

Female Entrepreneurs' Pre-Exposure to a Business Environment and Its Influence on Selected Entrepreneurial Factors: A South African Perspective

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ABSTRACT: The role of entrepreneurship in societies has become more profound in recent times. Studies suggest that pre-exposure to an entrepreneurial environment while growing up can greatly contribute to an individual's learning process as they see first-hand how entrepreneurial tasks and activities are performed. Growing up, or being exposed to such an environment might potentially reduce the uncertainty felt by a prospective young or new entrepreneur. The objective of this study was to explore the differences in several entrepreneurial variables between two South African female entrepreneurs' pre-exposure to entrepreneurship groups. Group 1 represented female entrepreneurs who had no previous exposure from an entrepreneurial parent, close friend or relative and Group 2 included those who had some form of previous exposure from an entrepreneurial parent, close friend or relative. The study made use of a self-reporting questionnaire and used a convenience sample to collect data from female entrepreneurs. The final sample equated to 510 usable questionnaires which included responses from all nine South African provinces. Data were analysed using reliability and validity analysis, Multiple Analysis of Variance (MANOVA) and Analysis of Variances (ANOVA). Results indicated that just one variable, internal motivation, was influenced by pre-exposure to entrepreneurship. Entrepreneurs who were raised in a business environment; that is, having a parent, close friend or relative who managed an entrepreneurial business, reported a higher mean for internal motivation compared to those who did not have this exposure. Several studies suggest that benefiting from an entrepreneur role model such as a parent, close friend or relative may lead to a more positive outlook on entrepreneurship and a stronger inclination to start a business. The results from this study prove interesting as, in the case of South African female entrepreneurs, pre-exposure to entrepreneurship had little effect on the identified entrepreneurial factors with the exception of internal motivation.

KEYWORDS: Female entrepreneurship, pre-exposure, entrepreneurship environment, South Africa, entrepreneurial factors

Introduction

Entrepreneurship, whose role in societies has become more profound in recent times, is regarded as a key driver for economic growth and development. For a developing economy such as South Africa, entrepreneurship may be described as the centre of economic progress, social adjustment and creation of jobs (Gürol & Atsan 2006; Kot, Meyer & Broniszewska 2016). Furthermore, entrepreneurship may be regarded as the introduction of new economic activity (Davidsson 2016) leading to financial independence (Sata 2013). Historically, and in some cases even to date, entrepreneurship is a phenomenon associated with male domination (Yadav & Unni 2016). Traditionally, females and males assumed contrasting roles within society with men being mainly involved in economic activities and public life while women were mostly homebound, and took care of the children, cleaning and cooking (Meyer 2018). However, recent statistics (GEM Consortium 2017, Yadav & Uni 2016) reveal that females have increasingly emerged as important contributors to the economy through their active entrepreneurial involvement in the past three decades.

Entrepreneurship may be grouped into sub-domains such as corporate entrepreneurship, opportunity entrepreneurship, necessity entrepreneurship and social entrepreneurship (Chipeta & Surujlal 2016). Turton and Herrington (2012) argue that men are mostly opportunity entrepreneurs and women are more necessity entrepreneurs. This implies that because females are more prone to necessity entrepreneurship, there may be a higher likelihood of them entering into entrepreneurial ventures less prepared and knowledgeable regarding their understanding of the requirements of such ventures (Bridget 2017). Given the high unemployment rate and socio-economic challenges in South Africa, a logical assumption would be that more females would embark on entrepreneurial ventures

out of necessity. However, according to statistics, in 2014 South Africa reported a ratio of 0.4 necessity to opportunity entrepreneurs in 2014 (four necessity-driven and six opportunity-driven entrepreneurs for every 10 entrepreneurs).

Factors influencing female entrepreneurship

There are several factors that influence female entrepreneurs towards entrepreneurship. Among these factors are previous work experience, role models and networking, attitude towards entrepreneurship, internal and external motivation, family commitments, financial constraints, socio-cultural barriers and government support.

More than two decades ago Lerner, Brush and Hisrich (1997) found previous work experience to be a positive determinant of business success. Meyer (2018) argues that if the experience was gained in a similar industry to which an entrepreneurial venture was started, it would impact significantly on business performance and success. The author further posits that previous work experience, which contributes to the development of soft skills, self-discovery and personal growth, may bring about several positive changes in individuals not just as employees but also as potential business owners. Furthermore, previous work experience may develop an individual for working in teams, communicating better, getting systems and processes in place, and developing presenting skills (Holzherr 2013). As previous work experience may be likened to on-the-job training, it may have a higher impact on learning compared to traditional learning programmes as it provides individuals the opportunity to identify their strengths and weaknesses. Among the other contributions that previous work experience develops in an individual are leadership qualities and critical thinking (Dragoni, Tesluk, Moore, VanKatwyk & Hazucha 2014), stress management (Verhofstadt, Baillien, Verhaest & De Witte 2017), ability to adapt to changing situations (Meyer 2018) and the development of social and professional networks.

Role models and networking have been identified as further important factors that contribute to individual's entrepreneurial aspirations (Meyer 2018). Role models, such as a family member, work colleagues, close friends or other relatives, especially those who are involved in entrepreneurial ventures, provide aspirant entrepreneurs valuable opportunities to learn and see first-hand how entrepreneurial tasks and activities are performed. Growing up close to successful entrepreneurs might potentially reduce the uncertainty felt by a prospective young or new entrepreneur (Wyrwich, Stuetzer & Sternberg 2016), decrease the fear of failure of new entrepreneurs and increase entrepreneurial intentions (Meyer 2018). The presence of a strong network such as suppliers, partners, customers, bankers, creditors, trade and business associations, government agencies and other businesses owners (Aldrich, Reese & Dubibi 1989) who are in regular contact may contribute to business growth and development (Granovetter 1985; Bogren, von Friedrichs, Rennemo & Widding 2013). While networks could be either social or professional, both contribute towards the success of entrepreneurial ventures. Carr and Sequeira (2007, 1090) suggest that being part of a family business may have a lasting impact on family members who grew up in such an environment. It may even have an effect on how someone would manage a business in a manner that is different from how they experienced it while growing up. Thus, growing up in a business environment may shape one's attitude towards entrepreneurship in either a positive or a negative manner.

Motivation, both internal (e.g. increased freedom, work-life balance and contributing to society) and external (e.g. wealth creation and autonomy) plays an important role in one's entrepreneurial intentions (Meyer 2018). Veena and Nagaraja (2013) found that personal autonomy and self-determination were high motivational factors for individuals to gain more control over their working conditions. Females, especially, have higher motivations than males to break free of their confined labour markets which are associated with low wages, strong supervisory and hierarchical structures and stereotyping (Veena & Nagaraja 2013).

Attitude has been found to be a strong predictor of behaviour, especially goal-orientated behaviour (Kim & Hunter 1993). It is influenced by interactions with the direct environment (Wiklund, Davidsson & Delmar 2003). Therefore, a positive attitude may develop in an individual if the business is successful while an unsuccessful business venture may result in a negative attitude.

Walker and Brown (2004) opine that attitudes towards business changes as the business matures. Meyer (2018) argues that if an entrepreneur has a strong commitment, satisfaction, passion and attachment to the business, she may develop a more positive attitude towards the business.

Family commitments contribute significantly to female entrepreneur's experiences (Cesaroni & Paoloni 2016). Children and other family commitments take time away from the business and have been viewed as obstacles towards entrepreneurship (Cesaroni & Sentuti 2014). In addition to female entrepreneurs experiencing challenges to establish a work-life balance, females are also required to cope with challenges such as stereotyping which views them as domestic beings whose primary duty is to care for the family and their household duties and give secondary importance to their entrepreneurial ventures.

Other factors such as financial constraints, lack of government support and socio-cultural barriers, access to finance, which include aspects associated with start-up capital and operational capital, has been identified as a huge challenge for female entrepreneurs (Meyer 2018). This comprises having smaller equity capital at their disposal, sector related capital restrictions due to many female entrepreneurs operating service industry-related businesses and financial institutions lack of willingness to provide loans to entrepreneurs in these sectors. Female-owned businesses tend to be smaller in size and less efficient, which may result in more failed loan applications (Makina, Fanta, Mutsonziwa, Khumalo, & Maposa 2015). When considering government support, political policies and lack of government support prevented many females in the past from starting businesses and thinking entrepreneurially. Policy restrictions associated with gender and colour prevented Black and coloured females from taking part in any business activity pre-1994 (Bobby-Evans 2015). In addition, socio-cultural aspects such as lack of respect from the community, stereotypical treatment, doubt about their ability to conduct business, discrimination in the labour market and other workplaces, and balancing work and home duties especially when raising children also contribute to female entrepreneur's intention to pursue entrepreneurial ventures (Meyer 2018). Therefore, in light of the above discussion, the objective of this study was to explore the differences in several entrepreneurial variables between two South African female entrepreneurs' pre-exposure to entrepreneurship groups.

Methodology

A descriptive single-sample cross-sectional design approach was followed for this study. The underlying philosophical underpinning that formed the foundation of this study comprised the positivist paradigm as it primarily made use of empirical data which was obtained objectively and interpreted through statistical analysis.

Study area and sample

The target population was South African female business owners and the sample frame was drawn from several business association's databases from all nine provinces. Criteria for being included in the final sample comprised being female, that a majority share in the business was owned by a female and that she was actively involved in the management aspects of the business. Two non-probability sampling techniques (purposive and convenience sampling) were used in the selection of the sample elements as identified from the target population. The final sample size comprised 510 female entrepreneurs.

Research instrument and procedure

A self-administered questionnaire was used to collect primary data from the sample. During the questionnaire design process various procedures were followed to ensure a well-designed questionnaire. These procedures included using existing scales, constructing new scales based on extensive literature reviews, conducting a content review by topic experts, pre-testing and finally conducting a pilot study before the final data were collected. The final questionnaires were distributed electronically and through trained fieldworkers. Contents included in the questionnaire included general demographic information and several constructs directed at obtaining information regarding various entrepreneurial factors. A combination of nominal and Likert scaled response questions and statements were included. The scaled

responses allowed for a selection of between 1 (strongly disagree) to 6 (strongly agree) and higher means represent a more favourable attitude towards the specific construct topic.

Data analysis

The collected data were coded, captured and analysed using the Statistical Packages for Social Sciences (SPSS) version 24.0 for Windows. Both descriptive and inferential statistics were used to interpret the data. Descriptive statistics included means, standard deviations, skewness and kurtosis of the identified factors/variables (internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business) and are reported on in Table 2. Included in this table is the Cronbach Alpha used to measure the internal-consistency reliability and the average inter-item correlation values which provided an indication of the convergent and discriminant validity estimates of the constructs. Lastly, MANOVA and ANOVA analyses were done to determine the significant relationship between dependent variables and the individual characteristic – female entrepreneurs with and without pre-exposure to entrepreneurship. More specifically, these techniques were employed to test the following hypotheses:

- Null hypothesis (H_0I): There is no significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who have previous exposure to an entrepreneurial environment and those who have no such exposure;
- Alternative hypothesis (H_aI): There is a significant difference in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between South African female entrepreneurs who had previous exposure to an entrepreneurial environment and those who did not have such exposure.

Results and discussion

The demographic composition of the sample is depicted in Table 1.

Table 1. Sample demographics

Race	(%)	Years self-employed	(%)	Children	(%)
African	72	< 1 year	15.3	None	49.8
White	16	1 to 3 years	46.9	1 to 2 children	34.9
Coloured	9	>3 years	35.1	3 to 4 children	13.7
Asian/Indian	3	Missing values	2.7	>5 children	1.6
Age	(%)	Marital Status	(%)	Education level	(%)
< 21 years	3.3	Single	34.9	Secondary school	18.8
21 to 30 years	37.3	Married	34.9	No Grade 12	4.1
31 to 40 years	5.9	Living together	11	Certificate	14.5
41 to 50 years	34.7	Divorced	10.6	Diploma	31
>50 years	18.3	Widowed	6.6	Degree	17.7
Missing values	0.5	Missing values	2	Post graduate	13.9

From Table 1 it can be observed that the majority of the sample were of African origin, comprising 72 percent, followed by Whites at 16 percent and Coloureds at 9 percent. Asian/Indian female entrepreneurs comprised the minority of the sample at 3 percent. The age distribution across the sample indicated that the majority were between 41 and 50 years (34.7%). In addition, an equal percentage were single and married (34.9%) and most of the females did not have any children (49.8%). Regarding the level of education, 22.9 percent only had basic education (secondary school or Grade 12 not completed) and 31.6 percent completed a degree or post graduate degree. Table 2 depicts the results of the descriptive and reliability statistics for the total sample.

Table 2. Descriptive and reliability sample statistics

Factor/variable	Mean	SD	Skewness	Kurtosis	A	Inter-item correlation
Internal motivation	5.067	0.509	-0.660	2.422	0.75	0.179
External motivation	4.867	0.724	-1.054	1.865	0.73	0.260
Intention to remain in business	5.071	0.757	-1.809	5.189	0.73	0.372
Intention to grow the business	5.170	0.815	-1.764	3.772	0.77	0.524
Training and education	4.754	0.827	-1.201	1.597	0.73	0.355
Business growth factors	4.882	0.564	-1.727	5.909	0.79	0.195
Attitude towards business	4.959	0.603	-0.970	2.635	0.82	0.248

Table 2 shows acceptable Cronbach alpha coefficients ranging from between 0.73 and 0.82 for all the constructs (Nunnally & Bernstein, 1994). In order to determine the construct validity, the average inter-item correlation values were used and all fell within Clark and Watson's (1995:316) recommended levels of 0.15 to 0.50, with the intention to growing a business being marginally higher. As such, it was reasonable to assume convergent and discriminant validity.

In order to test if any statistical significant difference between the two groups and the said variables (as set out in *HI*) exist, Multiple Analysis of Variance (MANOVA) and Analysis of Variances (ANOVA) were conducted. Table 3 and 4 depicts these results.

Table 3. MANOVA results

Variable	Wilks' Lambda	F	Df	P	η^2
Pre-exposure to a business environment	0.912	4.322	11.000	0.000*	0.017

$\eta^2 > 0.01 < 0.09$ = small effect; $\eta^2 > 0.09 < 0.25$ = medium effect; $\eta^2 > 0.25$ = large effect.

* Statistically significant difference: $p < 0.05$.

In Table 3, MANOVA was utilised to determine if any differences in scores between the two groups and the variables were present. A significant effect ($p = 0.000$) was observed. Next, ANOVA was performed to determine where the differences were present. Table 4 reports the results from the one-way between-groups ANOVA conducted to explore the differences in the variables between groups of diverse South African female entrepreneurs in terms of their previous exposure to a business environment. Respondents were divided into two groups according to their exposure (Group 1: no previous exposure from a parent, close friend or relative and Group 2: previous exposure from a parent, close friend or relative).

Table 4. ANOVA results for differences between variables and exposure to a business environment

Variable	No exposure	Had exposure	P	η^2
Internal motivation	5.022	5.191	0.001*	0.022
External motivation	4.907	4.799	0.123	0.005
Intention to remain in business	5.083	5.042	0.587	0.001
Intention to grow the business	5.192	5.121	0.380	0.002
Training and education	4.770	4.704	0.427	0.001
Business growth factors	4.865	4.934	0.215	0.003
Attitude towards the business	4.931	5.032	0.094	0.006

*Statistically significant difference: $p < 0.05$

From Table 4, it is evident that just one variable, internal motivation, returned a small effect ($\eta^2 > 0.01 < 0.09$) of statistically significant value ($p = 0.001$). Female entrepreneurs who were raised in an entrepreneurial environment; that is, having a parent, close friend or relative who managed an entrepreneurial business, reported a higher mean for internal motivation (mean = 5.191) compared to

those who did not have this exposure (mean = 5.022). Several studies suggest that benefitting from an entrepreneur role model such as a parent, close friend or relative may lead to a more positive outlook on entrepreneurship and a stronger inclination to start a business (Van Auken, Fry & Stephens 2006; Bosma Hessels, Schutjens, van Praag & Verheul 2012; Hoffmann, Junge, & Malchow-Møller 2015; Wyrwich, Stuetzer & Sternberg 2016).

As Wyrwich, Stuetzer and Sternberg (2016, 468) observe, various studies suggest that individuals who grew up or were exposed to entrepreneurs in their environments had more opportunities to learn valuable entrepreneurial skills, thus reducing the fear of the possibility of failure and increasing their entrepreneurial intention to a certain extent. No studies could be found which stated that role models influence existing female business owners to remain in business in the South African context. The results from the current study also indicated that there was no statistical significance between intention to remain in business and previous exposure to an entrepreneurial role model, which may suggest that other factors could contribute to remaining in business. Linking the impact of role models on internal motivation, those females who had previous exposure to an entrepreneurial role model reported a higher mean than those who had not had such exposure. This may suggest that the former group of females may have noticed the direct benefits linking to work-life balance, pursuing a challenge, contribution to society and family security, amongst others.

Therefore, in the case of external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business there is insufficient evidence to reject the null hypothesis (H_0I). Concerning the internal motivation variable, H_0I is rejected and the alternative (H_aI) is accepted.

Conclusion

This study set out to determine if any differences in internal and external motivation, intention to remain in business, intention to grow the business, entrepreneurship training and education, business growth factors and attitude towards the business between two South African female entrepreneurs' pre-exposure to entrepreneurship groups. The results of the study indicate that although current literature states that being part of a family business may have a lasting impact on family members who grew up in such an environment, this may not always be the case. Results from this study suggest that female entrepreneurs with or without pre-exposure to a business environment do not differ significantly with regard to the various entrepreneurial factors identified in this study with the exception of internal motivation.

Recommendations stemming from the findings of this study include the promotion of female business networks and associations and advancement of entrepreneurial training and awareness in the South African education system.

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