female entrepreneurs was selected from the central business region of KwaZulu-Natal to complete the questionnaire who were in business for more than three years. Data was collected using a questionnaire developed by the researcher. Statistical analysis was conducted on the data in order to reveal whether there were any significant relationships between training programmes instituted by the government and success of the small to medium owned businesses as well as the access to financial support and start-up costs.

Research in this study have shown that there are a number of challenges which hindered the growth of female entrepreneurs including shortage of skills, limited access to start-up capital, lack of mentorship and government assistance as well as insufficient family support. Although the government has assisted organisations to assist female entrepreneurs in terms of mentorship and training programmes, more needs to be done in terms of building awareness of these programmes. The government needs to be more proactively involved in the promotion and advertisement of these programmes as well as sponsoring training programmes for women.

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CHAPTER ONE

Introduction

1.1 Introduction

In 1994, South Africa went through a dramatic change; Apartheid (oppression of black people) ended and South Africans witnessed the inauguration of the first black president of the country, President Mandela; thereby inspiring hopes that the new dispensation would create a better South Africa for all. Since 1994, the South African government has adopted a number of economic programmes; one of them being a reduction of unemployment and poverty by fifty percent between the period 2004 and 2014, especially amongst the previously disadvantaged individuals (Altman 2006).

Both President Zuma's State of the Nation's address on 15 February 2010 and the Minister of Finance's budget speech two days later confirmed that job creation is a key factor to changing the economic landscape of South Africa for the better, and that entrepreneurial activity is a key driver to effect that change and improve South Africa's competitiveness (Chengadu 2010). If unemployment is to be tackled, it is crucial to pursue a set of policies that promote South Africa's rate of economic growth and development which promotes job creation and alleviates poverty. An investment in its citizens, particularly women, is an important factor in addressing unemployment and poverty. In other words, more women need to enter the workplace.

1.2 Motivation for the Study

With the ending of Apartheid and the implementation of the transformation process, South Africa went through dramatic changes, especially in the way in which South African women were seen. Since 1994, the South African government had to embark on a process to structurally transform the country and its economy so that all South Africans participated in the mainstream of the economy. Through the policies set for eradicating poverty and unemployment, the South African government needed to create an environment where it was possible for woman to enter informal trade and the corporate environment and to grow, which in turn has contributed to South Africa's

significant economic growth. Women as a percentage of the employed population are now 42.4 percent (Women's census 2008). Women in South Africa make up over half the business force and their contributions have not been adequately recorded and nurtured. Further, it was reported that South African women entrepreneurs could be the key to unlocking economic growth if better and more targeted support was made available to them (Sunday Times, 2007:p.2). As a result of women entering business, South Africa has also experienced a four percent decrease in the rate of unemployment from September 2006 and September 2007 (South African Development Indicators Report 2007).

A general belief in many South African cultures is that the role of women is to build and maintain the home affairs which included cooking and taking care of the household chores as well as rearing children. Entrepreneurship has pre-dominantly been male orientated, but time has changed and women are also now seen as inspirational entrepreneurs (Panda 2007). In almost all countries in the world women are putting their steps at par with men in business. In South Africa for instance, female entrepreneurs make up over half the business force. By enhancing women through education and awareness programmes, women have shifted from the status of care-giver and homemaker to higher levels of professional activities and some even to the boardroom of many high-profile companies. According to the Nedbank/Businesswomen's Association SA Women in Corporate Leadership Census 2008, there has been an increase in women venturing into the workplace since the census was first conducted in 2004. The reasons for this could be attributed to the following:

- Government's initiatives to promote women in business, including BEE initiatives and gender equality in the workplace.
- Constraints of the economy; dual income families are more likely to succeed in turbulent times.
- The number of households that are headed by females who are sole breadwinners in the family.

The literature on female entrepreneurship suggests that, in terms of both entrepreneurial

options and entrepreneurial resources, women are more disadvantaged than men, and that the minority women are more disadvantaged than the white women (Smith-Hunter & Boyd *et al.*, 2004). The authors Blenker, Dreisler and Nielsen *et al.*,(2003: 385), in their study on how entrepreneurship can be promoted, found that information and education are problems for most female entrepreneurs. Further, in South Africa, lack of financial support is the second most reported contributor to start-up failure, after education and training (Orford, Wood, Fisher, Herrington and Segal *et al.*, 2003).

Hence, this study was to investigate the contributions by female entrepreneurs to economic growth in KwaZulu-Natal. In conducting the study, the researcher will explore what are the reasons for females venturing into entrepreneurship and identify the strategies government has in place to support female entrepreneurs including any training and support programmes and access to start-up capital and financing. In addition, this study will also examine the success of the above strategies on economic growth.

1.3 Objectives of the Study

The objectives of this study are to:

1. Critically evaluate the reasons why women choose to be entrepreneurs.
2. Critically evaluate the challenges experienced by female entrepreneurs in establishing their business
3. Measure the contribution female entrepreneurs have made to economic growth
4. To analyse the role of the South African government in terms of mentoring and coaching programmes to assist women in business.

1.4 Research Methodology

A sample was selected using the ‘snowball sampling’ method which is a type of convenience sampling. All targeted individuals were female entrepreneurs in the KwaZulu-Natal region. The sample selection method is discussed in detail in Chapter 3.

In an effort to decrease researcher bias a random sample of fifty female entrepreneurs

was chosen from the Central Business District.

Additional sample entrant criteria for the female entrepreneurs were:

- Currently in private business
- To have an established business for more than three years

To limit the restrictions of time constraints and budgetary implications the researcher in some instances personally delivered and collected all survey forms, this process at times required several attempts, and this was done in an effort to ensure a good response rate and results that would be less prone to potential research error.

For some candidates, the researcher had e-mailed the forms to them.

The administration process is outlined below:

- The survey forms were delivered by the researcher to the private business address of the sample population
- The survey forms were e-mailed by the researcher to the business e-mail address of the sample population
- The sample population was given one week to complete the questionnaire
- The researcher then collected the completed questionnaires.
- If the respondent wanted to participate in the study and had not completed the questionnaire due to time constraints a suitable collection time was negotiated and the researcher would then collect the completed questionnaire as per the agreement.

The validity and reliability of the collected data was scrutinised before the data analysis proceeded.

All research was conducted with the purpose of answering the following critical questions:

- Reasons for women venturing into entrepreneurship and the challenges experienced by them.
- The number of investment opportunities for female entrepreneurs.
- The ease of access to finance and start-up capital for female entrepreneurs.

- The support received from government and non-government established organisations.
- The industry under which the business is operating and whether any marketing or advertising is done.
- The number of people employed in the organisation (including full and part-time employees).
- The annual turnover being generated and the business's contribution to economic growth.
- Awareness of the mentoring and coaching programmes offered by the South African government to entrepreneurs.
- Whether mentoring and coaching programmes had a positive impact on development as an entrepreneur.

1.5 Problem Statement

The primary aim of this study is to determine whether developing female entrepreneurship in KwaZulu-Natal can assist in the economic growth of the province. This statement can be proved true or false after collected data and conclusions drawn.

Each year as students in South Africa graduate from high schools and universities there is a rush of individuals into the labour market. This problem is highlighted when the numbers entering the job market are estimated to be in excess of 462 000 potential entrants per annum (Department of Education *et al.*, 2002:222). When one considers the options available to these people, entrepreneurship will not only offer employment but will create jobs which are needed in our country.

Throughout the world entrepreneurship is seen as one of the most important solutions to unemployment, poverty and low economic growth in any country (Botha, Niemand & Van Vuuren, 2007:2). Women who choose to venture into entrepreneurship do so for many reasons. Research conducted in Chapter 2 showed that the main reasons why more and more females are choosing to enter the entrepreneurial world is due to poverty alleviation and 'work-life balance'. The South African government has supported female entrepreneurs by establishing organisations such as the South African Women

Entrepreneurs Network (SAWEN) as well as instituting mentoring and coaching programmes to assist women in business.

A part of this study will focus on the initiatives taken by government and the successes encountered by female entrepreneurs and the direct effect on economic growth in KwaZulu-Natal.

1.6 Limitations of the Study

The following limitations posed a challenge during this research:

- The researcher requested information relating to female entrepreneurs from the Business Women's Association and the South African Institute of Chartered Accountants. Due to confidentiality clauses, this association could not provide the researcher with the number of female entrepreneurs listed on its database nor their contact details. As a result, the researcher had to use the 'snowball sampling' method and a sample of fifty respondents were chosen.
- The sample size was chosen by virtue of initial contact made by the researcher with the female entrepreneurs who then introduced the researcher to other female entrepreneurs.
- The sample of respondents chosen is not a representative sample across all industries in KwaZulu-Natal.
- The low sample size is also a limitation; a larger project would limit research error
- There is limited volume of literature available on this area of research.
- Due to time, cost and accuracy limitations, the targeted sampling plan focused on only one region in KwaZulu-Natal, namely the central business district region. This meant that in order to obtain a holistic view of the impact of female entrepreneurship in South Africa, a different study would have to be undertaken.
- The sample size is limited to the Central Business District of Durban, KwaZulu-Natal.

1.7 Structure of the Study

In attempting to achieve the objectives of the study the following chapters with specific topics were explored and are outlined as follows:

Chapter 2: Literature Review

This chapter provides insight into the reason why South Africa needs female entrepreneurs in order to increase its economic growth. The factors affecting female entrepreneurs are explored as well as the impact of government intervention in terms of training and development and access to finance and start-up capital are explored.

Chapter 3: Research Methodology

In this chapter the research methods that was selected for the study is explained including the statistical methods and the rational for selecting the chosen methodology. The composition of the sample population is also explored and documented in detail.

Chapter 4: Survey Results - Presentation

The results of the researcher's questionnaires was inputted into a statistical tool and manipulated. After the statistical manipulation was completed, the research results are to be presented in this chapter.

Chapter 5: Analysis of Results

With a clear focus of objectives the results are analysed thereby providing insight into the problem statement

Chapter 6: Recommendations

The survey results are structured in the form of recommendations and action plans.

1.8 Conclusion

South Africa desperately needs to create jobs in order to achieve its objective of reducing unemployment and poverty by fifty percent in 2014. Determining the roles and the contributions of female entrepreneurs in the South African economy is not an easy task due to the complexity and lack of information on the subject matter. However, in order for the South African government to reduce unemployment, an investment in its people, particularly women is an important area to concentrate on. Thus, a study focusing on the reasons why women venture into entrepreneurship, the challenges that

these women are exposed to and determining the impact of mentoring and coaching programmes designed to assist them is important.

In chapter 2, the available literatures on female entrepreneurs are reviewed by the researcher in order to shed some light on the problem statement and objectives of the study.

CHAPTER TWO

Literature Review

2.1 Introduction

From 1948 until 1994, South Africa officially practiced white domination over blacks – a system which came to be known as Apartheid. The elections of 1994 brought an end to the Apartheid era and the initiation and implementation of the transformation process. This process resulted in dramatic changes in all aspects of South Africa, including the way in which South African women were treated. A year later, the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa made special reference to the development of female entrepreneurs. One specific objective was to facilitate equalization of income, wealth and economic opportunities, specifically with regards to the advancement of women in all business sectors (White Paper on National Strategy for the Development and Promotion of Small Business in South Africa,1995).

The 2008 Nedbank Women in Corporate Leadership Census recorded that women as a percentage of the employed population are now 42.4 percent (Holbrock, 2010). As a result of women entering business, South Africa has also experienced a four percent decrease in the rate of unemployment from September 2006 to September 2007 (South Africa Developmental Report: 2007). There are however, several constraints that limit entrepreneurship as well as the survival rate of new ventures, these include: the lack of pertinent entrepreneurial and organisational knowledge (Aldrich & Fiol et al.,1994:645), lack of preparedness and not creating and using network linkages, lack of technical knowledge (Lau & Busenitz et al.,2001:7), and the general lack of accumulating resources (human and otherwise) to overcome difficulties (Alrich & Fiol et al.,2001:50).

2.2 Definition of Entrepreneurship

According to the Ijeoma & Ndedi (2010), the word entrepreneurship is derived from the French word meaning to undertake, to pursue opportunities, to fulfil needs and wants through innovation. In broader terms, (Antonites et al.,2003:33) defines an entrepreneur

as an individual with the potential to create a vision from virtually nothing.

Entrepreneurship requires an individual having a dream which gradually becomes a vision, a willingness to take both financial and calculated risks without knowing the consequences, and then doing everything possible to fulfil ones' goals and objectives. It involves building a team of people with complementary needed skills and talents; sensing and grasping an opportunity where others see failure and gathering and controlling resources to pursue the opportunity, making sure that the venture does not run out of finance when it needs most (Ijeoma & Ndedi: 2010)

A female entrepreneur, on the other hand, is a person who accepts a challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who are capable of contributing values in both family and social life (Jayalakshmi: 2009). The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to their role and economic status in society.

A question that is asked during an MBA programme is “Are Entrepreneurs born or are they made?” There is no single or clear cut answer. Some individuals may argue that inherited generic traits might steer a successful entrepreneur. According to the author Klein (2010), others who believe that entrepreneurs are made may argue that training and development are fundamental building blocks for any entrepreneur's success and career. Being part of a developing economy, South Africans need to understand what characteristics and traits a successful entrepreneur should possess.

An entrepreneur needs to be a leader. According to Friedman (2008), leaders need to portray the following three principles when leading their organisations:

- Be real: Act with authenticity by clarifying what is important.
- Be whole: Act with integrity by respecting the whole person.
- Be innovative: Act with creativity by experimenting with how things get done.

For innovation to occur, something more than the generation of a creative idea or insight is required: the insight must be put into action to make a genuine difference, resulting for example in new or altered business processes within the organization, or

changes in the products and services provided. The author Hamel said that when people begin to realise they can help invent the future, they will bring new levels of engagement and enthusiasm to the aggregated effort. This enthusiasm will lead to entrepreneurs being able to build “an organisation that is fully human and fully prepared for the extraordinary opportunities that lie ahead.”

In addition, an entrepreneur should also possess self confidence. Swanepoel *et al.* (2005: 135) said that “having the necessary confidence – based on solid fundamentals – to make sound business decisions, is vital for the effective execution of any business plan.” Simply, confidence meant a firm trust on what you were about to do. According to Challenor (2008), confidence is inherent in everyone but with proper guidance and a sense of self worth it can be an explosive tool in leading others. Another successful trait of an entrepreneur is that they know their strengths and weaknesses and are always looking ahead for new opportunities. Whether they are already in business or just getting started, they have an attitude that expects opportunities, and they invest the time necessary to find the opportunities that will work for them. Even those already running a successful business remain open to new possibilities (Defiora and Defiora: 2010).

Business experience is also vital for successful entrepreneurship. According to Rooney *et al.*, (2010) 87 percent of successful entrepreneurs start companies in niches where they already have business experience. People who get formal training are much more likely to succeed than those who don't.

‘Entrepreneurial competency’ is another important characteristic that an entrepreneur should possess. Entrepreneurial competency is largely acquired on an individual basis. This consists of a combination of skills, knowledge and resources that distinguish an entrepreneur from his or her competitors (Fiet *et al.*, 2000:103). Antecedents of entrepreneurial competencies include the entrepreneur's past experience, training and education (Man, Lau & Chan *et al.*, 2002:126).

For a successful entrepreneur, delegating effectively and building good relationships with employees, vendors, and other partners is key to his or her success. Entrepreneurs

should conduct themselves in a manner whereby respect is given to third parties and all business dealings are dealt with integrity.

A study conducted by the Guardian Life Small Business Research Institute found that successful entrepreneurs had a win-win attitude and were dedicated to "creating opportunities for others." The study further showed that Great entrepreneurs loved being in control of their destiny, deciding how hard to work and when, and deriving personal fulfillment and gratification from operating their businesses.

2.4 A South African perspective on female entrepreneurs

There are very few studies on women entrepreneurs in South Africa. This is largely due to the lack of indigenous research studies, lack of information, lack and limitation in contextual research methodologies, lack of relevant and up-to-date data and appropriate instruments of measure and problems of access to African women entrepreneurs in most Africa countries (South African Women Entrepreneurs Network: 2005).

In order for South Africa to increase its economic growth and achieve its objective of reducing unemployment, the national strategy for the development and promotion of small business identifies small business development and the empowerment of entrepreneurs as the most important avenue for economic growth (Act No. 102 of 1996: National Small Business Act, 1996). Sunter et al.,(1998:2) highlights the importance of entrepreneurship development when he states "it is only through the creation of millions of enterprises that millions of jobs will be created". In determining whether there is an advantage to be gained by South Africa for women opting to enter the world of entrepreneurship, it is necessary to determine whether unemployment levels have improved. In a survey conducted in South Africa between the periods September 2006 to September 2007, the rate of unemployment had decreased by four percent as a result of women entering the world of business (Development Report)

According to the The Nedbank/Businesswomen's Association SA Women in Corporate Leadership Census 2008, there has been an increase in women venturing into the workplace since the census was first conducted in 2004. The reasons for this could be attributed to the following:

- Government's initiatives to promote women in business, including BEE initiatives and gender equality in the workplace.
- Constraints of the economy; dual income families are more likely to succeed in turbulent times.
- The number of households that are headed by females who are sole breadwinners in the family.

Through the policies set for eradicating poverty and unemployment, the South African government needed to create an environment where it was possible for woman to enter the corporate environment and to grow, which in turn has contributed to South Africa's significant economic growth. As a result, the South African government has since the 1990's encouraged private sector and small business development and this is evident in the exponential growth experienced by the sector.

2.4.1 The role of small businesses and entrepreneurship

The vital role that small business and entrepreneurship play in stimulating economic activity, job creation, poverty alleviation and the general upliftment of living standards has been recognised both internationally and in South Africa. Owing to the low economic growth, high unemployment and an unsatisfactory level of poverty in South Africa, entrepreneurship becomes a critical solution for the starting and developing of small business (Van Vuuren, 2007: 269).

The South African government has targeted the SMME sector as an economic empowerment vehicle for previously disadvantaged people, a tool which can be used to reduce unemployment in South Africa (SouthAfrica.info: 2010). Small to medium enterprises (SMEs) play a vital role in the development of the South African economy. According to the South African Institute of Chartered Accountants, a report from the Policy Board for Financial Services and Regulation at the South African Reserve Bank shows that the total economic output of SMEs is approximately 50 per cent of our gross domestic product (GDP). In addition, this sector employs more than 60 per cent of the total labour force. Unemployment, a serious concern in our economy, can be reduced through the successful promotion of SME output. Further to this, the Ntsika Annual

Review of SME's stated that SME's form 97.5% of all businesses in South Africa ((Van Vuuren, 2007: 274).

Unemployment rates for black women are over 40%, compared to 21% for black men and 5% for white women (Women in Africa Doing Business *et al.*, 2008). Small enterprise development holds the key to economic growth. In order to achieve its target of reducing unemployment by fifty percent by 2014, South Africa needs to look towards employment creation. The South African government have realised that by supporting SMMEs they may achieve their target goal set. Data on small and medium enterprises suggests that these enterprises contribute about half of total employment, more than 30% of total gross domestic product. Also, one out of five units exported is produced in the small and medium sector in South Africa (SouthAfrica.info: 2010).

The vital role small businesses and entrepreneurship play in stimulating economic activity, job creation, poverty alleviation and the general upliftment of living standards has been recognised both internationally and in South Africa. By analysing the factors that influence the start-up of small businesses and entrepreneurial ventures it can make potential entrepreneurs aware of the importance of these factors in the start-up and growth of their businesses. Once these factors are identified it could be incorporated in the training and development programmes which are offered to emerging female entrepreneurs. According to the survey conducted by the World Bank Southern Africa Department to discover how entrepreneurs got started doing business in June 2001, there are many motivations for individuals to start an SMME. In the survey, it was found that three-quarters of the SMME entrepreneurs held a formal sector job before starting their business, and moved when they saw a good business opportunity to make more money. The survey further showed that over 70% of the SMME owners had formal sector work experience and chose to start prior to starting their own business and another 12% became SMME owners when they joined their family businesses (Chandra, Moorty, Nganou, Rajaratham & Schaefer: 2001).

2.4.2 Motivation for female entrepreneurs

According to the South Africa Women Entrepreneurship Network, motivation for women entrepreneurs is linked to career selection. Key indicators of motivation for female entrepreneurs include amongst others, the level of education and training, individual desires, career-entry expectations and career self-sufficiency (Scherer, Brodzinski and Wiebe *et al.*, 1990), academic ability and peer aspirations (Scherer, *et al.*, 1990); socio-economic background and the ability to overcome cultural conditioning and learning experiences (Birley *et al.*, 1989); differences in orientation and motivations (Brush *et al.*, 1992); and race and culture. There has been a number of studies conducted over the years that have precipitated the entrepreneurial start-up decision. Goals, personal growth, expectation, culture and other internal factors, as well as factors in the external environment, can potentially influence the start-up decision (Shaver *et al.*, 2001). Research has shown that women in South Africa make up over half the business force and their contributions have not been adequately nurtured. At his opening speech in Parliament in 1994, President Mandela said that “freedom cannot be achieved unless women have been emancipated from all forms of oppression.....they have been empowered to intervene in all aspects of life as equals with any other member of society” (Myakayaka-Manzini, 2002).

According to Halkias & Anast (2009) the leading motivating factor attracting women to self-employment is the fact that opportunities to be hired in the employment sector are slim. Other factors that are attracting women into entrepreneurship include inter alia, a need for flexible working hours, a need for independence and challenges. Women bring into the workplace strong interpersonal skills, examples being empathy and good communication skills. According to the OECD’s 2004 Women’s Entrepreneurship: Issues and Policies; women entrepreneurs play a major role in the entrepreneurial economy both in their ability to create jobs for themselves and to create jobs for others. The decision to start a business is much more complex for women than for men. The reason for this is that women have more responsibilities than men such as balancing both family and work life. Many research documents have shown that women experience greater conflict between work and family roles than men. The reason for this is because as women become working mothers they were still expected to continue on a

career path, as well as manage the primary care of children and the extended family (Mitwick 2007:40).

For women more than for men, the choice to start a new business is often linked to necessity or to time and location flexibility; in order to accommodate family needs and child rearing (Arenias, Minniti & Langowitz et al., 2005:15). According to Jayalakshmi (2009), there are women who are working full-time and still can't meet their monthly obligations. Therefore, with the current strain on the economy having extra money is not an option, it is a necessity. In some cases, women are fired from their current jobs so being self-employed is the next best alternative. Necessity entrepreneurship is more widespread among women in developing countries such as South Africa than for women in developed countries such as the United States of America. Dollinger *et al.*, (1999:43), Wickham *et al.*, (2001:63) and Niemand *et al.*, (2003:31) as cited in Both M, 2006 present a method for analysing the question "Why do women start their own businesses?" Their method is to analyse the questions by means of the push and pull factors which lure women into entrepreneurship. They can be classified as either opportunity (pull factors) or necessity (push factors) of entrepreneurship as indicated in Figure 2.1.

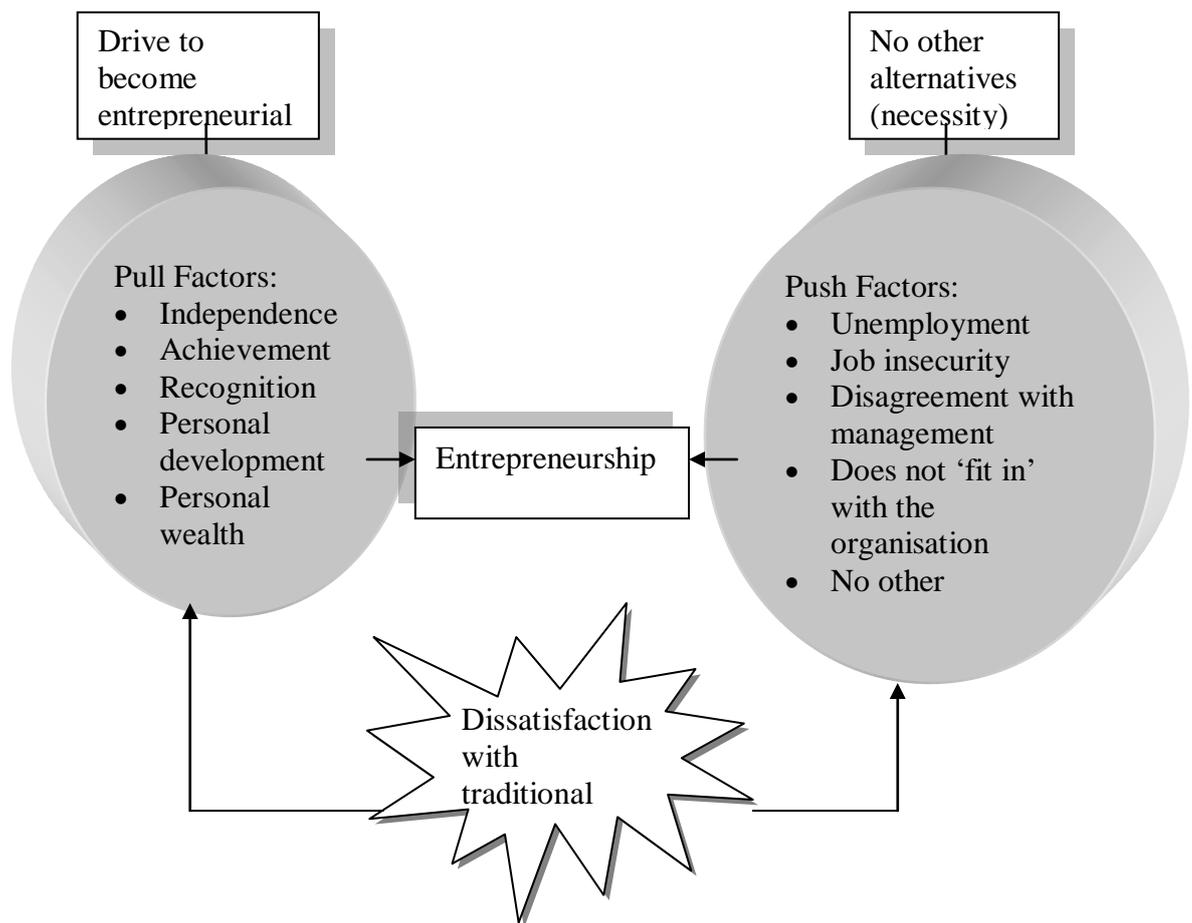


Figure 2.1 The push and pull factors of entrepreneurship

Adapted from Botha: 2004. **Measuring the effectiveness of the women entrepreneurship programme, as a training intervention on potential, start-up and established women entrepreneurs in South Africa.** p 123

Figure 2.1 indicates that an individual is “pushed” into entrepreneurship as a result of unemployment but is “pulled” into entrepreneurship as a result of personal development, as an example.

2.4.3 Factors affecting emerging female entrepreneurs

A survey conducted by the Department of Trade and Industry in 2005 (South African Women Entrepreneurs Network Report 2, 2005), revealed that the following factors affected the growth and morale of female entrepreneurs in South Africa:

- Race, gender and geographical location;

- Poverty;
- Landlessness;
- Vulnerability;
- Education;
- Family responsibilities; and
- HIV/Aids.

The literature on female entrepreneurship suggests that, in terms of both entrepreneurial options (e.g. occupational choices) and entrepreneurial resources (e.g. sources of capital and training), women are more disadvantaged than men, and minority women are more disadvantaged than white women (Smith-Hunter & Boyd et al., 2004:20). Approximately 2.6 million South Africans, mostly women, have been trapped in survivalist activities such as sewing co-ops, chicken farming, candle-making, gardening, and arts and crafts – activities that are below the poverty line (Kassim & Hendriks et al., 2002). In addition, these women have been excluded from access to credit, ownership of land, educational opportunities and skills development (White, Riley, Fernandez and Mills-Jones: 2009).

A study in 2003 commissioned by Ernst and Young and Rand Merchant Bank (Naude et al., 2004:10) to establish the factors that inhibit entrepreneurship in South Africa highlights the following factors: limited access to start-up capital, an appropriate education system, government regulations and bureaucracy, lack of business knowledge, costs of entry, discrimination, lack of mentorship and government assistance and uncompetitive behaviour from established companies. According to the Nedbank/Business Woman's Association SA Women in Corporate Leadership Census 2008, it states that although women make up 52 percent of the adult population, and have a 42.4 percent representation in the workforce, they hold relatively small percentages of influential positions. Only 14.3 percent (7 percent in 2004) of South African directors were female, 3.9 percent (3 percent in 2004) of the chairs of board were females and 3.9 percent (2 percent in 2004) of Chief Executive Officer's were female. In addition, the total number of executive managers has decreased since 2006. According to MacDonald et al., (cited in Lewis-Enright, Crafford and Crous 2004: 1),

the reason for this and the slight decrease in female directorships and positions of Chief Executive Officer's could be attributed to many factors, amongst them being women are expected to fulfil domestic and traditional roles, a situation which makes it difficult to maintain a career

As businesswomen, there are many obstacles to be encountered. This study however will focus on four major obstacles that women face which is: shortage of skills; limited access to capital; lack of mentorship and government assistance; and lack of family support.

2.4.3.1 Shortage of skills

The long period of Apartheid imposed oppression and restriction on South African women, especially black women. The traditional roles and expectations of women in society were to be home-makers as well as care-givers to their children. This meant that women had little or no opportunity to further their education. The dawn of democracy has brought about change especially regarding the role of women. Maas et al., (2006:15) cited in the Global Entrepreneurship Monitor (GEM) report that in the survey conducted for entrepreneurs, the majority of women entrepreneurs had less than a Grade 12 school qualification as a highest standard and many women entrepreneurs did not further their education in terms of tertiary education.

South Africa's problem of unemployment can be alleviated by the development of SMME's and entrepreneurship (Luiz et al., 2002:53). In view of this, tertiary institutions should be encouraged by the government to play a significant role in encouraging and training students for entrepreneurship (Van Der Walt: 2008). Education is regarded by most individuals as the fundamental tool for empowerment and liberation of human kind. Many female entrepreneurs are operating without tertiary education and as a result, they would lack the management and strategy skills necessary for advancement in their area of expertise. It is argued that those who possess a tertiary education have better access to information and so venture into business as entrepreneurs or as opportunity seekers rather than out of necessity (Arenius *et al.*, 2004:20). A study by Arenius *et al.* (2004:20) estimated that two-thirds of the world's 870 million illiterates

were female and the number was not expected to decrease in the next twenty years. It is stated that women lag behind men, especially in African and Asian countries. Networking is a crucial tool for entrepreneurs and its absence, due to lack of role models and social networks, may hinder many women from becoming successful entrepreneurs because of the lack of access to resources, and it may contribute to a fear of exploiting business opportunities.

2.4.3.2 Limited access to capital

Lack of access to capital and finance continues to be one of the major problems faced by individuals who want to start their own businesses or to expand their current businesses. The reason for this could be attributed to the fact that commercial banks are usually weary of small businesses because of the perception that SME's are high-risk borrowers (United Economic Commission for Europe Organisation). As a result, female who have no collateral are regarded as high risk and are not accepted as credit worthy customers. According to Magomola *et al* (2000:13), customary law has contributed to the inability of black women to raise collateral. Women were not allowed to acquire property rights and as a result could not convert any property to collateral for financial institutions which impacted negatively on their ability to start businesses. Thus, women entrepreneurs are not as well-equipped as men when it comes to assessing finance, despite the availability governments can provide to help get their business off the ground (South African Women Entrepreneurs Network 2005).

One of the few studies on female entrepreneurship in South Africa was commissioned by the Department of Trade and Industries in 2004 revealed that women usually used savings from their personal income as start-up capital for entrepreneurial ventures (South African Women Entrepreneurs Network 2005). Furthermore, the traditional discriminatory practices and lack of information also contributed to black women's inability to accumulate personal assets, which affected their ability to raise loans and other capital required. Therefore, a lack of finance is still a major stumbling block preventing black women entrepreneurs from reaching their full economic potential in South Africa.

According to GEM results conducted on both males and females, in most of the countries, the majority of women entrepreneurs provided all the required start-up capital themselves (Botha: 2006). Mattis et al.,(2004:155) found that in recent years, women-owned business received less than 2% of the available venture funds for their start-up costs and utilised their savings and credit cards as start-up capital. The author, Mattis (2004) also found that men on the other hand listed bank loans or personal loans in addition to personal funds as sources of start-up capital.

2.4.3.3 Lack of mentorship and government assistance

The Small Business Act No. 106 of 1996 was introduced to provide an environment conducive to the development of small, medium and micro-enterprises (Chiloane & Mayhew: 2010). To encourage women into self employment, the South African government needs to widen women entrepreneur's access to start-up training and advice (Carter *et al* 2000: 313). This should include a wide range of advice on start-up support services. According to the GEM Report of 2004 on Women and Entrepreneurship, mentoring and network support has been cited as crucial factors in boosting women's attitudes to business leadership and new venture creation, especially at local levels (Botha, 2006:146). Furthermore, Stanger *et al.*, (2004: 464) stated that women's more general educational background and traditionally limited relevant prior work experience is likely to limit their opportunities to accrue the necessary experience and skills associated with successful entrepreneurship.

2.4.3.4 Insufficient family support

Women's family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to balance the tasks of both home and business efficiently and effectively. Managing the demands of both work and family is a continuous challenge for females. This is because women are not relieved of the household and child-rearing responsibilities when they start their own businesses but remain the "primary parent, emotional nurturer and housekeeper" (Unger & Crawford *et al.*, 1992:23). As women become working mothers they are still expected to continue on a career path, as well as manage the primary care of children and extended family

(Mitwick 2007:40). This became the beginning of work/life balance paradigm shift. Shelton (2005:289) stated that, high levels of work-family conflict can be expected of ambitious women who desire high growth as they cannot reach their venture by reducing their commitment to their businesses.

In order for women to ascend the corporate ladder and ‘get to the top’ they need to have good support structures at home, in the form of full-time domestic help, day care facilities for their children and greater involvement from their husbands and extended families (April, Dreyer and Blaas, 2007:59). The author, Verwey *et al.*, (2005:20), found that a serious handicap preventing women from realizing their entrepreneurial potential is the lack of reliable, affordable and conveniently situated day care facilities for children to suit the entrepreneurial situation of the mother. There is a price to pay to ‘get to the top’. The journey to the top requires dedicated and committed work, intelligent career planning and family sacrifices. The price an individual is required to pay does not stop once they have reached their executive level. “To have an executive career, you must be prepared to travel, work long hours and there is also a certain amount of being ‘on call’ that needs to be factored in. If you cannot meet these requirements, then an executive career is not for you” (April, Dreyer and Blass 2007:60)

In order to eradicate this, Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units can facilitate women to excel in decision making process and develop a good business network.

2.4.4 Government intervention

In South Africa, the importance of entrepreneurship has been widely recognised by the government, which has therefore made efforts to identify entrepreneurs, provide them with capital, stimulate their enterprise, support their development and generally make it easier for entrepreneurs to enter the business sector without unnecessary bureaucratic rules and regulations (Intergrated Small-Enterprise Development Strategy, 2005).

2.4.4.1 Access to start-up capital and finance

SMMEs have received significant attention and investment, ranging from the establishment of state-initiated projects to supportive legislation, a variety of funding institutions and government incentives through the Department of Trade and Industry (DTI). The National Small Business Act, passed in 1996, helped to establish many of the supportive structures now in place (Chiloane & Mayhew: 2010). An important part of the national small business strategy is therefore to create an enabling environment for entrepreneurs and small businesses to access finances. Although a number of institutions have been set up, South Africa still has a long way to go.

2.4.4.2 Training and Mentorship Programmes

The South African government recognised the dilemma of financing small ventures and as such has implemented a strategy for the development and promotion of SMME's (small, medium and micro-enterprises) in South Africa in February 1995 under the umbrella of the Department of Trade and Industry (DTI). Government has thus created various support structures for SMME's, which are facilitated by the DTI and associated organisations and include the Centre for Small Business Promotion (CSBP) which is now replaced by South African Enterprise Agency (SEDA), Enterprise Promotion Agency (Ntsika) and Khula Enterprise Finance Limited (Khula) (Van Vuuren, 2007:274).

The aim of the CSBP is to monitor job creation by implementing and administering the aims of the national strategy. The aim of SEDA is to provide training to potential entrepreneurs with an aim of empowering them to utilise business opportunities provided through government policies. Ntsika provides non-financial support services to the SMME sector, tackling issues like management development, marketing and business development services Ntsika has pledged its support for women's enterprise initiatives (SouthAfrica.info: 2010). Khula offers financial support mechanisms to the sector. The financial products include loans, the national credit guarantee system, grants and institutional capacity building (SouthAfrica.info: 2010). Most women owned enterprises range from micro to small to medium enterprises. The South African government has supported female entrepreneurs by establishing the South African

Women Entrepreneurs Network (SAWEN) as well as instituting mentoring and coaching programmes to assist women in business.

An initiative launched three years ago by the South African Institute of Chartered Accountants (SAICA) provides established black entrepreneurs with access to networks that can make a difference to their business. The Black Entrepreneur Initiative (BEI) works with small to medium-sized enterprises (SMEs) with an annual turnover of between R1-million to R5-million. SAICA members who are Chartered Accountants provide 30 hours of mentorship, either as individuals or as a company, to tackle a range of business issues from VAT registration and returns, budgeting, pricing, cash flow planning, to more complicated issues such as strategic planning, management structures, identifying potential new markets and marketing (South African Institute of Chartered Accountants:2010).

SAICA's objective is to ensure that the chartered accountancy profession is a socially responsible driver of business and skills development; its strategy is to develop and empower previously disadvantaged South Africans. The BEI project sets out to achieve this and encourage companies to expand their social objectives by supporting and encouraging Enterprise Development, a component of Broad Based Black Economic Empowerment (BBBEE).

2.5 Female entrepreneurs linkage to economic growth

Entrepreneurs create businesses and new businesses in turn create jobs which in turn assists the government in achieving its goal set of poverty and unemployment reduction of fifty percent by 2014. The legacy of Apartheid has created enormous impact on South Africa. Not only has South Africa's democratic local governments' inherited local economies with amongst the highest levels of inequality in the world where the bulk of residents still live in conditions of unrelenting poverty, they have also seen the structure of their key economic sectors shift rapidly as a consequence of domestic and global policy adjustments(Parnell *et al*, 2004). In order to eradicate injustice and inequality, the role that female entrepreneurs play in the South African economy is of vital importance. The South African government has actively embraced empowering

females in the workplace. In 2009, President Zuma announced that women in his new cabinet would amount for 42 percent, made up of 14 ministers and 12 deputy ministers. Female entrepreneurship has been acknowledged by national policy-makers as being crucial to overall economic growth of the country. However, despite many years of various efforts and programmes to bring female entrepreneurship into mainstream economic activities, women entrepreneurs still mainly operate from the fringes of the national economy (H.M Consultancy Services, 2005:22-23).

During the 20th century, women took over some of the roles traditionally held by men. Examples of such roles are legal and financial transactions (Martinez C et al., 2009) According to Jalbert et al., (2000:9-10) female entrepreneurs are active at all economic levels, be it domestically, regionally or globally. Thus it can be summarised that economic development is closely related to the advancement of women, since in countries where women entrepreneurship has been highly advanced, economic growth has been steady and vice versa. Women in South Africa make up over half the business force and their contributions have not been adequately nurtured (White, Riley, Fernandez & Mills-Jones: 2009). A media report indicated that South African women entrepreneurs could be the key to unlocking economic growth if better and more targeted support was made available to them (Sunday Times South Africa, August 12, 2007:p.2).

In South Africa, for the combined period of 2001 and 2002, the total entrepreneurial activity rate for men is 8.1 percent compared to 4.9 percent for women and men are 1.7 times more likely than women to be involved in entrepreneurial activity. By comparison with other GEM developing countries, South Africa is the weakest in terms of new firm and established firm entrepreneurs, both of which are primary sites of job creation. This suggests that the economic contribution of South Africa's entrepreneurial sector is well below developing country norms (GEM et al., 2003). Furthermore, the 2009 Executive Report of the Global Entrepreneurship Monitor (GEM) has shown over the last 10 years that entrepreneurship is essential for economic development. "Business entrepreneurs drive and shape innovation, they speed up structural changes in the economy, and they introduce new competition, thereby contributing to productivity." (www.saica.co.za)

2.6 Summary

South Africa's entrepreneurial spirit seems to be awakened by people who have the ability to dream and the passion, perseverance, patience and power to pursue it – South African women are no exception (White, Riley, Fernandez and Mills-Jones:2009). Their role is being recognized and steps are being taken to promote women entrepreneurs. There has been an increasing interest in female entrepreneurship in recent years. This is so due to its importance and contribution to economic growth and development of a country. The role of Women entrepreneurs in economic development is inevitable. Women are ever willing to take up business and contribute to the Nation's growth. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

This chapter has shown that female entrepreneurs find it much harder to start their own businesses than their male counterparts especially regarding lack of finance, lack of support from their spouses, lack of education and training. It is for this reason that the South African government has successfully established organisations to assist female entrepreneurs in this regard. In chapter 3, the researcher will provide a basis on the research methodology used in this study.

CHAPTER THREE

Research Methodology

3.1 Introduction

A brief overview of the research methods which was to be used in this study was outlined in Chapter 1. The two methods of data collection that were used was the literature review and qualitative survey methods, this was done in an effort to answer the critical questions, meet the research objectives and provide additional insight on the impact that female entrepreneurs have on economic growth. This chapter will provide the rationale for utilising the literature review and qualitative survey as tools for data collection will be clarified in this chapter.

3.2 Aim and Objectives of the Study

The primary aim of this study is to determine whether developing female entrepreneurship in KwaZulu-Natal can assist in the economic growth of the province. This statement can be proved true or false after collected data and conclusions drawn.

Thus, the objectives of this study are to:

- Critically evaluate the reasons why women choose to be entrepreneurs.
- Critically evaluate the challenges experienced by female entrepreneurs in establishing their business.
- Measure the contribution female entrepreneurs have made to economic growth.
- Analyse the role of the South African government in terms of mentoring and coaching programmes available for female entrepreneurs.

All research was conducted, using the questionnaire and literature review, with the purpose of answering the following critical questions:

- Reasons for women venturing into entrepreneurship and the challenges experienced by them.

- The number of investment opportunities for female entrepreneurs.
- The ease of access to finance and start-up capital for female entrepreneurs.
- The support received from government and non-government established organisations.
- The industry under which the business is operating and whether any marketing or advertising is done.
- The number of people employed in the respondent's organisation (including full and part-time employees).
- The annual turnover being generated and the respondent's organisation contribution to economic growth.
- Awareness of the mentoring and coaching programmes offered by the South African government to entrepreneurs.
- Whether mentoring and coaching programmes had a positive impact on development as an entrepreneur.

3.3 Sampling Technique and Description of the Sample

The organisations which were chosen to assist in this research were: Business Woman's Association and the South African Institute of Chartered Accountants, Eastern region. After numerous attempts made by the researcher to contact these organisations, the researcher was told that due to confidentiality clauses the number and names of female entrepreneurs on the organisation's database could not be communicated to the researcher. As a result of this limitation, the researcher then obtained the sample size using a sampling method called snowball sampling, which is a form of convenience sampling. According to the authors Bryman and Bell (2003), a convenience sample is one that is simply available to the researcher by virtue of its accessibility. The problem with such a sampling strategy is that it is impossible to generalize the findings, because we do not know of what population is representative of. With the 'snowball sampling' approach, the researcher makes initial contact with a small group of people who are relevant to the research topic and then uses these to establish contacts with others. An example of snowballing sampling is given by Venter, Boshoff, and Maas *et al.*, (2005) where this technique was used to identify owner-managers and successors of small and medium-sized family businesses in South Africa. A snowball sample is in no sense

random, because there is no way of knowing the precise extent of the population from which it would have been drawn (Bryman and Bell, 2003).

The researcher randomly chose fifty individuals from the Central Business District of KwaZulu-Natal to conduct the research. The sample size was chosen by virtue of initial contact made by the researcher with the female entrepreneurs who then introduced the researcher to other female entrepreneurs. Thus the sample size is limited to fifty respondents. The categories of industries which the respondents represented are as follows: transport, retail, hospitality, manufacturing, travel and tourism and other.

3.4 Research Design and Methods

The research methodology will outline the particular use of the research instrument designed to investigate the problem statement during the implementation stages of the research study.

3.4.1 Description and Purpose

After the literature review the survey method was chosen as the quantitative research instrument. The primary aim and objectives could best be answered conclusively by a structured survey as this method of data collection gathered data relating to the topic on hand. A questionnaire (Appendix 1) was designed by the researcher and contained two parts with eighteen questions. The questions were made up of the following categories:

A biographical section,

Challenges experienced as a female entrepreneur

Investment opportunities, access to start-up capital and support received from the government

Organisations contribution to economic growth

Ease of access to mentoring and coaching programmes

The purpose of category one was to gather demographic information relating to the sample group. The information comprised of: Gender, Race and Age.

Questions in categories three to five, used the Likert scale. Respondents were requested

to complete the statements according to a scale ranging from:

- 1 – Strongly agree
- 2 – Agree
- 3 – Disagree
- 4 – Strongly disagree

Categories two to five of the questionnaire was made up of fifteen questions and took a total average of five minutes to complete.

3.4.1.1 Construction of the Instrument

The questionnaire was designed to be easy to read and understand. When handing out and e-mailing the questionnaire to the respondents, the researcher clearly indicated how the questions were to be answered in order to avoid any misunderstanding on the part of the respondents. Respondents were asked to complete the questionnaire by means of a series of ticks and crosses. The nature and purpose of the research was also clearly communicated to the potential respondents as well as the reassurance that all their responses would be kept private and confidential.

3.4.1.2 Recruitment of Study Participants

A sample was selected using the snow-ball sampling method. All targeted individuals were female entrepreneurs in the KwaZulu-Natal region.

The sample size of fifty respondents was chosen by virtue of initial contact made by the researcher with the female entrepreneurs who then introduced the researcher to other female entrepreneurs.

Additional sample entrant criteria for the female entrepreneurs were:

- Currently in private business
- To have an established business for more than three years old.

To limit the restrictions of time constraints, budgetary implications and survey accuracy that was placed in the research, the researcher at some instances personally delivered

and collected all survey forms, this process at times required several attempts, and this was done in an effort to ensure a good response rate and results that would be less prone to potential research error. For some candidates, the researcher had e-mailed the forms to them.

3.4.2 Pre-testing and Validation

Prior to issuing the questionnaire to respondents, a pilot study was done on five female entrepreneurs to validate the questionnaire and the requirements. The pilot study was done to determine the following:

- The understanding of the instructions on the questionnaire
- The clarity of the questionnaire items
- The time required to complete the questionnaire

The participant was asked for feedback on the content of the questionnaire as well as language and relevance of the questions. Based on the comments received from the participant, the questionnaire was amended and then sent to the ethical committee for approval.

The validity and reliability of all collected data was scrutinised before data analysis proceeded.

3.4.3 Administration of the Questionnaire

After the study population was selected, the researcher used two methods to deliver the survey forms to the sample population. In the first instance, the researcher personally delivered the survey forms to the private business address of the sample population. The researcher also e-mailed some of the survey forms to the business e-mail address of the sample population.

The respondents were given one week to complete the questionnaire. The researcher then collected the completed questionnaires. If the respondent wanted to participate in the study and had not completed the questionnaire due to time constraints a suitable

collection time was negotiated and the researcher then collected the completed questionnaire as per the agreement. A separate consent form was constructed as respondents identities would be protected thereby ensuring that the responses would be as honest as possible.

3.5 Statistical Analysis of the Data

The method of data collection will be to code and tabulate the collected data using the SPSS Version 15. The data will be imported onto SPSS Version 15. Once the information is loaded, queries can be run, specifically focusing on the researcher's objectives of the study. Chi square tests were conducted on the data collected; however, these test proved to be invalid. The researcher then made use of the Fisher's exact test analysis using SPSS and the software programme 'Stata 10'.

The researcher performed Cross-tabulations tests between the race and age of the respondents. The results of these tests were measured against variables such as the respondent's perceptions of their 'contribution to economic growth', their 'awareness of mentoring and/or coaching programmes and whether they have been on such a programme.

3.5.1 Fisher's exact test

Fisher's exact test is a statistical test used to determine if there are nonrandom associations between two categorical variables (Weinsstein: 2010). The author further explains that the reason for using this method is because the chi-square statistic becomes inaccurate when used to analyse contingency tables that contain exactly two rows and two columns, and that contain less than 50 cases. Fisher's exact probability is not plagued by inaccuracies due to small N's. Therefore, it should be used for two-by-two contingency tables that contain fewer than 50 cases.

3.5.2 Data Analysis

Quantitative data analysis will be used. Data will be collected by the researcher by means of a structured questionnaire. The questions will be close-ended to facilitate the

answering process and collection of information. The interview questions will be open ended to draw the respondent's opinions. Using the chosen methods of analysis, various graphs and tables would be extracted by the researcher as a means of illustrating findings. In Chapter 4 the researcher will present the research findings and in Chapter 5, the researcher would study the objectives and would then analyse the problem statement.

3.6 Summary

As discussed, the researcher has used the method of data collection in the research by handing out and e-mailing the questionnaire to fifty respondents. The respondents were given one week to complete the questionnaire and the researcher personally collected the questionnaires from the respondents.

The respondents were chosen from the Central Business District of KwaZulu-Natal based on criteria as discussed in the prevailing chapter. The sample size of fifty is not a representative sample. The researcher had to use the 'snowball sampling' method to conduct the research. This meant that the sample size was chosen by virtue of initial contact made by the researcher with a female entrepreneur who introduced the researcher to other females. Also, most of the respondents stated that they operated their businesses in 'other' industries. It was difficult to determine which of the other industries they operated in as some of the respondents did not record this information on their questionnaires.

In chapter 4, the researcher will analyse and present the results of the questionnaires which were completed by the respondents.

CHAPTER FOUR

Presentation of Results

4.1 Introduction

A total of fifty respondents were selected to complete the “Female Entrepreneurs, the key to Economic Growth in KwaZulu-Natal” questionnaire. After several reminders and attempts by the researcher to the respondents to complete the questionnaire, the researcher obtained all the respondent’s questionnaires by 15 November 2010.

In this chapter, the researcher will present the results of the questionnaire.

4.2 Presentation of the results of Part 1: Biographical details

Question one to three captured the biographical particulars of the study population. These questions defined the study sample in terms of race, gender and age of the entrepreneur. The results showed that 62% of the sample was Indians (Figure 4.1) and that 36% of the study population were between the ages of 35-44 (Figure 4.2). All respondents who answered the questionnaire were female.

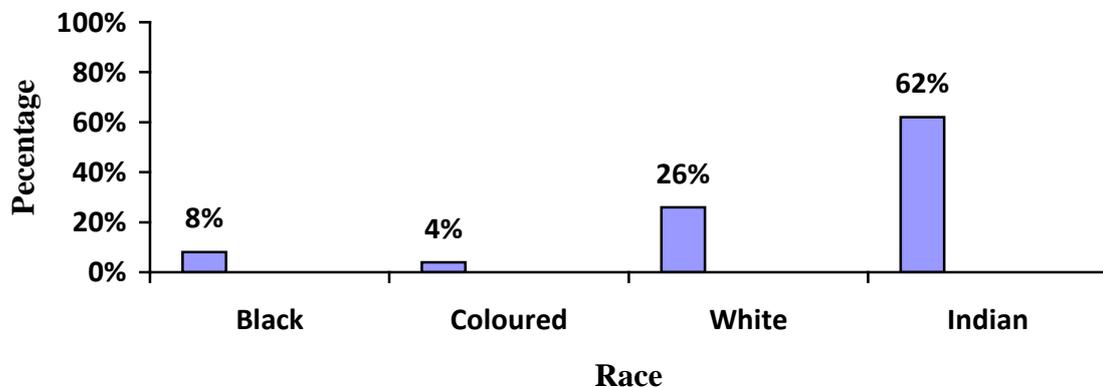


Figure 4.1: Race of the respondents

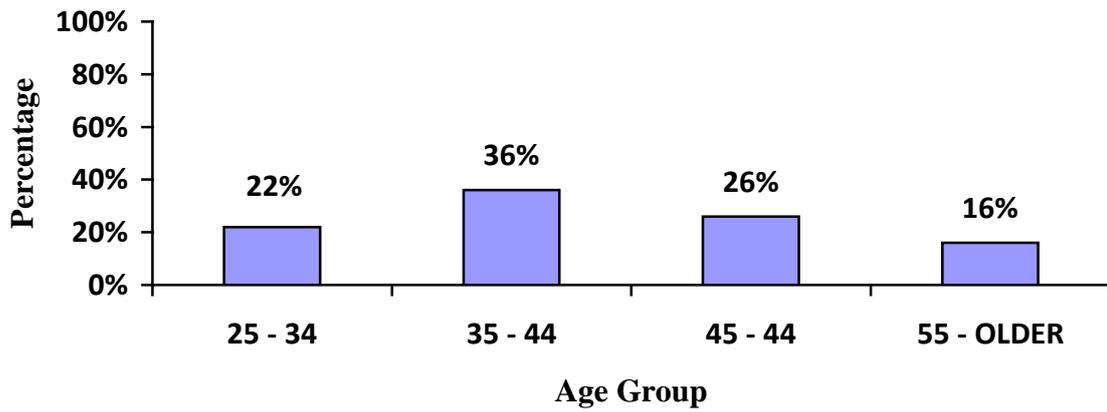


Figure 4.2: Age of Respondents

4.3 Objective 1: To measure the contribution female entrepreneurs have made to economic growth

4.3.1 Industries in which female entrepreneurs establish businesses

Figure 4.3 shows the industries within which the respondents are operating in.

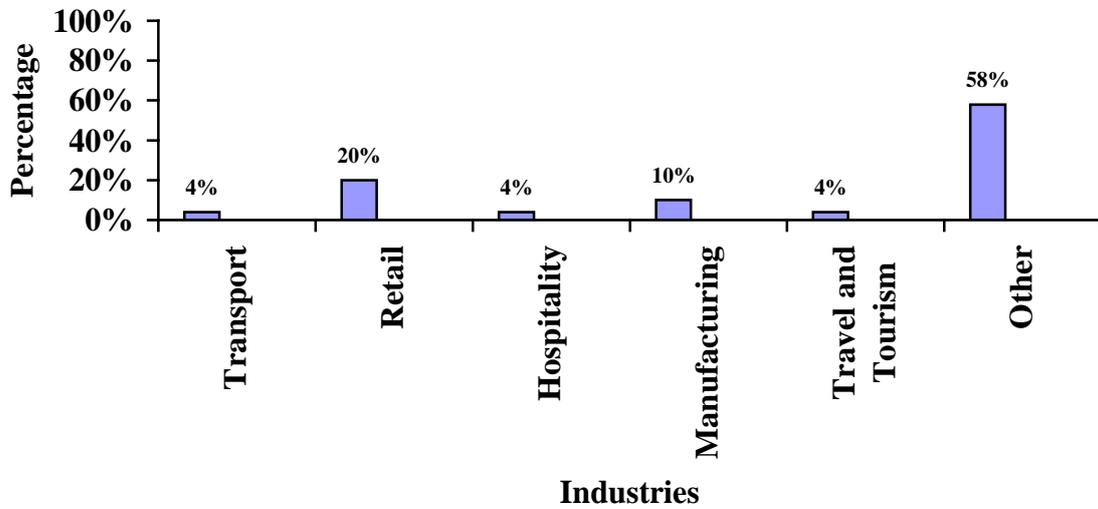


Figure 4.3: Industries within which female entrepreneurs are operating in

Of the population of respondents, 20% are operating in the retail industry. The larger percentage of the population (58%) was operating in other industries such as medical, legal and/or real estate.

4.3.2 The number of individuals employed in female-owned businesses

Figure 4.4 shows the number of individuals whom are employed in the respondent's business.

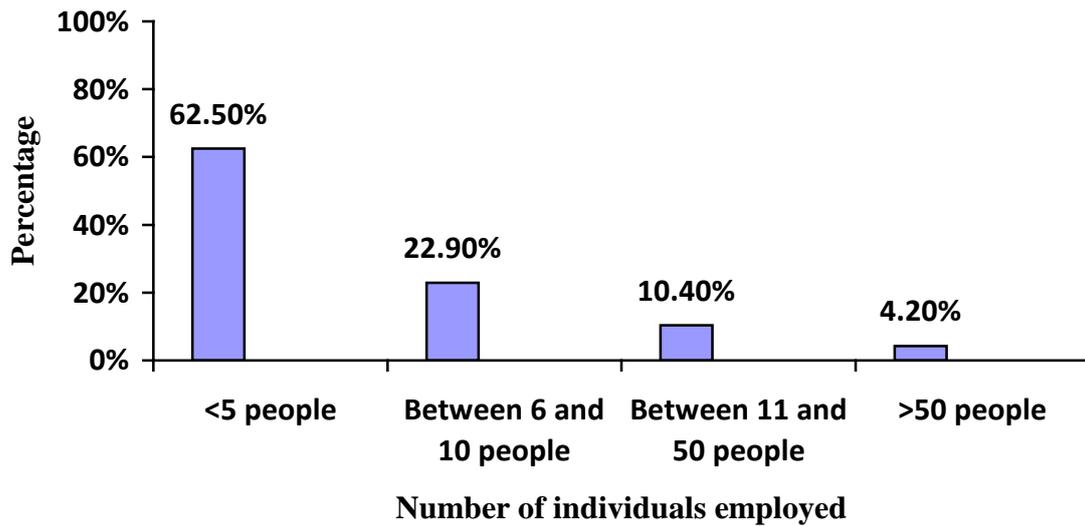


Figure 4.4: Number of people employed in female owned businesses

The majority of the respondents (62.5%) are employing 5 people or less in their established organisations

4.3.3 The annual turnover generated by a female-owned business

Figure 4.5 shows the annual turnover generated from the respondent's organisations.

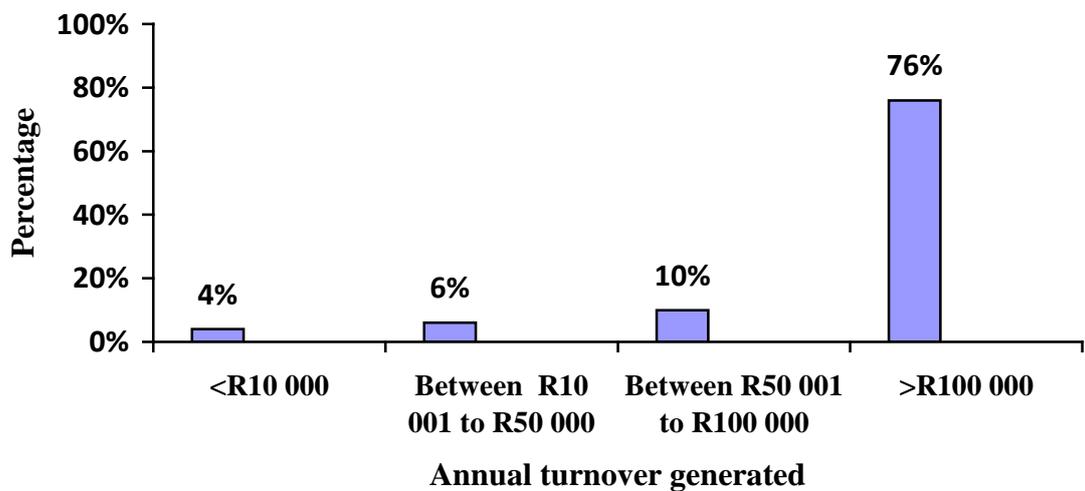


Figure 4.5: Turnover generated by female owned businesses

The results show that 76% of the respondents are generating greater than R100 000 per

annum. The results further show that 20% of the respondents are generating less than R100 000 per annum.

4.3.4 Female entrepreneurs contribution to economic growth

Figure 4.6 shows the respondents perception of their contribution to economic growth and Figure 4.7 shows the type of contribution made to economic growth.

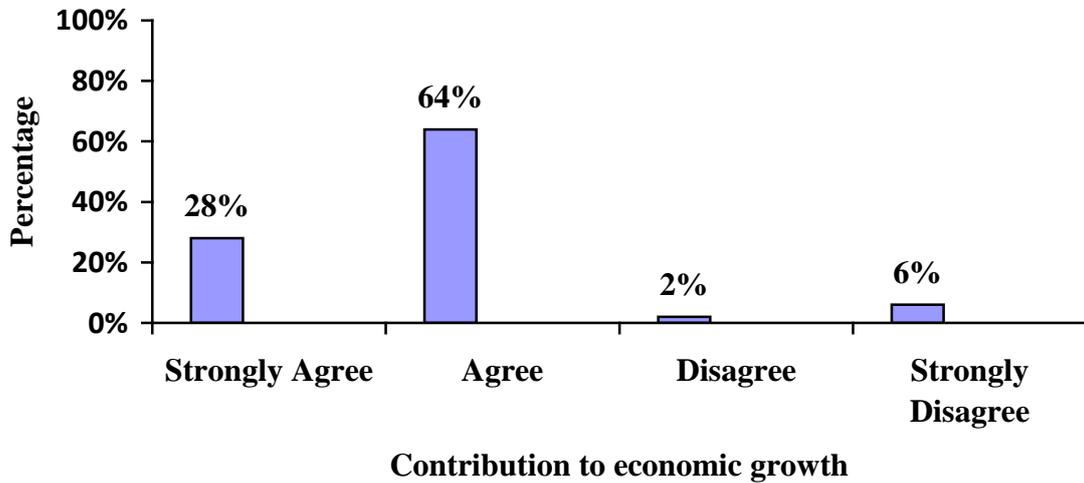


Figure 4.6: Female entrepreneurs' contribution to economic growth

Majority of the respondents, 92%, believe that they are contributing to economic growth.

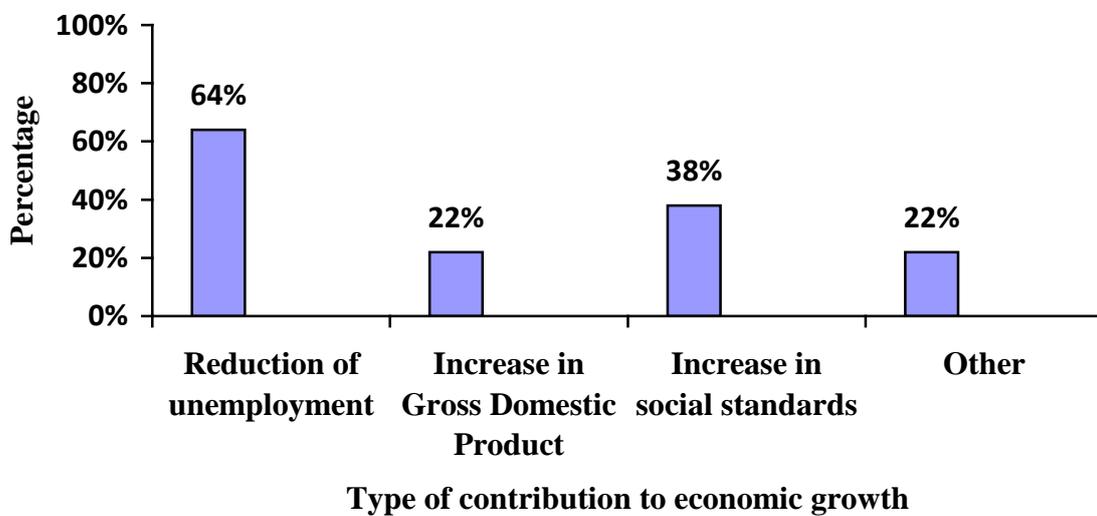


Figure 4.7: Type of contribution made to economic growth

When questioned regarding their perceptions of the type of contribution made to economic growth, 64% of the population indicated that they believe that by creating their own business, they are reducing unemployment. The other respondents (38%) felt that they were contributing by means of an increase in the social standards of the community.

4.4 Objective 2: To critically evaluate the challenges experienced by female entrepreneurs in establishing their business

4.4.1 Challenges experienced by female entrepreneurs

Figure 4.8, shows the perception of the respondents regarding their challenges experienced as a result of venturing into entrepreneurship.

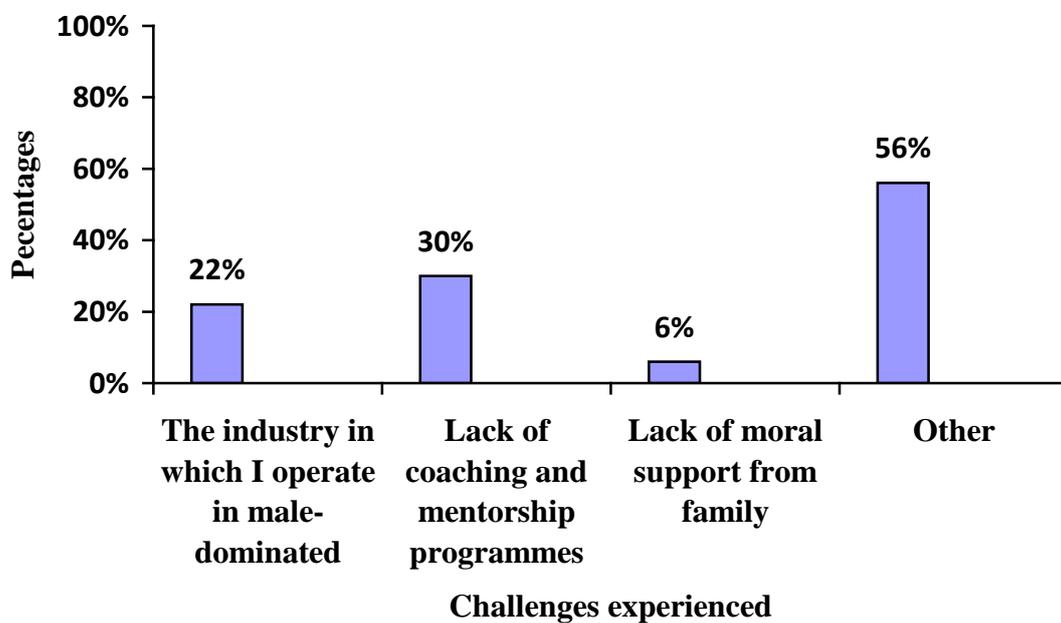


Figure 4.8: Challenges experienced by female entrepreneurs

The challenges experienced by female entrepreneurs were considered to be important by the majority of respondents having answered the question. ‘Other challenges’ which were perceived to be the most popular response (56%) included lack of formal education, social and cultural expectations of females and ease of access to finance (see results below).

4.4.2 Ease of access to finance

Figure 4.9 shows the perception of the respondents regarding whether they considered finance to be easily available to them.

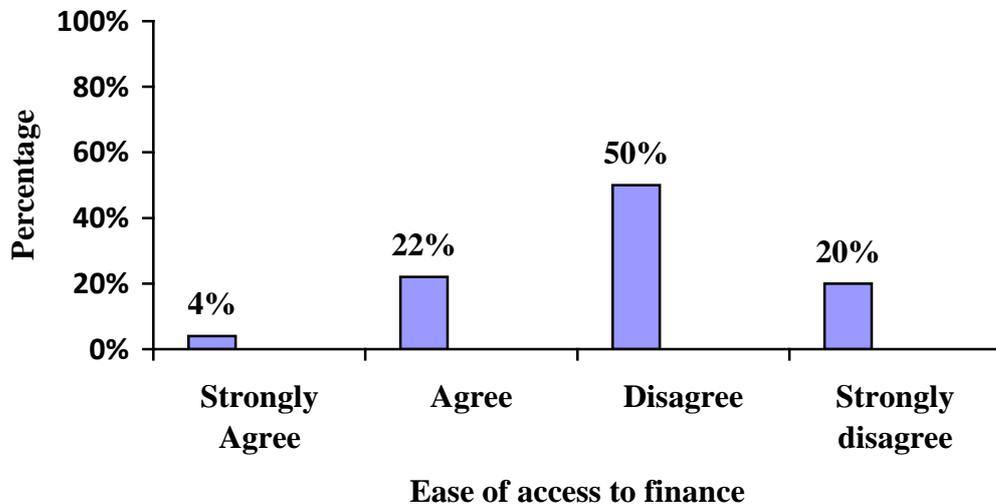


Figure 4.9: Ease of access to finance and start-up capital for entrepreneurs

A large percentage of the respondents (70%) indicated that they disagreed with this statement as they believed that it is difficult to obtain finance as opposed to 26% of the study population who agreed with the statement.

4.5 Objective 3: To critically evaluate the reasons for becoming an entrepreneurs

4.5.1 Reasons why females venture into entrepreneurship

Figure 4.10 shows the perception of the respondents regarding why they chose to venture into entrepreneurship.

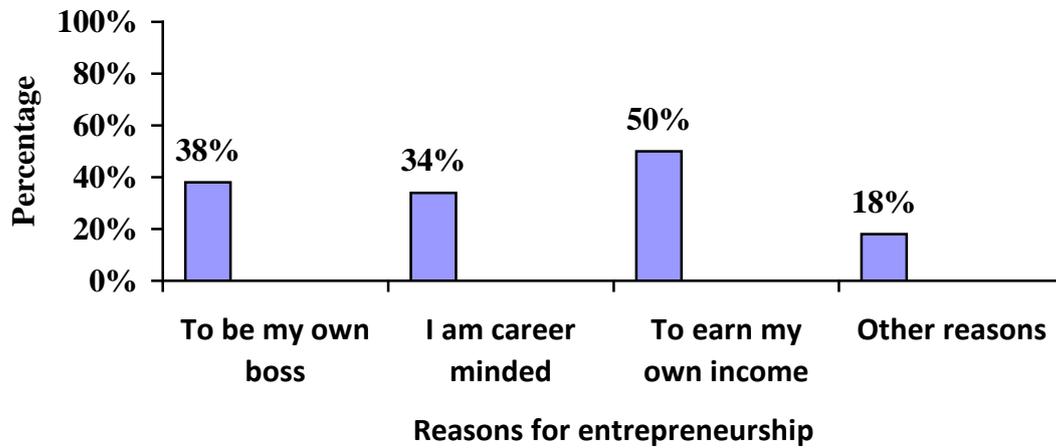


Figure 4.10: Reasons for venturing into entrepreneurship

The majority (50%) of the respondents chose to venture into entrepreneurship to ‘earn their own income’. Respondents who selected ‘other personal reasons’ (18%) as an answer, cited child rearing and work-life balance as reasons for venturing into entrepreneurship.

4.6 Objective 4: To analyse the role of the South African government in terms of mentoring and coaching programmes already available for female entrepreneurs

4.6.1 Support received from established women’s organisations

Figure 4.11 shows the perception of the respondents regarding whether they received support from established women’s organisations.

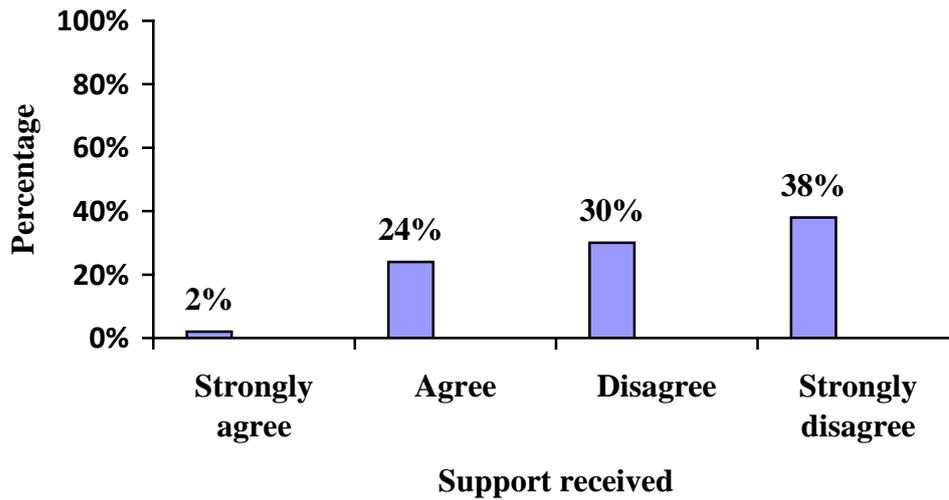


Figure 4.11: Support received from organisations for female entrepreneurs

The large percentage of the respondents (68%) indicated that they disagreed with this statement as they believed that it is difficult to obtain support from women’s organisations as opposed to 26% of the study population who agreed with the statement.

4.6.2 Mentoring and coaching programmes offered to female entrepreneurs

4.6.2.1 Awareness of mentoring and coaching programmes being offered to female entrepreneurs and attendance of such a programme

Figure 4.12 shows the respondents awareness of the existence of mentorship and/or coaching programmes and Figure 13 indicates whether the respondents have attended such a programme.

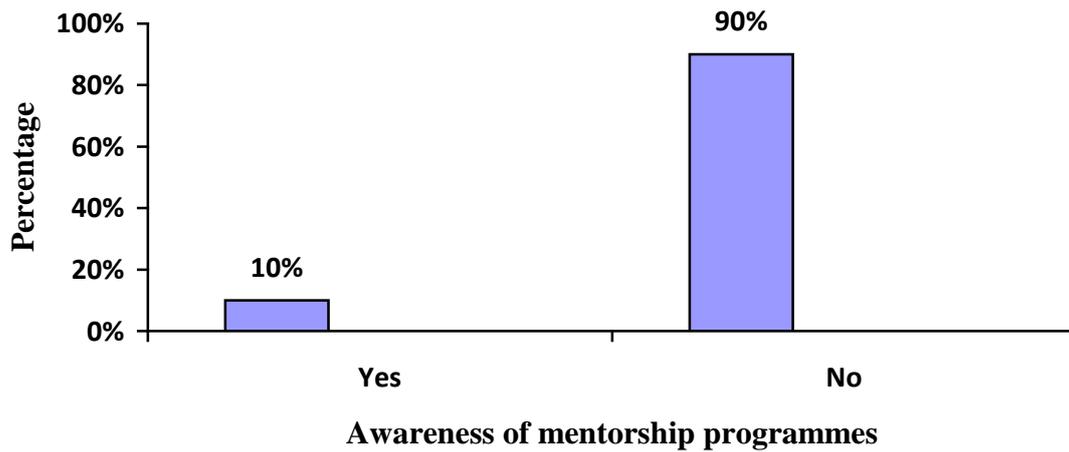


Figure 4.12: Awareness of mentorship programmes for female entrepreneurs

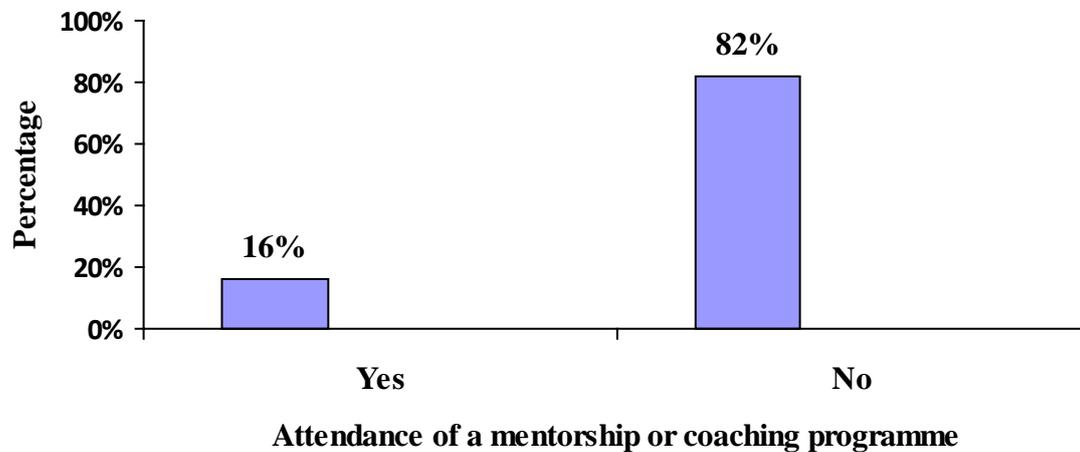


Figure 4.13: Attendance of mentorship programme for female entrepreneurs

The majority of the respondents, 90%, were unaware of the mentoring and coaching programmes being offered to female entrepreneurs as opposed to 10% of the study population who were aware. When questioned regarding attendance of a mentoring or coaching programme, only 16% of the respondents answered that they had been on a mentorship or coaching programme as opposed to 82% who had not attended such a programme.

4.6.2.2 *Mentoring and/or coaching programme - beneficial to other female entrepreneurs?*

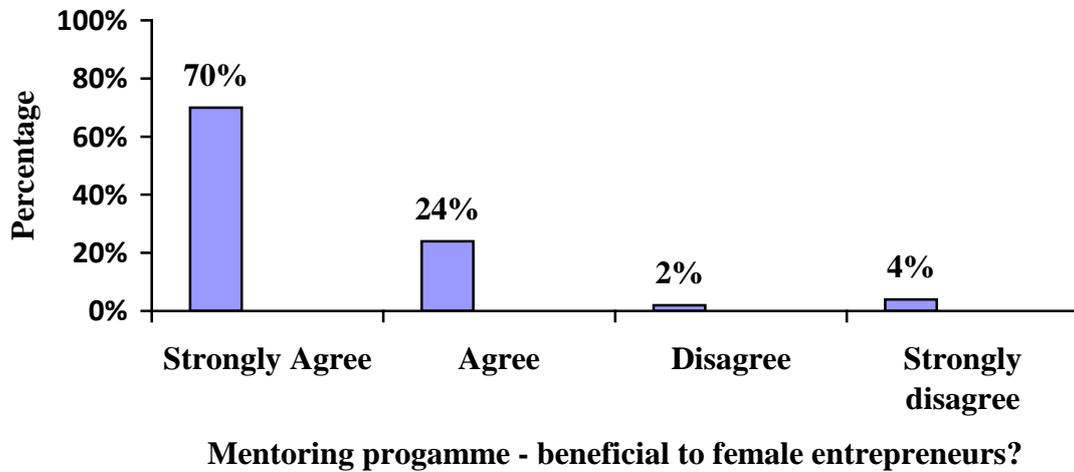


Figure 4.14: Is a mentoring programme beneficial for female entrepreneurs?

The majority of respondents (94%) indicated that they agreed that a mentoring or coaching programme would be beneficial to female entrepreneurs as opposed to 6% of the study population who indicated that they disagreed.

4.7 Descriptive Statistics

Table 4.1: Race groups cross-tabulated ‘awareness of mentoring and coaching programme’

Race Group	I am aware of mentoring and/or coaching programmes	
	Yes	No
Black	0%	100%
Coloured	0%	100%
White	7.7%	92.3%
Asian	12.9%	87.1%

Fisher’s exact test = 1.00

When race was cross-tabulated against awareness of mentoring and/or coaching programmes (yes/no), Fisher's exact test yielded $p = 1.00$, which indicated that there was no significant relationship between the age of the study population and their awareness of the programmes. When age was cross-tabulated against awareness of mentoring and/or coaching programmes (yes/no), Fisher's exact test yielded $p = 0.452$. This also indicated that there were no significant relationship between the age of the study population and their awareness of mentoring programmes.

Table 4.2: Race groups cross-tabulated 'contribution to economic growth'

Race Group	I have made a contribution to economic growth	
	Agree	Disagree
Black	100%	0%
Coloured	50%	50%
White	92.3%	7.7%
Asian	90.3%	9.7%

Fisher's exact test = 0.566

However when age was cross-tabulated against contribution to economic growth (agree/disagree), Fisher's exact test yielded $p = 0.016$. This meant that there was a significant relationship between the age of the respondents and their contribution to economic growth.

Table 4.3 Challenges encountered by female entrepreneurs' cross-tabulated 'industries within which the respondents operated in'

	Transport	Retail	Hospitality	Manufacturing	Travel	Other
Male-dominated	18.2%	18.2%		9.1%	9.1%	45.5%
Lack of coaching and mentoring		13.3%			13.3%	73.3%
Lack of moral support from family		66.7%				33.3%
Other		17.9%	7.1%	14.3%		60.7%

Table 4.4 Race groups cross-tabulated 'Reasons for becoming an entrepreneur'

	To be my own boss	I am a career minded individual	To earn my own income	Other
Black	1	1	1	1
Coloured	2	0	1	0
White	7	5	8	3
Asian	9	11	15	5

4.8 Summary

The questionnaire was designed by the researcher to uncover and provide answers to the researcher's objectives set for the study. The researcher has collated all the results and presented it in this chapter. The results show interesting respondents perceptions and experiences. The question however, is how the results when analysed, provide insight into the researchers objectives? Do the analysed results answer all the researcher's objectives? The researcher will attempt to answer these questions in Chapter 5, where the researcher will provide a detailed discussion of the results and will address the objectives of the study.

CHAPTER FIVE

Discussion

5.1 Introduction

Chapter two of this study (literature review) provided insight into what factors attracted females into entrepreneurship, the challenges they faced and their contribution to economic growth. The literature review also provided insight as to the initiatives undertaken by the South African government to encourage more female entrepreneurs. Chapter three detailed the structure used for interpreting the results of the data to be collected from the respondents. The preceding chapter presented the results of the data collected from the respondents. This chapter offers a discussion of the results which were presented in the preceding chapter and will seek to determine relationships between the literature review and the presentation and interpretation of the data. This discussion will investigate and explain the objectives and problem statement as outlined in Chapter 1. There were four study objectives formulated in this study to answer the problem statement. The finding from each one will now be discussed in detail in the subsections below.

5.2 Objective 1: To measure the contribution female entrepreneurs have made to economic growth

The primary objective of this study was to measure the contribution of which female entrepreneurs have made towards economic growth and prosperity of South Africa.

As depicted in Figure 4.6, the majority of respondents who completed the questionnaires (92%) were of the view that they had contributed to economic growth. When questioned further, the responses received as to how they perceived they had contributed to economic growth were the following (Figure 4.7): Reduction of unemployment (64%), increase in social standards of the community (38%), Increase in Gross Domestic Product (22%) and other (22%).

The majority of the respondents (64%) perceived that they were contributing to economic growth by reducing the rate of unemployment. The literature review in Chapter two, recorded that women in South Africa make up over half the business force. Thus, the respondents' answers are consistent with the findings that as a result of women entering business, South Africa has experienced a four percent decrease in the rate of unemployment from September 2006 to September 2007. (South African Development Indicators Report 2007). The issue of a reduction in unemployment is further addressed in Figure 4.4 in which all respondents indicated that they were employing staff within their businesses. The majority of the respondents (85.4%) indicated that they employed less than 10 people in their businesses.

The other respondents (38%) perceived that they were contributing to economic growth by increasing the social standards of the community. When questioned further as to exactly what they perceived the above to mean, they responded that by providing employment and by employees generating an income, they could now provide better for their families, both immediate and extended. This in turn had the effect of uplifting people and ensuring a better quality of life.

The respondents (22%) perceived that they were contributing to economic growth by increasing the Gross Domestic Product (GDP). This finding is consistent with trends of the South African GDP whereby from the year 1993 until 2010, South Africa's average quarterly GDP Growth was 3.29 (South Africa GDP growth 2010). In Figure 4.5, approximately 76% of the respondents further answered that they generated greater than R100 000 per annum in annual turnover with 20% of the respondents generating less than R100 000 per annum.

According to figure 4.3, the respondents were spread across the various sectors in the industries. The majority of respondents (58%) were operating in the medical, legal and/or the real estate sector. Of the respondents, 20% was operating in the retail sector and a further 10% was operating in the manufacturing sector. These statistics were consistent with trends in South Africa. According to The Small Business Review in South Africa (2004) it was stated that the formal small enterprise sector is concentrated

as follows: 44% in the financial and business services sector, 23% in the trade sector and 12% in the manufacturing sector.

The literature review conducted in Chapter 2 together with the researcher's findings in Chapter 4, has shown that women play an important role in the South African economy. Their contributions to economic development include job creation, reduction of unemployment, increase in the social standards and the general upliftment of people. Research has shown that during the periods September 2006 to September 2007, the rate of unemployment had decreased by four percent as a result of women entering the world of business. The South African government therefore needs to create an environment where it is possible for women to enter the business world and prosper. The South African government has accordingly introduced measures to encourage both private and small business development by offering various incentives to females entering the business world, which include support institutions that promote women's entrepreneurial ventures and provide both mentoring and coaching programmes to assist female entrepreneurs (refer to section 5.5 below).

5.3 Objective 2: To critically evaluate the challenges experienced by female entrepreneurs in establishing their business

The primary objective of this study is to understand what challenges female entrepreneurs are faced with when establishing their businesses and entering the business world. Research literature conducted in Chapter 2 revealed that, on average, women tend to delay entry into the entrepreneurial world primarily as a result of: motherhood, lack of management experience, and traditional social roles imposed on women.

The results in Figure 4.8 indicated that all the respondents perceived various challenges as a predominant factor hindering the establishment, growth and success of their businesses. When requested to specify the exact nature of their challenges experienced, the respondents answered as follows: 30% perceived 'Lack of coaching and mentorship programmes for female entrepreneurs' to be a major challenge and stumbling block.

The research conducted in Chapter 2 cited mentoring and network support as crucial factors in boosting women's attitudes to leadership positions. The South African government has in this regard established various women forums which encourage networking, mentorship, support and assistance to female entrepreneurs. These include organisations such as the South African Women Entrepreneurs Network (SAWEN), Business Women's Association (BWA) and Business Partners Limited. In addition to these organisations, there are a number of specific organisations which have been established to assist female entrepreneurs in their various industry sectors such as: Women in Finance, Women in IT, South African Women in Mining Association, Women in Business, SA Women in Engineering and SA Women in Construction.

The researchers findings is that although the South African government has provided female entrepreneurs the various women forums, more needs to be done in terms of creating the awareness of these programmes to the female entrepreneurs, especially in the informal sector. Once this is done, then only will success be obtained.

'Other challenges' which were perceived to be the most popular (56%) included lack of formal education, the necessity to enter the job market for various reasons and lack of access to finances. Research conducted in Chapter 2 showed that the leading motivating factor attracting women to self-employment is that fact that opportunities to be hired in the employment sector are slim. The findings in Chapter 4 relating to 'the necessity to enter the job market for various reasons' are consistent with the literature review conducted which states that women in developing countries enter entrepreneurship more out of necessity than for women in developed counties. When questioned regarding the ease of access to finance and start-up capital (Figure 4.9), the majority of respondents (70%) disagreed regarding the availability and access of finance as they felt that it was difficult to secure and was the greatest stumbling block to their endeavors. Research conducted in Chapter 2 revealed that in South Africa, 18% of business analysts identified the lack of adequate financial support as a major weakness in the current national environment for entrepreneurial activity (GEM, 2003). Accordingly, various initiatives and programmes have been implemented by government as well as business to encourage the growth and sustainability of women entrepreneurs. These include the following:

- Financial institutions offering special financial assistance and support to small-to-medium enterprises which are female owned. These include Ithala Development Finance Corporation Limited, Khula Finance Investment Limited as well as commercial banks that are mandated to specifically assist female entrepreneurs.
- Education and training offered by various educational institutions to educate and train female entrepreneurs. These include short-term courses specifically targeting certain areas with entrepreneurs, which include marketing the business and finance control. The government has also targeted tertiary institutions in furthering the education of female entrepreneurs by implementing the Masters in Business Administration programme (MBA) and the Masters in Business Leadership programme (MBL).

The researchers findings is that although the South African government has provided female entrepreneurs with various institutions to access finance, more needs to be done in terms of creating the awareness of these institutions to the female entrepreneurs, especially in the informal sector. Once this is done, then only will success be obtained.

The remaining respondents, 22% perceived the industry within which they operated in to be male-dominated and perceived this as a challenge hindering their growth and barriers to success.

The remaining 6% perceived lack of moral support from family to be a challenge. In the research conducted in Chapter 2, one of the major challenges cited for women ascending the corporate ladder is to manage the demands of both work and family life. As a result of this, women are required to have good support structures at home. The fact that only 6% of the respondents have cited the lack moral support from family as a challenge indicates that this barrier has not been overcome and is no longer a hindrance to advancement of women in the business world.

5.4 Objective 3: To critically evaluate the reasons why women choose to be entrepreneurs

The primary objective of this study was to assess the reasons why women are attracted to entrepreneurship. Figure 4.10 provided insight as to the reasons why the respondents became entrepreneurs.

- The majority of the respondents, 50%, indicated that they became entrepreneurs to earn their own income. Research conducted in Chapter two indicated that females who enter entrepreneurship to earn their own income do so in order to achieve financial independence, personal growth and to obtain better opportunities and business growth. Had these respondents stayed in organisations as employees, they viewed their continued growth and career advancement as being restricted in most aspects especially due to the fact that they were females.
- 38% indicated that they wanted to be self-employed. The literature research indicated that the reasons why female want to work on their own is due to their desire for flexible working hours. The reason for this is because females have to balance both their working and family responsibilities. Whilst employed by others, they have to choose between the two. More often than not the latter is the option, as the family responsibilities take precedent over their careers.
- 34% indicated that due to the lack of career opportunities in their previous jobs they opted for entrepreneurship. This could be attributed to females reaching their 'glass ceiling' (maximum growth) within the work place and thus unable to advance further due to a host of reasons which includes, gender discrimination, traditional roles and perceptions of women.
- The remaining 18% of the respondents cited other reasons for entering entrepreneurship such as child rearing and work-life balances. They could not obtain employment which catered for them earning an income whilst actively rearing their children at the same time. The only way they could obtain a balance was to become their own bosses.

The above statistics are consistent with findings in the literature survey where some of the reasons given for females being attracted to entrepreneurship were: for autonomy, family concerns and lack of career advancement (South African Women's

Entrepreneurs Network). Research conducted on the “glass ceiling effect” showed that it prevented women executives from reaching more senior positions in their organisations and thus pushed them into the world of entrepreneurship (Welsh et al., 1993: 12, Carter and Cannon et al., 1992: 21 and McClelland et al., 2005: 85)

5.5 Objective 4: To analyse the role of the South African government in terms of mentoring and coaching programmes already available for female entrepreneurs

The primary objective of this study is to analyse the initiatives taken by the South African government in promoting female entrepreneurship.

The results in Figure 4.12 indicated that the majority of respondents (90%) who completed the questionnaires were not aware that mentoring and/or coaching programmes sponsored by the government were available. This can be attributed to the poor awareness campaigns by the government to promote these programmes which are to the detriment of female entrepreneurs. Further to this (Figure 4.13), 82% of the respondents did not attend a mentoring or coaching programme sponsored by government although when questioned regarding the benefits to be derived from a mentoring or coaching programme, 94% stated that they would have greatly benefited (Figure 4.14).

The findings suggest that government has not vigorously promoted these advancement programmes for female entrepreneurs with the result that although they are available, these initiatives remain unknown to the majority of females. Jacobs: 2010 (Head of ABSA Small Business) stated that “small business failure rates are as high as 63% in the first two years of trading”. He suggested that the lack of financial know-how was the major contributing factor and felt that by instituting a mentoring programme at ABSA, this issued could be addressed.

The above ABSA survey is indicative that had government created better awareness of the mentoring and coaching programmes available to female entrepreneurs, smaller businesses would probably have a higher growth rate and better chances of survival.

5.6 Summary

As we look into the new century, it is clear that the demographic characters of entrepreneurs are changing. Women are making their presence known as entrepreneurs and business owners (Alvarez and Meyer, 1998). While South Africa has long recognised the need to support female entrepreneurship to boost economic growth and reduce unemployment, the study has shown that policy interventions and programmes are not having the anticipated effect. By comparison with other GEM developing countries, South Africa is the weakest in terms of encouraging new and establishing entrepreneurs, both of which are primary sites of job creation (GEM, 2003). More startling was the fact that according to GEM, South Africa's entrepreneurial levels have actually declined since 2001.

As women are an emerging sector in the global business environment, support is a potentially important means of raising the level of entrepreneurship in society overall. Support for women in business include but is not limited to the following intervention, which entails encouraging and assisting relevant business support initiatives, appropriate financial assistance to female entrepreneurs, general information and education programmes, mentoring programmes and support for networking structures.

The lack of support offered to female entrepreneurs is most alarming and certainly does not encourage growth in the business world.

CHAPTER SIX

Recommendations and Conclusions

6.1 Introduction

The need for female entrepreneurs in South Africa to contribute to economic growth of the country has dawned. The pillars of male-domination in the business world longer drive the economy or reduce unemployment.

This study has provided a “snapshot” of the legacy of Apartheid. As a result of Apartheid most women did not obtain an appropriate level of education. Hence is it believed that it would be worthwhile for women, especially young graduates, to study subjects relating to finance as this will serve as a good platform for these emerging entrepreneurs when they decide to venture into their own businesses.

All the respondents who completed the researcher’s questionnaire displayed a high-level of ambition and risk-taking initiatives. However, due to financial, operational and other factors, they faced many challenges.

Even though the South African government has taken a strong stance on empowering female entrepreneurs in South Africa, this has not been effective. There is still more that needs to be done to educate and empower these women.

6.2 Has the problem been solved?

A major problem in South Africa is the lack of empirical studies on women entrepreneurs and the inadequate quality of statistical data. The researcher attempted to find research on women’s contribution to the South African economy but the researcher found that this area of research is non-existent and that few studies point to the general profile of women entrepreneurs in South Africa. The researcher made use of the following websites in conducting the research: Google, Google Scholar, and Emerald. There was little or no scholarly work done on this subject matter.

6.3 Limitations

The researcher could not obtain the contact details of female entrepreneurs from the Business Women's Association due to their confidentiality clauses. The researcher overcame this limitation by making use of the 'snowball sampling' method to conduct the research. The sample population was selected by the researcher by virtue of initial contact with the female entrepreneurs who then introduced the researcher to other female entrepreneurs. Thus the sample size was limited to fifty respondents.

6.4 Implications of this Research

The results indicate that female entrepreneurs are aware of their contribution to economic growth in South Africa but there are still a number of challenges that need to be overcome, especially up-skilling new and emerging entrepreneurs. The majority of the respondents answered that they were not aware of any mentoring or coaching programmes that were available and as such have not attended any programmes. They further answered that they would find aspects of mentoring and coaching courses most beneficial. Recommendations that could be put forward is that the government subsidised women associations, the government make every attempt to meet and empower all female owned entrepreneurs and to provide female entrepreneurs 'tax breaks'.

6.5 Recommendations

6.5.1 Research conducted

Although the government has implemented initiatives to assist female entrepreneurs, there is a lot more that ought and should be done to further the successful establishment and growth of women owned businesses in the South African context. These include:

- Granting tax relief and tax incentives to female owned and managed businesses
- Offering literature and state-funded programmes to female entrepreneurs already in business to sharpen their knowledge and skills
- Sponsoring training programs for women with higher levels of education and specific work experience related to business start-ups. These classes would go beyond the basics in business ownership such as feasibility planning and financing

and deal with issues such as small business taxation and regulatory environments (Alvarez, 1998).

- Informal traders which consist of large percentage consist of females should be encouraged to further grow and market their businesses so that they may enter the formal business market. Extensive tutorship programmes ought to be introduced for the purpose of harnessing their full potential and creating additional employment opportunity as well as reducing unemployment.
- The government needs to be more proactive and involved in the promotion and advertisements of these programmes. The manner in which this could possibly be done is through the female established organisations which are aimed as assisting upcoming entrepreneurs.

6.5.2 Future Studies

- The current study focused on one are of female entrepreneurs namely the central business district of KwaZulu-Natal. A representative sample of the South African female entrepreneurs would include all female entrepreneurs in South Africa.
- A larger population would achieve better results as more that one geographical area would be tested.
- The current study focussed on convenience sampling. A limitation of convenience sampling is that is that it is impossible to generalize the findings, because we do not know of what population is representative of. Hence future studies should focus on obtaining a random sample of female entrepreneurs.
- The current study was unable to examine a number of areas, due to study design, that would be beneficial to the entrepreneurship sector:
 - The role that the internet plays in educating entrepreneurs
 - The impact of education on the success of female entrepreneurs
 - The demographic composition of female entrepreneurs (especially

relating to age and race)

- A study of the successes of female entrepreneurs

6.6 Summary

The primary objective of this study was to determine the female entrepreneur's contribution to economic growth. The research result conferred that female entrepreneurs are important to the South African economy in terms of unemployment reduction and increasing the country's gross domestic product.

As stated in the literature review, there is relatively little information on female entrepreneurs and their contribution to economic growth in South Africa but there is a vast amount of international literature on the subject. This could be due to the effect that Apartheid had created in that women were disadvantaged in the past and only entered the business world much later than their male counterparts. This is also evidenced in a survey conducted by the Global Entrepreneurship Monitor et al. (2000) on South African and twenty nine other countries in which the results show that more men own businesses than females.

As the South African government seeks to adopt a more proactive approach in eradicating the effects of which the legacy of Apartheid has created, the government will need to overcome the barriers which women face such as:

- Becoming a society of mentors who are willing to impart important lessons to young, aspiring entrepreneurs.
- Encourage the media to tell the stories of the millions of voiceless women who are working hard for the future of their children by becoming survivalist entrepreneurs.
- Growing the roles of women's associations such as Business Women's Association (BWA), South African Women Association Networks (SAWEN) and Business Partners to reach more women – not just those who already have access to the associations.
- Developing programmes such as the Masters in Business Administration (MBA) programme to provide the requisite skills to would-be entrepreneurs.

- Encourage banks to provide greater volumes of start-up capital to would-be entrepreneurs.

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APPENDICES

Ethical Clearance Certificate

Questionnaire



**UNIVERSITY OF
KWAZULU-NATAL**
Graduate School of Business

Voluntary Questionnaire:

Female Entrepreneurs, the key to economic growth in KwaZulu-Natal

Thank you for taking the time to respond to this questionnaire. Your contribution is much appreciated to this body of research.

As part of the course assessment, MBA students are required to conduct a research study with a view to compiling a set of recommendations that theoretically could be put forward for further research or from which recommendations maybe adopted by individuals or organizations for their individual or collective benefit.

Purpose of the Study/Objectives

- To critically evaluate the reasons why women in KwaZulu-Natal choose to be entrepreneurs.
- To measure the impact of women establishing small-to-medium enterprises on economic growth in KwaZulu-Natal.
- To analyse the role of the South African government in terms of mentoring and coaching programmes to assist women in business.

This research questionnaire should take about 15 minutes to complete. The questions are structured such that all that is required is to tick / shade-in the relevant box or provide a single-phrase answer. Please note that due to the very strict deadlines of this MBA course we would greatly appreciate your response within 10 days of receipt of this questionnaire.

Your participation in this research is voluntary and all information provided will remain totally confidential. Furthermore, your name, your organization's name and any other details will

not be made public or disclosed in the research document and will not be able to be linked back to your specific responses. Hence all information provided retains anonymity in the research document and will be used purely for statistical evaluation purposes.

In compliance with the university's ethical research policy, please provide your consent to participating in this research study by completing and signing the declaration / consent sheet on the next page.

Responses may be e-mailed back to me at jessie.naidoo@kpmg.co.za or faxed to 031-332 6584.

If you send your response back by email, the sending back by e-mail will convey that you consent to being part of the survey (i.e. no consent form required). If you fax back your response, or if the form is completed in conjunction with a member of our research group, please include a signed copy of the declaration / consent sheet.

Should you have any queries in regard to any of the above, please feel free to contact me (my details are provided below) or you may contact Prof. Anesh Singh, UKZN Graduate School of Business on 031-260 7564.

Thank you for taking the time to respond to this questionnaire.

Jessie Naidoo

MBA Student

E-mail address: jessie.naidoo@kpmg.co.za

Contact telephone numbers: 031-564 9994 (office hours); 084 509 1131 (all hours).

Fax: 031-332 6584



Voluntary Questionnaire: Female Entrepreneurs, the key to economic growth in KwaZulu-Natal

MBA STUDENT- INDIVIDUAL RESEARCH STUDY

DECLARATION / CONSENT

Dear Respondent,

Thank you for considering being a respondent in my research study.

To meet the research ethical requirements of the University of KwaZulu-Natal, please provide your consent to being part of this research project. Without your consent, your response is not valid and we may not use your response.

For respondents returning this questionnaire by e-mail, your return e-mail will signal your consent to be part of the research project. For respondents faxing back the questionnaire, or if the form is completed in conjunction with a member of our research group, please include a signed copy of the declaration / consent sheet.

Should you have any queries, you may contact Prof. Anesh Singh, UKZN Graduate School of Business on 031-260 7564.

DECLARATION / CONSENT

I, (name of participant), hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time should I so desire, and my name and / or my company details will remain confidential at all times and will not be made public.

SIGNATURE OF PARTICIPANT

DATE

No signature required if electronically submitted



Voluntary Questionnaire: Female Entrepreneurs, the key to economic growth in KwaZulu-Natal

Industry – September 2009

MBA STUDENT- GROUP RESEARCH STUDY

INSTRUCTIONS TO RESPONDENTS

Please tick / shade-in your response in the relevant blocks for each of the questions, or provide a short single-line / single-phrase answer where relevant.

1 Race:

- | | |
|-----------------------------------|--------------------------------|
| <input type="checkbox"/> Black | <input type="checkbox"/> White |
| <input type="checkbox"/> Coloured | <input type="checkbox"/> Asian |

2 Gender

- Male
 Female

3 Age

- | | |
|----------------------------------|-------------------------------------|
| <input type="checkbox"/> 25 - 34 | <input type="checkbox"/> 35 - 44 |
| <input type="checkbox"/> 45 – 54 | <input type="checkbox"/> 55 - older |

4 What was the reason for you becoming an entrepreneur?

- To be my own boss
 I am a career minded individual
 To earn my own income
 Other personal reasons

5 As a female entrepreneur, I have experienced the following challenges

- The industry within which I operate, is male-dominated
- Lack of coaching and mentorship programmes for female entrepreneurs
- Lack of moral support from my family in establishing my business
- Other challenges

6 There are a number of investment opportunities for entrepreneurs in KwaZulu-Natal

- Strongly agree
- Agree
- Disagree
- Strongly disagree

7 There is ease of access to finance and start-up capital for entrepreneurs in KwaZulu-Natal

- Strongly agree
- Agree
- Disagree
- Strongly disagree

8 I have received support from other established organisations (government and non-government) in establishing my business

- Strongly agree
- Agree
- Disagree
- Strongly disagree

9 I am operating my business in the following industry

- Transport
- Retail
- Hospitality
- Manufacturing
- Travel and tourism

Other

10 I am marketing and advertising my business as follows:

- Internet
- Pamphlets or magazines
- Newspapers
- Through the media
- Other

11 I employ the following number of people in my organisation (including full and part-time employees)

- < 5 people
- Between 6 and 10
- Between 11 and 50
- > 50 people

12 I am generating the following annual turnover

- > R10 000
- Between R10 001 to R50 000
- Between R50 001 to R100 000
- R100 001>

13 I believe that I am contributing to the economic growth of KwaZulu-Natal

- Strongly agree
- Agree
- Disagree
- Strongly disagree

14 I have made the following contribution to economic growth in KwaZulu-Natal

- Reduction of unemployment
- Increase in KwaZulu-Natal's Gross Domestic Product
- Increase in social standards of the community
- Other

15 Are you aware of the mentoring and coaching programmes offered by the South African government to entrepreneurs?

Yes

No

16 Have you been on a mentoring and coaching programme?

Yes

No

17 If you answered YES to question 16, the mentoring and coaching that I have received has had a positive impact on my development as an entrepreneur

Strongly agree

Agree

Disagree

Strongly disagree

18 What aspects of the mentoring and coaching programme did you find valuable?

Meeting successful and established female entrepreneurs

Seminars on strategies and techniques to put in use

Private and/or semi-private mentoring and coaching programmes

Programmes for streamlining, marketing and enhancing the business

Other

19 I am of the opinion that a mentoring and coaching program would be beneficial to other female entrepreneurs

Strongly agree

Agree

Disagree

Strongly disagree

**Please email this to jessie.naidoo@kpmg.co.za or fax to
031-332 6584.**

Thank you for your time in completing this questionnaire.

Jessie Naidoo

E-mail address: jessie.naidoo@kpmg.co.za

Contact telephone numbers: 031-564 9994 (office hours); 0845091131 (all hours)

Fax: 031-332 6584