Motivational Factors Influencing Women’s Entrepreneurship: A Case Study of Female Entrepreneurship in South Africa

Natanya Meyer, Johann Landsberg

Abstract—Globally, many women are still disadvantaged when it comes to business opportunities. Entrepreneurship development programs, specifically designed to assist women entrepreneurs, are assisting in solving this problem to a certain extent. The purpose of this study is to identify the factors that motivate females to start their own business. Females, from three different groups (2013, 2014 and 2015), who were all enrolled in a short learning program specifically designed for women in early start-up stage or intending to start a business, were asked what motivated them to start a business. The results indicated that, from all three groups, the majority of the women wanted to start a business to be independent and have freedom and to add towards a social goal. The results further indicated that in general, women would enter into entrepreneurship activity due to pull factors rather than push factors.

Keywords—Entrepreneurship programs, South Africa, female entrepreneurship, motivational factors.

I. INTRODUCTION

Over the past three decades, the role of women within business and especially entrepreneurship has changed tremendously. Women were not considered as business owners traditionally and this was commonly only a male dominant sector [1]–[3]. Entrepreneurship is a popular topic and much research has been done within this field by well-known researchers. However, it was only during the 1970s that research on women, specifically as a separate research area in the field of entrepreneurship, was initiated. Many researchers are still of the opinion that research on entrepreneurship traits, characteristics and management styles are the same despite gender. This has been proven not to be the case by many leading researchers in the field of female entrepreneurship. Although there might be similarities in personal demographics of men and women business owners, there are clear differences in growth patterns, financing strategies, industry choices and motives for starting a business [4].

This study has the aim of discussing the key motives for several females who entered into a female entrepreneurship development program during 2013, 2014, and 2015. This program runs over eight months and is presented as a short learning program offered through the bhive Enterprise Development Centre (EDC) situated on the North-West University Vaal-Triangle Campus in Vanderbijlpark, South Africa.

II. LITERARY REVIEW

The following sub-sections will discuss the theory behind entrepreneurship as well as setting the scene for entrepreneurship in South Africa and discussing the various aspects of female entrepreneurship such as barriers, challenges and motives for starting a business.

A. Entrepreneurship Defined

Many different definitions explaining the concept of entrepreneurship has been identified over the last few decades. One of the earlier definitions by Schumpeter during the early 1930s, as cited by [3] considers an entrepreneur to “be those who create new combinations, new markets, products, or distribution systems”. Reference [5] defines an entrepreneur as someone who can utilize information in a more optimal way, which in turn could allow the unearthing of new and better opportunities. Definitions that are more recent refer to an entrepreneur as a specific person who possesses the expertise to exploit opportunities by introducing better or new ways to deliver or produce goods and services to the economy [6], [7].

This can be done by designing better methods and improved ways of organizing and by establishing a new business or revitalizing an existing business with improved service or product delivery. In addition to these definitions, the following character words usually form part of the concept of entrepreneurship; innovation, opportunism, risk taking, designing new combinations of processes and one of the principal traits of entrepreneurship is ultimately starting new organizations [2].

B. Entrepreneurship Development within South Africa

South Africa is considered a developing country with high unemployment rates (24.3% measured in last quarter of 2014) [8] and low levels of education [9]. Entrepreneurship has been identified as one of the key factors in sustained economic growth and development. This is even more so in developing countries where governments cannot provide enough jobs to combat high levels of unemployment [10]-[13], [7]. Entrepreneurship is seen as a way to curb this problem and many governments, including the South African government, has been formulating initiatives to assist with creating an
enabling environment for new and emerging entrepreneurs. These initiatives are, however, still limited in South Africa and the effectiveness thereof is questionable [14]. Policies and initiatives are aimed specifically at assisting previously disadvantaged groups of which women are considered part. Some of these government initiatives include the following:

- **Small Business Development Agency (seda)** – established in 2004 and provides business development and support for small business through a national network [15].

- **National Youth Development Agency (NYDA)** – launched in 2009 with a mandate to promote the development of youth in South Africa by assisting them to start small businesses [16].

- **Small Enterprise Finance Agency (SEFA)** – founded in 2012 and caters for small businesses requiring funding of up to R3 million (approximately $250,000) in the form of bridging finance [17].

- **Technology and Innovation Agency (TIA)** - created in 2008 as an initiative of the Department of Science and Technology with a mandate to enable technological and innovation support across all sectors of the economy [18].

- **National Empowerment Fund (NEF)** – established in 1998 to facilitate the growth in black empowered businesses and to promote a culture of investment and savings among black citizens [19].

- **Gauteng Enterprise Propeller (GEP)** – offers financial support in the form of loans, non-financial support such as information, technical advice and other forms of services to assist start-ups as well as skills development [32].

On a private level, support for start-up entrepreneurs is also provided to prospective new business owners with private company initiatives such as the Zimele programs presented by Anglo America, and SA Breweries KickStart program to name just a few [14].

According to the Global Entrepreneurship Monitor South Africa 2014 report [14], South Africa’s rate of entrepreneurial activity is still relatively low for a developing nation. Although entrepreneurial activity is still considered low in relation to other sub-Saharan African countries, it has increased slightly over the last decade within South Africa. A typical South African entrepreneur is considered as a male, aged between 25 and 44 years and normally residing in an urban area. This leaves a gap in the growth of rural and female entrepreneurs.

**C. Female Entrepreneurship**

Although many might still argue that all entrepreneurs should be studied as one group despite gender, there are clear and distinct arguments that differences between male and female entrepreneurs exist. Researchers in the field of female entrepreneurship argue that differences with respect to personal and business profiles, business sectors, product development, management styles, goals, structure of business and reasons for starting a business, clearly exist [20]-[22]. This was verified by many other researchers including [11], who suggest that some women might need more assistance concerning self-esteem and confidence than traditional male entrepreneurs. Emphasis on the differences in personal characteristics, area of importance, success factors and growth elements is also made [23].

Female entrepreneurship in South Africa has increased over the past decade and this is primarily because of government support and a change in culture, but the perception of opportunities to start a business and confidence in one’s own abilities to do so, remains low compared to other sub-Saharan African countries [14]. There is however, still a huge gap in the female to male ratio of entrepreneurs and there are consistent findings that males are more likely to be actively involved in entrepreneurial activities. This could be mostly due to cultural influences, as many cultures still believe that women are solely responsible for home and family related tasks as well as reproduction purposes and this is also the case for some traditional black South African communities [3], [22], [24]. This could confine women from starting a business or hamper the growth potential due to their status within a specific community.

**D. Challenges and Barriers Women Entrepreneurs Face**

Many challenges and barriers not only hinder female entrepreneurs but many other groups of entrepreneurs as well. These typically include limited access to start-up capital, government regulations, lack of education, lack of business knowledge and support during either decline or increase in business activity [25]. There are, however, several challenges that affect women entrepreneurs more specifically and these include lack of business management skills, inter-role conflict, lack of training and education, high-risk averseness, lack of female role models, inequality in access to credit and pressure of childcare responsibilities [26]. These challenges were confirmed by [23] and lack of confidence, liquidity and financial problems were added to the list. According to the Global Entrepreneurship Monitor, women tend to lack confidence compared to their male equals when it comes to business matters despite their origin, education level, work status and so forth [27]. Furthermore, perceptions that women are less capable if compared to their male counterpart in the field of business are still widely believed by many cultures. Many of these challenges can be addressed, but the challenges pertaining to lack of confidence and perception of a person’s own capabilities are more complex to overcome. There are two main factors that will influence a person’s decision on whether or not to pursue business ownership: perceived opportunities and perceived capabilities [14]. Perceived opportunities relate to economic conditions but perceived capabilities could be an attribute that many females lack, as they often doubt that they have the required skills and experience required to start a successful business venture. Another factor is fear of failure, and in the case of females, the fear is often more as they fear rejection from communities due to failure.

Adding to all of the traditional challenges that women entrepreneurs encounter, South Africa is faced with historical and political factors that promote the uneven distribution of
loans and opportunities to black females and this has created added pressure on the male/female entrepreneurial ratio [28].

E. Factors Motivating Females Starting a Business

Many reasons exist why any person would decide to pursue his or her ambition to start a business. There are, however, more distinct and personal reasons why women in general would want to start a business. Economic conditions, high unemployment rates, divorce or widowed and survival mode force many women into entrepreneurial activities within traditional and developing countries [29]. In addition, several other factors might influence a woman to become self-employed. These factors were sourced from various sources and consolidated into the following motives: desire for greater independence; challenge; improved financial opportunity; desire to be your own boss; flexibility for work/life balance; potential to develop a hobby; recognition; role model influence; job dissatisfaction; unemployment and fulfilling a social challenge [9], [23], [29].

III. CASE STUDY: FEMALE ENTREPRENEURSHIP SHORT LEARNING PROGRAM

To investigate motivational factors that drive female entrepreneurs to start their own business, the following method was used. Several females, forming three different groups ranging over three years (2013, 2014 and 2015), were interviewed in order to determine their personal motivation for starting or deciding to start their own business. These women were all enrolled in the eight month Short Learning Program for Female Entrepreneurs Business Start-ups (SLP) presented by the bhive EDC situated on the Vaal-Triangle campus of the North-West University in Vanderbijlpark, South Africa. The female entrepreneurship development program was launched in 2013. The program is aimed at females who have an idea to start a business or who have recently started a business, but still feel that they need assistance due to lack of certain entrepreneurial skills.

The following selection criteria apply to the females enrolling in the program:

- must be willing to commit to the eight-month program and attend all the training and business development sessions of at least six hours per month.
- be prepared to participate wholeheartedly in all workshops, networking sessions and related activities to explore and build their business.
- willing to work collaboratively with other like-minded females.
- must be located preferable within the Vaal-Triangle area in order to be able to attend classes on the university campus.
- have a minimum of a Grade 12 school qualification and a good English writing and speaking skills and be computer literate.

Table I indicates the dates that applications for the programs opened and closed, as well as number of entrants who submitted an application, were selected and who successfully completed the program. It can be seen the number of applications doubled from 2013 to 2015. The number of applications selected and completing the program also increased. This is due to the success of the program and the positive feedback from the applicants to other members of the community.

Table II represents the demographic information of the three consecutive groups. The average age of the participants changed over the three years under review. In 2013, the majority of participants were aged between 35 and 44 years (29%) and 45 to 54 years (43%). In 2014, the majority of participants were between the ages of 26 to 34 years (23%) and 35 to 44 years (38%). For the group of 2015, participants were aged between 26 to 34 years (31%) and the majority of the group fell in the 35 to 44 year age group (44%). There is a clear trend that most of the women are older than 35 years. At this age, most women have raised their children and they are in a position to spend more time on their business ideas.
When the marital status is analyzed, most women were married in both the 2013 (71%) and 2014 (69%) groups. In the 2015 group, 56 percent of the entrants were single. Married women have a more secure environment to start a business. Generally, they have the moral and financial support of their spouses. The financial risk is less because the spouse also earns an income. Single females have bigger financial risk and less financial security, in most cases they are the sole breadwinners. In spite of these additional risks, the 2015 group of participants have more single females than married females. It would be interesting to see if this trend will continue in the future.

The biggest representation of women were White (on average 60%), followed by African/Black (on average 33%). The Colored and Indian/Asian participants are in the minority. In 2015, there was no representation from the Colored and Indian/Asian community.

Concerning level of education, successful completion of secondary school and computer literacy is a pre-requisite for entering the SLP. In the 2013 group, 57 percent of the females also had a degree or diploma. The percentage came down to 38 percent in 2014 and increased to 50 percent for the 2015 intake. A quarter of participant in the 2015 group has a post-graduate degree.

It is interesting to note that for 2013, 57 percent of the participants had no experience in business ownership. For 2014, the percentage dropped to 31 percent and to 19 percent in 2015. In 2013, 43 percent of the participants indicated that they had one to five years business experience, 38 percent in 2014, and 50 percent in 2015. A substantial percentage of participants in 2014 (31%) and 2015 (26%) indicated that they already had more than five years of business experience. This indicates that even with high levels of education and previous experience in business, women are still open to further education and skills development through training programs.

From the literature, 15 factors that motivate females to start a business were identified. These factors are listed as follows:

- “I want to be independent and have freedom.”
- “I desire self-accomplishment and self-fulfillment.”
- “I want a work-life balance (business flexibility).”
- “I want to follow role models and other people’s influence.”
- “I need to survive (due to loss of job, retrenchment).”
- “I cannot find a job (being unemployed).”
- “I want to add towards a social contribution.”
- “I want to pursue a challenge.”
- “I am currently dissatisfied with my full-time employment (being employed).”
- “I want to be more creative and use my talents (develop my hobby).”
- “I want to have control.”
- “I want to be able to practice my knowledge and skills.”
- “I want to ensure a better income for myself.”
- “I desire wealth and economic stability.”
- “I identified a gap in the market.”

All the participants from the various groups were asked to indicate the main reason for either starting a business or intending to start a business. Entrepreneurs might have more than one reason for starting a business but for this study, participants had to choose their main reason.

Out of fifteen possible reasons to start a business, the majority of the participants’ motives fell into the following nine categories as summarized in Table III.

Within Table III it is evident that the most important reasons for females starting a business is to be independent and have freedom and to add towards a social goal (Group 1 - 58%, Group 2 – 54%, Group 3 – 38%). Other reasons that were predominant include; being able to practice skills and knowledge (Group 1 - 14%, Group 2 – 15%, Group 3 – 13%) and to be more creative (Group 1 - 14%, Group 2 – 8%, Group 3 – 6%). Within Group 3, 18 percent indicated they want a work-life balance, 13 percent want to pursue a challenge, 6 percent has a desire for wealth and 6 percent want to be in control. None of these reasons were listed in Group 1 or 2. The six reasons that were not listed by any of the participants from the three groups include a desire for self-accomplishment, following role models and other people’s influence, survival, unemployment, dissatisfaction with current job and insuring a better income. These results compare well with similar studies conducted with female entrepreneurs in South Africa.

A study conducted in 2008 within the Ekurhuleni District Municipality, on a group of 80 females, reported the top two motives why female want to start a business as the need for a challenge and self-fulfillment [23]. A similar study conducted in 2009 with 35 female respondents reported the top two motives as self-fulfillment and the need for independence [9].

Three other studies conducted in 2011 in various areas within South Africa reported the number one and two reasons, irrespectively, being the need for independence [29]-[31]. The need for independence was reported as the number one reason in this study as per Table III. None of the studies listed above included the motive of fulfilling a social need in the research instruments used. What was noticed from all five studies including this study, that almost none of the females wanted to...
start a business due to loss of a job, difficulty finding a job or dissatisfaction with a current job [9], [23], [29]–[31]. This indicates that females in general do not intend to start a business due to push factors such having no other full time employment options available to them but rather due to pull factors such as a way to become independent.

From the study, the following is further evident; women younger than 25 years are not seriously considering starting a business. The younger females focus on getting qualified and getting job experience. They also work on their relationships and having children. Women between 26 and 34 years of age generally, want to gain some work experience. Females over 35 years are more settled and have less child rearing and household responsibilities. These females have the experience and the time available to start a business.

As the selection criteria for the entrants include high school education and computer literacy, the quality of applicants are generally high. It is interesting to note that females with quite a number of years business experience still feel they lack skills and need to attend such a program. This confirms the findings in the literary review that some females lack self-confidence, skills and training and completing an entrepreneurship program can possibly assist in solving some of these issues.

The program has limited representation from the Colored and Indian communities. Some of the possible reasons for this could be that the area has a relatively small Colored and Indian communities. The selection criteria for the program, specifically education level required and computer literacy can limit applications; traditions, cultural and religious beliefs could have an impact as indicated in the literature review section and the choice of advertising media used to promote the program in the community could have an impact on the applicant.

IV. LIMITATIONS TO THE STUDY

As this study only investigated the motives for the women who enrolled and completed the SLP, the results cannot be considered to represent all females intending to start a business. The results were however very similar in the other five studies referred to [9], [23], [29]–[31].

V. CONCLUSION AND RECOMMENDATIONS

This study brought forth some insight on the factors that influence or motivate females to start a business. It was evident that most of the females within the three groups have a desire for independence, freedom and filling a social need within their communities. Concerning the SLP, the following recommendations are proposed to improve the quality of the program as well as representation:

- The choice of marketing media and media channels used must be reconsidered to ensure that all segments of the community are reached.
- A study should be conducted to determine whether there is a need for an alternative program with less stringent admission requirements in terms of academic qualifications. (Admissions are however handled on a merit basis and there has been one entrant who only had a Grade 8 qualification who was accepted into the program and who successfully completed).
- Further interviews with the women from the various groups should be conducted to get a deeper understanding of why they have certain motives and why certain motives are not important for these specific women.

REFERENCES


J. Barsh, and L. Yee, Unlocking the full potential of women in the US economy. A Special report produced exclusively for The Wall Street


