FEMALE ENTREPRENEURS’ BUSINESS TRAINING AND ITS EFFECT ON VARIOUS ENTREPRENEURIAL FACTORS: EVIDENCE FROM A DEVELOPING COUNTRY

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—Abstract—
Entrepreneurship has been considered an imperative component of economic development. This is specifically true for developing countries, such as South Africa, where economies face high levels of unemployment and poverty. Several countries have emphasised the importance of female entrepreneurship development, and evidence from the literature suggests that entrepreneurs who accumulate entrepreneurial training prove higher commitment to stay in and grow the business. As such, the aim of this study was to explore the differences in various entrepreneurial factors between South African female entrepreneurs having some form of entrepreneurial training and those who have not had such training. The methodology followed a quantitative descriptive approach using a convenience sampling method. Female entrepreneurs from all nine South African provinces were included and data were collected using a self-administered questionnaire. In total, 510 useable questionnaires were returned. Data were analysed using descriptive, reliability and validity analysis, MANOVA and

ANOVA. From the results, four variables returned a statistically significant value: external motivation, intention to grow the business, entrepreneurship training and education and business growth factors. From these variables, all with the exception of the external motivation variable, reported higher means for the group who had previous exposure to entrepreneurial training. No differences were observed for the variables concerning internal motivation, intention to remain in business and attitude towards business. The literature supports the findings in that females who had previous entrepreneurial training reported higher means for intention to grow their business. Surprisingly, females with previous entrepreneurial training reported a lower mean for external motivation, possibly suggesting that training may affect their outlook regarding desire for wealth, applying skills and knowledge, proving oneself and improving one’s status, for example. Recommendations include that government should introduce and promote special training programmes for female entrepreneurs and facilitate funding opportunities for these businesses to ensure sustained growth.

**Key Words:** Female entrepreneurs, South Africa, entrepreneurial training, developing country  
**JEL Classification:** L26

1. INTRODUCTION

Today, entrepreneurship is widely recognised as a fundamental element to economic growth and development in all countries (Zaki & Rashid, 2016; Klonaridis & De Klerk, 2017; Dvorsky et al., 2018; Oláh et al., 2019; Meyer & Synodinos, 2019). Entrepreneurship is considered a powerful engine that drives employment creation and stimulates economic growth and development (Ribeiro-Soriano, 2017). Accordingly, entrepreneurs are known as economic actors who establish business ventures, resulting in job opportunities that lead to the economic prosperity of a country (Sadaf et al., 2018). Worldwide, females are showing a considerable interest in entrepreneurship, resulting in more females establishing new business ventures (Meyer, 2018). Consequently, female entrepreneurs are recognised as key contributors to economic growth (Kalinic et al., 2014). Unfortunately, many countries and cultures still lack seeing increased growth in the number of female entrepreneurs. Furthermore, in many developing countries, many females receive less education or training compared to males. Several studies suggest that entrepreneurial training and education contribute to forming new entrepreneurs and business ventures and, to a certain extent, preparing entrepreneurs for the business environment (Verheul & Thurik, 2001).
The Consortium of Entrepreneurship Education (2013) specifically points out that entrepreneurship education may assist in the preparation of individuals, especially females and the youth. De Bruin et al. (2007) found that entrepreneurial training has a stronger effect on females than on males. In consideration of this, the following hypothesis was formulated.

$H_0$: 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 those South African female entrepreneurs who have prior entrepreneurial/business management training and those who have no such training.

2. LITERATURE REVIEW

2.1. The essence and importance of entrepreneurship

Researchers have long taken an interest in the concept of entrepreneurship (Kuckertz & Prochotta, 2018; Coulter, 2003; Gartner, 1989). Galindo and Méndez (2014) opine that there is a relationship between entrepreneurship and economic growth. Entrepreneurship is a significant driving force of economic growth and a strategy that promotes innovation, productivity and job creation (Zaki & Rashid, 2016; Greblikaite et al., 2015). In addition, entrepreneurs are seen as key contributors to a country’s economic prosperity through new venture creation and job creation (Momani, 2017). Female entrepreneurs, in particular, are recognised as a new engine for economic growth and prosperity in a country as entrepreneurial activity became an essential source of employment for females across the globe (Reichborn-Kjennerud & Svare, 2014). Given these facts, it is crucial to develop entrepreneurial skills (Greblikaite et al., 2016). Consequently, this progressive movement of females has generated employment opportunities for others since they became leaders, innovators and creators in their entrepreneurial activities (Kalinic et al., 2014). While the rate of females pursuing entrepreneurship globally is on the rise, and the number of female-owned businesses increased by 114 percent between 1997 and 2017 (American Express, 2017), evidence from the literature signifies that female entrepreneurs in emerging countries still lag behind their counterparts in developed countries. In addition, there is a dawdling growth rate in entrepreneurial participation among females in emerging and underdeveloped countries (Schneider, 2017; Meyer, 2019). Numerous reasons for this slow growth are apparent from the literature, such as
gender inequality, gaining start-up funds, lack of entrepreneurial skills and education and training (Gender Equality Report, 2016).

2.2. Entrepreneurship within the South African context

When considering entrepreneurship in South Africa, the promotion of entrepreneurship continues to be an essential subject of discussion for government policymakers (Mamabolo et al., 2017). While South Africa is challenged by extreme levels of unemployment and poverty, it is worrying that entrepreneurial levels still remain rather low. The country proves to have one of the highest unemployment rates recorded globally, estimated at a rate of 27.6% in the first quarter of 2019 (Stats SA, 2019). Therefore, entrepreneurship is and should be considered to be a necessary element of job creation and poverty diminution in the country (Littlewood & Holt, 2018). The importance of female entrepreneurship for economic development is also widely recognised (Dean et al., 2019).

Conversely, the unemployment rate of South African females has been higher than that of their male counterparts, standing at 29.5 percent in 2018 (Stats SA, 2018). According to the Global Entrepreneurship Monitor (GEM) 2017/18 edition, 13 out of every 100 South African males are actively involved in entrepreneurial activity, contrasted to nine out of every 100 females. Evidence from the literature implies that the number of male-owned businesses are still greater than businesses owned by females (SA News, 2018). Moreover, South African males are more prone to start business ventures owing to an opportunity and have an intention to grow their ventures, in contrast to females who mostly start business ventures out of necessity and have no intention to stay in and grow the business venture (Irene, 2017). However, Rodrigues (2018) emphasises that opportunity entrepreneurs are vital to the economic prosperity of a country. Various researchers (e.g. Kerr et al., 2017; Malebane, 2014) believe that different factors can encourage female entrepreneurs’ intention to stay in and grow their business ventures. These factors may include: motivational factors (Hamilton & de Klerk, 2016; Pérez-Pérez & Avilés-Hernández, 2015), government support (Meyer, 2018), education and training (Irene, 2017) and attitudes (Hamilton, 2015).

2.3. Factors contributing to female entrepreneurs’ intention to stay in business and grow their businesses

As with the intention to start a business, likewise, there are factors that may be linked to the intention to remain in or grow the business. Krueger and Carsrud (1993) suggest that exogenous factors, such as demographics and situations like
government support and policy, may affect intention and the attitude of the individual. In addition, aspects linked to the individual’s characteristics and motivation also directly contribute to intention and attitude (Davidsson, 1995). This intention may be affected in some way or another by various entrepreneurial factors.

The first of these factors includes motivation, which refers to a need or want that strengthens behaviour and directs it towards a goal (Bergström & Martinez, 2016). According to Thom (2015), entrepreneurial motivation is the process that triggers entrepreneurs to apply high effort levels to achieve their entrepreneurial goals. Entrepreneurial motivation elucidates why entrepreneurs start new business ventures or remain in existing ones (Segal et al., 2005). Kirkwood (2009) indicates that entrepreneurial motivations are often classified into internal or external categories and may also be referred to as “push” or “pull” factors. Push factors can be defined as factors urging an individual to start a new business venture due to dissatisfaction in their current form of employment (Cabrera & Mauricio, 2017). Similarly, Ismail (2012) found that pull factors are associated with necessities, such as unemployment, dissatisfaction with current employment and inadequate family income. Dawson and Henley (2012) classified financial motivations as a pull factor. On the contrary, pull factors are those factors that motivate an individual to participate in entrepreneurial activities. Furthermore, these factors are those constructive aspects that attract an individual into starting a business venture or remain in business; for example, desire for independence, aspiration to be one’s own boss and self-fulfilment, while independence is the most cited factor for entrepreneurial motivation (Van der Zwan et al., 2016). Correspondingly, individuals motivated by pull-factors start business ventures or remain in business for the opportunity offered by the entrepreneurial activity (Verheul et al., 2010). Evidence from the literature suggests that females may be more motivated by push factors than by pull factors (Meyer 2018). The topic of entrepreneurial supporting mechanisms has been a well-researched subject in recent years (Phillips et al., 2014; Ijeoma & Matarirano, 2011). As such, a second contributing factor acting as one of these supporting mechanisms includes government support, which is offered in mainly the form of the existence of an enabling environment. Meyer et al. (2016) define an enabling environment as a set of cohesive conditions such as funding opportunities, physical infrastructure or entrepreneurial development programmes that impact on the development and sustainability of business ventures. Emerging countries, such as South Africa, are bombarded with socio-economic challenges facing prospective entrepreneurs.
when entering the business environment. As a result, the intention and role of government should be to promote and support small business development (Banda et al., 2016). South African females face various challenges when entering the business environment. Some of these challenges include unemployment, gender inequality and lack of entrepreneurial competencies (Mandipaka, 2014). Therefore, the South African government has initiated various projects to promote entrepreneurial activity among South African females, such as financial assistance programmes and business venture advisory services programmes (Crampton, 2014). A further important aspect, as noticed from the literature, is that entrepreneurship is a field that can be taught through education (Prochazkova, 2015). Entrepreneurial training or education is described as the involvement of an educator or trainer with individuals providing them with the essential skills to succeed in entrepreneurial activity (Chimucheka, 2014). The aim of entrepreneurial education or training is to develop specific knowledge and skills relating to entrepreneurship (Sinkovec, 2013). In addition, entrepreneurship training or education has an impact on job creation opportunities (Maina, 2013). Furthermore, evidence from the literature suggests that entrepreneurs who accumulated entrepreneurial training prove higher commitment to stay in and grow the business as they show a greater level of self-efficacy, skills set and confidence (Moodley, 2016). Several business growth factors that may improve female entrepreneurs’ business growth have been identified by researchers. They include financing constraints, government support, training and education, experience and skills, networks, role models and socio-cultural barriers. Although these factors may not impact female entrepreneurs in the same way and may also be country- and culture sensitive, they still in some way or another affect the growth of most female-owned businesses in either a positive or a negative way (Meyer, 2018). Attitude is another important factor leading to intention and action and can be defined as a preference to react positively or negatively towards an object, individual or situation (Yao et al., 2016). Sanne and Wiese (2018) believe that attitude is the intention to have a positive or negative assessment and which influences an individual’s intention to execute specific behaviours. Tshikovhi and Shambare (2015) emphasise that attitudes are vital in the life of a thriving entrepreneur. An entrepreneur’s attitude towards entrepreneurship is the fundamental factor towards their intention to start an entrepreneurial business venture (Hamilton, 2015), remain in it and ultimately grow the business (Kritikos, 2014).
3. METHODOLOGY

The target population was defined as South African female business owners. For the sampling frame, female business owners from several business associations’ databases were drawn and represented all nine provinces. A non-probability convenience sample of 510 female entrepreneurs was used to conduct the main study. A self-administered questionnaire was used to gather the primary data from the sample. The research instrument comprised general demographic information and several scales requesting participants’ response regarding intention to remain and grow their business and other entrepreneurial factors. The questionnaire was constructed using existing scales, constructing new ones based on extensive literature reviews and conducting a content review by topic experts. Responses were measured with a combination of nominal and six-point Likert-scaled questions and statements ranging from strongly disagree (1) to strongly agree (6), based on the participants’ agreement or disagreement with the specific construct topic. The collected data were analysed using several statistical tests. These techniques were applied using the Statistical Package for Social Sciences (SPSS 25.0). The statistical analysis commenced with a descriptive analysis reporting on the means and standard deviations in order to identify trends. The internal-consistency reliability of the scales was assessed by computing the Cronbach alpha values. In terms of the construct validity, convergent and discriminant validity was assessed by looking at the average inter-item correlation values. Following this, MANOVA and ANOVA were used to test for 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 those South African female entrepreneurs who have prior entrepreneurial/business management training and those who have no such training.

4. RESULTS AND DISCUSSION

From the 600 questionnaires distributed, 510 usable ones were returned, which resulted in an 85 percent response rate. As mentioned, the sample comprised South African female entrepreneurs actively running a business. From the data collected, 72 percent reported to be from black African origin, 16 percent white and the minority were coloureds (9%) and Asian/Indian (3%). As per the World Population Review (2019), these racial categories are similar to the overall South African race distribution. The bulk of the sample was between 21 and 30 years of age (37.3%), followed by the category of 41 to 50 years (34.7%). Equal
percentages of the sample were married and single (34.7%), and almost 50 percent had no dependent children. As the aim of this study was to explore the differences in various entrepreneurial factors between South African female entrepreneurs having some form of entrepreneurial training and those who have not had such training, respondents were merely asked “Have you ever received any entrepreneurial or business management training?” Group 1 included those female entrepreneurs with no previous entrepreneurial training and Group 2 comprised those who indicated they have received previous entrepreneurial training of some sort. The various entrepreneurial factors included 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. As discussed in the literature section, entrepreneurial training may be a contributing factor in the success rate of a business (Maina, 2013; Moodley, 2016). With regard to the number of female entrepreneurs who indicated that they have had previous training, 69 percent have not obtained any previous training in business management or entrepreneurial-related fields. However, 27 percent indicated that they have received such training. This previous exposure to business and entrepreneurial management training included tertiary education, government programmes, as well as various short courses, including those offered by private institutions. The descriptive and reliability statistics for the sample are included in Table 1.

Table 1: Reliability and descriptive statistics

<table>
<thead>
<tr>
<th>Entrepreneurial factors</th>
<th>Items (N=510)</th>
<th>Mean (max 6)</th>
<th>SD</th>
<th>Cronbach alpha</th>
<th>Inter-item correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal motivation</td>
<td>14</td>
<td>5.07</td>
<td>0.51</td>
<td>0.75</td>
<td>0.18</td>
</tr>
<tr>
<td>External motivation</td>
<td>7</td>
<td>4.87</td>
<td>0.72</td>
<td>0.73</td>
<td>0.26</td>
</tr>
<tr>
<td>Intention to remain in business</td>
<td>5</td>
<td>5.07</td>
<td>0.76</td>
<td>0.73</td>
<td>0.37</td>
</tr>
<tr>
<td>Intention to grow the business</td>
<td>3</td>
<td>5.17</td>
<td>0.82</td>
<td>0.77</td>
<td>0.52</td>
</tr>
<tr>
<td>Training and education</td>
<td>5</td>
<td>4.75</td>
<td>0.83</td>
<td>0.73</td>
<td>0.36</td>
</tr>
<tr>
<td>Business growth factors</td>
<td>17</td>
<td>4.88</td>
<td>0.56</td>
<td>0.79</td>
<td>0.20</td>
</tr>
<tr>
<td>Attitude towards business</td>
<td>14</td>
<td>4.96</td>
<td>0.60</td>
<td>0.82</td>
<td>0.25</td>
</tr>
</tbody>
</table>

As can be seen from Table 1, acceptable Cronbach alpha coefficients of above 0.7 were reported for all the entrepreneurial factors (Nunnally & Bernstein, 1994). Furthermore, construct validity was achieved as all the factors’ average inter-item correlation statistics fell between 0.15 and 0.50, with only the intention to
growing a business factor being slightly higher (Clark & Watson, 1995). As such, convergent and discriminant validity for all the factors can be assumed. The female entrepreneurs included in this sample were in agreement with most of the statements as all means ranged between 4.75 and 5.17 on a six-point Likert scale. The results emanating from the mean scores suggest that female entrepreneurs intend to remain in business ($\bar{x} = 5.07$) and grow their business ($\bar{x} = 5.17$) and that they have a positive attitude towards their business ($\bar{x} = 4.96$). Authors such as Kozan et al. (2012) and Arthur-Aidoo et al. (2016:232) are of the opinion that attitude in this case towards the entrepreneur’s business strongly associates with the intention to grow and remain in the business.

As set out in $H_01$, the study aimed to determine whether there is a significant difference in the entrepreneurial factors listed in Table 1 between South African female entrepreneurs who had prior entrepreneurial/business management training and those who have no such training. One-way between groups multiple analysis of variance (MANOVA) and analysis of variances (ANOVA) were used to test this. Firstly, the MANOVA was executed to investigate whether any differences between the groups regarding training were present in the various entrepreneurial factors. Preliminary assumption testing was performed to check for linearity, normality, outliers, homogeneity and multicollinearity and no serious violations were observed. Statistically significant differences were observed between the groups with $F = 2.910; p = 0.005$; Wilk’s Lambda = 0.959 and partial eta squared = 0.019. As a $p$-value of below 5 percent was observed, one-way between-groups ANOVA was performed to determine where the differences were present between the female entrepreneurs’ prior training groups and the entrepreneurial factors (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). Table 2 depicts the results from the analysis.
Table 2: ANOVA results for differences between variables and prior training

<table>
<thead>
<tr>
<th>Variable</th>
<th>No training</th>
<th>Had training</th>
<th>P</th>
<th>η²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal motivation</td>
<td>5.052</td>
<td>5.133</td>
<td>0.107</td>
<td>0.005</td>
</tr>
<tr>
<td>External motivation</td>
<td>4.902</td>
<td>4.756</td>
<td>0.041*</td>
<td>0.009</td>
</tr>
<tr>
<td>Intention to remain in business</td>
<td>5.039</td>
<td>5.173</td>
<td>0.078</td>
<td>0.006</td>
</tr>
<tr>
<td>Intention to grow the business</td>
<td>5.128</td>
<td>5.291</td>
<td>0.046*</td>
<td>0.008</td>
</tr>
<tr>
<td>Entrepreneurship training and education</td>
<td>4.702</td>
<td>4.904</td>
<td>0.016*</td>
<td>0.012</td>
</tr>
<tr>
<td>Business growth factors</td>
<td>4.855</td>
<td>4.965</td>
<td>0.049*</td>
<td>0.008</td>
</tr>
<tr>
<td>Attitude towards the business</td>
<td>4.926</td>
<td>5.038</td>
<td>0.070</td>
<td>0.007</td>
</tr>
</tbody>
</table>

*Statistically significant difference: p < 0.05

Table 2 represents the results from the one-way between-groups analysis of variance conducted to explore the differences in the variables between diverse South African female entrepreneurs’ entrepreneurial training groups. Four variables returned a statistically significant value: external motivation (p = 0.041), intention to grow the business (p = 0.046), entrepreneurship training and education (p = 0.016) and business growth factors (p = 0.049). From the variables that returned a statistically significant value, all, with the exception of the external motivation variable, reported higher means for the group who had previous exposure to entrepreneurial training; however, the effect sizes were small (η² > 0.01 < 0.09). Some might view entrepreneurial training as a prerequisite to starting a business, where others may not. Another argument states that entrepreneurs are born and cannot be taught (Prochazkova, 2015). However, some truth may lie in both arguments and it is becoming clear that some facets of entrepreneurship can indeed be refined, improved and even be taught through training (Kuratko, 2005). The importance of entrepreneurial training has been stressed by several authors (e.g. Kolvereid & Moen, 1997; Ibrahim & Soufani, 2002; Kuratko, 2005; Nabi et al., 2018) and research proving the empirical value of training is also favourable. Results from this study indicated that females who had previous entrepreneurial training reported higher means for the intention to grow the business (\(\bar{x} = 5.291\)), entrepreneurship training and education (\(\bar{x} = 4.904\)) and business growth factors (\(\bar{x} = 4.965\)) variables. Surprisingly, females with previous entrepreneurial training reported a lower mean (\(\bar{x} = 4.756\)) for external motivation, possibly suggesting that training may affect their outlook with regard to desire for wealth, applying skills and knowledge, proving oneself
and improving one’s status, for example. However, this result might also be due to other factors. According to Veena and Nagaraja (2013), although most female entrepreneurs are well educated, many of them often lack an education that has a business background. Males, more often than not, have gained additional business and management skills and training, compared to females. As such, the importance of continued entrepreneurial training for female entrepreneurs is evident. Therefore, in the case of internal motivation, the intention to remain in business and attitude towards the business, there is insufficient evidence to reject the null hypothesis ($H_0$). Concerning external motivation, intention to grow the business, entrepreneurship training and education and business growth factor variables, $H_0$ is rejected and the alternative ($H_a$) is accepted.

5. CONCLUSION

This study set out to determine whether differences in various entrepreneurial factors between South African female entrepreneurs with business or entrepreneurial training exist. From the results, the four variables, external motivation, intention to grow the business, entrepreneurship training and education and business growth factors reported statistical differences between the two groups. This implies that entrepreneurial training and education could indeed affect female entrepreneurs’ perception about the said factors. As no differences were observed for the variables concerning internal motivation, intention to remain in business and attitude towards business, it could be assumed that the impact of business training does not have an effect on these aspects and that they might be affected by other factors such as the entrepreneur’s background and environment. This study highlighted the importance of entrepreneurial training, and especially within the female cohort, as it potentially could enhance the growth ambitions of these entrepreneurs. Limitations include the quantitative nature of the findings. Future studies may include a qualitative research design to explore the deeper understanding of the entrepreneurs’ responses. Future research may also explore the differences in various entrepreneurial factors between South African female entrepreneurs and female entrepreneurs from other developing countries. Recommendations include that government should introduce and promote special training programmes for female entrepreneurs and facilitate funding opportunities for these businesses to ensure sustained growth.
REFERENCES


