

**NEAR EAST UNIVERSITY  
GRADUATE SCHOOL OF SOCIAL SCIENCES  
INTERNATIONAL BUSINESS  
MASTER PROGRAMME**

**MASTER'S THESIS**

**AN ASSESSMENT OF THE EFFECTIVENESS OF ENTREPRENEURSHIP  
DEVELOPMENT PROGRAMMES IN SOUTH AFRICA. EVIDENCE FROM  
WOMEN SME's.**

**Elevia Kamanga**

**NICOSIA**

**2017**

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**An Assessment of the Effectiveness of Entrepreneurship Development Programmes in  
South Africa, Evidence from Women SME's.**

**We certify the thesis is satisfactory for the award of degree of  
Master of INTERNATIONAL BUSINESS**

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## ABSTRACT

The main aim of the study was to assess the effectiveness of entrepreneurship development programs in women SMEs in South Africa. This follows an observation in literature that puts minimum emphasis to ascertain whether entrepreneurship development programs are a helpful instrument in improving women entrepreneurs. The number of women entrepreneurs was used as the dependent variable. Educational and vocational training, government support, financial support, cultural and social norms and access to information were the independent variables and their effect on women entrepreneurship was assessed. Quantitative methodology was used and a survey was carried out through distribution of a questionnaire. Different statistical measures such as descriptive statistics, Cronbach alpha, regression analysis and Pearson correlation coefficient was used to test the data. The Pearson correlation coefficient test showed that all the variables were positively and significantly related. The highest correlation was between education and vocational training and cultural and social norms. Therefore, it can be postulated that the high level of education and training triggers positive cultural and social norms towards women entrepreneurship. Regression analysis established that access to finance and government support were high contributors to women entrepreneurship, while education and vocational training was the least. Therefore, the researcher concluded that efforts to improve both access to finance and government support would result in tremendous growth of women SMEs.

**Key words:** Entrepreneurship development programs, entrepreneurship, small to medium enterprises, effectiveness.

## ÖZ

Çalışmanın temel amacı, Güney Afrika'daki kadın KOBİ'lerde girişimcilik geliştirme programlarının etkinliğini değerlendirmektir. Bu literatürde, girişimcilik programlarının kadın girişimcilerini geliştirmede yararlı bir yöntem olup olmadığını belirlemek için yapılan bir araştırmadır. Kadın girişimciler bağımlı değişken olarak kullanılmıştır. Eğitim ve mesleki eğitim, hükümet desteği, maddi destek, kültürel ve sosyal normlar, ve bilgiye erişim ise bağımsız değişkenler olarak kullanılmıştır ve bu değişkenlerin, kadın girişimciliği üzerindeki etkisi değerlendirildi. Niceliksel yöntem kullanılmıştır ve araştırma yöntemi olarak anket kullanılmıştır. Verileri test etmek için tanımlayıcı istatistikler, Cronbach alfa, regresyon analizi ve Pearson korelasyon katsayısı gibi farklı istatistiksel yöntemler kullanıldı. Pearson korelasyon katsayısı testi, tüm değişkenlerin pozitif ve anlamlı olarak ilişkili olduğunu göstermiştir. En yüksek korelasyonun, eğitim ile mesleki eğitim ve kültürel ile sosyal normlar arasında olduğu bulunmuştur. Dolayısıyla, yüksek eğitim ve öğretim düzeyinin kadın girişimciliğine yönelik olumlu kültürel ve sosyal normları tetiklediği düşünülmektedir. Regresyon analizi, finans ve hükümet desteğine erişimin kadın girişimciliğine katkıda bulunduğu ve eğitim ile mesleki eğitimin en az olduğu yönündedir. Bu nedenle, araştırmacı hem finansmana erişimi hem de hükümet desteğini geliştirme çabalarının kadın KOBİ'lerin muazzam büyümesine neden olacağı sonucuna vardı.

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So thankful to my Family, for loving me unconditionally and whose good examples have taught me to work hard for the things that I aspire to achieve.

## DEDICATION

This goes to my root that continues to stand by me when the branches and the leaves fall off. The root that stays there despite the changes in seasons. To my Queen, supporter, motivator and comforter. Your support is immense, priceless and irreplaceable. Thank you for planting a seed of empowerment in my life.

*To, Elina*

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## **LIST OF ABBREVIATIONS**

**WE** - Women entrepreneurship

**AF** – Access to finance

**GS** - Government support

**AI** - Access to information

**S.A**- South Africa

**EPVT** - Educational platforms and assistance facilities/ vocational training

**SMEs** - Small to medium enterprises

**EC** – European Commission

**SPSS** – Statistical Package for Social Sciences

**EDPs** - Entrepreneurship development programmes

**CSN**- Cultural and Social Norms

**SAWEN**- South African Women Entrepreneurship Network

**SEDA**- Small Enterprise Development Agency

**WDB Group**- Women Development Business Group

**BWASA**-Business Women Association of South Africa

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the study

There are numerous economic and business events that have transpired around the world and such have been characterised by diverse outcomes which have manifested either as opportunities or challenges. Despite, the occurrence of such events, the world economy is still under siege from economic problems which range from gender parity, income disparities and soaring poverty levels (World Economic Forum, 2016).

With soaring poverty levels around the globe, the world economy still remains in the doldrums that are in need of business solutions which are capable of overturning social, business and economic fortunes into the desired path. Meanwhile, Naudé (2013), posits that the ability to reap the much coveted fruits of economic development is hugely pinned on the need to promote entrepreneurship in an economy. Such can be fostered through entrepreneurship development programmes (EDPs), (Saini & Bhatia, 1996). Awasthi and Sebastain (1996), noted that EDPs do not only infer economic benefits but are also highly characterised with social, political and technological gains that have repercussive effects on national frontiers.

Meanwhile, the notion of addressing gender disparities is strongly contended to offer huge benefits towards social empowerment, civilization and economic development (Boserup & Kanji, 2007). Studies conducted by Lopez and Zahindi (2005), have shown huge support that dealing with gender inequalities programmes be extend to encompass women entrepreneurship. Such a notion was also augmented by Kabeer (2005), who established strong evidence that promoting women entrepreneurship provides a mechanism of spiralling economic development as well as attaining millennium development goals. One of the core areas that women entrepreneurship has taken deep roots is small to medium enterprises (SMEs). Business projections conducted by the European Commission (2016), exhibited that SMEs successfully accounted for 66.8% of employment generated in Europe, chunking 57.4% towards value addition. In South Africa, SMEs are forecasted to continue to grow in the future, contribute towards employment creation and capable of generating huge revenue inflows (Business Environment Specialists, 2013). However, SMEs do not only provide a

feasible avenue for women to venture into entrepreneurship but also of a platform of addressing vast economic and business challenges.

## **1.2 Problem statement**

Consensus among researchers about the effectiveness of entrepreneurship development programs is to some extent inadequate. This follows ideas that have been proffered suggesting that EDPs have an astonishing potency to positively transform economic fortunes and catapult economic growth to high levels (Awogbenle & Iwuamadi, 2010). On the other hand, Acs and Szerb (2007), proffered in contrasting suggestions outlining that the effectiveness of EDPs is surrounded by empirical controversy. This was augmented by notions given by Cheng et al (2009), who strongly argue that the effectiveness of EDPs does not warrant improvements in any economic sphere citing lack of government support and lack of funding as the major obstacles. Alternatively, the grounds under which EDPs are considered to be effective have not been clearly defined. This stems from ideas deduced from the study by Aidis et al. (2008), which exhibited that the level of economic development and corruption have an important bearing on the distribution of resources among entrepreneurs as resources are distributed either according to family or political patronage.

On the other hand, the effectiveness of EDPs still remains bleak as most potential and current entrepreneurs are lacking the necessary skills that can be tapped into in order to fully run and expand their business platforms (Gnyawali & Fogel, 1994; Henry et al., 2003). Furthermore, the ground upon which the effectiveness of EDPs can be judged is greatly assumed to be determined by governmental support (Kuratko et al., 1990). Such support is however greatly lacking especially in Africa where governments are severely criticised for failing to propel entrepreneurship programmes and initiatives.

In most cases, the above concerns do form the 'heart' upon which EDPs can amount to a resound success and yet from this deduction it can be established that they are in great scarcity. This therefore implies that an accurate determination of the effectiveness of EDPs can be undertaken by taking into account of these issues.

Meanwhile, studies conducted by Elam (2014) and Fischer et al. (1993), established that the effectiveness of EDPs can be enhanced when gender disparity concerns are factored in and effectively dealt with. Such sentiments are echoed by insights given by Kantor (2001), which

denotes that women entrepreneurship plays an essential role in addressing both economic and social concerns. This therefore suggests that women entrepreneurship plays a vital role towards improving the effectiveness of EDPs. This study therefore seeks to ascertain the effectiveness of entrepreneurship development programs taking into account of benefits of promoting women entrepreneurship.

### **1.3 Research objectives**

The study thrives to ascertain the effectiveness of entrepreneurship development programs in the context of South African women owned SMEs. Subsequent objectives of the study are;

- 1) To determine conditions that can warranty sound effectiveness of entrepreneurship development programs.
- 2) To identify changes in approaches to entrepreneurship development and how they are currently influencing the effectiveness of the programs
- 3) To examine how effectively governmental support can be harnessed to reinforce the effectiveness of entrepreneurship development programs.
- 4) To determine the perception of the South African population towards women entrepreneurship development programs.

### **1.4 Research questions**

In view of the previously mentioned targets, this study subsequently endeavours to address the under mentioned inquiries;

- 1) How effective are entrepreneurship development programs in South African towards promoting women SMEs.
- 2) What conditions can warranty sound effectiveness of entrepreneurship development programs?
- 3) What are the changes in approaches to entrepreneurship development and how are they currently influencing the effectiveness of the programs?
- 4) How can governmental support can be effectively harnessed to reinforce the effectiveness of entrepreneurship development programs?
- 5) What is the perception of the South African population towards women entrepreneurship development programs?

### **1.5 Significance of the study**

The undertaking of this study is surrounded by huge importance which encompass among others, the ability to highlight major impediments that are hampering the effectiveness of EDPs and possible measures that can be adopted to address such challenges. Resultantly, it emphasises the importance of women entrepreneurship in all economic and social spheres. In addition, it is one of the few studies that tackles entrepreneurship issues in the context of the African continent with pertinent to South African. Apart from its potency to serve as an empirical source of reference for future studies, it is also a pre-requirement of a Master's in International Business

### **1.6 Scope of the study**

The study dwells on the need to ascertain the effectiveness of entrepreneurship development programs and will draw its centre of focus on women SMEs in South Africa. The undertaking of this study is also pinned on the assumption that the views of the respondents are adequate enough to represent the views of the South African population. Furthermore, the study is restricted to a random sample size of 500 respondents that include government officials, financial institutions and women entrepreneurs whose annual turnover is below ZAR8 million drawn from Mpumalanga province of South Africa (Business Environment Specialists, 2013).

### **1.7 Organization of the study**

This study follows a chronological six part framework whose foundational base about the context of the study problem are laid in the primary section and related observational reviews are given in the second section. The third section concentrates on the linkage, evolving and prevalence between economic performance and development, entrepreneurship development programmes, gender and women empowerment policies, and entrepreneurship development programmes in South African. The embraced research technique that was utilized, keeping in mind the end goal to address the study problem and offer sound recommendations is given in the fourth part while the fifth section offers a blueprint of the dissected discoveries. Lastly,

discussion of findings, conclusions, recommendations and suggestions for future studies are covered in the last section.

## **CHAPTER TWO**

### **THEORETICAL AND EMPIRICAL LITERATURE REVIEW**

#### **2.1 Introduction**

The theories surrounding entrepreneurship are discussed in this chapter. A closer look at factors that affect women entrepreneurship and how EDPS act as a catalyst to promote women SMEs is discussed in this chapter. This section aims to look at what researchers have done and what contributions they could possibly make for the current study.

#### **2.2 Theoretical literature review**

The study examines the main problem associated to the effectiveness of EDP and the requirement for a theory-based framework surrounding both the criteria selection and measurement issues. The author analyses at the theoretical basis of such a framework.

##### **2.2.1 Economic Theory**

This theory refers to a state where by economic growth and entrepreneurship succeeds in an environment where the economy is stable or thriving (Scott, 1999). According to the theory, economic benefits need to be present for the entrepreneurship capacity to increase. Benefits such as industrial and taxation policy, development programmes, sufficient investment and marketing opportunities are crucial in the economic theory of entrepreneurship. Authors such as Davis (2010) and Hegarthy (2008), argue that when it comes to this theory, a person's inner passion, zeal and drive is what pushes economic gains.

##### **2.2.2 Sociological Theory**

According to the sociologist view of entrepreneurship, entrepreneurship is highly influenced by the culture of the community, their values norms and beliefs (Scott, 1999). In cases where the community structure is rigid, entrepreneurship does not thrive. Therefore, sociologists advocate for a social culture that promotes entrepreneurship. Role prospects, cultural values and social confirmation are important elements to boost entrepreneurship. Advocates of the socialist view of entrepreneurship are Weber and Cochran. Weber views religious priorities

as the drive of economic activity. He says that religious beliefs push entrepreneurs to pursue self-employment and to acquire assets through hard work.

### **2.2.3 Psychological Theory**

Most famous research on the psychological theory is attributed to Joseph Schumpeter, McClelland, Hagen and Kunkal. Entrepreneurship development has been regarded, seen and explained in a number of ways. Though different researchers in the past have studied the psychological side of entrepreneurship and how it has developed. The primary concentration of these speculations is as per the following:

According to Schumpeter, entrepreneurs are competitive in nature and desire to excel in their business endeavours. As indicated by McClelland (2006), it is this desire for success and excellence which drives individuals towards entrepreneurial goals. People with high excellence thought process tend to appreciate responsibility and a measure of task performance. As indicated by psychologists, entrepreneurs are more likely to rise where there have adequate supply of personnel with certain psychological characteristics. The principle qualities are:

- Different way of thought (seen things in a different way and thinking outside the box)
- The zeal and motivation to implement new ways and depart from old habits
- Passion to do something
- To see their dream realized
- The strength to overcome social opposition
- The need for excellence

### **2.2.4 Critics of the above Entrepreneurship Theories**

A number of scholars have highlighted the need for a different theory which focuses on women and entrepreneurship. Different authors have proposed that the entrepreneurship theories should be combined with feminist theorists in order to expand the theoretical basis of a broader entrepreneurship area. Brush and Brun (2007) articulate that a new theory would be adequate to cater for the gender gap. Whereas Aidis (2007) suggests there is need to incorporate a more all inclusive theory that specifically looks at national contexts and institutional contexts for developing nations. To progress our knowledge in this field, we must move from the epistemological stand point of how gender is done and how social orders

are gendered (Ahl & Nelson, 2010). A richer perspective is more likely to emerge when we take this direction.

## **2.3 Small to Medium Enterprises (SMEs)**

### **2.3.1 Different SME Definitions**

There is no globally accepted definition for SMEs since the definition relies on who is explaining it and the circumstances under which it is being explained. For instance, in the USA SMEs are said to be those enterprises with less than 500 employees and they refer to small enterprises as having less than 100 employees. While the World Bank states that an SME should not exceed 500 employees. (Ackah & Vuvor, 2011).

There are basically two ways of defining SMEs that is by the number of employees and the assets that the enterprise possesses. As indicated by National Small Business Act (2009), the extent to which we define SMEs by the number of employees and the fixed assets should be thoroughly scrutinised as it may depend on the type of business involved. When defining SMEs based on the number of fixed assets we should take into account depreciation of those assets as they become obsolete over time.

In most developing nations, SMEs are defined by the employees present in the firm. Medium enterprises are characterised with 30 to 99 workers and these fall under manufacturing and trading firms while small enterprises like bars or hair salon have a few number of 5 to 29 workers (Meyer, 2009).

For the purpose of this study, SMEs as defined by the National Small Business Act (NSBA) (2003), in South Africa refer to any business entity that is either amalgamated or recorded under the law which comprises mainly of people operating business at a smaller scale. The Act further states that small enterprises have less than 100 workers, while medium enterprises have up to 200 workers.

## **2.4 Entrepreneurship Development**

EDPs are established with a goal of fostering self-work or employment. Their aim is to motivate entrepreneurs to start a business, broaden or grow an already existing business. EDPs s aim to develop an individual into successful business person and this benefit often

translates to reduce unemployment and creates wealth for the society. Of late EDPs are viewed as necessary instruments for industrialisation and an answer to the unemployment issue in a nation (Bose, 2013).

#### **2.4.1 The Concept of Entrepreneurial Development**

The concept of entrepreneurship development is centred on four issues. These are

- Accessibility of physical resources
- selection of real entrepreneurs
- the formation of industrial units, and
- Policy formulation for the development of the region.

The above mentioned are connected. With proper access to resources, entrepreneurs are expected to fully utilise and exploit them as effectively as possible through a specific industrial unit. The collaboration of the first two elements takes place on the third elements which is affected by policies available for enabling economic development (Turan, 2004). Entrepreneurship development exists in order to instil knowledge to an individual, cultivating financial, marketing and technical skills, traits and the right attitude to survive in the entrepreneurial venture. Entrepreneurial development is a structured and meticulous development. It is deemed as an instrument for progress in any given society and an answer to unemployment (Garg, 2013). A well trained entrepreneur can influence others to venture into business as well. Qualified entrepreneurs are deemed the driving force for economic progress and aid in development of various industries.

Entrepreneurial development programme (EDP) may be defined as a programme aimed at assisting a person to fortify his or her entrepreneurial purpose and in gaining the necessary skills and capabilities necessary for playing his entrepreneurial role effectively (Turan, 2013). It is essential to encourage this indulgence of motives and their effect on risk-taking principles and behaviour for this purpose. An EDP relies on the notion that a person can be developed and that their thoughts can be aligned to ideas necessary to take the right action through a programme. EDP is considered a process and not just a training platform. It generally involves (a) improving the enthusiasm, awareness and abilities of the prospective entrepreneurs, (b) stimulating and improving the entrepreneurial conduct of their daily routines, (c) supporting them to develop their desired businesses as a consequence to entrepreneurial action.

The programme has three major stages which are; pre-training stage which involves actions and arrangements mandatory to start the training programme; training phase which relates to aims to bring appropriate amendments in the conduct of learners and the Post-training phase which includes an evaluation to monitor if the goals of the programme have been attained (Bose, 2013).

## **2.5 Evaluating the Effectiveness of EDPs**

Evaluation of EDPs effectiveness is crucial for continuous development in a country. There are numerous EDPs being rendered to different stakeholders in the country equipping participants with different skills. It is essential to verify EDPs objectives are fulfilled or not. In other words, it is necessary to observe all target groups that have taken part in EDPs and ascertain whether they managed to start their own enterprise after taking part in the program. Bodla (2004), observed that 16 evaluations were carried out in India to test the effectiveness of EDPs. Though the studies were not closely linked, they shared a common thread in the evaluations of effectiveness or effect of EDPs.

Findings of the research revealed 26 % of the participants went on to start their business after going through the entrepreneurship development programme. The expected start rate was pegged at 32%. 10% of the participants experienced difficulties during start up process. 17 % of the participants gave up on the idea of starting a business. On the other hand, the performance of EDPs nationwide was not consistent. The percentage of start-up increased from 9 to 56 % (Norah, 2014).

The figure below depicts the entrepreneurship development programmes interventions on women entrepreneurs and the expected outcomes from the interventions. From the figure below we can note that development programmes provide finance, business training services, an enabling environment and formulate activities to boost women entrepreneurship. With proper EDP implementation positive outcomes are anticipated and inevitable. EDPs produce immediate outcomes such as increased number of start-ups, improved business knowledge, skills, decision making, increased market access and higher business formalisation. In the long run the benefits of EDPs are enterprise growth, rise incomes, increased profits, rise in the number of workers, economic empowerment, improved women's empowerment (ILO, 2012)

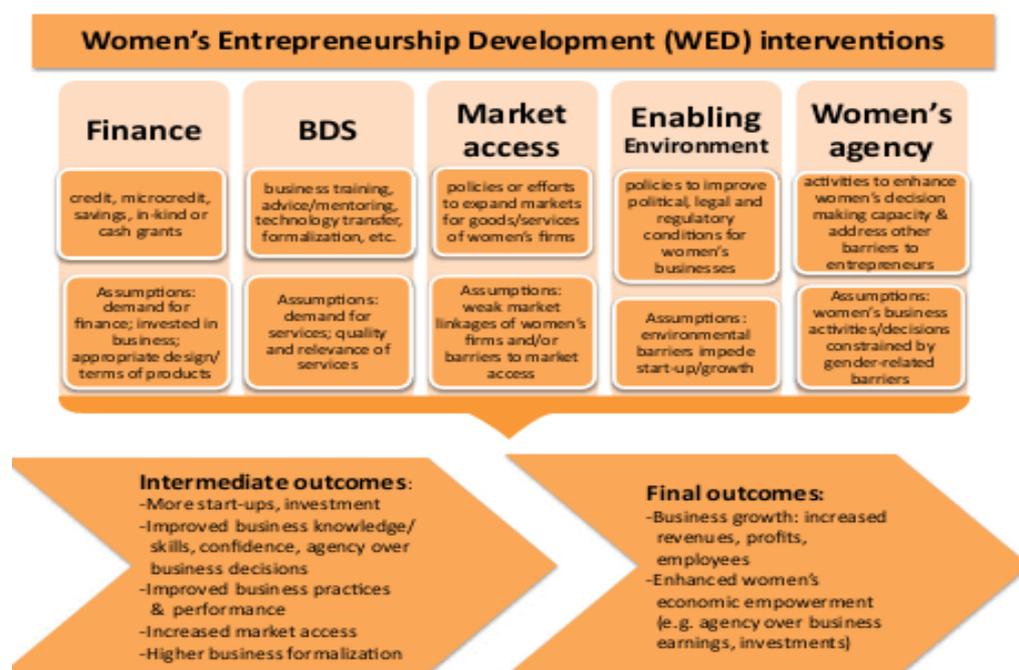


Figure 2.1: Intervention Model for Women Entrepreneurship Development.

Source: International Labour organisation, Women entrepreneurship development (2012)

## 2.6 Women entrepreneurship

For any economy to improve its economy and achieve prosperity there should be adequate strategies that aid in boosting women entrepreneurs (Botha, 2006). The female population represents a potential source of entrepreneurs for development purposes. This population is made up of different groups of women with different demographic characteristics.

Women entrepreneurs are considered a valuable source of economic empowerment, innovation and development. Their ability to foster integrity and be fully committed themselves to their business is key to most successfully owned women enterprises (Jalbert, 2000). South Africa has 52 % adult female population. Women entrepreneurs in this country are adapting to the changing market demands and are operating in previously male dominated business such a real estate, construction, agriculture and other common business where they usually operate are retail sectors and personal services. According to Maas and Herrington (2006), women in South Africa represent 4.83% of the TEA index of women entrepreneurs, this is relatively low and attributed to inadequate skills and low literacy rate of female

entrepreneurs in the country. Despite the low index women entrepreneurs in South Africa are still finding themselves searching for extra income to be able to sustain their families, equip themselves and the community. Because of their different backgrounds they are different factors that motivate women to start either a small or medium enterprises.

### **2.6.1 Gender and entrepreneurship**

Gender plays an important part when it comes to entrepreneurship. A number of scholars have discussed the importance of gender in entrepreneurship activity. Vossenbergh (2013), notes that the gender gap addresses issues to do with the number of females and male involved in the running a business enterprise, choice of business, level of growth and business performance. Botha (2006), states that both males and females are similar when it comes to running a business. However, differences may arise in terms of the motive behind the business, the technical skills required and also the history of the entrepreneur. Differences are also present among men and women when it comes to the obtaining source of finance and support system available. Brush (2007), points out that women are more customer oriented than their male counterpart, women engage in entrepreneurship with the aim of making a change in the society. Stanger (2004), shares the same sentiments that women involved in small enterprises are often likely to get more advice than men before setting up a business. This gives them a competitive edge over the male entrepreneur and growth of the business is expected overtime.

GEM (2010), notes the down side of women entrepreneurs in the region is that very few women are prone to start ventures than men furthermore their ventures tend to be smaller and employ less employees resulting in low growth prospects.

Additionally, men generate higher revenue than women from their entrepreneurial activity. Women find it problematic is to start and monitor their enterprise throughout its growth phases particularly in developing nations. Different industries are often associated with a certain gender. More often than necessary women are dominant in catering and hospitality sector, retail and design while absent from industries such as manufacturing and the construction sector (GEM, 2010). Jamali (2009), notes that the macroeconomic and financial situation is the one that determines the industry that women venture into. They consider the entrepreneur to be a reasonable, self-intrigued, cash driven and market aligned person who has no sexual orientation, no class, no age, no family, no religion or ethnicity, and who lives outside of a particular verifiable, social or geo-setting. Such a non-existent individual decides

on what to do unobstructed by financial imbalance, unequal conveyance of energy and salary and alleviated of family commitments or care obligations.

## **2.7 Entrepreneurship Development Programmes Challenges and Issues.**

EDPs go through a number of challenges which are primarily caused by all agents taking part in the programme, be it, the government, support institutions, ED institutions, participants and facilitators. The key challenges EDPs encounter are the following:

- Facilitators of EDPs are not motivating enough to partakers to establish their own firm
- Entrepreneurship development institutions are not transparent and lack commitment in their activities; they often use their programmes to make extra income for their institution.
- Lack of a conducive environment yields low results for EDPs
- Financial institutions can be a hindrance to EDPs when they are reluctant to give out financial resources.
- Poor selection of participants can result in low results of EDPs, this goes to show that the challenge does not only lie in the enactment of EDPs. Unique method of assessing the EDPs is to evaluate their usefulness in increasing ‘need for achievement’ amid the entrepreneurs. Also known as qualitative evaluation of EDPs (Toran, 2014).

Herrington, Kew and Kew (2011), in the GEM report noted that there are three problems faced by entrepreneurs in the region. The study gathered information via a questionnaire distributed to different experts in the entrepreneurship field. Findings of the study showed that the major challenges cited were government policies, funding, training and education, capacity for entrepreneurship and market openness. The table below shows the key factors limiting entrepreneurial activity in the country

**Table 2.1: Entrepreneurship Constraints in South Africa**

Category	Average % of GEM experts citing this factor	% of S.A experts citing this factor
Training and education	28	69
Government policies	50	61
Financial support	49	50
Cultural and social norms	15	25
Market openness	13	22

Source: Herrington, Kew and Kew (2011)

### **2.7.1 Education and Training**

Various concerns were brought forth about the quality of entrepreneurship training and education level in the country. According to the GEM report (2010), quality of education is not adequate for the youth in the nation. A GEM survey conducted in 2009 on entrepreneurship activity showed that South Africa performed badly as compared to Morocco and Tunisia. Furthermore, the report points out that limited skills currently present in the region and the education level are the main cause of low entrepreneurship activity in the country (Herrington, 2014). The continued rise of the number of unskilled people also causes stagnation in the economic growth and development and this can hinder the growth of SMEs as well.

Consensus among researchers has noted that women entrepreneurs in developing nations possess low educational capacity and lack adequate skills set. This often results in limitations to access both private and public services offered to entrepreneurs for business growth and development. (Bekele & Worku, 2015). Some researchers noted that the inadequacy of skills and experience in women entrepreneurs is due to the fact that they prefer operating in a particular industry and this makes them less represented in industrial activities. A notable example is evident in a research carried out in Ethiopia by Gurmeet and Belwal (2015) who found that these women do not possess technological knowhow and have this decreases their chance of benefiting from technology and ICTs. Further research suggests that a large percentage of women in Africa are yet to full reap the effects of globalisation and trade and changing technology

Botha (2006), contended that women entrepreneurs should have development programmes specifically designed for them. Supported by Kock (2008), who states that gender specific

programmes and service delivery is important. Additionally, Botha (2006), recommended that a WEP must address the following: counselling and mentorship, managerial knowledge to establish networks and financial. Winn (2004), posits that female entrepreneurs possess limited education in the business field and they also have limited experience in the field which results in failure.

### **2.7.2 Government Support**

High levels of bureaucracy are present in South Africa making it difficult to set up or expand SMEs. Kew and Herrington (2016), mentioned that business efficiency, coupled with inadequate and ineffective policies on crime and Black economic empowerment initiatives. South Africa's security level and crime rate are a hindrance to some businesses in the country. Since business activity is not regarded as a social value by right there is little or no support from the government.

Favourable policies should be set up by the government to support entrepreneurship activity in the country. Support from the government comes in different forms and it is the duty of directors of entrepreneurship programs to seek out necessary assistance from the government in order to survive and promote their effectiveness. The main problem facing the African region is that corruption takes its toll on most support mechanisms set up by the government to support businesses. Finances or policies set by are often redirected to benefit those in politics. Corruption is prevailing and hinders any type of government support that may be appointed to aid women. Abimbola, Emmanuel and Ahmadu (2007), support this claim stating that programmes often set up by the government do not yield the perfect result, mainly because the amenities entrenched in the programs and are diverted to serve political obligations and not used by those who have utmost need for them

Abimbola et al., (2007), trust that the administration of resources ought to rather be done through group based affiliations as opposed to political groups. Thorough perusal of resources ought to likewise be set up to guarantee that resources are put into appropriate use and limit misuse of facilities and funds.

### **2.7.3 Financial-support**

Limited financial support has been characterised as the major limiting factor for

entrepreneurs in South Africa. Communication between the banks and the entrepreneurs is limited and increases the chances of entrepreneurs obtaining finance. Furthermore reports suggest that business plans presented by entrepreneurs were lacking adequate information mainly attributed to poor research. Another problem that emanates from the region is that even though government may intervene and provide the necessary financial support, the lack of skills by entrepreneurs to properly manage these financial resources might prove to be a waste. Wasilczuk and Zieba (2008), states that financial limitations are the first and foremost hindrance to women who wish to start a business. This is supported by Jalbert (2000), whose stresses that getting credit proves to be very challenging for women in business. Often women seek small loans for personal purposes or to start an SME, banks however, tend to be sceptical about such cases and often deny to grant credits to women in business. Reinforced by Verhel (2004), banks do not trust the creditworthiness of primary businesses because of lack of previous track record. On the contrary, Bruni, Gherardi and Poggio (2004), consider that the struggle faced by females to acquire credit results in them starting small enterprises.

#### **2.7.4 Cultural and social norms**

Brush and Bird (2002), note that social norms tend to view women as stay at home individuals responsible for taking care of the household and family. However, men are viewed as the bread winners. This translates into more logical reason why men are the ones that are dominating the business industry and women tend to be limited because of this aspect. Herrington, Kew and Kew (2010), state that the inadequacy of the entrepreneurial culture in South Africa poses as a limiting factor. Business personnel are usually not willing to share their facilities and skills (Herrington, Kew & Kew, 2010)

#### **2.7.5 Regulatory environment**

The regulatory environment in the region poses as a constraint to entrepreneurs who do not have the right skills in order to operate their businesses. They often tend to operate their business in an illegal manner resulting in closure when authorities catch up to them. More so, the regulatory environment hinders entrepreneurs in such a way that they need to comply with very stringent administrative and tax burdens in order to operate lawfully. This often affects the level of growth and survival of businesses in South Africa. According to the GEM

report (2015), very few measures have been taken in order to decrease the adverse effects of the regulatory environment.

### **2.7.6 High Cost of doing business**

Entrepreneurship is all about risk taking, there is usually no guarantee of a higher return however it is the duty of the entrepreneur to get through the obstacles and make profits. Due to worn out physical resources and rampant fraud, entrepreneurs find themselves paying a lot of money to obtain infrastructural resources. Furthermore, because of high level of bureaucracy, most of the government officials are bribed which results in high cost of conducting business (Baba, 2013).

### **2.7.7 Vocational training**

Educational platforms and vocational training are considered important for entrepreneurial development. Jalbert (2000), notes that training and education as well as technology are all interconnected to assist the female entrepreneurs to attain their full potential. Vocational training is fundamental in third world countries where there is inadequate management and business skills. Vocational training add aspiring entrepreneurs by providing networking platforms and equipping them with a wide range of skills and knowledge necessary to set up SMEs (Botha, 2006). The following concepts should be embedded within vocational training programs.

- Skill acquisition (use of role models).
- Needs assessment of participants.
- Implementers' knowledge and contribution.
- Methods of learning.
- Enterprise management skills.
- Business plan use (Botha, 2006).

### **2.7.8 Access to information**

A number of limiting factors such as sociological factors, religious and cultural hinder women entrepreneurs to gain access to information (AI). Supported by Fasola (2011), female entrepreneurs in developing nation encounter challenges when accessing information, for

example unawareness of financial supporting institutions. This often causes resources to lie idle and untapped. A study done by Adesua-Lincoln (2011), indicated that 76 percent of women entrepreneurs did not have the necessary information of where to obtain funding causing massive decline in their entrepreneurial activity. Low firm growth was associated with lack of information on business networking. Remote areas such as rural areas experience low access to information due to poor networks and poor physical infrastructure such as roads and transportation

Drine and Grach (2010), discovered that African female entrepreneurs experience constraints by not benefiting from present entrepreneurship support. Their study reveals that EDPs have been lagging behind in disseminating necessary information. Furthermore, the authors noted that assistance ship and training services are not designed to meet the requirements of the entrepreneurs. Other barriers observed from the developing countries are the lack of ICTs and challenges in finding markets.

## **2.8 Empirical Literature Review**

Perry and Adjimah (2014), examined the effectiveness of programs imposed at colleges in Ghana in order to meet their objectives. The study used a case study methodology by analysing the entrepreneurship trends and intentions of different students at different levels. The results of the study showed that there was a great increase in the area of business after the programs were undertaken. The results further revealed that though the number of entrepreneurs would rise after the students completed their studies, the after effect proved to be very low. A gap was also identified between the willingness and interest of the school authorities to initiate entrepreneurship programs.

In another study by Valerio, Parton and Robb (2014), they studied how entrepreneurship programs have been used to boost skills and attitudes of existing entrepreneurs. The purpose of their study was to draw upon the different types of programs available and also look at the different outcomes that emanate from the programs and also to identify the characteristics and program context. The core aim of the study is evident in the World Bank education strategy for the year 2020.

Cho and Honorati (2016), evaluated the effectiveness of different entrepreneurship programs in third world countries. They used a Meta regression analysis via 37 research material that

was found in the public domain from 2012. The study showcased a difference in the effectiveness of the programs among dissimilar interventions reliant on results, kinds of beneficiaries and the nation's context. Findings of the study revealed that there is a positive impact between the youth and the business knowledge they acquire however it does not translate into new entrepreneurs setting up business. The research revealed that improving finance is an effective mechanism and mostly effective for women in business than interventions for enhancing business performance.

Rengiah (2013) analysed the effectiveness of educational programmes in aiding entrepreneurial capabilities in Malaysia. The researcher used a hypothetical research framework for the study. The researcher noted three variables in the study as entrepreneurial curricula, teaching mechanism and entrepreneurship education. The dependent variable was entrepreneurial intentions. A 66 percent response rate was achieved through the use of a questionnaire in order to conduct data analysis via SPSS analysis tool. The result of the study covered the entrepreneurial education of Malaysian universities. The researcher went on to propose the best recommendation for the state of entrepreneurial education in the country.

Rosmi, Islami and Bakari (2000), also conducted a study at the University of Malaysia Perlis in order to investigate the practice of entrepreneurial education and the opinions of students towards entrepreneurship education. The study used primary data to gather the opinions of students towards entrepreneurship education. Findings of the study indicated a positive outcome for the level of education being administered towards the students. The findings further revealed the teaching method as favourable by the students. The authors stated that these findings will contribute a great deal towards improving the number of entrepreneurs in the country.

Bose (2013), notes that entrepreneurship development has become of paramount importance in India. The country considers entrepreneurship development programs as a catalysts for increasing the number of entrepreneurship activity in the region. The author observed that while there are many EDPs being carried out, they however are not as effective as should be. The study was based on 50 female entrepreneurs who participated in EDP training, suggestions are offered on how EDPs should be improved in order to yield the desired result.

Botha, Nieman and Vuuren (2006), look at the unavailability of education and training for South African entrepreneurs particularly female business owners. The authors seek to examine the Women Entrepreneurship Program (WEP) as a training instrument. The study

looked at the results prior to rendering the necessary skills for running an enterprise and after the skills has been acquired. The sample of the research covered 180 female entrepreneurs. Data analysis was done through chi square, t-test, Mann Whitney test and Wilcoxon. The results of the study indicated that female entrepreneurs gain the necessary skills for running a business and further motivated in their entrepreneurship endeavours through WEP. Moreover, the study highlighted that WEPs teaching objective, is effective in educating small scale female business owners in South Africa.

Asah and Fatoki (2002), articulate that poverty alleviation, unemployment reduction and high economic growth are highly dependent on the survival of SMEs. South Africa is characterised as having high failure rates of SMEs. According to the authors they identified debt financing as one of the major constraints limiting the growth of small enterprises. A questionnaire was used to gather data for the survey. Logistic regression, Pearson correlation and descriptive statistics were computed using SPSS. Findings of the study showed that SMEs and entrepreneurial features effect on access to debt finance by SMEs. The research suggests that be proactive in providing collateral security, attending workshops and entrepreneurship programs so as to boost their management skills.

Adewale (2000), investigated the barriers that hinder entrepreneurship development in developing nations with particular focus on Nigeria. The aim of the study was to ascertain the practical implications of these barriers as well as providing the necessary answers for reducing these barriers. The researcher used a qualitative research methodology to conduct the study and used an interview as a research instrument. The study revealed that inadequate infrastructure, poor education, bad leadership, harsh government policy, low entrepreneurship and the unavailability of technical skills were present in the country. Furthermore, the study showed that the low levels of entrepreneurship development were attributed to individual skills, personality, training, skills and the working experience. The researcher proposed that the problems can be rectified through appropriate leadership and governance in Nigeria and implementing sound policies to boost the industry, providing adequate infrastructure and development programs. The study contributed a lot of ideas to the enhancement of entrepreneurship activities in Nigeria.

Another study done by Vossenber (2013), discussed the increasing number of female run enterprises and the continuous rise in strategies and resources selected to boost and elevate female entrepreneurs. The article seeks to answer two questions posed, firstly, why they is a

continuous gap in entrepreneurship and secondly, what the available literature proposes about the best ways to promote female entrepreneurship. The article argues that the present policies towards boosting female entrepreneurship do benefit women entrepreneurs but there is a gender bias, efforts may remain in vain and without any significant macroeconomic or social impact.

Cope (2005), in his article discussed some interesting theoretical approaches toward entrepreneurship activities. According to the scholar the entrepreneurship learning remain significantly misunderstood therefore the aim of his article was to map out and expand the existing restrictions of philosophy pertaining to the acquisition of knowledge by entrepreneurs. The study covers a range of management, technics and different sources of literature to come up with new approaches for entrepreneurial education.

Bekele and Worku (2008), analyse the factors that affect the survival of 500 SMEs in Ethiopia. The study covered a 6 year period of 1996 to 2001. The authors were obligated to find out the determinants that enabled the SMEs to survive for the long run and also to identify between the male and the female, who run SMEs much better. The factors identified in the study were access to finance, managerial competence, education level, profit generation ability and level of technical skills. Kaplan-Meier probability curves and the Cox proportional hazards model were used as the econometric methods. Out the 500 enterprises, 221 of these were run by the female population. 110 of the SMEs experienced failure during the start-up phase, majority of these were women led and had lifespan average of 3, 2 years while male had 3,9 years. Failure of the SMEs was attributed to lack of loans, not able to convert profit to investment, low managerial competence, lack of technical skills, limited educational level.

A study conducted by Meyer (2009), sought to outline the challenges and development problems that female entrepreneurs face in light of their SME businesses. The study area was based in Ethiopia. The main objective of the study was to come up with solutions necessary for boosting entrepreneurial activity among women in the region.

Merwe and Lebakeng (2010), also conducted a study in Ethiopia focusing on women entrepreneurs, their goals, motivations and desire to succeed in business. The first phase of the study focused on conducting a thorough literature review on female entrepreneurs and the second phase was mainly focused on primary data collection which entailed a survey and interviewing entrepreneurs in order to assess the factors that affect them. The results of the

study indicated a lack of adequate finance for starting up SMEs and limited entrepreneurial skills and expertise needed to run the business. More so, the study revealed limited government support and lack of technological knowhow.

For Singh and Belwal (2008), though development programs are becoming prominent, the authors argue that researchers have done little work pertaining to them. Their study focuses on the extent to which entrepreneurial education and intention has contributed to entrepreneurs. They incorporated triangulation as a methodology technique. The researchers used the theory of planned behaviour for their study. 55 papers were analysed in this study while a quasi-experiment and control group was used to assist in the analysis of the data. Findings of the study showed that the extent to which entrepreneurship education programme impacts entrepreneurial intention is very low.

Dauids (2016), analysed the effects of development programs on SMEs in Angola. The researcher carried out a quantitative methodology. Study population comprised of 250 business owners in the city centre. The researcher carried out a Pearson correlation test and regression analysis. Research findings revealed that entrepreneurship development programs had a positive effect on business owners because they had the opportunity to increase their skills and knowledge and had access to useful information that they needed for their businesses to survive.

## 2.9 Conceptual framework

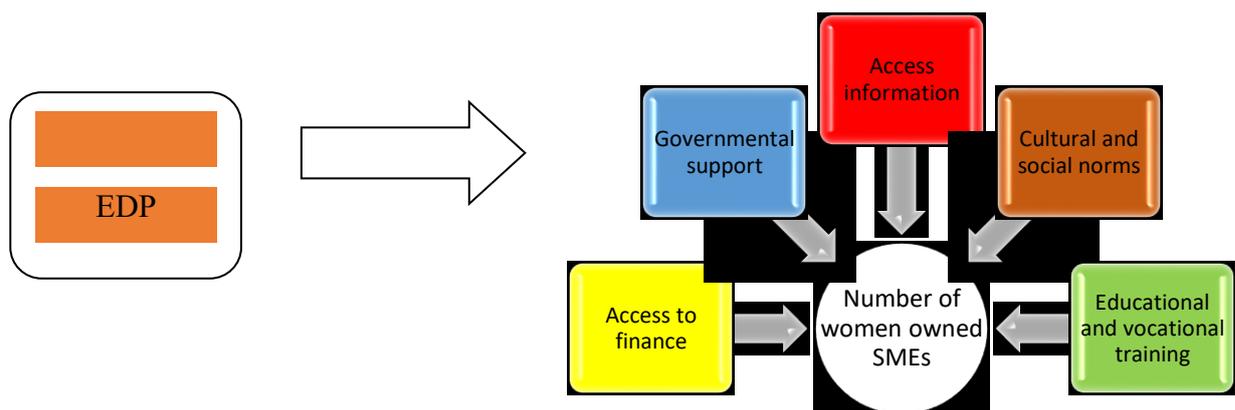


Figure 2.2: Conceptual framework

Source: Developed by Author based on deduced ideas

The above dimensions will be used to model a regression analysis model that will be used to deliver responses about the effectiveness of EDPs on women entrepreneurs. The model

shows that the concept of the EDPs revolves around the elements of access to finance, government support, access to information and educational/vocational training. These elements are the ones that cause an effect on number of women owned SMEs in South Africa.

## **2.10 Chapter summary**

This section discussed the literature related to entrepreneurship development programmes, concepts surrounding entrepreneurship and how development programmes influence women entrepreneurs. Previous research is covered by the researcher and factors influencing women entrepreneurs are identified. The most common are namely, educational programmes, governmental support, and access to information, access to finance and cultural values and norms. These factors are used by the research to formulate a research model for the study. Literature suggests that EDPs have a significant impact on women entrepreneurs leading to an increasing number of women in business.

## CHAPTER THREE

### OVERVIEW OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES IN THE CONTEXT OF SOUTH AFRICA

#### 3.1 Overview of the South African Economy

While most countries experienced a great deal of financial crisis during the beginning of the new millennium, South Africa remained on its feet mainly attributed to the fiscal and monetary policies implemented during that time. The nation currently has a steady political system and has a sound banking utility system, a great number of natural resources, well advanced law system, research and development expertise and a well implemented manufacturing base (Dubai exports, 2016) .

According to the World Bank, South Africa is set as the second largest economy in Africa, with Nigeria being the first. It is also characterised as an upper middle income nation. During 2014, the world economic forum stated that the country had a GDP OF \$351.1 billion with \$6483 GDP per capita. Presently the GDP of S.A is \$360 billion and the GDP per capita is as indicated by 7593.36 US dollars (Trading economics, 2016).

In 2011 the country was listed as part of BRIC group of countries namely Brazil, Russia, India and China, however with the addition of S.A it is popularly known as BRICS. With an upscale and dynamic legal structure, S.A laws overseeing the workforce, commerce and maritime issues are deemed as strong and the other relevant laws pertaining to rivalry policy, copyright, patents, trademarks and disputes conform to the international standards. The nation's infrastructure reinforces the dissemination of goods all over the country.

#### 3.1.1 Economic performance and development

S.As achievement in transforming its strategies is most likely revealed by its GDP data, which mirror an astonishing 62 quarters of unceasing financial development somewhere around 1993 and 2007, when GDP ascended by 5.1%. With S.As lengthened amalgamation into the worldwide market, there was no means of avoiding the outcome of the 2008 and 2009 worldwide financial crisis and this resulted in a decrease of GDP to 3.1 % (ADBG, 2017).

World Bank (2016) states that while the economy keeps on developing, driven generally by household consumption development is at a sluggish rate than last estimate. GDP was forecasted at 2.0% for 2015 and 2016 because of a number of restrictions and the decrease of commodity prices and stagnant Chinese economy. However, the World Bank (2016) forecasts a minor recovery in 2017 with GDP progress measured at 2.4% as electricity is improved.

As indicated by statistics from the National Treasury, S.A total spending will reach R1.56-trillion in 2017/18, this figure is double that stated in 2002/3(ADB, 2017). To warranty that there is a proportional change in service delivery outcomes; the state is implementing methods to fortify the effectiveness of public spending and diminish corruption. Resources will be dispersed to S.As most economic and social priorities while monitoring aggregate expenditure growth. The spending plan should be more aligned to the national development plan and the overall strategic framework. Priority is given to spending on infrastructure and making sure that social programmes are guaranteed protection (OECD, 2016).

According to the inflation policy set by the reserve bank, prices have remained stable. Inflation in November 2005 was recorded at 4.8 %, on the other hand an inflation of 6.1 % was recorded at 6.1 % in the year 2014 (Brand South Africa, 2015). A low inflation rate gives a positive outcome for working families and low income families. The standards of living improve due to the decrease in the level of inflation. The country is characterised by having a diverse economy.

Raine (2016), notes the major contributors to the South African GDP are financial sector (21%), government (18%), trade (15%) and manufacturing (13%). The financial sector comprises of business services and real estate. However, the country is heavily dependent on the manufacturing sector where most of the workforce comes from. The figure below indicates the key areas contribute to the GDP of South Africa.

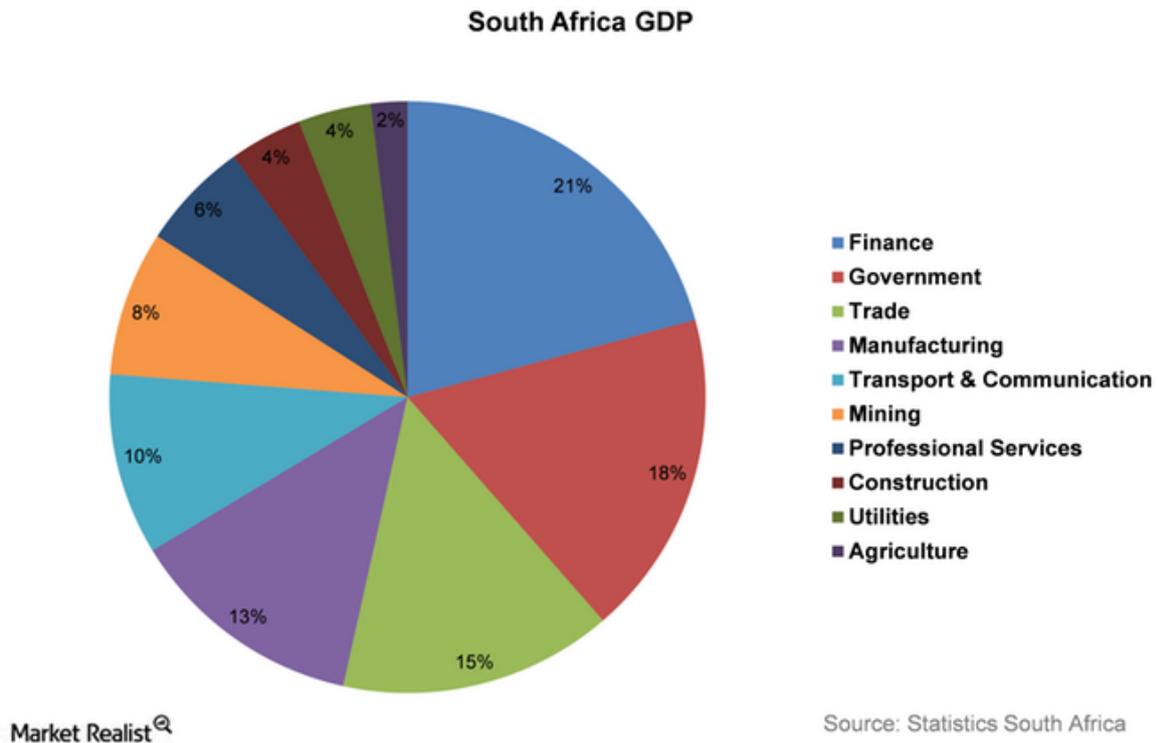


Figure 3.1: Key Contributors to South African GDP

Source: Raine (2016), statistics South Africa

Brand South Africa (2015), articulates that the macro economic outlook of South Africa is affected by unrest and rising concern from the ministry of mining, global sluggishness, with trading partner Europe as one of its major exporting nations. On the other hand, trade and business strategies promote domestic companies to venture into international markets and increase the competition level. Countries such as China, India and Brazil present the most significant opportunities. Among other things the mining, financial and infrastructure advancements across Africa are drivers for growth and development for a country such as South Africa. The government points out that development are not only about growth but drive more force in creating an equitable future. The government strives to diminish the challenges it faces through economic incorporation of the less disadvantaged community.

### 3.1.2 Entrepreneurship and economic development

Economic development and entrepreneurship are interlinked factors, entrepreneurship pushed development of the economy of every country, while it may not be the only factor necessary for growth it is however very important driver for economic development (Driver et al., 2001). Botha (2006), also claims that entrepreneurship brings forth innovative ways of doing things, generating new businesses and stimulating the economy. Where unemployment is

high entrepreneurship is crucial to reduce. Also according to Dana (2001), entrepreneurship has the ability to increase industrialisation, upgrade the living standards and also raise tax revenue for a country such as S.A. Johnston et al (2003), notes that the expertise and knowhow is where the country should focus on in order to gain a competitive edge. This is reinforced by Schumpeter (2014), who says that innovation and entrepreneurship are key drivers for economic improvement.

Entrepreneurship development is attuned with the notion of economic development, dynamics in the economic, social and cultural framework of the individual and society (Ahwireng-Obeng, 2003). It goes beyond targeting only financial, physical and economic resources for the sake of development; it takes into account cultural, social and human capitals which are necessary for national progress, economic empowerment and wealth creation.

Entrepreneurship brings forth micro and macro-economic development in South Africa. The advantages that are translated into advancement in the individual, societal and global levels (Gibb & Cotton, 1998). The individual level, there are more employment opportunities and the ability to manage credit and secure finance for better living capacity. At the societal level, it leads to deregulation, privatisation and formation of new policies that assist in reshaping and advancing the society so that it can reap from the huge profits generated. Looking at the global aspect, it leads to the improvement in telecommunications, new technology and transportation and less trade barriers.

From the above stated, it is clear that, at all levels, there will be more requirements for individuals to have entrepreneurial aptitudes and capacities to empower them to manage life's present difficulties and unsure future. Albeit S.A continues to provide a good environment (most reduced living expense, least power costs for organizations and low tax charges), however, it has low life expectancy, low literacy levels, FDI and capital reserve. Botha (2006), points out that South Africa has less individuals with entrepreneurial ability or skills which causes the economy to perform badly because only a few people can succeed at the art of entrepreneurship.

### **3.1.3 Gender and women empowerment policies in South Africa**

South African ladies, regardless of their racial personality, have dependably remained in the optional echelon of culture. Previous laws and policies intentionally supported men, especially white men. From the many groups identified in the society, women have been

deemed as mediocre and minors in all circles of life. (National Gender Policy Framework, 2003). Following the apartheid era in South Africa, the new government implemented an equal opportunity and action law to cure the imbalances in the society (Mathur-Helm, 2004). Therefore, women's issues were tackled and these were mainly focusing on health and empowerment, rights, and equality. In 1996, the state necessitated the international convention on the removal of all practises of discrimination towards women (CEDAW), through the enactment of the gender policy framework (GPF). The key aim of the policy was to enable that;

- Positive action programmes aiming at women are implemented.
- their economic empowerment is stimulated;
- their beneficiaries in political, economic, social, and cultural areas; and
- When decision making is done they are included.
- they have equality as active citizens;
- females' rights are regarded as human rights;

The framework aims to ensure that the above are achieved for all South African Women and also to ensure that they have enough resources, have control in all aspects as well as play a role in making decisions in the economy and equality of opportunities. The above policies have been implemented by the government in both the private and public sector. Babita (2003), argues that the effectiveness of these policies is however controversial. The Commission on Gender equality (2014) supports this claim by pointing out that women only occupy a small portion of the labour force and very few have senior or management positions, despite the fact that they constitute a large part of the population.

An additional study indicates that black South African women encounter twice the challenge as compared to female colleagues (CGE, 2014). Racial unfairness is still present in the country and this causes a number of problems for black owned women SMEs. A closer look at the unemployment statistics shows that black South African women have the highest employment rate of 50% (Babita, 2003). Presently in South Africa, the statistics show a skewed results with few black women owned SMEs.

### **3.2 Overview of Entrepreneurship Development programs in South Africa**

Specific EDPs such as Women Entrepreneurship Programs (WEP) cater for aspiring women entrepreneurs who are regarded as the most important target group necessary to improve the economy of S.A. EDPs in South Africa, offer strategies that enhance the financial service delivery and contact with markets for development oriented women run SMEs; thereby improving female contribution in the economy. Furthermore, EDPs are aimed at proving that women are able to independently run their businesses. The reason for EDPs is to encourage the critical development of female run ventures by offering pertinent entrepreneurial tutorial that will empower their undertakings to end up successful and attract investors Various business enterprise improvement projects are accessible in South Africa (Khanka, 2014)..

#### **3.2.1 EDP Challenges at Women SMEs.**

Though women have taken keen interest in the EDPs, it has been observed that many female candidates even after completing the EDP successfully failed to start their own ventures for the following reasons.

- Lack of adequate follow up support from these institutions.
- Lack of coordination between the executives of promotional agencies and women entrepreneurs.
- Poor improvement in technical skill.
- Poor infrastructural facilities
- Heavy burden of documentation and formalities
- Arbitrary changes in the administration of laws by the government.
- Unnecessary intervening of politicians and administration.
- Social environment is not conducive to the development of women entrepreneurs.
- Narrow mindedness of the women (Fatoki & Asah, 2011).

#### **3.2.2 Significance of EDPs for Women SMEs in South Africa.**

The African continent is still trying to meet up with other developed nations. Although a number of good policies and financial capabilities are in place there is more needed in order to grow and sustain African entrepreneurs. Government has continued to fall short of its expectations to support SMES over the past years. Entrepreneurship development programs

have thus been set up as a solution for improving entrepreneurial activity in the region (Vossenbergh, 2013).

Botha (2006), posits that start up programmes should encompass women entrepreneurs and expand their access and further enlarge the content of the programmes to focus on the inadequacy or limitation of the financial position faced by the women in business. Previous studies indicate that females are often reluctant to obtain huge debt when setting up a business and also that they have little financial resources that their male counterparts. Adhikary and Rai (1999) elaborate that any mediation to stimulate women entrepreneurship must not only look at the micro level but should expand to cover the macro level at a business level.

ED is at the forefront for economic progression in South Africa. Its input to the economic development in Africa is continuously underpinned and belittled. Therefore, EDPs mandate is to encourage operation of SMEs in S.A. This will act as a crucial part for improving growth or expansion of businesses in Africa (Botha, 2006). EDPs also focus on:

- promoting economic participation over before disadvantaged people or groups, which includes the young and the old;
- enabling new and aspiring entrepreneurs in S.A to have access to suitable quality research, training sessions and motivational seminars;
- implementing training and research in forums so as to come up with new and fresh ideas;
- Upgrading the training techniques and programs so as to boost SME growth;
- Publication of reports, conference papers and using social media and other technologies to advocate for entrepreneurship;
- Allowing exchange of information and knowledge among stakeholders through forums where key players in the field can disseminate the required information;
- Linking up government agencies with enterprise programmes to improve capacity building and growth of SMEs and entrepreneurs in South Africa (ADBG, 2017).

According to Influence Africa.com (2017), due to the challenges faced by the entrepreneurship community in South Africa, a SA-BASE (South Africa Business and Advisory Solutions for Entrepreneurs) programme was established for improving entrepreneurship development and growth in S.A. Therefore it is the mandate of the programme to provide a forum for exchange of information among different stakeholders in

order to create a sustainable environment for South African entrepreneurs and the SME sector. The organisation further achieves this by providing mentorship seminars, equipping business people with savvy skills, lifestyle management and risk management

### **3.3 Women Entrepreneurship Development Organisations in South Africa**

#### **3.3.1 SEDA Women Owned Enterprise**

The organisation was established in 2004 under the ministry of trade and industry with a mission to promote and develop small businesses to survive and grow so that they contribute to social and economic development, employment and wealth creation. The Small Enterprise Development Agency (SEDA) is authorised national management's SME policy, strategy and device a standard and common national delivery network that must uniformly apply throughout the Republic in respect of small enterprise development integrating all government funded small enterprise support agencies across all tiers of government. The agency gives counselling services, information and enterprise support services mainly aimed at small and micro establishments from different sectors in the country.

The agency's networks comprises of national, provincial, district and municipal level. Information is disseminated across all these levels in order for entrepreneurs to attain help with, training, vocational support, mentorships and trade training, enterprise networks and any other relevant information and advice deemed necessary. The main aim of the agency is to improve products and services to aid SMEs and primary stakeholders in S.A (SEDA, 2017).

#### **3.3.2 BWASA women's organisation**

The Business Women's Association of South Africa (BWASA), is the voice for women owned businesses in the country. Its vital role in society is to represent women in business and supporting them in their endeavours. It provides a podium for motivating and empowering women in S.A. The organisation presents a united front to fight against gender discrimination against women. It further establishes connections for women to expand their ventures. Through various activities such as seminars and conferences it provides great opportunities for women (BWASA, 2017).

### **3.3.3 SAWEN**

The South African Women Entrepreneurship Network (SAWEN) is an interactive platform for individuals and enterprises that promote the improvement of female entrepreneurs. The organisation signifies and eloquently promotes the ambitions of all women entrepreneurs (current and aspiring) in the SME zone. The project was set up because of the growing number of problems experienced by women in the country. The target population for SAWEN includes any female person already running their business and those aspiring to set up their own business. It considers the fact that female entrepreneurs are a heterogeneous group, therefore SAWEN thrives to cater for their diverse needs. SAWEN association is characterised into four categories including Large, Medium, Small and Possible Enterprises. The services are packaged to meet the special needs of each category of women. The women seeking to join the association must be registered with registrar of companies and self-employed. The SAWEN also thrives to reach women in remote areas or rural areas who are operating in a nonconductive business environment (SAWEN, 2017).

### **3.3.4 WDP Group**

This agency is made up of three development women's group that is, the WDB micro finance, the WDB trust and the WDB investment holdings. All three work together and share information for the enhancement of women in the country. The WDB group caters for women in the SME sector who come to them to seek different types of assistance for example under the Trust, women benefit financial by getting loans or credit. (Global hand, 2017)

## **3.4 Entrepreneurship Development Trends**

The figure below represents South Africa's entrepreneurship ecosystem for the year 2016.

Expert Ratings: 1 = highly insufficient, 5 = highly sufficient

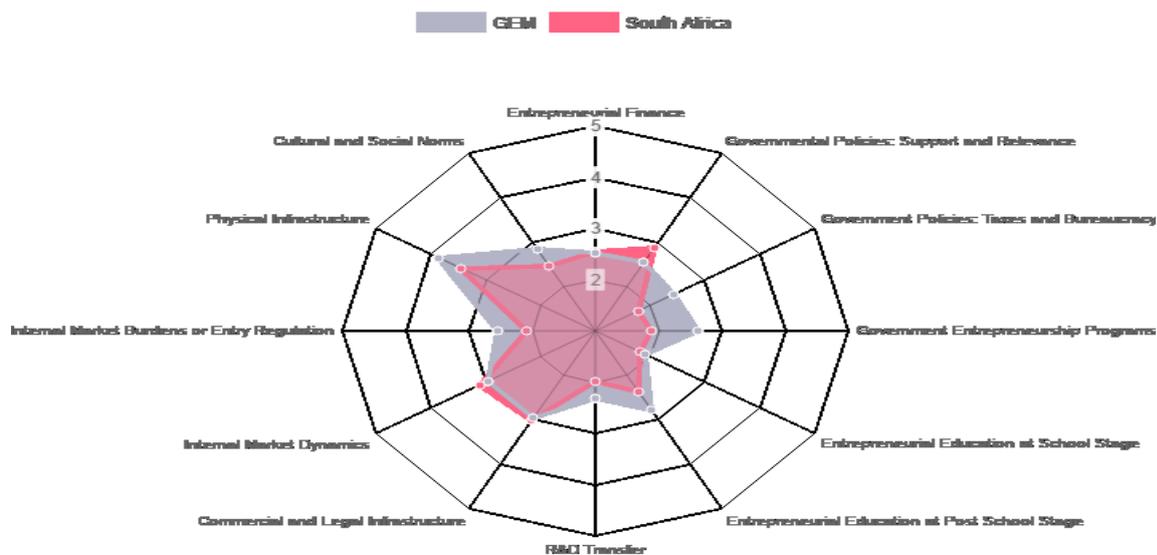


Fig 3.2: Entrepreneurship Ecosystem of South Africa

Source: Global Entrepreneurship Monitor report (2015)

Table 3.1: Factors Affecting Entrepreneurs in South Africa

EFC	South Africa	Africa	Efficiency-driven economies	GEM average
Financial environment and support	4.0	3.8	3.9	4.2
Concrete government policies: entrepreneurship priority and support	4.1	3.9	3.9	4.2
Government policies: taxes, bureaucracy	3.1	3.7	3.6	3.9
Government entrepreneurship programmes	3.0	3.8	4.1	4.3
Entrepreneurship education: primary and secondary level	3.1	2.4	2.8	3.1
Entrepreneurship education: vocational, professional & tertiary-level	4.2	4.0	4.5	3.6
R&D transfer	3.4	3.1	3.6	3.8
Access to professional & commercial infrastructure	4.9	4.9	4.8	4.9
Internal market dynamics	4.5	4.7	5.0	5.1
Internal market burdens	3.9	3.7	3.9	4.1
Access to physical infrastructure/services	5.9	3.4	6.3	6.3
Cultural and social norms	3.4	4.1	4.5	4.7

Source: Herrington and Kew (2016)

Entrepreneurship activity in South Africa has decreased (GEM report, 2016). The main challenges affecting this are government policies and programmes, research and development, training and education and cultural norms. An analysis done by Herrington and

Kew (2016 ) shows that experts in the South Africa concur on the main problems affecting entrepreneurship activity and these are access to finance (44%) and government support and policies (61%),and education and training (42%). Herrington and Kew further observe that most SME businesses in the region do not become recognised enterprises resulting in a decrease in GDP in S.A.

Another problem faced by the country is as a result of the decline in the rating system of the entrepreneurship ecosystem. The major reasons for the decrease are the nation’s inadequate ratings on government policies, primary education, stringent regulatory environment and limiting labour laws. Previous research also show that education is a key factor in that the less educated the person is the less likely they are to start a business and vice versa. This result stressed the need for training in S.A, chiefly among the youth where joblessness continues to amplify every year (Herrington and Kew, 2015).

### 3.4.1 Gender and population group

Various literature points out that woman face a great deal of challenges when desiring to be entrepreneurs. The GEM report highlighted the following as major draw backs for women entrepreneurs in the region; lack of finance and assets, few women role models, few networking within their circles and limited assertiveness and confidence to excel in business and lower social status. The aforementioned are a hindrance to women entrepreneurs as they prevent them from excelling in their entrepreneurial capabilities.

**Table 3.2: TEA rates by gender in South Africa**

	2001	2005	2009	2013	2014	2015	Africa (average)	Efficiency-driven economies (average)
Male TEA rate	7.3*	5.9	7.2	12.3	7.7	11.6	22.7	17.0
Female TEA rate	5.8	4.5	4.7	9.0	6.3	7.0	17.0	13.0
Ratio female to male	0.79	0.76	0.65	0.73	0.8	0.6	0.75	0.76

The table above indicates the pattern of women and men who take part in the entrepreneurship activity. Form the figures stated above it is clear that men are more

consistent in entrepreneurship venture than women. There a huge gender gap in the entrepreneurship activity. For the year 2014, the statistics indicate that 8 women participated in entrepreneurship for every 10 male entrepreneurs. A low TEA index is evident for the African continent. The improvement of the TEA index in 2015 is mainly attributed to more men taking part in entrepreneurship venture.

**Table 3.3 Entrepreneurial motivation by gender in South Africa as a percentage of TEA**

	2001	2005	2009	2013	2014	2015	Africa (average)
Male opportunity	53.4*	57.6	63.9	71.5	71.4	68.0	71.8
Male necessity	30.0	32.2	31.9	26.8	28.6	30.2	25.8
Female opportunity	46.5	46.7	63.8	64.4	71.4	62.2	61.6
Female necessity	44.8	40.0	34.0	34.4	27.0	37.8	36.8

Table 3.2 shows that the gender gap though growing there is a corresponding decrease in the female opportunity-motivated TEA. As evidenced in the year 2014, female necessity driven entrepreneurship rose and was much higher than their male counterparts. The table also indicates that women were opportunity motivated in 2015 by 1.6 times as compared to 2.6 times in 2014.

## **CHAPTER FOUR**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

The present section looks at the methodology to be used by the researcher. It presents the research design, population, data collection technique and the variables under study. The major goal is to collect pertinent evidence which will necessitate the researcher to respond to the study questions and make available the best possible recommendations.

#### **4.2 Research design**

The research design refers to the general methodology that the researcher selects to fit in the distinguishing sections of the research in a cognisant and reliable way, accordingly, guaranteeing the researcher to effectively tackle the research problem. It includes the outline for the assembly, quantification and examination of data. The study will utilize a quantitative data methodology. This type of methodology involves techniques whereby the researcher collects data and translates it into numeric. The numerical data collected is then interpreted in an understandable way which makes it very important for the researcher to careful judgement.

#### **4.3 Data analysis techniques**

The study employed regression analysis to ascertain how access to information, government support, access to finance and educational platforms and assistance facilities/ vocational training were interlinked to women entrepreneurship. The utilization of regression analysis is backed by the notion postulated by Gujarat (2009), which contends that regression analysis is an essential element of highlighting the relationship that exists between variables. Greene (2003), reinforces this notion and further established that regression analysis also offers an indication of the magnitude of effect of the variables.

Regression analysis is based on the idea that variations in the dependent variable can be explained by changes in the explanatory variables (Seber & Lee, 2012). Such however encompasses errors that have been made from the data collection to the data entering stage and are denoted by the error term (Montgomery et al., 2015). It is worthy to note that this

data analysis techniques operates under the assumptions of linearity, serial correlation, multicollinearity, heteroscedasticity and normality.

Based on the established conceptual framework which established that the effectiveness of entrepreneurship development programs can be determined by the number of entrepreneurs who have risen since the establishment of the program. When related to women entrepreneurship and SMEs, this will be determined using the number of women owned businesses SME. Such a number has been established to revolve around access to information (AI), government support (GS), access to finance (AF), cultural and social norms (CSN) and educational platforms and assistance facilities/ vocational training (EPVT). This can be illustrated using a functional form as follows;

$$WE = F (AI, GS, AF, CSN, EPVT)..... (1)$$

Incorporating regression analysis precepts of a constant ( $\alpha$ ), estimators ( $\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$ ) and the error term ( $\mu$ ), the regression model denoted by equation 2, can be established. The magnitude and direction of effect will be determined by the coefficients  $\beta_1, \beta_2, \beta_3$ , and  $\beta_4$ .

$$WE = \alpha + \beta_1AI + \beta_2GS + \beta_3AF + \beta_4CSN + + \beta_5EPVT \mu..... (2)$$

In line with the above model, this study therefore endeavoured to determine the validity of the following proposed hypotheses;

#### Hypothesis 1

- **H<sub>0</sub>**: Government support has no significant impact on women entrepreneurship.
- **H<sub>1</sub>**: Government support has a significant impact on women entrepreneurship.

#### Hypothesis 2

- **H<sub>0</sub>**: Access to finance has no significant impact on women entrepreneurship.
- **H<sub>1</sub>**: Access to finance has a significant impact on women entrepreneurship.

#### Hypothesis 3

- **H<sub>0</sub>**: Access to information has no significant impact on women entrepreneurship.
- **H<sub>1</sub>**: Access to information has a significant impact on women entrepreneurship.

#### Hypothesis 4

- **H<sub>0</sub>**: Culture and social norms have no significant impact on women entrepreneurship.
- **H<sub>1</sub>**: Culture and social norms have a significant impact on women entrepreneurship.

## Hypothesis 5

- **H<sub>0</sub>:** Educational platforms and assistance facilities/ vocational training have no significant impact on women entrepreneurship.
- **H<sub>1</sub>:** Educational platforms and assistance facilities/ vocational training have a significant impact on women entrepreneurship.

The validity of the established hypotheses was determined using probability values obtained from the regression analysis results. The decision criterion was to confirm the validity of the hypothesis when they obtained p-value exceeds 0.05.

Apart from regression analysis, descriptive statistics incorporating mean and standard deviations were also utilized to determine the effectiveness of the variables as well as their variations respectively. This was accomplished using Statistical Package for Social Sciences 22 (SPSS) and excel to aid with the data presentation in which the responses were organised into tables and charts.

**Table 4.1: Definition of Variables**

Dependent variable		
Variable	Definition	Expected Relationship
Women entrepreneurship (WE)	<ul style="list-style-type: none"> <li>• Relates to the number of female individuals that are owning operational business units on both small and large scale capacity.</li> <li>• Women entrepreneurship will be ascertained using the number of women owned businesses SMEs</li> </ul>	-
Independent variables		
Access to finance (AF)	<ul style="list-style-type: none"> <li>• Refers to the feasibility and swiftness to which entrepreneurs can easily access finance from either financial institutions or governmental bodies.</li> <li>• It is affected by issues such as collateral security, government, political and family patronage.</li> </ul>	Access to finance is a positive trigger of women entrepreneurship (+).

Government support (GS)	<ul style="list-style-type: none"> <li>• Governmental programmes and policies that are availed to support entrepreneurship.</li> <li>• It includes allocation of resources, Tax, employment and social empowerment policies.</li> </ul>	Has positive spill over effects on women entrepreneurship development (+).
Access to information (AI)	<ul style="list-style-type: none"> <li>• The extent and feasibility to which existing and potential entrepreneurs can easily acquire information about entrepreneurship opportunities, challenges and other related details.</li> <li>• Relies on the existence of governmental and private bodies that empower entrepreneurs by disseminating the necessary information.</li> </ul>	Enhances the effectiveness of entrepreneurship development programs and hence initiates upward shifts in women entrepreneurship (+).
Educational platforms and assistance facilities/ vocational training (EPVT)	<ul style="list-style-type: none"> <li>• The availability of educational platforms, assistance facilities and vocational training facilities through development programmes aids women entrepreneurs who wish to gain the necessary skills to establish or expand their businesses.</li> </ul>	It is unilaterally related to entrepreneurship development (+).
Culture and social norms (CSN)	<ul style="list-style-type: none"> <li>• Refers to the behaviour of society towards women in business.</li> </ul>	Positive cultural and social norms increase the level of activity for female run businesses (+)

#### 4.4 Population and sampling techniques

According to Montgomery (2015), a population study refers to a set or people taken from the overall population who share mutual features such as age, sex or health condition. This group can be studied for anything, in this case the effectiveness of EDPs in enhancing women in business in South Africa. The four SMEs have a total number of employees that spans

between 1 and 45 and though the actual numbers could not be ascertained but was estimated to be pegged at 170 for all the four combined women SMEs and hence it was used as the population size.

$$s = P / (1 + Pme^2) \dots \dots \dots (1)$$

In which the required sample size (s) is determined from the population size (P) using a margin of error (me = 0.05), the sample size was therefore estimated as follows;

$$119.29 = 170 / (1 + 170(0.05^2)) \dots \dots \dots (2)$$

Hence 120 questionnaires were distributed to SAWEN, BWASA, WDB Groups and SEDA in South Africa.

**Table 4.2: Research Survey Distribution Criteria among the Respondents**

Category	Distribution criteria (range of the number of employees)	Number of questionnaires	Percentage
SAWEN	1-45 employees	30	25%
BWASA	1-45 employees	30	25%
WDB Groups	1-45 employees	30	25%
SEDA	1-45 employees	30	25%
Total	-	120	100%

It is of paramount importance that the number of survey instruments be adequate enough to reflect the ideas of the targeted subjects so that proper deductions can be made. Thompson (2013) and Montgomery (2015), echoed the same sentiments outlining that when the number of research instrument is outstripped by the targeted number of subjects, such a study will not offer desired or complete description of the situation. This is also in line with the study recommendations by Kothari (2004), which emphasised that sound explanations about the situation at hand can only be proffered when the number of research instruments mirrors the number of subjects under study. It is in this regard that this study employed a specific distribution criteria to determine how the research instruments were to be distributed among the four target groups. Thus, in line with table 4.2, it can be noted that the questionnaires were distributed in the proportions of 25 % each to four entrepreneurship development organisations in South Africa.

#### **4.5 Research instrument**

The research instrument was developed using precepts developed by various researchers but however modifications were made to ensure that the research instruments clearly matches research objectives. This argument draws a base from the study by Saris and Galhofer, (2007), which strongly posits that an effective questionnaire is one which is highly designed to cater and address study objectives. This was also in line with efforts to prevent the study from adopting inherent errors in previous studies as well as catering for time changes (McColl et al., 2001). However, the demographic part of the questionnaire is only focused on women entrepreneurs and will not cover the male counter parts.

#### **4.6 Questionnaire pretesting**

Pretesting the questionnaire is necessary so as to check is the selected population will be manage to answer the questions (Edwards et al., 2002). This is important so that we get a good response rate. Having pretested the questionnaire the researcher obtained a positive response rate. The selected population was satisfied with the objective of the study and its precision. The researcher then went on to collect the data after the pretesting was done.

#### **4.7 Validity tests**

Validity tests are essential in order to make sure that the research instrument distributed will yield the desired results. It is used to ascertain if respondents will be able to understand the aims of the research instrument. Therefore, 12 questionnaires will be therefore be used for pretesting.

#### **4.8 Reliability tests**

Cronbach's alpha will be employed by the researcher to test for reliability. Developed by Lee Cronbach in 1951, it is necessary for measuring reliability or inner uniformity of the psychometric apparatus used in the study. A high alpha reliability indicates that the variable is extremely reliable in relating changes in of the other variables (Bland & Altman, 1997). In this study, Cronbach's alpha values will be used to circumscribe the extent to which

development programmes variables can aid in explaining variations in women entrepreneurship.

#### **4.9 Limitations of the study**

The survey carried out experienced a number of challenges, namely, that respondents took a longer time than expected to fill in the questionnaire. This resulted in a slight decrease of the response rate.

## CHAPTER FIVE

### DATA ANALYSIS AND PRESENTATION

#### 5.1 Introduction

This section offers a blueprint of the analysed findings that were made from four women entrepreneurship organisations that were surveyed. Major focus of this chapter was to ascertain the nature of association between women entrepreneurship and factors that can be used to enhance the effectiveness of entrepreneurship programs in South Africa. Such is of preeminent significance for making inferences upon which conclusions and policy implications can be established.

#### 5.2 Demographic analysis

Having distributed 120 questionnaires to 4 four women entrepreneurship organisations (SAWEN, BWASA, WDB Groups and SEDA), 109 questionnaires were successfully retrieved and these accounted for a response rate of 90.83%. Such a response rate can be noted to be high and this is great importance because the obtained findings will be offering sound and reliable inferences and reflection of the population under study. This concurs with assertions established by Kothari (2004), who contends that reliable and good findings are those whose response rate is very high and closely reflects the situation under study. Hence, expectations are very high that the obtained findings of this study are a good explanation of the effectiveness of entrepreneurship development programs in South Africa.

A significant number of women participants who participated in this study were mainly under the age group of 32-38 years with a frequency of 38 constituting 34.9% of the total number of women entrepreneurs. Thus it can be said that women entrepreneurs who are actively engaged in entrepreneurship initiatives in South Africa are relatively middle aged.

The number of married women who are into entrepreneurship is also relatively inclined towards married women. This is because married women have a huge responsibility to support their families. As a result, they engage in entrepreneurship so as to boost up their incomes. This can be noted from table 5.1 results which are depicting that 48.6% of the women entrepreneurs are married. This is followed by 37.6% of women entrepreneurs who are not married. The number of Indian entrepreneurs seems to be high with a margin of

37.6% surpassing that of fellow black South Africans whose margin stood at 33%. Meanwhile that of white women entrepreneurs was recorded at 11% lower than that of coloured women entrepreneurs with 20% being actively involved in entrepreneurship programs.

**Table 5.1: Demographic analysis**

Variable	Description	Frequency	Percentage
Age	18-24 years	17	15.6%
	25-31 years	34	31.2%
	32-38 years	38	34.9%
	39-45 years	15	13.8%
	Above 45 years	5	4.6%
	Total	109	100
Marital status	Never	41	37.6%
	Married	53	48.6%
	Divorced	10	9.2%
	Widowed	5	4.2%
	Total	109	100
Race	Black	36	33.0%
	Coloured	20	18.3%
	Indian	41	37.6%
	White Caucasian	12	11.0%
	Other	-	-
	Total	109	100
Education	Primary	20	18.3%
	High school	39	35.8%
	Undergraduate	28	25.7%
	Masters	19	17.4%
	PhD	3	2.8%
	Total	109	100

### 5.3 Business ownership, among women entrepreneurs

The retrieved findings provided strong evidence that a high number of women do not own businesses with 75 women indicating that they do not own businesses. This is higher than those women contended that they do own business and constituted 34 of the 104 respondents. This is depicted in figure 5.1.

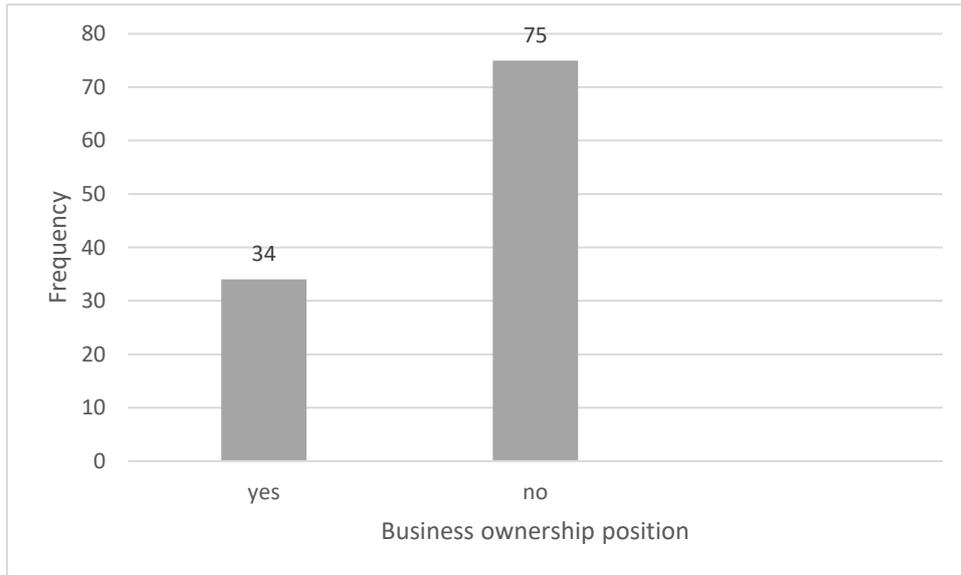


Figure 5.1: Business ownership position

(Source: Developed by Author based on obtained inferences)

### 5.4 Women entrepreneurship potency description

From the given findings exhibited in figure 5.1, foundations were built on the notion that a lower number of women in South Africa are actually engaged in entrepreneurship initiatives is very low. Moreover, it was discovered that 34 women were currently engaged in entrepreneurship, 31 were aspiring to be entrepreneurs, 19 were former entrepreneurs while 16 indicated that they were reluctant to engage in entrepreneurship initiatives. Thus conclusions can be made that there is a high potency for women in South Africa to engage in entrepreneurship initiatives.

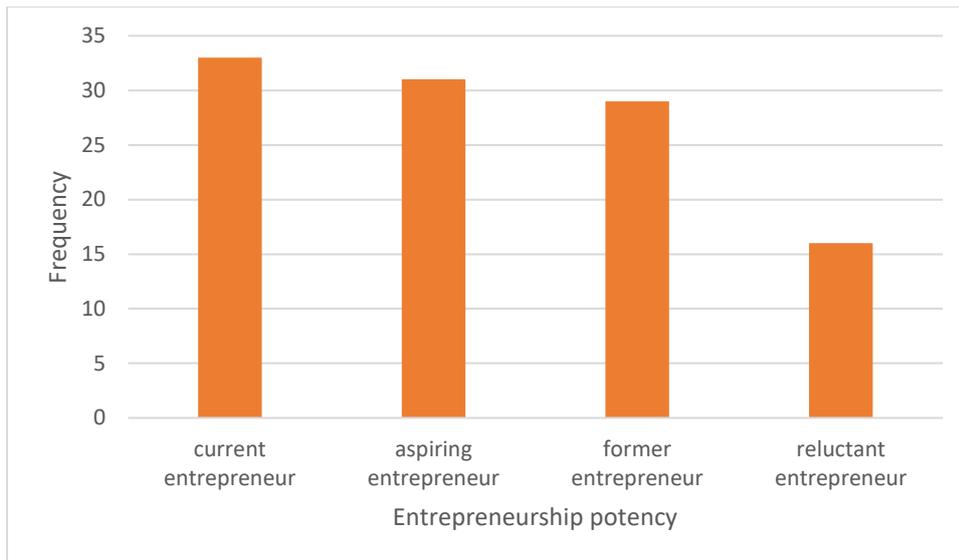


Figure 5.2: Women entrepreneurship potency description

(Source: Developed by Author based on obtained inferences)

### 5.5 Women entrepreneurship sector dominance

Figure 5.3 exhibits that there is a high number of women entrepreneurs who are into education and training, and export and training businesses with 38% and 26% respectively. Those that into restaurant and catering, manufacturing and construction and maintenance constituted 31%, 2% and 3% respectively. Thus women entrepreneurs in South Africa can be said to be more into service industries that are not labour intensive.

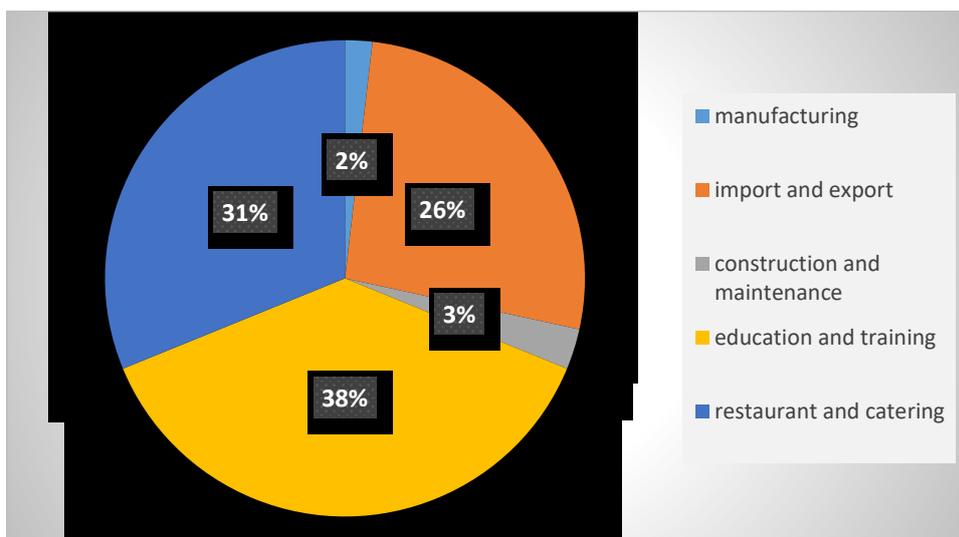


Figure 5.3: Women entrepreneurship sector dominance

(Source: Developed by Author based on obtained inferences)

### 5.6 Influence of governmental support in women entrepreneurship

Governmental support towards supporting women entrepreneurship can be said to be relatively low. This stems from findings made and shown in figure 5.4 which shows that 67 of the 109 women entrepreneurs, who were surveyed, outlined that they were not accessing government's support. Such can be attributed to various reasons which include among others lack of information about the existence of such support, legalities which the women might be considering to be lengthy, tiresome or complicated. 42 of the 109 women entrepreneurs were noted to be under governmental support and thus the study went on to establish the type of support these 42 women entrepreneurs were receiving as depicted in figure 5.5.

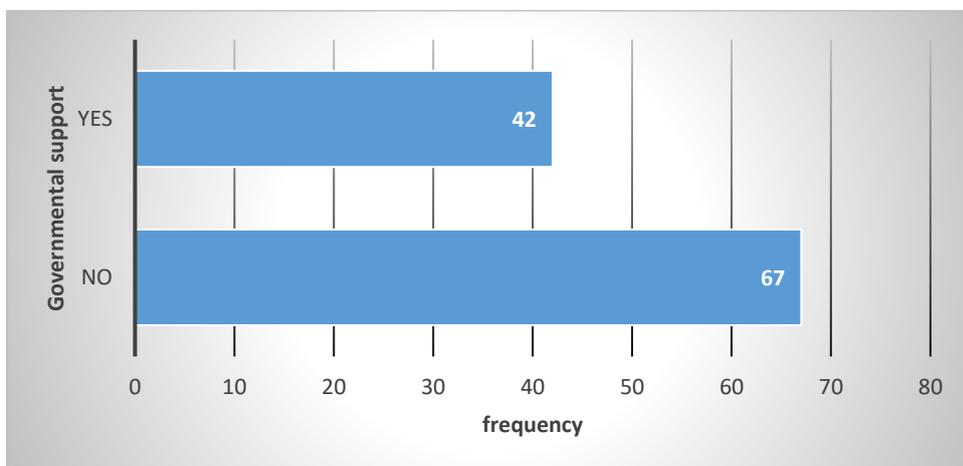


Figure 5.4: Governmental support towards women entrepreneurship sector dominance

(Source: Developed by Author based on obtained inferences)

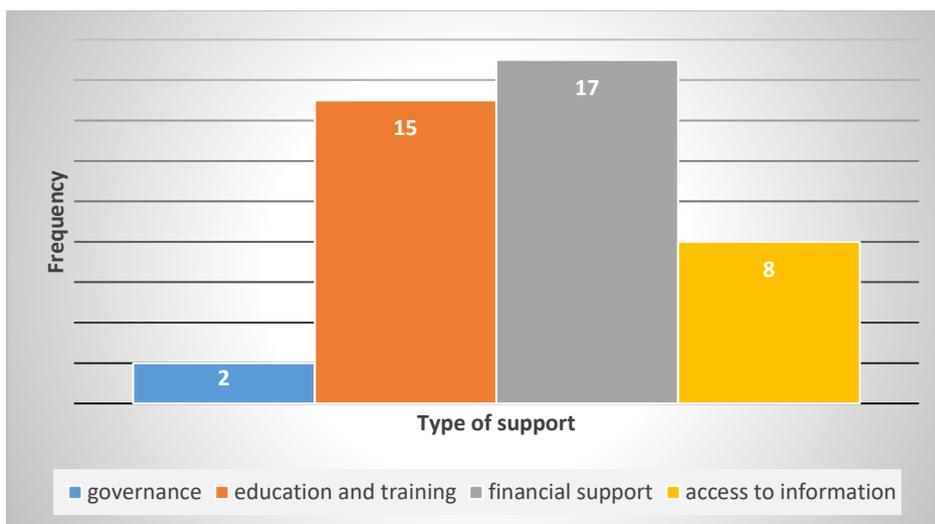


Figure 5.5: Type of governmental support availed to women entrepreneurs

(Source: Developed by Author based on obtained inferences)

## 5.7 Reliability test

One of the preeminent test in research is Cronbach's alpha and its objective is to determine the internal consistencies of the model variables (Tavakol & Dennick, 2011). The assertion behind Cronbach's alpha is that variables with a high alpha value provide a strong indication of high reliability (Bland & Altman, 1997). The criteria upon which Cronbach's alpha internal consistency decisions are made is that the alpha value must be at least 0.70 (Santos, 1999). It is from this benchmark that study results were compared with.

**Table 5.2: Reliability estimates**

Variable	Alpha values	Overall model alpha
Women entrepreneurship	0.796	0.860
Access to finance	0.662	
Government support	0.798	
Access to information	0.804	
Culture and social norms	0.819	
Education and vocational training	0.827	

Number of variables 6

The entire model realised an alpha value of 0.86 which is higher than the established benchmark of 0.70. Hence, deductions can be made that the overall OLS model is highly reliable to offer sound inferences about the effectiveness of entrepreneurship development programs in South Africa. In addition, observation can be made that all the employed variables have alpha values that exceed 0.70 except access to finance which has an alpha value of 0.662. Similarly, it can also be concurred that both the estimated model and variables have high internal consistencies.

## 5.8 Regression analysis results

### 5.8.1 ANOVA

Table 5.3 offers an outline of results that were established following efforts that were made to determine the validity of the estimated model. In this regard, a correctly specified model is the one which possess a mean and variance which is homogenous. Such can be determined when the F-statistic is significant. Utilising results depicted in table 5.3, it can therefore be concluded that the model is correctly specified since the p-value of the obtained F-statistic (50.781) is significant at 1% (p-value less than 0.01).

**Table 5.3: ANOVA test result**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	41.402	5	8.280	50.781	0.0000*
Residual	16.795	103	0.163		
Total	58.197	108			

Dependent variable: Women entrepreneurship, explanatory variables: AF, GS, AI, CSN and EVT.

### 5.8.2 Correlation coefficient

The correlation of the variables was ascertained using Pearson correlation coefficient test. The results exhibit that all the variables are positively correlated and this entails that positive changes in one variable will compound or initiate similar positive effects on the other.

**Table 5.4: Correlation coefficient**

	WE	AF	GS	AI	CSN	EVT
WE	1					
AF	0.735**	1				
GS	0.659**	0.510**	1			
AI	0.436**	0.195*	0.291**	1		
CSN	0.595**	0.478*	0.604**	0.372**	1	
EVT	0.607**	0.505**	0.584**	0.353**	0.686**	1

\*, \*\* Significant at 5% and 1% respectively (2-tailed)

It can also be inferred that there is a high correlation between education and vocational training and culture and social norms are lowly correlated of 0.686 which is significant at 1%. Meanwhile, the variable access to finance and access to information are significantly and lowly correlated by 0.195 at 5%. Access to finance is also significantly and lowly correlated with culture and social norms by 0.478 at 5%. Generally conclusions can be made that improvements in any of these factors will result in an improvement in the other factors. Possible reasons can be attributed to what is termed contagion effects in which repercussive effects spread from one sector, business or element to the other (Harding et al., 2009).

### 5.8.3 Collinearity diagnostics

Collinearity diagnostics were conducted with a sole aim of determining if there exist a relationship among the independent variables. The existence of a relationship among the explanatory variables is what termed multi-collinearity (Greene, 2002). When the obtained variance inflation factor surpasses 4 then it can be concluded that there is multi-collinearity and when they are beyond 10 then conclusions will be that there is a serious multi-collinearity problem (Pesran & Pesaran, 2010). However, the results exhibit that all the VIFs are below 4 and hence, we can conclude that the estimated model does not suffer from multi-collinearity issues.

**Table 5.5: Collinearity diagnostics**

Variable	Collinearity statistics	
	Tolerance	VIF
Access to finance	0.662	1.511
Government support	0.542	1.844
Access to information	0.840	1.190
Culture and social norms	0.446	2.244
Education and vocational training	0.457	2.187

### 5.8.4 Model summary

**Table 5.6: Model summary**

R square	Adjusted R square	Std. Error Est	Durbin Watson
0.711	0.697	0.40381	1.813

Dependent variable: Women entrepreneurship, explanatory variables: AF, GS, AI, CSN and EVT.

Model summary results provide strong evidence that significant variations in women entrepreneurship are explained by access to finance, government support, access to information, culture and social norms and education and vocational training. This is reinforced by an R-square of 0.711 which denotes that 71.1% of the variations in women entrepreneurship are explained by access to finance, government support, access to information, culture and social norms and education and vocational training. Secondly, it can be noted that there is an insignificant difference between R-square and adjusted R-square of 0.014 which entails that all the necessary variables have been incorporated into the study.

The Durbin Watson statistic of 1.813 which is close to 2 provides an indication that the estimated model does not suffer from serial correlation challenges. Hence, it can be concluded that the estimated model will provide results that are more reliable to offer explanations about the effectiveness of entrepreneurship programs in South Africa.

### 5.8.5 Coefficient analysis

OLS regression was adopted because of its capability to offer an indication of the nature of association that exist between variables (Gujarat, 2009). In addition, it is because it clearly offers insights about the magnitude of effect that exist between the variables (Greene, 2002).

**Table 5.7: Regression analysis results**

	Coefficient	Std. error	t-statistic	Sig.
C	-1.002	0.262	-3.827	0.000*
Access to finance	0.582	0.078	7.443	0.000*
Government support	0.243	0.068	3.589	0.001*
Access to information	0.204	0.056	3.643	0.000*
Culture and social norms	0.052	0.071	0.733	0.465
Education and vocational training	0.097	0.078	1.248	0.215

Dependent variable: Women entrepreneurship, explanatory variables: AF, GS, AI, CSN and EVT.

\* Significant at 0.01 level

The findings depict that women entrepreneurship is positively and significantly related with associated with access to finance at 1%. This is because the results exhibit that there is a coefficient of 0.582 which signals that improvements in access to finance by 1% will result in an increase in women entrepreneurship by 58.2%. This can be reinforced by ideas given by Verhel (2004), which showed that the greater the extent to which women entrepreneurs access financial support the higher the number of women who will venture to business. Possible suggestions can be drawn from the idea that improving access to finance implies convenience and the elimination of obstacles that may hamper business interests among women.

Governmental support is also unilaterally and significantly linked with women entrepreneurship by 0.243 at 1%. Availing more governmental support to women

entrepreneurs by 1% will cause an upward shift in women entrepreneurship by 24.3%. This is augmented by the idea given by Kew and Herrington (2016) which showed that cases where governmental support to entrepreneurs is high are highly related to the number of people venturing into business. This can be explained by the idea that the government normally comes with regulation, packages and funds that are tailored to support entrepreneurship development programs. As such it becomes swifter for women to embark on entrepreneurship development programs.

It can be noted that most women are not aware of the entrepreneurship that are available for them to tap into. This is because they lack information of the concerned area. As a result, improving access to information by 1% can be established to cause an increase in women entrepreneurship by 20.4%. This linkage that exists between women entrepreneurship and access to information can be said to be significant at 1%. This tallies with assertions made by Fasola (2011) which showed that the more information potential entrepreneurs possess about business opportunities that exist, the more they will venture into business. Access to information can eradicate potential barriers that hamper or dissuade women from venturing into business. Thus access to information will cover aspects such as information about the availability of funding, opportunities, training etc.

Culture and social norms are insignificantly associated with women entrepreneurship by 0.052 and efforts to improve cultural and social perceptions by possibly 1% will result in an improvement in the number of women entrepreneurs by 5.2%. This is possibly because more women will begin to venture into businesses that are dominated by men as cultural and social perceptions favourably change to their advantage as noted by Brush and Bird (2002).

Lastly, it can be concluded that efforts to improve education and vocational training by 1% will result in an increase in women entrepreneurship by 9.7% as noted by Bekele and Worku (2015), who posits that training encourages people to venture into lines of business through they were trained to do. As a result, women entrepreneurship is positively related to education and vocational training

#### **5.8.6 Conceptual model inferences**

Inferences can now be made that access to finance has a huge effect on women entrepreneurship accounting for 58.2% changes in entrepreneurship development programs. This was followed by governmental supporting posing an effect of 24.3% while culture and

social norms posed an effect of 20.4%, education and vocational trainings with 9.07% and culture and social names with 5.02%.

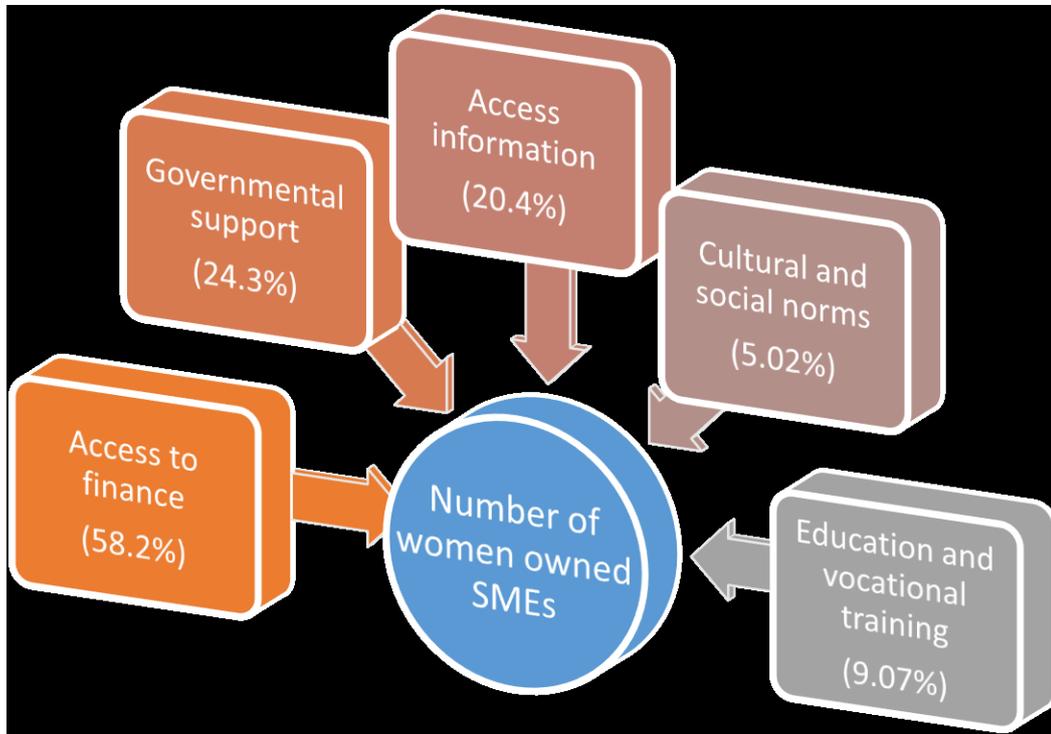


Figure 5.6: Summary of conceptualised framework

(Source: Developed by Author based on obtained inferences)

### 5.8 .7 Hypothesis tests

Established hypothesis results were derived from OLS estimates and the decision for a Hypothesis test is to accepted the hypothesis when the obtained p-value is greater than 0.05. Using table 5.8 we can thus accept the statement which access to finance, government support and access to information have no significant impact on women entrepreneurship have a significant impact on women entrepreneurship. Culture and social norms and education and vocational training can be concluded not to be having significant positive effect on women entrepreneurship. This is because their p-values (0.465 and 0.215) respectively are less than 0.05.

**Table 5.8: Hypothesis tests**

	Null hypothesis ( $H_0$ )	criteria	p-value	Decision
1	Access to finance has no significant impact on women entrepreneurship.	OLS	0.000	Reject
2	Government support has no significant impact on women entrepreneurship.	OLS	0.001	Reject
3	Access to information has no significant impact on women entrepreneurship.	OLS	0.000	Reject
4	Culture and social norms have no significant impact on women entrepreneurship.	OLS	0.465	Accept
5	Educational platforms and assistance facilities/ vocational training have no significant impact on women entrepreneurship	OLS	0.215	Accept

## CHAPTER SIX

### DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 Discussion of findings

Deductions can be made that the major limitation that is affecting the effectiveness of EDPs is limited access to finance. This is implying that women SMEs in South Africa have a huge obstacle of failing to secure the required funding necessary for them to start and grow their businesses. Thus even if effective EDPs are laid, lack of funding will render EDPs ineffective. Such has been established to be true by Abimbola et al., (2007), Jalbert (2000), and Wasilczuk and Zieba (2008), who posits that providers of funding towards any business initiative normally ask for collateral security up front which most women do not have. As a result, stringent financial requirements that are made by providers of funding are strong dissuaders of women entrepreneurship

It can be deduced that governmental support does play an essential part towards enhancing the effectiveness of EDPs. This is because governmental influence in entrepreneurship is high as the government plays many numerous roles that can either support or deter entrepreneurship growth. For instance, by providing training the government of South Africa can actually increase knowledge and understanding about potential business avenues that women can venture into while easing business regulations towards women SMEs can actual encourage the growth of women SMEs. This was echoed by studies undertaken by Botha (2006), Kock (2008), and Winn (2004), which showed that most African entrepreneurs including women at large lack governmental support which is a strong base upon which entrepreneurship is established.

It is normally contended by Bekele and Worku (2015), and Gurmeet and Belwal (2015), that access to information is a problem which persist in any business world but Botha (2006), contends that the problems of lack of information is highly persistent in Africa. This implies that failure to access information by aspiring and current women entrepreneurs can actually hinder their initiatives to develop and spearhead their business venture. This can be noted by the established results which have shown that access to information is the third significant factor that can promote the effectiveness of EDPs.

Deductions can be made that the government of South Africa does put emphasis in encouraging women to participate in business by offering vocational training and educational programmes. The effectiveness of these programmes are being affected by the low turnout or participation of women in these programmes and thus further put a stumbling block of efforts to enhance the effectiveness of EDPs.

Culture and social norms in South Africa do have an impact of entrepreneurship and efforts to positively alter the society's perception towards women venturing into business is also a huge force to reckon with. This supported by ideas given by Bekele and Worku (2015) which showed that business are usually regarded as a men's field while women are contended to be restricted to domestic chores. Such is highly true in South Africa were only jobs opportunities but also business ventures are considered to be for men and women are adage to base on matrimonial and domestic duties.

## **6.2 Conclusions**

Conclusions can therefore be made that there are several factors that are affecting entrepreneurship development programmes in South Africa. The effectiveness of such programmes is therefore being determined by access to finance, governmental support, access to information, culture and social norms and the existence of vocational training and educational programmes. All these established factors have a combined huge and positive effect on EDPs.

Conclusions can also be made that access to finance and government support are the most important elements that are affecting EDPs and efforts to improve these aspects will result in a tremendous growth in women SMEs.

Further conclusions can be made that culture and social norms, and educational platforms and assistance facilities/ vocational training have no significant impact on women entrepreneurship. Meanwhile, conclusions can be made that access to finance, government support and access to information have no significant impact on women entrepreneurship.

Lastly, conclusions can be made that women SMEs do paly an essential role towards the growth of an economy as well as fostering social empowerment efforts and measure. Thus it is important for the South African government and any other government to work on efforts to improve the effectiveness of entrepreneurship development programmes.

### **6.3 Recommendations**

Based on the inferred findings conclusions can therefore be made that;

- There is greater need to provide training (vocational education and training) to women at early or Middle Ages of their academic life.
- Governmental support must be adequately and equally distributed among man and women even amongst women themselves.
- There is also a great need to ensure equitable access and distribution of financial resources among entrepreneurs in South Africa.
- The government of South Africa must constantly provide information about entrepreneurship opportunities, training, programmes, regulations, funding, etc.
- There is a greater need to institute policies that can promote women SMEs and reformulate those that do are dissuading women from participation in entrepreneurship development programmes.
- Women should be encouraged to participate in male dominated business sectors and industries by giving out incentive packages, training, dissemination of information etc.

### **6.4 Suggestions for future studies**

The study drew inferences from a group of four women SMEs who fell under the same category in terms of the range of the number of women employees they possess. However, in the course of the study, observations were made that there is a growing number of women entrepreneurs who are venturing into the education sector. Future studies can thus be tailored to examine such a scenario. Furthermore, future research should also look at the bigger picture of women in business by observing women that are expanding their business and venturing into the international field.

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## LIST OF APPENDICES

### Appendix 1: Questionnaire

The purpose of this questionnaire is to collect information on a research titled, **An Assessment of Entrepreneurship Development Programmes in South Africa: Evidence of Women SMEs**. Please note that all responses will be dealt with anonymously.

#### Section 1.

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Gender?  Male  Female

Your age? .....

Marital status ?  Never married  Married  Divorced  Divorced  Widowed

Race ?  Black  Coloured  Indian  White  Other

Educational Level?  Primary school  High school  Undergraduate  Masters  PhD

#### **Section 2: Information section**

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Do you own your own business?  Yes  No

From your answer above ,which one these best describes you?

Current entrepreneur  Aspiring Entrepreneur  Former Entrepreneur  Reluctant entrepreneur

What industry do you operate in?

Manufacturing  Construction and maintenance  Restaurent and catering

Import and export  Education and training  Travel and tourism

Do you receive support from entrepreneurship development from available in the country?

Yes  No

If your answer to the above is yes, what kind of support do you receive? Please tick where appropriate.

Government support  Educational and vocational training

- Financial support                       Given access to useful information

**Section 3: Entrepreneurship Development Programme (EDP)**

Kindly select the appropriate box about your about the effectiveness of entrepreneurship development programmes in promoting women owned SMEs in South Africa.

<b>Strongly disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly agree</b>
<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>

		<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
1	EDPs assist women SMEs to identify suitable sources of finance					
2	Adequate finance is needed for starting or expanding enterprise					
3	EDPs aid women SMEs in cash flow management					
4	EDPs promote entrepreneurs through loans and incentives in collaboration with financial institutions.					
5	EDPs in South Africa are highly effective in providing access to finance					
6	It is difficult for women to get access to finance because they are considered small and not beneficial					
7	Without adequate finance EDPs cannot be effective in carrying out their programs					
8	Government works with EDPs to provide a conducive regulatory environment for SMEs					
9	Government supports women SMEs with infrastructure facilities					
10	Without adequate government support EDPs cannot be effective in their activities					
11	Women SMEs face obstacles in obtaining government support					
12	EDPs work with government bodies to sets up special programmes to help entrepreneurs accelerate their businesses					
13	EDPs cannot succeed without help from the government					
14	High level of government support leads to improvement of SMEs					
15	Training and education services provided motivate entrepreneurial activity					

16	Provision of vocational training by EDPs enables women entrepreneurs to better handle situation in their enterprises					
17	The level of education of women entrepreneurs is high in the nation					
18	Entrepreneurship programmes train women in coming up with a business plan					
19	EDP through which the entrepreneurs learn the required knowledge and skill for running the enterprise					
20	Without sound training EDPs cannot be successful in the region					
21	Women entrepreneurs in S.A have proper training for running their businesses					
22	Collaboration and dissemination of latest information and policy matters relating to women industry sector is necessary for women entrepreneurs to thrive.					
23	EDPs carry out research and development in the SMEs to find out new trends of women entrepreneurs.					
24	Women SMEs make use of mentors and counsellors to discuss and share information					
25	Provision of networking platforms to share experiences and information helps women SMEs businesses grow					
26	Providing marketing information and assistanceship is essential for women entrepreneurs					
27	Without adequate information EDPs cannot be effective in promoting women SMEs					
28	Women entrepreneurs in S.A have adequate access to information					
29	S.A cultural norms are in support of women entrepreneurs					
30	Societal norms regard women entrepreneurs as important contributors to the economy					
31	Cultural and social norms prefer rather than women as the entrepreneurs of the nation					
32	Many women fail to start a business because of societal and cultural norms resulting in low numbers of women entrepreneurs in the region					
33	Cultural awareness about women entrepreneurs in business need to be increased in the country					
34	When financial assistance is available, it increases the number of women entrepreneurs					

		<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
35	When government support is high and positive, women entrepreneurs tend to succeed					
36	The availability of information to women entrepreneurs boosts women entrepreneurship start up and expansion					
37	Availability of education and training programmes attracts more women to start their own business					
38	The success of women entrepreneurs in south Africa is highly dependent on entrepreneurship development programmes					
39	Women entrepreneurs require constant EDP intervention					
40	EDP programmes should be constantly evaluated and improved in order to enhance women entrepreneurs					

Adopted from: Botha (2006) and Obiageli (2016)