

**UNIVERSITY OF KWAZULU-NATAL**

**Barriers to Youth Entrepreneurship: A  
Systemic Approach**

**BY**

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degree of**

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## **Abstract**

Research was conducted amongst male and female participants on an entrepreneurship project named SHAPE (Shifting Hope, Activating Potential Entrepreneurship). The SHAPE project, initiated in response to the high youth unemployment rate in South Africa, is a systemic action learning action research project which seeks to assist prospective youth entrepreneurs by fostering their entrepreneurial intent or helping them start a business. Although the intermediaries, also seen as support structures, were set out to develop student entrepreneurs, the student entrepreneurs encountered several barriers when dealing with these intermediaries including: 1) external systemic barriers that influence youth entrepreneurs (personal barriers), 2) educational institutions, 3) government agencies, 4) private sector agencies, 5) communities, 6) small to medium-sized business, and 7) large businesses and corporates. The objective in investigating these barriers was to find ways to overcome obstacles that participants experienced and apply these solutions to entrepreneurship programmes and projects. The sample population was all project participants in the 2014–2015 SHAPE project, of which 60 were second-year university students. In exploring these barriers student entrepreneurs encountered in relation to systemic intermediaries the researcher adopted a deductive approach aimed at testing the theory, which was based on responses from the study population from a questionnaire, data analysis, interpretations of findings, and conclusions from the findings. A seven-point Likert scale was used to capture the participants' responses with two scales types. A pilot test was conducted to determine reliability and validity of the tool.

The findings suggest that the majority of participants graduated and progressed into employment or postgraduate studies, showing that SHAPE had a positive impact on its participants. The conclusion drawn from this study is that the most significant barriers are personal barriers in relation to systemic intermediaries, in that youth aspirants have limited self-leadership and a complacent approach towards entrepreneurship. It is lack of creativity that prevents them from solving business problems or starting a business, rather than problems emanating from external intermediaries. The significance of this study is that it provides useful knowledge in regard to youth entrepreneurship and shows that further research is called for on interrelation between internal and external barriers experienced by youth entrepreneurs. This research may provide useful knowledge to overcome barriers in the next SHAPE project cycle.

## **Keywords**

Key words: youth entrepreneurship; systemic approach; barriers; entrepreneurship education; educational institutions; personal barriers

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## Abbreviations

BBEEE	Broad Based Economic Empowerment
CBT	Community-based tourism
CFA	Confirmation factor analysis
CSI	Corporate social investment
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
EA	Entrepreneurial actions
EI	Entrepreneurial intentions
ESE	Entrepreneurial self-efficacy
ICT	Information communication technology
IEO	Individual entrepreneurial orientation
SALAR	Systemic action learning action research
SAMAF	South African Micro-Finance Apex Fund
SEDA	Small Enterprise Development Agency
SHAPE	Shifting Hope, Activating Potential Entrepreneurship
SME	Small and medium enterprise
TIA	Technology Innovation Agency
UKZN	University of KwaZulu-Natal
UNISA	University of South Africa
VIF	Variance inflation factors



# Chapter 1

## RESEARCH ORIENTATION

### 1.1 Introduction

This study investigates the barriers to youth entrepreneurship in relation to systemic intermediaries and discusses the variety of challenges faced by youth entrepreneurs. An entrepreneur is described as an individual that responds in an innovative way and is ready to make decisions in a state of uncertainty (Stefanović & Stošić, 2012). Herrington and Kew (2016) similarly explain that an entrepreneur will fully embrace opportunities and take on new challenges to succeed.

In pursuing this success, there are many barriers outside an entrepreneur's control which can result in failure (Dhliwayo, 2008; Herrington & Kew, 2016; van der Westhuizen, 2016). This research aims to investigate the external barriers that youth entrepreneurs encounter. Creswell (2013) explain that a quantitative approach is best used to analyse and interpret such data, and in this research a survey was administered to youth that have participated in the SHAPE project. The SHAPE project is designed to connect youth with inspirational leadership therefore inspiring them to become successful entrepreneurs (van der Westhuizen, 2016). These successful entrepreneurs are described as individuals who are consistently motivated to achieve profits and are able to overcome challenges by being pro-active (Rauch & Hulsink, 2015).

### 1.2 Background and envisioned research

This research is part of a bigger systemic action learning and action research (SALAR) project that aims to develop youth entrepreneurship in South Africa. The SALAR project is called SHAPE, which stands for Shifting Hope, Activating Potential Entrepreneurship. This project is based on the research supported by the National Research Foundation of South Africa (Grant Numbers: 107003).

This project was initiated in 2013 and has continued through to 2018, with the prospect of extending the project investigations to 2021. The SHAPE project in the period 2014 to 2015 identified several systemic barriers to youth entrepreneurship. The present study therefore builds on aspects that were recommended for future research by van der Westhuizen (2016). Hopefully findings from this research will contribute to solving future challenges youth may face in the upcoming cycles of the SHAPE project.

To understand the issue highlighted above more clearly the study is introduced by exploring the barriers to youth entrepreneurship. South African youth face high levels of unemployment, with the unemployment rate in 2015 for the 15 to 24 years age group at 58.3% (Meyer, Meyer & Molefe, 2016). Firstly, the unemployment trend remains relatively high and as a consequence many unemployed individuals have been forced into finding a way to survive, therefore becoming grassroots entrepreneurs (Meyer et al., 2016). Secondly, youth are limited by their value system, culture and

work experience (Meyer et al., 2016). This view is also supported by other researchers and highlights the extent to which entrepreneurs' culture, family, role models, education and work experience affects their growth and survival (Geldhof, Porter, Weiner et al., 2014). Thirdly, youth pursue entrepreneurship because they perceive that offer flexibility in an improved work-life balance but do not often understand of what it takes to become a successful entrepreneur (Meyer et al., 2016). The benefits of entrepreneurship are also apparent in the Quarterly Labour Force Survey released by Statistics South Africa, showing approximately 2.4 million people actively in the informal economy in the second quarter of 2015. To explain the importance of entrepreneurs, Stefanović and Stošić (2012) describe a world without entrepreneurs as world without newness and without any uncertainty. The entrepreneur then evolves as someone searching for profit and someone who initiates new combinations and innovates products, processes, sources of supply, selling markets and organisational forms.

Dhliwayo (2008) and van der Westhuizen (2016) identify seven categories of intermediaries needed by the student entrepreneur who may help to propel the student's nascent business idea as he/she becomes a practising entrepreneur: 1) the student entrepreneur in relation to himself/herself; 2) education institutions; 3) government agencies; 4) private sector agencies; 5) communities; 6) small and medium-size business owners and 7) large businesses and corporates. In the student's relationships with each of these categories external barriers may occur.

In the course of the larger systemic action learning and action research project, which this study forms part, van der Westhuizen (2016) investigated the development and transformation of participants from aspirant student entrepreneurs to working youth entrepreneurs in cycles of three years. The seven intermediary categories, as identified above by Dhliwayo (2008) and van der Westhuizen (2016), were given practical application in the form of real life support structures for student who wished to become active working entrepreneurs, but several external barriers to entrepreneurship emerged that either slowed or halted these aspirant entrepreneurs in seeking to become working entrepreneurs in their own real-world enterprises. These external barriers can thus be seen as concrete obstacles that hinder youth entrepreneurship in KwaZulu-Natal and in South Africa at large.

### **1.3 Research problem**

Earlier research on entrepreneurship education tends to argue that it is increasingly difficult to become a successful entrepreneur (Stefanović & Stošić, 2012; van der Westhuizen, 2016). Recent data from the 2016 Global Entrepreneurship Monitor shows that entrepreneurial activity is low and shows no signs of improvement (Herrington & Kew, 2016). The low level of entrepreneurial activity is exacerbated by inadequate support from government projects and policies, private sector agencies, communities and educational institutions (van der Westhuizen, 2016). As a consequence of these barriers a multitude of 'daily management challenges' are experienced by youth entrepreneurs, and finding solutions to some of the barriers identified could help to alleviate the situation (Meyer et al., 2016).

A revised approach to teaching entrepreneurship is required, according to Dhliwayo (2008). The revised approach focusses on action-based learning, encouraging youth entrepreneurs to practice experiential learning, problem solving and creativity thereby providing practical experience representative of real world scenarios (van der Westhuizen, 2016).

Youth entrepreneurs face both internal and external barriers. Internal barriers relate to the entrepreneurial mindset which is a specific state of mind that orientates human conduct towards entrepreneurial activities and outcomes (Fayolle, 2013). Fayolle (2013) explains that individuals with an entrepreneurial mindset are often drawn to opportunities, innovation and new value creation. Elements of the entrepreneurial mindset specifically noted by various authors (Cox, Mueller & Moss, 2002; Kickul & D'Intino, 2005; Ramkissor, 2013) are entrepreneurial self-efficacy (ESE), individual entrepreneurial orientation (IEO), entrepreneurial intentions (EI), and entrepreneurial actions (EA).

van der Westhuizen (2016) and Dhliwayo (2008) identify systemic external barriers that youth who are in the process of becoming youth entrepreneurs encounter in generating momentum for their nascent business idea. These external barriers affect the entrepreneurial mindset and often give rise to further internal barriers within the entrepreneurial mind (Kickul & D'Intino, 2005).

This study investigates the barriers that student entrepreneurs face in South Africa with reference to the theoretical model derived by Dhliwayo (2008), as expanded on by other researchers such as van der Westhuizen (2016). The theoretical model explains that youth entrepreneurs require intermediary support from educational institutions; government agencies; private sector agencies; communities; small to medium-sized business and large business and corporates.

A link between unemployment and low economic development is also evident (Heistein, 2016). Furthermore, in South Africa there is low economic growth, which also influences the labour market (Herrington & Kew, 2016). It is important to examine the effects that unemployment has on youth development because youth are unable to gain valuable entrepreneurial skills (Republic of South Africa, 2015).

First initiated by the University of California in the seventies, entrepreneurship education programmes have been in development for almost five decades and implemented in a number of different countries (Bagheri, Lope & Akmaliah, 2013). According to Bagheri et al. (2013), entrepreneurship education in Malaysia has

become compulsory at public institutions of higher education and focuses on knowledge; skills development; critical thinking and the ability to take action like an entrepreneur. The objective of these entrepreneurship programmes is not purely academic, but has a focus on being effective in personal life and work. In addition, Malaysia has recognised that instilling a culture of entrepreneurship among youth is essential for youth to be successful in the business.

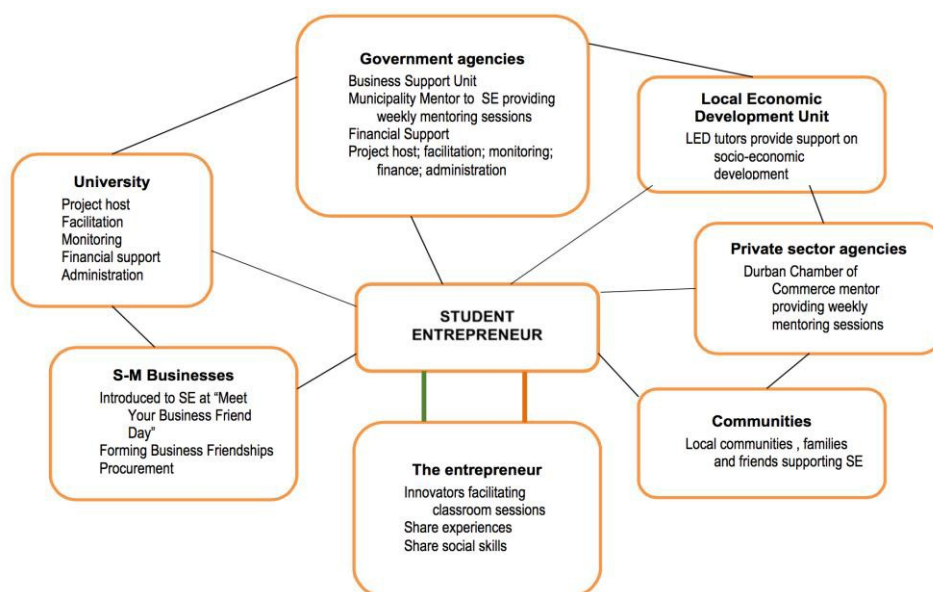
Bagheri et al. also found that companies focused on creating tasks to practice leadership in entrepreneurship. They suggest that although many countries have adopted youth entrepreneurship

programmes, not all have implemented these programmes successfully, and those that have are hampered by inexperience.

Dhliwayo (2008) and van der Westhuizen (2016) also identify systemic intermediaries to support student entrepreneurs. However in the process of intermediaries supporting student entrepreneurs, several barriers still occur that prevent the interactions from being successful and sustainable. Barriers need to be addressed in modern entrepreneurship teaching and learning programmes such as action learning, experiential learning and transformative learning. The barriers in relation to intermediaries of student entrepreneurs relate to the entrepreneurship learner as an individual; government agencies; private sector agencies; communities; small and medium-sized businesses; large businesses and corporates and educational institutions.

Findings from the investigative component of the SHAPE systemic action learning and action research project (van der Westhuizen, 2016) indicate that youth entrepreneurs require support from various intermediaries in different systemic levels which are identified below. Both van der Westhuizen (2016) and Dhliwayo (2008) show that youth entrepreneurs are dependent on multiple external variables in striving to succeed.

Figure 1-1 shows the systems approach incorporated in the SHAPE systemic action learning and action research project (van der Westhuizen, 2016). Dhliwayo suggested in his 2008 model that large businesses and corporates should also support student entrepreneurs. In the model shown in Figure 1-1, the term “local economic development unit” was used interchangeably with “corporate support” as referred to by Dhliwayo (2008).



**Figure 1-1 Systemic intermediaries to youth entrepreneurs (Van der Westhuizen, 2016)**

The following study will be determining the external barriers encountered by student entrepreneurs in relation to systemic intermediaries:

1. Perceptions of student entrepreneurs in relation to external support from systemic intermediaries (e.g. Start-up capital; mentorship; business-friendship and skills transfer)
2. Tertiary-level entrepreneurship programmes that prepare the student entrepreneur for the world of work as a youth entrepreneur
3. Interaction with government agencies providing business development support
4. Interaction with private sector development agencies such as the local chamber of commerce
5. Pressure from community to find a job rather than becoming an entrepreneur
6. Limited entrepreneurial support student or youth entrepreneurs from small and medium-sized business owners
7. Scarcity of large businesses or corporates offering internships or on-the-job training to give students appropriate entrepreneurial skill

In relation to the issues listed above, this study investigates, from a systemic perspective, external barriers to youth entrepreneurship that student entrepreneurs face in seeking to realise their nascent business ideas.

## **1.4 Research aim**

Determining the external barriers encountered by youth entrepreneurs in relation to systemic intermediaries.

## **1.5 Research objectives**

As a framework for the investigation undertaken in this study the particularised research objectives are as follows:

1. To determine external systemic barriers that influence youth entrepreneurs (personal barriers).
2. To determine external barriers encountered by youth entrepreneurs in relation to educational institutions.
3. To determine external barriers encountered by youth entrepreneurs in relation to government agencies.
4. To determine external barriers encountered by youth entrepreneurs in relation to private sector agencies.
5. To determine external barriers encountered by youth entrepreneurs in relation to communities.
6. To determine external barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses.
7. To determine external barriers encountered by youth entrepreneurs in relation to large businesses and corporates.

Following on from the research objectives, the following research questions were formulated which were investigated quantitatively by means of a structured questionnaire:

## **1.6 Research questions**

1. What are the external systemic barriers that influence youth entrepreneurs (personal barriers)?
2. What are the external barriers encountered by youth entrepreneurs in relation to educational institutions?
3. What are the external barriers encountered by youth entrepreneurs in relation to government agencies?
4. What are the external barriers encountered by youth entrepreneurs in relation to private sector agencies?
5. What are the external barriers encountered by youth entrepreneurs in relation to communities?
6. What are the external barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses?
7. What are the external barriers encountered by youth entrepreneurs in relation to large businesses and corporates?

## **1.7 Research design and philosophy**

### **1.7.1 Literature review**

The literature review outlines the barriers which youth entrepreneurs encounter from a systemic perspective. To summarise the literature review provides context on these issues through four perspectives: 1) mundo-systemic perspective relating to global issues which organisations such as the United Nations face; 2) macro-systemic perspective which relate to the BRICS countries (Brazil, Russia, India, China and South Africa); 3) meso-systemic perspective which relates to challenges in South Africa and 4) micro systemic perspectives relating individual's personal barriers.

Subject-related and non-subject-related literature was studied. Computer searches were undertaken on UKZN online library, Google Scholar, Google Books, ERIC, NEXUS Dialogue and EBSCOHOST (Business source premier and academic source premier) using following keywords:

external barriers to entrepreneurship; intermediaries to student entrepreneurs; systemic approach; systems; systemic levels; systemic action learning and action research; shifting hope activating potential entrepreneurship; systemic levels; systems thinking; youth entrepreneurship programmes; student entrepreneurs; youth entrepreneurs; personality traits; youth entrepreneurship; biographical details; demographic details, personal barriers in relation to systemic intermediaries; educational institutions; government agencies; private sector agencies; communities; small and medium-sized businesses; large businesses and corporates

Findings from these keyword searches are given in two literature chapters: Chapter 2 deals with a systemic approach towards supporting youth entrepreneurship and Chapter 3 deals with a theoretical framework informing the empirical investigation.

### **1.7.2 Research design**

Research design is the overall plan for relating the conceptual research problem to relevant practical research (Creswell, 2013). In addition, it explains what methods are to be used to collect data and reviews how it will be answering the research question. Both data and methods will be implemented to configure the research study and ultimately produce answers to the research question. The research design is a blueprint for the methodology to follow (Upton, 2017).

Saunders (2009) explain research design in what they call the Research Onion, which has five stages (Figure 4.1). This involves a series of decisions before arriving at the overall approach of the research design and data collection technique.

### **1.7.3 Research philosophy**

This study operates from a positivist research philosophy (also called objectivist), proceeding from the viewpoint that the researcher must concentrate on real, hard facts gained through observation, including measurement (Cohen & Manion, 2013). Furthermore, the role of researcher is limited to data collection and interpretation through an objective approach, and the research findings are usually observable, quantifiable and scientific. Vosloo (2014, p. 301) describes positivism as:

an approach to social research that seeks to apply the natural science model of research as the point of departure for investigations of social phenomena and explanations of the social world.

According to Callaghan (2009, p.161), social scientists investigate their subjects by explicit or implicit assumptions to provide understandings about the world; the assumptions fall into three categories: ontological, epistemological and methodological. The philosophy of these three assumptions, and other types of research philosophies, are discussed in Chapter 4.

## **1.8 Research strategy and approach**

This study followed a quantitative research strategy using a survey, which is suited to analysis of a census sample (Shange, 2016). The research methodology was mono-method using a single data collection technique with corresponding data analysis process. This research followed by a deductive approach (Creswell & Creswell, 2017) aimed at testing the theory, based on the responses from the study population from a questionnaire, data analysis, interpretations of findings, and conclusions from the findings. The purpose of the questionnaire was to investigate the research aims and objectives and address the research questions.

## **1.9 Time horizon**

According to Saunders (2009), a time horizon is when one views a sample from a specific point in time and it thus provides information based on a “snapshot” rather than an extended period. This study on “barriers to youth entrepreneurship from a systemic approach” is cross-sectional because it measures outcomes based on causes (Creswell, 2013). Creswell mentions also that it assists the researcher to identify relationships and cause and effect between questionnaire sections and question items.

In this study, data collection for the survey took place over two weeks. This allowed provision for respondents who were not available at the time of phone call or email. This study was cross-sectional in that it examined cause and effect of the variables measured simultaneously (Creswell, 2013). This also helped to determine the relationship between or among variables and provided empirical evidence on whether or not variables were related and on cause and effect relationships between different questionnaire sections and question items. A correlational study provides more information on the variables being analysed and can subsequently lead to further questions and research on relationships that are of significant interest (Cohen & Manion, 2013).

## **1.10 Research methodology**

### **1.10.1 Sampling methodology and target population**

The sampling method adopted in this study was census sampling: a census study investigates everything belonging to the given population and is therefore the complete total count. The target population/sample in this study was 60 student entrepreneurs who participated in the 2014–2015 SHAPE systemic action learning and action research project. Student entrepreneurs in the SHAPE project participated voluntarily. All participants in the project were contacted, thus constituting a census. It needs to be mentioned that the survey was conducted in 2017 and a period of time had therefore elapsed between the time they completed the project and when they were surveyed. The objective in planning the sampling methodology was to inform the project leader on improvements to make in the 2018–2019 project cycle.

### **1.10.2 Data collection method**

This study initially chose to conduct a survey using questionnaires developed by Google Forms as being the most appropriate data collection method. However, as the research progressed and few responses were returned either through Google Forms or through emailing the survey, the researcher fell back on hard copies of the questionnaire filled in by the researcher from respondent answers given by telephone. A survey is also an effective tool to gain information that possibly could indicate cause and effect relationships (Upton, 2017). Initially, the plan was for participants to complete the questionnaire online via a link on the SHAPE project website. When this failed to elicit responses an attempt was made to email the questionnaire to participants. Very few responded, and the ultimate



decision was to contact each respondent by telephone, reading out the questions and recording their answers.

The questions were divided into seven categories, as follows

- Section 1: Biographical and demographic details
- Section 2: Personal barriers in relation to systemic intermediaries
- Section 3: Educational institutions
- Section 4: Government agencies
- Section 5: Private sector agencies
- Section 6: Communities
- Section 7: Small and medium-sized businesses
- Section 8: Large businesses and corporates

Answers in Sections 2 to 4 (relating to the seven research questions) were given as rankings on a seven-point Likert scale.

### **1.10.3 Data analysis**

Data analysis for this study included nominal scales incorporating various demographic particulars for the participants and ordinal scales incorporating Likert-scale testing for attitudes on each of a set of specified dimensions relating to external systemic barriers of youth entrepreneurs.

Kolmogorov-Smirnov and Shapiro-Wilk parametric tests were run and showed that the data were not normally distributed. A test for positive definiteness was conducted using Mahalanobis distance. Collinearity was tested for with tolerance estimates and variance inflation factors. In addition, descriptive statistics were generated to test for the assumption of homogeneity of variance. Both descriptive and inferential statistics relating to each research question were accordingly used, including Mann-Whitney, Kruskal-Wallis, and Spearman's ranked rho. Levene's statistics was used to test for univariate homogeneity of variance. SPSS 25 was used to generate descriptive and inferential statistics.

Independent variables (i.e. that which is being manipulated) representing the inputs in an investigation) were:

1. Personal Barriers in relation to systemic intermediaries
2. Educational institutions
3. Government agencies
4. Private sector agencies
5. Communities
6. Small and medium-sized businesses
7. Large businesses and corporates
8. These independent variables were used as ranked indicators of barriers to youth entrepreneurial opportunities.

#### **1.10.4 Data quality control (reliability and validity)**

Cronbach's alpha, which shows how closely related a set of variables are as a group (Cohen & Manion, 2013) was used to measure internal consistency and account for multidimensionality by isolating and measuring each of the seven constructs. A Loess line was fitted to a scatterplot to test for homoscedasticity. Construct reliability was assessed through an examination of Joreskog rho. Convergent validity was assessed utilising Rho VC. Scatterplot matrices were developed for all items, and a best fit line fitted to the scatterplot, which revealed a linear relationship between most items.

#### **1.10.5 Pilot survey and results**

A pilot test can be defined as small scale preliminary study which is used to improve the study design prior to the full scale research project (Creswell & Creswell, 2017). In addition, the reason why this test is useful is because it evaluates feasibility, cost and is a trail to improve testing (Creswell & Creswell, 2017). The questionnaire, used as the data collection tool, was sent out to the pilot participants. A pilot study was conducted telephonically to show whether there were any problems with the test design and whether question items, format and were appropriate. The participants in the pilot study were all the student mentors who had attended the 2014–2015 SHAPE project and had acted as “business-friend-mentors” to the student entrepreneurs who participated in the project. Adjustments were made to the questionnaire in response to useful feedback they provided.

#### **1.10.6 Research ethics**

Ethical approval was given by the University of KwaZulu-Natal Ethics Review Board. Participants gave informed consent at the beginning of each telephone interview, anonymity and confidentiality were protected, and the digitised data were stored on a secure, password-protected computer. The results of this research will be disseminated to the respondents through the SHAPE project website.

### **1.11 Research project planning**

After having been involved as a practitioner and mentor in the SHAPE systemic action learning and action research project, the researcher decided to broaden his scope and registered for a fulltime full research M Comm degree in the second semester of 2016. A two-year research project plan was drafted in 2016, which was mostly followed. The detailed research project plan is included in section 4.12.

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

The limitations of this study are elaborated in Chapter 6. Chiefly, they concern the time gap between the respondents' original participation in the SHAPE project and their subsequent impressions two years later. Other issues include personal involvement of the researcher in SHAPE, representivity of the study sample and chosen focus of the survey. Another limitation is the possibility that some participants could have had additional training experience from another tertiary entrepreneurship

programme. If their experience was not confined exclusively to the SHAPE project this might have influenced the results.

## 1.12 Concept clarification

### *Barriers to entrepreneurship*

Krasniqi (2007) defines external barriers to entrepreneurship as “business environmental barriers such as tax burden, unfair competition and inadequate finance” as well as “external environment dynamism, technological opportunities, industry growth and demand for new products.” Dhlwayo (2008) has a systemic approach to external barriers to entrepreneurship which includes: 1) personal barriers for the youth individual in relation to system intermediaries, 2) educational institutions, 3) government, 4) private sector agencies, 5) communities 6) small and medium-sized businesses and 7) large businesses and corporates.

In this study “barrier” is used to describe challenges or obstacles which hinder or prevent youth from making progress in seeking to become entrepreneurs or from achieving successful entrepreneurial outcomes. Personal barriers (in relation to systemic intermediaries) experienced by the individual are included because they are perceived as external influences. Identifying these barriers provides useful knowledge to assist youth entrepreneurs.

### *Intermediaries to student entrepreneurs*

Dhlwayo (2008) and van der Westhuizen (2016) adopt a systemic approach to intermediaries to student entrepreneurs. This study will be determining the external barriers encountered by student entrepreneurs in relation to systemic intermediaries as follows: 1) personal barriers in relation to systemic intermediaries 2) educational institutions 3) government barriers 4) private sector agencies 5) communities 6) small and medium-sized businesses and 7) large businesses and corporates.

### *SHAPE*

SHAPE stands for Shifting Hope, Activating Potential Entrepreneurship and is the name that was given to the systemic action learning and action research project that whose implementation was the baseline of this research. Project website: [www.shapentrepreneurs.com](http://www.shapentrepreneurs.com).

### *Student entrepreneurs*

Student entrepreneurs are students who want to become successful small business owners or managers (Vermont Agency of Education, 2014). In addition, a student entrepreneur is an individual engaging in entrepreneurship activities. For Dhlwayo (2008) a student entrepreneur is: “an individual who participates in an experiential learning programme about entrepreneurship while having an infrastructure of intermediaries to support the learning process.”

For the purpose of this study, the term *student entrepreneur* applies to each individual who participated in the SHAPE project as part of a process of learning to becoming an entrepreneur.

### *Systemic approach*

The term *systemic* in the context of this study signifies an emphasis on issues of system as proposed by Jackson (2003), as opposed to disparate entities. The term *systemic intermediaries* applies to the investigation of systems that are linked together and their joint effects on youth entrepreneurship (Jackson, 2003). An *approach* can be described as the process of going towards something. For the purpose of this research, a *systemic approach* implies attention to the whole support structure for youth entrepreneurs as set out by van der Westhuizen (2016) and Dhlwayo (2008).

### *System*

A system is a complex whole whose functioning depends on its parts and the interactions between those parts (Jackson, 2003) where systemic elements affect the whole, rather than just parts, and refers to the interrelatedness and integrativeness of systems (Leonard, 2010). An approach can be described as the process of going towards something. A systems approach was adopted to provide information on the seven constructs listed in the research objectives.

### *Systemic levels*

The four different systemic levels that apply in this study are mundo level, macro level, meso level and micro level (Scharmer, 2009). Different systemic levels may have an integrative effect on entrepreneurship (Scharmer & Kaufer, 2013).

According to Scharmer (2009), the mundo system refers to global governance, the macro system refers to national governance, the meso system refers to organisations and culture, and the micro system refers to individuals.

### *Systemic action learning and action research*

Systemic action learning and action research is an extension of action learning and action research, and can be defined as:

“interactive processes” between local stakeholders and the researcher that enable individuals involved to bring diverse knowledge to a dialogical process and to a problem or challenge that allows the researcher to observe and act upon dynamics at the systemic level. (Schweikert, Meissen & Wolf, 2013)

In this study, systemic action learning and action research applies specifically to the 2014–2015 SHAPE project in which both research and action-based study focused on understanding systems in relation to complex parts.

### *Systems thinking*

In this study, systems thinking is applied in the reviewing of information from a holistic perspective. In addition, it attempts to solve problems by encouraging people to view a problem from different perspectives in order to understand the parts that constitute a whole; it is an approach for solving complex problems in the interests of change and it becomes a key element in decision making (Briscoe, 2016).

## Youth entrepreneurs

In the National Youth Policy for 2015–2020, youth are defined as “all people between the ages of 14–35 years”, while the legal age in South Africa for children to enter the labour market is 15 (Republic of South Africa, 2015). In this study *youth* is accordingly defined as people between the age ages of 15 and 35 and youth entrepreneurs are persons in that age group who are attempting to become entrepreneurs.

### *Youth entrepreneurship*

Youth entrepreneurship refers to practical elements of personality in enterprising activity such as initiative, innovation, creativity, and risk taking in the working environment (either in self-employment or employment in small start-up firms) and using skills necessary for success in that environment (Chigunta, 2002). For the purpose of this research youth entrepreneurship implies entrepreneurial activities being undertaken by youth between the ages of 15 and 35 in the process of applying enterprising qualities, including individual entrepreneurial orientation factors of taking risking and being innovative and proactive.

In addition, entrepreneurship signifies the process of creating and launching a new business (Roland, 2016). For the purpose of this study the term youth entrepreneurship is in reference to youth persons seeking to commence a new business.

### *Youth entrepreneurship programmes*

These are initiatives to encourage and support youth to be more entrepreneurial. In this study the term applies to both structured and unstructured events aiming to promote business-mindedness among youth.

## **1.13 Structure of the thesis**

Chapter 1 gives an orientation of the research to follow and a brief outline of the research problem and the importance of the investigation.

Chapter 2 gives the literature review and discusses different systems and systemic perspectives that might provide barriers, opportunities or support to youth entrepreneurs. This chapter indicates the importance of an all rounded systemic effort to support youth entrepreneurs.

Chapter 3 empirically looks at different theoretical models that aim to develop student entrepreneurs from systemic perspective.

Chapter 4 describes the research methodology and provides a justification to the research design and approach.

Chapter 5 empirically portrays through figures, charts and graphs the findings and results of the quantitative investigation. Each research objective is critically discussed as well as the demographics of the participants. Interpretations of the results or findings are given and it is discussed in relation to the literature reviewed in chapter 2 and 3.

Chapter 6 concludes the thesis with recommendations, limitations and conclusions. Each research objective is concluded and recommendations for future research are provided. This chapter ends with a reflection from the researcher who is also an entrepreneurial practitioner and has participated in the bigger research project (SHAPE), since 2014.

## **1.14 Conclusion**

The purpose of Chapter 1 has been to indicate the orientation of the research that was conducted. It argues the importance of the research problem: barriers to youth entrepreneurship in a systemic approach. It gives an outline of the research approach, design and methodology that are elaborated in the chapters that follow. A mono-method, quantitative research strategy is indicated in the chapter as the most appropriate for this particular research question. In addition, a brief explanation is given of the cross-sectional study designed for completion by participants from the 2014–2015 SHAPE systemic action learning and action research programme, using a telephonically administered questionnaire and analysed quantitatively to produce descriptive and inferential statistics. The chapter clarifies particular concepts that apply to the study and gives an outline of the sequence of chapters.

## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter outlines barriers to youth entrepreneurship from a systemic perspective and will provide a systemic lens. Moreover, it discusses 1) mundo-, 2) macro-, 3) meso- and 4) microsystemic perspectives on barriers to youth entrepreneurship. The mundo-systemic perspective focuses on the challenges African countries face in developing their economies, indicating that the continent requires ongoing support. These economic challenges are complex and require a systems-thinking approach aimed at solving difficult problems by looking at interconnected issues (Briscoe, 2016, p 1-9). The macro-systemic perspective considers the BRICS countries (Brazil, Russia, India, China and South Africa) which have a common interest in socio-economic development. In addition, European countries are discussed and provide lessons useful for South Africa (Tamesberger, 2015, pp 1-24). The meso-systemic perspective provides a lens to view South Africa's entrepreneurial challenges and discusses entrepreneurial programmes which are being implemented, including the 2014–2015 SHAPE Project. Finally, the micro-systemic perspective considers the individual's personal barriers in relation to systemic intermediaries to youth entrepreneurship. This chapter commences with a brief background described below.

#### **2.2 Background**

Africa, with a total of 54 countries, is the continent with the greatest number of separate countries (Tanabe, 2016). Europe is second with just over 50; Asia is third with 46; North America is fourth with 23; Oceania has 14 and South America has just 12 (Tanabe, 2016). All countries in Africa are developing countries and it is the only continent without any so-called first world, or developed, economies (Tanabe, 2016).

Africa as a continent faces many challenges, including poverty, lack of infrastructure, and corruption (George, Corbishley, Khayesi et al., 2016), high levels of unemployment and political instability, severely burdened education systems and troubling prevalence of xenophobia (Herrington & Kew, 2016). In first world countries drinking water is readily accessible; in Africa water is limited with almost 300 million people experiencing shortages that require 75% of the population to use groundwater (George et al., 2016).

In addition to the challenges described above, Varhola and Sheperd (2013) explain that the global strategic relationship between the United States and Africa is one that requires consistent effort. In this partnership, issues of cooperation and communication for military operations are crucial in maintaining stability in Africa, and failed coordination puts the global strategic environment at risk (Varhola & Sheperd, 2013).

In one situation Africa initiated uncoordinated budgetary cuts without consulting with the United States, thereby jeopardising joint military initiatives and regional stability (Varhola & Sheperd, 2013). Although, South Africa is not legally required to consult with the United States on budgetary cuts, it is considered good practice that credible relationships are maintained (Varhola & Shepard, 2013).

According to Varhola and Sheperd (2013), the relationship between these two continents has shown promise and is founded on trust and long-term cooperation through coordinated initiatives that are mutually beneficial. To ensure stability, Africa requires support from the United States to reduce macro-environmental challenges such as terrorism, violence, piracy and smuggling, and in return the United States ensures strategic protection against threats (Varhola & Sheperd, 2013). These two economic entities cooperate with one another because of shared gains, including improved defence capabilities, combining of resources and access to strategic geographical locations. In addition to broad support, the United States supports national leaders in Africa, thereby creating an environment which encourages accountability by upholding international norms and expectations (Varhola & Sheperd, 2013). The eight focus areas (as listed below) of the United Nations Millennium Development Goals for addressing key social issues can be seen as an example of international norms and expectations to improve socio-economic development (United Nations, 2017):

1. to eradicate extreme poverty and hunger;
2. to achieve universal primary education;
3. to promote gender equality and empower women;
4. to reduce child mortality;
5. to improve maternal health;
6. to combat HIV/AIDS, malaria, and other diseases;
7. to ensure environmental sustainability; and
8. to develop a global partnership for development.

To achieve these shared goals Africa is encouraged to provide the United States with a whole-of-government approach which supports the African security initiatives (Varhola & Sheperd, 2013). A whole-of-government approach is one in which agencies work across boundaries to complete a shared outcome through formal or informal actions (Ling, 2012).





**Figure 2-1 Best practice whole of government approach** (Ling, 2012)

In addition to the challenges outlined above, many poor Africans are left with a sense of fear for basic survival because their basic financial (and often human) needs are not met (Herrington & Kew, 2016). This fear for survival often has forced Africans to have an entrepreneurial mindset that leads them to create opportunities with limited resources (George et al., 2016), not necessarily because they want to be entrepreneurs but because they have no option but to create informal-sector business opportunities for themselves in order to survive (World Bank, 2016). Research by George et al. (2016) confirms that African entrepreneurs are becoming increasingly competitive with the rest of the world because of their capacity for resourcefulness and resilience in difficult economic times. George et al. (2016) claim that youth entrepreneurs are resourceful globally, especially in a developing country like South Africa, it appears that youth whom are forced into entrepreneurship lack structured training limiting their potential to grow their businesses. This is a major concern because these youth

entrepreneurs whom have no training and support could be disadvantaged as there are entering entrepreneurship due to fear of survival (World Bank, 2016).

## 2.3 Systems thinking

In this study, systems thinking is applied in the empirical review of literature from a holistic perspective. In addition, it attempts to solve problems by encouraging people to view a problem from different perspectives in order to understand the parts that constitute a whole; it is an approach for solving complex problems in the interests of change and it becomes a key element in decision making (Briscoe, 2016).

According to Briscoe (2016) there are more than 2 billion children in the world below fifteen years of age and almost half live in poverty, with 120 million not in school due to financial barriers, location barriers and disability. Briscoe further states that there is a lack of investment from government which is worsened by societal issues. In addition, Briscoe explains that using systems thinking provides added insight into a changing world that is “interconnected and interdependent” (p. 2). Bodhanya (2014) notes, moreover, that systems are forever changing due to the external environment which he describes as “complex adaptive systems.” Considering systems are interconnected and provide insight into a changing world (Briscoe, 2016), however it is noteworthy to discuss that these systems are forever changing (Bodhanya, 2014), which is a concern as interpretations could be brief and misleading.

In further reference to systems thinking, Hill (2014) discusses “collectivism” in which the larger population takes priority over the individual goals. He explains how socialism differs from collectivism in that it supports the individual rather than the whole, while noting that systems nonetheless vary greatly across different countries. In addition, systems have a major impact on how each country operates in terms of business, costs, risks and strategies for growth. Hill also notes that international business is more complex than local business, since each country has its own unique methods of achieving business goals, shaped by its legal system, its political system, its economic system and its cultural system – all of which have a profound impact on the way in which business is approached.

Richmond (1997) describes systems thinking as a collection of small parts that are joined together to form a complete whole or process; furthermore, systems thinking is complex and consequently should be seen from the perspective of mastering a whole. Richmond explains this perspective by comparing systems thinking to a professional basketball player attempting to score points by dribbling, running and side-stepping opponents while passing the ball in one fluid movement. In this example the basketball player doesn't think about each skill set during this fluid movement, but rather executes all these skills together without much thought. This description of the basketball player completing complex tasks through one seamless process suggests how being able to see the whole system allows one to truly understand its purpose and effectiveness. However, getting to that point requires effort and time to master each part for full awareness of the system (Hill, 2014).

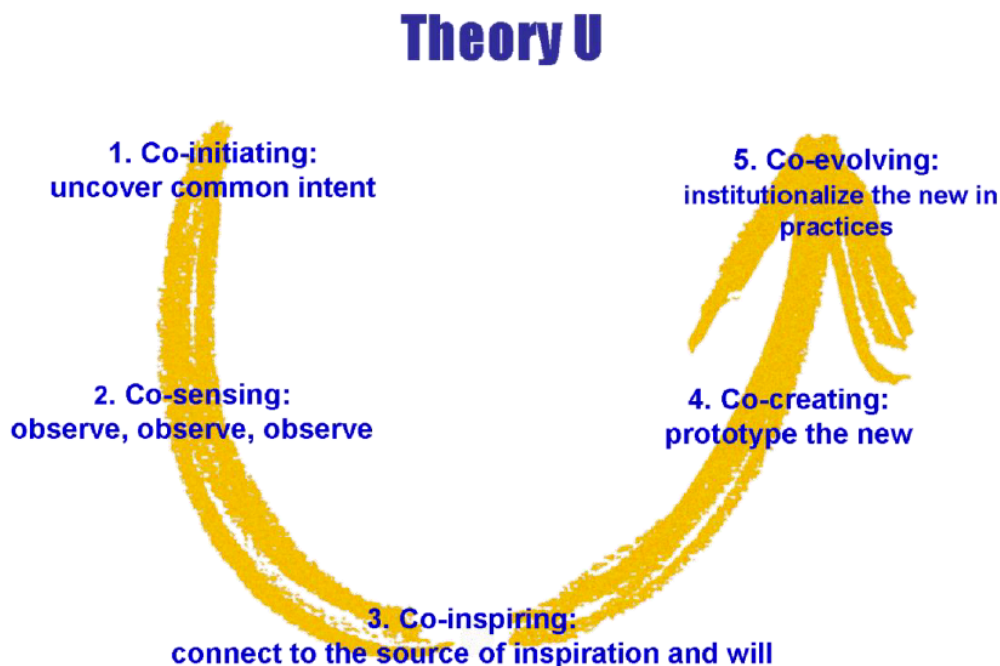
Strategic planning for systems is divided into ten schools of thought which are either prescriptive or descriptive in their strategic approaches (Mintzberg, Ahlstrand & Lampel, 1998; Mintzberg, Ahlstrand & Lampel, 2005). In a prescriptive strategic approach a goal is explained prior to the main elements and created before the strategy begins (Lynch, 2017), whereas a descriptive strategic approach puts more focus on the content of the strategy (Sarfin, 2017). Mintzberg et al., (1998) further divides these schools of thought into focus areas on hard systems (e.g. infrastructure) and soft systems (e.g. people or culture) which set a baseline for systems thinking. The distinction between approaches to hard and soft systems is also made in other scholarly contributions to systems thinking (Jackson, 2003; Richmond, 1997).

In addition, education systems are complex because they incorporate numerous stakeholders from a variety of backgrounds (Briscoe, 2016). Briscoe (2016) identifies three essential components in a research system: 1) tangibles (e.g. people) and intangibles (e.g. self-confidence), 2) relationships that combine these components, and 3) a purpose. Briscoe explains that systems thinking can assist in reducing poverty by creating holistic policies through collaboration from all key stakeholders; systems thinking connects key individuals from different industries to help address and solve problems. Although Briscoe (2016) explains that systems thinking can reduce poverty, it is important to consider that there is need for more empirical evidence showing the impact of systems being incorporated into cultures.

The disconnection between systems that arises when stakeholders fail to communicate with one another has created major problems in the education system (Briscoe, 2016; van der Westhuizen, 2016). According to van der Westhuizen (2016), the disconnect when systems fail to interact is a significant barrier to youth entrepreneurship. For example, government may provide infrastructure support for youth entrepreneurs but fail to provide development programmes that uplift and inspire (van der Westhuizen, 2016). The research reported in this thesis indicates how leaders can help to bridge the disconnect between systems by linking youth entrepreneurs with a range of stakeholders. In support of this approach, Briscoe (2016) argues that educational systems can be reformed and improved (and poverty can be reduced) by working towards better combination between the systems that are involved. To gain a better understanding of how these complex systems interact, and to jointly solve problems that face society, key stakeholders in government and in educational institutions need to begin thinking and acting differently (Briscoe, 2016; van der Westhuizen, 2016). In further support of systemic interconnection the World Bank (2015) explains that education is a powerful tool to create sustainable economic growth and thereby reduce poverty. Failure to provide youth with education has extremely damaging ramifications for society and results in a vicious circle that further reduces economic resources available for youth development (Briscoe, 2016).

Expanding on these issues, Scharmer and Kaufer (2013) argue the need to move from a materials economy to a socio-economic economy in which the focus is on building personal connections that will help grow and sustain youth entrepreneurs. They explain that to create change in society we must encourage development in leadership capacity based on new thought processes whereby decisions

are made as the future emerges, rather than focussing purely on action- and experience-based learning.



**Figure 2-2 Theory U** (Scharmer and Kaufer, 2013)

Theory U identifies four systemic levels that influence individual entrepreneurial orientation (IEO): micro processes (a persons' own thought processes); meso processes (group interactions); macro processes (institutional interactions) and mundo processes (the global network) (Scharmer & Kaufer, 2013; van der Westhuizen, 2016). Furthermore, the theory implies that for socio-economic development to occur on different systemic levels co-growth is necessary. Scharmer and Kaufer (2013) propose five phases in this regard which can be elaborated on as follows:

- **Co-Initiating:** There is a stronger connection when people share common ground (van der Westhuizen, 2016). Furthermore, having similar connections helps entrepreneurs to build long-lasting relationships with like-minded persons. In addition, when there is shared vision for a country there is greater synergy because people are moving in the same direction. It is recommended that the future SHAPE project should focus on building common intent through macro-systemic initiatives, similar to South Africa's National Development Vision 2030.
- **Co-Sensing:** All parties need to clearly understand the challenges (van der Westhuizen, 2016). Co-sensing connects entrepreneurs and key stakeholders through an in-depth understanding of all interconnected systems. Understanding these dynamics will provide entrepreneurs and key stakeholders with greater clarity and increase the likelihood of achieving mutual benefits (van der Westhuizen, 2016).
- **Co-Inspiring** (also referred to as presencing): This is the ability to focus on new thought processes while removing inhibiting ideology and pre-existing theories (van der Westhuizen, 2016). Co-inspiring is also described as the ability to react to the future as it unfolds, thereby

providing entrepreneurs with a competitive edge in unpredictable and difficult scenarios (van der Westhuizen, 2016). In addition, co-sensing provides entrepreneurs with greater confidence to tackle difficult problems and decisions.

- Co-Creating: Urgent steps must be taken to solve problems and arrive at solutions (van der Westhuizen, 2016). There needs to be focus on the needs of the business in real time to remove obstacles that prevent entrepreneurs from achieving their objectives.
- Co-Evolving: The final phase in this theory is co-evolving and occurs after the formulation of a prototype solution (van der Westhuizen, 2016). The focus is on the impact of this solution on the entire system. This can also be described as creating initiatives based on all the interacting meso and macro fields.

## **2.4 Mundo-systemic perspective**

Mundo systems relate to global governance (van der Westhuizen, 2016). An example is the United Nations, which is an intergovernmental organisation to promote international co-operation (United Nations, 2017). Another example of a mundo system is the BRICS association, which is a collaboration between Brazil, Russia, India, China and South Africa that seeks to promote socio-economic growth, and provide financial aid and support for projects. According to Bai (2016), the BRICS countries must collaborate to cope with the barriers that face global leadership and discuss issues that mutually affect industries. The BRICS movement has been successful, as shown by GDP increasing from 12 per cent to over 20 per cent over the last 10 years (Bai, 2016).

Although the BRICS movement appears to show growth over the last 10 years (Bai, 2016), it is important to consider whether these growth rates have directly assisted youth entrepreneurs in South Africa. In contrast, another mundo system is the European Union, in which the youth unemployment rate in 2013 was double the unemployment rate for adults (Masutha & Rogerson, 2014). Masutha and Rogerson (2014) suggest that although youth have greater interest in entrepreneurship than that of adults, 96% of youth are not able to be self-employed, suggesting there are major barriers. The authors indicate, moreover, that youth in the European Union encounter a variety of obstacles, as listed below:

- Role models do not provide support and awareness relating to the benefits of entrepreneurship, which gives rise to negative attitudes.
- Educational programmes do not provide continuous guidance for youth entrepreneurs to assist growth and development.
- Youth lack work experience, which reduces the likelihood of a successful start-up.
- There is limited financial support for entrepreneurs to start a business.

According to McCann and Ortega-Argilés (2016), European regional policy has evolved to enhance entrepreneurship by focussing on innovation. Furthermore, change in policy has put more focus on achieving results in entrepreneurship, rather than on ambiguous goals. This view is supported by the United Nations (2017) which has clarity around their strategies and goals. Moreover, European

policies are clearer and aimed at reducing institutional red tape, which makes it easier for entrepreneurs to achieve outcomes without onerous administration (McCann & Ortega-Argilés, 2016). The authors comment that entrepreneurship policies are given high priority by government which is motivational for entrepreneurs. Moreover, European policies engage all phases of business development, including start-up, existing organisations and complexities, and supply-chain development (McCann & Ortega-Argilés, 2016).

According to the World Bank (2017), an additional economic challenge for Europe is the refugee crisis precipitated by wars, policy changes and poor global growth. Also heightening economic instability is the British decision to leave the European Union. Support has been offered to Europe by the World Bank (2017) in various forms, as outlined below:

- The World Bank provides over \$7 billion in project support, including greater access to loans. In addition, support is provided for currency stability and policy guidance in response to fluctuations in currency. The Bank also provides assistance to address displacement of people, budgetary guidance, and guidance on the structuring of investments.
- To promote diversity and competition the Bank (2017) provides support for growth, better governance and job creation. The focus is on improving the public sector to ensure quality services for the community. In addition, the Bank creates programmes to ensure resiliency and efficiency for financial departments within government. The Bank also supports improvements in infrastructure to boost competitiveness and connectivity.
- In support for growth in human capital the Bank recognises the importance of financial sustainability and assists with restructuring of pensions and social equity and health care reforms.
- In promotion of energy efficiency the Bank has provided support for energy policies to increase efficiency and sustainability.

In addition to Europe, The World Bank (2017) has also provided major support to countries in Africa, which, as a continent, can also be perceived as a mundo system, with 50 million more Africans now living in extreme poverty than was the case in 1990. In Africa, economic growth has slowed in the past 7 years, primarily because of global problems in commodity prices and the impact of regional conflicts (World Bank, 2017). Because African countries well-endowed with natural resources have been shown to perform significantly better than countries with no natural resources, the Bank has provided various forms of fiscal and project support to African countries in the following focus areas (World Bank, 2017):

- Over \$9 billion provided for more than 100 projects to improve agriculture, sustainable energy, infrastructure, stability in conflicted areas, and education systems.
- Agriculture development; agriculture employs 60% of people in Africa. The Bank provided \$248 million in regional support to pastoralists, specifically youth and women, to improve access to assets, services and extended markets throughout Africa. In addition, the Bank provides support for rural emergencies.

- Renewable energy: Africa requires greater access to electricity but price, accessibility and sustainability of energy is a major problem. The World Bank has invested \$700 million in projects to improve infrastructure for sustainable energy, including natural gas stations which generate power.
- Climate change: An increase in temperature and rainfall is forecasted to negatively impact the poorest people in Africa. The Bank has provided support through disaster management. In addition, the Bank provides analysis on changes in coastal erosion, flooding and high risk weather patterns.
- Conflict zones: The Bank assists governments to transition in areas in Africa that are affected by conflict and war. In collaboration with the United Nations, the Bank also investigates the causes of conflict and addresses the challenge of displaced people.
- Development of people in Africa: It is estimated that 11 million youth throughout Africa will be searching for employment. The Bank has launched projects to boost skills in technology, science, engineering and mathematics across Africa. In addition, the Bank has provided \$140 million for higher education departments which focus on excellence by improving training, research and skills development for priority sectors such as agriculture.

Overview and examples of global trends and challenges in youth entrepreneurship are provided below, focussing on a) BRICS countries, b) the European context and c) Africa as a mundo system.

## **2.4.1 BRICS countries**

Brazil, Russia, India, China and South Africa are a grouping of countries, known by their adopted acronym BRICS, with emerging national economies having common interests in socio-economic development. A distinguishing feature of BRICS members are their large and rapid developing economies, representing, in 2015, no less than 3.6 billion people or 40% of the world's population (Dwolatzky, 2017). They are accordingly important to discuss as a mundo-systemic coalition. Brazil, Russia, India and China will be discussed below. South Africa, however part of the BRICS countries is discussed in this thesis in section #2.5, macro-systemic perspective.

### *Brazil*

Brazil has experienced high levels of corruption, to the extent that a president has been impeached (Bologna & Ross, 2015). Bologna and Ross (2015) characterise corruption as a reflection of a government's legal, cultural and political institutions. In Brazil it is evident that corrupt government officials attract businesses through bribes which benefits businesses that follow instructions. In addition, government officials prevent entrepreneurial activity by blocking businesses that are not able to pay (Bologna & Ross, 2015). To reduce this type of corruption, a random auditing programme for municipalities was initiated in 2003 by President Luiz da Silva which has assisted in combating corruption (Bologna & Ross, 2015). However, corruption is still prevalent in Brazil and public officers continue to exploit entrepreneurs for personal gain.

Brazilian entrepreneurs nonetheless often view corruption as a means to reduce red-tape, regulations and taxes (Bologna & Ross, 2015). In some cases it is argued that corruption assists businesses to

grow because they do not then rely on municipal institutions with high levels of bureaucracy that give poor service (Bologna & Ross, 2015). Industries which are more likely to be corrupt are the building industry, manufacturing, transportation and communications. This controversial view that high levels of corruption assists businesses to grow due to reduced bureaucracy whereby systems are not connected is not supported by van der Westhuizen (2016). Van der Westhuizen explains that systems which fail to interact are a significant barrier to youth entrepreneurship.

### *Russia*

According to Yukhanaev, Fallon, Baranchenko et al. (2015) Russia has created many barriers as a result of the unprecedented political and socio-economic changes over the last twenty years. Furthermore, these major changes in politics have had a significant effect on Russia's institutional formation that has made entrepreneurial activity extremely unpredictable and unstable. Yukhanaev et al. explain institutional formation as involving high cost of loans for entrepreneurs, complex forms of taxation and high levels of bureaucracy which make daily operations difficult. These issues have had a negative effect on Russian entrepreneurs because policy demands and administrative requirements for businesses are constantly changing. Similar problems are present in other developing countries, for example Brazil and Poland, which struggle with ongoing disruptions and political change (Yukhanaev et al., 2015). As a consequence, these institutional concerns need to be reduced to ensure that entrepreneurs in Russia can operate in seamless environment, thereby helping to grow the national economy. The authors recommend that substantial reforms be imposed to eradicate an overregulated environment for small and medium-sized business (Yukhanaev et al., 2015). The authors support the view expressed by van der Westhuizen (2016) that systems that are disconnected negatively impact entrepreneurs and the synergies between entrepreneurs. Due to the constant changes that business people must react to from public officials, combined with complex legal systems and corruption, it is evident that entrepreneurs will continue to struggle in Russia (Yukhanaev et al., 2015).

Yukhanaev et al. (2015, p. 333) commented that what has been created in Russia is not one in which businesses can flourish; rather it is an environment beset with barriers that dissuade entrepreneurial success. As a result there is uncertainty and confusion for entrepreneurs which complicates the "rules of the game" (Yukhanaev et al., 2015) in the processes and protocols that are required for a business to succeed. This state of affairs is further worsened by poor communication between government and entrepreneurs, widespread distrust, and ineffective business–government relationships. The authors suggest in consequence that to improve government–business relationships a framework needs to be created that is supportive of entrepreneurs. This includes reducing excessive regulations and creating systems which embrace entrepreneurship regardless of political changes.

### *India*

India faces similar challenges to South Africa in that there are many unemployed people who lack infrastructure and support to make their business a success (Prabhu & Jain, 2015). Prabhu and Jain (2015) cite the concept of *jugaad*, which applies to innovation that is "frugal, flexible and inclusive." *Jugaad* is valued because 40% of the population do not bank and have very limited access to



electricity, which consequently affects their health and their capacity for successful entrepreneurship. Furthermore, this demographic have limited access to financial support and credit facilities, being located across 60 000 villages throughout India which makes it difficult for companies to provide services (Prabhu & Jain, 2015).

These challenges, coupled with poor infrastructure and lack of financial support, have motivated entrepreneurs in India to adapt existing products and services through *jugaad* (Prabhu & Jain, 2015). According to Prabhu and Jain (2015), entrepreneurs in India are different in their innovative processes, compared to other countries, because they often need to remove costs to develop their businesses. As a consequence, Indians are able to create business models that support less spending and require less capital.

### *China*

According to Tain-Jy and Ying-Hua (2016), China is a highly developed nation. Since 2014, 30 internet start-up companies have individually grown to be worth billions. The authors further suggest that the majority of these companies are consumer-related, with the leading company being Xiaomi which sells smart phones via the internet, with an estimated worth of US \$46 billion in 2015. The internet has offered Chinese entrepreneurs a platform for companies to grow without the red tape and excessive bureaucracy typically associated with starting and operating a business (Tain-Jy & Ying-Hua, 2016). The internet industry has benefited Chinese start-ups because there is no requirement for land from government (Tain-Jy & Ying-Hua, 2016).

Tain-Jy and Ying-Hua (2016) cite numerous entrepreneurial challenges associated with operating a business in China, including the extensive time taken to register a business. This is reflected in China's ranking at 130 out of 190 countries on ease of doing business scale, which is a direct predictor of time taken to register a business (Tain-Jy & Ying-Hua, 2016). The ease of business scale is supported by Baggen et al. (2016) whom explains that simplified entrepreneurial learning initiatives need to be adopted by organisations.

In addition, it is mandatory to obtain licences in many industries, which presents difficulties because local governments administer licences and therefore have control. The authors further comment that local governments favour large corporations rather than small businesses because the former are more effective in increasing their production and attracting investment from other countries (Tain-Jy & Ying-Hua, 2016).

In China retail locations are expensive and limited in supply compared to other countries, with retail space being four times more expensive than in the United States (Tain-Jy & Ying-Hua, 2016). In addition, logistics are restrictive because China Post is the sole logistical service that operates nationally, due to local trade regulations, which adds to government control.

## **2.4.2 Europe**

According to Tamesberger (2015), Europe faces youth unemployment challenges. In the past government has provided strategies to maintain a low youth unemployment level during periods of

financial crisis. In Austria, labour market policies have successfully kept youth unemployment low during the financial crises (Tamesberger, 2015). One such policy, namely apprenticeship programmes that assist youth to transition to employment, can be misleading as it presents them as employed whereas they are actually apprentices in a supportive environment.

In a study by Baggen, Lans, Biemans et al. (2016) entrepreneurial learning was analysed in a sample of 200 employees from small and medium-sized enterprises throughout Europe. The authors noted that the European Union had made positive transitions to promote youth entrepreneurship over the preceding twenty years, with the Global Entrepreneurship Monitor showing that 10 per cent of Europeans had considered commencing a business (Baggen et al., 2016). In addition, there was a demand for employees in companies throughout Europe to create innovative improvements similar to starting a business; these, according to Baggen et al. (2016), are referred to as entrepreneurial employee activities, whereby the main employer presses for initiatives such as creating new goods or services or developing another business division. Furthermore, government has recognised that entrepreneurship is more than simply owning your own business but also involves learning and initiative that need to be adopted by all organisations. As a consequence the European Reference Framework on Lifelong Learning was created which focusses on these core issues in entrepreneurial learning (Baggen et al., 2016). The research reveals that entrepreneurial learning is underdeveloped and requires constant attention by government. In addition, small and medium businesses need to foster entrepreneurial growth through human resource structures to stimulate entrepreneurial thinking amongst employees (Baggen et al., 2016).

Findings obtained by Baggen et al. (2016) suggest that self-perceived creativity, self-efficacy and being active in entrepreneurial tasks foster achievement in business ideas and that it is important to focus on soft skills and instil belief in the possibility of generating business ideas. In addition, Baggen et al. explain that perceived opportunities in the working environment contribute towards entrepreneurial learning and growth. Employees in the investigated companies learned through participation, which stimulated engagement and created belief and empowerment in ability to make decisions (Baggen et al., 2016). Policy makers in government therefore need to target this group of employees in small and medium-sized businesses and encourage management to development programmes to enhance entrepreneurial activation.

### **2.4.3 Africa as a mundo system**

Africa as a continent, which covers 20.3% of the earth's total surface, comprises 54 countries, all classified as developing countries, with a total population estimated at 1.2 billion (Toni-Ann, 2017). Africa has the youngest population in the world, with median age 19.7 compared with worldwide median age 30.4 (United Nations, 2017), making it all the more important to investigate barriers faced by its youth, especially in relation to entrepreneurship.

Amongst African countries selected here for comparison as exemplary of Africa as a mundo system are Nigeria, Botswana and Uganda. Nigeria is discussed as having the largest population (Goldman, Akande, Avuwadah et al., 2017). Botswana, which is a neighbouring country to South Africa, is

perceived as one of the best run democracies in Africa, being ranked 34<sup>th</sup> out of 180 countries in regard to economic freedom (Miller & Kim, 2017). Uganda experienced consistent economic growth between 1992 and 2012 and has large untapped natural resources such as crude oil and natural gas (Bergo, 2015), but it also has to contend with corruption, difficult business conditions, and inadequate infrastructure (Bergo, 2015), similar to conditions in South Africa.

### *Nigeria*

Many countries in Africa experience economic challenges (Abimbola, Olowu & Paul, 2016; Ssewamala, 2015; Tamesberger, 2015). Two of these are South Africa and Nigeria and both are strongly dependent on commodity exports: more than 90% of Nigeria's foreign profit comes from exporting oil and 65% of South Africa's foreign profit comes from exporting a variety of different products (Cairns, 2014).

Among the differences between South African and Nigeria, income disparity in Nigeria is manifested in low standards of education, health and gross skills development although this is not reflective of Nigeria's \$510 billion gross domestic product (Cairns, 2014). Cairns notes that South Africa is placed in the top third out of 132 countries in the social progress index based on wellness indicators, whereas Nigeria is in the bottom third. This indicator implies that the GDP is not reflective of a country's entrepreneurial activity (Cairns, 2014). Nigeria has a large youth population which is estimated to increase to 400 million by 2050, whereas the South African youth population will only increase to 65 million (Cairns, 2014). According to Cairns, this can be seen as an opportunity for Nigeria whereby consumer-focused businesses can generate income.

One of the socio-economic challenges in Nigeria is that youth are not pursuing entrepreneurial activities (Abimbola et al., 2016). According to Abimbola et al. (2016), there are many active industries in Nigeria. including agriculture, transportation, telecommunications, manufacturing, hospitality, construction and oil and gas, which offer entrepreneurial opportunities, but youth are not utilising these opportunities because they lack focus and direction. As Herrington and Kew (2016) put it, youth are barriers to themselves. According to Abimbola et al. (2016), the effects of poverty in Nigeria are widespread and can be categorised into three levels. Firstly, at a personal level, unemployment often contributes to sexually transmitted diseases, poor health and criminal behaviours, all which have negative consequences for entrepreneurial activities; secondly, at household level, carers and family can suffer from physical and psychological abuse from frustrated youth; lastly, at community and national level, there is a reduction in national productivity which negatively affects growth and employment (Abimbola et al., 2016).

A further economic challenge in Nigeria is increased youth unemployment, which in 2016 rose from 13.3% to 13.9%, making it the highest in seven years (Jimoh & Olaniyi, 2017). Youth are not completing their education at primary or tertiary level, which forces them to earn an income to sustain a living (Abimbola et al., 2016; Ssewamala, 2015; Tamesberger, 2015).

Furthermore, educational programmes in Nigeria need to become more relevant to the work environment. Abimbola et al. (2016) comment that Nigeria has the ability to improve its educational

programmes by putting more focus on multiskilling youth entrepreneurs for business requirements and modern technology. In addition, their research suggests that work experiences will help to make youth entrepreneurs more realistic and ambitious.

One shortcoming in the Nigerian education system is failure to highlight the employment opportunities that are available for youth entrepreneurs (Abimbola et al., 2016). The government has a responsibility to ensure that youth are kept aware of these employment opportunities so that the opportunities are not wasted (Abimbola et al., 2016). In addition, Abimbola et al. (2016) comment that a paradigm shift is required in Nigerian government to change policies to assist youth entrepreneurship. This is essential as Nigeria has 150 million people, of which over 70% are youth who are unemployed, most of who are graduates (Abimbola et al., 2016). These youth graduates are unable to find employment and unable to support their vulnerable families, which amplifies their sense of helplessness (Abimbola et al., 2016). As a consequence, youth entrepreneurs become susceptible to negative behaviour, including crime and misconduct. These negative behaviours are less likely to surface when youth entrepreneurs are engaged in productive activities (Abimbola et al., 2016). The youth described above are dependent on being able to earn their own living because they do not have financial support from their families, and the consequence, according to Abimbola et al. (2016) is heightened poverty and national economic instability.

The benefits of youth entrepreneurship are explained by Abimbola et al. (2016) and suggest how improvements can be made in the living standards of disadvantaged people throughout Nigeria. In addition, their research suggests that entrepreneurial activities will empower people to create employment, which will have widespread benefit for the country.

Although youth can be seen as an investment for a country, government and corporations must foster growth through ongoing support (Ssewamala, 2015). According to Ssewamala (2015), increase in youth population in Southern Africa, Northern Africa and the Middle East should be viewed positively from a human development perspective as offering potential for economic growth and prosperity. Investment in youth is described by Ssewamala (2015) as “human capital” whereby youth are seen as equivalent to an investment, or dividend.

#### *Botswana*

Another Southern African country which experiences economic challenges as a result of poverty and unemployment is Botswana (Molin, 2015). The National Plan Number 10 of Botswana, which aims to help businesses grow and develop, has identified problems including low exportation of goods and poor and unproductive technical skills (Molin, 2015). Research conducted by Molin (2015) identifies lack of trust among entrepreneurs in Botswana as a hindrance to progress in business, explained as affecting ability to network in professional groups for building businesses (Molin, 2015). This affects cash flow, budgets, planning, and microfinance initiatives. Elaborating on the implications of mistrust, Molin (2015) explains that values and norms focused on honesty in Botswana, traditionally defined as “*Botho*”, have declined in the business environment. Consequently, entrepreneurs do not believe that business deals will be honoured, which affects growth for entrepreneurs. The decline in *Botho*

correlates with poor repayment rates of small loans, as reported by the Youth Development Fund of Botswana (Molin, 2015). According to Molin, trust is lower in the formal sector compared to the informal sector. Furthermore, trust is low in the formal sector among clients, partners and lenders. In contrast, the informal sector has higher levels of trust among entrepreneurs and trusted close friends. The researcher explains that policy makers in Botswana need to lead the country by demonstrating credibility and trust that will filter through to entrepreneurs to create a trusting business environment.

### *Uganda*

Youth unemployment is a major developmental challenge for Uganda, with youth constituting more than 60% of those unemployed (Ahaibwe & Kasirye, 2015). In exploring the impact of funding for youth entrepreneurs in Uganda, Ahaibwe and Kasirye (2015) cite the government-created National Youth Fund, estimated at US\$10 million, and the Youth Livelihood Programme, which contributed almost US\$100 million since 2013; both are schemes aimed at job creation and business upskilling for youth entrepreneurs. According to Ahaibwe and Kasirye (2015), their study showed that the National Youth Fund had a more significant influence on youth between the ages of 26 and 35 years, in comparison with youth aged from 18 to 25 years. In addition, those in the 26 to 35 years category showed more business maturity and therefore accessed the loan with greater success in business growth. Young people who participated in the services industry, especially retail, were more likely to gain access to the fund, and those who had operated a business for four years were highly likely to gain access to the fund. According to Ahaibwe and Kasirye (2015), the fund significantly influenced policy creation for youth entrepreneurship throughout Uganda, and created momentum for entrepreneurs to access funds to create sustainable businesses when they previously would have failed.

However, the National Youth Fund has shortcomings as it showed insignificant effect on job creation, possibly because agencies that implemented the fund did not follow the procedures laid down by the Ministry of Financial Planning and Economic Development (Ahaibwe & Kasirye, 2015). As a consequence the fund did not benefit the population that most required the support, namely rural youth and especially those in agriculture businesses. Instead the chief beneficiaries were youth in urban Kampala, rather than the 75% of youth living in rural areas (Ahaibwe & Kasirye, 2015).

The researchers recommend a systemic approach for Uganda, similar to that proposed by van der Westhuizen (2016), aimed at promoting entrepreneurship through a combination of financial and non-financial support, along with an entrepreneurship programme focussing on skills, attitudes and support systems that will increase the likelihood of commencing a business and gaining employment (Ahaibwe & Kasirye, 2015; van der Westhuizen, 2016). Furthermore, the loans should be prioritised for areas with high job-creation opportunities, especially manufacturing, agriculture and construction. In Uganda, agriculture offers major employment opportunity and therefore more focus is needed on funding for youth entrepreneurs to develop the industry. For wider impact, the study by Ahaibwe and Kasirye has shown that government must target both urban and rural sectors, taking into account stage of business and gender inequalities. In addition to loans, funding must cater for business that are starting up, particularly where no banks are available (Ahaibwe & Kasirye, 2015).

Uganda has made progress in assisting youth entrepreneurs to create sustainable businesses but barriers remain that include inadequate infrastructure, power supply, road systems, and regulations. Government accordingly needs to create further programmes to assist youth entrepreneurs (Ahaibwe & Kasirye, 2015).

## **2.5 A macro-systemic perspective**

The macro-systemic perspective is discussed here in relation to a South African context in keeping with the research focus, as applies also in regard to the meso- and micro-systemic issues.

### **2.5.1 Historical view of youth entrepreneurship in South Africa**

There is high unemployment throughout South Africa which has been steadily increasing (Clarke, 2018). In addition, employment opportunities in South Africa are very limited which has forced youth to seek alternative career options such as entrepreneurship; however university graduates still lack the drive to pursue entrepreneurship (Shambare, 2013). In contrast, according to Bai (2016) the BRICS GDP is increasing from 12 per cent to over 20 percent over 10 years, which is concerning because it appears unemployment is steadily increasing in South Africa (Clarke, 2018). As a consequence, it could be suggested that growth from BRICS is not being directed toward the development of youth entrepreneurs in South Africa. In addition, government has created new policies to assist youth to be more entrepreneurial, however these policy changes have not had a significant effect in improving youth entrepreneurial engagement (Shambare).

Shambare (2013) explains that universities are influential in developing entrepreneurship attitudes for students when successfully executed. As a consequence, the South African National Development Plan has recognised the importance of universities and has attempted to influence them to be entrepreneurial through initiatives such as incubation, curriculum changes and entrepreneurship programmes (Shambare). Research by Shambare reveals an interesting contradiction in that academic support structures that set out to help student entrepreneurs often fail to live up to expectations in regard to entrepreneurial promotions or support from academics. Failure to transfer skills from academic leadership to student entrepreneurs constitutes a barrier for students seeking to develop self-leadership. In addition, university entrepreneurship programmes fail to engage with youth because they are executed from a macro level rather than a micro level (Shambare). Youth consequently do not receive entrepreneurial exposure and support from universities to grow and sustain their business ideas.

Earlier in this chapter a macro system was described as national governance, but can also include regional governances or institutionalising (van der Westhuizen, 2016). According to Chinomona and Maziriri (2015) South Africa youth entrepreneurship is difficult for immigrants because locals cause violence and disruption when their jobs are at risk. The deeper cause of their jobs being at risk is that South Africans are threatened by success and competition from immigrants and do not understand the benefits of a competitive workplace (Chinomona & Maziriri, 2015). This violent reaction against

immigrants is damaging for South Africa and its reputation as a global workplace (Chinomona & Maziriri, 2015).

Difficulty integrating into the South African community because they are targeted and threatened often forces young immigrants to becoming entrepreneurs (Chinomona & Maziriri, 2015). They gravitate towards Johannesburg because it is a leading economic hub for businesses and the financial sector and they work hard to make a success of their endeavours. This transition to entrepreneurship, which typically involves risk, is more familiar for immigrants because they have already experienced huge risks in having travelled from afar. Chinomona and Maziri (2015) comment that immigrants, especially from Zimbabwe, are well-educated and skilled and fill voids in skills shortage, therefore having a positive impact in South Africa.

Chinomona and Maziri (2015) found that South Africans are fearful of entrepreneurial competition from immigrants and experience jealousy which mutates into xenophobic fear and violence against immigrants. The consequence of this violence, as described by Chinomona and Maziriri (2015), is that youth immigrants are prevented from achieving entrepreneurial goals, and it prevents South Africans from growing and partnering with talent. The xenophobic attacks result in damage to property, displacement of people, loss of employment, political unrest, harm to children and often death (Chinomona & Maziriri, 2015). It appears youth's reaction to immigrants is an expression of their challenges to be entrepreneurial and generate income. In addition, to these challenges research conducted by Preisendörfer, Bitz and Bezuidenhout (2012) suggest that black entrepreneurs in South Africa have been limited in the past through five areas: historical apartheid; lack of financial resources; human capital; entrepreneurial attitudes; social capital and networking. As a consequence, the South African government has already made changes to assist black entrepreneurship through encouraging business start-ups and offering financial support. However, Preisendörfer et al. (2012) explains that skills and educational development is critical for black entrepreneurs to reduce low levels of confidence and low risk orientation to entrepreneurship.

South Africans fail to perceive that opportunities to work with immigrants can create employment for more South Africans (Chinomona & Maziriri, 2015). Chinomona and Maziri (2015) recommend that government should introduce a nationwide education programme to reduce xenophobic attacks and to improve global competitiveness. In addition, government needs to improve awareness of the challenges that immigrants encounter to show South Africans that foreigners make a positive difference to the country (Chinomona & Maziriri, 2015). Furthermore, a positive relationship between South Africans and immigrants improves transfer of entrepreneurial skills and knowledge that will assist locals to grow and develop. An increase in entrepreneurial knowledge must be created to incentivise the most skilled immigrants (Chinomona & Maziriri, 2015).

## **2.6 A meso-systemic perspective**

The meso-systemic perspective focuses on group interactions between entrepreneurial role players in South Africa. The 2017 Lekgotla Conference provided a unique perspective of the project work

contributed by these role players. A unique task team revealed the entrepreneurial issues South Africa is facing and provided practical recommendations and solutions to grow youth entrepreneurship.

According to the Minister of Higher Education and Training (Pandor, 2018) there is a R900 million per annum grant for the University Capacity Development Programme). This programme provides an opportunity for universities to apply for funding to support students, staff and institutions. More specifically, the programme was created to assist youth entrepreneurship and improve curriculums in universities (Pandor).

The University Capacity Development Programme aims to establish a single location from which entrepreneurship projects can be delegated to universities (Pandor, 2018), thereby extending entrepreneurship development beyond the tourism, renewable energy and cultural sectors in which youth entrepreneurs have previously benefited,

The Department of Higher Education and Training (DHET) has support from the Department of Trade and Industry and the Department of Skills and Training, which is evident in the development of science parks and economic centres with support from China (Pandor, 2018). The DHET will be providing support to more first-time students, with 200 000 students being eligible for funding in 2018. In addition to these strategies, the current Skills Development Levy collects R17 billion per year.

It is important to recognise the limited employment available for university graduates; there is accordingly renewed focus on youth pursuing vocational training (Pandor, 2018). In addition, support will be provided to tertiary students from low-income families who are now able to gain entry into Technical Education and Vocational Training colleges (Pandor).

In addition to limited employment opportunities for university graduates, there is, as already noted, high unemployment throughout South Africa. As a consequence, there is a need to incorporate entrepreneurship ecosystems in all universities. This major shift, mandated at the highest level, is essential because it will encourage students to consider entrepreneurship as a viable career path (Clarke, 2018). Currently a framework is being developed to improve entrepreneurship and is being discussed amongst key stakeholders who are providing feedback and review. The result of these discussions has been the establishment of an annual conference (or Lekgotla) on entrepreneurship where key stakeholders share their ideas and plans for entrepreneurship in universities to create a community of practice (Clarke). In addition, these discussions have led to the creation of a dedicated unit for Entrepreneurship in Higher Education (EDHE) (Clarke) charged with attending to three specified goals:

- *Student Entrepreneurship*: Important for students to become pro-active and motivated to create sustainable entrepreneurship careers
- *Entrepreneurship in academia*: Universities are crucial in shaping mindsets of student entrepreneurs and graduates by sharing the necessity of entrepreneurship skills and



principles. In addition, entrepreneurship will be incorporated into the curriculum and further research on entrepreneurship will be created.

- *Entrepreneurship in universities:* Universities must strategically embrace entrepreneurship through projects which can lead to innovative business ideas, to the benefit of both the university and the student.

The EDHE helps to reduce the demand for free education, and enables students to become self-sustaining and economically active entrepreneurs (Clarke, 2018). This will provide students with options such as entrepreneurship when they are unable to find employment (Clarke).

This entrepreneurial drive has been mandated at the highest level of the Department of Higher Education throughout South Africa (Clarke).

### **2.6.1 Mesosystemic support to youth entrepreneurship**

The 2017 Lekgotla Conference was intended to share knowledge, connect like-minded people and improve youth entrepreneurship in South Africa (Blecher, 2017; Manana, 2017; van der Westhuizen, 2016; Venter, 2017). The attendees were entrepreneurial role players who were willing to share perspectives and ideas on entrepreneurship in higher education and non-institutional departments. As key speaker, Blecher (2017), compared the Lekgotla Conference to entrepreneurship, in that the event was created with limited budget and resources, and outlined the benefits shown in the review of South African youth unemployment by current task team (established in 2011).

As a core member of the task team, Blecher (2017) explained that the team was created to review current entrepreneurship activities and implement projects to benefit youth entrepreneurs, both in higher education and in non-formal teams. Blecher further commented that the task team was successful because of their shared passion to create change. The team was created primarily because 75% of the unemployed in South Africa are youth (Blecher, 2017). Moreover, 70% of all people in South Africa working in the formal sector are in small businesses, with only four million working for government or big businesses (Standard Bank, FNB, Vodacom, etc.). As a consequence, the task team focused particularly on small businesses, which need to be nurtured and grown to improve South Africa's economy (Blecher, 2017; Manana, 2017).

With support for the task team coming from the private sector, government and civil society, half of the 18 core members were successful professionals – two of these being the founders of Nando's and Virgin, who reviewed the task team's ideas (Blecher, 2017). The core task team was divided into four groups to focus on the following areas:

- *School system:* The speaker commented that the schooling system must influence youth entrepreneurs to think as "21st century thinkers", suggesting that this will assist youth to solve problems and build companies. In addition, the task team advised that it is crucial for universities in South Africa to promote creativity and problem solving to develop youth entrepreneurs.

- *Other institutions:* The task team analysed colleges across South Africa to ascertain whether youth were provided with skills to become entrepreneurs or to be employable.
- *Higher education system:* The task team reviewed activities in higher education and intentions to introduce more entrepreneurial projects.
- *Small and medium-sized business:* The task team identified that the Department of Trade and Industry was not doing enough to develop small and medium-sized businesses. As a consequence, the task team created another department that focusses on small businesses, namely the new Department of Small Business.

The task team revealed that the major problem in South Africa is lack of integration between private sector agencies, youth entrepreneurs and government agencies. Several experts support this view and further explain that the lack of integration exists because there is no shared participation, suggesting that people are instead focussing on their own projects (Blecher, 2017; Manana, 2017; van der Westhuizen, 2016; Venter, 2017). Moreover, government has no plan to merge entrepreneurial initiatives to assist the economy. As a consequence, the task team has put forward the following recommendations to grow entrepreneurship in South Africa (Blecher, 2017):

- South Africa needs to create a national entrepreneurship plan, similar to Malaysia, whereby the entire country works together to grow small and medium-sized businesses to stimulate entrepreneurship.
- Entrepreneurship courses need to be implemented from grade one through to high school. This recommendation has been mandated and has become national policy by the Minister of Education.
- All tertiary qualifications must include a course on “How to start and run a small business”.
- Universities need to collaborate to ensure entrepreneurship programmes are being implemented.
- The Government is currently rewarding academics for creating academic papers, which needs to be shifted to funding to support innovation, intellectual property creation and productive outputs.
- A new small-business national portal and national virtual incubator needs to be created for the public.

Blecher (2017) concludes by commenting that entrepreneurship is “fun and central to life,” and must be implemented to assist youth to grow, change and adapt.

## **2.6.2 Aspects underpinning youth unemployment in SA**

Youth entrepreneurship in South Africa is multifaceted as a result of many variables. But despite the meso-systemic support discussed above, there are also a multitude of factors that give rise to youth unemployment in South Africa:

- South Africans have negative attitude regarding pursuing a career in entrepreneurship (Herrington & Kew, 2016).

- Youth lack the ambition to be pro-active, and consequently would rather be an employee (Shambare, 2013).
- South Africans face challenges in accessing financial backing to achieve business objectives.
- There is a lack of investors to assist entrepreneurs to create sustainable businesses (Herrington & Kew, 2016).
- The South African education system does not cater for entrepreneurs (Manana, 2017).
- Youth believe that there are too many obstacles for them to overcome; Blecher (2017) consequently recommends that youth entrepreneurship programmes commence from grade 1 to assist in youth development.
- There is fear that their efforts will not be successful, due to lack of support systems that offer entrepreneurial programmes (Blecher, 2017).

According to the Deputy Minister of Higher Education (Manana, 2017), youth are inadequately prepared for the real challenges that entrepreneurs encounter because of limited resources to assist in development. The Department of Higher of Education therefore recommends the establishment of partnerships between organisations derived from the Lekgotla Conference (Manana, 2017).

To investigate barriers underpinning youth employment and come up with possible solutions a systemic action learning action research (SALAR) project was executed and is discussed below.

### **2.6.3 Current youth entrepreneurship programmes in South Africa**

To improve youth entrepreneurship, youth programmes must be scaleable, sustainable, implementable and assented to by academics (Manana, 2017). This view is support by van der Westhuizen (2016) and suggests that entrepreneurship programs should be sustainable and practical within Universities. The Deputy Minister of Higher Education (Manana, 2017) has encouraged youth to consider entrepreneurship as a career, noting that youth require additional support by stakeholders, including organisations focused on entrepreneurship, on the grounds that higher educational leaders in entrepreneurship need to follow a collaborative approach. Moreover, projects will only succeed if there is an integrated system of support which is not restricted to universities but includes private sector agencies and local business communities (Manana, 2017). In addition, working with not-for-profits offers opportunities which students would otherwise miss, including sharing of knowledge through social entrepreneurship (Manana, 2017). It is also important for political leaders to be involved in youth entrepreneurship to assist the Department of Trade and Industry by influencing the funding of entrepreneurship programmes and enterprise development in South Africa (Manana, 2017).

### **2.6.4 Background to the SHAPE systemic action learning and action research project**

Research conducted for this master's thesis is part of a larger systemic action learning and action research (SALAR) project entitled SHAPE (Shifting Hope, Activating Potential Entrepreneurship), focused initially on barriers that student entrepreneurs faced in the process of becoming entrepreneurs in 2015. Dhliwayo (2008) and van der Westhuizen (2016) suggest that an entire eco-

system, including municipalities, government agencies, corporations, communities, education institutions and other SME owners, are all role players contributing to South Africa's youth employment rate – staggeringly high at 62% in 2015. Although a 1995 White Paper makes provision for a multitude of employment-creation opportunities and youth development programmes, the youth unemployment rate seems still to be on the rise. The aim of the SHAPE project was to apply to youth participants a systemic approach guided by deep action learning pedagogy, and its objectives included assisting them to become more entrepreneurial or even to start a business. Among the role players who set out to support the student entrepreneurs in achieving full momentum for their nascent business idea during the project were a) government agencies b) private sector agencies c) communities d) small to medium-sized business e) large business f) corporates g) educational institutions.

In line with the applied and action-orientated nature of the research project, the sample population in 2015 included all programme participants, namely 60 second-year students. The repeat of the project cycle in the period 2017-2019 will hopefully put into effect findings from the present research to help reduce barriers faced by the youth entrepreneurs. Should this master's thesis prove its use and quality standard, the researcher hopes to continue into a PhD, using the project cycles to further investigate challenges.

According to van der Westhuizen (2016), the SHAPE project has three stages which aim to improve entrepreneurial orientation and self-efficacy for students seeking to develop entrepreneurial skills. The project was expanded from Dhliwayo's (2008) model which emphasises the importance of network building in assisting youth to achieve long-term entrepreneurial growth. In SHAPE, intermediaries such as the Chamber of Commerce; the eThekweni Municipality Business Sector and entrepreneurs to collaborate and work together were included as part of the system (van der Westhuizen, 2016).

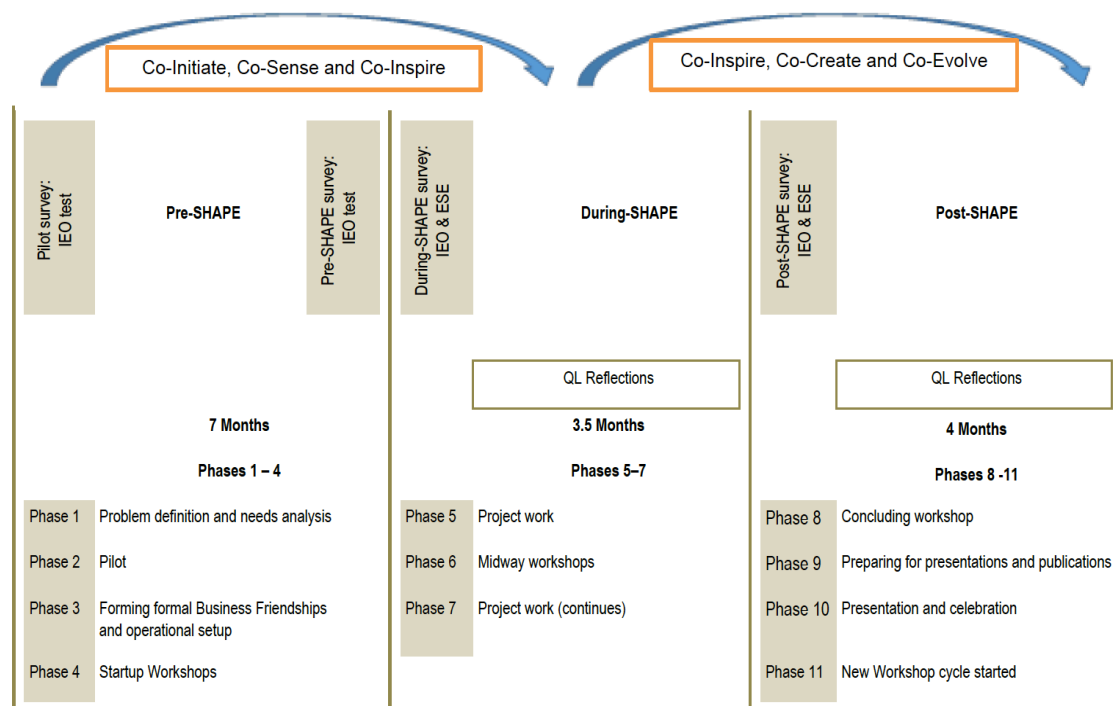
The benefit derived from communicating the shared vision of the city was that it enabled all parties to leverage off one another, thereby providing direction which would improve decision making (van der Westhuizen, 2016). The outcome was that youth entrepreneur participants created professional friendships with key role players (as mentioned above) which fostered lasting business relationships (van der Westhuizen, 2016).

#### 2.6.4.1 Implementation of SHAPE

The participants who registered for the programme were second-year, full-time students from the School of Management, Governance and Information Studies at the University of KwaZulu-Natal (van der Westhuizen, 2016).

A pilot study for the SHAPE project previously conducted over a period of several months in 2013, had made sure that the research design and methodology were suited to the study, and had been extended to assist in developing the applicable theories. In particular, the pilot phase had explored the co-initiating; co-sensing and co-inspiring phases in the Theory U framework developed by Scharmer and Kaufer (2013), from which it became apparent that the "Pre-" stage of SHAPE involved

interactions with students which had only been expected to occur during later allocated sessions (van der Westhuizen, 2016).



**Figure 2-3 SHAPE project timeline**

Considering that the programme was voluntary, interest from students at UKZN was high, with 255 applying for the SHAPE bursary, from which half decided to go forward and participate. They were then requested to attend a class for two hours; 80 did so, and an eventual 60 students accepted the bursaries, thereby displaying signs of entrepreneurship in having seized the opportunity (van der Westhuizen, 2016).

#### 2.6.4.2 Challenges relating to the SALAR Project

A number of problems became apparent during the planning and implementation of the SHAPE project, including logistical issues with venues and communication, appropriate design for a corporate logo that would reflect South African concerns, and establishment and on-going refinement of a website to serve as an information hub for student entrepreneurs (van der Westhuizen, 2016).

Recommendations derived from the project suggested that more in-depth research needed to be conducted on obstacles encountered by participating student entrepreneurs in relation to the eco-system of intermediaries. Solutions to problems encountered by participants in the first cycle of SHAPE could then be applied to SHAPE cycles in subsequent years. Therefore this research was launched to investigate barriers that student entrepreneurs encountered in relation to an intermediary (support) network and to make recommendations to possibly overcome those barriers.

## **2.7 A micro-systemic perspective**

The micro-systemic perspective relates (Callaghan, 2009; van der Westhuizen, 2016) to impacts on entrepreneurship of the individual participant. Individuals are guided generally by two kinds of environments which influence their behaviour and decision making: internal environment and external environment. Social scientists and psychologists differ in opinion on whether the internal and external environment of an individual can be seen as different domains; some perceive it as an unseparated, integrated and interrelated whole. In the present study the focus is on systems that are external to the individual and these are discussed in the next chapter. However, it is important to highlight some constructs recognised by scholars as key to the entrepreneurial mindset (Bolton, 2012; Delle & Amadu, 2015; Goktan & Gupta, 2015). Entrepreneurial self-efficacy, individual entrepreneurial orientation and entrepreneurial intent are reported as important antecedents for entrepreneurial action, and these are discussed as constituting the epicentre of the microsystem (van der Westhuizen 2017 & Callaghan 2009).

### **2.7.1 Entrepreneurial self-efficacy**

Entrepreneurial self-efficacy can be described as a construct that measures and individuals belief in their self-confidence.(van der Westhuizen, 2016; van der Westhuizen, 2017).

van der Westhuizen (2016) suggests that entrepreneurial self-efficacy involves confidence in achieving successful outcomes and overcoming challenges in a start-up business. van der Westhuizen (2017) identifies four categories of self-efficacy for entrepreneurs:

- Identifying opportunities in emerging markets
- Ability to create new relationships with investors
- Interpreting and understanding economics and finances
- Ability to manage stressful situations (van der Westhuizen, 2016; van der Westhuizen, 2017).

van der Westhuizen (2017) suggests in addition that self-efficacy is an important factor in shaping our reactions to the environment. Bolton (2012) suggests moreover that low self-efficacy reduces intention to start a business and confidence to embrace an opportunity. This view is supported by Piperopoulos and Dimov (2015) in a study exploring how entrepreneurial intention is linked to self-efficacy and the effects on entrepreneurial perception and actions.

Piperopoulos and Dimov (2015) explain that entrepreneurial intention is the likelihood or desirability of becoming an entrepreneur, whereas self-efficacy relates to an individual's belief in their personal ability and talent for achieving outcomes. Piperopoulos and Dimov suggest that self-efficacy is positively correlated with an individual's intention to start a business in the belief that it can be achieved. They found that individuals prefer to undertake entrepreneurial tasks and activities in which they have high self-efficacy rather than tasks in which they have low self-efficacy. They therefore expanded the study by analysing the impact of practical and theory-based entrepreneurial education

in relation to self-efficacy; the results showed that practical entrepreneurial education produced greater increase in student's self-efficacy than theory-based education. Practical educational programmes thus provide students with entrepreneurial intention and motivation to start a business.

Piperopoulos and Dimov (2015) note that in previous studies entrepreneurial education has been difficult to measure because of variations in content and application; further in-depth research is therefore required. Students either embraced the entrepreneurial course, thereby heightening self-efficacy, or experienced disengagement, which reduced self-efficacy (Piperopoulos & Dimov, 2015). This was evident in students' reactions to an entrepreneurial programme suggesting that creating a business would require complex steps.

## **2.7.2 Individual Entrepreneurial Orientation**

Individual entrepreneurial orientation signifies the processes, practices and decision making activities of an individual that leads to entrepreneurship (Lumpkin & Dess, 2001).

Several number of scholars identify risk taking, innovation and pro-activity, discussed below, as key propensities of IEO (Delle & Amadu, 2015; Goktan & Gupta, 2015; van der Westhuizen, 2016).

### **2.7.2.1 Risk-taking**

Entrepreneurship involves risk-taking, which can be described as the perceived likelihood of receiving a positive outcome while considering the probability of failure (van der Westhuizen, 2016). In addition, risk taking involves acceptance of a degree of uncertainty. These are pertinent issues in the context of IEO because entrepreneurship as a career involves more risk than a stable job linked with a consistent salary.

A study by Goktan and Gupta (2015) investigating individual entrepreneurial orientation (IEO) in the United States, Hong Kong, India and Turkey found that IEO was higher amongst men, but also that IEO was high amongst male and females who demonstrated masculine and feminine traits. The strongest predictor for IEO was androgynous identity, which places equal focus on masculinity and femininity (Goktan & Gupta, 2015).

It is evident that entrepreneurs responded to information differently from non-entrepreneurs; they took more risks than did non-entrepreneurs when information received was perceived to be important Bolton (2012). As a consequence, entrepreneurs embrace challenges, whereas non-entrepreneurs resist challenges and perceive them as a threat (Bolton, 2012). Bolton (2012) also found that creativity and entrepreneurial intention were positively correlated for both male and female undergraduate students.

According to van der Westhuizen (2016), IEO involves individual decision making that influences entrepreneurship, and the process is further influenced by external factors that affect the individual, including the economy, technology, competition, relationships and geographical location. These factors are in turn influenced by internal beliefs and attitudes that shape IEO. van der Westhuizen explains that IEO is developed through deep action learning in the Theory U process, which

commences when a student entrepreneur acquires information through knowledge gained from a key systemic role player that the individual trusts.

#### 2.7.2.2 Innovation

Innovation is the putting into effect of new ideas in a creative process to establish new products, services or technology (van der Westhuizen, 2016). It can also be seen as an essential means for taking on opportunities, similar to risk-taking, and evolving ideas to create something unique that will benefit an entrepreneur (Callaghan, 2009).

Education programmes for individuals have primarily focused on planning and skills development and have not addressed skills that promote innovation. Innovation-focused educational programmes help to shape belief systems that influence a person's attitudes towards their perceived ability to make creative decisions (van der Westhuizen, 2016). van der Westhuizen describes entrepreneurial innovation as willingness to foster creativity and experimentation that will bring new products and services to the market (van der Westhuizen, 2016). In addition, entrepreneurial innovation occurs internally in an individual and is linked to presensing and co-inspiring (Scharmer & Kaufer, 2013).

#### 2.7.2.3 Proactivity

Proactivity relates to an individual's reactive and generative responsive ability (van der Westhuizen, 2016). A reactive response occurs when an individual takes action based on a situation, whereas a generative response is when a new thought occurs that enables an individual to co-create and evolve (van der Westhuizen, 2016; van der Westhuizen, 2018). The 2014–2015 SHAPE programme provided participants with insight on being proactive, thereby improving their ability to react to future opportunities.

A study conducted with undergraduate students in Ghana showed that a proactive personality is significantly and positively linked to entrepreneurship intention (Delle & Amadu, 2015) – findings that supported previous literature suggesting that proactive personality traits are associated with skills to change their environment. In addition, the study showed that individuals can greatly benefit from proactivity, because it is associated with having the necessary energy and focus to create a sustainable business.

Noting that it is impossible for government to provide employment for all tertiary graduates in Ghana, Delle and Amadu (2015) comment that there is a need to change youth mindsets from just searching for employment to instead becoming a proactive entrepreneur; attitudinal focus on creating opportunities is essential rather than just a luxury.

## 2.8 Conclusion

From the literature reviewed in this chapter, it is clear that mundo-, macro-, meso- and micro-systemic perspectives all affect barriers to youth entrepreneurship. It appears that Africa, and South Africa in particular, experiences barriers to youth entrepreneurship which are connected to the poor economy



and the lack of interconnected support structures. Moreover, key role players must think systemically to create collaboration which will assist in reducing barriers to entrepreneurship.

The aspects identified above, as well as the factors relating to each aspect will be discussed further in chapter 3.

## Chapter 3

### THEORETICAL FRAMEWORK

#### 3.1 Introduction

Systemic barriers to youth entrepreneurship are discussed in this chapter in relation to selected theoretical frameworks and in conjunction with demographical factors affecting South African youth entrepreneurs.

There are several support structures (also referred to as intermediaries) that have been set out to develop student entrepreneurs. However, student entrepreneurs experienced certain external barriers in relation to these intermediaries which obstructed their entrepreneurial growth. These include : 1) personal barriers in relation to systemic intermediaries; 2) educational institutions; 3) government agencies; 4) private sector agencies; 5) communities; 6) small and medium-sized businesses, and 7) large businesses and corporates.

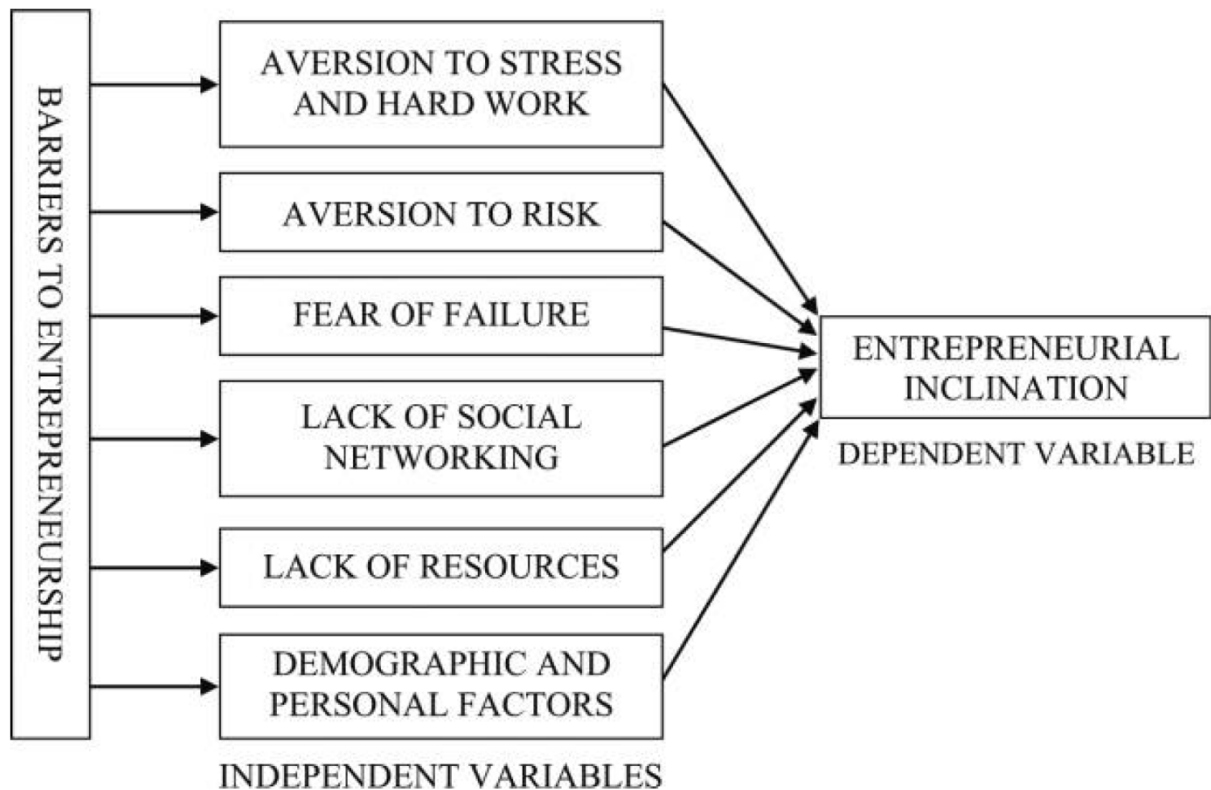
These barriers in relation to systemic intermediaries which student entrepreneurs may encounter in their development will be discussed next.

#### 3.2 Theoretical framework

This study uses an empirical literature review based on a theoretical framework to investigate the research aims and objectives and the research questions.

##### **3.2.1 Barriers to entrepreneurship and entrepreneurial inclination as perceived by postgraduate students**

Sandhu, Fahmi and Riaz (2011) proposed a theoretical framework which measured how entrepreneurial inclination (dependent variable) is affected by barriers to youth entrepreneurship (independent variable). In this framework there are seven independent variables: 1) aversion to stress and hard work; 2) aversion to risk; 3) fear of failure; 4) lack of social networking; 5) lack of resources; 6) demographic factors and 7) personal factors. Similarly, the present study, from a systemic perspective on barriers to youth entrepreneurship measures the effects of the seven constructs listed in section 3.1.



**Figure 3-1: Barriers to entrepreneurship and entrepreneurial inclination as perceived by postgraduate students**

Krasniqi (2007) discusses Gilbrat's Law which is a theoretical framework to explain how large companies influence the overall economy. This theoretical framework indicated that the growth rate of larger companies was higher than that of smaller companies and was the primary contributor to the economy. In addition, larger companies created more employment opportunities than smaller companies (Krasniqi, 2007).

This theoretical model motivated Krasniqi (2007) to expand research on the size and speed of company growth. The findings showed that:

- smaller companies grow faster than larger firms and high taxation reduces growth of SMEs
- unfair competition and corruption slow the growth of SMEs
- financial barriers negatively affect growth of SMEs.

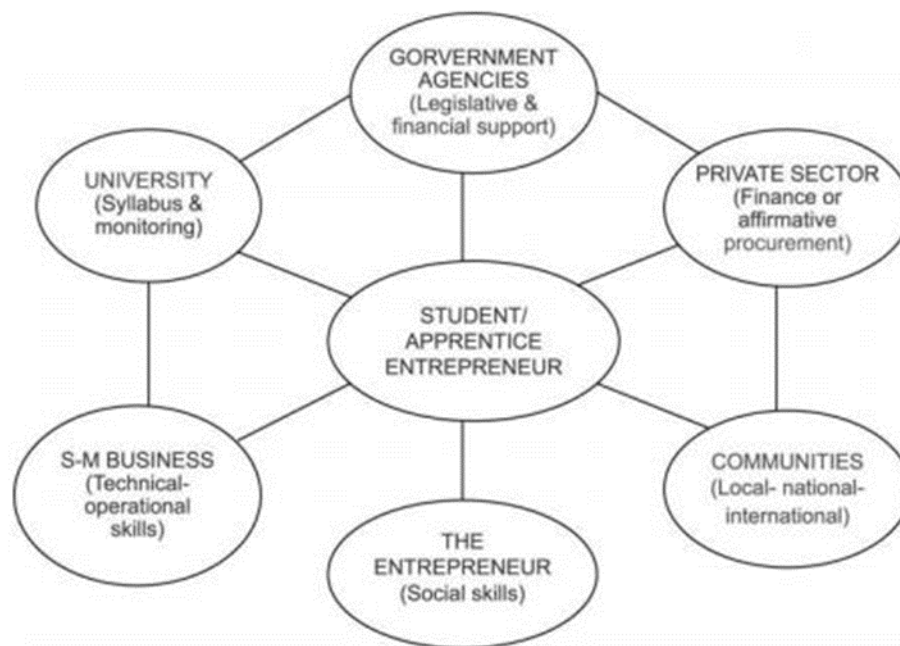
Krasniqi (2007) comments that businesses are systemically affected by multiple barriers which hamper growth, as is argued in the present study.

### **3.2.2 Systemic approach models to bridge barriers to entrepreneurship for undergraduate and postgraduate students**

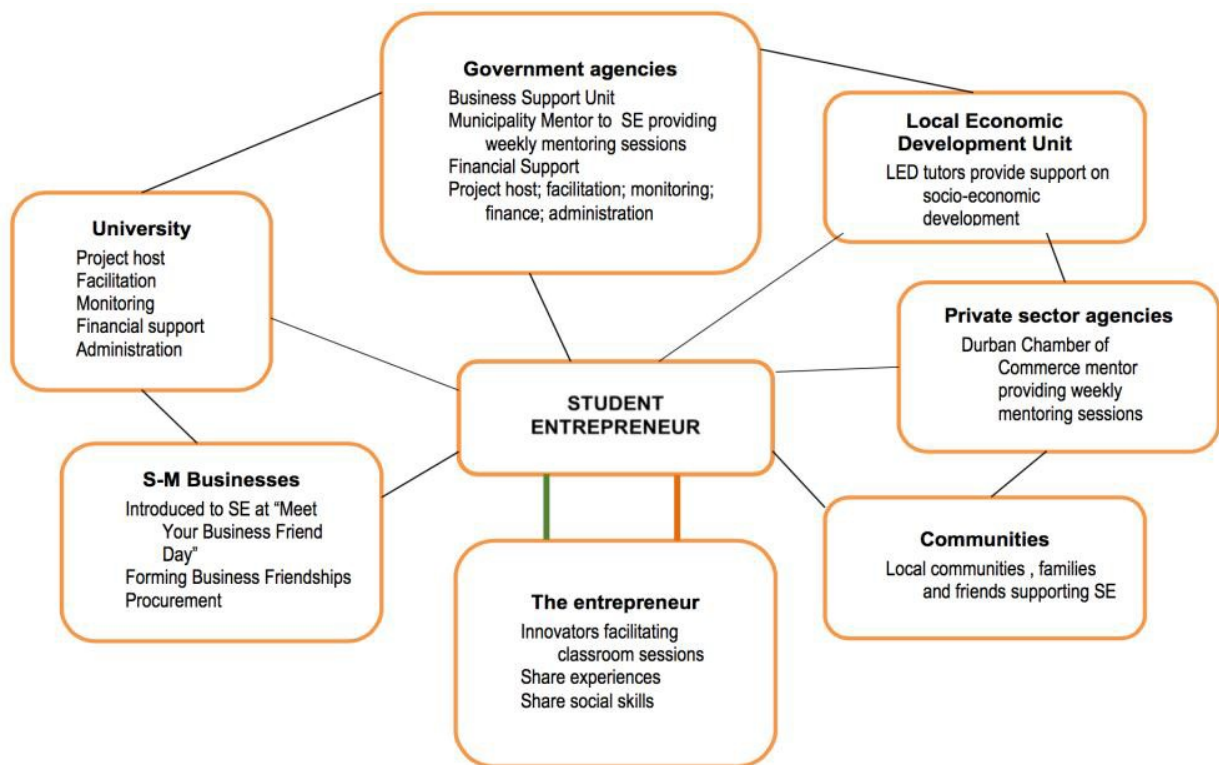
Figures 2-2 and 2-3 show the two systemic approaches that have been proposed for boosting youth entrepreneurship:

The model proposed by Dhlwayo (2008) explores the interactional process for the student entrepreneur using a systemic approach to examine six categories: 1) the entrepreneur; 2) SMEs; 3) universities; 4) government agencies; 5) private sector agencies and 6) communities. Because Dhlwayo's model was not implemented, van der Westhuizen (2016) expanded the model to incorporate experiential learning coupled with action learning in the SHAPE programme described in Chapter 1. van der Westhuizen (2017) explains that learners at tertiary level require more focus on building business friendships and that universities should emphasise action learning by including it as part of the formal curriculum. This thesis, together with Dhlwayo (2008), provides substantial evidence that youth are dependent on multiple external variables on their journey to achieving success.

Dhlwayo's (2008) model was never intended to provide a syllabus or curriculum for teaching entrepreneurship; instead it indicates how a nexus of strategic "business friends" can be formed and integrated to enhance youth entrepreneurship.



**Figure 3-2 Systemic support by intermediaries for youth entrepreneurs** (Dhlwayo, 2008)



**Figure 3-3 Systemic action learning action research framework to promote youth entrepreneurship** (van der Westhuizen, 2016)

Dhliwayo's model was never used in practice but it was subsequently expanded and put into effect by van der Westhuizen (2016), (see Figure 3-4), for the SHAPE systemic action learning and action research project which formed the core investigative platform of the present study on barriers to youth entrepreneurship. In the research centred on SHAPE, van der Westhuizen was both researcher and practitioner, and the participants included students, practising student entrepreneurs, and other youth entrepreneurial business people. The effect was to merge practice and theory, in the course of which several challenges or barriers, became apparent. There were also opportunities for both the researcher-practitioner and the participant students and student entrepreneurs, which indicate the potential role for intermediaries in support of youth entrepreneurs, as discussed later in this chapter. They need, however, to be seen in relation to particular demographic factors which impinge on entrepreneurial possibilities for South African youth.

### 3.3 Demographical factors affecting South African youth

In total South African population between ages 15 and 34 gender totals are roughly the same. There is significant differences in population for race, with Black Africans being the highest; followed by Coloureds; Whites and Indians/ Asians (Statistics South Africa, 2017). Moreover, research suggests that youth aged between 20 and 34 are more likely to complete higher education when their parents are educated. R4.5 billion in financial assistance for first-year students has been provided by the National Student Financial Aid Scheme. Moreover, the two provinces with the highest youth

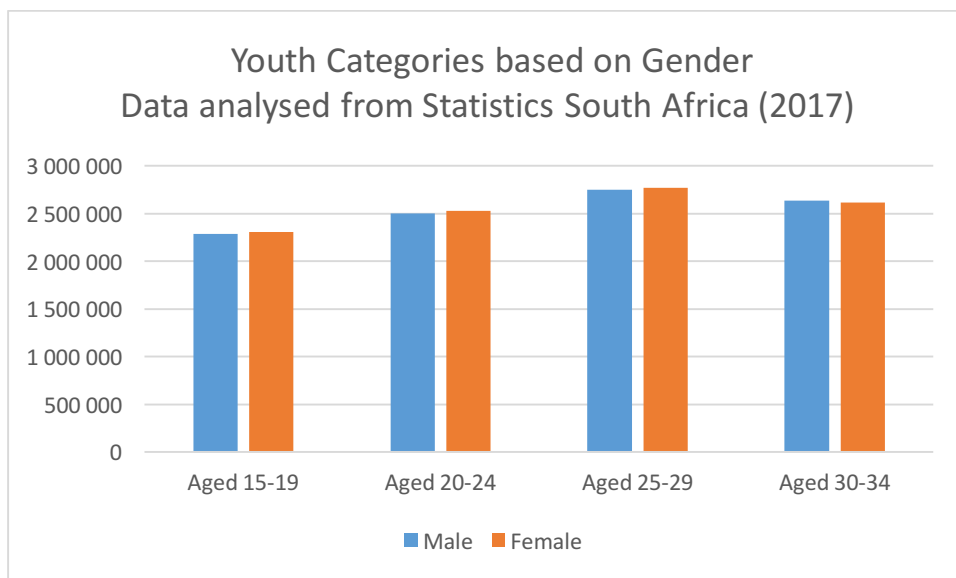
population in South Africa is Gauteng consisting of 5 351 918 and KwaZulu-Natal consisting of 4 139 912 (Statistics South Africa, 2016).

### 3.3.1 Gender

According to Statistics South Africa (2017) the entire mid-year population was 56.5 million: 51% female and 49% male. This total included a youth population of 20.3 million aged between 15 and 34. Statistics South Africa analysed these gender similarities according to four age categories:

- 15 to19
- 20 to 24
- 25 to 29
- 30 to 34.

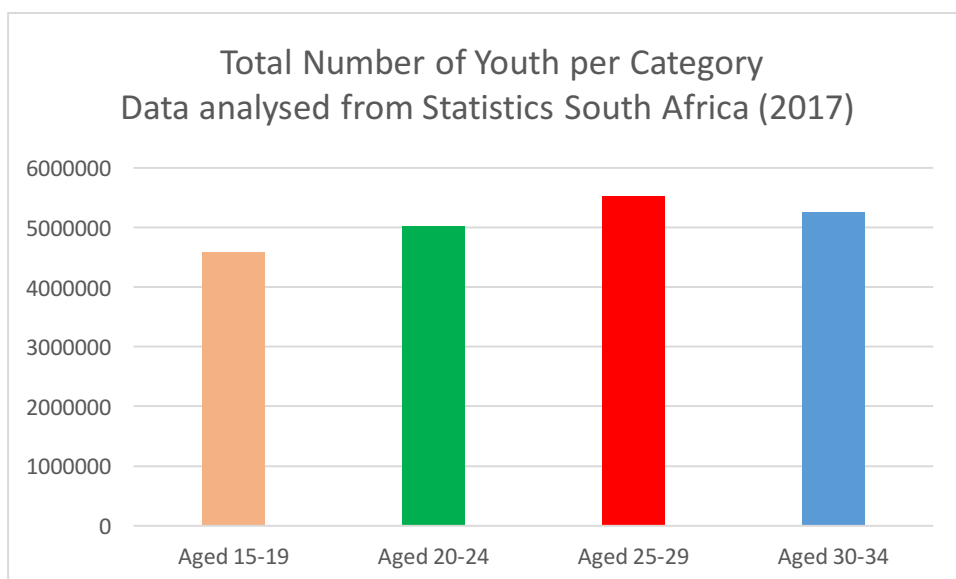
Based on these four age categories no significant differences were found between male and female.



**Figure 3-4 Youth age categories based on gender** (Statistics South Africa, 2017)

### 3.3.2 Age

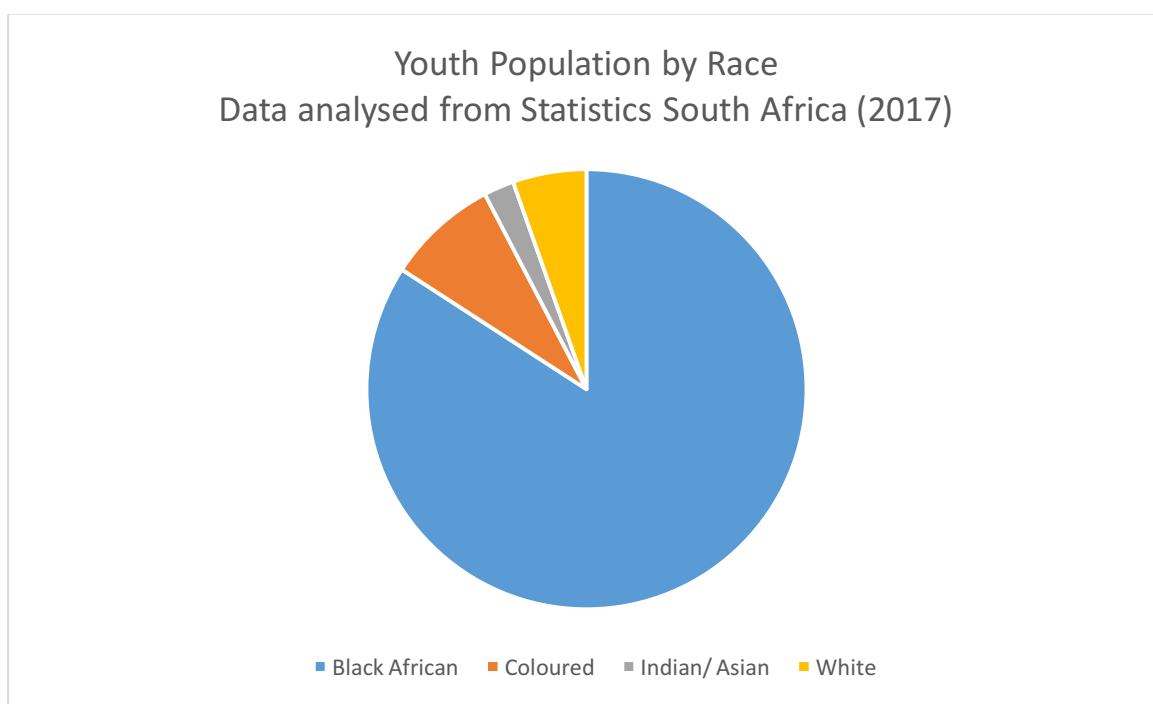
Based on the four categories provided by Statistics South Africa (2017), the largest population is youth aged between 25 and 29 (551 8305); followed by youth aged between 30 and 34 (525 3733); then youth aged 20 to 24 (503 1271) and youth aged 15 to 19 (459 2001).



**Figure 3-5 Total number of youth per age category** (Statistics South Africa, 2017)

### 3.3.3 Race

The youth population constituted 36.1% of total population of South Africa (Statistics South Africa, 2017). The largest population of youth is Black Africans (17 163 479); followed by Coloureds (1 672 833); then Whites (1 104 655) and the lowest population is Indians/Asians at 454 432.



**Figure 3-6 Youth Population by race** (Statistics South Africa, 2017)

### **3.3.4 Highest level of education completed**

South African higher education requires planning to improve the system (Statistics South Africa, 2016). Statistics South Africa suggests that youth aged between 20 and 34 are more likely to complete higher education when their parents are educated. In addition, 18% of parents who completed secondary level education, converted to 45% of their children completing secondary level education (Statistics South Africa). Moreover, those youth who completed a post-secondary qualification, had 50% of parents finishing secondary schooling.

It appears the South African educational system is unfair because it favours youth who have educated parents; it should therefore be more inclusive and assist those who have suffered from past inequalities (Statistics South Africa, 2016).

### **3.3.5 Current work/ study status**

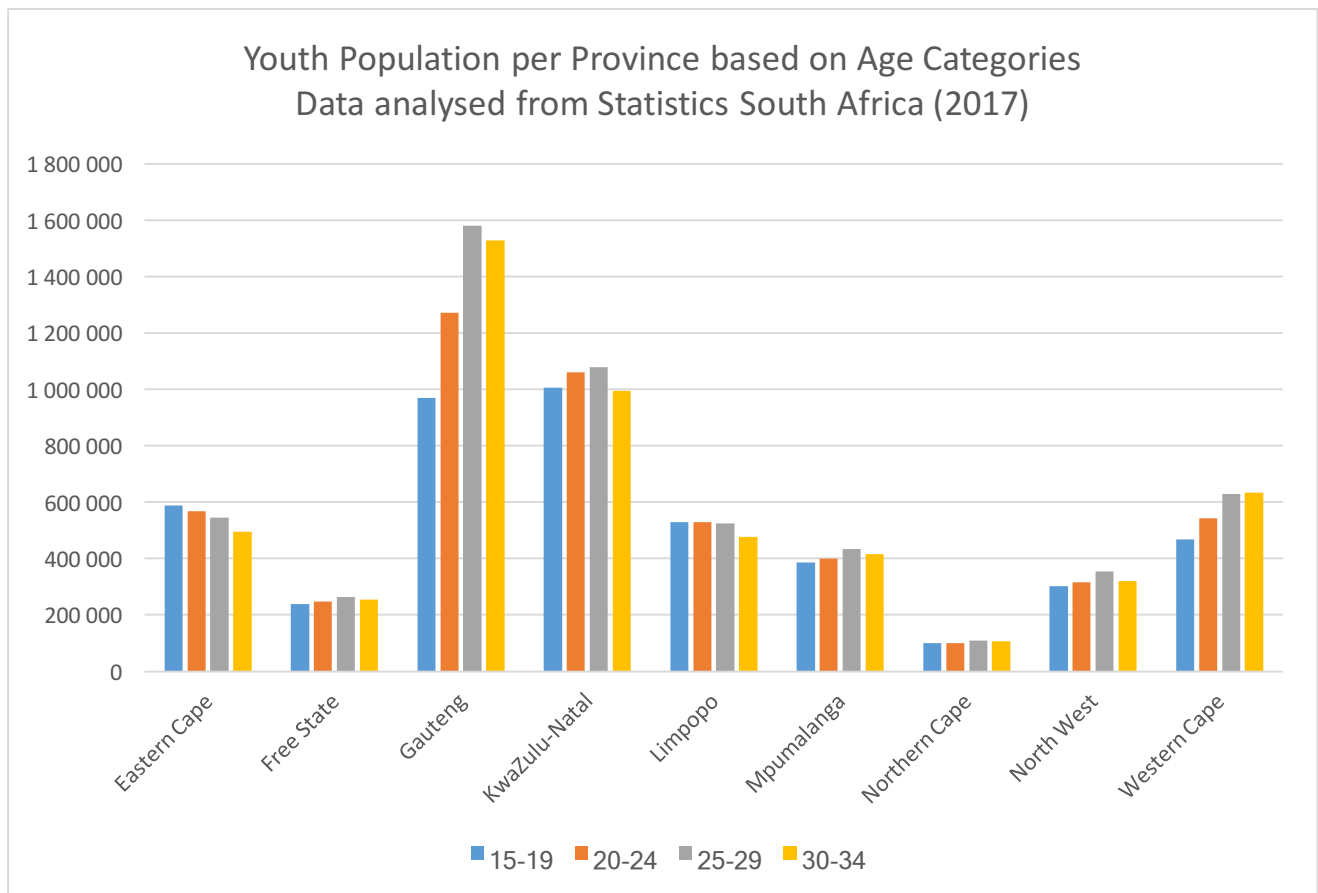
The entire working population in South Africa was 32 million in 2009 and increased to 36 million in 2015 (Statistics South Africa, 2016). The largest working population by race amongst all South Africans is Whites at 64% and Black Africans at 41% (Statistics South Africa).

Statistics South Africa shows that 77% of employed hold tertiary qualifications. The National Student Financial Aid Scheme recognised this statistic and supported close to 400 000 first year students which cost R4.5 billion through 2016 and 2017 (Statistics South Africa, 2016). In addition, the National Skills Fund provided financial assistance to youth through bursaries with a focus on increasing skills in South Africa (Statistics South Africa).

### **3.3.6 Province**

The province with the highest youth population in South Africa is Gauteng (5 351 918) followed by KwaZulu-Natal (4 139 912); Western Cape (2 273 346); Eastern Cape (2 196 856); Limpopo (2 060 338); Mpumalanga (1 636 244); North West (1 289 664); Free State (1 004 447) and least is Northern Cape with 415 372 (Statistics South Africa, 2017).





**Figure 3-7 Youth population rates per province (Statistics South Africa, 2017)**

### 3.4 Personal barriers in relation to systemic intermediaries

In Figure 3-4, “the entrepreneur” (and his/her own personal barriers in relation to systemic intermediaries) is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

A personal barrier can be defined by entrepreneurs as personality traits exhibited by youth which prevent entrepreneurial intent to resolve an entrepreneurial action. Regarded as external influences, as previously explained, these personal barriers in relation to systemic intermediaries may include 1) personal barriers in relation to systemic intermediaries, 2) entrepreneurship education and training, 3) financial support, 4) creative thinking, 5) decision making to plan a new business, and 6) working in teams (Hormiga-Pérez, Hancock & Jaría-Chacón, 2017; Kabukcu, 2015; Luca & Robu, 2016; Pruett, 2012; Smolka, Verheul, Burmeister-Lamp et al., 2018).

#### 3.4.1 Personality traits of youth entrepreneurs

Research conducted by Luca and Robu (2016) provides insight into personality traits which are associated with entrepreneurs. The research investigated 250 entrepreneurs and self-employed people to measure personality and pro-activity traits. The findings suggested that pro-activity and

internal locus of control are significantly associated with entrepreneurial traits (Luca & Robu, 2016). Expanding on this, Fournier (2017) describes internal locus of control as belief in having the ability to influence events and outcomes.

Luca and Robu (2016) further suggest that pro-activity and internal locus of control provide youth entrepreneurs with attitudes strongly associated with competitiveness, which is desired in entrepreneurship. In contrast, youth which do not have an internal locus of control are more suited towards a career which is stable to avoid risk of failure (Luca & Robu, 2016). This is considered a personal barrier for youth entrepreneurs because they lack the belief that they can create their own future by being an entrepreneur (Luca & Robu, 2016). Therefore a youth entrepreneur's own personality traits can also be a personal barrier for themselves.

Studies conducted by Ernst & Young (2017) suggest that core personality traits of youth entrepreneurs consist of a) vision, b) resilience, c) teamwork, d) innovation, e) passion, f) leadership, g) integrity, h) quality, i) customer focus, and h) flexibility. Ernst and Young further explain that personality traits are necessary to execute certain entrepreneurial related tasks effectively. These personality traits include:

- being a non-conformist and a team player
- being motivated, driven and persistence
- being an architect of one's own personal view while remaining focused
- building an eco-system and community of people that can achieve an outcome
- finding opportunities and niches in the market
- living in accordance with one's belief system, therefore aligning values



**Figure 3-8: The DNA of an entrepreneur** (Ernst & Young, 2017)

Research conducted by Hsiao, Lee and Chen (2016) supports this view and suggests that internal locus of control is positively linked with entrepreneurship. Hsiao et al., explain that an internal locus of control assists entrepreneurs because of the social benefits derived through networking, solving problems and the tendency to seek out niches in the market. In addition, people exhibit an internal locus of control when they believe effort and sacrifice are predictors of the future.

### 3.4.2 Entrepreneurship education and training

Research conducted by Pruett (2012) suggests that educational programmes improve entrepreneurial intention. This view is supported by Herman and Stefanescu (2017) who define entrepreneurial intention as intention to start a business through planning.

Herman and Stefanescu (2017) suggest that entrepreneurship education is a motivator for youth to enter into entrepreneurship as a possible career. However, it is suggested that entrepreneurial intention is influenced more by family background than entrepreneurship education (Herman & Stefanescu, 2017). Therefore, to improve entrepreneurial education, working in real-life business scenarios needs to be made part of the curriculum.

In support of this view, the chairperson of the Economic Development Council of South Africa, explains that youth entrepreneurs are unsuccessful for the following reasons (Venter, 2017):

- The successful creation of a business plan at university level is not an accurate predictor of start-up success. Approximately 90% of students with a business plan, do not start businesses
- Negative entrepreneurial experiences at educational institutions contribute to failure in business
- Youth are unaware whom to contact to commence a business and are not aware of the Small Enterprise Development Agency (SEDA) and Enactus which provide business support to youth entrepreneurs
- The lack of up-to-date industry information is a consequence of outdated university processes which fail to connect students with business support systems.

Set against these problems, Venter's vision for youth entrepreneurship is that there should be an environment where youth practice real-world business situations to build personal skills, practice identification of risk and work in teams. Moreover, work experience must be integrated in university modules to provide students with university credits for accreditation in courses. His final recommendation is that a new system should be tested and piloted against research before being implemented (Venter, 2017).

### **3.4.3 Financial support**

Youth in North Africa, the Middle East and Morocco are not provided with support to secure jobs and access financial resources to commence businesses (Bausch, Dyer, Gardiner et al., 2016). Moreover, North Africa and the Middle East have high youth population rates exceeding the demand that educational systems can accommodate, which has prevented youth from enrolling. Morocco has similar problems due to lack of education for youth between 15 and 29, who constitute a third of the total population (Bausch et al., 2016). These high population rates, combined with lack of financial education, is affecting youth transitioning from school to employment, with negative consequences those starting a business (Bausch et al., 2016).

To evaluate the effectiveness of entrepreneurial education, 1815 youth participated in the Global Financial Education Programme, which consisted of a total of 100 hours of training to manage personal finances; entrepreneurial skills; business planning; budgeting, saving; debt management and employability (Bausch et al., 2016). The findings suggested positive financial behaviours for youth, including awareness of banking organisations together with creation and maintenance of savings accounts for a subsequent period of two years; in the event, however, youth were unable to create loans or save money. Bausch et al. (2016) note also that youth transitioning into the working stage were more likely to be entrepreneurial.

The impact of the financial training programme varied according to age, background and gender (Bausch et al., 2016). As a result, youth with less financial support from families were not able to put

into practice the knowledge they had acquired; those with fewer assets were restricted in their access to loans.

To address some of these issues, Rector, Fatoki and Oni (2016) suggest that youth entrepreneurs in South Africa who own SMEs require external debt financing from banks. Rector et al. explain that the lack of debt financing is a major barrier preventing youth entrepreneurs from achieving business growth; they are rejected by banks because of poor credit ratings, lack of security and inadequate business planning (Rector et al., 2016). This view is supported by Formisano, Fedele and Antonucci (2016) suggesting that youth can benefit from banks which offer a 10-year interest free start up-loan to entrepreneurs. Since 2011, an Italian bank has offered revolving credit of one million euro to assist start-ups for youth. The bank provides financial support based on the value of an idea through a 10-year interest free loan and findings show an increase in income and employment. In light of these findings, it appears that programmes which offer financial support to youth which have viable business ideas can impact economic growth in a community (Formisano et al., 2016).

In spite of this, to ensure entrepreneurs understand terms and conditions associated with an agreement Rector et al. (2016) recommend that government and banks should support youth entrepreneurs by providing clear guidelines to simplify the process of financing. In addition, youth entrepreneurs must be pro-active and responsible in visiting financial institutions to obtain the documentation they need for financing.

### **3.4.4 Creative thinking**

Being creative and innovative is a valuable skill for entrepreneurs seeking to leverage opportunities (Kabukcu, 2015). However, converting creative ideas into reality is a challenge and requires being able to connect ideas and structure business plans in moving products to customers (Kabukcu, 2015).

Entrepreneurship is a continuously changing discipline which requires innovation in a competitive market (Kabukcu, 2015). In addition, design, production and execution of projects in business is important, especially in the creative fashion industry which requires seasonal changes every three months to attract demand from customers (Kabukcu, 2015). Creativity and innovative products are consequently essential to remain in business.

Camacho, Janowski, Konak et al. (2016) investigated the impact of entrepreneurial tasks on creativity and problem solving for youth entrepreneurs. In their study the participants attempted to create a product or service that was creative and would solve a problem in the community. The findings show that students who practised entrepreneurial activities made decisions similar to entrepreneurs (Camacho et al., 2016). This suggests that the entrepreneurial activities practised by students expanded thinking, creativity and problem solving. In addition, entrepreneurial activities practised by students led to more alternatives, which broadened existing ideas.

A similar programme assisting youth to be creative is the Creative Youth Development programme which focusses on skills building, self-esteem and belongingness (Montgomery, 2017). Montgomery's programme is described as a transitional programme for youth entering adulthood and provides them

with artistic skills by giving them the opportunity to create documentaries; news report and radio broadcasts. This programme benefits youth by giving them real-world working experience and diverting their attention from destructive behaviour such as crime and drug addiction towards artistic content which is engaging and interesting (Montgomery, 2017).

### **3.4.5 Decision making when planning a new business**

Unpredictable environments make it difficult to plan a business and it is therefore recommended that entrepreneurs secure pre-commitments from third parties to ensure sustainability (Smolka et al., 2018). In addition, managing unpredictable circumstances requires entrepreneurs to be adaptable and proactive in seeking new opportunities (Smolka et al.)

Entrepreneurs need to be empathetic in communications and negotiations with customers because it can greatly assist performance and pre-commitment of goods and services (Smolka et al., 2018). Entrepreneurs who are skilled in communication are described as being empathetic in communication, which assists the creation and sustainability of partnerships (Smolka et al.).

Nascent entrepreneurs can sometimes stagnate in their decision making for long periods and never commence a business (Shepherd & Patzelt, 2017). Shepherd and Patzelt explain that entrepreneurs are often exposed to uncertainty, ambiguity and emotionally charged situations which can influence decision-making. Prior to identifying opportunities, entrepreneurs need to make assessments based on their experience, which can result in negative emotions that reduce their motivation. In addition, opportunity-related decision making from a static perspective, without assessing decisions, can change over time. This is evident when nascent entrepreneurs develop skills and gain more experience for making informed decisions (Shepherd & Patzelt, 2017).

Decision making is different for entrepreneurs who are motivated by non-economic goals that improve the environment and community rather than focussing on profits (Shepherd & Patzelt, 2017). These entrepreneurs are driven by positive change and base their decisions on uplifting the local community.

### **3.4.6 Working in teams**

Research conducted by Hormiga-Pérez, Hancock, and Jaría-Chacón (2017, p. 203) suggests that commencing a business individually or in a team is influenced by 1) social awareness, 2) previous experience and 3) external motivation, as described below.

Firstly, entrepreneurs exhibiting higher social awareness are able to form strong bonds from only one or two interactions (Hormiga-Pérez et al., 2017, p. 222). These entrepreneurs will consequently network more with people because it adds value to a business and encourages people to start a business in a team.

Secondly, previous experience significantly influences an entrepreneur's decision to commence a business either alone or in a team (Hormiga-Pérez et al., 2017, p. 203). Individuals who have gained previous experience in a specific industry have in-depth knowledge and are able to work alone (pp. 222-223).

Thirdly, motivation can influence an entrepreneur to work individually or in a team depending on an entrepreneur's reaction to events (Hormiga-Pérez et al., 2017, p. 224). This is evident when failure of a venture, which could lead to reduced self-confidence, influences an entrepreneur to search for support and guidance from a team environment (Hormiga-Pérez et al., 2017, p. 224). Conversely, motivation can have the reverse effect where continued success working as an individual can reinforce belief in continuing alone.

The entrepreneur and his or her personality traits can therefore either bring opportunities to entrepreneurship, or provide barriers to entrepreneurship.

### **3.4.7 External systemic barriers: further observations**

Possible reasons for low youth entrepreneurship in South Africa seem complex and relate to both internal and external barriers for youth entrepreneurs in relation to themselves (van der Westhuizen, 2016; Krieger & van der Westhuizen, 2017). As mentioned above, the focus in this study is on external barriers for youth entrepreneurs. Herrington and Kew (2016) identified difficulties in accessing financial support (especially obtaining government funding for small business development) and explain that lack of anchor investors in youth entrepreneurs' ventures, inadequate education and training and not being prepared for the business world with sufficient practical business experience after they graduate are further barriers youth entrepreneurs face in relation to themselves. Alton (2016) cites the following external barrier issues in relation to his own struggles:

- the choice in becoming an entrepreneur or seeking employment;
- financing and new business cash flow;
- team building especially when the individual has not ever run or managed a team;
- being the visionary and coming up with ideas especially on-the-spot creative thinking;
- dealing with the unknown and the fears accompanying uncertainty as well as change;
- loneliness isn't often listed as a challenge to youth entrepreneurship, but youth entrepreneurs are required to work many hours and won't see family and friends. In addition, youth are often not prepared to give up aspects of their social lives;
- rule-making is often a challenge since the youth entrepreneur needs to come up with rules to be followed by themselves and their team in the business;
- decision making is often the most stressful challenge to youth entrepreneurs due to their lack of experience, solving real world problems which introduce them to new levels of stress and fatigue that they never experienced before.

## **3.5 Educational institutions**

In Figure 3-4, "Education Institutions" is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

Educational institutions can provide entrepreneurs with a foundation to start a business through: 1) training and skills development; 2) programmes to increase entrepreneurial self-confidence; 3)

entrepreneurship programmes in formal and supplementary tuition; 4) entrepreneurial-orientated institutions, and 5) attendance in the programmes (Bergmann, Hundt & Sternberg, 2016; Evers, Cunningham & Hoholm, 2016; Kucel, Róbert, Buil et al., 2016; Rauch & Hulsink, 2015).

### **3.5.1 Entrepreneurship training and skills development in higher education**

Kucel et al. (2016) discusses the importance of strong relationships between government, businesses and universities to improve employability and entrepreneurship skills for university graduates. It is important that universities teach industry-relevant information so that youth are more prepared for the workplace (Kucel et al., 2016).

It appears that graduates who display entrepreneurial skills can source and match jobs more effectively, compared to those who lack entrepreneurial skills (Kucel et al., 2016). Kucel et al. (2016) explain that it is possible for an entrepreneur who is placed in a unsuited position at work to be able to adapt within the same role and become successful. Innovation is an entrepreneurial skill which is described as the ability to scan, search and connect opportunities (Kucel et al., 2016). Kucel et al. suggest that being over-educated, without entrepreneurial skills, can reduce potential productivity and the conversion of opportunities for youth. This is evident in countries which educate youth without teaching entrepreneurial skills, especially innovation and creativity. The findings reported by Kucel et al. suggest that innovative economies can significantly reduce the negative impact of over education of university students by strengthening bonds with universities.

Other research on entrepreneurship explains that successful entrepreneurs are required to evolve and thrive in an uncertain environment (Amadi-Echendu, Phillips, Chodokufa et al., 2016). In seeking to become more entrepreneurship-orientated, the University of South Africa (UNISA) has incorporated a systems approach using technological coordination to encourage active involvement of stakeholders, including organisations, key government officials, businesses and community (Amadi-Echendu et al.). The level of entrepreneurship in this initiative is reviewed in relation to six constructs:

1. Entrepreneurial content - South African universities should adopt entrepreneurial knowledge into the academic programmes through accreditation to provide youth with work experiences and incentives.
2. Research and development - Businesses which invest in intensive research and development can have a competitive advantage. It is essential students understand that research and development needs to be incorporated into a business strategy.
3. Innovation ideas - Knowledge from a variety of industries can lead to creative ideas, collaborations and partnerships, therefore South African universities need to engage with industry.
4. Incubation of youth - South African universities should provide youth with support through an incubation programme which assists youth to start businesses.
5. Support from key partners - Universities should encourage collaboration between different industries to exposure to new perspectives and knowledge. This could be achieved by



introducing international university exchange that provide opportunity to learn how different countries conduct business and teach entrepreneurship.

6. Converting business ideas into profits - Commercialisation teaches youth the importance of generating profits from the patenting of ideas.

These six constructs show that entrepreneurship requires resources; South African educational institutions therefore need to incorporate entrepreneurial policies that support youth entrepreneurship (Amadi-Echendu et al., 2016).

### **3.5.2 Entrepreneurship programmes to increase entrepreneurial self-confidence**

Rauch and Hulsink (2015, p. 199) suggest that entrepreneurial programmes have a positive effect on entrepreneur attitudes. They explain that a shift in attitude in which someone aspires to become an entrepreneur – which they refer to as entrepreneurial intention – strongly influences behaviour sometimes months after an entrepreneurial programme: entrepreneurial programmes influence entrepreneurial intention and cause entrepreneurial behaviours.

Entrepreneurial programmes need to create a positive impression of entrepreneurship that implants desire and ambition to succeed (Rauch and Hulsink, 2015, p. 199). The programmes must evoke positive emotions that lead youth aspirants to take active steps to start a business. Rauch and Hulsink (2015) explain that cross-sectional results of entrepreneurship programmes can be misleading, as entrepreneurial action can continue for between two to eight years; therefore it is important to consider the time lag between implementation and action.

South African entrepreneurs are sometimes forced into entrepreneurship through necessity but there is strong likelihood that they will become demotivated if they are not provided with innovative skills (Pambe, 2017). Youth entrepreneurs consequently need to participate in educational programmes incorporating technological creativity that can increase entrepreneurial self-confidence (Pambe, 2017). The findings from 130 undergraduate students in South Africa showed that technological creativity positively influenced self-confidence which helped them to become more entrepreneurial (Pambe, 2017).

### **3.5.3 Supporting entrepreneurship programmes in formal and supplementary tuition**

An important aspect of entrepreneurship is creation of a business plan, but business planning without entrepreneurial training is likely to be handicapped (Rauch & Hulsink, 2015, p. 201). Rauch and Hulsink (2015) suggest that entrepreneurship should be described as a rewarding career that leads to an “exciting journey.” Entrepreneurship education thus needs to encourage actively pursuit of opportunities instead of focussing on past theories that are often irrelevant to industry. The University of Massachusetts can measure its success as educational institution in entrepreneurial job creation and sales of over \$USD 100 billion from its students, showing the effectiveness of entrepreneurship programmes that have a major impact on the economy (Rauch & Hulsink, 2015).

There having been limited research on youth start-ups in universities, a study was conducted at 41 European universities to examine entrepreneurial activities of students (Bergmann et al., 2016). The findings suggest that:

- Entrepreneurial activities are less influenced by university context and more by regional characteristics including geographical development (Bergmann et al., 2016).
- Nascent entrepreneurs are only given support in the initial phase of starting a business and neglect to assist entrepreneurs to establish a business that is functional (Bergmann et al., 2016).
- Entrepreneurship programmes benefit surrounding communities (Bergmann et al., 2016),
- University entrepreneurial programmes are limited by geographical regions which lack economic growth, as a consequence universities in these unfavourable environments have limited entrepreneurial growth because new ideas are not supported (Bergmann et al., 2016).

However, positive role models can greatly assist students in underdeveloped regions where role models external to the university are otherwise lacking (Bergmann et al., 2016).

An entrepreneurial games system incorporated into the South African education system can assist youth to be more entrepreneurial (Pambe, 2017). The entrepreneurial games system was created by German and South Africa universities and provides games relating to six key areas of entrepreneurship (Pambe, 2017):

- *Economy*: This game was designed for youth primarily in emerging countries and provides entrepreneurial experiences relating to the core fundamentals of economics
- *Finances*: It teaches youth the basics of starting a business, these basics include sourcing a loan, finding shareholders and fundraising
- *Marketing*: This game provides entrepreneurial experiences relating to marketing and shows youth the importance of identifying value for clients
- *Management*: The game is focused on showing the differences between quality, cost and duration for potential business projects. Moreover, it teaches youth to evaluate expenses relative to profits.
- *Strategy and Sustainability*: The game covers financial and technical aspects of businesses. In addition, it provides youth with an opportunity to operate their own business and implement knowledge gained from the business games.

These games provide a unique opportunity for South African youth to experiment in a controlled environment which is similar to reality. In addition, the games provide them with opportunities to make decisions and reflect on the effects (Pambe, 2017).

### 3.5.4 Entrepreneurship-orientated institutions

Universities are seen as an important economic platform to drive growth in economies – increasing knowledge base for industries and, more importantly, providing youth entrepreneurs with skills to add value (Evers et al., 2016).

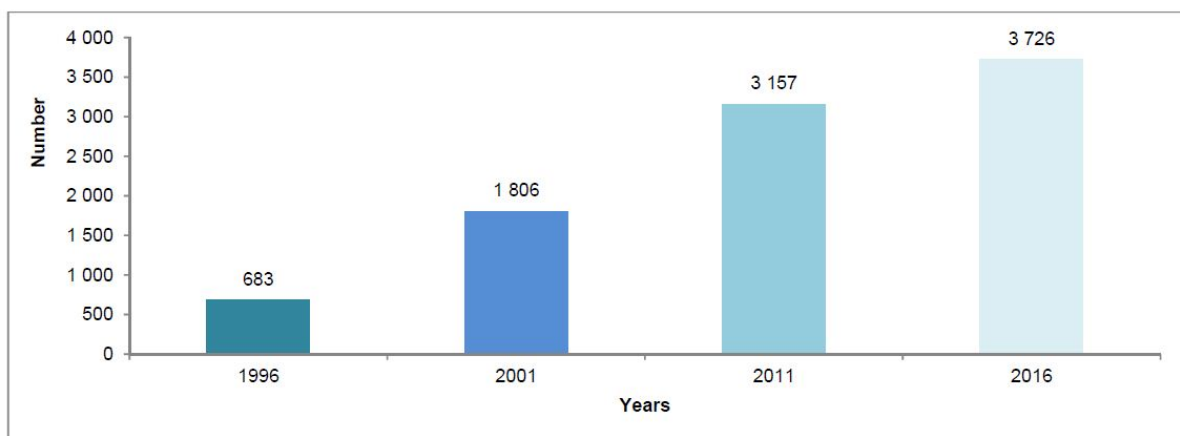
According to Evers et al. (2016) there has been an increase in investment in information technology for business incubators to support students to become more entrepreneurial (Evers et al., 2016), with the incubators focussing on creating informal and formal support assistance for youth to grow networks.

In addition, developed countries are focussing more on the commercialisation and innovation in entrepreneurship orientated institutions to enhance value for students entering the working environment (Evers et al., 2016). The most successful start-ups from universities are information technology based businesses which are scalable and provide returns for investors which provide profits over a short time frame (Evers et al., 2016).

The Department of Higher Education and Training mandated all universities in South Africa to have a national legislative framework implementing entrepreneurship within the entire institution (Ramjugernath, 2017). At the University of KwaZulu-Natal Ramjugernath's primary function is to encourage and develop a culture of entrepreneurship in the institution.

### 3.5.5 Attendance

Figure 3-9 suggests that increase in attendance in post-secondary education is linked to an increase in youth enrolment in higher education in South Africa (Statistics South Africa, 2016), shown in the figure of 3 726 per 100 000 of population for 2016.



**Figure 3-9: South African students in tertiary education per 100 000 inhabitants** (Statistics South Africa, 2017)

This increase in attendance could be misleading as there has been decrease in students from Grade 12 to tertiary who are Coloured and Black African (Statistics South Africa, 2016). Possible reasons for this decrease in attendance:

- Higher education could not sustain these increases in growth due to poor infrastructure
- Youth are not completing tertiary qualifications because they have weak educational foundations from primary education
- The domestic environment in which the youth live is not a suitable location for education. Social environments are unsupportive and disruptive to studying (Statistics South Africa, 2016).

In contrast, Statistics South Africa (2017) shows that White and Indian entry into tertiary education is steadily growing. However, improvements need to be made to increase attendance rates for at risk groups by increasing schooling attendance rates (Statistics South Africa, 2016). In addition Statistics South Africa mentions that more qualified and experience educators, coupled with smaller class sizes will contribute to increasing attendance for at-risk groups.

### **3.5.6 Educational Institutions: further observations**

Educational institutions can thus either create opportunities to entrepreneurship or present barriers to entrepreneurship. Tertiary-level entrepreneurship programmes equip learners with entrepreneurial and managerial skills to influence their attitude to pursuing careers in entrepreneurship (Gwija, Chuks & Chux, 2014). Research supported by Vanevenhoven (2013) suggests that students experience increased levels of optimism and increased entrepreneurship intentions through these programmes. However, these entrepreneurial intentions can differ because students may be taught by educators whose skills levels differ according to their own work experiences, capacities and networks (Vanevenhoven, 2013). Vanevenhoven comments further that educators should integrate academic content and first-hand business knowledge as this would provide more relevant business content. This research is supported by Fayolle (2013), who explains that extensive research must come from a variety of relevant settings and that educators themselves should aim to become entrepreneurs, in addition to teaching academic principles and models. The shortfall in first-hand experience in the field of entrepreneurship can limit progress and create an unrealistic perspective for entrepreneurs (Fayolle, 2013).

Educational institutions face shortfalls in knowledge, particularly for youth entrepreneurs considering entering the informal entrepreneurial environment (George et al., 2016). Furthermore, youth entrepreneurs are disadvantaged because educational institutions have not done enough research on organisational challenges, practices and operations. George et al. (2016). comment that in-depth research needs to be conducted in the informal environment, as major shortfalls exist in terms of transportation, human capital, and financial capital. Together these researchers propose that educational institutions must acknowledge this gap and ensure that educators 'discuss, criticise and contrast' these different forms of content to ensure it is current and useful.

A youth entrepreneur reported by Dennis (2016) related how he had experienced educational institutions as a barrier to his business activities. He explained that customer service with university representatives was extremely poor, to the extent that it affected business productivity. In this situation, he required critical information from a university for his business and in spite of numerous phone calls he could not obtain the information, which resulted in a loss of production. The youth entrepreneur was transferred from one employee to the next without resolution. In summary, Dennis (2016) viewed the educational institution as a major barrier for entrepreneurs because of their lack of service.

### **3.6 Government agencies**

In Figure 3-3, “Government Agencies” is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

Government agencies can have a positive impact in reducing unemployment through entrepreneurial support from mentorship programmes. In order to create sustainable programmes municipalities need to have robust policies on entrepreneurship to encourage entrepreneurial action. (City of Johannesburg, 2017; eThekweni Municipality, 2017; Mbata, 2017; Sinyolo, Mudhara & Wale, 2017; Walford, 2017)

#### **3.6.1 Municipal support to youth entrepreneurs**

In the eThekweni Metro, one of 11 districts in KwaZulu-Natal, the municipality has initiated the Start-Up and Go Youth Seminar which inspires youth to become entrepreneurial (Mbata, 2017). eThekweni Municipality partnered with the National Youth Development Agency to assist youth entrepreneurs in business planning and incubation (2017). The programme is beneficial for youth entrepreneurs:

- Influential stakeholders will empower and inspire youth
- It provides information on potential grants and funding to mobilise youth
- It provides marketing knowledge and skills to develop youth entrepreneurs businesses.

Moreover, this programme is an opportunity to empower youth to contribute to the economic growth of South Africa through entrepreneurship activities (Mbata, 2017).

In its Youth Innovation Challenge competition eThekweni Municipality provides youth participants with an opportunity to practice innovation in a competitive environment where they design a modern and sustainable city and solve current city problems (Walford, 2017). The stated aims are to:

- challenge youth to be creative by providing innovative solutions for the city
- encourage an entrepreneurial culture which is found in many successful companies
- promote entrepreneurship to rapidly create economic transformation
- provide support for the participants in the Youth Innovation Challenge to evolve ideas
- introduce a crowd funding avenue for the winner of the Youth Innovation Challenge.

The programme leader of the eThekweni Municipality Business Support Department, noting the high youth population in South Africa (20.3 million) explained the positive impact entrepreneurship will have can reduce unemployment and poverty (Mbata, 2017).

In addition, eThekweni Municipality provides essential support to small, medium- and micro-size businesses, which all make a positive difference to the economy (eThekweni Municipality, 2017). This support programmes are intended to provide employment opportunities, encourage innovation and competition, and create an ecosystem that allows entrepreneurs to operate with fewer barriers. The support includes access to finance; training, mentoring and business coaching. These services offer support to a variety of different areas, including tourism, arts and craft, building, information technology and trade shows. Some of these support services are described below (eThekweni Municipality, 2017):

- *Access to finance:* This programme helps self-employed entrepreneurs to understand finances, and provides further assistance through financial assistance programmes bridging between key roles players and financial institutions
- *Arts and craft programmes to develop entrepreneurs:* This programme provides youth entrepreneurs with skills required to assist their businesses. In poverty-reduction initiatives it connects youth entrepreneurs with exhibitions including the Durban Business Fair, Baba Indaba and South African homemade collections.
- *Strategic partnerships:* These partnerships ensure that all units in the municipality are aligned to avoid duplication of work and services. In addition, the municipality aims to provide seamless service to customers. The partnerships are with ABSA bank, Deloitte, First National Bank and the Centre of Entrepreneurship
- *Business linking programme:* The programme links SMEs and the private/public sector to create synergies. In addition, SMEs are screened and vetted to determine credibility. The SMEs which are unsuccessful are provided with constructive feedback to improve their goods and services
- *Best practices for local government:* The eThekweni municipality communicates with local governments to share best practices
- *Construction support:* This programme assists with the growth and development of the construction industry, especially new contractors and those that require skills development through mentorship (eThekweni Municipality, 2017).

### **3.6.2 Municipality mentorship to youth entrepreneurs**

The municipality's Business Support Tourism and Markets unit is structured according to four focus areas (eThekweni Municipality, 2017):

- Small and medium-sized business development
- Informal economy and retail markets
- Markets

- Durban Tourism

The strategic objectives of the eThekweni municipality seek to provide a safe and healthy environment for customers and employees (eThekweni Municipality, 2017). They have developed a competitive environment by helping small and medium-sized business to flourish, thereby empowering youth entrepreneurs and other entrepreneurs. The eThekweni municipality provides and maintains infrastructure that assists businesses to develop. It strives to increase the number of business by providing easy access and participation. To achieve these objectives, the eThekweni municipality abides by the requirements of Broad Based Economic Empowerment (BBEEE) to promote Durban as an international tourism location. Its mentorship programmes are developmental initiatives mandated by municipal policy.

### **3.6.3 Policy on entrepreneurship**

The Supply Chain Management unit of eThekweni Municipality has several policies to support entrepreneurs (eThekweni Municipality, 2017):

- *Targeted procurement policy*: This policy provides a framework, or points system, relating to tenders and quotations for businesses.
- *Supply chain policy*: The eThekweni municipality abides by the Supply Chain Management processes which outline procurement of products, services and work.
- *Standard procedures*: These procedures are important because it outlines the correct steps required for “*Supply Chain Management and Targeted Procurement Policy*” within units of the municipality.
- *Code of conduct*: This code outlines the way in which key role players should act in the procurement phase (eThekweni Municipality, 2017).

### **3.6.4 Municipal support for entrepreneurial action**

Through the units mentioned above, the eThekweni municipality offer a wide variety of developmental and mentoring support to youth entrepreneurs and entrepreneurial practitioners alike. Although, municipality units are not banks or financial institutions and do not provide direct funding, there are some funding instruments that the municipality may be able to use to support these entrepreneurs (eThekweni Municipality, 2017).

The City of Johannesburg is using data gathered from an entrepreneurship study covering various sectors that was conducted over 15 weeks in 2016 (City of Johannesburg, 2017). The study provided information on barriers to youth entrepreneurs and insight into the future for entrepreneurs in Johannesburg (City of Johannesburg, 2017). It nonetheless appears that the City of Johannesburg needs more specialised support before it can be effective in creating entrepreneurial programmes.

The City of Johannesburg has problems in developing youth entrepreneurs because information regarding youth entrepreneurial programmes is fragmented and ineffective (City of Johannesburg,

2017). A comment by one city representative (source undisclosed) suggests that politics takes precedence over assisting youth entrepreneurs and SMMEs (City of Johannesburg, 2017).

In addition, The City of Johannesburg has attempted to understand which entrepreneurial programmes have been effective, versus those which have not, however further investigations are required to identify the role of government in entrepreneurial programmes (City of Johannesburg, 2017).

### **3.6.5 Government funding for youth entrepreneurs**

In developing countries research conducted by Sinyolo, Mudhara, and Wale (2017, p. 63) suggests that financial social grants provided by government can reduce incentive and motivation for entrepreneurs in the agricultural industry. There is a negative association because rural entrepreneurs become dependent.

Risk-bearing capabilities provided by government are nonetheless positively associated with entrepreneurs (Sinyolo et al., 2017, p. 63). The risk-bearing options provided by government are:

- Training and extensions on credit through support services
- Educational and infrastructure support by providing access to irrigation systems
- Funding to increase land size and livestock.

Sinyolo et al. (2017) mention that training provided by government should be applicable to rural entrepreneurs and commence at a level which is understandable. In addition, agricultural training for entrepreneurs should be targeted towards women, because the majority of farmers are women.

The Gauteng Township Economy Revitalisation Strategy 2014–2019 created by the Gauteng provincial government assists entrepreneurs to develop their businesses (GEP, 2014). In Gauteng townships youth entrepreneurs lack funding to expand businesses and are two-thirds less likely to receive a loan from banking institutions. In addition, residents from Gauteng townships are described as being financially excluded, which negatively affects business growth.

In its focus on assisting entrepreneurs based in Gauteng townships the provincial government plans to establish a state-owned bank that will provide financial services and support (GEP, 2014). In addition, the provincial government aims to provide opportunities for township owners to move into the mainstream business (GEP, 2014).

### **3.6.6 Government agencies**

In Figure 3-4, “Government agencies” is identified as a systemic role-player than can be either an intermediary or, in adverse cases, a barrier.

For the purpose of this study *government agencies* is understood as permanent or semi-permanent state entities which execute laws and activities.



In 2015 and 2016 government had to confront numerous challenges in domestic policy uncertainty; labour disputes; finance, governance and power supply (Herrington and Kew, 2016). Youth entrepreneurs have especially felt the need for an improved presence and quality of direct programmes at all levels of government (national, regional, municipal).

Government agencies have an integral role to play in youth entrepreneurship in South Africa. A report by Herrington and Kew (2016) identifies government policy as the major constraint for entrepreneurs (61%); followed by access to finance (44%) and education and training (42%). Other constraints that have affected youth entrepreneurs, according to the World Bank's Business Report (World Bank, 2016), has been a doubling of the time required to complete the necessary procedures for starting a business in South Africa since 2015 (Herrington and Kew, 2016). A study conducted by Mureithi (2012) on youth entrepreneurs in the tourism industry suggests that government support structures are not integrated, which means that "an individual has to deal with each organisation separately which is time consuming and lengthy." Application and registration processes are extremely protracted, coupled with high membership fees which limit access (Mureithi, 2012). In addition, most of the organisations target existing businesses and not entrepreneurs (Adisa, 2013).

In regard to the negative effects of government, the Africa Institute of South Africa has shown that government agencies across Africa misuse power for monetary gain (Adisa, 2013), strongly suggesting that "political opportunism is a major determinant for underdevelopment due to massive corruption." To further complicate the problem, South African leaders have created a government structure that emphasises government control of resource allocation, minimises the functions of the markets, and grants the government significant power to intervene in private business (Adisa, 2013). The consequence is that government takes "larger control of the economy and dictates the terms of the market economy for the entrepreneurs" (Adisa, 2013).

Government has made some contribution to improving entrepreneurs' chances of success in publication of the South Africa National Development Vision (2030), which sets targets for equitable social and regional development (DTI, 2005). The Vision aims to give youth in South Africa the necessary skills to enter the workforce, with support from the Department of Trade and Industry (DTI), South African Micro-Finance Apex Fund (SAMAF), Shanduka Black Umbrella, National Empowerment Fund, and the Small Enterprise Development Agency (van der Westhuizen, 2016).

Despite the support services, initiatives, programmes and funds provided by the DTI, South Africa has a severe problem with over half of its youth unemployed in 2014 and a very low number of youth entrepreneurs (Herrington, Kew & Kew, 2015). Youth in South Africa express increasingly pessimistic views of their future. Increasingly, youth South Africans are leaving the country to seek new opportunities abroad to exercise their skills (Engelbrecht, 2012). It seems that youth lack inspiration and motivation to create the future they want in South Africa (Engelbrecht, 2012; Fatoki & Chindoga, 2011).

South African youth face a multitude of challenges in access to financial support, lack of potential investors for their businesses, and insufficient training (Engelbrecht, 2012; Shambare, 2013). Further

insight into these problems is provided in a report from Swaziland that shows the high start-up costs for new ventures (Brixiová & Kangoye, 2014). Lack of flexibility due to labour regulation in South Africa poses many problems for conduct of business activities (Mahadea, 2012). This is shown by an extremely high rigidity employment index of 52, which translates to difficult recruitment and termination for employees. This poor score negatively affects the way businesses perform and can be seen as a barrier for youth entrepreneurs seeking crucial work experience and skills. Mahadea (2012) explains that globally South Africa's competitiveness is diminished by high labour cost, which is almost twice the labour cost in China, India, Malaysia and Brazil.

### **3.7 Private sector agencies**

In Figure 3-4, "Private Sector" is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

Private sector agencies can be described as either parastatal or not-for-profit organisations (NPOs) that focus on the development of the private sector (van der Westhuizen, 2016). Examples can be local chambers of commerce, SEDA (the Small Enterprise Development Agency) and TIA (the Technology Innovation Agency). The private sector agencies offer growth and development services to youth entrepreneurs. In addition, private sector agencies can assist youth entrepreneurs by providing information and entrepreneurship skills. Youth can also improve their entrepreneurial skills through support from mentorship programmes (DTI, 2017; Durban Chamber of Commerce, 2017; McEwan, Mawdsley, Banks et al., 2017; Ndlovu, Cele, Phoofolo et al., 2017; Technology Information Agency, 2017)

#### **3.7.1 Growth services offered by private sector agencies**

These researchers explain that community-based tourism (CBT) projects initiated by government, private sector agencies or partnerships improve tourism and provide opportunities for communities to create small businesses for youth entrepreneurs (Ndlovu et al., 2017, pp. 14-28). CBT projects involve many sectors of the supply chain in KwaZulu-Natal and have the potential to assist communities and youth entrepreneurs, however communities are not benefiting from CBT projects because of inadequate strategic planning (Ndlovu et al., 2017, p. 28). As a consequence, CBT projects are problematic (Ndlovu et al., 2017, pp. 14-28):

- The benefits of CBT are not a solution to all community needs
- CBT is not a solution to reduce poverty
- CBT will not solve unemployment for all community members that are engaged in the process
- Communities need to understand customer needs and expectations to create tourism businesses that are profitable and sustainable
- CBT projects are unsuccessful because there is inadequate feedback and monitoring.

The findings suggest that CBT initiatives can indirectly improve a community's standard of living but are not a completed solution (Ndlovu et al., 2017, p. 28). In spite of this, community engagement

varies between different projects provided by private sector agencies, making it difficult to measure the effects (Ndlovu et al., 2017, pp. 14-28).

### **3.7.2 Private sector agencies distribution of information and entrepreneurship news business development support**

Research conducted by McEwan et al. (2017) suggests that private sector agencies in Fiji, Papua New Guinea and South Africa are developing communities but are continuously challenged by the complex structures of communities. This research suggests that private sector agencies encounter four challenges related to communities (McEwan et al., 2017, p. 29):

- The complex structure of communities which include youth entrepreneurs
- Disconnect of community development programmes because private sector agencies goals are not aligned with government
- Top-down leadership from government and lack of active involvement in community development
- Narrowed vision when private sector agencies focus on health, education and employment but neglect to develop entrepreneurial skills.

These researchers further explain that private sector agencies are perceived as organisations which implement change rapidly unhampered by bureaucracy. However, private sector agencies are not prepared for the reality of community development and the complex tasks required to create change (McEwan et al., 2017, p. 47).

Moreover, private sector agencies are prevented from achieving change because community members and youth entrepreneurs are not actively involved in the change process and lack control as a group (McEwan et al., 2017, p. 48). In addition, community members can be a high risk to organisational property and equipment, which prevents private sector agencies from running programmes (McEwan et al., 2017, p. 49).

### **3.7.3 Mentorship**

There is a memorandum of understanding between the University of KwaZulu-Natal and the Chamber of Commerce to provide entrepreneurship mentorship support to student entrepreneurs. The Durban Chamber of Commerce is also known as the eThekweni Chamber of Commerce, eThekweni being the Zulu name for Durban (Koopman, 2017). The Durban Chamber of Commerce provides a variety of platforms which assist entrepreneurs (Durban Chamber of Commerce, 2017):

- *Lobbying and representation*: The Chamber communicates with government and key role players, thus representing the business community.
- *Growth in the economy*: The chamber helps to create growth for the entrepreneurs in Durban and to create partnerships with key role players who can assist in further business development.

- *Networking opportunities*: Providing members of the Durban Chamber with opportunities to connect with small and large businesses.
- *Information*: The Durban chamber provides information which is relevant and up-to-date for businesses.
- *Aids in the workplace*: The Durban Chamber creates preventative measures for a safer workplace.
- *SMEs*: The Durban Chamber promotes growth through mentoring and training opportunities
- *Services*: Provides value for member of the Durban Chamber and assesses and discontinues current services (Durban Chamber of Commerce, 2017).

Another private sector agency which supports youth entrepreneurs is the Technology Innovation Agency (TIA) which connects innovative research and development with tertiary institutions, scientific bodies, government agencies and businesses in South Africa (Technology Information Agency, 2017). In addition, the vision of the TIA is to assist and develop technological creativity and innovation amongst entrepreneurs (Technology Information Agency, 2017).

TIA strives to make South Africa a leader in technology innovation in terms of the Technology Act 26, 2008 (Technology Information Agency, 2017). The TIA promotes technology innovation by offering constructive methods to improve businesses and stimulates growth through its focus on entrepreneurial innovation to improve living standards.

The TIA assists youth entrepreneurs by building relationships between SMEs, industry and tertiary institutions to create more competitiveness (Technology Information Agency, 2017). In addition, the TIA reduces barriers to innovative entrepreneurship through offering high-end skills and equipment. The TIA provides risk funding for innovative ideas which have a high likelihood of success and promotes sustainability for innovative ventures through provision of support in later rounds of funding through commercialisation (Technology Information Agency, 2017).

### **3.7.4 Private sector agencies role and purpose to develop youth entrepreneurs**

Private sector agencies provide a variety of support to youth entrepreneurs, as described above, which include acting as a representative for the community (Durban Chamber of Commerce, 2017). In addition, they assist in creating growth opportunities through networking opportunities.

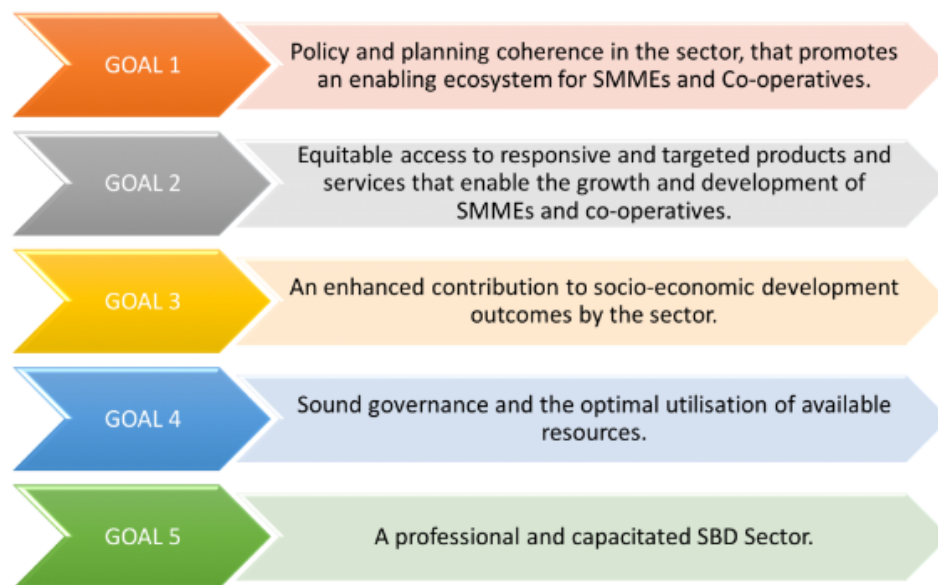
### **3.7.5 What are private sector agencies?**

Private sector agencies refers to individuals or groups of people that run the private sector (Durban Chamber of Commerce, 2017). These individuals operate their businesses for a profit and are not controlled by the government.

### 3.7.6 Different types of private sector agencies in South Africa

The Durban Chamber of Commerce, TIA and SEDA are described above. In addition, The Department of Small Business Development in South Africa develops sustainable entrepreneurship for youth entrepreneurs operating small businesses (DTI, 2017). The vision of the Department of Small Business Development is to create a culture whereby entrepreneurship greatly reduces unemployment.

The core department goals focus on policies which provide a productive and supportive environment for small and medium-sized business in collaboration with co-operatives (DTI, 2017):



**Figure 3-10: Core department goals of the Department of Small Business and Development** (DTI, 2017)

In addition to these goals, the Department of Small Business Development assists micro-sized businesses, especially informal businesses in the retail industry, 70% of which consists of informal business activities (including “spaza” shops and street trading), manufacturing industry, service industry (including mechanics and hairdressing), agriculture and construction industries (DTI, 2017).

### 3.7.7 Private sector agencies: further observations

Private organisations have an important responsibility to develop youth entrepreneurs to become successful entrepreneurs (Gwija et al., 2014). These researchers suggest that private organisations should also open doors for learners who need exposure and experience in their businesses to improve entrepreneurial skills through in-service training, internships, or voluntarily service opportunities. Furthermore they explain that without these in-service training the youth will be at a considerable disadvantage in their entrepreneurial journey (Gwija et al., 2014).

According to Murisa and Chikweche (2013), private sector agencies have a negative impact on financial operations for low-income youth entrepreneurs; they explain that private sector agencies often exclude youth entrepreneurs from securing small loans, especially low-income entrepreneurs. Access to credit and deposit services potentially can provide the poor with opportunities to take an “active role in their respective economies through entrepreneurship” by building income, bargaining power and social empowerment (Murisa & Chikweche, 2013).

### **3.8 Communities**

In Figure 3-4, “Communities” is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

The barriers to youth entrepreneurship are influenced by lack of community support. These effects are a consequence of 1) community culture; 2) community influence on business types; 3) community entrepreneurial attitude; 4) entrepreneurial opportunities in the community and 5) facilities and infrastructure provided in the community (Anderson & Gaddefors, 2016; Chitiga, Mabugu & Maisonnave, 2016; Farrington, Venter & Richardson, 2017; Gwija et al., 2014; Noor, Mahmud, Nga et al., 2017; Ruiters & Matji, 2016).

#### **3.8.1 Community support for a culture of youth entrepreneurship**

The findings revealed, among things, that a major inhibiting factor for entrepreneurship development is lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in the community (Gwija et al., 2014).

This runs counter to the traditional South African notion of Ubuntu (Nel, 2017), an African ideology that values moral practice and the intention to act in manner which is respectful and honest. Ubuntu as practised in South African culture seeks to benefit society rather than just the individual; however Ubuntu is not widespread and more effort is required for communities to benefit. Nel recommends that South Africa needs to develop a culture of Ubuntu to provide collective benefits for all entrepreneurs, and sees it as crucial for bridging the disconnect between individualist and collective views.

#### **3.8.2 Community influence on business types**

Research conducted by Farrington et al. (2017) suggests that owners of second-generation businesses in South Africa believe that having a family business is important to stakeholders, compared to younger first-generation business owners who are less influenced. In a study of 300 participants in SMEs the majority did not advertise their businesses as family-owned businesses (Farrington et al., 2017). This suggests that youth are not influenced by the community in relation to family businesses. Most businesses do not have family heritage and legacy giving them benefit from a family name, since these take years to achieve (Farrington et al., 2017).

### **3.8.3 Community entrepreneurial attitude**

Research conducted by Anderson and Gaddefors (2016) suggests that entrepreneurship has a positive impact for the community by creating meaning that can revitalise an uninspired and unproductive community. In Sweden ten years of fieldwork between 2004 to 2014 was analysed through interviews and observations with residents examining the interactions and outcomes of a tourism venture (Anderson & Gaddefors, 2016).

Entrepreneurship was found to be a catalyst which can motivate entrepreneurial action for communities (Anderson & Gaddefors, 2016). In addition, entrepreneurship is more than starting a business, but rather a “social organisation” which uplifts communities, creating more work opportunities. The successes of entrepreneurial action helps locals to create new organisations, it improves education and enhances community services. Moreover, entrepreneurship ventures provide passion for the local community and teach the community that difficult problems can be overcome (Anderson & Gaddefors, 2016).

### **3.8.4 Entrepreneurial opportunities in community**

Research conducted by Noor et al. (2017) suggests that rural communities in Malaysia require support from the government to become entrepreneurial. Noor et al. investigated the factors influencing an individual to commence a business in the local community and gathered data from over 60 local communities.

The most significant factors influencing business start-up were accessibility to finance, labour and basic infrastructure (Noor et al., 2017), while internal factors were enthusiasm, skills and self-confidence. These communities are encouraged by the perception that commencing a business will lead to financial rewards (Noor et al., 2017). In addition, individuals who start businesses, especially tourism-based, can improve living standards for those in the community.

### **3.8.5 Facilities and infrastructure in community**

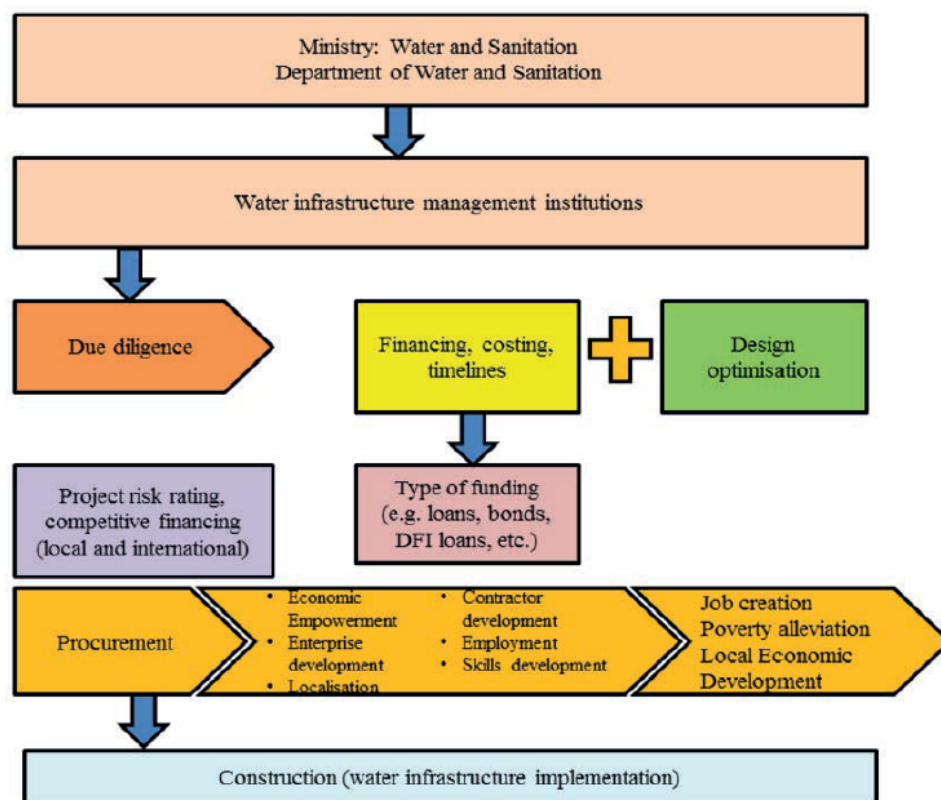
Chitiga et al. (2016) explain that inadequate long-term strategic planning has resulted in a lack of infrastructure, facilities and innovation for South Africans. Inadequate planning has stifled growth in the economy and created disconnect between geographical regions. Chitiga et al. note that the National Development Plan seeks to improve infrastructure and business capabilities, which can potentially reduce unemployment.

The National Development Plan, which is connected to the Infrastructure Development Act, provides a framework for changes that include the allocation of R800 billion to public transportation, electricity and infrastructure for the underprivileged to eliminate all forms of poverty (Chitiga et al., 2016).

These infrastructure changes can come in the form of access to water which is an essential resource for community, economy and businesses in South Africa (Ruiters & Matji, 2016). However, there are still ongoing issues with funding and financing for water due to inadequate water organisations and

governance models (Ruiters & Matji, 2016). The current models are outdated and need to be reconfigured to ensure business sustainability.

Figure 3-11 shows the importance of water infrastructure for the community in skills development, job creation, employment, poverty alleviation and local economic development (Ruiters & Matji, 2016).



**Figure 3-11: Business model for water infrastructure in South Africa** (Ruiters & Matji, 2016)

### 3.8.6 Communities: further observations

Another study that measures youth entrepreneurship is the Global Entrepreneurship Index, which analyses local and regional economies across countries (Herrington and Kew, 2016, Meyer et al., 2016). This index shows that no African countries are ranked in the top countries of the Global Entrepreneurship Index. It can be suggested that African countries lack entrepreneurial attitude compared to other countries and are less likely to have the requisite “networks, risk acceptance, cultural support and quality of education” (Meyer et al., 2016). Lack of support from communities that entrepreneurs interact with shapes their activity levels and their approach to business. These interactions and experiences can teach entrepreneurs to make educated decisions which are essential for entrepreneurial growth and success (Meyer et al., 2016).

One promising trend since 2001, noted in a longitudinal study conducted by Herrington and Kew (2016), suggests that attitudes in South Africa relating to “opportunity and capability perceptions” have improved by almost double, which suggests that youth have an optimistic attitude about starting a business.



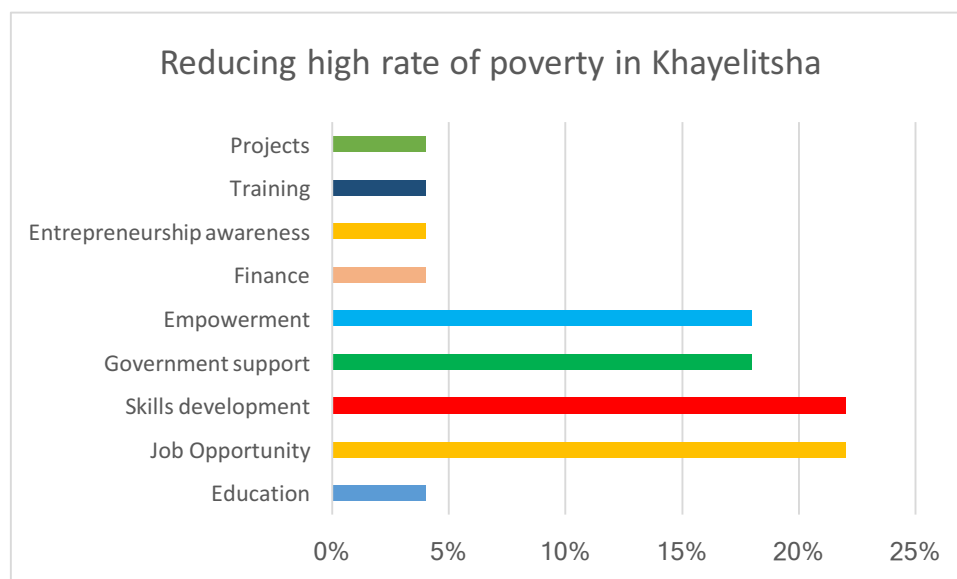
### 3.9 Small and medium-sized businesses

In Figure 3-4, “Small and medium-sized businesses” is identified as a systemic role-player that can be either an intermediary or, in adverse cases, a barrier.

Youth encounter barriers to entrepreneurship from small and medium-sized business that prevent work experience opportunities and industry training. These barriers are further discussed in relation to transfer of skills and network building. In addition, small and medium-sized businesses can be negatively affected by crime, preventing business start-up in high-risk areas. Youth entrepreneurs can also encounter high levels of competition, preventing them from commencing businesses (Adeniran & Johnston, 2016; Mahofa, Sudaram & Edwards, 2016; Grabrucker & Grimm, 2016; Jugmohan, Mtapuri & Giampiccoli, 2017; Mbinda & Spencer, 2016; van der Westhuizen, 2016).

#### 3.9.1 SME skills transfer and training to youth entrepreneurs

Black women in South African townships are affected most by skills shortage (Mbinda & Spencer, 2016, p. 165). In Khayelitsha, an informal township in Western Cape, there is a lack of entrepreneurial support for small and medium-sized business. Findings by Mbinda and Spencer (2016) suggest that participants require skills development (22%) and job opportunities (18%) to reduce the high rates of poverty in Khayelitsha.



**Figure 3-12: Reducing poverty in Khayelitsha** (Mbinda & Spencer, 2016)

Entrepreneurial support programmes combined with mentorship and training stimulate sustainable growth for SMEs (Mbinda & Spencer, 2016, p. 165). These programmes need to be easily accessible in the community so that business owners do not have to travel long distances. In addition, government should evaluate which resources are available for entrepreneurs and bridge these gaps, eliminating barriers to entrepreneurship.

### **3.9.2 Business development support from SMEs**

Research conducted by van der Westhuizen (2016) indicates that youth entrepreneurs who participated in the 2014–2015 SHAPE project received support from “Business Friends” or SMEs in the form of support and guidance from experienced entrepreneurs.

Jugmohan et al. (2017) report however that youth in the tourism sector are adversely affected by poor collaboration between key role players in government and SMEs. Tourism is a critical economic income generator and provides jobs for nascent businesses, benefiting society and unskilled youth, and helping workers to transition from part-time to full employment (Jugmohan et al., 2017). South African entrepreneurs are not benefiting the tourism industry as much as they should, because, according to Jugmohan et al. (2017), SMEs need to be more collaborative in their initiatives. Decentralised tourism support offices are needed to facilitate youth and SME involvement and encourage a collaborative approach to improve employability and assist youth to become more empowered (Jugmohan et al., 2017). To make a measureable difference, SMEs need to engage more directly with youth (Jugmohan et al., 2017).

### **3.9.3 High levels of crime**

Research suggests that high levels of crime reduce business entry in South Africa (Edwards et al., 2016). Their 10-year longitudinal study calculating variance in business registration between 2003 and 2015 in municipalities across South Africa suggests that increased crime rates negatively impact business entry. The findings show a significant reduction in business entry for crimes that target property, more so than contact crime. In addition, high costs are associated with preventing crime, making small and medium-sized business more susceptible to failure because of their lower profit margins.

In addition, perception levels influence business decisions because entrepreneurs base decisions on fear rather than facts (Mahofa et al., 2016). Wholesale and retail are the industries at high risk because of valuable stock. Edwards et al. recommend that robust industrial policies are needed from government to assist small and medium-sized businesses and improve security for South Africans.

However, crime is not the sole contributor in low entrepreneurial activity: in a study examining the relationship between crime and workers in South Africa, Grabrucker and Grimm (2016) found that crime was not a significant contributor in “low share” of self-employment and that there was no negative effect on performance of businesses from crime. There was a small negative association between robbery and self-employment, but overall crime was not a major cause of low profitability for workers; more significant were geographical boundaries and distances between formal and informal centres, which could influence the profitability share (Grabrucker & Grimm, 2016).

### **3.9.4 High levels of competition**

Research conducted by Adeniran and Johnston (2016) suggests that information communication technology (ICT) can significantly assist South African entrepreneurs to acquire a competitive

advantage. Data from South African SMEs suggest that purchasing ICT equipment can enhance competitiveness in the market, although entrepreneurs need to integrate these systems by being creative and innovation.

South African youth entrepreneurs starting SMEs should not resist competition, but rather react by adding value in the business (Adeniran & Johnston, 2016, p. 59). Embracing competition by using ICT to boost their networking capabilities can help SMEs to improve staff interactions, supplier offerings and innovation (Adeniran & Johnston, 2016, p. 78). In this way, youth entrepreneurs can react to opportunities and customer needs ahead of competition.

Changing business environments can sometimes negatively affect SMEs in South Africa that have a limited budget for ICT hardware, software and telecommunication (Adeniran & Johnston, 2016, p. 72).

### **3.9.5 Small and medium-sized businesses: further observations**

Small and medium-sized businesses are vulnerable to external environment changes. In discussions with the researcher, a local entrepreneur (Roland, 2016) who owns a small business commented that “the environment has a major effect on the success or failure of a medium-sized business” and that he personally had experienced some major challenges because the building industry in South Africa, especially in Durban, has been declining due to the environment, with industry demand for engineering equipment supplied by his business extremely low compared to previous years. Furthermore, his “business is suffering” and he would have to make significant changes to survive another year. These external barriers were forcing him to consider liquidation since his cash flow was suffering.

Research by Meyer et al. (2016) indicates that small businesses contribute to job creation, generate innovative ideas and help to create sustainable enterprise. These researchers explain that small and medium business entrepreneurs generate a substantial portion of GDP. Informal entrepreneurs also face many barriers in the informal sector and the key issues are usually high levels of competition, crime, lack of infrastructure and lack of funding (Meyer et al., 2016). The considerable competition in the informal sector limits demand opportunities, while the high levels of crime in the sector causes a number of constraints to growth and development (Meyer et al., 2016).

### **3.10 Large businesses and corporates**

Large businesses and corporates can benefit youth entrepreneurs through corporate social investment and can provide skills development and mentorship to youth entrepreneurs. It is crucially important for them to undertake talent recruitment programmes for university graduates to assist development. In addition, business can provide exhibitions to foster youth entrepreneurship and attract graduates (Botha & Bignotti, 2016; Dunn, Schier, Hiller et al., 2016; Edelman, Manolova, Shirokova et al., 2016; Naidoo & Hoque, 2017; Penn & Thomas, 2017; Reinhard, Pogrzeba, Townsend et al., 2016; Shittu, 2017; Zondi, 2016).

### **3.10.1 Corporate social investment**

According to Penn and Thomas (2017), corporate social investment (CSI) programmes are perceived to be effective but they lack support and management, and the criteria for measuring their success are unclear and subjective. A possible reason for companies claiming that they implement CSI programmes is to gain credibility and loyalty in the community.

Two retail banks in South Africa were investigated to identify whether employees involved in CSI initiatives were supported by the programmes (Penn & Thomas, 2017). According to Penn and Thomas (2017), the two retail banks did not support employees through CSI programmes, and the programmes were therefore not effective. It was recommended that there needed to be better management of CSI programmes to improve their effectiveness and optimise their value for the recipients.

### **3.10.2 Corporate skills development and mentorship to youth entrepreneurs**

Research conducted by (Dunn et al., 2016) suggested that educational institutions in Australia were at risk of imposing inflexible criteria for students moving into work-integrated learning. Work-integrated learning provides youth with the opportunity to learn within an industry and can greatly increase employability by improving students' skills and enabling them to gain experience.

According to Dunn et al. (2016), the eligibility criteria imposed by educational institutions primarily target second-year university students or students with high academic performance. These criteria are too restrictive, and corporations therefore need to contribute by reviewing the selection process (Dunn et al., 2016, p. 295). Strict criteria contradict the core purpose of work-integrated learning, which is to be unbiased, non-discriminatory and inclusive to all (Dunn et al., 2016, p. 295-306). Employers must show more involvement in work-integrated learning if they are to make a significant contribution to the equality of students, skills shortages and graduate employability.

In this regard, (Reinhard et al., 2016) discuss the importance of tertiary institutions collaborating with industry to improve work-integrated learning in South Africa, Germany and Namibia. In Germany, both industry and tertiary institutions collaborate and invest resources in work-integrated learning to provide students with skills and experiences that make them more employable.

Work-integrated learning for one major university in Germany is supported by 10 000 companies, indicating strong contributions from both university and business (Reinhard et al., 2016, p. 249). However, in South Africa and Namibia industries and businesses show weak contributions to work-integrated learning, which is a major problem because youth are not provided with valuable work experiences. There are, however, positive signs for work-integrated learning in the engineering sector for South Africa and Namibia (Reinhard et al., 2016, p. 260).

Commitment and engagement is higher for work-integrated learning process when industries are financially invested in the process (Reinhard et al., 2016, p. 261). South Africa and Namibia can

greatly improve work-integrated learning progress by partnering with community and industry, which will increase commitment from industry (Reinhard et al., 2016, p. 261).

A study by Shittu (2017) differs from previous research in suggesting that large corporations in Nigeria invest in the future of the country by supporting youth entrepreneurship through mentorship programmes. Among these corporations is SAB Miller, which runs mentorship programmes to help youth entrepreneurs become more innovative and teach mentees pro-active steps to transform ideas into reality. Categories of entrepreneurship activity in Nigeria are 50% wholesale and retail, 25% service industry, and 7% agriculture (Shittu, 2017). The remaining 22% do not commence a business, showing that youth entrepreneurs still require support.

### **3.10.3 Other types of entrepreneurship support to youth entrepreneurs**

A study conducted by Naidoo and Hoque (2017) examines the effects of corporate apprenticeships for South African artisans. Artisans enrolled in a three-year apprenticeship programme at Simtech were more likely to receive permanent employment than those who were not enrolled (Naidoo & Hoque, 2017). However, should these interns experience an unsupportive working environment, the likelihood of achieving full-time employment would be significantly reduced (Naidoo & Hoque, 2017).

In their recommendations, Naidoo and Hoque (2017) advise that apprentices need to show their commitment in a strong work ethic, which can influence employers to help with further work opportunities. Business owners need to match interns with mentors who can manage their development and be accountable for internship outcomes. Government needs to evaluate these internship programmes to assess effectiveness and ascertain whether taxation incentives are providing a worthwhile return to the economy. And when companies abuse these programmes, penalties should be enforced to ensure compliance.

Artisan apprenticeship programmes need to provide a wide range of transferable skills that can be used in different industries (Naidoo & Hoque, 2017). Furthermore, interns should not be placed directly into internship roles from grade 12; instead they should accumulate relevant skills in line with the company that is providing the internship programme (Naidoo & Hoque, 2017).

### **3.10.4 Talent recruitment programmes for university graduates**

Although efforts have been made to incorporate entrepreneurship in tertiary institutions in South Africa, the structure and impact of these programmes remains unclear (Botha & Bignotti, 2016). Botha and Bignotti (2016) examined over 20 South African tertiary education systems and gathered data on whether the current education programmes included internships. There were positive outcomes for internships for both entrepreneurial intent and entrepreneurial self-efficacy.

The importance of a strong partnership between government and industry is illustrated in a one-year internship programme created by the Department of Science and Technology in which 200 students in five provinces studying mechanical, electrical, industrial and civil engineering are provided with an opportunity to gain work experience in industry (Zondi, 2016). Along with the benefit to the students,

the companies also benefit from the opportunity to boost their competitiveness through the new talent they acquire in students who complete the one-year internship and become permanent employees.

### **3.10.5 Support from large corporates to inform of business opportunities**

Research conducted by Reinhard et al. (2016) suggests that although South Africa has educational programmes that are connected to industry, these programmes lack resources and expenditure from industry. In addition, tertiary students enrolled in the engineering field are provided with more work experience opportunities than students studying for other qualifications. Institutions that provide work experience opportunities also offer funding for students in work experience programmes. Industry in South Africa shows more commitment when financially invested in a work experience programme (Reinhard et al., 2016). Because the programmes give them practical experience, students who complete these programmes are more employable than students who have not had work exposure.

### **3.10.6 Large businesses and corporates: further observations**

At mundo-system level (United Nations) and macro-system level (national government) corporate social investment (also referred to as corporate social responsibility) might help with youth development and training of youth and entrepreneurial activities (van der Westhuizen, 2016). Corporate social investment refers to business practices involving programmes that benefit the community as a whole, including youth development (Caramela, 2016). A business's corporate social investment can encompass a wide variety of operations to assist the environment or help people grow in the community through development programmes (Sparkes, 2014). Corporate social investment is when a business assesses its compliance and ensures that all policies are in alignment with ethical and international norms (Sparkes, 2014). Sometimes companies advance these policies and ensure that local communities benefit from the firm's operations.

Reporting on a hydropower plant in a developing country Sparkes (2014) found that the company had implemented policy that supported corporate social investment to benefit youth through employment. Along with educational programmes, the hydropower plant also offered youth trainee positions to improve business skills and experience. Sparkes (2014) notes in addition that to protect youth from being outsourced these companies only accepted funds from foreign investors if the "foreign workers did not exceed ten per cent of the total labour force." The hydropower plant also had a programme called "Edu-training" which involved live performances of music to educate youth in volatile areas about social economic problems they faced and how to deal with them.

In another business review, Matthew (2013) discusses support for youth entrepreneurship activities that large companies give through development programmes. Over a period of six years from 2013, BP South Africa is investing R105 million in the Targeting Talent Programme to help 900 Grade 10, 11 and 12 students from rural areas. The programme addresses lack of role models in the community coupled with poor teaching of tutors and a curriculum that requires continued support. In focussing on these weaknesses, the Teaching Talent Programme has assisted 95% of the participants to matriculate, with most participating in tertiary-level study (Matthew, 2013). The success of the

programme has motivated BP to continue the corporate social investment for the next decade to promote youth development and actively improve South Africa's economic development (Matthew, 2013).

Another company that provides corporate social investment to support youth entrepreneurs is the Old Mutual Foundation (Melass, 2015). The foundation assists schools to improve skills and development capacity. Melass (2015) explains how one school in particular has recognised the importance of skills development through partnering, taking active steps to improve business skills for emerging and micro-enterprises. With the guidance from 100 staff, one school has assisted 600 youth from disadvantaged backgrounds to obtain skills and employment (Melass, 2015). Business-school collaboration and support has enabled youth to get trade accreditation that provides them with knowledge to pursue entrepreneurial activities (Melass, 2015).

### 3.11 Synthesis

The key constructs from the literature outlined in this chapter translate into the different sections of the empirical investigation which are discussed in the chapters that follow, and key aspects that have been identified will translate to factors being investigated empirically in each section of the investigation tool.

#### *Personal barriers in relation to systemic intermediaries*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- external aspects influencing the entrepreneurial personality traits of youth entrepreneurs
- entrepreneurship education and training
- financial support
- collective creative thinking
- support from intermediaries for youth entrepreneurs when making decisions in planning a new business
- working teams

#### *Educational institutions*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- entrepreneurship training and skills development in higher education
- entrepreneurship programmes to increase entrepreneurial self-confidence
- supporting entrepreneurship programmes in formal and supplementary tuition
- entrepreneurial-orientated institutes
- attendance

#### *Government agencies*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- municipal support to youth entrepreneurs
- municipality mentorship to youth entrepreneurs

- policy on entrepreneurship
- municipal support to entrepreneurial action
- government funding to youth entrepreneurs

#### *Private sector agencies*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- growth services offered by private sector agencies
- private sector agencies distribution of information and entrepreneurship news business development support
- mentorship
- private sector agencies role and purpose to develop youth entrepreneurs
- what are private sector agencies?
- different types of private sector agencies in South Africa

#### *Communities*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- community support to a culture of youth entrepreneurship
- community influence on business types
- community entrepreneurial attitude
- entrepreneurial opportunities in community
- facilities and infrastructure in community

#### *Small and medium-sized businesses*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- SME skills transfer and training to youth entrepreneurs
- business development support from SMEs
- high levels of crime
- high levels of competition

#### *Large businesses and corporates*

The literature indicated the following factors as potential barriers to youth entrepreneurship:

- corporate social investment
- corporate skills development and mentorship for youth entrepreneurs
- other types of entrepreneurship support for youth entrepreneurs
- talent recruitment programmes for university graduates

### **3.12 Conclusion**

This chapter indicated various intermediaries that supported youth entrepreneurs, some being considered as barriers preventing youth from achieving their entrepreneurial goals.



### *Personal Barriers in relation to systemic intermediaries*

Youth who lack motivation will experience barriers to entrepreneurship because successful entrepreneurs are persistent and driven to achieve profits. In addition, youth who are conformist and focused purely on themselves will experience barriers to entrepreneurship (Ernst & Young, 2017). Personal barriers are influenced more by family background than by entrepreneurial education, which could suggest that lack of family support can be a major barrier to youth entrepreneurship (Herman & Stefanescu, 2017).

Venter (2017) explains that youth who have only have a business plan will experience barriers in starting a business. Youth who don't know who to contact for critical business support will experience barriers. In addition, universities are not linking curriculums with practical real-world business experience. Research conducted by Rector et al. (2016) suggests that youth entrepreneurs that own SMEs in South Africa require external debt financing from banks. Debt financing is a major barrier preventing youth entrepreneurs from achieving business growth.

### *Educational institutions*

Educational institutions that have poor relationships with government and businesses are less likely to provide employment opportunities and skills for youth (Kucel et al., 2016). Education without teaching entrepreneurial skills is a barrier to youth entrepreneurship, and without policies to improve entrepreneurship universities are limited in what they provide (Amadi-Echendu et al., 2016). In addition, entrepreneurship programmes which do not measure longitudinal effectiveness are somewhat misleading (Rauch & Hulsink, 2015, p. 199). Youth entrepreneurs are often forced into entrepreneurship through necessity, especially in low-income areas without being provided with innovative skills (Pambe, 2017).

### *Government agencies*

There is limited municipal support for youth entrepreneurs from the eThekweni municipality and the City of Johannesburg, which is considered a major barrier to youth entrepreneurship. The eThekweni Municipality website provided limited knowledge and direction for youth entrepreneurs (Walford, 2017). The City of Johannesburg appeared to lack clarity on how to solve youth unemployment. Youth based in townships are disadvantaged and are two times less likely to receive a loan from banking institutions.

### *Private sector agencies*

Private sector agencies are perceived as organisations that rapidly implement change without being hampered by bureaucracy (McEwan et al., 2017, p. 47). However, the majority of private sector agencies are not prepared for the reality of community development and the complexity of creating change for youth entrepreneurs (McEwan et al., 2017, p. 47).

### *Communities*

A major inhibiting factor for entrepreneurship development is lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in local communities (Gwija et al., 2014).

Chitiga et al. (2016) explain that poor planning has resulted in lack of infrastructure, facilities and innovation for South Africans, which is a major barrier for youth entrepreneurs. This has stifled growth in the economy and created disconnect between geographical regions (Chitiga et al., 2016).

#### *Small and medium-sized businesses*

Mbinda and Spencer (2016, p. 161) suggest that there is a skills shortage in the townships of South Africa and that youth have to travel long distances to receive support and resources. Crime is considered to deter entrepreneurs from starting a business, and whereas large businesses are able to sustain costs incurred from crime, small businesses do not have the resources and finances to operate in locations affected by crime (Mahofa et al., 2016). Changing business environments can sometimes negatively affect SMEs in South Africa that have a limited budget for hardware, software and telecommunication (Adeniran & Johnston, 2016, p. 72).

#### *Large businesses and corporates*

The effectiveness of corporate social investment programmes is unclear. A possible reason for companies claiming to have CSI programmes is to gain credibility and loyalty within the community, which is a barrier to youth entrepreneurs because measuring outcomes is unreliable (Penn & Thomas, 2017). In South Africa, industries and businesses show weak contributions to work-integrated learning, which is a major problem because youth are not provided with valuable experiences (Reinhard et al., 2016, p. 249). In addition, businesses which are not financially invested in work-integrated learning show less engagement than those which are invested.

The aspects identified above, together with the factors relating to each aspect, were used as question sections and question items in the empirical investigation discussed in chapters 4 and 5.

## **Chapter 4**

### **METHODOLOGY, RESEARCH PHILOSOPHY AND DESIGN**

#### **4.1 Introduction**

This research aimed to explore barriers affecting youth entrepreneurship from a systemic perspective. This chapter outlines the research philosophy, study design and research methodology, (which incorporates sampling methodology, method of data collection and data analysis). It also covers ethics related to this research study, pilot study, issues related to reliability and validity, and project planning. Justifications for these choices are presented.

The research design was structured on the Research Onion of Saunders (2009), which has five stages: a) research philosophy b) research approaches c) research strategies and d) time horizons. A mono-method research approach was adopted. The approach is quantitative, based on numerical and standardised collection, analysis and interpretation of data (Cohen & Manion, 2013). In addition, the study measured and determined the impact of a predefined set of variables which were considered to be barriers to youth entrepreneurship.

#### **4.2 Research aim and objectives**

It is increasingly difficult to become a successful entrepreneur (Stefanović and Stošić, 2012, van der Westhuizen, 2016). In addition, entrepreneurial activity is low and shows no signs of improvement (Herrington and Kew, 2016). Moreover, low entrepreneurial activity is amplified by inadequate government programmes and policies, private sector agencies, communities and educational institutions (van der Westhuizen, 2016). As a consequence, youth aspirants encounter frequent difficulties, and finding solutions to some of these barriers could assist youth entrepreneurs (Meyer et al., 2016). This study also investigated personal barriers in relation to systemic intermediaries encountered by youth entrepreneurs to provide further insight into personality traits that could be involved; however, the primary focus was on external barriers. Entrepreneurial personality traits are perceived by scholars such as Bandura (2001) as a factor that is internal to the entrepreneur. However, in this research, rather than investigating internal cognitive factors, the focus is on how external systemic role players influence youths' entrepreneurial traits. The research aim was to determine what external barriers are encountered by youth entrepreneurs in relation to systemic intermediaries.

In order to set out a framework to investigate the research aim, the following research objectives were formulated:

1. To determine external systemic barriers that influence youth entrepreneurs (personal barriers).

2. To determine external barriers encountered by youth entrepreneurs in relation to educational institutions.
3. To determine external barriers encountered by youth entrepreneurs in relation to government agencies.
4. To determine external barriers encountered by youth entrepreneurs in relation to private sector agencies.
5. To determine external barriers encountered by youth entrepreneurs in relation to communities.
6. To determine external barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses.
7. To determine external barriers encountered by youth entrepreneurs in relation to large businesses and corporates.

Deriving from these objectives, the following research questions were formulated which were investigated quantitatively by means of a structured questionnaire:

1. What are the external systemic barriers that influence youth entrepreneur's (personal barriers)?
2. What are the external barriers encountered by youth entrepreneurs in relation to educational institutions?
3. What are the external barriers encountered by youth entrepreneurs in relation to government agencies?
4. What are the external barriers encountered by youth entrepreneurs in relation to private sector agencies?
5. What are the external barriers encountered by youth entrepreneurs in relation to communities?
6. What are the external barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses?
7. What are the external barriers encountered by youth entrepreneurs in relation to large businesses and corporates?

### **4.3 Research design**

Research design is a blueprint for the methodology to follow.

This section details both the research design and research methodology. The research methodology encompasses the methods systematically chosen by the researcher in performing research operations, and stipulates the sampling methodology, methods of data collection, and subsequent analysis in order to ensure that results address the research aims and ultimately the research problem (Saunders, 2009). Saunders (2009) explains the research design in terms of what he calls the Research Onion, which has five stages, as illustrated in Figure 4.1.

This involves a series of decisions before arriving at the overall approach of the research design and data collection technique.

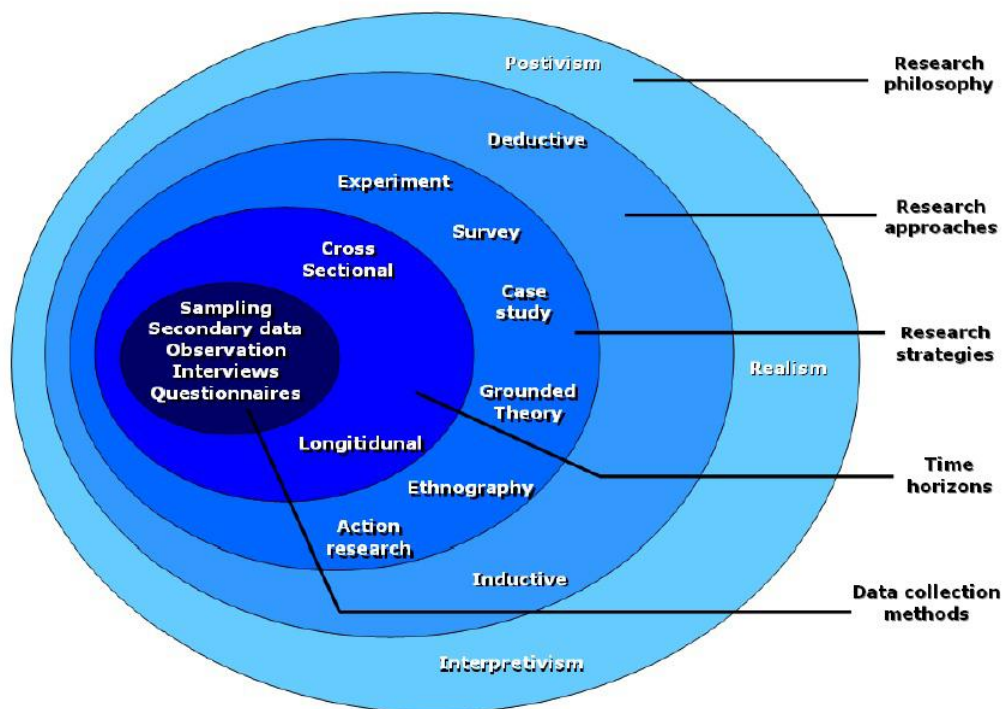


Figure 4-1 Research Onion<sup>1</sup>

## 4.4 Research philosophy

Research by Callaghan (2009) suggests that social scientists investigate their subjects according to explicit or implicit assumptions in order to provide understandings about the world. Callaghan (2009, p. 161) lists three assumptions in this regard:

- Ontology, which is an assumption relating to the subject which is being researched
- Epistemology, which is an assumption relating to the basis of knowledge which one is using
- Methodology, which is an assumption which aims to provide knowledge.

In addition, Callaghan (2009, p. 159) lists four dimensions, sorted from regulation to extreme change on one axis, and from subjective to objective on the other axis:

- Interpreting information through subjective perspectives
- radical humanist perspective which views information as associated with radical change
- structural perspective associated with extreme Weberian theories
- functionalist perspective, which is similar to systems theory

Callaghan (2009, p. 160) explains in addition that no completely organised classification of theoretical perspectives is possible; he gives the following examples of potential perspectives:

- A collection of differing theoretical positions including positivism and modernism. These perspectives are commonly neutral and universal and aim to describe, analyse and improve.
- A collection of theoretical perspectives including critical theory and structuralism. These perspectives offer objective data and sometimes change power relations. In addition, this information is objective and universal in nature.
- A collection of theoretical perspectives including interpretivist and generalisability. These perspectives aim to provide descriptive information which could be used to explain phenomena.
- A collection of theoretical perspectives including post-modernism, social constructivism which is associated information which does not make judgement and consists of subjective and non-traditional perspective. The aim of this collection is to create unity.

This perspective in this study is functionalistic, rather than one of the other three theoretical perspectives described above (Crossman, 2018). The functionalist perspective is a major perspective in sociology and provides insight into how social order is developed and remains stable (Crossman, 2018). In addition, this theory is primarily focused on the macro level of social order rather than micro level (Crossman, 2018). Functionalism is also related to positivist, realist and modernist theoretical perspectives (Callaghan, 2009, p. 161). Two further elements in research assumptions are described by Callaghan (2009, p. 161) as follows:

Ontology is an assumption about phenomena being investigated and is further described by whether reality exists as a consequence of the world, or from ones perception.

Epistemology is an assumption relating to how people understand and communicate their information to others. In addition, this assumption is also related to how one interprets knowledge, as subjective or objective. Epistemology is also defined as positivism and is further explained in the social world through casual relationships. Moreover, positivists consider that the growth of knowledge is cumulative whereby new research and ideas are added to older ones (Callaghan, 2009).

This study operates from a positivist research philosophy, proceeding from the viewpoint that the researcher must concentrate on real, hard facts gained through observation, including measurement (Cohen & Manion, 2013). Furthermore, the researcher maintains distance from the research (Cohen & Manion), the role of researcher is limited to data collection and interpretation through an objective approach, and the research findings are usually observable, quantifiable and scientific. This approach uses an ontological position which means social circumstances are created by social interactions between people (Callaghan, 2009).

In addition, Callaghan (2009) discusses the concept of human nature in terms of voluntarism and determinism. Voluntarism explains how people make decisions and are free-willed, whereas

determinism explains how peoples' activities can be a result of the environment. This study follows a combination of determinist and voluntarist assumptions about human nature.

## 4.5 Research strategy

Research strategy has been described as the road map towards the goal of the research; it defines the process for achieving this goal in obtaining answers for the research question (Saunders, 2009).

The research strategy for this thesis was established by adopting a method according to which the research objectives could be answered. In selecting a research strategy, it is important to consider the link between theory and research implied from the questions, together with epistemological and ontological consideration which will have an influence on outcomes.

There are two types of research strategies: quantitative and qualitative (Cohen and Manion, 2013). Examples of the various forms these strategies can take can be describes as follows:

- Experimental research is a rigorous research methodology and is effective for testing the causation when testing variables. This is considered important because it provides insight into the connection between cause and effect. In addition, there are commonly two groups which are being reviewed: the experimental group and the control group (Shange, 2016).
- Case study is a qualitative research method which provides detailed data on the subject under investigation. This is tested in a real-life context and a timeframe is provided. In addition, case studies examine fewer participants compared to survey research. A case study can also consist of groups, incidents and locations (Shange, 2016).
- Action research aims to analyse participants through active participation while research is being conducted (Coghlan & Brannick, 2014). The purpose of this type of research is reflective in nature and progressive in problem solving. In addition, this type of research is applicable in this study having previously been implemented in the systemic action learning, action research project.
- Grounded theory is the discovery of patterns in data which allow the researcher to develop theory. This theory provides the researcher with a tool to investigate and conceptualise social trends and areas of focus, thereby providing the researcher with an explanation (Glaser & Strauss, 2017).
- Ethnography research is a type of qualitative research which examines characteristics of communities. In addition, this type of research focuses on complex phenomena and views the bigger perspective, rather than focussing on smaller components (van Hulst, Koster & Vermeulen, 2015).
- Archival research involves extracting evidence from original records. This type of research is more time-consuming and involves searching, locating and interpreting information (Tamboukou, 2014).

- Survey research is used in researching people and uses a list of questions which are aimed at a particular targeting group. Survey research may be conducted by telephone, email or in person (Nardi, 2018).

For this study the researcher adopted survey research as an appropriate research strategy. The research used data obtained from a questionnaire addressed to a particular population to investigate youth entrepreneurship in South Africa. Fitting the context of the present investigation, survey research aims to observe and view a small group which is considered to be representative of a whole population (Shange, 2016). Following Shange (2016), the survey data thus obtained provides information on which are the major barriers to youth entrepreneurs in South Africa. Shange further describes survey research as beneficial when participants are spread over a large geographical area, which was the case in this study as participants from the original action learning action research programme were spread throughout South Africa. In addition, survey research is used to gather data on a phenomenon which currently exists, rather than historical information (Shange, 2016).

The survey strategy is typically associated with a deductive approach and is used in answering *who*, *what*, *where* and *how many* questions. In addition, a deductive approach is also a common strategy in entrepreneurial or business research, and lends itself to exploratory and descriptive investigation, such as testing the variables that act as barriers (Saunders, 2009). The chosen method was a mono-method approach whereby a single data collection technique is used with corresponding data analysis process.

#### **4.5.1 Research approach**

This study uses a quantitative approach. A quantitative research approach for social sciences can be described as being objective through providing measurement based on statistical, mathematical, or numerical analysis of data collected through questionnaires, and surveys (Nardi, 2018). In addition this study used a survey in following the quantitative research strategy, which is suited to analysis of a census sample, as was the case in this study (Shange, 2016).

The purpose of this method is to gain unbiased results which can be generalised to the larger population (Creswell, 2013). However, even though literature describes the advantage of quantitative methods as not being subject to bias, it is impossible to eliminate bias; it can only be reduced (Nardi, 2018; van der Westhuizen, 2017). Further it was noted in the limitations of this study, that this investigation is applicable to a very specific sample; therefore it may not be generalizable to all South African youth.

#### **4.5.2 Time horizon**

According to Saunders (2009), a time horizon exists when the researcher views the sample from one particular point in time, providing a 'snapshot' in time.

This study is cross-sectional in that it examines cause and effect of the variables measured simultaneously (Creswell, 2013). In addition, cross-sectional studies are commonly used for survey



research to examine the data based on a single point in time (Callaghan, 2009). The cross-sectional design was selected as the most appropriate considering time and budget limitations. This also helps to determine the relationship between or among variables and provide empirical evidence on whether or not variables are related, and it provides information about cause and effect of relationships between different questionnaire sections and question items (Creswell, 2013).

The time horizon for collecting questionnaires was initially planned for two weeks of data collection consisting of a full day's work. In the event this turned out to be impractical because of difficulty getting in contact with the participants. The collection therefore took place over an extended duration of 3 months of calls and reminders, making it possible to contact respondents who were not available at the time of initial phone calls or emails.

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To summarise, the research design followed a positivist, cross-sectional, deductive research philosophy utilising a survey research strategy investigating a predefined case, namely the SHAPE systemic action learning action research project.

## **4.6 Research methodology**

The next section details the methodological aspect of the study including the sampling methodology, methods of data collection and data analysis.

### **4.6.1 Sampling methodology**

There are two type of sampling techniques (Upton, 2017):

- probability or random sampling
- non-probability or non-random sampling

Every element in the population has a known and equal chance of being selected (Saunders, 2009). Probability sampling uses random selection to ensure that each individual has an equal opportunity of being selected to achieve a representative sample (Cohen and Manion, 2013). In contrast, in non-probability sampling the probability of each case being chosen from the total population is not known and not equal (Saunders, 2009). Moreover, non-probability is a sampling technique which does not give all the individuals in the population equal opportunity of being chosen, and therefore cannot be considered representative (Cohen and Manion).

The target population is defined as the entire group of elements the research aims to investigate (Upton, 2017). The target population for this research were 60 young men and women who had been enrolled in the 2014–2015 SHAPE systemic action learning action research project (Shifting Hope, Activating Potential Entrepreneurship). The participants were contacted telephonically and emailed to gain responses.

The study was a census study that investigated the entire study population. A census study is a study of everyone or everything, in a population (Creswell & Creswell, 2017). The total count is therefore a complete enumeration of those involved. The benefit of the census study is that it collects data accurately and can be used to define a true measure of the population without sampling error (Creswell & Creswell, 2017). In addition, this information can be used for future studies and provides detailed information on small subgroups in the population. However it is important to remember that a census study has limitations in that it is likely to involve considerably more time and expense and takes more time to release data than sample research (Creswell & Creswell, 2017).

## **4.7 Data collection method**

In collecting the requisite data to answer the research questions, there will be various methods of data collection that inherently fit each research approach. Qualitative research favours interviews, focus groups and observations, whereas quantitative research leans more towards questionnaires, checklist related observations, secondary data analysis involving numerical data, rating scales and coding systems (Upton, 2017). In this study a questionnaire, developed in Google Forms, was used to survey the population. An embedded link to the survey was coded into the SHAPE project website (WordPress format), taking respondents to the survey with options to tick, click and write comments. A link to this survey was emailed to the sample. The demographic section of the questionnaire asked for names and surnames, but because the site was open for public access, responses not related to the name of a member of the census population were disregarded. Data collection using this method was unsuccessful since only one response was obtained from the entire census population despite several reminder emails sent to the sample. A second attempt was then made sending the questionnaire by email to both primary and secondary email addresses of all participants. This too was unsuccessful yielding only four responses, and giving a total of just five responses gathered electronically. The eventually successful solution was to contact participants by telephone.

Calls to each participant were made during working hours; if participants were busy, a further call was made at a time provided by the participant. In some cases surveys were partially completed and a subsequent call back was required to complete the questionnaire. In the course of each phone contact the participant was advised of the informed consent.

With the geographical dispersion of participants, telephonic data collection was the most effective means of obtaining responses. The question items were read to the respondent, who then answered on the scale provided. Additional conversation with the respondent was avoided to limit bias.

## **4.8 Questionnaire Development**

The questionnaire comprised the following eight sections; seven relate to the seven research questions:

Section 1: Biographical and demographic details

Section 2: Personal barriers in relation to systemic intermediaries

Section 3: Educational institutions

Section 4: Government agencies

Section 5: Private sector agencies

Section 6: Communities

Section 7: Small and medium-sized businesses

Section 8: Large businesses and corporates

A seven-point Likert scale was used to capture the participants' responses in two test formats. A Likert scale is a psychometric scale commonly used for research questionnaires and is the most widely used approach to scaling responses in survey research (Creswell, 2013). Possible response formats were

- 1 – Entirely disagree; 2 – Mostly disagree; 3 – Somewhat disagree; 4 – Neither agree nor disagree; 5 – Somewhat agree; 6 – Mostly agree; 7 – Entirely agree.
- 1 – No extent; 2 – Very small extent; 3 – Small extent; 4 – Neutral; 5 – Moderate extent; 6 – Great extent; 7 – Very great extent.

The third response format in the questionnaire gathered demographic details.

Certain question items were negatively phrased: #8 - I consider my personality traits to hinder my progress in becoming an entrepreneur; #10 - I have experienced difficulty accessing financial support to start my own business; #11 - Coming up with ideas especially on-the-spot creative thinking is challenging when planning a business; #12 - Decision making is challenging for myself when planning a new business; #33 - I feel my community does not have an entrepreneurial attitude.

## **4.9 Data analysis**

Research methodology culminates in analysis of the data. Relevant theory on the nature of data is briefly discussed below, followed by the steps involved in the analysis.

There are four types of measurement levels: nominal, ordinal, interval and ratio:

- Nominal scales are used to describe labels or names (e.g. male or female). These scales are used to classify data and are not used to measure. Moreover, nominal scales are for specific categories (Allen & Seaman, 2007).
- Ordinal scales are measurements of non-numeric concepts which are ordered (entirely disagree, mostly disagree, somewhat disagree, neither agree nor disagree). They show order of magnitude because there is no standard of measurement (Allen & Seaman).
- Interval scales are numeric scales where the order is unknown. They provide a measure of classification that describes the information through values which are linked to variables (Allen & Seaman).

- A ratio scale has an absolute zero and no quantity can be measured. A ratio scale has all the properties of an interval scale and has measurable distances interval (Allen & Seaman).

The two utilised levels of measurement for this study were nominal and ordinal scales. Nominal tests included demographic data, and a question was added to determine whether participants were aware of any organisation in Durban that offers free support for youth entrants to develop their own business. Participants were asked to name the organisations they were aware of. Ordinal scales were used on a seven-point Likert scale to test for attitudes on each of the seven dimensions.

Parametric tests are based on theoretical distributions in order to make inferences about populations based on sample data. They are therefore heavily distribution bound and require that underlying sample distributions are normally distributed, demonstrate equality in variance (and homoscedasticity), and where measures are independent. This study additionally utilises structural equation modelling and experimental factor analysis which require that sampling adequacy, homoscedasticity, multivariate normality, outliers, unidimensionality of constructs, and multicollinearity are met.

The most common parametric assumption is that data are approximately normally distributed. The Kolmogorov-Smirnov and Shapiro-Wilk tests were run, and revealed that data were not normally distributed. Nominal and ordinal levels of measurement will in most cases violate the assumptions underlying parametric tests (De Vaus, 2013).

As such, non-parametric equivalents were chosen for all required tests. Non-parametric tests do not rely on assumptions about the parameters of the underlying population distribution. As such, both descriptive and inferential statistics relating to each research question were utilised, such as the Mann-Whitney (where there were two means), the Kruskal-Wallis (where there more than two means) and the Spearman's ranked rho (non-parametric equivalent of the Pearson's correlation coefficient). Levene's statistics was utilised to test for univariate homogeneity of variance.

The regression assumptions were tested for. Collinearity was tested for with tolerance estimates and variance inflation factors (VIF), where tolerance estimates needed to be greater than or equal to 1, and VIF less than 10. Positive definiteness was tested through an examination of the outliers, and tested for looking through an examination of residuals, and utilising the Mahalanobis distance. Linearity was assessed by looking at the scatterplot matrix for each variable, and the best fit line was fitted to the data in order to assess the extent of linearity. Homoscedasticity was determined by fitting a Loess line to as scatterplot of each plotted variable. Homogeneity of variance was tested through regression. In order to estimate composite reliability for structural equation modelling, Joreskog rho was used as an estimate of homogeneity when the index is  $> 0.7$ . An exploratory factor analysis was run to test the variables in the hypothesised model in order to investigate the barriers experienced by youth entrepreneurs. KMO and Bartlett's test of sphericity were utilised to assess the adequacy of the sample, and to test the overall significance of all the correlations in the correlation matrix. Varimax rotation was utilised, and a specification of seven fixed factors to extract was stipulated. Coefficients smaller than an absolute value of 0.4 were suppressed.

SPSS 25 was used to generate descriptive and inferential statistics, including:

- The median (this value separates the higher half of the data from the lower half and is considered the middle).
- Skewness is a measure of symmetry and the relative size of the two tails and a normal distribution will have a skewness of zero. Kurtosis is a measure of the total sizes of the two tails and the amount of probability).
- Spearman's rho ranked correlation (to determine any significant correlations between aspects).
- Kruskal-Wallis (to determine any significant differences between factors acting as barriers to successful youth entrepreneurs in data with more than two means, and in populations with two means).
- Mann-Whitney is a non-parametric test of the null hypothesis that is equally likely that a randomly selected value from one sample will be less than or greater than a randomly selected value from a second sample).

Where statistics met the assumptions underlying non-parametric tests ANOVA was used to investigate the seven research questions and displayed through percentages, medians and frequencies)

*Independent variables:* The independent variable is that which is being manipulated and which represents the inputs in the experiment; that which is being controlled by the researcher in the study (McLeod, 2008). The independent variables in this study were

1. personal barriers in relation to systemic intermediaries
2. educational institutions
3. government agencies
4. private sector agencies
5. communities
6. small and medium-sized businesses
7. large businesses and corporates

These variables or dimensions were each used to rank the level of barriers experienced by youth entrepreneurs. There were no dependent variables measured; instead independent variables were used as indicators of barriers to youth entrepreneurial opportunities.

#### **4.10 Data quality control (reliability and validity)**

Cronbach's alpha is a measure of internal consistency which shows how closely related a set of variables are as a group (Cohen & Manion, 2013). In essence it is an estimate of the reliability of a psychometric test. Cronbach's alpha was used to measure internal consistency of the instrument and accounted for multidimensionality by isolating and measuring each of the seven constructs.

Reliability and validity are two concepts which can assist the researcher in measuring bias and distortion (Srivastava & Rego, 2011). Moreover, reliability refers to the consistency with which an instrument measures a construct, whereas validity refers to the extent to which the instrument measures what it says it is measuring (Srivastava & Rego). In other words, validity measures strength and accuracy of a research design (Srivastava & Rego), whereas reliability measures consistency and repeatability. In addition, reliability on its own is not adequate and it therefore needs to be valid (Srivastava & Rego).

#### **4.11 Pilot survey and results**

A pilot test is a small-scale test used ahead of a larger test and intended to improve the study design prior to implementation of the full research project (Thabane, Ma, Chu et al., 2010). The purpose of the pilot test is to test the feasibility of the survey questions that are potentially to be used in the larger scale (Thabane et al.). A pilot test is important because it is a miniature trial to test whether the researcher has provided questions that are understandable and appropriate for the target audience (Thabane et al.).

A pilot test can be defined as a small-scale preliminary study which is used to improve the study design prior to the full scale research project (Creswell & Creswell, 2017). Pilot tests are useful because they evaluate feasibility and cost and serve as a trial to improve testing (Creswell & Creswell). The pilot test also shows whether there are any problems with the test design and whether question items and format are suitable for participants (Creswell & Creswell).

A pilot study was undertaken with all student mentors who had attended the 2014–2015 SHAPE project. These student mentors had been at postgraduate level during the 2014–2015 period of the programme, had completed their postgraduate qualification and were all currently working. They had served as “business-friend mentors” to the student entrepreneurs who participated in the project. All (five) student mentors were contacted for the pilot survey and provided feedback via telephone. They provided useful feedback for the researcher, leading to the following changes being made to the survey:

- The scale was changed from a 5-point Likert scale to a 7-point Likert scale to create more valuable content, as some of the respondents had tended to provide many neutral answers.
- In addition, one participant advised that the construct “Educational Institutions” should be included at the beginning of the survey, rather than the end, because educational institutions were considered to be an important focus for the study.
- It became apparent that some questions in the questionnaire were difficult to understand. These questions were rewritten to phrase them more simply.

Broadly, the pilot respondents indicated that the questionnaire was well-written and logical. This pilot test provided valuable insight for the development of the final research instrument.

Descriptives were assessed, and zero variance noted in two items. Negatively phrased questions were negatively coded, and the reliability measures assessed through the utilisation of Cronbach's Alpha. The results were as follows:

<b>Dimension</b>	<b>Alpha</b>
Personal	$\alpha = 0.802$ (n = 5)
Government	$\alpha = 0.598$ (n = 5) <i>**small sample size, and zero variance in one item - The sessions with my municipality mentor was helpful</i>
Private sector	$\alpha = 0.675$ (n = 6)
Community	$\alpha = 0.683$ (n = 5) <i>**small sample size, and the item "Facilities in my community is good for business development" caused inconsistency, most likely to individual differences in communities from which they stem from</i>
SMEs	$\alpha = 0.765$ (n = 5)
Large businesses	$\alpha = 0.434$ (n = 4) <i>**small sample size, and the item "while being a student entrepreneur we received several visits from large companies representatives to inform us about business opportunities" caused inconsistency, most likely to different individual experiences thereof</i>
Educational institutions	$\alpha = 0.731$ (n = 5)

In view of the poor reliability measures and zero variance items, despite the small sample size, the following changes were made:

- The order of question items was changed.
- Syntax and grammatical changes were made to question items.
- The Likert scale response format was changed from a 5-point scale to a 7-point scale response to improve precision and sensitivity.
- Open-ended questions in the demographic section were changed to closed ended fixed responses.
- Questionnaire sections were reshuffled to be precisely aligned with the order of the research questions and objectives.

## 4.12 Research ethics

Ethical approval for this study was granted by the University of KwaZulu-Natal Ethics Review Board (see Appendix 1). The respondents were also informed at the beginning of each telephone interview about consent and ethical issues, and about how the research information will be disseminated.

The ethical issues in this study are informed consent, confidentiality of information and anonymity for all participants. This was explained to participants and also that they were free to choose whether or not to participate. The data captured was stored and the researcher was the only person who had access to the locked data. The computer on which the data were stored was kept secure and password-protected. The anonymity of participants was protected and individuals were not identified at any point or time during the study.

Aggregate data were used to ensure anonymity, avoiding personal identifiers. Although participants' names and surnames were available to the researcher because they had been part of the bigger research project, their identities were replaced by numerical coding to comply with their consent.

Findings of the research will be disseminated to the sample population after the investigation has been concluded. This will hopefully be through a publication of findings in a DHET accredited journal.

### 4.13 Research project planning

Following initial involvement as a practitioner in the SHAPE systemic action learning and action research project, the researcher decided to broaden his academic scope and registered for a fulltime full research M Comm in the second semester of 2016. A two-year research project plan was drafted in 2016, which was mostly followed.

*Research project plan - drafted by researcher in 2016*

August–October 2016	Prepare research proposal and apply for funding
November 2016	Research proposal presentation and address criticisms from panel feedback
January–March 2017	Writing literature review chapters, submit to supervisor for feedback and make necessary changes
April 2017	Compile Likert scale questionnaire with open-ended questions, based on literature review Submission of ethical clearance and hopefully obtainment of ethical clearance
May 2017	Pilot study, analysis of pilot study and make necessary changes if necessary before starting with fieldwork
June 2017	Executing empirical research - fieldwork
July–September 2017	Data analysis and interpretation
October–November 2017	Write-up of research methodology chapter. Submit to supervisor for feedback and make changes to supervisor's recommendations
January–February 2017	Write-up of chapters and submit to supervisor for feedback. Make corrections to supervisor's recommendations
March–April 2018	Write final chapter as well as first chapter and submit to supervisor for feedback
May–June 2018	Final corrections, proof reading, editing, formatting and printing of Master's degree.

### 4.14 Conclusion

This study was designed to explore barriers to youth entrepreneurship from a systemic perspective. A mono-method, quantitative research strategy was selected as the most appropriate for this particular research question. A cross-sectional study was conducted with participants who had completed the



2014–2015 SHAPE project. Data were collected using a telephonically administered questionnaire and analysed quantitatively producing descriptive and inferential statistics.

Findings from the research are outlined and discussed in Chapter 5.

## Chapter 5

### FINDINGS, INTERPRETATION AND DISCUSSION

#### 5.1 Introduction

This chapter presents and discusses the findings of the study. In the previous chapter it was explained that the target population for this research was the group of students who had participated in the inaugural 2014–2015 cycle of the SHAPE systemic action learning and action research project for aspirant student entrepreneurs. The students were at that time in their second year of a B Comm degree at the University of KwaZulu-Natal in Durban, South Africa. The present study quantitatively investigated perceived barriers to youth entrepreneurship among this group. The empirical investigation for this present research took place in 2017 and two years had thus elapsed since the sample underwent their original experiences. This needs to be taken into consideration since the participants' biographic and demographic profile might have changed over time in the two-year interval. In this census study, from an original target population of 60, natural attrition after the two-year interval reduced the population to an eventual total of 53.

The chapter begins with a discussion of the response rate followed by a discussion on the instrument used. An outline is given of quality assessments testing the reliability using Cronbach's Alpha. Respondent demographics are then explored and generalisability of findings is discussed. Assumption of normality was tested using Kolmogorov-Smirnov and Shapiro-Wilk. Levene's Test was used to test for homogeneity of variance. Where data violated the assumptions, Kruskal-Wallis test for differences was used for data having more than two means, and further explored through use of cross-tabulations. Where only two sample means existed, Mann-Whitney was used to determine differences. Where tests data meets the assumptions underlying parametric assessments, ANOVA was used. Seven research questions were tested for using inferential statistics, descriptively using percentages, medians and frequencies.

The chapter is guided by these research questions:

1. What are the external systemic barriers that influence youth entrepreneurs?
2. What are the external barriers encountered by youth entrepreneurs in relation to educational institutions?
3. What are the external barriers encountered by youth entrepreneurs in relation to government agencies?
4. What are the external barriers encountered by youth entrepreneurs in relation to private sector agencies?
5. What are the external barriers encountered by youth entrepreneurs in relation to communities?
6. What are the external barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses?

7. What are the external barriers encountered by youth entrepreneurs in relation to large businesses and corporates?

To bring together all seven dimensions a structural equation was developed and a confirmation factor analysis (CFA) was run to test the hypothesised model.

## 5.2 Response rate

A response rate can be described a completion rate and is the number of people who answered the survey (Creswell, 2013). It is the completed or return rate which is calculated by the divided the number of completed surveys by the total target population.

The target population/sample was 60 youth who had participated in the 2014–2015 SHAPE project (Shifting Hope, Activating Potential Entrepreneurship); despite attempts to achieve a census, only 53 responses were collected owing to natural attrition, thus yielding a return rate of 88.33%.

Findings from this research might be generalisable to the 2014–2105 SHAPE participants but not to the broader population.

## 5.3 Test of assumptions

### 5.3.1 Normality

Both the Kolmogorov-Smirnov and the Shapiro-Wilk are significant, therefore data is not normally distributed, and non-parametric tests were run. See Appendix AA (test of normality).

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PERSONAL_COMPOSITE	.179	51	.000	.902	51	.000
EDUCATION_COMPOSITE	.123	51	.051	.946	51	.022
GVT_COMPOSITE	.098	51	.200*	.960	51	.082
PSA_COMPOSITE	.127	51	.040	.959	51	.072
COMM_COMPOSITE	.153	51	.004	.942	51	.014
SME_COMPOSITE	.212	51	.000	.868	51	.000
LBC_COMPOSITE	.241	51	.000	.839	51	.000

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

### 5.3.2 Positive definiteness

A test for positive definiteness was conducted using the Mahalanobis distance (see Appendix AA); the sample size was 53, the number of variables was 36, and alpha was set as 0.05. An examination of the residuals revealed there were no outliers, and the assumption was met.

### **5.3.3 Collinearity:**

Collinearity (see Appendix BB) was tested for with tolerance estimates and variance inflation factors (VIF). Tolerance estimates were greater than or equal to 1, and VIF smaller than 10 for all items except

1. SHAPE assisted me to have more self-confidence in becoming a youth entrepreneur
2. The eThekwini Chamber of Commerce contributed to my growth
3. The eThekwini Chamber of Commerce has kept me up to date with information and news on Chamber activities that helped me to be more entrepreneurial
4. I have received business development support from The eThekwini Chamber of Commerce
5. I have received training from small and medium-sized businesses to develop skill to start a business
6. I have received business development support from small to medium-sized businesses to assist in my entrepreneurship activities
7. I believe small businesses are extremely difficult to start due to high levels of competition
8. I am aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support youth entrepreneurs
9. Large companies offer talent recruitment programmes that will help my progress to become a successful entrepreneur
10. While being a student entrepreneur we received several visits from large companies' representatives to inform us about business opportunities.

This has implications for the structural equation model, but will be dealt with in confirmatory studies to follow.

### **5.3.4 Linearity**

Scatterplot matrices were developed for all items, and a best fit line fitted to the scatterplot, which revealed a linear relationship between most items. See Appendix CC. Assumption of linearity has been met.

### **5.3.5 Homoscedasticity**

A Loess line was fitted to a scatterplot to test for homoscedasticity, and was largely flat, indicating that the assumption has been met. See Appendix DD.

### **5.3.6 Homogeneity of variance**

Descriptive statistics were generated in order to test for the assumption of homogeneity of variance, and all values were < 10, revealing that the assumption was met. See Appendix EE.

## 5.4 Sample size

The sample was a census sample, which means that all participants were from the 2014–2015 SHAPE project. Due to natural attrition the final sample size was 53. The small sample size is noted in this research as a limitation, but was used in this case for investigation and testing.

In order to run a reliable and valid structural equation model, the suggested sample size is a minimum of 200. The effect size was set at 0.3, and level of statistical power 0.8. The latent variables in the model equalled 7, and the number of observed variables totalled 36. Alpha was set at 0.05. But because this study was more of a generative and exploratory one, the calculations for sample size were calculated as follows:

Anticipated effect size:	<input type="text" value="0.3"/>	?
Desired statistical power level:	<input type="text" value="0.8"/>	?
Number of latent variables:	<input type="text" value="7"/>	?
Number of observed variables:	<input type="text" value="36"/>	?
Probability level:	<input type="text" value="0.05"/>	?
<input type="button" value="Calculate!"/>		
Minimum sample size to detect effect: 170		
Minimum sample size for model structure: 109		
Recommended minimum sample size: 170		

As per the above, the sample was insufficient for the purposes of a structural equation model, and future studies will need to ensure they collect samples in excess of 170. However, for the purposes of this research a structural equation model was still run in AMOS with the current sample. Future research is recommended with a larger sample.

## 5.5 Reliability of research instrument

Table 5.1 provides reliability data on biographical details, personal barriers in relation to systemic intermediaries, educational institutions, government agencies, private sector agencies, communities, small and medium-sized businesses and large businesses including corporates.

**Table 5-1 Reliability of research instrument**

<b>Questionnaire section</b>	<b>Cronbach alpha</b>
Section 1: Biographic details	0.732, N = 35
Section 2: Personal barriers	0.581, N = 6 ** the item "I prefer working with others in a team environment when planning to start up a business" had the most variance, but no item, if dropped, increased the overall reliability. The lower reliability score is most likely due to a small sample size and the small number of items measuring the construct "Personal Barriers."
Section 3: Educational institutions	0.630, N = 5 ** The item "It is important to have both academic and non-academic programmes at university to support youth entrepreneurship programmes" attributed the highest variance, and if dropped, increased the reliability to 0.694. In addition, the sample size and number of items measuring the educational barrier construct was relatively small.
Section 4: Government agencies	0.658, N = 5 ** The item "The government has provided me with funding to pursue my entrepreneurial activities" attributed the highest variability, and if deleted from the scale, rendered a reliability measure of 0.752, making the section reliable.
Section 5: Private sector agencies	0.726, N = 5
Section 6: Communities	0.685, N = 5 ** The item "I feel my community does not have an entrepreneurial attitude" was reverse scored and still caused the highest inconsistency. When deleted, the overall measure yielded a reliability measure of 0.744, making the construct "community barriers" reliable.
Section 7: Small and medium-sized businesses	0.773, N = 4
Section 8: Large businesses and corporates.	0.846, N = 5

The data in Table 5.1 shows that all the constructs are reliable and relevant to the analysis. The first section of the survey provides information on demographics which provides insight into the participants being studied.

Construct reliability was assessed through an examination of Joreskog rho and revealed the following:

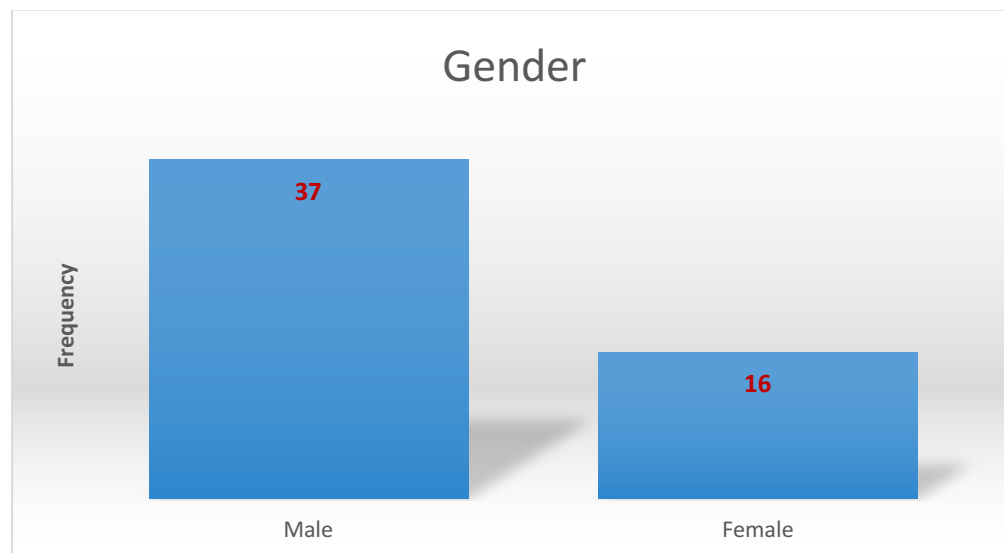
	AVE	CR
COMMUNITY	1.225	-0.381
EDUCATIONAL	0.356	0.709
GOVERNMENT	0.369	0.711
LARGE BUSINESSES	0.546	0.854
PERSONAL	0.226	0.593
PRIVATE SECTOR	0.541	0.815
SMEs	0.52	0.788

The findings demonstrate construct reliability for all composite measures, except community and personal dimensions. Convergent validity was assessed utilising Rho VC, where criterion is met if  $> 0.5$ . Validity was not achieved for educational, government, and personal dimensions. This will need to be re-assessed in future studies, where sample size, and formal model testing is conducted.

## 5.6 Demographics

As mentioned in the previous chapter and earlier in this chapter, it needs to be taken into consideration that participants' biographic and demographic profile might have changed from when they initially participated in SHAPE in 2014–2015 to when this investigation was conducted in 2017.

The demographics investigated were gender, age, race, highest level of education completed, current work or study status and province where based.

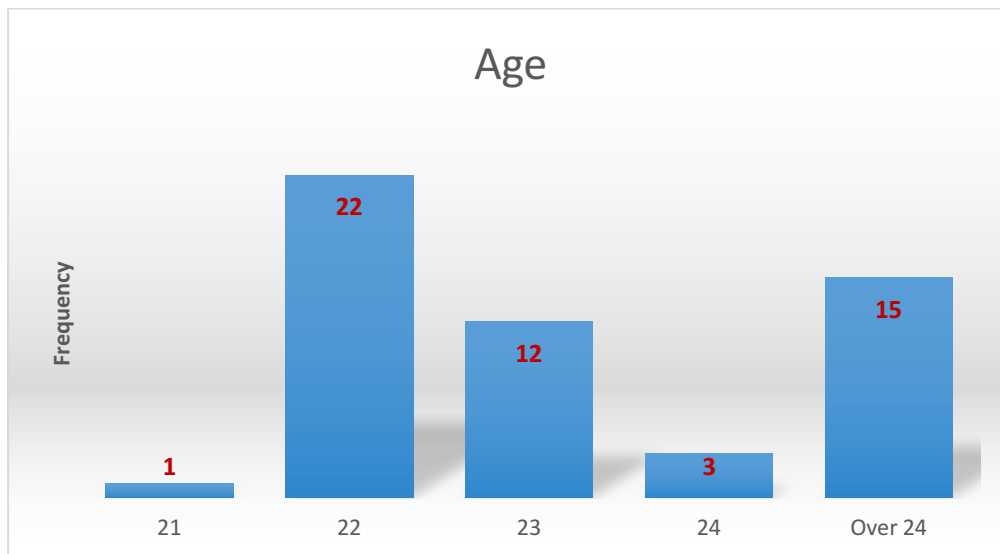


**Figure 5-1 Gender**

From Figure 5.1, 69.8% of the sample were male, and 30.2% were female ( $n = 53$ ), with a median of 1 (male) and right skew of 0.888, with the bulk of the distribution falling to the left. Figure 5.1 shows that 37 males and 16 females participated in the investigation. It appears that more than twice as many males as females participated voluntarily in the entrepreneurship initiative, although both genders had

equal opportunity to participate. This choice of participation is aligned with the literature which states that more South African males than females engage with entrepreneurship initiatives (Herrington & Kew, 2017). In the body of knowledge available on gender and entrepreneurship, there are several discussions that goes into psychological explanations of this phenomenon (Upton, 2017; van der Westhuizen, 2016; Weinberg, 2014). However, this research is intended to investigate barriers to youth entrepreneurship from a systemic perspective and will not go into deeper discussions on gender, psychology and entrepreneurship.

The next figure shows information on age which provides insight into the sample.

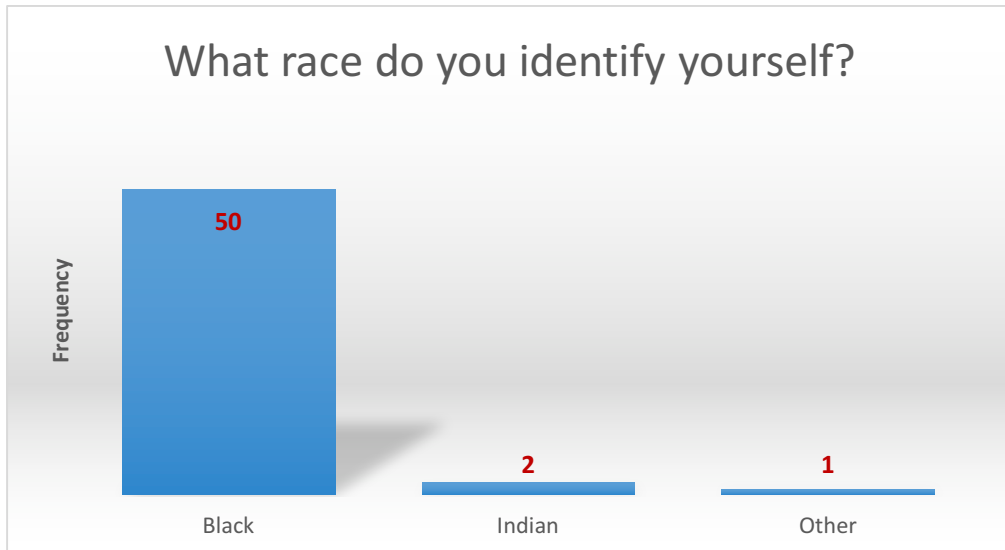


**Figure 5-2 Age**

Figure 5.2 shows that the largest age group was respondents aged 22 years (41.5%,  $n = 53$ ), with 28.3% over the age of 24 years, and 22.6% aged 23 years. The smallest represented age was 21 years (1.9%) and 24 years (5.7%). The median age was 5 (23 years) with a right, positive skew of 0.441, with the bulk of the distribution falling to the left. The next largest group were respondents 22 years of age, followed by those over 24 years of age. This implies that the majority of respondents (second-year students from the SHAPE 2015 programme) were 20 years of age when participating in the SHAPE initiative. It can therefore be interpreted that this age group is representative of the entire sample, but is not however generalisable to the greater youth entrepreneurial population.

The next figure below shows race identity, which provides insight into those which participated in 2014–2015 SHAPE.

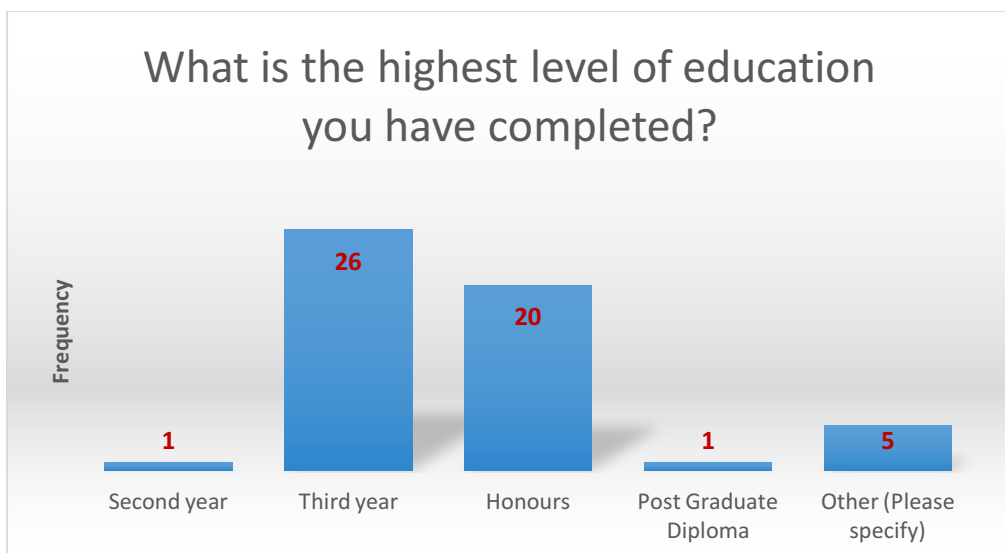




**Figure 5-3 Race**

The majority of respondents in Figure 5.3 were Black (94.3%,  $N = 53$ ), followed by 3.8% Indian, and 1.9% other. The median race was 1 (Black), with a right, positive skew of 4.786, with a peaked Leptokurtic kurtosis of 24.107. The majority of respondents were Black (50), followed by Indians (2) and the remaining demographic was one (White South Africans). This is aligned with the predominant demographic of the University of KwaZulu-Natal which is black African, specific to the UKZN student population which is most likely different to other student populations.

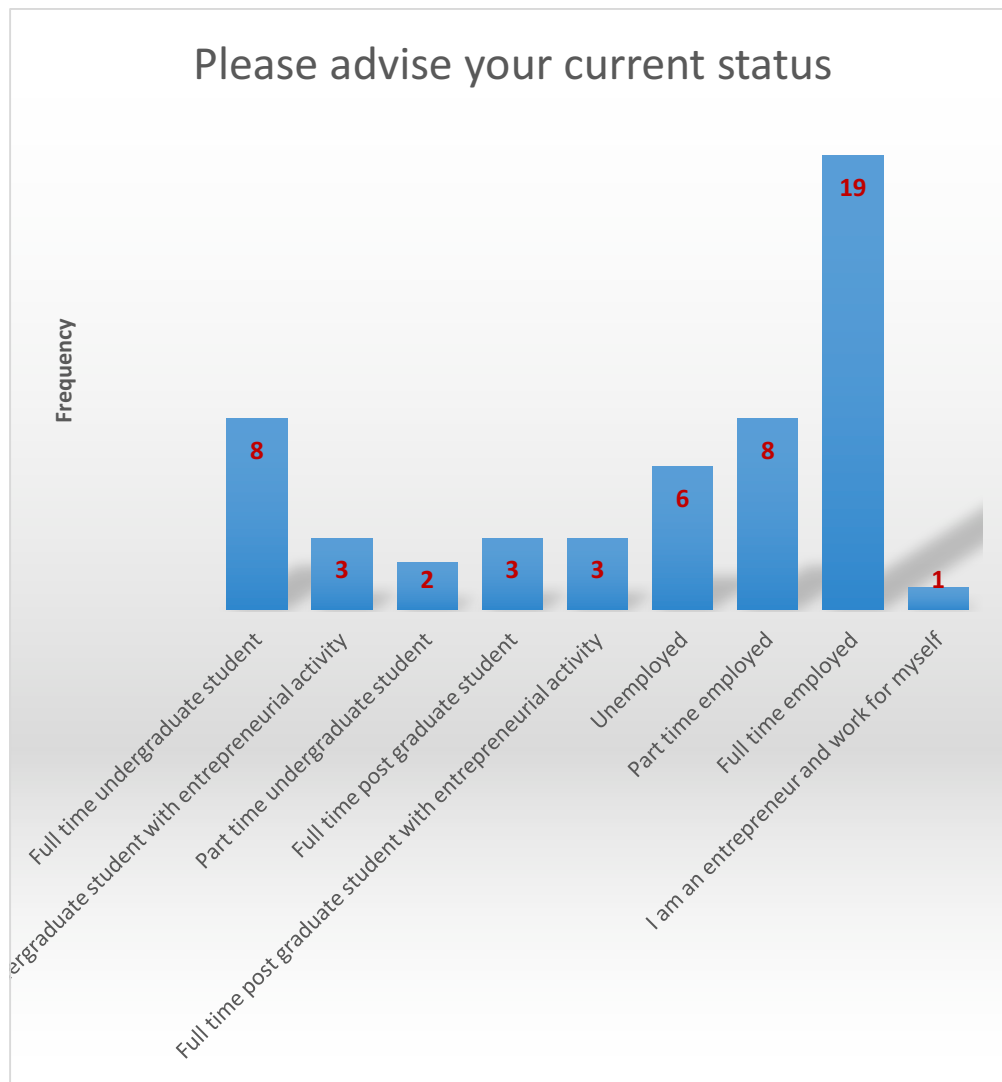
Following race, the researcher then investigated highest level of education completed to understand the effect of SHAPE on youth.



**Figure 5-4 Highest level of education**

Those respondents who advised that they were in second or third year in 2017, two years' post SHAPE project, may have encountered either personal or academic problems since they have not progressed academically. The bulk of respondents are third-year (49.1%) and Honours (37.7%) students, with equal minority representation from second-year and postgraduate diploma students (1.9%, N = 53). The median highest educational qualification was 2 (third-year students), with a right, positive skew of 1.282, and a Platykurtic kurtosis of 1.370. This demographic should be seen in the context that the participants were in the second year of their study when participating in the SHAPE initiative. The study shows that 20 participants had completed Honours, which suggests that they were making progress in life, and had the opportunity to move into postgraduate studies, employment, self-employment or a combination of employment and further study. The SHAPE project has possibly had a positive effect on the participants as the youth are: a) achieving academic goals, b) move into employment or c) engage with entrepreneurial action.

The next survey question investigated is current status of participants which is associated with highest level of education. It is important to understand whether the students have gained employment and/or have become entrepreneurial.



**Figure 5-5 Status**

The largest group of respondents were full-time employed (35.8%) which implies that they successfully a) completed the academic degree for which they were enrolled during their initial participation in the SHAPE project, b) developed capabilities to identify opportunities in seeking employment and c) pursue the employment opportunities. Opportunity Identification, according to Ernst and Young (2017) is part of the internal locus of control of an individual as well as a trait of Individual Entrepreneurial Orientation (IEO). Undergraduates were 15.1% and part-time employed were 15.1%; 11.3% of respondents were unemployed, and the remaining respondents were full-time undergraduate students with entrepreneurial activity (5.7%), full-time postgraduate students (5.7%), full-time postgraduate students with entrepreneurial activity (5.7%), with the lowest representation being students who were entrepreneurs and work for themselves (1.9%, N = 53). The unemployment rate in the third quarter of 2017 as reported by Statistic South Africa shows that youth aged 15 to 34 at 38.6% (meaning that of the 10.3 million, 30% were not in employment, education or training) and it might be generalised that the combination of a) respondents' participation in SHAPE and b) their

successful completion of academic qualification increased their employability as well as their ability to seek employment.

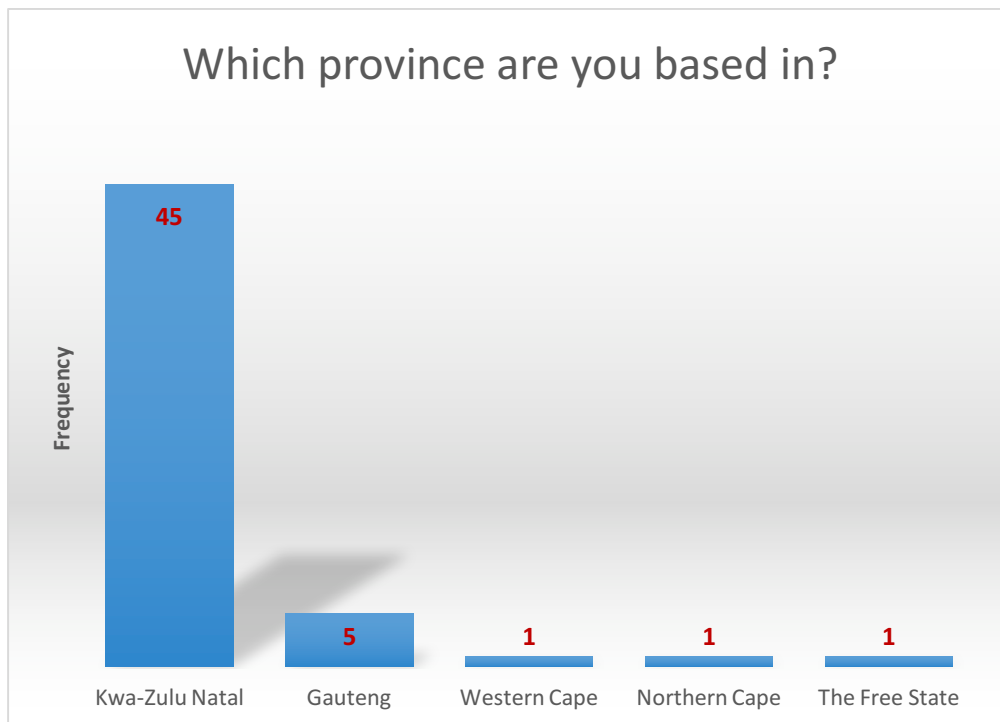
This median was 10 (part-time employed), full-time employed, and a left, negative skew of 0.770, with the bulk of the distribution falling to the right. Herrington and Kew (2017) suggest that 65% of youth are unemployed in South Africa. The investigation shows that 89% of youth are either employed or entrepreneurial two years after participating in the SHAPE project. Moreover, this suggests that only 11% of youth who participated in the SHAPE project are unemployed. This investigation shows that youth who participate in the SHAPE project are significantly more likely to be employed than those that do not participate in the programme. In addition, 38% of the total sample are working full-time and engaged in entrepreneurial activity.

This results of this study are supported by Rauch and Hulsink (2015, p. 199) and van der Westhuizen (2017), which suggests that entrepreneurial programmes have a positive effect on entrepreneurial attitudes and lead to entrepreneurial action after a programme. Moreover, entrepreneurial programmes which evoke a positive reaction from participants, together with the prospect that entrepreneurship is a rewarding career, motivate youth to pursue entrepreneurial activities (Rauch & Hulsink, 2015, p. 199). Similarly, the SHAPE project aims to inspire youth to be entrepreneurial, which corresponds with the findings by Rauch and Hulsink (2015, p. 199), suggesting further support for the positive effects of entrepreneurial programmes.

Further research supporting the success of entrepreneurship programmes includes the games system that has been implemented in South Africa universities which provides youth with skills in finances, marketing, management and sustainability (Pambe, 2017). Moreover, entrepreneurship-orientated institutions are assisting youth by enhancing their value for entering the workforce (Evers et al., 2016).

It is important to mention that respondents from the 2014–2015 SHAPE project were surveyed two years post SHAPE, which provided them with time to test their entrepreneurial skills. This lag time between intervention and surveying is described as a concern by Rauch and Hulsink (2015, p. 199), because the majority of past research on youth entrepreneurship is not longitudinal.

The next research question deals with the province in which respondents were living in 2017 and provides information which could be linked to employment.



**Figure 5-6 Province**

The majority (84.9%,  $N = 53$ ) of respondents were from KwaZulu-Natal, followed by Gauteng (9.4%), and the remainder of the sample were from Western Cape (1.9%), Northern Cape (1.9%) and the Free State (1.9%), with a median measure of 1 (KwaZulu-Natal) and a positive right skew with a high leptokurtic kurtosis, demonstrating a sharply peaked distribution, with a bulk of the scores falling to the left. Herrington and Kew (2017) state that the two provinces in South Africa that contribute the most to GDP and economic wealth are KwaZulu-Natal and Gauteng. This investigation supports this view that these two provinces are good geographical locations for employment and entrepreneurial activity, since the majority of participants were located in these provinces.

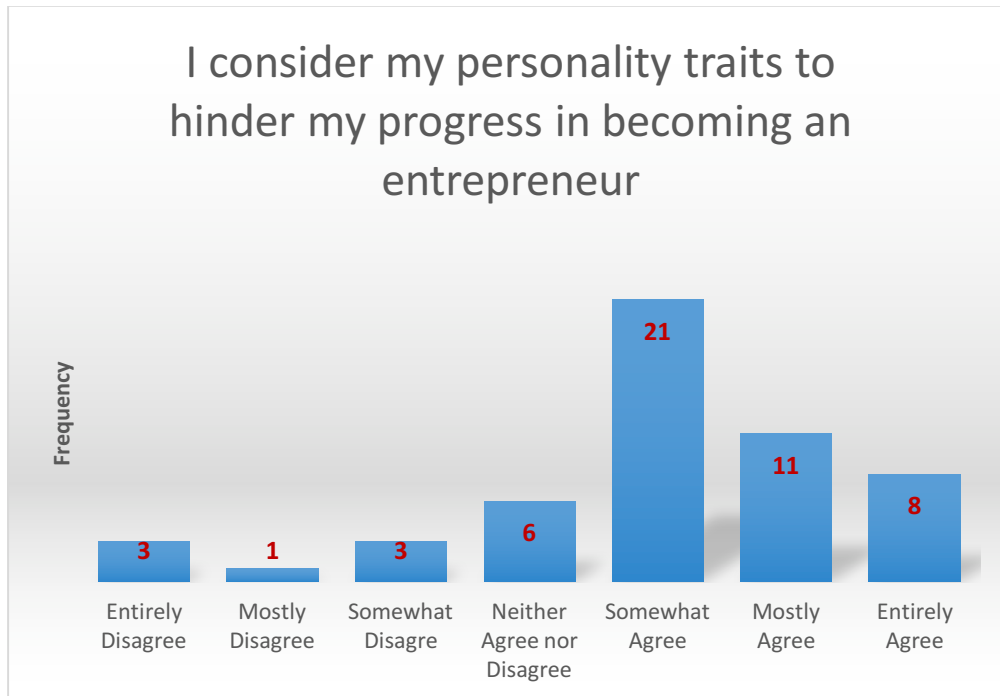
To summarise, the sample consisted of 53 participants of which 37 were male and 16 female. This sample volunteered to participate in the 2014–2015 SHAPE project and the gender of the sample is therefore reflective of the volunteers. It appears that 26 students completed their undergraduate qualification and 21 of them moved on to postgraduate studies, showing that students had been continuing to progress since 2014–2015 SHAPE; however it is important to remember that this is not representative of the entire sample

The first construct being investigated in this study is barriers to youth entrepreneurs in relation to themselves. The next section includes data on personality traits, education and training, financial support, creative thinking, decision making, and team work.

## 5.7 Research Question 1: Findings and Discussion

### 5.7.1 External systemic barriers that influence youth entrepreneurs

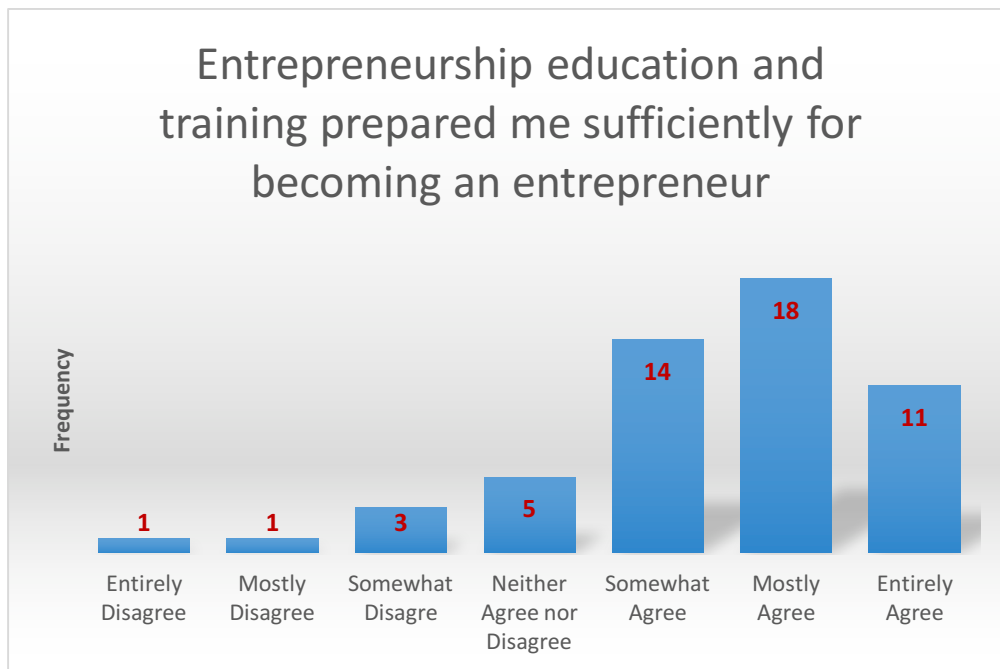
The first question item in this construct is personality traits and whether they negatively affect youth entrepreneurs.



**Figure 5-7 Personality traits**

This study conducted a survey in 2017 to investigate second-year students who participated in the 2015 SHAPE project. The majority of respondents agreed (75.5%, N = 53) that they consider their personality traits as hindering their progress in becoming an entrepreneur, and 13.2% generally disagreed with this statement.

The median measure was 5 (somewhat agree), with a left, negative skew of -1.017, and a flat Platykurtic distribution of 1.186. There is a significant difference in gender in this measure ( $U = 190.500$ ,  $p = 0.033$ ), and if we examine the crosstabs, males were more likely to opt for a disagree or neutral stance, whereas females were more inclined to agree. The majority of the respondents were Africans among whom business traditionally was dominated by a patriarchal realm. Government organisations like SEDA and business development agencies like Durban Chamber of Commerce have done a lot to uplift women in business (van der Westhuizen & Upton, 2017).



**Figure 5-8 Entrepreneurship education. See Appendix A.**

The majority of respondents (81.2%) in Figure 5.8 who were in second year in the 2015 SHAPE project agreed that their entrepreneurship education and training sufficiently prepared them for becoming an entrepreneur (N = 53); 9.4% disagreed, and 18.9% selected a neutral response, all of whom were males. The median measure was 6 (mostly agree), with a left, negative skew of -1.102, and a flat, Platykurtic kurtosis of 1.423. This indicates that personality traits are barriers to entrepreneurship. The investigation shows that education and training can assist youth to overcome these negative entrepreneurial personality traits which prevent them from achieving success in the workplace.

This finding is supported by previous research which explains that personality traits are considered barriers to youth entrepreneurship (Ernst & Young, 2017). These researchers explain that youth which have an internal locus of control are more entrepreneurial, than those who believe the world controls outcomes. This view is further supported by Herman and Stefanescu (2017), who explain that entrepreneurship education and training improves entrepreneurial intention and shifts the perception of youth to understand their own personality traits, which provides awareness of their own barriers. Moreover, according to Venter (2017) and van der Westhuizen (2017), real-world education and training provides a beneficial platform for building entrepreneurial skills in South Africa.

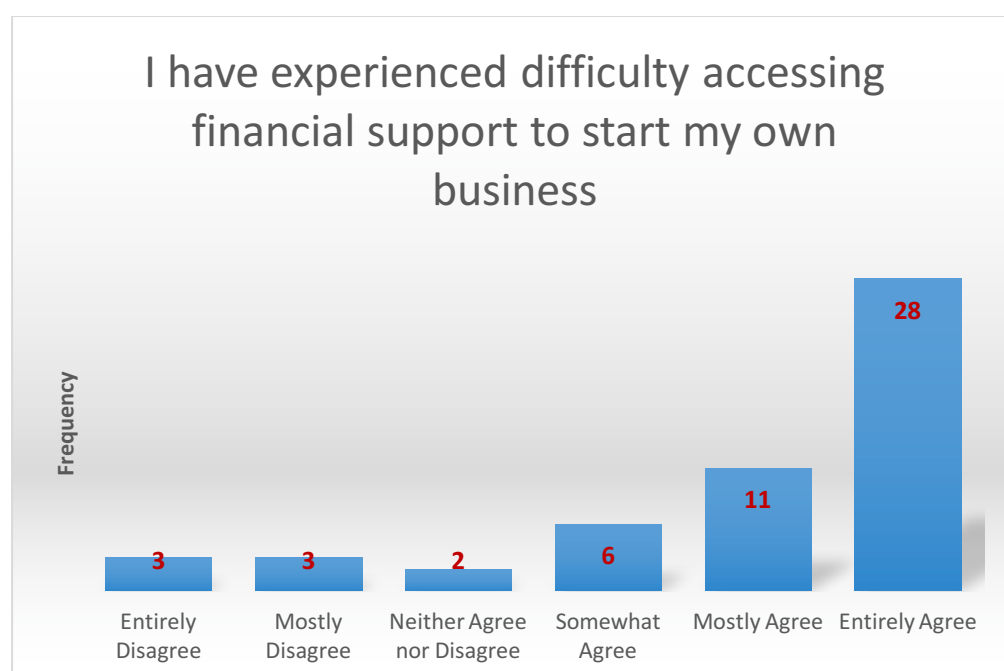
Education and training is considered to be crucial for youth entrepreneurs. As a consequence, the 2015 SHAPE respondents were provided with a unique opportunity to grow and develop throughout the programme, shifting their attitudes to prepare them for the world of work (van der Westhuizen, 2017). See Appendix A.

There was a significant gender difference in, entrepreneurship education and training preparing them sufficiently to become an entrepreneur ( $U = 182.500$ ,  $p = 0.023$ ), with males being more likely to opt for a disagree or neutral stance, and females being more inclined to agree. Herrington and Kew

(2016) mention that both educated and uneducated South African women experience difficulty in entering the workforce because they lack opportunities. In addition, only 6% of South African women engage in entrepreneurial activities, which is concerning because there has been a significant decline of 9% since 2014 (Herrington & Kew). The statistics in South Africa show that men engage in higher levels of entrepreneurial activity in South Africa.

van der Westhuizen and Upton (2017) explain that lack of role models combined with decrease in networking opportunities and low capital are major contributors to this gender disparity between men and women. In addition, female businesses are smaller and generate less profit than men's businesses. van der Westhuizen and Upton explain that female business owners employ around 23 employees, whereas male business owners employ around 29 employees. See Appendix A.

The next figure gives the data on youth experiencing difficulty accessing financial support.



**Figure 5-9 Difficulty accessing financial support**

As shown in figure 5.9, 15.1% of respondents from the 2015 SHAPE project generally disagreed that they had experienced difficulty in accessing financial support to start their own business, whereas 84.9% of respondents agreed, with over half (52.8%) of those agreeing entirely (N = 53). This question yielded a median score of 7 (entirely agree), with a left negative skew of -1.712, meaning the bulk of the distribution falls to the right, and a Platykurtic, flat distribution of 1.965.

A previous study confirms that youth experience barriers in accessing financial support (Rector et al., 2016). The authors explain that youth are not able to secure loans and get financial support, which is a major barrier and prevents youth from achieving their business goals. In addition, the authors explain that youth entrepreneurs stagnate because their poor credit ratings prevent them from

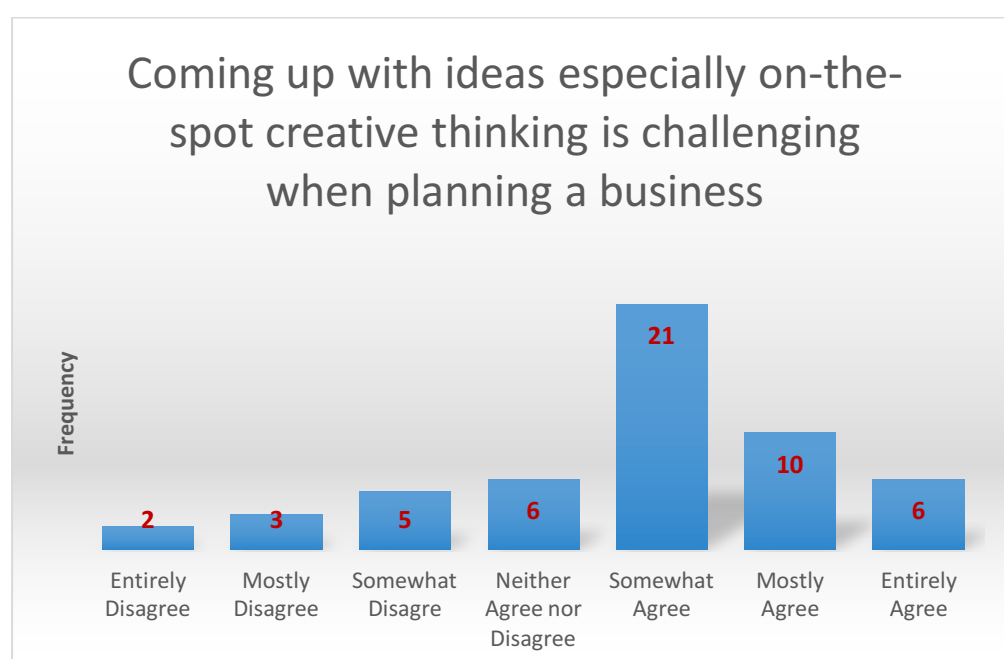


obtaining small loans (Rector et al., 2016). These financial barriers are further worsened by banks not providing clear guidelines for youth, making their business goals more problematic.

Further evidence from literature shows that youth with less financial support from their families were not able to apply knowledge they learned from the financial entrepreneurial programmes (Bausch et al., 2016); however, the effects of financial entrepreneurship programmes vary according to age, background and gender (Bausch et al., 2016).

It is thus evident that South African youth need to be incorporated into the financial system through banks and government to alleviate this major barrier.

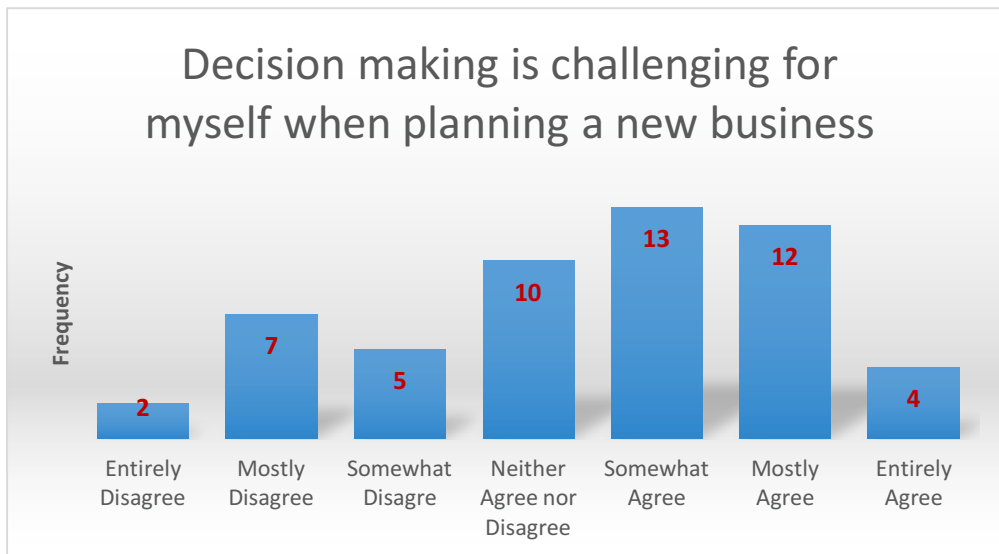
The next question item relates to creative thinking and ideas when youth entrepreneurs plan a business.



**Figure 5-10 Creative thinking**

Figure 5.10 shows that 18.9% of the respondents disagreed that they felt it challenging to come up with ideas, especially on-the-spot creative thinking, when planning a business, whereas a majority (69.8%,  $n = 53$ ) of respondents agreed that it was challenging. The median measure was 5 (somewhat agree) with a slightly negative, left skew of  $-0.736$ , with a flat, Platykurtic shape ( $0.306$ ). The Platykurtic flat-shape distribution might imply that the majority of the respondents find it difficult to produce or generate new ideas, which corresponds with literature findings on participants' ability to innovate (van der Westhuizen, 2017).

The next figure provides information on decision making when planning a new business.



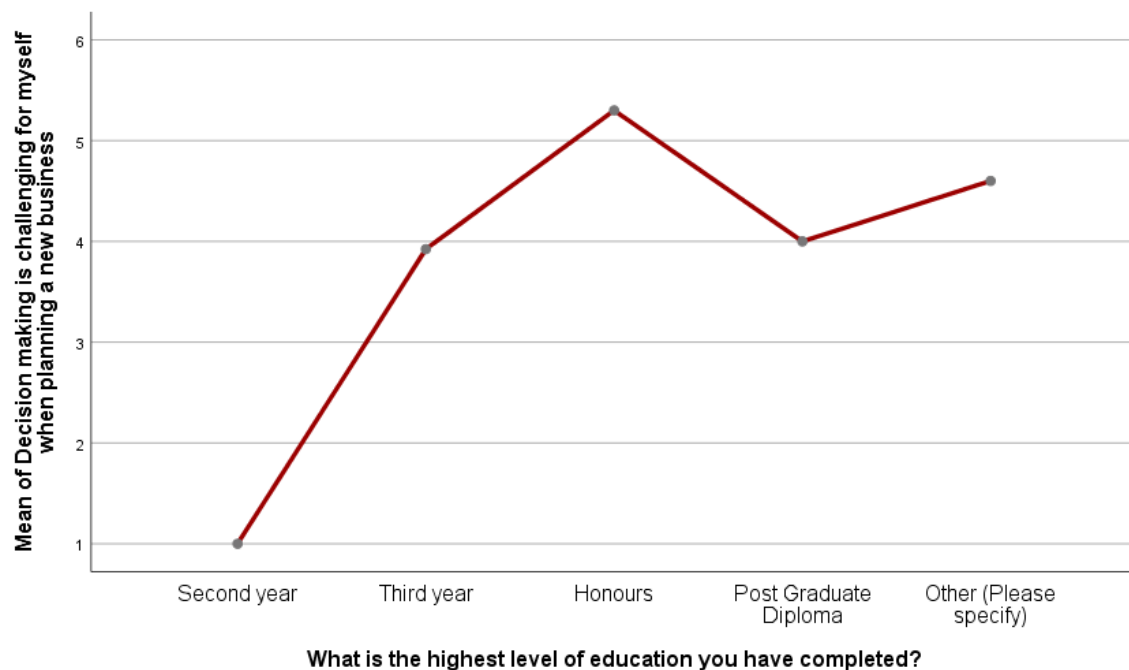
**Figure 5-11 Decision making**

Just over half (54.6%,  $n = 53$ ) of respondents agreed that decision making was a challenge when planning a new business, 18.9% opted for a neutral response, and 26.4% generally disagreed, with a median of 5 (somewhat agree) and a slight negative, left skew, and a flat, Platykurtic distribution ( $-0.703$ ). The assumptions of normality and homogeneity of variance were met, and ANOVA revealed that there was a significant difference in respondents highest level of education, and decision making being challenging when planning a new business ( $F(4, 48) = 3.938$ ,  $p = 0.008$ ). Post hoc tests reveal that the difference lay between third-year and Honours students ( $\chi^2(1) = 7.714$ ,  $p = 0.005$ ), and an examination of the cross-tabulation and means plot revealed that Honours students were more likely to agree, whereas third-year students were more likely to disagree or opt for a neutral response. Honours students showed the highest mean and were therefore most likely to agree that decision making is challenging when planning a new business. Second-year students were least likely to agree.

This could mean that second-year students are less entrepreneurially skilled, compared to Honours students, and lack understanding of the efforts required to start a business. In addition, second-year students could have more unrealistic expectations of the decisions required to be successful because of their lack of experience compared to Honours students. Moreover, Honours students are closer to exiting university and could have attempted ventures, hence understanding that decision making is challenging when planning a new business.

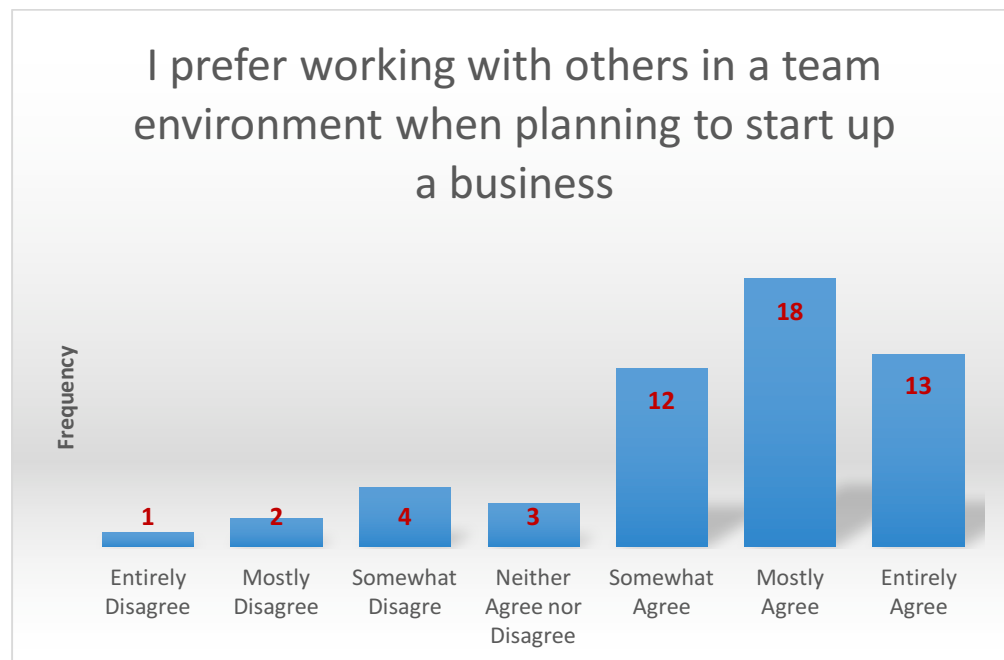
This finding that decision making when planning a new business is a barrier to youth entrepreneurs is supported by research showing that youth are exposed to uncertainty and ambiguity and often lack the work experience to make an accurate assessment of situations (Shepherd & Patzelt, 2017). In addition, business activities are unpredictable and entrepreneurs consistently need to seek new opportunities to be sustainable, which makes decision making more difficult (Smolka et al., 2018).

The next question item analyses whether youth prefer working in teams when planning a start-up.



**Figure 5.12 Highest Level of Education Completed**

The next figure provides insight into youth working in a team environment when planning to start up a business.



**Figure 5.13 Working in Teams**

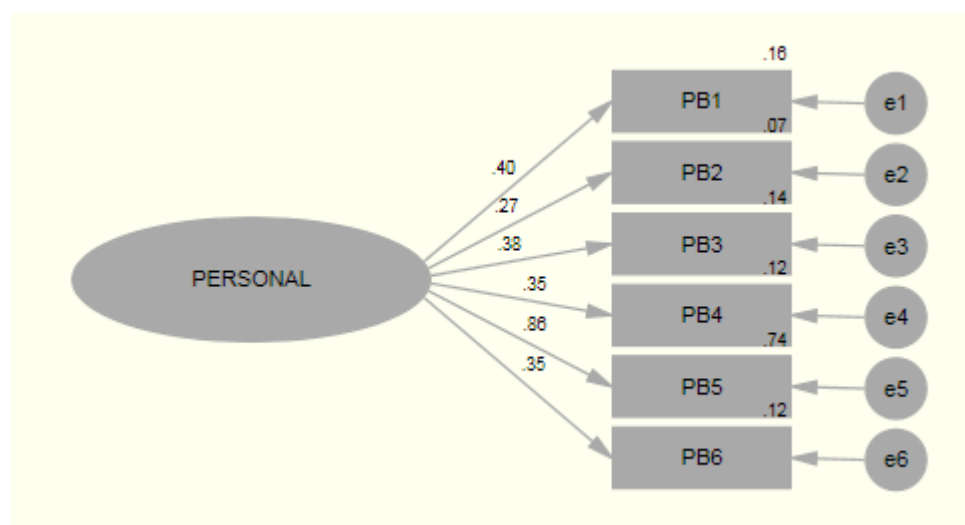
A small percentage of respondents (13.2%, N = 53) generally disagreed with the statement that they prefer working with others in a team environment when planning to start up a business, whereas 81.1% of the respondents generally agreed. The median measure for this question was 6 (mostly agree), with a left, negative skew of -1.138, and a flat Platykurtic shape (0.923). This finding could

support the view that the sample finds decision making difficult and that youth struggle to work alone, requiring collaboration and input from other team members.

This finding is consistent with past research explaining that youth entrepreneurs are more inclined to work in teams because they lack previous work experiences (Hormiga Pérez et al., 2017, p. 203). Moreover, youth entrepreneurs will benefit from support and guidance associated with teams which provide diverse skills (Hormiga Pérez et al., 2017, p. 224). The authors note further that working alone is more likely for individuals who have industry-specific experience and the confidence to achieve successful business outcomes.

Considering that youth prefer to work in teams, it is worth mentioning that working in teams could be as difficult as working alone. Working in teams could require a high level of social skill, negotiation and management, which could make decision making difficult. Given that the respondents have already shown that decision making is difficult when planning a business, perhaps decision making amongst team members could be equally difficult.

An examination was made of each of the seven composite dimensions used to identify the barriers to entrepreneurial success. The highest weightings and coefficients fit the model best, and presented opportunities, whereas those least fitting the model presented barriers to youth entrepreneurs.



**Figure 5-12 Composite dimensions**

**Table 5-2 Standardised Regression Weights**

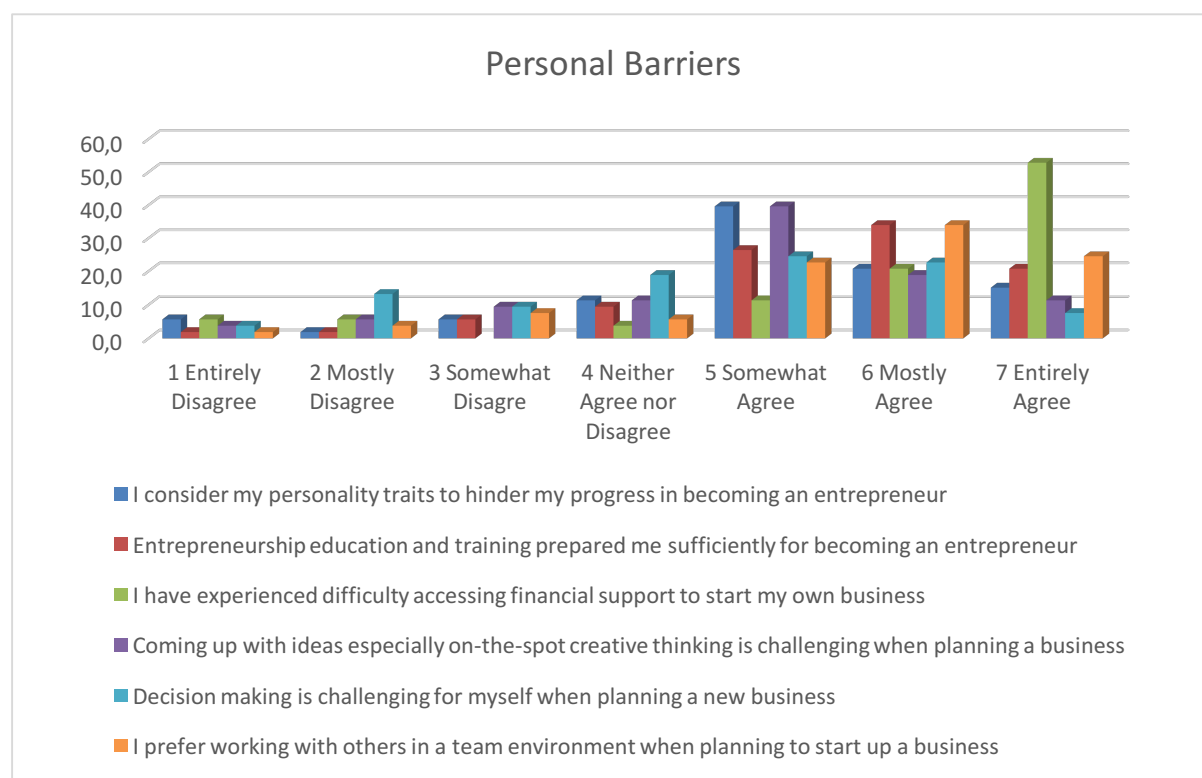
			Estimate
PB1	<---	PERSONAL	.400
PB2	<---	PERSONAL	.267
PB3	<---	PERSONAL	.377
PB4	<---	PERSONAL	.347
PB5	<---	PERSONAL	.861
PB6	<---	PERSONAL	.350

**Table 5-3 Factor Score Weights**

	PB6	PB5	PB4	PB3	PB2	PB1
PERSONAL	.083	.627	.080	.076	.065	.097

Examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in personal attributes was attributable to “decision making is challenging for myself when planning a new business” (0.861) and a factor weighting of 0.627, and “consider my personality traits to hinder my progress in becoming an entrepreneur” (0.40), with a factor weighting of 0.097. This means these items present the greatest opportunities. The greatest barriers are “Entrepreneurship education and training prepared me sufficiently for becoming an entrepreneur” (0.267), and a factor weighting of 0.065.

The next figure provides a summary off all the question items under the construct of personal barriers in relation to systemic intermediaries in this study.



**Figure 5.14 Personal barriers**

In summary, the problems most frequently experienced in relation to personal barriers in relation to systemic intermediaries were accessing financial support, coming up with ideas, and respondent personality traits for the respondents (second-year students from the SHAPE 2015 programme). In addition, females are more prone to be affected by their personality traits, which therefore creates a unique gender barrier. Moreover, entrepreneurship education and training sufficiently prepared them for becoming an entrepreneur and therefore should be considered an enabler of entrepreneurship rather than a barrier – and thus a vital component in preparing youth to pursue entrepreneurial activities. In addition, coming up with creative ideas did not seem to be a barrier.

## 5.7.2 Barrier ranking for research question 1

**Table 5-4 Research Question 1: barriers and opportunities**

		Barrier	Opportunity
Personal	1	Difficulty accessing financial support (84.95%)	Entrepreneurship education and training (81.1% agree)
	2	Personality traits (75.5%)	Prefer working with others in a team environment (81.1% agree)
	3	On-the-spot creative thinking is challenging (69.8%)	
	4	Decision making is challenging (54.7%)	

To investigate research question 1, as discussed above, the following can be synthesised as the top barriers and opportunities to youth entrepreneurship.

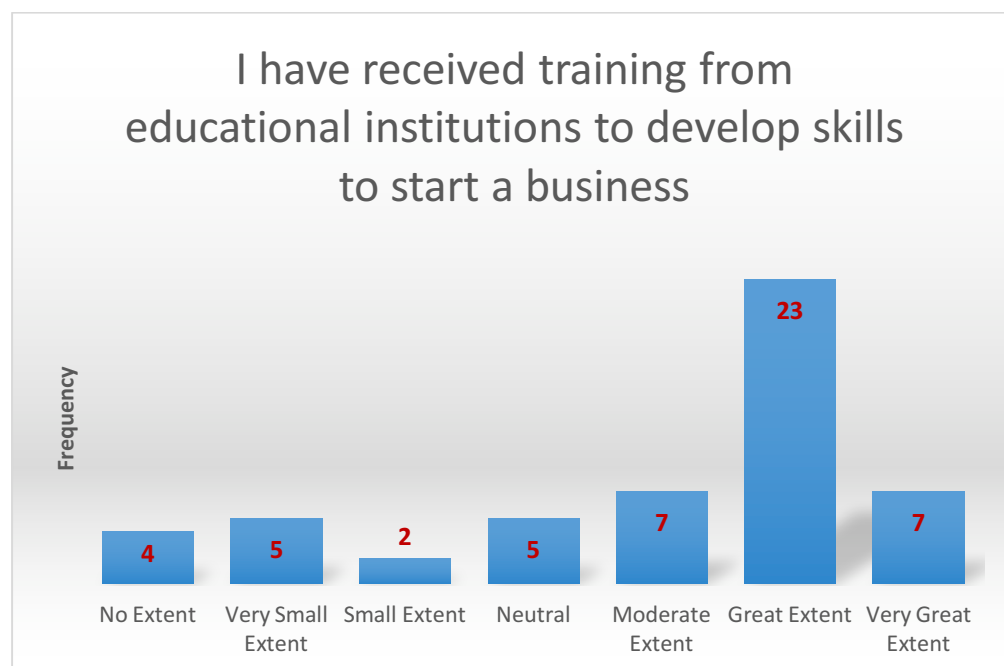
From the table above it appears that the top barrier youth entrepreneurs experience relates directly to their external environment. However, very closely related, all other top barriers encountered by these youth entrepreneurs relate to internal environment (intrinsic to the individual). It seems that youth struggle to adapt their personality traits to become more entrepreneurial. Further, they find it difficult to think creative and make effective decisions that will propel them forward as youth entrepreneurs. These findings in Table 5.2 are in contradiction with findings in the table below on barriers to education (Table 5.6.1) where the youth entrepreneurs indicated that the education they currently receive is not perceived as a barrier. This might imply that youth entrepreneurs are encountering personal barriers in relation to systemic intermediaries on a much deeper and personal level than in relation to the education they receive.

The next construct being investigated is educational institutions, which includes training received to develop skills, self-confidence relative to SHAPE, university support, entrepreneurship-orientated institutions and the benefits of attending entrepreneurship programmes.

## 5.8 Research Question 2: Findings and Discussion

### 5.8.1 External barriers encountered in relation to educational institutions

Figure 5-13 indicates data on training received from educational institutions to develop skills to commence a business.



**Figure 5-13 Developing skills**

In Figure 5-13, 20.8% of the overall response indicated that training from educational institutions to develop skills to start a business was met to a small extent, whereas 69.8% of respondents agreed that their skills were developed to a moderate, great and very great extent ( $N = 53$ ), with a median of 6 (great extent), and a left, negative skew of -1.001, with a flat Platykurtic distribution (-0.194). Kruskal-Wallis revealed a significant difference in respondents highest level of education, and having received training from educational institutions to develop skills to start a business ( $H(3) = 8.929$ ,  $p = 0.030$ ), and respondents employment status, and receiving training from educational institutions to develop skills to start a business ( $H(8) = 21.989$ ,  $p = 0.005$ ).

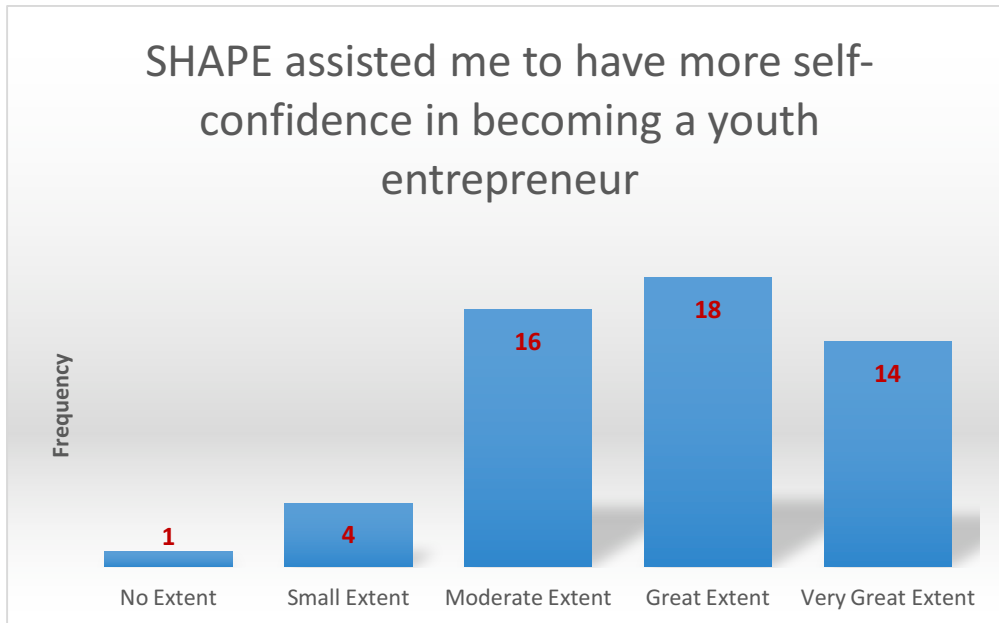
Post hoc assessments revealed that the difference lay between third-year and Honours students ( $\chi^2(1) = 5.448$ ,  $p = 0.020$ ), where Honours students were more likely to indicate a greater extent to which educational institutions could develop the skills requisite to starting a business compared to third-year students. This suggests that third-year students would more likely have been exposed to more educational training because they are on a postgraduate level.

The table in Appendix B provides information on the relationship between educational institutions and the highest level of education which youth have completed.

Post hoc tests in employment status revealed differences between full-time undergraduate student and full-time employed ( $\chi^2(1) = 5.301$ ,  $p = 0.021$ ); full-time undergraduate student with entrepreneurial activity and full-time postgraduate student with entrepreneurial activity ( $\chi^2(1) = 3.971$ ,  $p = 0.046$ ); full-time undergraduate student with entrepreneurial activity and part-time employed ( $\chi^2(1) = 6.769$ ,  $p = 0.009$ ); full-time undergraduate student with entrepreneurial activity and full-time employed ( $\chi^2(1) = 10.043$ ,  $p = 0.002$ ); full-time postgraduate student and full-time postgraduate student with entrepreneurial activity ( $\chi^2(1) = 3.971$ ,  $p = 0.046$ ); full-time postgraduate student and part-time employed ( $\chi^2(1) = 6.769$ ,  $p = 0.009$ ); full-time postgraduate student and full-time employed ( $\chi^2(1) = 10.043$ ,  $p = 0.002$ ); part-time employed and full-time employed ( $\chi^2(1) = 6.571$ ,  $p = 0.010$ ); full-time employed and I am an entrepreneur and work for myself ( $\chi^2(1) = 4.145$ ,  $p = 0.042$ ). Unemployed students and part-time, and full-time employed were more likely to indicate a great to very great extent to which educational institutions develop business start-up skills, Full-time postgraduate students and entrepreneurs were more likely to rate their skill development efficacy to a lesser or no extent. This might suggest that these participants are more realistic about their capabilities and skills sets, compared those participants who have not been exposed to the world of work. See Appendix C.

The figure below gives the data on whether SHAPE assisted youth to have more self-confidence in becoming a youth entrepreneur.

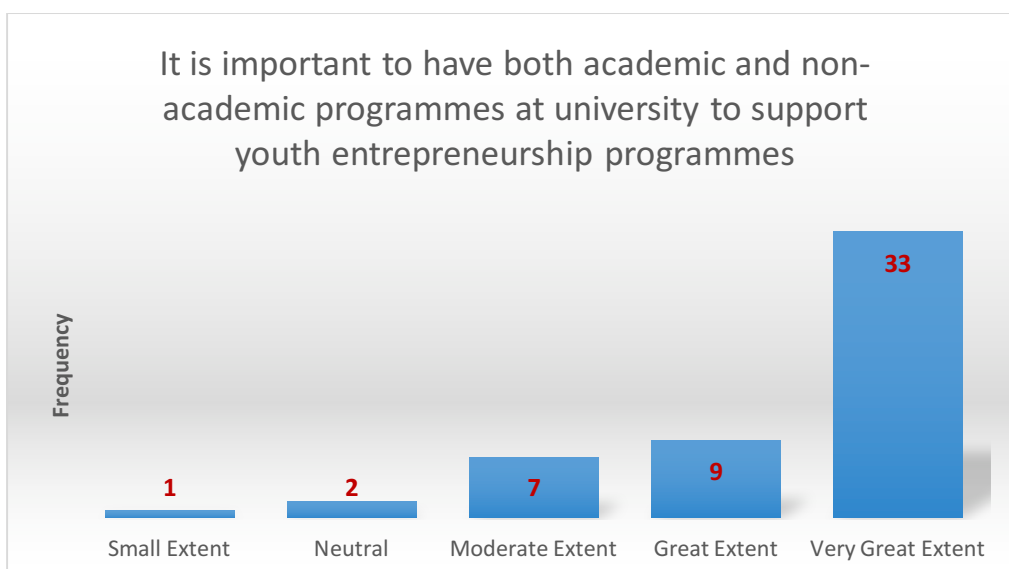




**Figure 5-14 SHAPE assisted self-confidence**

A small proportion (9.4%, N = 53) of respondents said that SHAPE assisted them to a small or no extent to have more self-confidence in becoming a youth entrepreneur, whereas a vast majority (90.6%) agreed that it had helped them to a moderate or very great extent. The median measure for SHAPES efficacy in developing self-confidence was 6 (great extent), with a left, negative skew (-1.378), and reasonably peaked Platykurtic measure of 2.662.

The next question item gives the data on university support to youth entrepreneurs through academic and non-academic programmes.



**Figure 5-15 Academic and non-academic programmes at university**

A very small proportion of the respondents said that it is not important to have both academic and non-academic programmes at university to support youth entrepreneurship programmes, whereas a large proportion (94.3%) agreed that it is importance to a moderate to very great extent. It is important

to note that of those responses, 63.5% indicated very great extent to having both academic and non-academic programme support (N = 53). The median measure was 7 (very great extent), with a left, negative skew (-1.560), and a Platykurtic, slight peak of 1.869. These results suggest that students require further support from universities to develop their businesses.

There is limited research on the impact of entrepreneurial programmes in South Africa, especially longitudinal studies. Therefore more research needs to be conducted in this field to improve entrepreneurship programmes in South Africa. These respondents could be expressing their desire for academic and non-academic programmes to be available to more youth in South Africa. In addition, it is possible that youth have benefited from this programme and are responding to confirm their approval of a successful programme which exposed them to new content and experiences. This response raises more questions about the current curriculum in South Africa and whether the scoring system should be changed to include external entrepreneurship programmes.

Research conducted at the University of Massachusetts shows that it is beneficial to have youth entrepreneurship programmes which link youth to external and internal programmes (Rauch & Hulsink, 2015, p. 201). However, it is important to not assume cause and effect from entrepreneurship programmes because entrepreneurial activities are sometimes more influenced by regional factors relating to geographical development (Bergmann et al., 2016).

Figure 5.15 provides insight into UKZN as an entrepreneurship orientated institution.

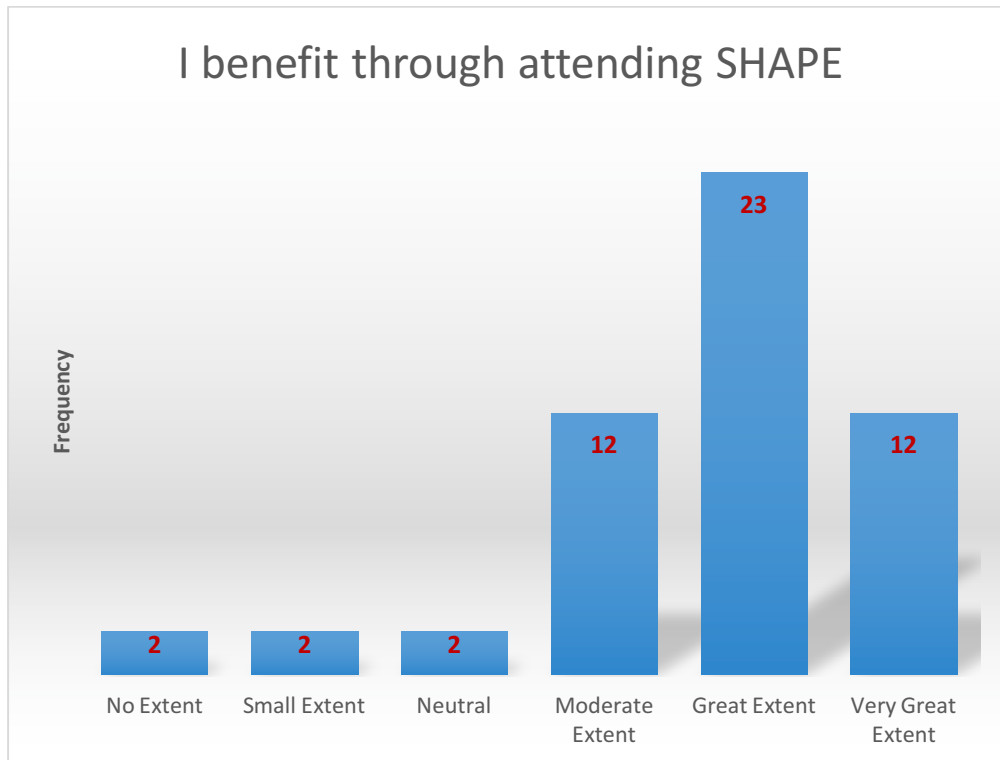


**Figure 5-16 UKZN becoming an entrepreneurship institution**

In Figure 5-16, 5.7% of respondents indicated no to small extent in answering whether UKZN is becoming an entrepreneurship-orientated institution through support, programmes, initiatives and activities on offer; 15.1% opted for a neutral answer, and 79.3% said they were to a moderate to very

great extent (N = 53). The median measure was 5 (moderate extent), with a left, negative skew, and a relatively peaked, Platykurtic kurtosis (2.758).

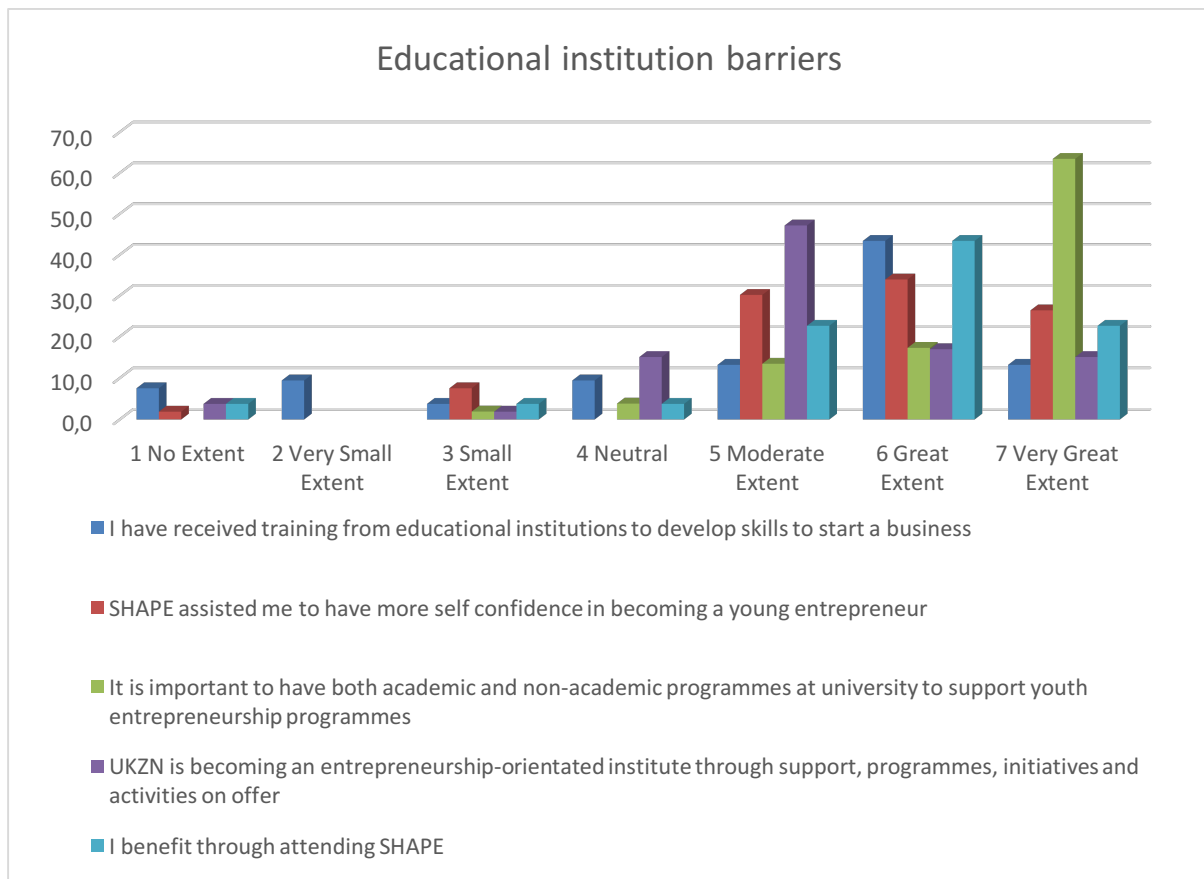
The next question item gives the data on whether youth benefited from SHAPE 2015.



**Figure 5-17 SHAPE benefit**

In Figure 5-17, a small percentage (7.5%) of respondents said they had benefited through SHAPE to a small to no extent, whereas 88.6% benefited to a moderate to very great extent (N = 53). The median measure was 6 (great extent), with a left, negative skew of -1.791, and a peaked, Leptokurtic skew of 4.106.

The next figure provides a summary of all the survey questions under the construct “educational institutions” in this study.



**Figure 5-18 Educational institution barriers**

In summary, and in concert with the clustered bar chart, the largest extent of educational institutional barriers is the combination of both academic and non-academic programmes of support, and that respondents benefited to the most extent through attending SHAPE and SHAPE having assisted them to have more self-confidence in becoming a youth entrepreneur. Therefore SHAPE is vital in the development of entrepreneurs. There was a difference in both highest level of education and employment status in the benefit of training programmes, mainly between third-year and Honours students, and full-time postgraduate students respectively. Honours students were more likely to indicate a greater extent to which educational institutions could develop the skills requisite to starting a business compared to third-year students, and full-time postgraduate students and entrepreneurs were more likely to rate their skill development efficacy to a lesser or no extent.

The next construct being investigated is government agencies, which includes information on municipalities, municipal support, benefits of municipal mentors, benefits of sessions with municipal mentors, government policies relating to youth entrepreneurs, business support relative to activities and government funding.

### 5.8.2 Barrier rankings for research question 2

Table 5-5 Research Question 2: barriers and opportunities

		Barrier	Opportunity
Educational	1	Academic and non-academic programmes (94.2%)	SHAPE and self-confidence (90.6% extent)
	2	Received training from educational institutions (20.8% no extent)	Benefit through SHAPE (88.7% extent)
	3	UKZN as entrepreneurship-orientated institution (5.7% no extent)	

In investigating research question 2 as discussed above, the following can be synthesised as the top barriers and opportunities for youth entrepreneurship.

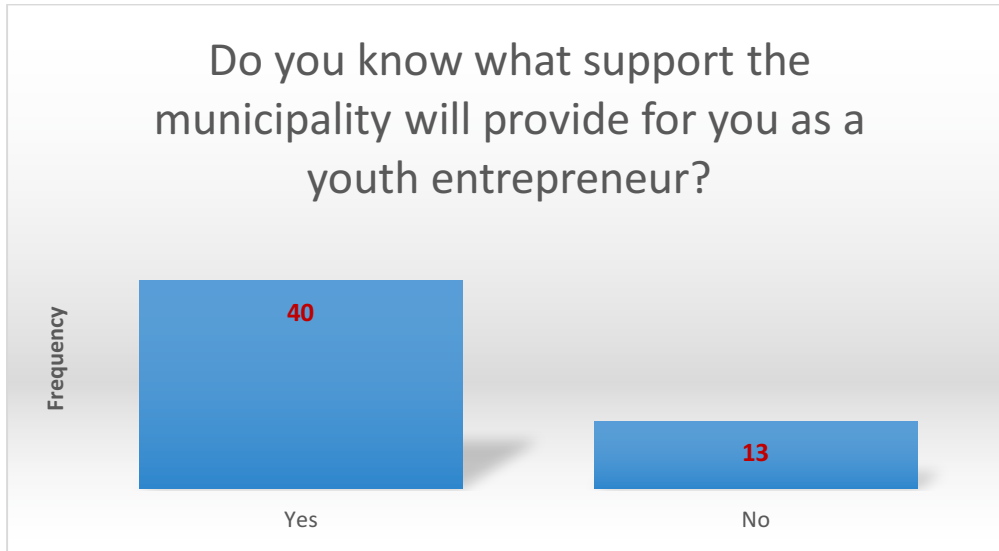
In Table 5-5 it appears that some youth entrepreneurs (20.8%) consider training from educational institutions as a barrier. The implication of training being perceived as a barrier is perhaps that youth consider entrepreneurial training as new and therefore without benefit. In addition, youth could perceive this training is being applicable only for entrepreneurs, and not employees. The negative view of receiving additional training could be associated with a non-proactive attitude whereby students may only want to complete courses they are required to complete.

Interestingly, it appears youth value SHAPE and indicate that they have benefited from it, which may suggest that youth perceive other entrepreneurial training, excluding SHAPE, as barriers. This is a promising reaction for SHAPE and suggests that youth are connecting to programmes which could appeal to them.

## 5.9 Research Question 3: Findings and discussion

### 5.9.1 External barriers encountered in relation to government agencies

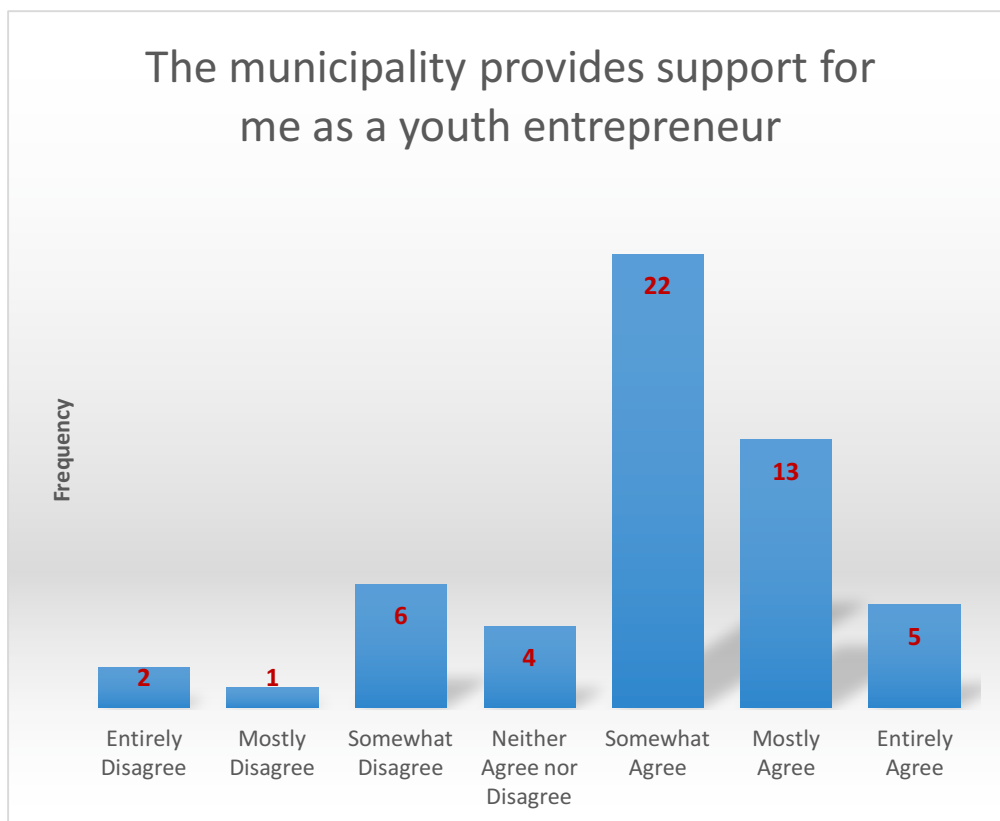
Figure 5-18 gives the data on municipal support for the youth entrepreneur.



**Figure 5-19 Municipal support**

Based on Figure 5-19, 75.5% of respondents reported knowing what support the municipality will provide for them as a youth entrepreneur, whereas 24.5% did not, with a median of 1 (Yes), and positive, right skew of 1.219, and flat Platykurtic shape (-0.536).

The next survey item provides information on municipal support for youth entrepreneurs.

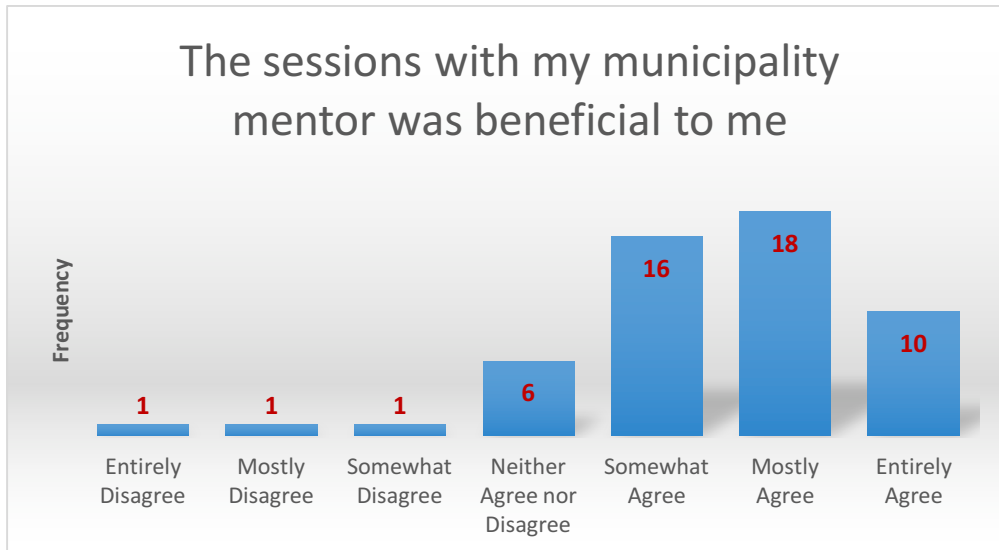


**Figure 5-20 Municipal support for entrepreneurs**

In Figure 5-20, 17% of respondents disagreed that the municipality provides support for them as a youth entrepreneur, whereas 75.4% (N = 53) agreed to the statement, with a median measure of 5 (somewhat agree), a slight left, negative skew, and flat Platykurtic peak of 1.011). These findings suggest rather contradictory findings, as only 25% of respondents are aware of the support that is provided by the municipality. A possible explanation is that the municipality provided support during the SHAPE project but not once the respondents departed the programme.

Moreover, there is limited information on municipal entrepreneurship support to youth entrepreneurs, according to the researcher. This could be because entrepreneurship programmes are difficult to implement and require support from a wide variety of stakeholders, including government, universities and business professionals.

In addition, based on limited information sourced from the eThekweni Municipality and City of Johannesburg official websites, there was no established or in-depth information on entrepreneurship programmes from municipalities (City of Johannesburg, 2017; Walford, 2017). It appears that the City of Johannesburg lacks clarity on how to solve youth unemployment (City of Johannesburg, 2017). Below, Figure 5.21 gives the data on entrepreneurship sessions with a municipality mentor and whether participants benefited.



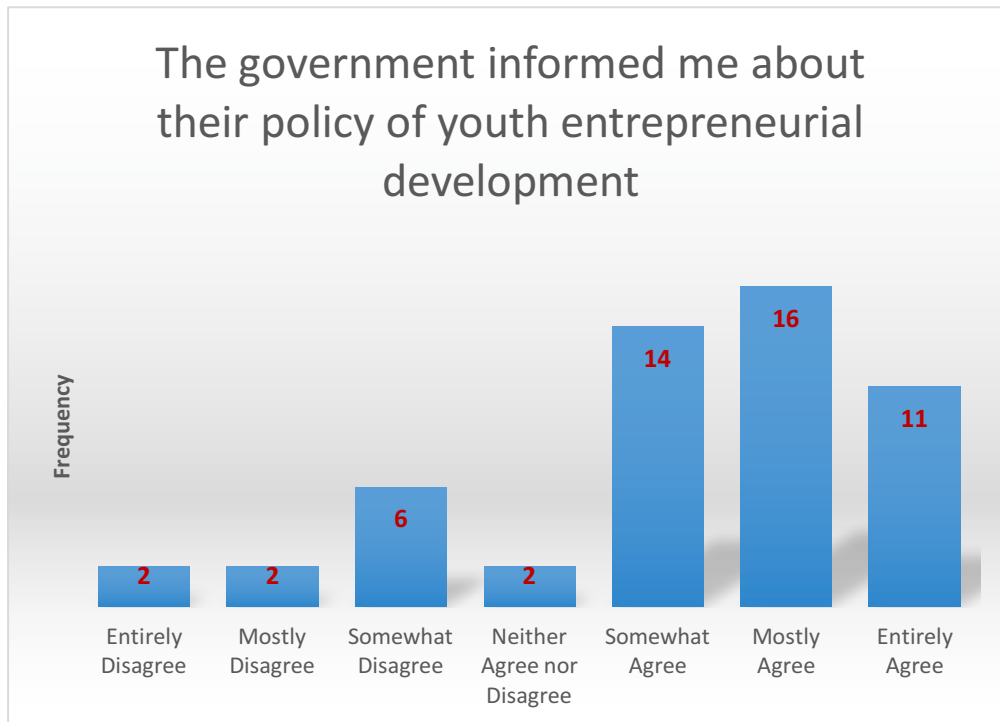
**Figure 5-21 Sessions with municipality mentors**

The majority of respondents in figure 5.230 agreed (83.1%) that the sessions with their municipality mentor were beneficial to them, with only 5.7% (N = 53) disagreeing. The median was 6 (mostly agree), with a left, negative skew (-1.183), with the bulk of responses falling to the right, and a slightly peaked (2.311), Platykurtic shape.

The lack of past research mentioned above suggests that there is limited support for youth entrepreneurs from municipalities, which corresponds with research on municipal support from mentors. In spite of the results from this study suggesting otherwise, it could be because in the SHAPE 2015 programme municipality representatives were encouraged to provide support to the participants, which could lead the participants to respond favourably towards municipal mentors.



The figure below, gives the data on government policies to youth entrepreneurial development. See Appendix E.



**Figure 5-22 Government informed of policy on entrepreneurship**

In the figure above, 18.9% of the respondents disagreed on the statement that the government informed them about their policy of youth entrepreneurial development, and 77.4% (N = 53) agreed that they were informed, with a median of 6 (mostly agree), with a small, left, negative skew, and flat Platykurtic kurtosis (0.354). This response supports the positive relationship which youth entrepreneurs experienced with the municipality mentor in the SHAPE project, shown by 83% who benefited.

Kruskal-Wallis indicated a significant difference in respondents' employment status, and the government informing them about their policy of youth entrepreneurial development ( $H(8) = 15.639$ ,  $p = 0.048$ ), where the difference lay between full-time undergraduate student and part-time undergraduate student ( $\chi^2(1) = 5.000$ ,  $p = 0.025$ ), full-time undergraduate student and full-time postgraduate student ( $\chi^2(1) = 4.496$ ,  $p = 0.034$ ), part-time undergraduate student and part-time employed ( $\chi^2(1) = 4.615$ ,  $p = 0.032$ ), part-time undergraduate student and full-time employed ( $\chi^2(1) = 4.286$ ,  $p = 0.038$ ), full-time postgraduate student and part-time employed ( $\chi^2(1) = 5.333$ ,  $p = 0.021$ ). Crosstabulations indicate that full-time employed, part-time employed and full-time undergraduate students were more likely to agree, whereas full-time undergraduate students with entrepreneurial activity, entrepreneurs working for themselves, and part-time undergraduate students were more likely to disagree.

The next figure gives the data on support from the municipality to assist youth entrepreneurship activities. See Appendix F.

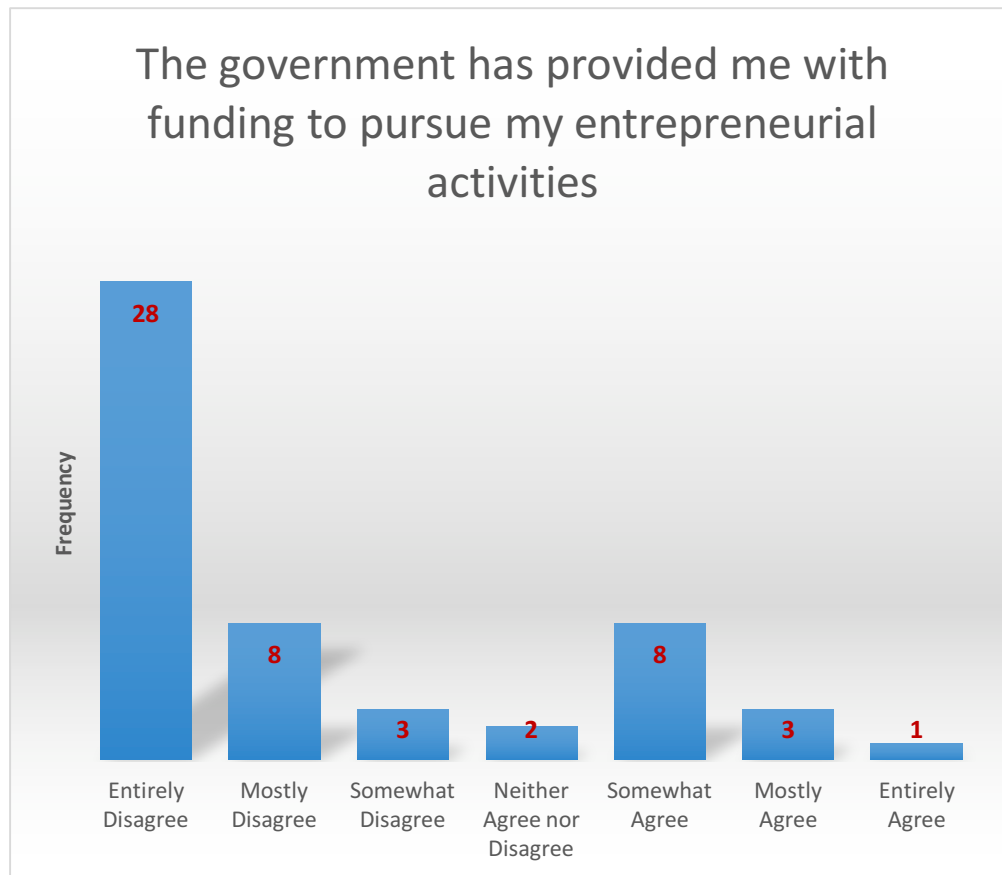


**Figure 5-23 Received business support from municipality**

Just over half (62.3%,  $n = 53$ ) of respondents agreed that they had received business support from the municipality to assist in their entrepreneurship activities, whereas 24.5% generally disagreed, with a median of 5 (somewhat agree), a slight negative, left skewness (-0.940), and a rather flat Platykurtic shape (-0.029). Considering that 62.3% did receive support shows that the municipality is contributing to the success of SHAPE.

Kruskal-Wallis revealed that there is a significant difference in respondents employment status, and receiving business support from the municipality to assist in their entrepreneurship activities ( $H(8) = 19.837$ ,  $p = 0.011$ ), where the difference lay between full-time undergraduate student with entrepreneurial activity and part-time employed ( $\chi^2(1) = 6.600$ ,  $p = 0.010$ ), full-time undergraduate student with entrepreneurial activity and full-time employed ( $\chi^2(1) = 6.185$ ,  $p = 0.013$ ), part-time undergraduate student and part-time employed ( $\chi^2(1) = 5.000$ ,  $p = 0.025$ ), part-time undergraduate student and full-time employed ( $\chi^2(1) = 5.065$ ,  $p = 0.024$ ), full-time postgraduate student and part-time employed ( $\chi^2(1) = 6.633$ ,  $p = 0.010$ ), full-time postgraduate student and full-time employed ( $\chi^2(1) = 7.452$ ,  $p = 0.006$ ), full-time postgraduate student with entrepreneurial activity and part-time employed ( $\chi^2(1) = 4.825$ ,  $p = 0.028$ ), and unemployed and part-time employed ( $\chi^2(1) = 5.393$ ,  $p = 0.020$ ). Crosstabs revealed that part-time and full-time employed, and full-time undergraduate student respondents were more likely to agree, whereas part-time undergraduate students, part-time undergraduate students and full-time postgraduate students were more likely to disagree with the statement.

The next figure gives the data on whether government has provided youth entrepreneurs with funding.



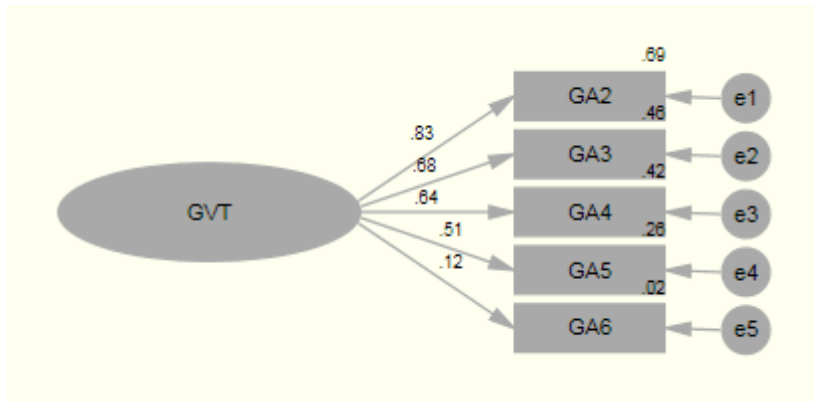
**Figure 5-24 Government funding**

In the figure above, just over half the respondents entirely disagreed that the government provided them with funding to pursue their entrepreneurial activities, with 73.6% of the overall response indicating a general disagreement with the statement. Only 22.7% of the sample indicated a level of agreement with the statement (N = 53). The median measure for this statement was 1 (entirely disagree), a right, positive, skew, and a rather flat Platykurtic shape (-0.431). This response suggests that government should aim to provide financial support, possibly small loans, to provide momentum for youth to start and sustain businesses. The literature supports the investigation that government in South Africa is not providing financial assistance to youth entrepreneurs.

This result is consistent with past research conducted by Sinyolo, Mudhara, and Wale (2017, p. 63) and suggest that youth entrepreneurs lack funding from government to develop their businesses. These researchers further elaborate that funding from government can sometimes create dependency and lead to entrepreneurs being demotivated when they do not receive support. Moreover, youth based in townships are two thirds less likely to receive loans from banks, which is a considered a major barrier to youth entrepreneurship (GEP, 2014).

This result, which shows that youth entrepreneurs are not being funding by government to support their entrepreneurial activities, could mean youth are using the government as an excuse for their business failures. It almost appears as if youth entrepreneurs rely on the expectation of support to

establish a business, and without support feel failure is justified. This could be a barrier which prevents youth from achieving business success, not because of lack of funding, but perhaps from the attitude that without funding they are cannot run a business.



**Figure 5-25 Composite dimensions**

**Table 5-6 Standardised Regression Weights**

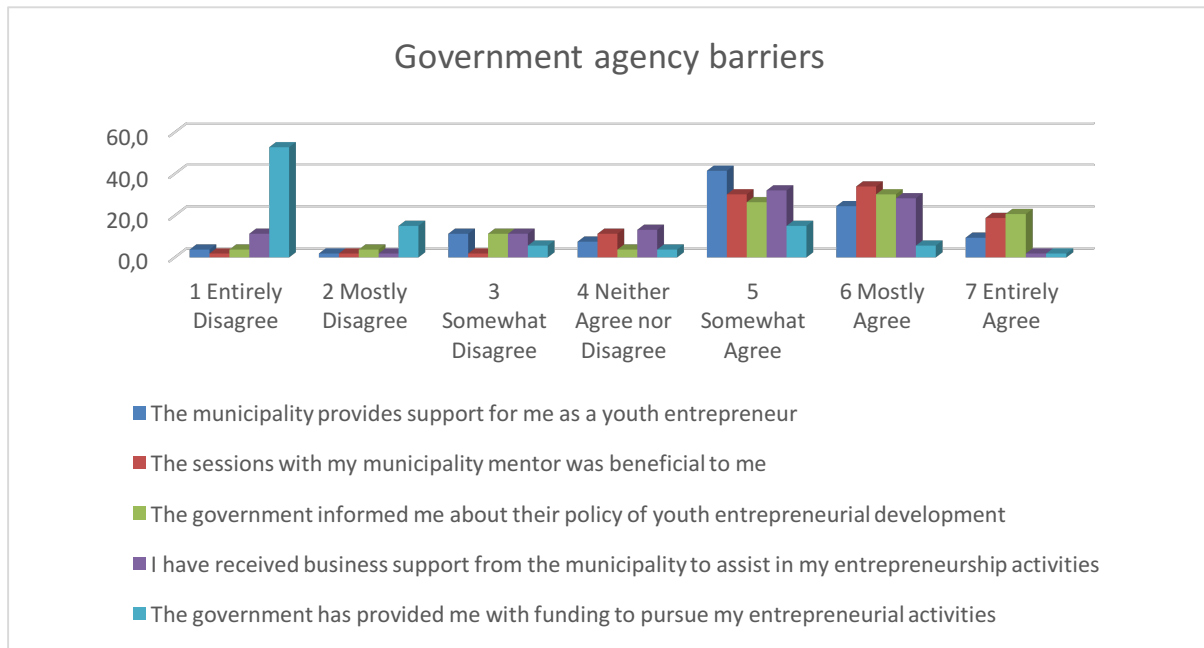
	Estimate
GA2 <--- GVT	.834
GA3 <--- GVT	.680
GA4 <--- GVT	.644
GA5 <--- GVT	.506
GA6 <--- GVT	.124

**Table 5-7 Factor Score Weights**

	GA6	GA5	GA4	GA3	GA2
GVT	.015	.093	.154	.224	.437

An examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in the government composite was attributable to “The municipality provides support for me as a youth entrepreneur” (0.834) with a factor weighting of 0.437, and the highest barrier is “The government has provided me with funding to pursue my entrepreneurial activities” (0.124), and “I have received business support from the municipality to assist in my entrepreneurship activities” (0.506) and a factor weighting of 0.093.

The next figure provides a summary of all the survey questions under the construct “government agencies” in this study.



**Figure 5-26 Government barriers**

Respondent are therefore aware of the support that the municipality ostensibly provides them, but fails to do so. But where it does happen, it is perceived as highly beneficial. In addition, there is a major failure on the part of the municipality to keep youth entrepreneurs informed. It seems that the more entrepreneurial and the closer one gets to having to actualise their entrepreneurial activities, the more aware they become of the failure on the part of government to support their entrepreneurial activities and aspirations. In addition, as students reached those points where they would need to seek out assistance from the municipality, the more inclined they were to rate the support received positively. A significant barrier was the lack of funding from government to pursue entrepreneurial activities. If we look summatively at the clustered bar chart, most respondents disagreed that the government provided them with funding to initiate entrepreneurial activities (i.e. it was the greatest barrier), but where there were sessions with their municipal mentor, it was highly beneficial, and in that way, students felt supported by the municipality.

The next section investigates the construct private sector agencies and includes the eThekwini Chamber of Commerce contributions to growth, youth being updated regarding Chamber activities, business support, the role and purpose of the Chamber and awareness of other private sector agencies.

### 5.9.2 Barrier rankings for research question 3

Table 5-8 Research Question 3: barriers and opportunities

		Barrier	Opportunity
Government	1	government funding (73.6% disagree)	beneficial municipality mentor (83% agree)
	2	municipal business support (62.3% disagree)	government informed about policy (77.4% agree)
	3		municipal support (75.5% agree)

To investigate research question 3 as discussed above the following can be synthesised as the top barriers and opportunities to youth entrepreneurship.

The researcher comments that it is expected that financial difficulties are the highest barrier because youth could be inexperienced. A deeper underlying issue could be the lack of resilience associated with youth, perhaps meaning financial barriers are a convenient excuse.

A common theme is expressed by youth that governments and municipalities prevent youth from achieving their business goals. Perhaps governments and municipalities are not to blame, but rather the problem is lack of focus and determination of youth to solve complex problems, which is time-consuming and difficult.

## 5.10 Research Question 4: Findings and discussion

### 5.10.1 External barriers encountered in relation to private sector agencies

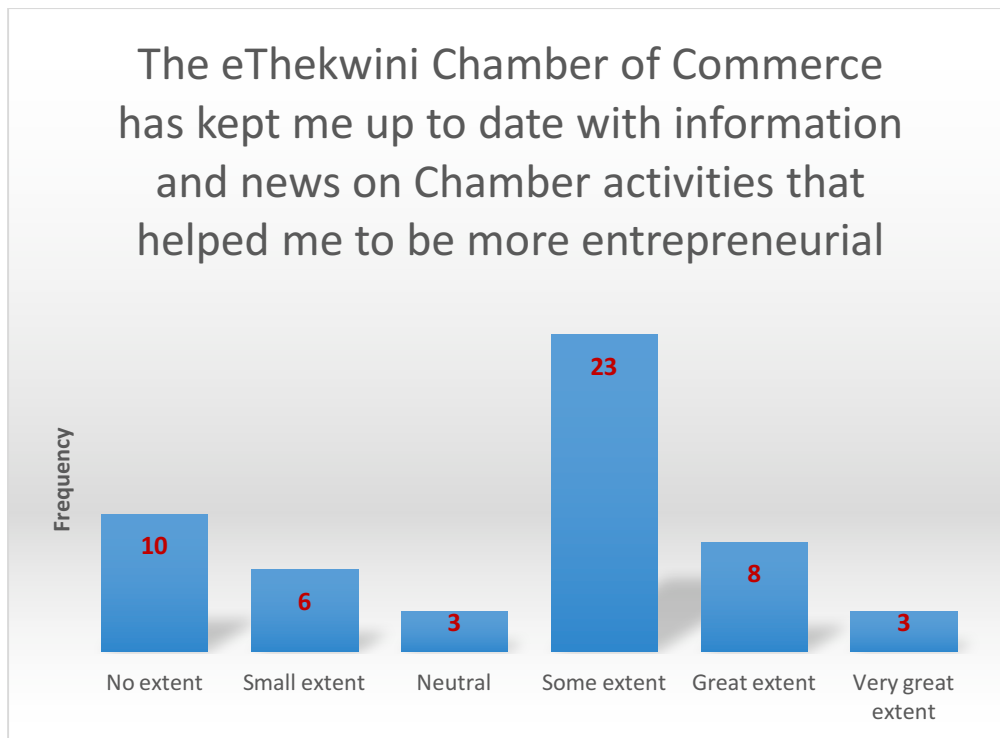
The next figure gives the data on the eThekwini Chamber of Commerce contributions toward growth for youth entrepreneurs. See Appendix G.



**Figure 5-27 eThekwini Chamber of Commerce and growth**

The majority of respondents in the figure above, said that the eThekwini Chamber of Commerce contributed to their growth from some to a very great extent, with only 28.3% indicating small to no extent ( $N = 53$ ). The median measure was 5 (some extent), with a slight left, negative skew, and a flat Platykurtic peak (-0.258). Mann-Whitney indicated a significant difference in gender, and the opinion that the eThekwini Chamber of Commerce contributed to their growth ( $U = 178.000$ ,  $p = 0.017$ ), revealing that females indicated a greater extent of contribution by the chamber of commerce to their growth. Males were more likely to express a small to some extent of contribution. See Appendix G.

The next figure provides insight in to the Chamber's ability to keep youth up to date. See Appendix H.



**Figure 5-28 eThekweni Chamber of Commerce and updates**

In the figure above, just over half (64.2%, N = 53) of the respondents indicated that the eThekweni Chamber of Commerce kept them up to date with information and news on Chamber activities that helped them to be more entrepreneurial to some or very great extent, whereas 30.2% indicated that the Chamber of Commerce had from no to a small extent kept them updated accordingly. The median measure for this item was 5 (some extent), with a very slight left, negative skew (-0.735), and a flattened Platykurtic kurtosis (-0.594). The findings that more than a third of the sample were to not updated which suggests that more direct assistance is required to develop youth entrepreneurship.

Kruskal-Wallis indicated a significant difference in respondents' highest level of education, and the eThekweni Chamber of Commerce keeping them up to date with information and news on Chamber activities that helped to be more entrepreneurial ( $H(3) = 9.762$ ,  $p = 0.021$ ), where the difference lay between third-year and Honours students ( $\chi^2(1) = 5.518$ ,  $p = 0.019$ ), with the former rating a lesser extent of up to date information, than their Honours counterparts, who were more likely to rate the degree of updated information to a greater extent.

The next figure gives the data on received business development support from the eThekweni Chamber of Commerce. See Appendix I.





**Figure 5-29 Support received from eThekwin Chamber of Commerce**

In the figure above, only 26.9% (N = 53) of respondents indicated that they had from small to no extent received business development support from the eThekwin Chamber of Commerce, whereas 65.3% experienced such from some to a very great extent. The median was 5 (some extent), with a slight negative, left skew, and a flat Platykurtic peak (-0.339). This response is supported by lack of respondents being kept up-to-date.

This result is consistent with past research showing the Durban Chamber of Commerce provides support to youth entrepreneurs through a variety of platforms which benefit youth entrepreneurs (Durban Chamber of Commerce, 2017). These platforms include lobbying and representation, therefore representing the business community. Moreover, the Durban Chamber of Commerce provides members with networking opportunities to grow their businesses (Durban Chamber of Commerce, 2017). In addition, the Chamber of Commerce promotes growth through training opportunities (Durban Chamber of Commerce, 2017).

Based on past research there is no negative literature associated with the Durban Chamber of Commerce, which could suggest that the Chamber acts as a contributor towards youth entrepreneurship. Considering that the purpose of the Chamber of Commerce is to represent businesses, it is reasonable to assume that their intentions as an organisation are aligned with the results.

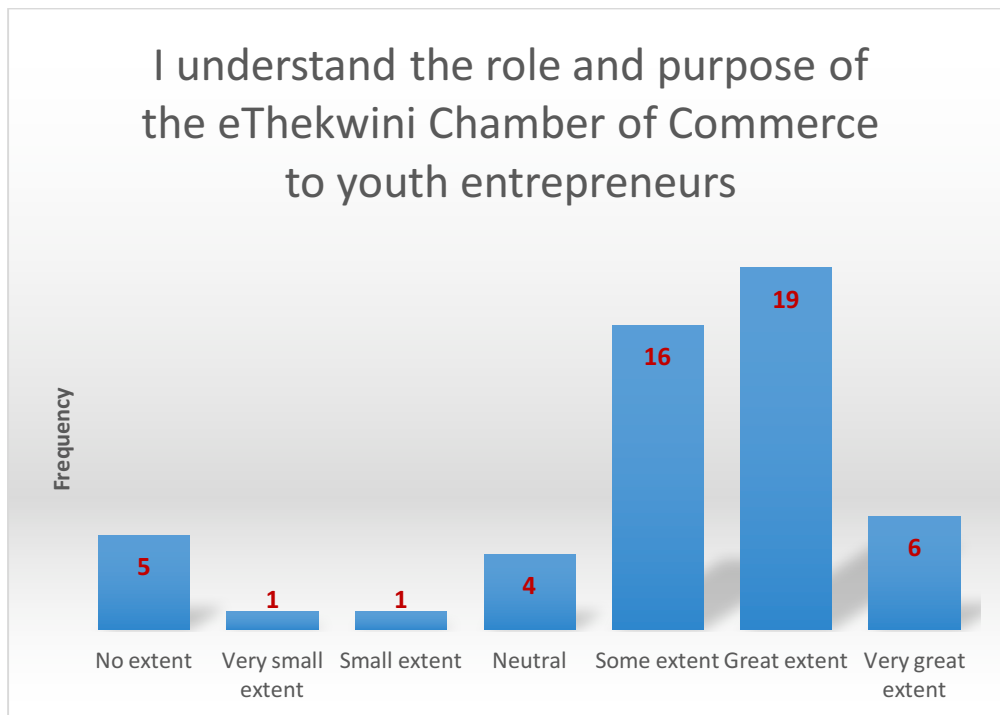
Mann-Whitney revealed a significant difference in gender and having received business development support from the eThekwin Chamber of Commerce ( $U = 190.500$ ,  $p = 0.046$ ), with females indicating more development support than their male counterparts.

The table in Appendix I gives the data on the business development support from the eThekwin Chamber of Commerce and its relationship to gender.

Kruskal-Wallis also revealed a significant difference in respondents' highest level of education and receiving business development support from the eThekwin Chamber of Commerce ( $H(3) = 8.359$ ,

$p = 0.039$ ). The difference existed between third-year and Honours students ( $\chi^2(1) = 4.079$ ,  $p = 0.043$ ), with Honours reporting to have received more development support from the Chamber of Commerce, than their third-year counterparts. See Appendix J.

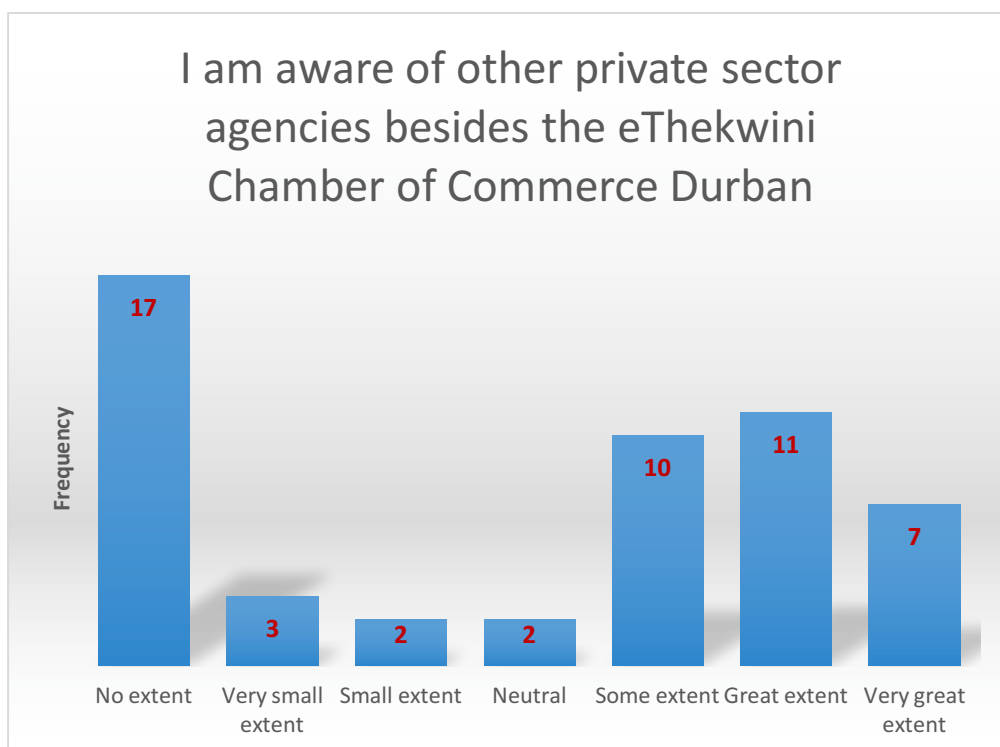
The next figure provides data on the role and purpose of the eThekweni Chamber of Commerce.



**Figure 5-30 Role and purpose of the eThekweni Chamber of Commerce**

A majority (78.8%) of respondents indicated that they understood the role and purpose of the eThekweni Chamber of Commerce to youth entrepreneurs from some to a very great extent, whereas 13.5% indicated that they did not understand ( $N = 53$ ). The median understanding was 5 (some extent), with a left, negative skew of -1.383, and a Platykurtic peak of 1.334.

The next figure provides insight in to the awareness that youth have relating to private sector agencies, besides the eThekweni Chamber of Commerce Durban.



**Figure 5-31 Private sector agencies besides eThekweni Chamber of Commerce**

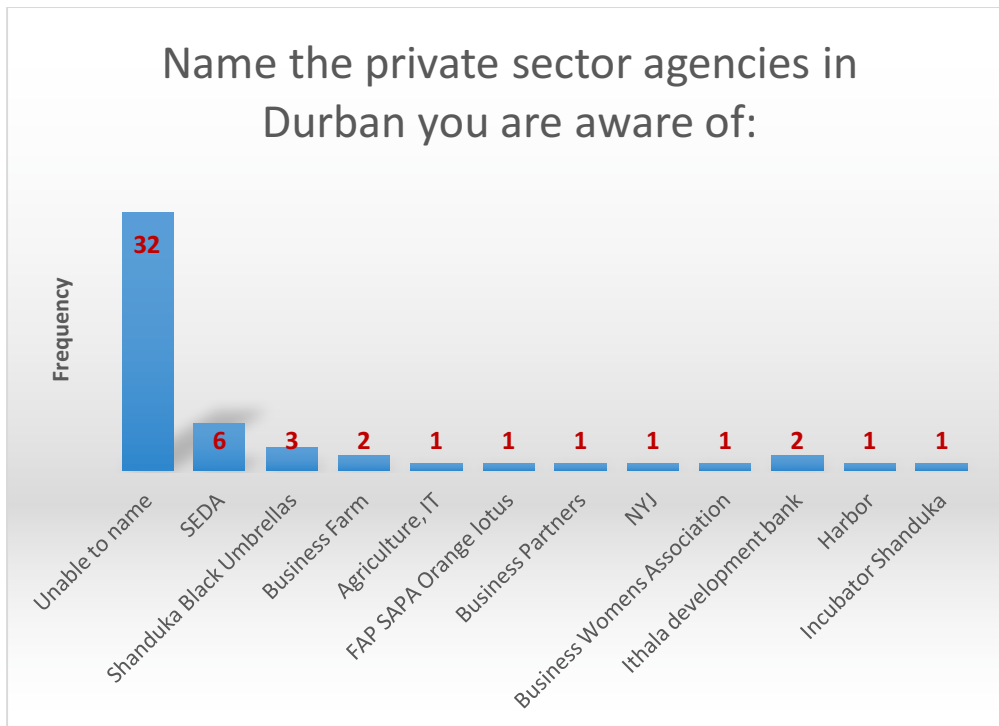
In the figure above, 42.3% of respondents indicated that they had no to small awareness of other private sector agencies besides the eThekweni Chamber of Commerce, whereas 53.9% (N = 53) indicated some to a great extent of awareness, with a median measure of 5 (some extent), very slight negative, left skewness, and a small Platykurtic peak of -1.676. It is thus suggested that youth are not provided with knowledge to access essential support to start their businesses.

It was difficult to locate information on private sector agencies in this study which could lead to youth being unaware of private sector agencies besides the eThekweni Chamber of Commerce. In addition, most of the respondents are based in KwaZulu-Natal and are possibly not exposed to more private sector agencies around South Africa. Another possibility is that private sector agencies are not providing support for nascent entrepreneurs, but rather entrepreneurs who are established and operational.

These results are supported by past research and show that private sector agencies are not prepared for the complex needs of youth (McEwan et al., 2017, p. 47). Moreover, private sector agencies are somewhat disconnected from community development programmes and are not actively involved (McEwan et al., 2017, p. 47). In addition, it appears that private sector agencies are not focused on assisting youth to build entrepreneurial skills (McEwan et al., 2017, p. 47).

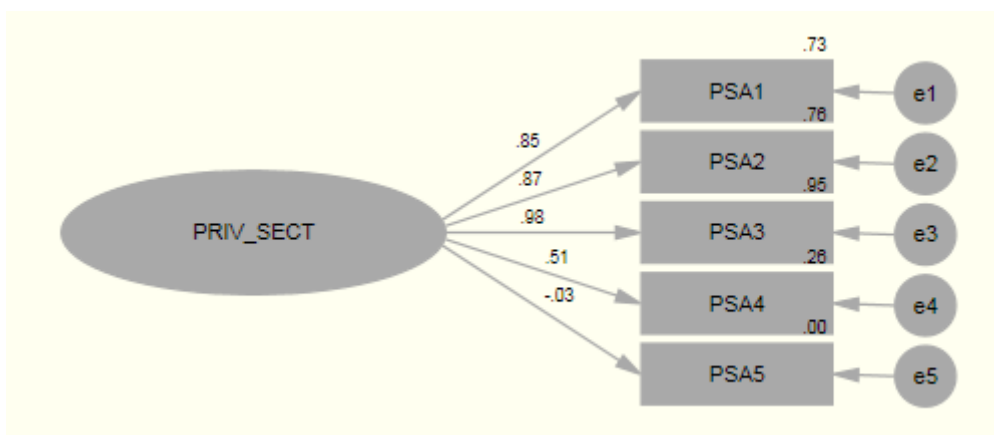
For those students who are fortunate enough to find private sector agencies, the Technology Information Agency (2017) promotes technology information by offering support to the public. This agency focusses on stimulating growth in the economy by focussing on entrepreneurial innovation

The next figure gives the data on whether youth are aware of private sector agencies in Durban.



**Figure 5-32 Private sector agencies in Durban**

Most respondents indicated an awareness of SEDA (11.5%), followed by Shanduka Black Umbrellas (5.8%), and then the business farm (3.8%) and the Ithala Development Bank (3.8%, N = 53). The median was 1, indicating unknown organisations with a positive right skewness, with the bulk of the distribution falling to the left, and a peak of 2.507.



**Figure 5-33 Composite dimensions**

**Table 5-9 Standardised Regression Weights**

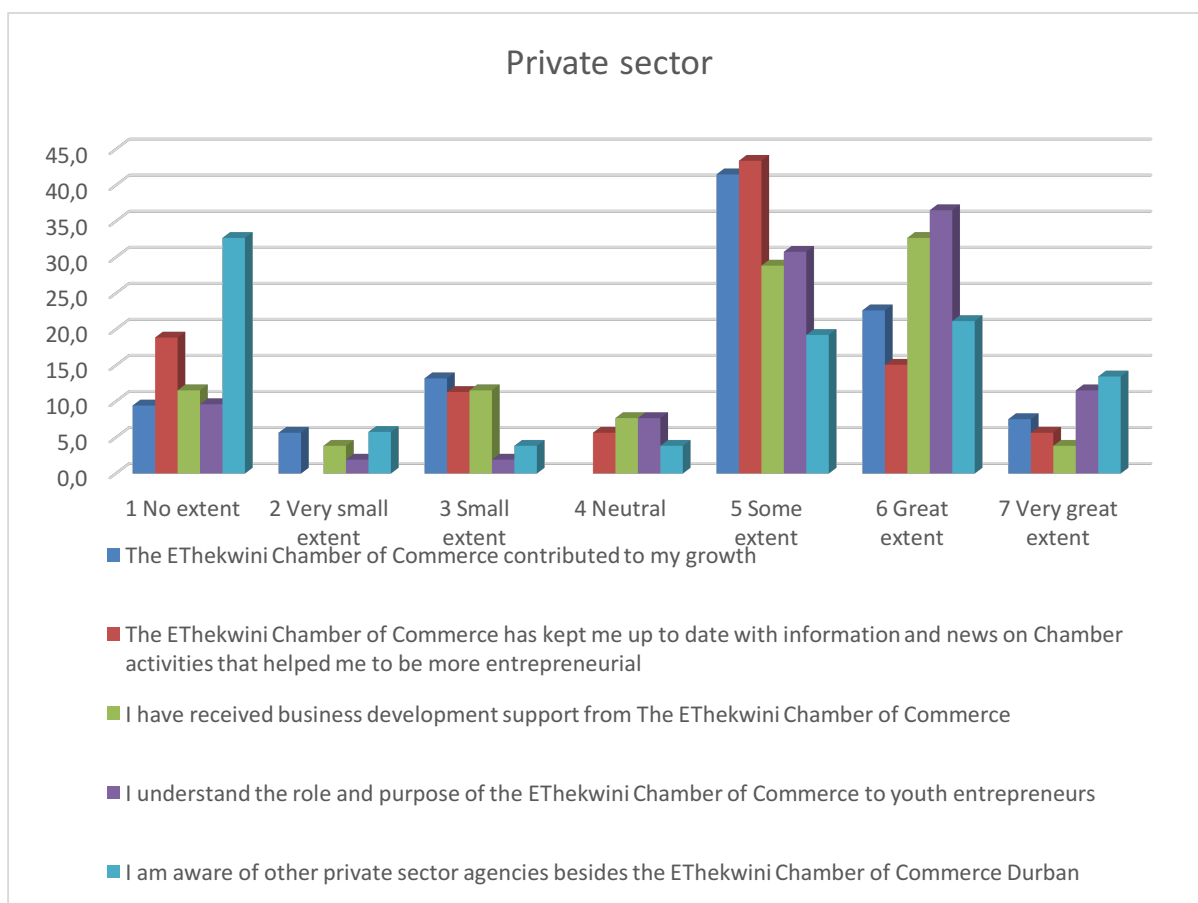
			Estimate
PSA1	<---	PRIV_SECT	.853
PSA2	<---	PRIV_SECT	.872
PSA3	<---	PRIV_SECT	.976
PSA4	<---	PRIV_SECT	.512
PSA5	<---	PRIV_SECT	-.035

**Table 5-10 Factor Score Weights**

	PSA5	PSA4	PSA3	PSA2	PSA1
PRIV_SECT	-.001	.026	.740	.121	.111

An examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in the private sector composite was attributable to “I have received business development support from the eThekwini Chamber of Commerce” (0.976) and the greatest challenge was “I am aware of other private sector agencies besides the eThekwini Chamber of Commerce” (-0.035), with a factor score of -0.001.

The next figure provides a summary of all the survey questions under the construct “private sector” in this study.



**Figure 5-34 Private sector agencies**

There was purported growth as per the Chamber of Commerce, more so for females than for males. The information provided by the Chamber of Commerce was considered a barrier. Honours students rated the updates more favourably than third-years. The majority of respondents indicated support from the Chamber of Commerce, which is contrary to previous findings. Females indicated higher support, than males. Honours students reported more development support from the Chamber of Commerce than third-years. Students understood the role and purpose of the Chamber of Commerce, and as such this is not a barrier. Almost half of the respondents have little awareness of other private sector agencies, and were also unable to name any; this is a barrier. To summarise, the greatest private barriers were unawareness of other private sector agencies other than the eThekwini Chamber of Commerce, followed by the lack of contribution to growth and business development support received by the eThekwini Chamber of Commerce.

The next section gives the data on the construct relative to communities and includes community encouragement, influence to youth, community influence to entrepreneurial attitudes, community assistance to youth for starting a business and infrastructure within the community.

## 5.10.2 Barrier rankings for research question 4

Table 5-11 Research Question 4: barriers and opportunities

		Barrier	Opportunity
Private Sector	1	Aware of other private sector agencies (42.3% no extent)	Understand the role and purpose (78.8% extent)
	2	Kept me up to date (30.2% no extent)	Contributed to my growth (71.7% extent)
	3	Business development support (26.9% disagree)	

The researcher supports the perspective that it is difficult to source private sector agencies which specifically support youth entrepreneurs through structured programmes. It appears private sector agencies should combine their resources to form a central support system for youth to keep them informed regarding business development support opportunities. Perhaps the deeper underlying concern is that private sector agencies are not prepared for the complex problems that youth encounter, calling for deeper reflection on current processes.

The results are somewhat confusing as youth commented that private sector did contribute towards their growth; perhaps this support was controlled through the SHAPE project and did not reflect private sector agencies, external to programmes.

## 5.11 Research Question 5: Findings and discussion

### 5.11.1 External barriers encountered in relation to communities

The next figure gives the data on community encouragement to youth entrepreneurs. See Appendix L.



Figure 5-35 Community encouragement

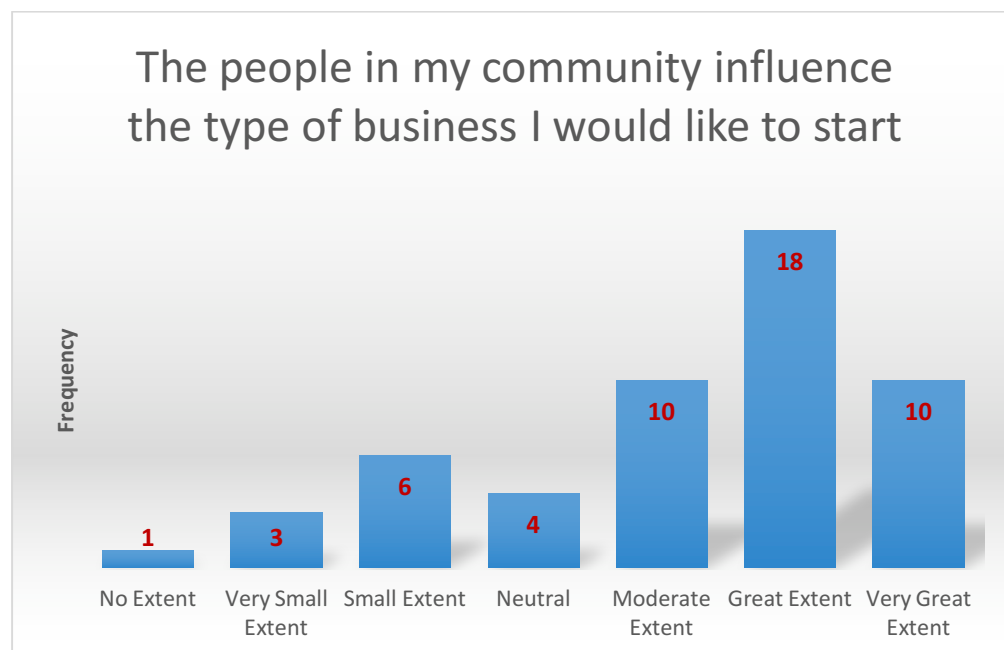
In the figure above, more than half (67.3%) of the respondents rated the extent to which the people in their community encouraging them to become a youth entrepreneur as moderate to very great, whereas 23.1% of respondents rated it as none to small (N = 53). The median was 5 (moderate extent), with a slight negative left skewness (-0.822) and a flat Platykurtic shape (-0.195). This investigation could suggest that communities are assisting the SHAPE youth to become entrepreneurs; however these respondents could be limited by being encouraged to be entrepreneurs which have limited growth.

Kruskal-Wallis revealed a significant difference in respondents highest level of education, and the people in their community encouraging them to become a youth entrepreneur ( $H(3) = 10.527$ ,  $p = 0.015$ ), where the difference lay between Third year and Honours students ( $\chi^2(1) = 10.083$ ,  $p = 0.001$ ). There seemed to be more encouragement from community members to those persons completing their Honours, compared to third-year students.

The table in Appendix K provides information on the relationship between community encouragement and highest level of education completed.

There was also a significant difference in gender and the people in their community encouraging them to become a youth entrepreneur ( $U = 178.500$ ,  $p = 0.026$ ). Crosstabs revealed that men rated the extent to which they received community encouragement as less than that of their female counterparts.

The next figure gives the data on community influencing the type of business for youth entrepreneurs.



**Figure 5-36 Community influence on type of business**

In the figure above, 19.2% of the respondents believed that the people in their community influenced the type of business they would like to start in to a very little extent, whereas 73% said their community members influenced their type of business in a moderate to great extent (N = 52), with a

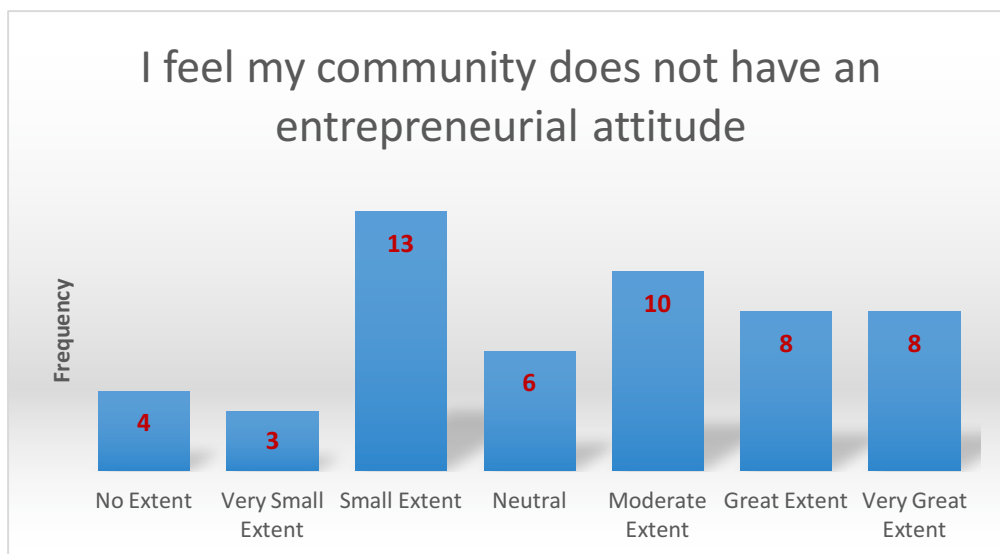


median measure of 6 (great extent), with a relatively flat distribution (-0.117), and a slightly negative, left skew (-0.854). This investigation could suggest that communities are influencing SHAPE youth to become entrepreneurs; however these respondents could be limited by the type of businesses which they start.

There is limited information on community influence on the type of business youth would start, which makes the results from this question item somewhat difficult to interpret. This finding could mean that youth are influenced either to develop or stagnate. The community influence could mean youth are being motivated to commence businesses which are only beneficial to the local community, without having a global perspective. This response creates more questions for the researcher around how youth are being influenced, which could possibly generate solutions for youth to be more entrepreneurial.

This results in this question item somewhat contradict past research, which explains that majority of entrepreneurs do not advertise their businesses as family-owned businesses suggesting that the community doesn't influence type of business (Farrington et al., 2017). This discrepancy could exist because these studies were examining a different construct, as the respondents were possibly not considering a family business influence but rather an influence from friends and business associates.

The next figure gives the data on community entrepreneurial attitudes.



**Figure 5-37 Community entrepreneurial attitude**

In the figure above, 50% of respondents rated a moderate to very great extent of agreement to the statement that they feel that their community does not have an entrepreneurial attitude, whereas 38.5% to a lesser extent (N = 53). The median measure was 4.5 (neutral to moderate extent) with a very slight negative, left skewness (-0.142), and a slight Platykurtic peak (-0.958).

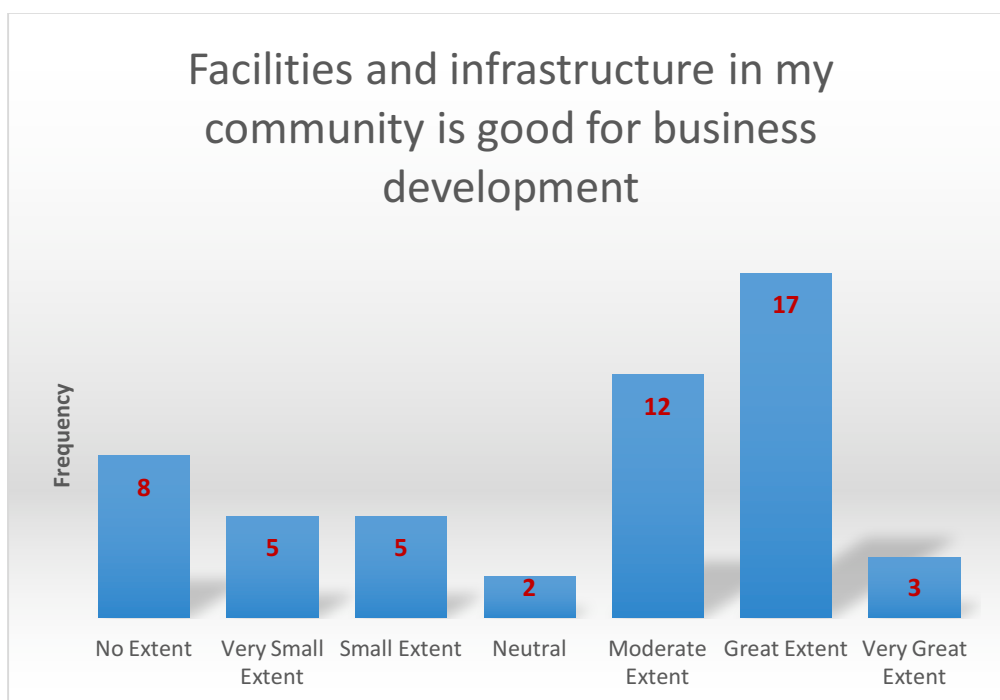
The next figure gives the data on whether the community provides opportunities to start a business.



**Figure 5-38 Community opportunities for businesses**

In the figure above, 65.4% of respondents agreed that their community offers opportunities for them to start their own business to a moderate and very great extent, and 23.1% a lesser to no extent (N = 53). The median measure was 5 (moderate extent), with a left, negative skewness (-1.000), and a rather flat peak of 0.236.

The next figure, indicates responses on facilities and infrastructure in communities. See Appendix M.

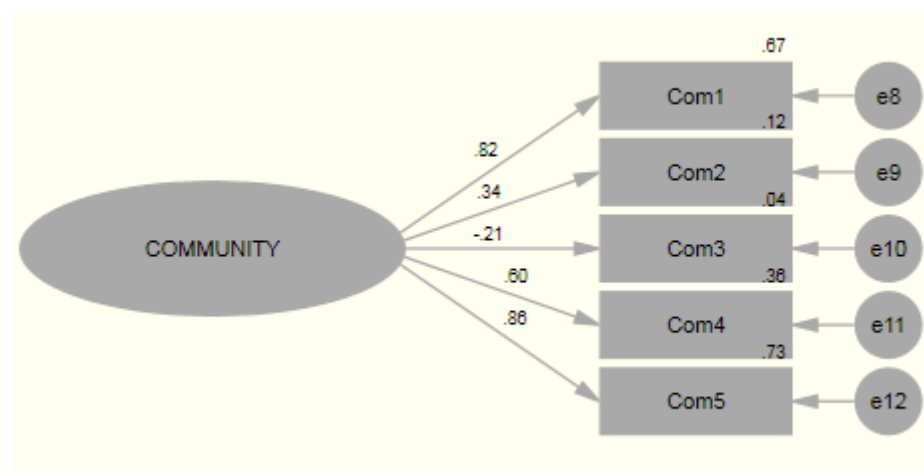


**Figure 5-39 Facilities and infrastructure in the community**

In the figure above, 34.6% of respondents agreed to a lesser to no extent that the facilities and infrastructure in their community is good for business development, whereas 61.6% agreed to a moderate and very great extent (N = 53). The median measure was 5 (moderate extent) with a left negative skew of -0.575, and Platykurtic peak of -1.138. Kruskal-Wallis revealed a significant difference in respondents highest level of education, and facilities and infrastructure in their community being good for business development ( $H(3) = 8.646$ ,  $p = 0.034$ ); the difference lay between third-year and Honours students ( $\chi^2(1) = 7.215$ ,  $p = 0.007$ ), with Honours students indicating a higher extent to which the facilities and infrastructure are good for business development, whereas third-years generally rated these community resources lower.

These results are not supported by past research that explains there is a lack of infrastructure and facilities in South Africa due to poor long-term planning (Chitiga et al., 2016). Moreover, there are issues with funding for key water resources and the current models are outdated and need to be redesigned (Ruiters & Matji, 2016).

A possible reason for this contradiction is that respondents in this study perhaps have not experienced high level of infrastructure and facilities associated with developed countries such as the United States. This could mean that respondents are not aware of developed infrastructure and lack the awareness, similar to their lack of awareness of private sector agencies in South Africa.



**Figure 5-40 Composite dimensions**

**Table 5-12 Standardised Regression Weights**

	Estimate
Com1 <--- COMMUNITY	.818
Com2 <--- COMMUNITY	.339
Com3 <--- COMMUNITY	-.206
Com4 <--- COMMUNITY	.604
Com5 <--- COMMUNITY	.856

**Table 5-13 Factor Score Weights**

	Com5	Com4	Com3	Com2	Com1
COMMUNITY	.422	.146	-.031	.063	.357

Examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in the community composite was attributable to “Facilities and infrastructure in my community is good for business development” (0.856) with a factor weighting of 0.422, and the highest barrier with a negative loading was “I feel my community does not have an entrepreneurial attitude” (-0.206), with a negative factor weighting of -0.031.

The next figure provides a summary of all the survey questions under the construct “community” in this study.



**Figure 5-41 Community**

In the figure above, people in the community are influential and are pivotal in providing encouragement to become a youth entrepreneur, especially for females. Community members influencing their type of business is very important. There seems to be a negative attitude towards entrepreneurship in communities; this suggests that future studies should be aimed at communities, and it also suggests an investigation of the influence this has over the motivations of youth entrepreneurs. In addition to community attitudes acting as a barrier, opportunities within communities also seem to pose problems. The overall consensus is that community members are highly influential in selecting the type of business they wanted to start, and the factor considered to have the least extent of truth was that their community does not have an entrepreneurial attitude.

The next construct discussed below is small and medium-sized businesses, which includes training, business development support, high levels of crime and high levels of competition.

### 5.11.2 Barrier rankings for research question 5

**Table 5-14 Research Question 5: barriers and opportunities**

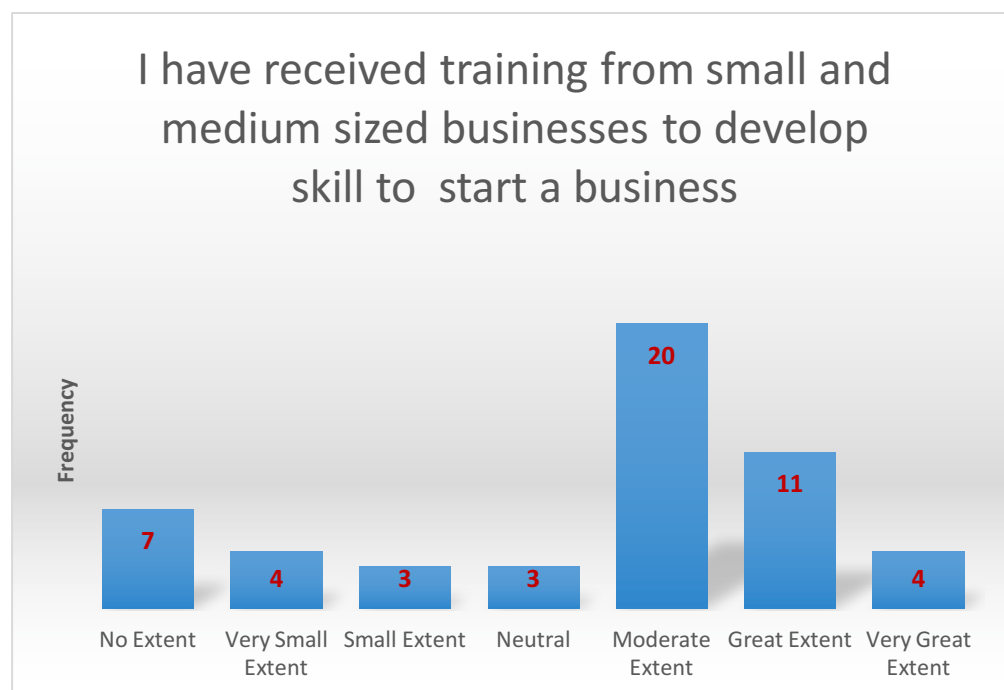
		Barrier	Opportunity
Communities	1	Does not have an entrepreneurial attitude (50% no extent)	Influence the type of business (73.1% extent)
	2	Infrastructure is good for business (34.6% no extent)	Opportunities for me to start my own business (73.1% extent)
	3		Encouraged me (67.3% extent)

The assumption that communities do not have an entrepreneurial attitude is expressed by youth in the table above. Possibly some youth are not entrepreneurial and assume that communities around them are the same. It is important that these results are scrutinised and that cause and effect is not simply assumed. As a consequence, youth could be projecting their personal barriers in relation to systemic intermediaries onto communities regardless of where they are based.

## 5.12 Research Question 6: Findings and discussion

### 5.12.1 Barriers encountered in relation to small and medium-sized businesses

The first item in the questionnaire was training being received from small and medium-sized businesses. See Appendix N.

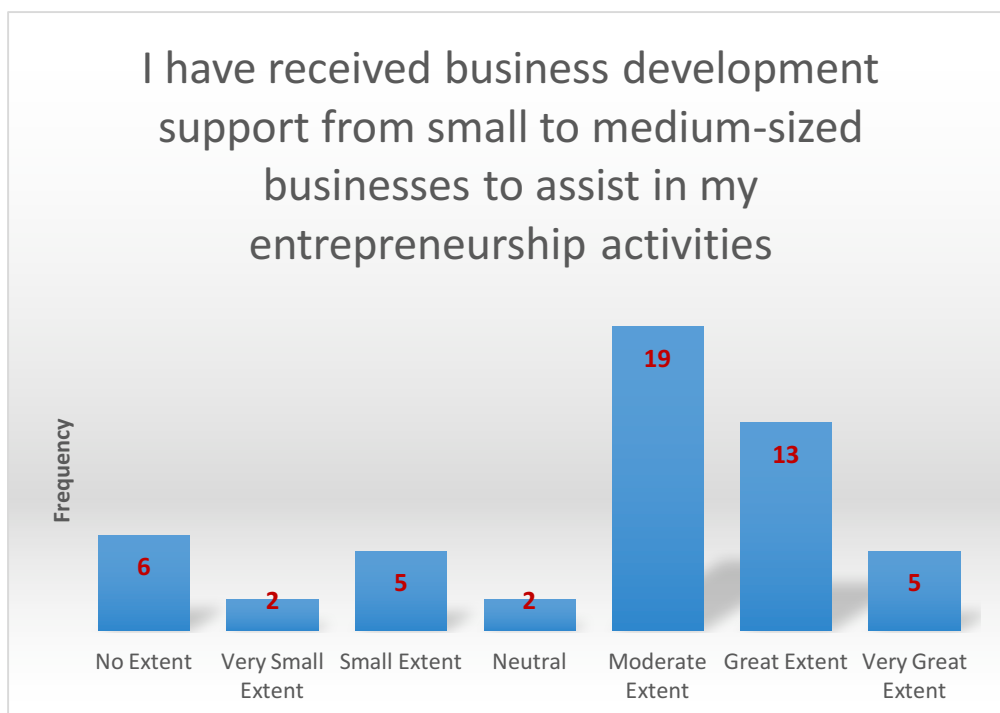


**Figure 5-42 Training from small and medium-sized businesses**

In the figure above, 26.9% of respondents indicated lesser to no agreement that they had received training from small and medium-sized businesses to develop skill to start a business, whereas 67.4% expressed a greater extent to which they agree ( $N = 53$ ). The median was 5 (moderate extent) with a negative, left skewness and flat Platykurtic peak ( $-0.573$ ). Kruskal-Wallis revealed a significant difference in respondents employment status, and receiving training from small and medium-sized businesses to develop skills to start a business ( $H(8) = 18.0195$ ,  $p = 0.021$ ), where the differences were found to exist between full-time undergraduate students and unemployed students ( $\chi^2(1) = 4.372$ ,  $p = 0.037$ ), full-time undergraduate students with entrepreneurial activity and full-time postgraduate students with entrepreneurial activity ( $\chi^2(1) = 3.971$ ,  $p = 0.046$ ); full-time undergraduate students with entrepreneurial activity and unemployed students ( $\chi^2(1) = 5.635$ ,  $p = 0.018$ ); full-time undergraduate students with entrepreneurial activity and part-time employed students ( $\chi^2(1) = 8.098$ ,

$p = 0.004$ ); full-time undergraduate students with entrepreneurial activity and full-time employed students ( $\chi^2(1) = 8.164$ ,  $p = 0.004$ ); full-time postgraduate students with entrepreneurial activity and part-time employed students ( $\chi^2(1) = 4.870$ ,  $p = 0.027$ ); part-time employed and an entrepreneur and working for themselves ( $\chi^2(1) = 4.500$ ,  $p = 0.034$ ). A further examination of the crosstabs revealed that full-time undergraduate students and full-time undergraduate students with entrepreneurial activity were more likely to rate the statement with a small to no extent of agreeance, whereas part-time and full-time employed were likely to indicate a greater extent of agreeance.

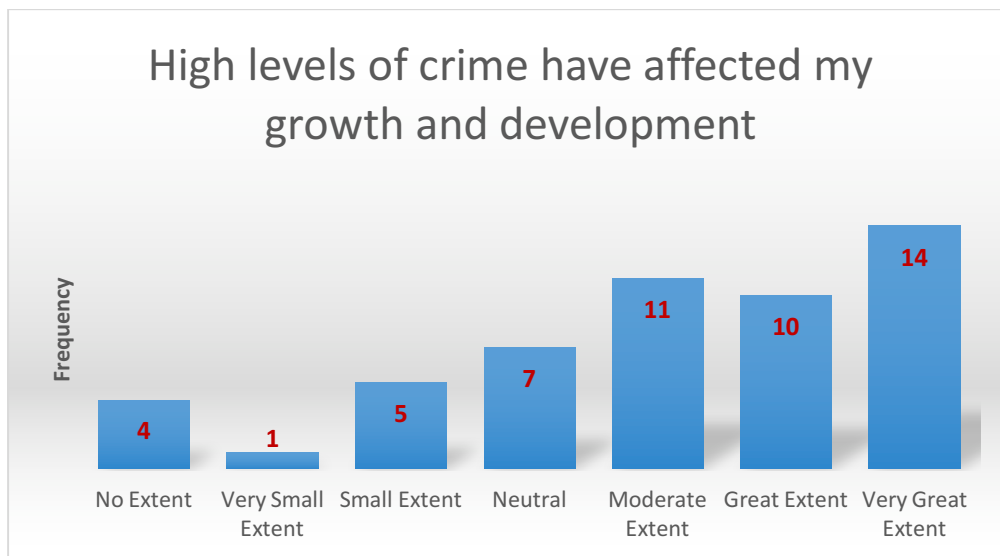
The next figure gives the data on business development support from small and medium-sized businesses assistance relative to youth entrepreneurship activities. See Appendix N.



**Figure 5-43 Business development support from small to medium-sized businesses**

In the figure above, 71.1% of respondents expressed moderate to very great extent of agreeance that they have received business development support from small to medium-sized businesses to assist in their entrepreneurship activities, whereas 25% reported small to no extent of agreeance with this statement ( $N = 53$ ). The median rating was 5 (moderate extent) with a slight left, negative skew ( $-0.889$ ) and flat peak ( $-0.167$ ).

The next figure relates to high levels of crime which can possibly affect growth and development. See Appendix O



**Figure 5-44 High levels of crime**

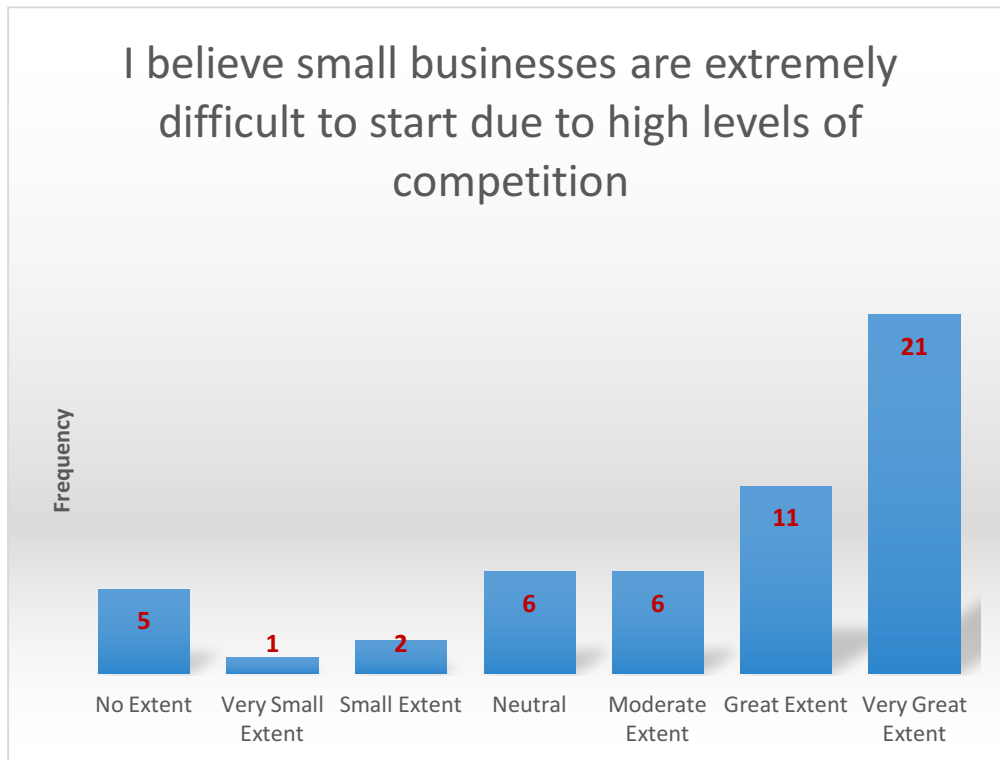
In the figure above, 19.2% of respondents agreed to a small to no extent with the statement that high levels of crime have affected their growth and development, whereas 67.3% agreed to a moderate and very great extent (N = 53). The median measure was 5 (moderate extent) with a left, negative skewness (-0.789), and a flat Platykurtic peak (-0.144). Kruskal-Wallis revealed a significant difference in gender, and high levels of crime affecting their growth and development ( $U = 179.000$ ,  $p = 0.027$ ), with females indicating a moderate to very great extent in levels of agreeance with the statement.

These results are supported by past research conducted by Mahofa et al. (2016) which suggests a significant decrease in business entry for small and medium-sized businesses associated with high crime prevention costs, compared to larger businesses which make more profit.

There is, however, contradictory research which suggests that crime does not entirely affect growth and development, but rather that youth are negatively affected by large geographical boundaries between formal and informal areas (Grabrucker & Grimm, 2016). This could mean that 67% of respondents are affected by geographical boundaries between formal and informal areas, rather than crime being the primary contributor.



The next figure relates to small business being difficult to start due to high levels of competition. See Appendix P.



**Figure 5-45 Small businesses and competition**

Only 15.4% of respondents expressed small to no extent in agreeance to the statement that small businesses are extremely difficult to start due to high levels of competition, in contrast to 73.1% of respondents indicating a greater agreeance (N = 52). Kruskal-Wallis revealed a significant difference in respondents' employment status, and believing small businesses are extremely difficult to start due to high levels of competition ( $H(8) = 18.340$ ,  $p = 0.019$ ), with differences between full-time undergraduate student and full-time employed ( $\chi^2(1) = 4.726$ ,  $p = 0.030$ ); full-time undergraduate student with entrepreneurial activity and part-time employed ( $\chi^2(1) = 4.813$ ,  $p = 0.028$ ); full-time undergraduate student with entrepreneurial activity and full-time employed ( $\chi^2(1) = 8.867$ ,  $p = 0.003$ ); full-time postgraduate student with entrepreneurial activity and full-time employed ( $\chi^2(1) = 8.867$ ,  $p = 0.003$ ); and unemployed and full-time employed ( $\chi^2(1) = 5.477$ ,  $p = 0.019$ ). As per the cross-tabulation, part-time and full-time employed people, and people already entrepreneurs were more likely to rate this item higher compared to undergraduate students, who rated the extent as small to none.

Past research supports these results and explains the importance of being able to change and adapt to differing business environments (Adeniran & Johnston, 2016). These researchers further agree that it is difficult and expensive to maintain information technology systems and that entrepreneurs need to be creative and innovative (Adeniran & Johnston, 2016).

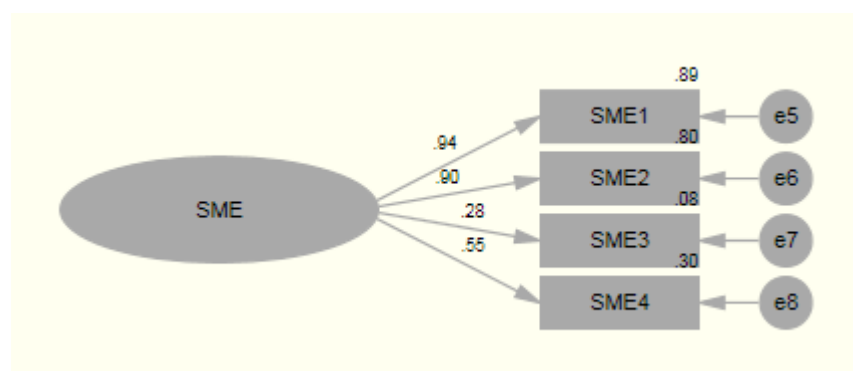
These past researchers suggest that small businesses experience high levels of competition and are at a disadvantage compared to large businesses which have the resources and specialists to

outperform competition. Further research conducted by Mbinda and Spencer (2016, p. 161) explains that there is a skills shortage in the townships of South Africa which could make these respondents more susceptible to high levels of competition.

This survey response could be related to youth not have access to finance, which could make competition in the business more challenging.

The table in Appendix P gives the data on the relationship between difficulty of starting a business due to competition and current youth status.

Just over half of the respondents indicated that they received training from SMEs; this is not a lot and poses a barrier. Those still studying reported less training compared to their more employed and perhaps exposed to business counterparts. A lot of students reported favourably on received business development support from small to medium-sized businesses to assist in their entrepreneurship activities, and this is therefore not a barrier. Crime seems to have a degree of influence, but not too much. Competition is a significant barrier, especially for people already engaging in some form of entrepreneurial activity. In summary, belief that small businesses are difficult to start due to high levels of competition was rated highest; however, the median measure for all items was 5 (moderate extent), and therefore crime and start-up costs are the biggest barriers experienced by SMEs.



**Figure 5-46 Composite dimensions**

**Table 5-15 Standardised Regression Weights:**

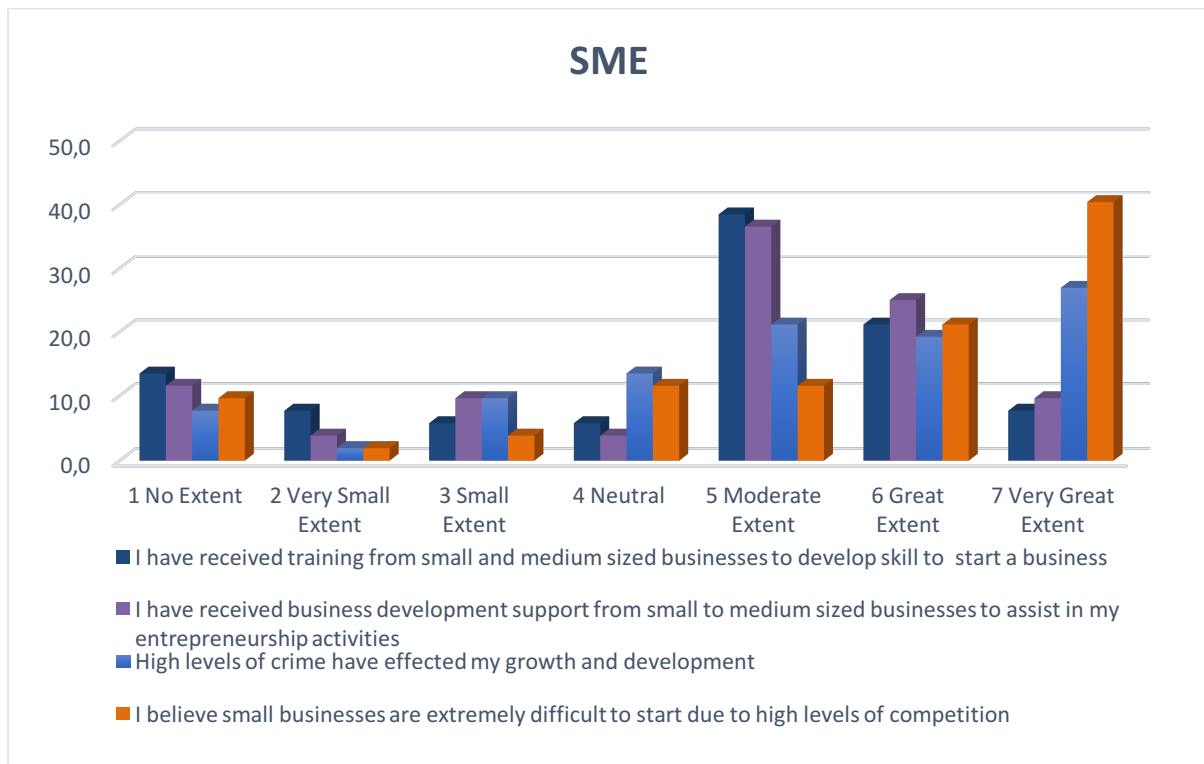
	Estimate
SME1 <--- SME	.945
SME2 <--- SME	.897
SME3 <--- SME	.284
SME4 <--- SME	.548

**Table 5-16 Factor Score Weights**

	SME4	SME3	SME2	SME1
SME	.051	.021	.320	.597

Examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in the SMEs composite was attributable to “I have been receiving training from small and medium-sized businesses to develop skill to start a business” (0.945), and the greatest barrier was “High levels of crime have affected my growth and development” (0.284), and a factor loading of 0.021.

The next figure provides a summary of all the survey questions under the construct “SME” in this study.



**Figure 5-47 SME**

The final construct being discussed in the survey is large businesses and corporates, which includes corporate social investment programmes investing in youth, training, awareness of support, talent recruitment programmes and company representatives visiting youth.

### 5.12.2 Barrier rankings for research question 6

Table 5-17 Research Question 6: barriers and opportunities

		Barrier	Opportunity
SMEs	1	High levels of competition (73.1% extent)	Received business development support (71.2% extent)
	2	High levels of crime (67.3% extent)	Received training (67.3% extent)

In the table, youth indicate that high level of competition is a barrier. The researcher suggests that high level of competition is common for most businesses and should be embraced. Moreover, youth should practice innovation and collaboration with skilled persons to increase their value, rather than negatively reacting to competition. Youth need to upskill themselves, rather than perceiving competition as a barrier, and find solutions to add more value to their businesses.

Conversely, crime is a realistic barrier and youth require support from government and municipalities to solve the problem.

## 5.13 Research Question 7: Findings and discussion

### 5.13.1 External barriers encountered in relation to large businesses and corporates

The first question item being investigated is corporate social investment programmes and their investment in youth. See Appendix Q.

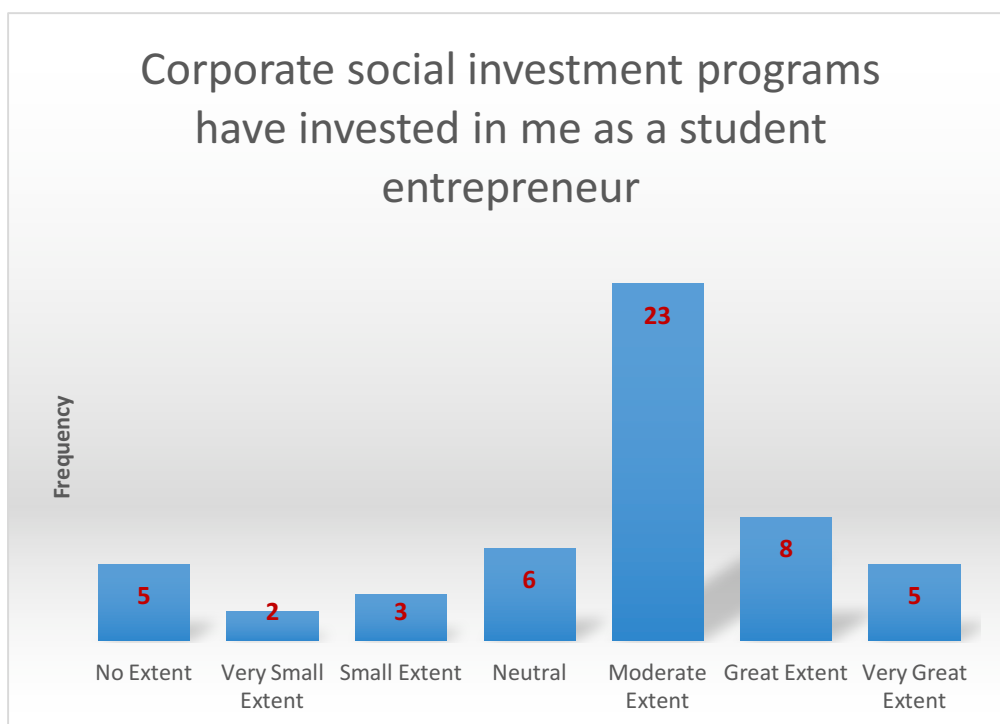


Figure 5-48 Corporate social investment programmes

In Figure 5-48, only 19.2% of respondents gave small or no extent rating on extent to which they agree with the statement that corporate social investment programmes have invested in them as a student entrepreneur, compared to 69.2% of respondents indicating moderate to very great extent (N = 52). These responses suggest that corporate social investment programmes in South Africa need to provide more support for youth to become entrepreneurial. Kruskal-Wallis revealed a significant difference in respondents' employment status and corporate social investment programmes investing in them as a student entrepreneur ( $H(8) = 16.292$ ,  $p = 0.038$ ), where differences were found to exist between full-time undergraduate student and full-time employed ( $\chi^2(1) = 4.458$ ,  $p = 0.035$ ); full-time undergraduate student with entrepreneurial activity and part-time employed ( $\chi^2(1) = 8.049$ ,  $p = 0.005$ ); full-time undergraduate students with entrepreneurial activity and full-time employed ( $\chi^2(1) = 6.345$ ,  $p = 0.012$ ); part-time employed and "I am an entrepreneur and working for myself" ( $\chi^2(1) = 4.500$ ,  $p = 0.034$ ). Investigation of the cross-tabulations revealed that full-time undergraduate students, full-time undergraduate students with entrepreneurial activity and entrepreneurs were more likely to rate the programme investment to lesser or no extent, and full-time postgraduate students, full-time postgraduate students with entrepreneurial activity, part-time employed and full-time employed were more likely to rate the investment as moderate to great extent.

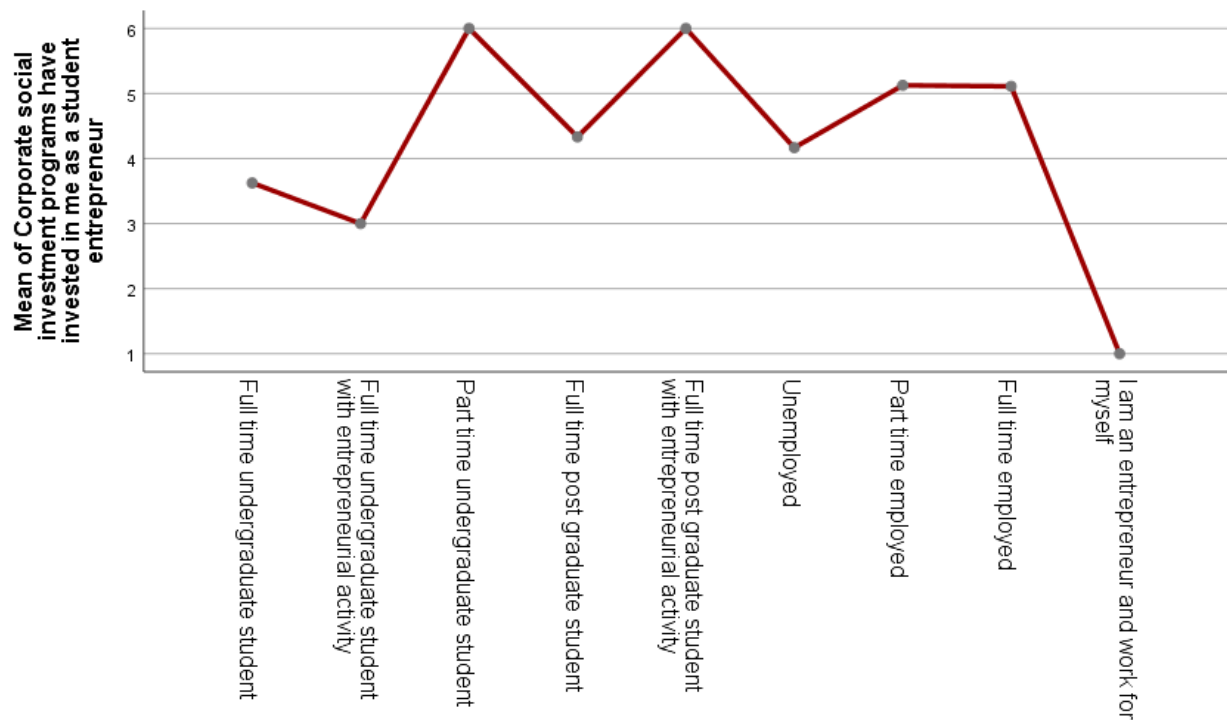
There is limited research on corporate social investment programmes in South Africa, which leads the researcher to believe that more resources need to be committed to encourage businesses to assist youth entrepreneurs.

These results are supported by past research which shows that corporate social investment programmes lack are not supported by businesses (Penn & Thomas, 2017). These researchers explain that CSI programmes are implemented as a marketing strategy to gain loyalty and credibility with clients, rather than focussing on creating actual change for youth entrepreneurs (Penn & Thomas, 2017). In addition, companies do offer support for employees to implement these programmes which compromises effectiveness (Penn & Thomas, 2017).

It appears that further research needs to be conducted to shift businesses to implement CSI programmes for youth. In spite of this, there is some evidence showing that businesses which provide work-integrated learning for youth and are financially invested have greater commitment (Reinhard et al., 2016, p. 261).

The table in Appendix Q provides insight into corporate social investment programmes and current status.

There is a significant difference in corporate social investment programmes investing in them as student entrepreneurs and current employment status ( $F(8, 43) = 2.783$ ,  $p = 0.015$ ). An examination of the means plot reveals higher extents for part-time students, and full-time post-graduate students with entrepreneurial activity, and lower extents for full-time undergraduate students with entrepreneurial activities, full-time postgraduate students, and the lowest extent for those who are already entrepreneurs.



**Figure 5-49 Mean of corporate social investment programmes**

The next figure provides insight into training received from large businesses and corporates to develop skills. See Appendix R.



**Figure 5-50 Training from large businesses and corporates**

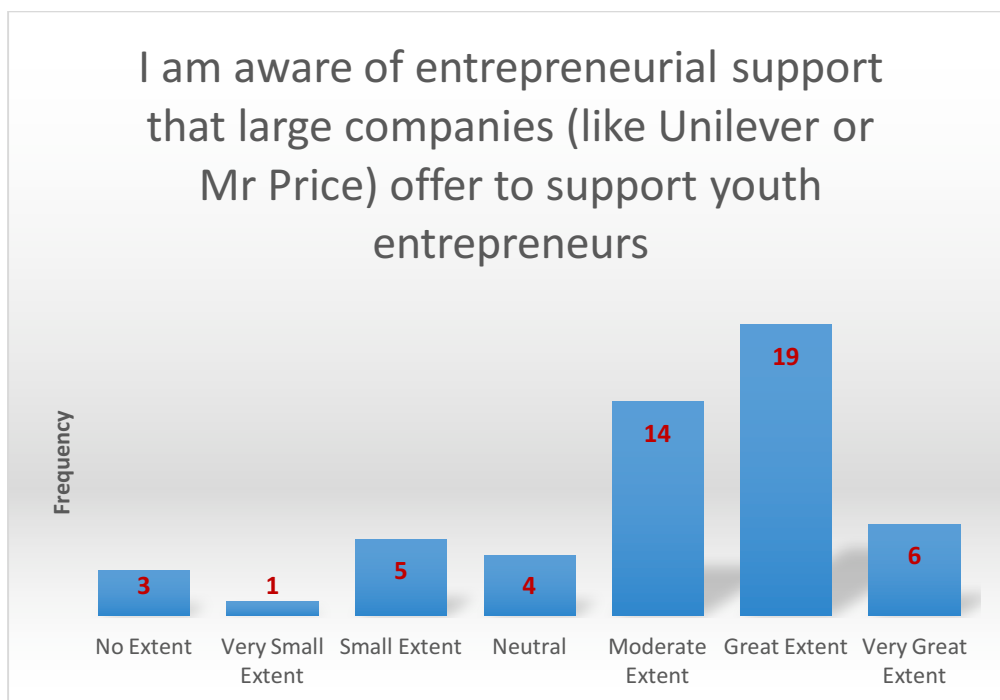
In the figure above, just over half (55.7%) rated the extent to which they received training from large businesses and corporates to develop skills to start a business as moderate to very great, compared to 38.5% of respondents who rated the received training as small to none (N = 52); 11 respondents rated no extent (n = 52). The median was 5 (moderate extent), with a slight, negative left skew of -0.430, and a Platykurtic peak of -1.225). Kruskal-Wallis revealed a significant difference in

respondents highest level of education, and receiving training from large businesses and corporates to develop skills to start a business ( $H(3) = 10.747$ ,  $p = 0.013$ ), where the difference lay between third-year and Honours students ( $\chi^2(1) = 8.208$ ,  $p = 0.004$ ), with the former tending to rate the development of skills through training to a lesser, small, or no extent, and the latter, rating the skill developed through training to a moderate or great extent; 42.3% of third-year students rated the training received as small or no extent ( $n = 26$ ).

Research conducted by Reinhard, Pogrzeba, Townsend, and Pop (2016, p. 249) support the results from this study and suggest that businesses show weak support to youth entrepreneurs through training. These researchers explain that youth are not provided with business support through work-integrated learning, however partial support is evident when companies are financially invested in these programme (Reinhard et al., 2016, p. 260).

This corresponds with the lack of CSI programmes in South Africa and could mean that businesses lack incentives from government to create programmes that have an impact on youth entrepreneurs.

The next figure indicates entrepreneurial support for youth entrepreneurs from large companies. See Appendix S.



**Figure 5-51 Awareness of entrepreneurial support from large companies**

A mere 17.3% of respondents rated the extent to which they are aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to youth entrepreneurs as small to none, whereas 74.9% of respondents rated the extent as moderate to great ( $N = 52$ ). The median measure was 5 (moderate extent), with a left, negative skew of -1.132, and a slight Platykurtic peak of 0.847.

Kruskal-Wallis found a significant difference in respondents employment status and being aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to youth entrepreneurs ( $H(8) = 16.301$ ,  $p = 0.038$ ). The difference lies between full-time undergraduate students and full-time employed ( $\chi^2(1) = 6.992$ ,  $p = 0.008$ ); full-time undergraduate students with entrepreneurial activity and part-time employed students ( $\chi^2(1) = 4.825$ ,  $p = 0.028$ ); full-time undergraduate students with entrepreneurial activity and full-time employed students ( $\chi^2(1) = 6.989$ ,  $p = 0.008$ ); and part-time undergraduate students and full-time employed students ( $\chi^2(1) = 4.504$ ,  $p = 0.034$ ). Full-time undergraduate students were more likely to rate the support to a lesser or no extent, whereas full-time postgraduate students, full-time postgraduate students with entrepreneurial activity, unemployed, and part-time employed students were more likely to rate the entrepreneurial support to a moderate or very great extent.

The next figure discusses talent recruitment programmes by large companies for youth entrepreneurs. See Appendix T.



**Figure 5-52 Large companies offering talent recruitment programmes**

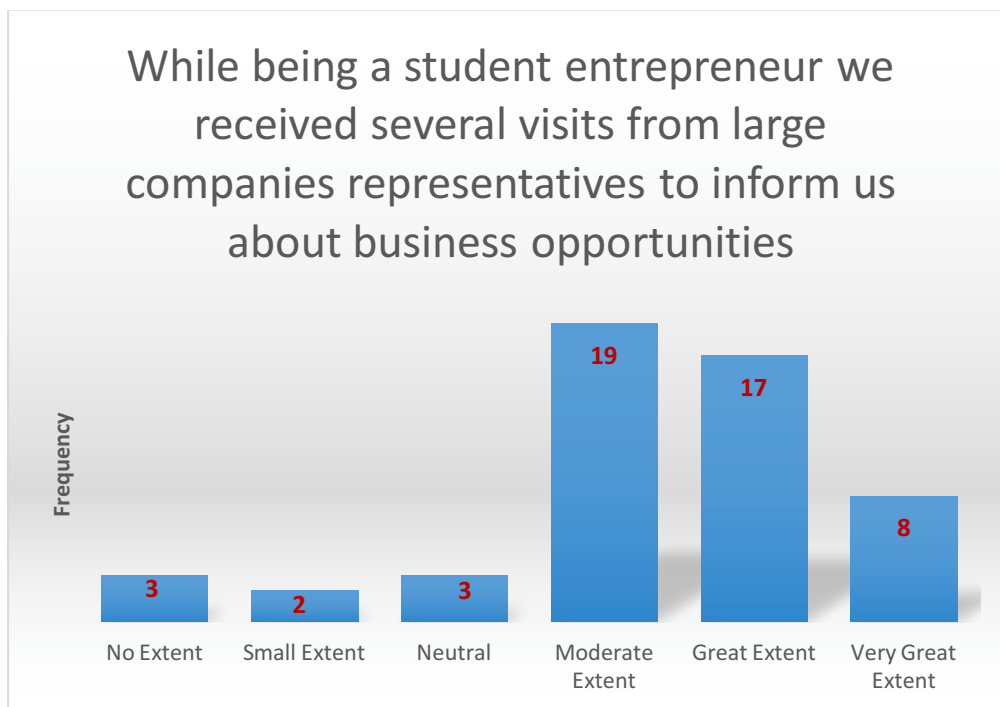
In figure 5.47, just over a fifth (21.2%) of respondents indicated a small to no extent rating with the statement that large companies offer talent recruitment programmes that will help them progress to become a successful entrepreneur, whereas 74.9% indicated a moderate to very great extent rating ( $N = 52$ ). The median was 5 (moderate extent) with a negative, left skew of  $-0.997$ , and a slightly flat Platykurtic peak of  $0.451$ .

Kruskal-Wallis found a significant difference in respondents highest level of education, and large companies offering talent recruitment programmes that will help their progress become a successful entrepreneur ( $H(3) = 8.305$ ,  $p = 0.004$ ), the difference lay between third year and Honours students



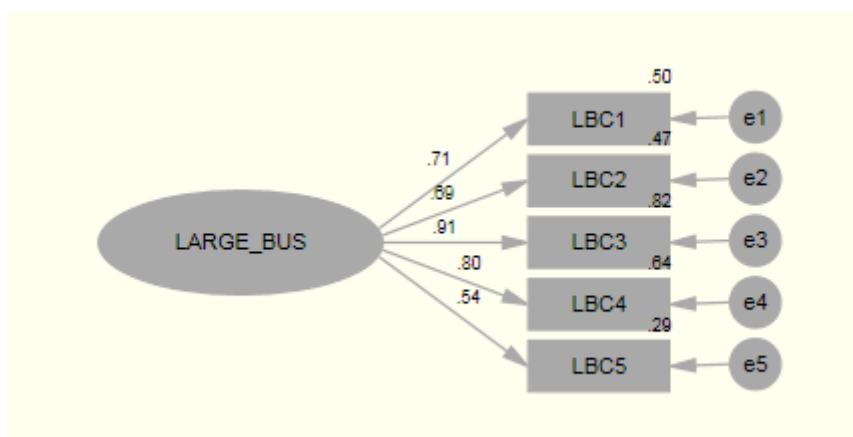
( $\chi^2(1) = 5.519$ ,  $p = 0.019$ ). Third-year students were likely to feel that the talent recruitment programmes offered have helped their progress to a lesser extent than Honours students, who rate it as moderate to very great extent.

The next figure gives the data on the number of students receiving visits from large companies to inform them about business opportunities. See Appendix T.



**Figure 5-53 Visits from large companies**

A very small percentage (9.6%) of respondents gave a small to no extent rating for the statement “While being a student entrepreneur we received several visits from large companies representatives to inform us about business opportunities”, compared to 84.6% of respondents indicating a moderate to very great extent rating ( $n = 52$ ). The median was 5 (moderate extent), with a negative left skew, the bulk of the distribution falling to the right, and a rather peaked Platykurtic peak of 2.804.



**Figure 5-54 Composite dimensions**

**Table 5-18 Standardised Regression Weights**

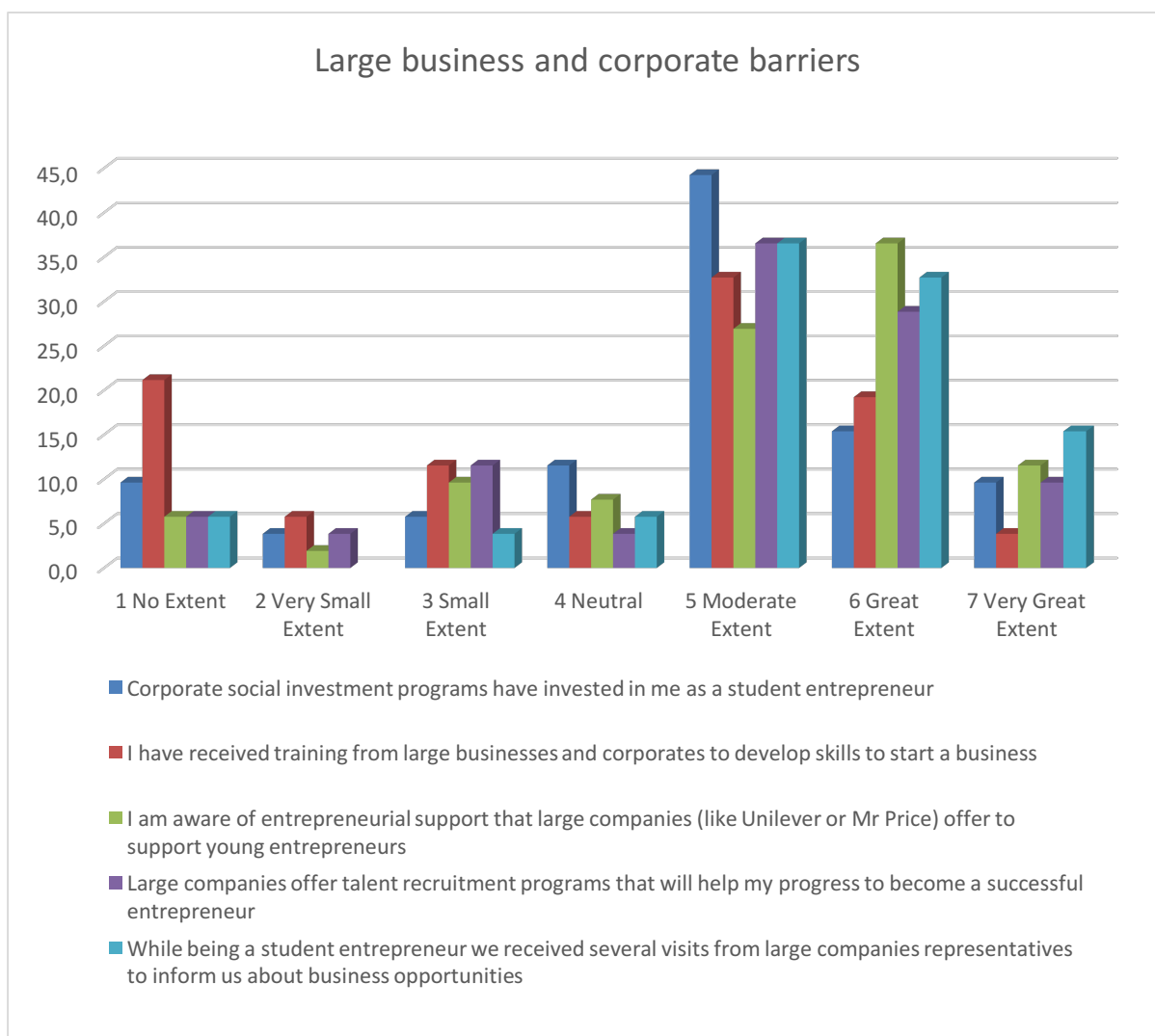
	Estimate
LBC1 <--- LARGE_BUS	.706
LBC2 <--- LARGE_BUS	.686
LBC3 <--- LARGE_BUS	.908
LBC4 <--- LARGE_BUS	.803
LBC5 <--- LARGE_BUS	.539

**Table 5-19 Factor Score Weights**

	LBC5	LBC4	LBC3	LBC2	LBC1
LARGE_BUS	.077	.208	.479	.096	.125

Examination of the standardised regression weights reveals that the highest regression weight and therefore opportunity in the large businesses composite was attributable to “I am aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support youth entrepreneurs” (0.908), and the highest cited barrier was “While being a student entrepreneur we received several visits from large companies representatives to inform us about business opportunities” (0.539), and a factor score of 0.077.

The next figure provides a summary of all the survey questions under the construct “large businesses and corporates” in this study.



**Figure 5-55 Large business and corporate barriers**

These responses in the 2017 survey to investigate second-year students who participated in the 2015 SHAPE project suggest that corporate social investment programmes in South Africa need to provide more support to youth to become entrepreneurial, and this was found to be especially true for the employed. Those with higher levels of employment were more likely to rate the investment lower, suggesting that investment is lacking and is acting as a barrier. Only a limited majority rated the training received from large businesses to develop their skills favourably – suggesting that this is a barrier, especially amongst third-year students of whom 11 (42.3%) reported small or no extent of training from large businesses. There seems to be an awareness of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support youth entrepreneurs, and as such this is not a barrier, especially for those involved in more entrepreneurial activities. In addition, neither large companies offering talent recruitment programmes that will help them progress to become a successful entrepreneur, nor having received visits from large companies seem to be barriers.

As such, the extent to which they were visited by large companies offering talent recruitment programmes to help with their progress was rated highest, making this the least obtrusive large business and corporate barrier. The most significant barrier was the training received from large

businesses and corporates to develop start-up skills. The second most significant barrier was investment by corporate social investment programmes as student entrepreneurs.

### 5.13.2 Barrier rankings for research question 7

**Table 5-20 Research Question 7: Barriers and opportunities**

		Barrier	Opportunity
Large businesses	1	Received training (38.5% no extent)	Received several visits from large companies (84.6% extent)
	2	Talent recruitment programmes (21.2% no extent)	Aware of entrepreneurial support (75% extent)
	3	Corporate social investment programmes invested (19.2% no extent)	

Some large businesses and corporates have the capacity to initiate corporate social investment programmes, unlike SMEs. However, these programmes are not reaching their full potential due to poor monitoring and evaluations from third parties. Large businesses and corporates need their CSI processes to be evaluated and scrutinised to improve their service offering for youth.

The findings are somewhat misleading, as respondents advised that they received several visits from large companies; however these visits were within the SHAPE project and not external, which suggests that youth require further support.

## 5.14 Conclusion

When looking at the 44 question items across all seven different sections of the questionnaire, ten important barriers to youth entrepreneurship were identified from highest to lowest, from Table 5-21 below. Ranked in descending order, the barriers were 1) difficulty accessing financial support to start their own business; 2) personal traits in relation to systemic intermediaries hindering their progress in becoming an entrepreneur; 3) government funding to pursue entrepreneurial activities; 4) belief that small businesses are difficult to start due to high levels of competition; 5) coming up on-the-spot with ideas; 6) crime hindering growth and development for youth in South Africa; 7) decision-making being challenging when planning a new business; 8) limited awareness of the private sector agencies; 9) receiving limited training from large businesses; and 10) lack of facilities in community to assist youth entrepreneurs. These ten barriers are discussed in more detail below.

The researcher comments that it is to be expected that financial difficulties are the highest barrier because youth lack the experience to create opportunities through being creative. This barrier could be circumvented by creating a partnership with a friend through networks that could reduce the financial burden or by changing strategy to find a more affordable way to achieve outcomes.

Moreover, it is common for youth to start businesses when they become unemployed or are in desperately need of money. In addition, youth do not capitalise on opportunities which are free, possibly due to inexperience and lack of skill. Researcher conducted by Rector et al. (2016) suggests that youth entrepreneurs who own SMEs in South Africa require external debt financing from banks. These researchers further explain that access to debt financing is a major barrier which prevents youth entrepreneurs from achieving business growth. As a consequence, youth entrepreneurs in South Africa are rejected by banks because of poor credit ratings, lack of security and inadequate business plan (Rector et al., 2016).

These justifications are somewhat associated with the second major barrier, which is personality traits. Youth consider their personality as a barrier, which suggests that they believe they have limited control over outcomes and that they are a product of their environment rather having control over their lives. Their awareness that this is a barrier perhaps shows some degree of maturity in that they are aware of their weakness. Core personality traits of youth entrepreneurs are a) vision, b) resilience, c) teamwork, d) innovation, e) passion, f) leadership, g) integrity, h) quality, i) customer focus, and h) flexibility. Ernst and Young (2017) state that personality traits are necessary to execute certain entrepreneurial tasks effectively.

The third barrier is the perceived lack of funding from government which could be associated with the first barrier as youth appear to consider all finances as a barrier. It is ignorant to think that the government can provide funding for youth to start ventures. This barrier could be used as a convenient excuse, therefore it is important to consider whether the barrier is more associated with personality than with finances. Research conducted by Sinyolo, Mudhara, and Wale (2017, p. 63) suggest that financial social grants provided by government can reduce incentive and motivation for entrepreneurs in the agricultural industry. There is consequently a negative association, because rural entrepreneurs become dependent (Sinyolo et al., 2017, p. 63).

The fourth- and fifth-rated barriers which appear to prevent youth from starting a business are high level of competition and on-the-spot creative thinking. These two perceived barriers, in the researcher's view, are justifiable barriers, because most businesses are constantly trying to outperform competition by being creative. However, personal resilience and problem solving could enable youth to add more value to their businesses and possibly find niches in the market. Moreover, in the researcher's view, creativity needs to be practised by youth and should be included as a daily task. South African youth entrepreneurs starting SMEs should not resist competition but instead react by adding value within the business (Adeniran & Johnston, 2016, p. 59). These researchers suggest that embracing competition through ICT can provide networking capabilities that assist SMEs to improve staff interactions, supplier offerings and innovations (Adeniran & Johnston, 2016, p. 78). In this way, youth entrepreneurs can react to opportunities and customer needs ahead of competition (Adeniran & Johnston, 2016, p. 78).

In relation to high levels of crime that prevent small businesses from achieving growth and development, the researcher comments that small businesses struggle to recuperate from financial

losses from crime, in comparison with larger businesses that can sustain these costs. In the researcher's view, crime is genuine barrier in South Africa and can deter businesses from reaching their potential. Research by Mahofa et al. (2016) suggests that high levels of crime reduce business entry in South Africa. These researchers conducted a 10-year longitudinal study from 2003 to 2015 calculating the variance in business registration in municipalities throughout South Africa and suggest that increased crime rates negatively impact business entry.

The barrier to youth entrepreneurs represented by decision making when planning a new business could, in the researcher's view, be associated with lack of experience and an external locus of control, which means that entrepreneurs are reacting to the environment rather than planning. Research conducted by Shepherd and Patzelt (2017) suggests that entrepreneurs are often exposed to uncertainty, ambiguity and emotionally charged scenarios, which can influence their decision making.

In addition, youth appear to be unaware of private sector agencies, which could limit business development, especially networking opportunities. Youth entrepreneurs would greatly benefit from having associations with private sector agencies, and this barrier, in the researcher's view, will hinder youth entrepreneurs from starting businesses. Moreover, private sector agencies are prevented from achieving change because community members are not actively involved in the change process and lack control as a group (McEwan et al., 2017, p. 48).

The next barrier is training from large businesses to start to business, which is surprisingly lower than expected, possibly reflecting lack of awareness on the part of youth entrepreneurs. The benefits from structured training could provide youth with an accurate understanding of industries and would potentially create employment opportunities. Research conducted by Reinhard et al. (2016) suggests that educational programmes connected to industry do exist in South Africa, but lack resources and expenditure from industry.

The tenth-rated barrier is facilities and infrastructure in the community, which is surprisingly low since youth throughout South Africa experience high levels of poverty. This researcher suggests that youth are sometimes unaware of the benefits of proper functioning infrastructure and could be achieving more when South Africa provides improves facilities to foster business. Chitiga et al. (2016) explain that inadequate long-term strategic planning has resulted in lack of infrastructure, facilities and innovation for South Africans. As a consequence, inadequate planning has stifled growth in the economy and created disconnect between geographical regions (Chitiga et al., 2016).

**Table 5-21 Top barriers to youth entrepreneurship**

<b>Rank</b>	<b>Barrier</b>	<b>Barrier %</b>
1	I have experienced difficulty accessing financial support to start my own business	84,91%
2	I consider my personality traits to hinder my progress in becoming an entrepreneur	75,47%
3	The government has provided me with funding to pursue my entrepreneurial activities	73,58%
4	I believe small businesses are extremely difficult to start due to high levels of competition	73,08%
5	Coming up with ideas especially on-the-spot creative thinking is challenging when planning a business	69,81%
6	High levels of crime have affected my growth and development	67,30%
7	Decision making is challenging for myself when planning a new business	54,71%
8	I am aware of other private sector agencies besides the eThekweni Chamber of Commerce Durban	42,31%
9	I have received training from large businesses and corporates to develop skills to start a business	38,46%
10	Facilities and infrastructure in my community is good for business development	34,62%

In identifying the top 10 barriers this research has also identified the 10 lowest barriers to youth entrepreneurship. These lowest barriers could be described as opportunities for youth entrepreneurs because they are perceived as areas which provide the least entrepreneurial resistance (See Table 5-22). They can accordingly benefit youth and are discussed below:

Rated in descending order, the opportunities for youth entrepreneurs are thus: 1) university academic and non-academic programmes supporting youth entrepreneurs; 2) municipality mentorship; 3) UKZN being an entrepreneurship-orientated institution through support programmes and initiatives on offer; 4) benefit from SHAPE for youth entrepreneurs, which was is also an opportunity for them to become more entrepreneurial; 5) greater self-confidence derived from SHAPE, so that they were confident enough to take action; 6) visits from large company representatives; 7) working in teams, which could benefit entrepreneurial outcomes; 8) municipal support for youth entrepreneurs; 9) information about government policies; and 10) community influence in the type of businesses they would like to start.

These 10 opportunities are discussed in more detail below.

In the researcher's view it is highly encouraging to see the opportunity for youth entrepreneurs provided by academic and non-academic university programmes to support youth entrepreneurs. It suggests that systemic action learning action research programmes are becoming more accepted and that youth entrepreneurs are starting to realise universities require non-academic programmes that specifically focus on the entrepreneurship from an innovation perspective. Incorporation of an entrepreneurial games system in South African education can assist youth to be more entrepreneurial (Pambe, 2017).

The second highest rated opportunity perceived as beneficial to youth entrepreneurs was municipality mentorship. Municipalities could gain better understanding of the needs of youth through ongoing interactions from mentorship programmes. In addition, youth could identify the strategic direction of the municipality and be more aligned.

The third rated opportunity is UKZN becoming an entrepreneurially orientated institution through support, programmes and initiatives, suggesting that youth perceive UKZN as offering a support structure that can help them to achieve business goals. The strategic objectives provided by the eThekweni municipality also provide a variety of platforms including creating an environment which is safe and healthy (eThekweni Municipality, 2017). Moreover, the municipality has developed a competitive environment by implementing support programmes through which small and medium-sized business can flourish, thereby empowering youth entrepreneurs and other entrepreneurs.

It appears that youth welcome entrepreneurship programmes and embrace new content and activities on offer. The fourth ranked opportunity was the benefit received from attending the SHAPE project (which is related to the third ranking). The SHAPE project has provided youth with skills and experiences that will give them opportunities to start their businesses, greatly assisting them to create networks that they did not previously have, and making them more entrepreneurial. Research conducted by van der Westhuizen (2016) suggests that youth entrepreneurs received support from “Business Friends” or SMEs. This was evident for youth who participated in the 2014–2015 SHAPE project, as they received support and guidance from experienced entrepreneurs.

The sixth opportunity for youth entrepreneurs is receiving visits from large company representatives to inform them of business opportunities. This opportunity provides youth with access to up-to-date information on industry changes and could provide unique insight into large businesses and their operations. In addition, these connections to large businesses could act as a bridge between unemployment and employment, thereby potentially reducing the unemployment rate. Students who complete these programmes are more employable than students who have not been exposed to work because they provide practical experience (Reinhard et al., 2016).

The seventh-rated opportunity suggests that youth are realistic about their capabilities and skills and therefore support working in teams rather than working alone, which is associated with more experienced individuals. Moreover, youth do not considering working in teams as a barrier, which further suggests that they would embrace teamwork. Previous experiences significantly impact entrepreneurs’ decisions to commence a business either alone or in a team (Hormiga Pérez et al., 2017, p. 203).

The eighth-rated opportunity suggests that youth would accept and receive support from municipalities to assist them to become more entrepreneurial. In addition, the eThekweni municipality provides essential support to small, medium- and micro-sized businesses, which all make a positive difference to the economy (eThekweni Municipality, 2017). This support aims to provide employment opportunities and assist in creating innovation and competition.



In addition, being informed about government policies is somewhat associated with receiving support from municipalities, because youth have started to perceive external sources of information as useful.

The tenth opportunity is youth entrepreneurs' perception of community influence on the type of business they would like to start, suggesting that they are not limited by the community but rather are connected to the community through shared interests. However, most businesses do not have the heritage and legacy enabling them to benefit from a family name, which takes years to achieve (Farrington et al., 2017). In addition, the researcher notes that those youth who do not have family businesses do not see this as a limitation.

**Table 5-22 Top opportunities for youth entrepreneurship**

Rank	Opportunities for youth entrepreneurs	Barrier %
1	It is important to have both academic and non-academic programmes at university to support youth entrepreneurship programmes	1,92%
2	The sessions with my municipality mentor was beneficial to me	5,66%
3	UKZN is becoming an entrepreneurship-orientated institution through support, programmes, initiatives and activities on offer	5,66%
4	I benefit through attending SHAPE	7,55%
5	SHAPE assisted me to have more self-confidence in becoming a youth entrepreneur	9,43%
6	While being a student entrepreneur we received several visits from large companies representatives to inform us about business opportunities	9,62%
7	I prefer working with others in a team environment when planning to start up a business	13,21%
8	The municipality provides support for me as a youth entrepreneur	16,98%
9	The government informed me about their policy of youth entrepreneurial development	18,86%
10	The people in my community influence the type of business I would like to start	19,23%

This chapter identified barriers to youth entrepreneurship and opportunities for youth entrepreneurship. The next chapter (Chapter 6) makes recommendations from this investigation and concludes this research.

## Chapter 6

# RECOMMENDATIONS AND CONCLUSIONS

### 6.1 Introduction

Literature identified seven intermediaries to support student entrepreneurs. In the event, the student entrepreneurs encountered several barriers in their interactions with these intermediaries, contradicting the intended purpose in having the intermediaries which was to provide benefit. The seven systemic intermediaries to youth entrepreneurship are: 1) personal barriers in relation to systemic intermediaries, 2) educational, 3) government agencies, 4) private sector agencies, 5) communities, 6) small and medium-sized businesses and 7) large businesses and corporates. These were empirically investigated and discussed in this chapter.

These external barriers influence their entrepreneurial attitudes and also affect internal barriers (Kickul and D'Intino, 2005). The model initially developed by Dhliwayo (2008) was only a theoretical model or conceptual framework; it was never implemented in practice and there was no concrete evidence for practitioners who might have considered implementing the framework. van der Westhuizen (2016) accordingly expanded the research by combining theory and action learning. Theory was thus translated to practice, through systemic action learning action research (SALAR) to determine whether it would be effective in helping youth to become more entrepreneurial. This study evaluated the participants in the first 2014–2015 cycle of SHAPE in a review their experiences and progression conducted in 2017. The review sought also to investigate whether the SALAR initiative was effective in increasing entrepreneurial momentum for youth and whether barriers experienced were reduced by participation in SHAPE.

Seven aspects were identified as systemic barriers to youth entrepreneurship:

1. The student entrepreneur in relation to himself/herself
2. Tertiary-level entrepreneurship programmes that prepare the student entrepreneur for the world of work as a youth entrepreneur
3. Interaction with government agencies to obtain business development support
4. High fees and red tape with private sector development agencies such as the local chamber of commerce
5. Pressure from community to find a job rather than becoming an entrepreneur
6. Limited entrepreneurial support from small and medium-sized business owners for student or youth entrepreneurs
7. Scarcity of large businesses or corporates offering internships or on-the-job training to give student appropriate entrepreneurial skill

In relation to the problems identified above, this research investigated, from a systemic perspective, external barriers to youth entrepreneurship that student entrepreneurs face in seeking to realise their nascent business ideas.

## **6.2 Study limitations**

Although this research has been carefully envisaged it has limitations:

1. The systemic action learning and action research project was SHAPE's first cycle in 2014–2015. The survey was conducted in 2017. The retrospective perspective might reflect different perspectives from those the sample might have had at the end of the programme in 2015.
2. The researcher was both a student and a youth entrepreneur with first-hand experience of barriers to entrepreneurship. This might cause bias and subjectivity in data interpretation.
3. Participants completing the questionnaire were studying entrepreneurship, which could influence their responses.
4. Barriers will also remain for youth entrepreneurs without systemic action, which suggest that the findings could perhaps not assist youth entrepreneurs.
5. The SHAPE entrepreneurship programme focusses on entrepreneurship-based content, which could expose the youth to entrepreneurship. It could be assumed that the wider population are not exposed to entrepreneurship programmes to this extent and are not considering entrepreneurship ideas.
6. Respondents were confined to the shape population sample.
7. The results in this study might have been different if the participants in this study had not participated in SHAPE.
8. The primary focus on this study was on external barriers to youth entrepreneurship, rather than internal barriers, which could have influenced the study.
9. The SHAPE project was directed and initiated by Dr van der Westhuizen. The results in this study could have been different if another person had directed the programme.
10. Data was collected from the survey primarily using a seven-point Likert scale. The results in this study may exclude information that could have been captured from a qualitative perspective.

## **6.3 Recommendations**

### **6.3.1 Research Question 1**

*External systemic barriers that influence youth entrepreneurs*

Youth entrepreneurs are aware of their financial limitations; however they need to be willing to create cost-effective solutions through networking, building teams and upskilling. In addition, youth need to adopt proactive behaviours to attract business opportunities, rather than waiting for business to come to them. They also need to create an internal locus of control so that they can create the environment around them. For future research, it is recommended that researchers consult with psychologists to

create a questionnaire which investigates the personality traits of youth entrepreneurs. This would provide input on whether youth have transitioned to an internal locus of control.

### **6.3.2 Research Question 2**

#### *Barriers encountered in relation to educational institutions*

It is encouraging to see that youth are embracing new entrepreneurially orientated programmes that can benefit them. It is accordingly recommended that youth attend these programmes and communicate their feedback to staff. For future research, it is recommended that researchers collaborate more with educational institutions to include youth entrepreneurship programmes in their curriculum, similar to other courses. This would provide more longitudinal data on youth entrepreneurship in South Africa.

### **6.3.3 Research Question 3**

#### *Barriers encountered in relation to government agencies*

Youth need to accept that government cannot solve all their entrepreneurial problems. Rather than being deterred when government cannot support them, they need to act resiliently to overcome difficulties. For future research, it is recommended that government representatives are included in entrepreneurship programmes. This would serve to provide enriched data that could be used to create further synergies between government agencies and entrepreneurship programme leaders.

### **6.3.4 Research Question 4**

#### *Barriers encountered in relation to private sector agencies*

Youth appear to embrace support from private sector agencies, but they need to reach out to businesses and mentors; this could potentially create further opportunities. Moreover, youth need to recognise that businesses are under pressure to generate profits, and that their own involvement can sometime be a cost for a company. Youth should accordingly value time in businesses and attempt to add real value rather than being a hindrance. For future research, it is recommended that researchers assist private sector agencies to create programmes that benefit youth. In addition, this future research could evaluate programme contents through third-party review to avoid creating programmes that serve as marketing ploys to showcase businesses to the public.

### **6.3.5 Research Question 5**

#### *Barriers encountered in relation to communities*

The researcher recommends that youth should attempt to conduct business in different communities around South Africa, which will increase potential opportunities. The benefit of extending oneself to different communities is that it creates larger networks and diverse experiences. The researcher further recommends that youth should engage more with communities to provide feedback on their business ideas and prototypes.

### **6.3.6 Research Question 6**

#### *Barriers encountered in relation to small and medium-sized businesses*

The researcher recommends that youth entrepreneurs embrace competition from SMEs and perceive it as an opportunity to learn, rather than as a barrier. It is important that youth entrepreneurs develop their skills by learning from SMEs and challenge themselves to be more creative. For future research, it is recommended that more data be captured on the location and type of business youth operate to link these entrepreneurs with industry experts. This was introduced in some programmes, but a more formal programme needs to be created in combination with industry experts and youth.

### **6.3.7 Research Question 7**

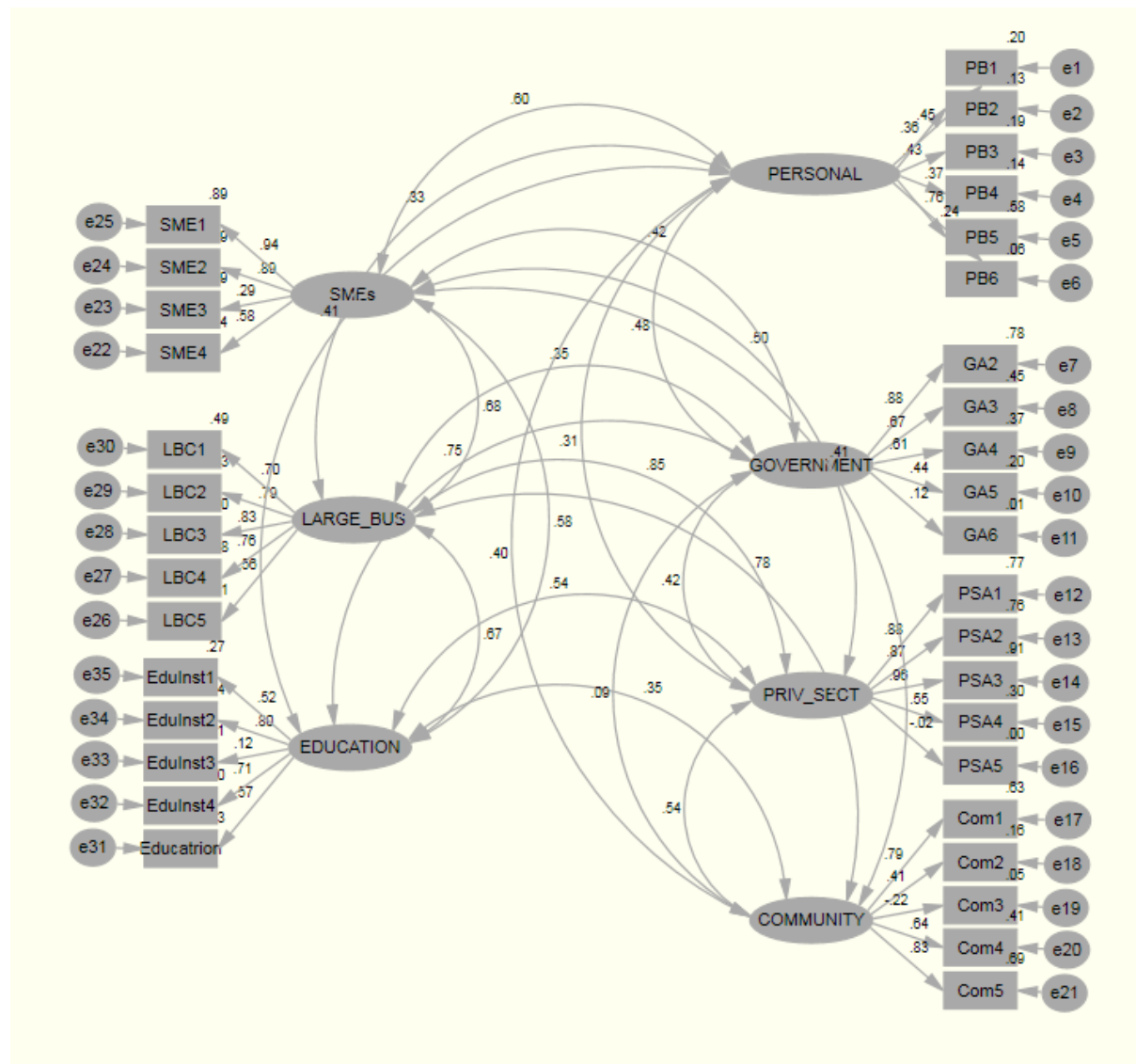
#### *Barriers encountered in relation to large businesses and corporates*

Youth entrepreneurs require support from large businesses and corporates; however it appears that youth entrepreneurs are not receiving support through structured representation, but instead from short-term interventions aimed at marketing the businesses. It is difficult for youth to engage with these large businesses, and universities should therefore create pathways for youth to participate in entrepreneurial programmes offered by large businesses. For future research, it is recommended that researchers analyse the interactions between large businesses and universities to better understand interactions. In addition, this could also be used to create standardised procedures between universities and organisations.

### **6.3.8 Improving the research instrument**

The most significant barriers were personal (51.26%), SME-related (48.08%) and community-related (30%). In examination of the factor loadings for each composite, score were, for large businesses and corporates (0.924, SE = 0.146), for personal (0.902, SE = 0.185), and for private sector agencies (0.903, SE = 0.185).

A confirmatory factor analysis was conducted using structural equation modelling to reveal a model as indicated in Figure 6.1.



**Figure 6-1 Structural equation model (SEM)**

**Table 6-1 Standard regression weight**

			Estimate	P
PB2	<---	PERSONAL	0.363	0.026
PB3	<---	PERSONAL	0.431	0.009
PB4	<---	PERSONAL	0.37	0.024
PB5	<---	PERSONAL	0.76	
PB6	<---	PERSONAL	0.242	0.132
GA2	<---	GOVERNMENT	0.885	
GA3	<---	GOVERNMENT	0.673	***
GA4	<---	GOVERNMENT	0.611	***
GA5	<---	GOVERNMENT	0.445	0.002
GA6	<---	GOVERNMENT	0.12	0.419
PSA1	<---	PRIV_SECT	0.877	***
PSA2	<---	PRIV_SECT	0.869	***

			Estimate	P
PSA3	<---	PRIV_SECT	0.955	
PSA4	<---	PRIV_SECT	0.55	***
PSA5	<---	PRIV_SECT	-0.022	0.875
Com1	<---	COMMUNITY	0.791	***
Com2	<---	COMMUNITY	0.405	0.005
Com3	<---	COMMUNITY	-0.215	0.149
Com4	<---	COMMUNITY	0.642	***
Com5	<---	COMMUNITY	0.83	
SME4	<---	SMEs	0.58	***
SME3	<---	SMEs	0.294	0.036
SME2	<---	SMEs	0.887	***
SME1	<---	SMEs	0.944	
LBC5	<---	LARGE_BUS	0.557	***
LBC4	<---	LARGE_BUS	0.759	***
LBC3	<---	LARGE_BUS	0.834	***
LBC2	<---	LARGE_BUS	0.793	
LBC1	<---	LARGE_BUS	0.703	***
EduInst5	<---	EDUCATION	0.572	***
EduInst4	<---	EDUCATION	0.709	***
EduInst3	<---	EDUCATION	0.117	0.441
EduInst2	<---	EDUCATION	0.8	
EduInst1	<---	EDUCATION	0.519	***
PB1	<---	PERSONAL	0.451	0.007

A confirmatory factor analysis was performed in AMOS in order to assess each dimension, and make recommendations regarding the measures for future studies. The model was significant ( $\chi^2(539) = 1209.156$ ,  $p < 0.001$ ). All unit loadings were significant except for

- I prefer working with others in a team environment when planning to start up a business.
- The government has provided me with funding to pursue my entrepreneurial activities.
- I am aware of other private sector agencies besides the eThekweni Chamber of Commerce.
- I feel my community does not have an entrepreneurial attitude.
- It is important to have both academic and non-academic programmes at university to support youth entrepreneurship programmes.

The Goodness of Fit summary can be presented as follows:

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	126	1209.156	539	.000	2.243
Saturated model	665	.000	0		
Independence model	35	1898.602	630	.000	3.014

It is suggested these questions be revised in future studies to better fit with the measure and secure validity.

## 6.4 Conclusions

Conclusions are presented here in relation to the literature review and to the survey findings and the chief barriers to youth entrepreneurship are indicated in rank order.

### 6.4.1 Conclusions in relation to the literature review

The research problem investigated was barriers to youth entrepreneurship viewed from a systemic perspective, and seven aspects were identified. The investigation was twofold, consisting of a) literature review, and b) empirical quantitative investigation. From the literature review and quantitative investigation, the following conclusions can be drawn.

#### 6.4.1.1 Research question 1

(External systemic barriers that influence the entrepreneurial traits of youth entrepreneurs)

From the literature it can be concluded that youth entrepreneurs primarily encounter barriers in regard to the following:

##### *Personality traits of youth entrepreneurs*

It is concluded from the literature that youth require pro-activity and an internal locus of control to exhibit traits which are aligned with successful entrepreneurs. It could be determined that without these traits youth are less likely to influence outcomes and be uncompetitive.

##### *Entrepreneurship education and training*

It is concluded from the literature that without entrepreneurship education training youth are disadvantaged, because they will not experience business scenarios reflecting real life situations. In addition, unrealistic expectations are created when youth believe that creating a successful business plan will lead to entrepreneurship. Moreover, youth who have negative experiences during entrepreneurship training do not perceive entrepreneurship as a viable career.

##### *Financial support*

It is concluded from literature that even with financial training, youth with less financial support from families are unable to implement what they learn from the entrepreneurial programmes. In addition, youth who own SMEs require debt financing from banks, which is a major obstacle.

##### *Creative thinking*

The literature on creative thinking being a barrier to youth entrepreneurs does not provide clear cause and effect; however, because it is considered a complex topic it was worth including into the survey.

##### *Decision making when planning a new business*

The literature on decision making, as with creative thinking, does not provide clear cause and effect as being a barrier to youth entrepreneurs. The literature discusses what influences decisions and how it is different for entrepreneurs.



### *Working in teams*

The literature shows that the working in teams appears not to be a barrier for youth entrepreneurs. The literature suggests that working alone is considered a barrier as it requires more skills and experience.

#### 6.4.1.2 Research Question 2

(Barriers encountered by youth entrepreneurs in relation to educational institutions)

### *Entrepreneurship training and skills development in higher education*

It appears that educational institutions have poor relationships with government and businesses and are less likely to receive employment opportunities and skills for youth. In addition, education that fails to teach entrepreneurial skills is a barrier to youth entrepreneurship.

### *Entrepreneurship programmes to increase entrepreneurial self-confidence*

Entrepreneurship programmes claim that they increase self-confidence. This is highly likely, but it is considered to be a barrier since these programmes are not standardised and vary from institution to institution. In addition, the programmes are not longitudinal and appear to lack structure.

### *Supporting entrepreneurship programmes in formal and supplementary tuition*

Across the country, there is limited support for entrepreneurship programmes. As a consequence, this is a barrier for youth entrepreneurs.

### *Entrepreneurship-orientated institutions*

Absence of policies to improve entrepreneurship limits what universities can provide. In addition, entrepreneurship programmes which do not measure longitudinal effectiveness are somewhat misleading.

### *Attendance*

Youth entrepreneurs are often forced into entrepreneurship by necessity, especially in low-income areas, and are not provided with innovative skills. In South Africa there is no evidence on attendance records in entrepreneurship programmes, which is considered a barrier.

#### 6.4.1.3 Research Question 3

(Barriers encountered by youth entrepreneurs in relation to government agencies)

### *Municipal support for youth entrepreneurs*

There is limited municipal support for youth entrepreneurs from the eThekweni municipality and the City of Johannesburg, which is considered a major barrier to youth entrepreneurship

### *Municipality mentorship to youth entrepreneurs*

There is limited evidence suggesting that the municipality provides mentorship to youth entrepreneurs, which is considered a barrier to youth entrepreneurs. It appears as though the municipality claims that it assists youth, however there is no evidence supporting this claim.

#### *Policy on entrepreneurship*

The eThekweni Municipality website provided limited knowledge and direction for youth entrepreneurs. Moreover, the City of Johannesburg appeared to lack clarity on how to solve youth unemployment, which is a barrier for youth entrepreneurs.

#### *Municipal support for entrepreneurial action*

There are websites showing support that municipalities provide for entrepreneurial activity, however it is concerning when the only location where it is possible to source this information is municipality websites. As a consequence, whether or not municipalities are a barrier to youth entrepreneurs remains undetermined and leads to more questions for the researcher.

#### *Government funding for youth entrepreneurs*

The literature suggests that there is funding for entrepreneurs but limited evidence is provided to support this claim. In addition, the research appears to state that sometimes funding can demotivate entrepreneurs. Overall the literature appears to indicate government funding as a barrier for youth entrepreneurs.

#### 6.4.1.4 Research Question 4

(External barriers encountered by youth entrepreneurs in relation to private sector agencies)

#### *Growth services offered by private sector agencies*

The literature on community-based projects implies that there can be a slight increase in standard of living; however, the effectiveness of these projects varies on different programmes. This would consequently be considered a barrier to youth entrepreneurs because outcomes vary and there is no standardisation. In addition, there is no proper feedback on these programmes and there is no monitoring during the programme.

#### *Private sector agencies distribution of information and entrepreneurship news business development support*

According to literature, private sector agencies are ineffective in their delivery of information and support. Two major reasons for this are that private sector agencies deal with complex communities and that their primary focus has been healthcare and education rather than entrepreneurial education. This is considered a barrier to youth entrepreneurs.

#### *Mentorship*

The literature on provision of mentorship by private sector agencies shows some support for youth entrepreneurs. This support originates from the Durban Chamber of Commerce in their assistance with mentoring and training opportunities. This is consequently not considered to be a barrier to youth entrepreneurs. It was nevertheless not possible to find clear structured programmes for youth entrepreneurs, which is concerning.

#### *Private sector agencies role and purpose in developing youth entrepreneurs*

According to the literature, private sector agencies like the Durban Chamber of Commerce seek to provide practical and useful information for youth entrepreneurs, which suggests that this is not a barrier for youth entrepreneurs.

#### *Different types of private sector agencies in South Africa*

Sourcing information on different private sector agencies was extremely difficult, according to the researcher. In addition, this information did not provide content that was practical, suggesting that this is a barrier to youth entrepreneurs.

#### 6.4.1.5 Research Question 5

(External barriers encountered by youth entrepreneurs in relation to communities)

#### *Community support for a culture of youth entrepreneurship*

The literature suggests that community-based projects do not support youth entrepreneurs because there is inadequate strategic planning by communities. This is consequently considered to be a barrier to youth entrepreneurs.

#### *Community influence on business types*

The only research providing links to community influence in South Africa was related to family businesses. This research suggests that youth are not concerned about being linked to a family business, indicating that community influence is not a barrier. It could nonetheless be a barrier if youth are influenced to only start businesses which are applicable to their community.

#### *Community entrepreneurial attitude*

There is evidence which suggests that communities can assist youth to be more entrepreneurial through the actions of successful entrepreneurs. However, the evidence from a South African perspective is limited and shows no direct links. It is difficult to determine whether this is a barrier or not, because no reliable data is provided.

#### *Entrepreneurial opportunities in community*

There is no clear literature showing that communities provide opportunities to youth in South Africa, which suggests this could be a barrier or an opportunity.

#### *Facilities and infrastructure in community*

A major inhibiting factor for entrepreneurship development is lack of awareness and inaccessibility of youth entrepreneurship support structures and initiatives in local communities. In addition, poor planning has resulted in absence of infrastructure, facilities and innovation for South Africans, which is a major barrier for youth entrepreneurs. This has consequently stifled growth in the economy and created disconnect between geographical regions.

#### 6.4.1.6 Research Question 6

(External barriers encountered by youth entrepreneurs in relation to small and medium-sized businesses)

#### *SME skills transfer and training for youth entrepreneurs*

The literature suggests that there is skills shortage in the townships of South Africa and that youth have to travel long distances to obtain support and resources. It appears that it is not possible for them to access entrepreneurial programmes, which suggests that this is a barrier to youth entrepreneurs.

#### *Business development support from SMEs*

According to literature, there is limited collaborative support between SMEs, youth and government. In addition, youth are not benefiting because initiatives are decentralised, which is considered a barrier for youth entrepreneurs.

#### *High levels of crime*

Crime is considered to deter youth entrepreneurs from starting a business. In addition, large businesses are able to sustain costs from crime, whereas small businesses do not have the resources and finances to start business in crime-affected locations. This considered to be a barrier for youth entrepreneurs.

#### *High levels of competition*

Changing business environments can sometimes negatively affect SMEs in South Africa which have a limited budget for hardware, software and telecommunication. The literature shows that youth experience barriers due to competition.

#### 6.4.1.7 Research Question 7

(External barriers encountered by youth entrepreneurs in relation to large businesses and corporates)

#### *Corporate social investment*

The effectiveness of corporate social investment programmes is unclear and subjective. A possible reason for companies claiming that they implement CSI programmes is to gain credibility and loyalty within the community, which is a barrier to youth entrepreneurs because measuring outcomes is biased.

#### *Corporate skills development and mentorship to youth entrepreneurs*

In South Africa, industries and businesses show weak contribution to work-integrated learning, which is a major problem because youth are not provided with valuable experience. In addition, businesses not financially invested in work-integrated learning show less engagement than those which are so invested. This is consequently a barrier to youth entrepreneurs.

#### *Other types of entrepreneurship support to youth entrepreneurs*

There is a positive relationship in South Africa between permanent employment and internship programmes for youth. This is not considered a barrier to youth entrepreneurs. Lack of internship programmes is nonetheless a concern in itself.

#### *Talent recruitment programmes to university graduates*

The literature on talent recruitment programmes suggests that they need to be incorporated in university programmes. It appears that large businesses and corporates can do more to help youth entrepreneurs. Therefore, it is currently still a barrier for youth entrepreneurs.

#### *Support from large corporates to inform of business opportunities*

Support from large businesses is somewhat positive for engineering students; however large businesses need to allocate more resources to assist youth entrepreneurs. This is considered a barrier for youth entrepreneurs in South Africa.

### **6.4.2 Conclusions in relation to the survey**

#### **6.4.2.1 Research question 1**

##### *External systemic barriers that influence youth entrepreneurs*

It can be concluded that 1) difficulty accessing financial support (84.95%), 2) personality traits (75.5%), and 3) creative thinking (69.8%) are the top three barriers for youth entrepreneurs in relation to themselves (See Table 5-4). Moreover, opportunities were identified which youth entrepreneurs do not regard as barriers: a) entrepreneurship education and training (81.1%) and working in teams (81.1%) (Table 5-4).

The researcher suggests that youth entrepreneurs need to continuously develop their personality traits to become more entrepreneurial. It is important for them to become more proactive and take small steps toward their entrepreneurial goals, regardless of barriers. These actions should be recorded through a management system to track progression. The personality traits of successful entrepreneurs are associated with resilience and foster creation of a future, rather than reaction to uncontrollable circumstances. The researcher comments that youth should strive to achieve their goals and rather than relying on excuses, rely instead on personality traits that lead to solutions.

#### **6.4.2.2 Research question 2**

##### *Barriers encountered in relation to educational institutions*

It can be concluded that the top three barriers in relation to educational institutions are 1) academic and non-academic programmes (94.2%), 2) receiving training from educational institutions (20.8% no extent), and 3) UKZN as an entrepreneurship-orientated institution (5.7% no extent) (Table 5-5). Moreover, opportunities were identified which youth entrepreneurs do not regard as barriers: a) SHAPE and self-confidence (90.6% extent), b) benefits through SHAPE (88.7% extent). (Table 5-5).

The researcher suggests that current curriculums in South Africa should be adapted to address unemployment and work readiness. It appears that university curriculums in South African universities are somewhat outdated in the field of management and business studies. They consequently need to incorporate entrepreneurial experiences that assist youth to make a valuable contribution to society. It appears that youth are unprepared for the working environment after graduation, and lack the necessary skill set to become employable. This is an opportunity for educational institutions to change their policies by including structured internships that contribute towards accreditation. Such inclusion

could also create further research opportunities leading to more structured entrepreneurial programmes based on reliable data.

#### 6.4.2.3 Research question 3

##### *Barriers encountered in relation to government agencies*

It can be concluded that the top 2 barriers in relation to government agencies are 1) government funding (73.6% disagree) and 2) municipal business support (62.3% disagree) (Table 5-8). Opportunities identified are 1) beneficial municipality mentor (83% agree), 2) government being informed about policy (77.4% agree) and 3) municipal support (75.5% agree). (Table 5-8).

In the researcher's view, government should evaluate entrepreneurial programmes in universities to improve entrepreneurial skills for youth. It appears that government is incentivising educational institutions for academic outcomes, rather than training youth for business and employment. Government needs to reform its funding system and modernise educational practices by motivating these changes. In addition, it is important to communicate the criteria for funding youth entrepreneurs so that they follow the correct procedures and do not react negatively towards government. Moreover, government needs to modernise its processes to provide youth entrepreneurs with a user-friendly experience by centralising the online processes, as they do not know how to access support.

#### 6.4.2.4 Research question 4

##### *Barriers encountered in relation to private sector agencies*

It can be concluded that the top three barriers in relation to private sector agencies are 1) awareness of other private sector agencies (42.3% no extent), 2) youth being kept up to date (30.2% no extent) and 3) business development support (26.9% disagree) (Table 5-11). In addition, opportunities identified are 1) understanding the role and purpose of private sector agencies (78.8% extent), and 2) contribution to growth of the youth entrepreneur (71.7% extent). (Table 5-11).

Private sector agencies understand the importance of uplifting businesses and their role in assisting entrepreneurs to develop. However, these organisations need to evaluate and monitor their interactions between youth entrepreneurs to review how they improve them. It appears entrepreneurs are supported, however youth who aim to become entrepreneurs are somewhat marginalised.

#### 6.4.2.5 Research question 5

##### *Barriers encountered in relation to communities*

It can be concluded that the top two barriers in relation to community are 1) community does not have an entrepreneurial attitude (50% no extent) and 2) infrastructure is good for business (34.6% no extent) (Table 5-14). In addition, opportunities identified are 1) influence on the type of business (73.1% extent), 2) opportunities for youth to start their business (73.1% extent) and 3) encouragement towards youth from communities (67.3% extent). (Table 5-14).

Communities should embrace and support entrepreneurs who provide excellent products and services to market. Local communities should embrace innovation and encourage youth to be

proactive. The researcher comments that quality of life can improve for communities when they embrace new entrepreneurial projects and innovative ideas.

#### 6.4.2.6 Research question 6

##### *Barriers encountered in relation to small and medium-sized businesses*

It can be concluded that the top two barriers in relation to small and medium-sized businesses are 1) high levels of competition (73.1% extent) and 2) high levels of crime (67.3% extent) (Table 5-17). Opportunities identified are 1) received business development support (71.2% extent) and 2) received training (67.3% extent). (Table 5-17).

South Africa needs to reduce barriers to entry for small and medium-sized businesses by creating policies that target crime and unfair competition. These resources would include policies to reduce crimes that negatively effective small businesses in low-income communities. In addition, it is also important South Africa protects it citizens by preventing illegal immigrants from entering the country to ensure that competition is fair.

#### 6.4.2.7 Research question 7

##### *Barriers encountered in relation to large businesses and corporates*

It can be concluded that the top three barriers associated with large businesses and corporates are 1) received training (38.5% no extent), 2) talent recruitment programmes (21.2% no extent) and 3) corporate social investment programmes invested (19.2% no extent) (Table 5-20). In addition, opportunities identified are 1) receiving several visits from large companies (84.6% extent) and 2) being aware of entrepreneurial support (75% extent). (Table 5-20).

It is crucial for large businesses to be actively involved with tertiary educational institutions for the purpose of creating structured youth entrepreneurship programmes. The researcher suggests that large businesses need to allocate resources to guide universities on strategies to improve entrepreneurial skills and enhance their CSI programmes. In addition, large businesses should assist in the planning around entrepreneurial programmes at universities to create a pipeline between universities and businesses, which will have synergies with their CSI programmes. The current link between universities and businesses is ineffective and industry needs to be financial incentivised to improve the current pipeline. As a consequence, the increased collaboration would engage businesses and hopefully lead to policy changes for both universities and businesses.

## 6.5 Barriers to youth entrepreneurship according to gross rankings

**Table 6-2 Barriers to youth entrepreneurship based on gross rankings**

Rank	The top barriers	Barriers %	FL	ERR VAR.
1	Personal barriers	51.26%	0.902774	0.185
2	Small and medium-sized businesses	48.08%	0.887694	0.212
3	Communities	30.00%	0.617252	0.619
4	Private sector agencies	28.24%	0.902774	0.185
5	Government	27.92%	0.843208	0.289
6	Large businesses and corporates	19.23%	0.924121	0.146
7	Educational institutions	9.06%	0.842021	0.291

A solution to the unemployment problem in South Africa could come from addressing youth entrepreneurs' entrepreneurial traits, as shown in Table 6-2 in which the cumulative findings on personal barriers in relation to systemic intermediaries rank highest while the lowest-ranking barrier is education institutions.

The finding that personal barriers in relation to systemic intermediaries rank highest reflects the fact that youth have limited self-leadership qualities and a complacent approach towards entrepreneurship. It is the lack of creativity towards solving business problems which prevents them from starting a business, rather than limited access to financial support. The findings further show that youth lack skills, experience and resilience needed to secure funding, rather than external factors being the problem. In addition, youth need to recognise that there are alternative methods to secure funding and that this is not a valid reason for failure.

In contrast, the lowest-ranking barrier for youth entrepreneurs is educational institutions. Youth know that educational institutions are there to help them become more entrepreneurial. In addition, educational institutions are starting to offer entrepreneurship programmes like SHAPE that benefit youth aspirants – who embrace the support. Although some results show educational institutions as a barrier, overall youth recognise the importance of entrepreneurial programmes and embrace change from universities.

In conclusion, successful entrepreneurs are creative and pro-active in the way they approach problem solving. Consequently, it is entrepreneurial spirit that determines success, not external barriers. The importance of this study is that it provides useful knowledge about youth entrepreneurship and shows that future research needs to be conducted on internal barriers in relation to external barriers, rather than investigating external barriers alone.



## 6.6 Self-reflection of the practitioner-researcher

*I wrote this thesis whilst being an entrepreneur a) myself, b) a post-graduate student and c) a participant in the SHAPE project. I experienced many barriers whilst working on my thesis. The first major hurdle was attempting to contact the respondents to complete this survey, which was extremely time-consuming and frustrating. The second major hurdle was the challenge of multitasking, because research requires intensive reading and reflection before one can write meaningful content. The third major challenge was learning about my participants and how their views were applicable to past research.*

*This study has helped me personally in that it has really provided useful research for anyone starting a business. I have tried to start businesses in the past and encountered similar challenges; however I now have a wider perspective and feel I can overcome barriers. This experience will provide me with tools to assist youth entrepreneurs because I understand the problems which they face on their journey to becoming more entrepreneurial. In addition, the research has created a network of entrepreneurship specialists with which I have built relationships and who can assist with further ventures.*

*It appears that there is limited information or structured content on entrepreneurship programmes in South Africa, which has motivated me in my research. My thoughts on this research are that South Africa needs to increase the focus on entrepreneurship programmes by engaging with industry and tertiary education to create structured entrepreneurship programmes. I hope these programmes will be formalised in the university curriculum and become the norm, because I feel universities are creating students who are not prepared for the world of work.*

*I am going to apply this knowledge in my own life through my businesses and future studies, and am thankful to have been presented with an opportunity to learn and grow.*

*Lastly, I hope to extend my Master's research into a PhD study, and that the examiners will consider this in the review process.*

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## Appendix 1: Ethical approval



13 January 2017

Mr Wade Krieger (216076682)  
School of Management, IT & Governance  
Westville Campus

Dear Mr Krieger,

Protocol reference number: HSS/0063/017M  
Project title: Barriers of Youth Entrepreneurship: A systemic approach

### Full Approval – Expedited Application

In response to your application received on 11 January 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and **FULL APPROVAL** was granted for the protocol.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

**PLEASE NOTE:** Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Thea van der Westhuizen  
Cc Academic Leader Research: Professor Brian McArthur  
Cc School Administrator: Ms Angela Pearce

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### Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

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Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)



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## Appendix 2 Informed consent notification and questionnaire

<b>Informed Consent Letter 3C</b>
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**UNIVERSITY OF KWAZULU-NATAL  
COLLEGE OF LAW AND MANAGEMENT**

Dear Respondent,

**M.COM Research Project**

**Researcher:** Mr. Wade Krieger 072 701 9636

**Supervisor:** Dr. Thea van der Westhuizen 031 260 8673.

**Research Office:** Ms M Snyman 031-2608350

**Information Sheet and Consent to Participate in Research**

Date: February 2017

Greetings,

My name is Mr. Wade Krieger from University of KwaZulu-Natal, Westville Campus.

You are being invited to consider participating in a study that investigates the barriers to youth entrepreneurship from a systemic approach. The aim and purpose of this research is relevant because educational institutions; government agencies; private sector agencies; communities; small to medium sized business and large business and corporates need this information to make better decisions to hopefully improve their processes to assist youth entrepreneurs. The study is needed to provide a clearer understanding of the barriers that contribute to unemployment, specifically in South Africa. In addition, the study is important for youth entrepreneurs to gain awareness on how they can be barriers to themselves. The study is expected to include 60 participants that participated in the SHAPE project. It will involve the completing a questionnaire. The duration of your participation if you choose to participate and remain in the study is expected to be 10 minutes.

The study will provide no direct benefit to the participants. However, this study aims to further research, conducted by Van Der Westhuizen (2016), by capturing data by participants to analysis the barriers they are currently facing.

The researcher must disclose in full any appropriate alternative procedures and treatment etc. that may serve as possible alternate options to study participation.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number HSS/0063/017M).

In the event of any problems or concerns/questions you may contact the researcher on email address [kriegerw@ukzn.ac.za](mailto:kriegerw@ukzn.ac.za) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban 4000 KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, I.T. & Governance and your responses will not be used for any purposes outside of this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely

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Mr. Wade Krieger

## CONSENT TO PARTICIPATE

I \_\_\_\_\_(Name) have been informed about the study entitled Barriers to Youth Entrepreneurship: A Systemic Approach by Wade Krieger.

I understand the purpose and procedures of the study.

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at [kriegerw@ukzn.ac.za](mailto:kriegerw@ukzn.ac.za)

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

### HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus  
Govan Mbeki Building  
Private Bag X 54001  
Durban  
4000  
KwaZulu-Natal, SOUTH AFRICA  
Tel: 27 31 2604557 - Fax: 27 31 2604609  
Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion	YES / NO
Video-record my interview / focus group discussion	YES / NO
Use of my photographs for research purposes	YES / NO

\_\_\_\_\_  
Signature of Participant Date

\_\_\_\_\_  
Signature of Witness Date  
(Where applicable)

\_\_\_\_\_  
Signature of Translator Date  
(Where applicable)

## Questionnaire:

Please answer ALL the questions based on your participation during the SHAPE Project

### Section 1: Demographic details

**Please cross the option that you think suites your opinion the most.**

1. What is your full name?

---

2. Gender:

<input type="checkbox"/>	Male
<input type="checkbox"/>	Female

3. Age:

<input type="checkbox"/>	19
<input type="checkbox"/>	20
<input type="checkbox"/>	21
<input type="checkbox"/>	22
<input type="checkbox"/>	23
<input type="checkbox"/>	24
<input type="checkbox"/>	Over 24

4. What race do you identify yourself?

<input type="checkbox"/>	Black
<input type="checkbox"/>	White
<input type="checkbox"/>	Indian
<input type="checkbox"/>	Coloured
<input type="checkbox"/>	Other



5. What is the highest level of education you have completed?

	Second year
	Third year
	Honours
	Post Graduate Diploma
	Other (Please specify)

6. Please advise your current status? Employment status/ study status

	Full time undergraduate student
	Full time undergraduate student with entrepreneurial activity
	Part time undergraduate student
	Part time undergraduate student with entrepreneurial activity
	Full time post graduate student
	Full time post graduate student with entrepreneurial activity
	Part time post graduate student
	Part time post graduate student with entrepreneurial activity
	Unemployed
	Part time employed
	Full time employed
	I am an entrepreneur and work for myself
	I am an entrepreneur and work with a team of people

7. Which province are you based?

	Kwa-Zulu Natal
	Gauteng
	Western Cape
	Eastern Cape
	Northern Cape
	Mpumalanga
	Limpopo
	North West
	The Free State

## Section 2: Personal barriers in relation to systemic intermediaries

On a scale of 1 to 7 where 1 is '*entirely disagree*' and 7 is '*entirely agree*', indicate the extent to which you agree or disagree with each of the following statements.

8. I consider my personality traits to hinder my progress in becoming an entrepreneur

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

9. Entrepreneurship education and training prepared me sufficiently for becoming an entrepreneur

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

10. I have experienced difficulty accessing financial support to start my own business

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

11. Coming up with ideas especially on-the-spot creative thinking is challenging when planning a business

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

12. Decision making is challenging for myself when planning a new business

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

13. I prefer working with others in a team environment when planning to start up a business

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

### Section 3: Educational Institutions

On a scale of 1 to 7 where 1 is 'No extent' and 7 is 'very great extent', indicate the extent to which you agree with each of the following statements.

14. I have received training from educational institutions to develop skills to start a business

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

15. SHAPE assisted me to have more self confidence in becoming a young entrepreneur

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

16. It is important to have both academic and non-academic programmes at university to support youth entrepreneurship programmes

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

17. UKZN is becoming an entrepreneurship-orientated institute through support, programmes, initiatives and activities on offer

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

18. I benefit through attending SHAPE

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

#### Section 4: Government agencies.

Please answer the next question with a yes or no:

19. Do you know what support the municipality will provide for you as a youth entrepreneur?

Yes ☐ No ☐

On a scale of 1 to 7 where 1 is '*entirely disagree*' and 7 is '*entirely agree*', indicate the extent to which you agree or disagree with each of the following statements.

20. The municipality provides support for me as a youth entrepreneur

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

21. The sessions with my municipality mentor was beneficial to me

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

22. The government informed me about their policy of youth entrepreneurial development

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

23. I have received business support from the municipality to assist in my entrepreneurship activities

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

24. The government has provided me with funding to pursue my entrepreneurial activities

Entirely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Mostly Agree	Entirely Agree

### Section 5: Private sector agencies.

On a scale of 1 to 7 where 1 is '*No extent*' and 7 is '*very great extent*', indicate the extent to which you agree with each of the following statements.

25. The eThekweni Chamber of Commerce contributed to my growth

No extent	Very small extent	Small extent	Neutral	Some extent	Great extent	Very great extent

26. The eThekweni Chamber of Commerce has kept me up to date with information and news on Chamber activities that helped me to be more entrepreneurial

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very great Extent

27. I have received business development support from the eThekweni Chamber of Commerce

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

28. I understand the role and purpose of the eThekweni Chamber of Commerce to youth entrepreneurs

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

29. I am aware of other private sector agencies besides the eThekweni Chamber of Commerce Durban

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

30. Name the private sector agencies in Durban you are aware of:

---

## Section 6: Communities.

31. The people in my community have encouraged me to become a young entrepreneur

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

32. The people in my community influence the type of business I would like to start

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

33. I feel my community does not have an entrepreneurial attitude

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

34. My community offers opportunities for me to start my own business

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

35. Facilities and infrastructure in my community is good for business development

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

## Section 7: Small and medium sized businesses.

On a scale of 1 to 7 where 1 is 'No extent' and 7 is 'very great extent', indicate the extent to which you agree with each of the following statements.

36. I have received training from small and medium sized businesses to develop skill to start a business

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent



37. I have received business development support from small to medium sized businesses to assist in my entrepreneurship activities

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

38. High levels of crime have effected my growth and development

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

39. I believe small businesses are extremely difficult to start due to high levels of competition

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

## Section 8: Large businesses and corporates.

On a scale of 1 to 7 where 1 is 'No extent' and 7 is 'very great extent', indicate the extent to which you agree with each of the following statements.

40. Corporate social investment programmes have invested in me as a student entrepreneur

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

41. I have received training from large businesses and corporates to develop skills to start a business

No Extent	Very Small Extent	Small Extent	Neutral	Moderate Extent	Great Extent	Very Great Extent

42. I am aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support young entrepreneurs

<b>No Extent</b>	<b>Very Small Extent</b>	<b>Small Extent</b>	<b>Neutral</b>	<b>Moderate Extent</b>	<b>Great Extent</b>	<b>Very Great Extent</b>

43. Large companies offer talent recruitment programmes that will help my progress to become a successful entrepreneur

<b>No Extent</b>	<b>Very Small Extent</b>	<b>Small Extent</b>	<b>Neutral</b>	<b>Moderate Extent</b>	<b>Great Extent</b>	<b>Very Great Extent</b>

44. While being a student entrepreneur we received several visits from large companies representatives to inform us about business opportunities

<b>No Extent</b>	<b>Very Small Extent</b>	<b>Small Extent</b>	<b>Neutral</b>	<b>Moderate Extent</b>	<b>Great Extent</b>	<b>Very Great Extent</b>

Thank you +completing the survey.

## Appendix 3

### Appendix AA

Residuals Statistics <sup>a</sup>					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.70	51.97	27.24	13.640	51
Std. Predicted Value	-1.725	1.813	.000	1.000	51
Standard Error of Predicted Value	8.317	13.705	11.589	1.425	51
Adjusted Predicted Value	-61.96	112.38	26.80	29.466	51
Residual	-16.835	20.154	.000	7.611	51
Std. Residual	-1.212	1.450	.000	.548	51
Stud. Residual	-1.613	2.161	.005	.941	51
Deleted Residual	-71.375	73.961	.435	29.066	51
Stud. Deleted Residual	-1.714	2.517	.019	.995	51
Mahal. Distance	16.930	47.655	34.314	8.295	51
Cook's Distance	.000	.742	.095	.165	51
Centred Leverage Value	.339	.953	.686	.166	51

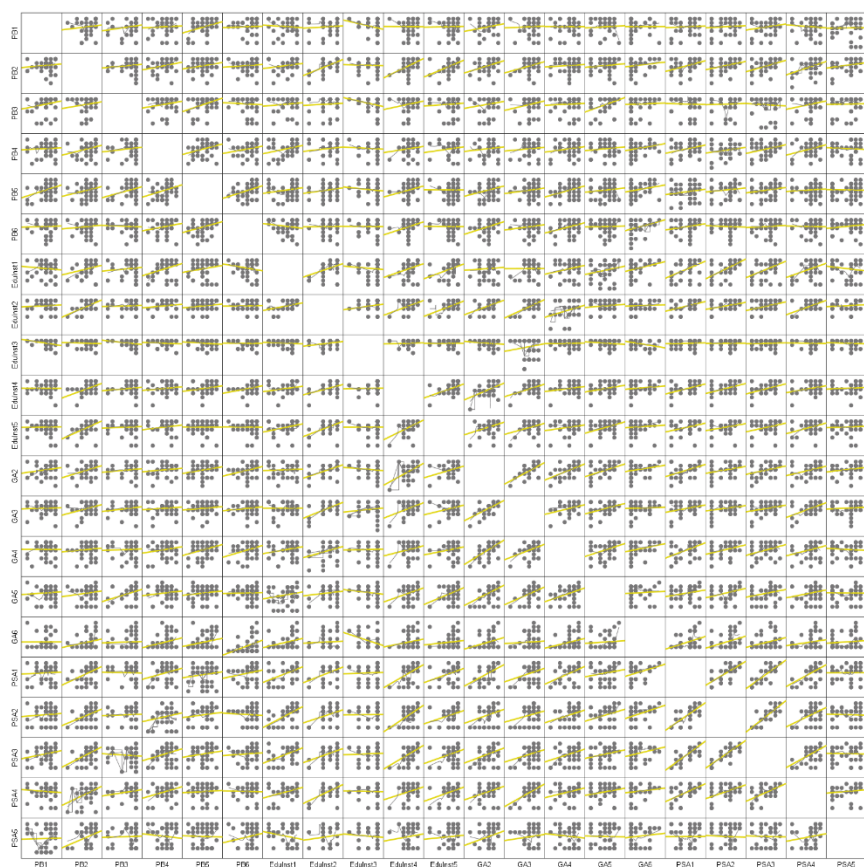
a. Dependent Variable: id

## Appendix BB

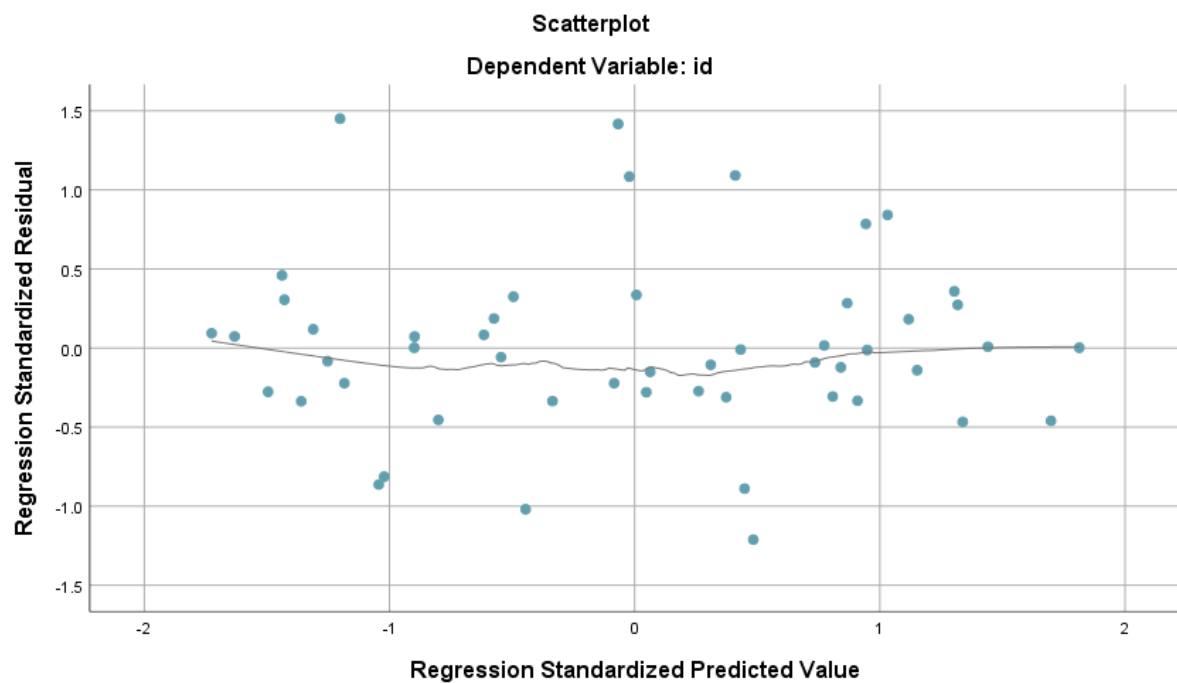
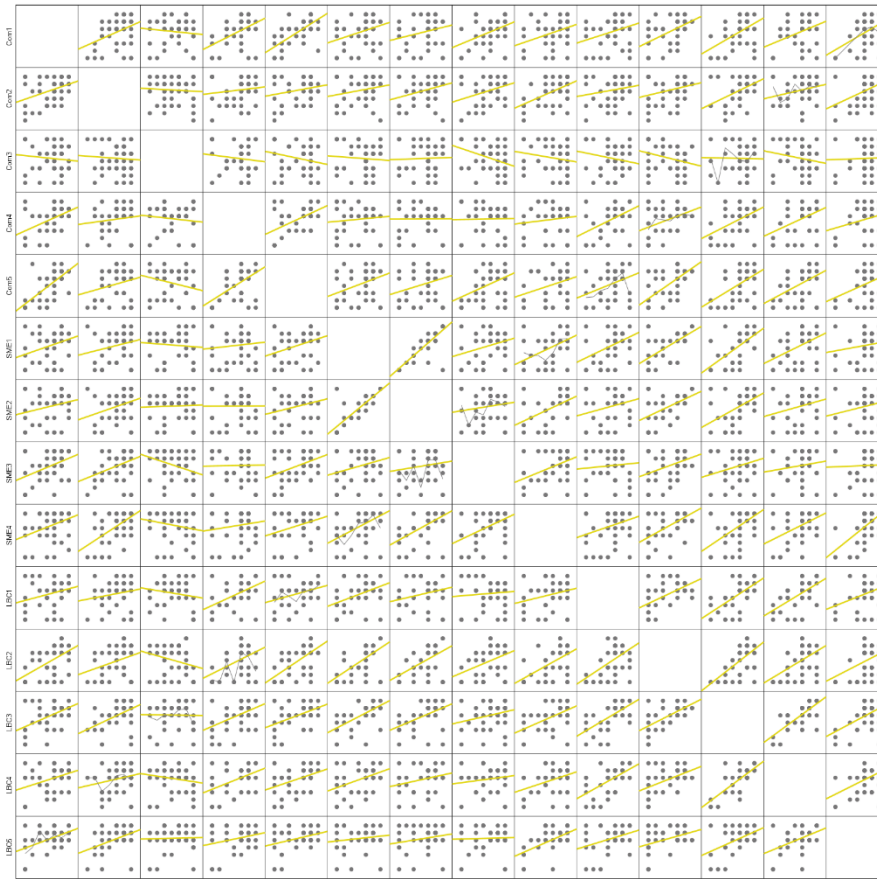
Model		Unstandardised Coefficients		Coefficients <sup>a</sup>		Collinearity Statistics	
		B	Std. Error	Standardised Coefficients Beta	t	Sig.	Tolerance VIF
1	(Constant)	9.716	43.423		.224	.826	
	PB1	1.949	3.087	.190	.631	.537	.175 5.721
	PB2	-.448	4.155	-.038	-.108	.916	.129 7.735
	PB3	-1.570	2.402	-.181	-.654	.523	.207 4.822
	PB4	1.516	2.600	.145	.583	.568	.257 3.892
	PB5	3.597	2.624	.372	1.371	.191	.215 4.662
	PB6	-2.052	2.887	-.197	-.711	.488	.206 4.857
	EduInst1	-.812	3.254	-.094	-.250	.806	.112 8.939
	EduInst2	-3.498	7.048	-.249	-.496	.627	.063 15.868
	EduInst3	-4.311	5.417	-.242	-.796	.439	.171 5.852
	EduInst4	-.477	5.149	-.035	-.093	.927	.112 8.947
	EduInst5	2.682	3.542	.233	.757	.461	.167 5.973
	GA2	-3.838	4.486	-.320	-.856	.406	.113 8.856
	GA3	10.249	4.544	.834	2.255	.039	.116 8.631
	GA4	.629	2.641	.065	.238	.815	.214 4.666
	GA5	-4.301	3.415	-.455	-	.227	.121 8.243
					1.260		
	GA6	-4.181	2.889	-.472	-	.168	.149 6.728
					1.447		
	PSA1	10.504	4.935	1.166	2.129	.050	.053 18.963
	PSA2	1.612	4.550	.193	.354	.728	.054 18.658
	PSA3	-9.190	5.665	-1.028	-	.126	.039 25.384
					1.622		
	PSA4	.952	3.632	.096	.262	.797	.119 8.425
	PSA5	.756	1.543	.113	.490	.631	.295 3.389
	Com1	-.960	2.473	-.110	-.388	.703	.196 5.111
	Com2	2.581	3.842	.264	.672	.512	.103 9.742
	Com3	-.407	2.016	-.048	-.202	.843	.286 3.496
	Com4	3.362	3.112	.365	1.080	.297	.139 7.205
	Com5	2.898	2.609	.369	1.111	.284	.144 6.956
	SME1	3.249	5.629	.380	.577	.572	.037 27.360
	SME2	-.991	4.579	-.112	-.216	.832	.059 16.832
	SME3	3.631	2.344	.422	1.549	.142	.213 4.690
	SME4	-1.977	3.775	-.246	-.524	.608	.072 13.903
	LBC1	.670	3.339	.070	.201	.844	.130 7.718
	LBC2	-2.019	2.837	-.253	-.712	.488	.125 8.000
	LBC3	-10.465	5.338	-1.050	-	.069	.055 18.124
					1.960		
	LBC4	-2.639	4.277	-.267	-.617	.546	.084 11.868
	LBC5	5.917	5.587	.539	1.059	.306	.061 16.355

a. Dependent Variable: id

## Appendix CC



## Appendix DD



## Appendix EE

### Descriptive Statistics

	N	Minimum	Maximum	Variance
PB1	53	1	7	2.269
PB2	53	1	7	1.824
PB3	53	1	7	3.144
PB4	53	1	7	2.245
PB5	53	1	7	2.637
PB6	53	1	7	2.173
EduInst1	53	1	7	3.324
EduInst2	53	1	7	1.619
EduInst3	52	3	7	.982
EduInst4	53	1	7	1.617
EduInst5	53	1	7	1.778
GA2	53	1	7	1.956
GA3	53	1	7	1.597
GA4	53	1	7	2.579
GA5	53	1	7	2.676
GA6	53	1	7	3.393
PSA1	53	1	7	2.943
PSA2	53	1	7	3.371
PSA3	52	1	7	3.039
PSA4	52	1	7	2.744
PSA5	52	1	7	5.555
Com1	52	1	7	3.217
Com2	52	1	7	2.499
Com3	52	1	7	3.295
Com4	52	1	7	2.869
Com5	52	1	7	3.903
SME1	52	1	7	3.386
SME2	52	1	7	3.178
SME3	52	1	7	3.253
SME4	52	1	7	3.732
LBC1	52	1	7	2.673
LBC2	52	1	7	3.763
LBC3	52	1	7	2.430
LBC4	52	1	7	2.472
LBC5	52	1	7	2.044
Valid N (listwise)	51			

## Appendix A

### PB2 Entrepreneurship education and training prepared me sufficiently for becoming an entrepreneur \* Gender Crosstabulation

Count

		Gender		
		1 Male	2 Female	Total
PB2 Entrepreneurship education and training prepared me sufficiently for becoming an entrepreneur	1 Entirely Disagree	1	0	1
	2 Mostly Disagree	1	0	1
	3 Somewhat Disagree	2	1	3
	4 Neither Agree nor Disagree	5	0	5
	5 Somewhat Agree	11	3	14
	6 Mostly Agree	12	6	18
	7 Entirely Agree	5	6	11
Total		37	16	53

## Appendix B

### EduInst1 I have received training from educational institutions to develop skills to start a business \* High\_edu What is the highest level of education you have completed? Crosstabulation

Count

		High_edu What is the highest level of education you have completed?					
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	Total
EduInst1 I have received training from educational institutions to develop skills to start a business	1 No Extent	0	3	0	0	1	4
	2 Very Small Extent	0	5	0	0	0	5
	3 Small Extent	1	1	0	0	0	2
	4 Neutral	0	2	2	0	1	5
	5 Moderate Extent	0	4	3	0	0	7
	6 Great Extent	0	8	12	0	3	23
	7 Very Great Extent	0	3	3	1	0	7
Total		1	26	20	1	5	53



## Appendix C

**EduInst1 I have received training from educational institutions to develop skills to start a business \***  
**Employment Status Please advise your current status? Crosstabulation**

Count

		Employment Status Please advise your current status?									Total
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial activity	3 Part-time undergraduate student	5 Full-time postgraduate student	6 Full-time postgraduate student with entrepreneurial activity	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	
EduInst1 I have received training from educational institutions to develop skills to start a business	1 No Extent	1	0	0	1	0	1	0	0	1	4
	2 Very Small Extent	2	1	0	2	0	0	0	0	0	5
	3 Small Extent	0	2	0	0	0	0	0	0	0	2
	4 Neutral	1	0	1	0	1	1	0	1	0	5
	5 Moderate Extent	1	0	0	0	0	0	5	1	0	7
	6 Great Extent	2	0	1	0	1	2	3	14	0	23
	7 Very Great Extent	1	0	0	0	1	2	0	3	0	7
Total		8	3	2	3	3	6	8	19	1	53

## Appendix D

**PB1 I consider my personality traits to hinder my progress in becoming an entrepreneur \***  
**Gender Crosstabulation**

Count

		Gender		Total
		1 Male	2 Female	
PB1 I consider my personality traits to hinder my progress in becoming an entrepreneur	1 Entirely Disagree	2	1	3
	2 Mostly Disagree	1	0	1
	3 Somewhat Disagree	3	0	3
	4 Neither Agree nor Disagree	6	0	6
	5 Somewhat Agree	14	7	21
	6 Mostly Agree	8	3	11
	7 Entirely Agree	3	5	8
Total		37	16	53

## Appendix E

### GA4 The government informed me about their policy of youth entrepreneurial development \* Employment Status Please advise your current status? Crosstabulation

Count

		Employment Status Please advise your current status?									
		1 Full-time undergraduate student	2 student with entrepreneurial activity	3 Part-time undergraduate student	4 Full-time postgraduate student	5 student with entrepreneurial activity	6 Unemployed	7 Part-time employed	8 Full-time employed	9 I am an entrepreneur and work for myself	Total
GA4 The government informed me about their policy of youth entrepreneurial development	1 Entirely Disagree	0	2	0	0	0	0	0	0	0	2
	2 Mostly Disagree	0	0	1	0	0	0	0	1	0	2
	3 Somewhat Disagree	0	0	1	1	0	2	0	2	0	6
	4 Neither Agree nor Disagree	0	0	0	1	0	0	0	1	0	2
	5 Somewhat Agree	5	0	0	1	2	2	2	2	0	14
	6 Mostly Agree	2	1	0	0	0	1	3	9	0	16
	7 Entirely Agree	1	0	0	0	1	1	3	4	1	11
Total		8	3	2	3	3	6	8	19	1	53

## Appendix F

**GA5 I have received business support from the municipality to assist in my entrepreneurship activities \***  
**Employment Status Please advise your current status? Crosstabulation**

Count

		Employment Status Please advise your current status?									Total
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial activity	3 Part-time undergraduate student	5 Full-time postgraduate student	6 Full-time postgraduate student with entrepreneurial activity	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	
GA5 I have received business support from the municipality to assist in my entrepreneurship activities	1 Entirely Disagree	1	1	0	1	1	2	0	0	0	6
	2 Mostly Disagree	1	0	0	0	0	0	0	0	0	1
	3 Somewhat Disagree	0	1	2	2	0	0	0	1	0	6
	4 Neither Agree nor Disagree	1	1	0	0	1	0	0	4	0	7
	5 Somewhat Agree	0	0	0	0	1	4	4	7	1	17
	6 Mostly Agree	4	0	0	0	0	0	4	7	0	15
	7 Entirely Agree	1	0	0	0	0	0	0	0	0	1
Total		8	3	2	3	3	6	8	19	1	53

## Appendix G

**PSA1 The EThekwini Chamber of Commerce contributed to my growth \* Gender**  
**Crosstabulation**

Count

		Gender		Total
		1 Male	2 Female	
PSA1 The EThekwini Chamber of Commerce contributed to my growth	1 No extent	4	1	5
	2 Very small extent	2	1	3
	3 Small extent	7	0	7
	5 Some extent	17	5	22
	6 Great extent	5	7	12
	7 Very great extent	2	2	4
Total		37	16	53

## Appendix H

**PSA2 The EThekwini Chamber of Commerce has kept me up to date with information and news on Chamber activities that helped me to be more entrepreneurial \* High\_edu What is the highest level of education you have completed? Crosstabulation**

Count

		High_edu What is the highest level of education you have completed?					Total
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	
PSA2 The EThekwini Chamber of Commerce has kept me up to date with information and news on Chamber activities that helped me to be more entrepreneurial	1 No extent	1	7	0	1	1	10
	3 Small extent	0	3	2	0	1	6
	4 Neutral	0	2	1	0	0	3
	5 Some extent	0	10	10	0	3	23
	6 Great extent	0	2	6	0	0	8
	7 Very great extent	0	2	1	0	0	3
Total		1	26	20	1	5	53

## Appendix I

**PSA3 I have received business development support from The EThekwini Chamber of Commerce \* Gender Crosstabulation**

Count

		Gender		Total
		1 Male	2 Female	
PSA3 I have received business development support from The EThekwini Chamber of Commerce	1 No extent	5	1	6
	2 Very small extent	2	0	2
	3 Small extent	6	0	6
	4 Neutral	3	1	4
	5 Some extent	9	6	15
	6 Great extent	10	7	17
	7 Very great extent	1	1	2
Total		36	16	52

## Appendix J

**PSA3 I have received business development support from The EThekweni Chamber of Commerce \***  
**High\_edu What is the highest level of education you have completed? Crosstabulation**

		High_edu What is the highest level of education you have completed?					Total
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	
PSA3 I have received business development support from The EThekweni Chamber of Commerce	1 No extent	1	4	0	0	1	6
	2 Very small extent	0	1	0	1	0	2
	3 Small extent	0	5	1	0	0	6
	4 Neutral	0	2	2	0	0	4
	5 Some extent	0	6	7	0	2	15
	6 Great extent	0	7	8	0	2	17
	7 Very great extent	0	1	1	0	0	2
Total		1	26	19	1	5	52

## Appendix K

**Com1 The people in my community have encouraged me to become a youth entrepreneur \* High\_edu**  
**What is the highest level of education you have completed? Crosstabulation**

		High_edu What is the highest level of education you have completed?					Total
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	
Com1 The people in my community have encouraged me to become a youth entrepreneur	1 No Extent	0	4	1	0	1	6
	2 Very Small Extent	0	2	0	0	0	2
	3 Small Extent	0	3	1	0	0	4
	4 Neutral	0	4	1	0	0	5
	5 Moderate Extent	1	9	5	1	1	17
	6 Great Extent	0	4	6	0	2	12
	7 Very Great Extent	0	0	5	0	1	6
Total		1	26	19	1	5	52

## Appendix L

**Com1 The people in my community have encouraged me to become a youth entrepreneur \* Gender Crosstabulation**

Count

		Gender		
		1 Male	2 Female	Total
Com1 The people in my community have encouraged me to become a youth entrepreneur	1 No Extent	5	1	6
	2 Very Small Extent	2	0	2
	3 Small Extent	3	1	4
	4 Neutral	4	1	5
	5 Moderate Extent	13	4	17
	6 Great Extent	7	5	12
	7 Very Great Extent	2	4	6
Total		36	16	52

## Appendix M

**Com5 Facilities and infrastructure in my community is good for business development \* High\_edu What is the highest level of education you have completed? Crosstabulation**

Count

		High_edu What is the highest level of education you have completed?					
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	Total
Com5 Facilities and infrastructure in my community is good for business development	1 No Extent	0	6	1	0	1	8
	2 Very Small Extent	0	5	0	0	0	5
	3 Small Extent	0	3	1	0	1	5
	4 Neutral	1	1	0	0	0	2
	5 Moderate Extent	0	5	7	0	0	12
	6 Great Extent	0	4	9	1	3	17
	7 Very Great Extent	0	2	1	0	0	3
Total		1	26	19	1	5	52

## Appendix N

**SME1 I have received training from small and medium sized businesses to develop skill to start a business \***  
**Employment Status Please advise your current status? Crosstabulation**

Count

		Employment Status Please advise your current status?									Total
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial activity	3 Part-time undergraduate student	5 Full-time postgraduate student	6 Full-time postgraduate student with entrepreneurial activity	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	
SME1 I have received training from small and medium sized businesses to develop skill to start a business	1 No Extent	2	2	0	2	0	0	0	0	1	7
	2 Very Small Extent	1	1	1	0	0	0	0	1	0	4
	3 Small Extent	1	0	0	0	1	1	0	0	0	3
	4 Neutral	1	0	0	0	1	0	0	1	0	3
	5 Moderate Extent	1	0	0	0	1	1	7	10	0	20
	6 Great Extent	2	0	1	0	0	1	1	6	0	11
	7 Very Great Extent	0	0	0	1	0	3	0	0	0	4
Total		8	3	2	3	3	6	8	18	1	52

## Appendix O

**SME3 High levels of crime have affected my growth and development \* Gender**  
**Crosstabulation**

Count

		Gender		Total
		1 Male	2 Female	
SME3 High levels of crime have effected my growth and development	1 No Extent	4	0	4
	2 Very Small Extent	1	0	1
	3 Small Extent	4	1	5
	4 Neutral	6	1	7
	5 Moderate Extent	7	4	11
	6 Great Extent	7	3	10
	7 Very Great Extent	7	7	14
Total		36	16	52

## Appendix P

**SME4 I believe small businesses are extremely difficult to start due to high levels of competition \***

**Employment Status Please advise your current status? Crosstabulation**

Count

Count

Employment Status Please advise your current status?											
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial activity	3 Part-time undergraduate student	5 Full-time postgraduate student	6 Full-time postgraduate student with entrepreneurial activity	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	Total
SME4 I believe small businesses are extremely difficult to start due to high levels of competition	1 No Extent	1	2	1	0	0	1	0	0	0	5
	2 Very Small Extent	0	0	0	0	0	1	0	0	0	1
	3 Small Extent	0	0	0	1	0	0	1	0	0	2
	4 Neutral	2	0	0	1	2	0	0	0	1	6
	5 Moderate Extent	2	1	0	0	1	0	1	1	0	6
	6 Great Extent	0	0	0	0	0	3	3	5	0	11
	7 Very Great Extent	3	0	1	1	0	1	3	12	0	21
Total		8	3	2	3	3	6	8	18	1	52

## Appendix Q

**LBC1 Corporate social investment programmes have invested in me as a student entrepreneur \***

**Employment Status Please advise your current status? Crosstabulation**

Count

Count

		Employment Status Please advise your current status?										
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial	3 Part-time undergraduate student	5 Full-time postgraduate	6 Full-time postgraduate student with entrepreneurial	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	Total	
LBC1 Corporate social investment programmes have invested in me as a student entrepreneur	1 No Extent	1	0	0	1	0	1	0	1	1	5	
	2 Very Small Extent	1	1	0	0	0	0	0	0	0	2	
	3 Small Extent	2	1	0	0	0	0	0	0	0	3	
	4 Neutral	2	1	0	0	1	1	0	1	0	6	
	5 Moderate Extent	0	0	1	1	0	4	7	10	0	23	
	6 Great Extent	2	0	0	0	0	0	1	5	0	8	
	7 Very Great Extent	0	0	1	1	2	0	0	1	0	5	
Total		8	3	2	3	3	6	8	18	1	52	



## Appendix R

**LBC2 I have received training from large businesses and corporates to develop skills to start a business \***  
**High\_edu What is the highest level of education you have completed? Crosstabulation**

Count

		High_edu What is the highest level of education you have completed?					Total
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	
LBC2 I have received training from large businesses and corporates to develop skills to start a business	1 No Extent	1	9	0	0	1	11
	2 Very Small Extent	0	2	0	0	1	3
	3 Small Extent	0	1	3	1	1	6
	4 Neutral	0	2	1	0	0	3
	5 Moderate Extent	0	9	8	0	0	17
	6 Great Extent	0	3	7	0	0	10
	7 Very Great Extent	0	0	0	0	2	2
Total		1	26	19	1	5	52

## Appendix S

**LBC3 I am aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support youth entrepreneurs \***  
**Employment Status Please advise your current status? Crosstabulation**

Count

		Employment Status Please advise your current status?									Total
		1 Full-time undergraduate student	2 Full-time undergraduate student with entrepreneurial activity	3 Part-time undergraduate student	5 Full-time postgraduate student	6 Full-time postgraduate student with entrepreneurial activity	9 Unemployed	10 Part-time employed	11 Full-time employed	12 I am an entrepreneur and work for myself	
LBC3 I am aware of entrepreneurial support that large companies (like Unilever or Mr Price) offer to support youth entrepreneurs	1 No Extent	2	1	0	0	0	0	0	0	0	3
	2 Very Small Extent	1	0	0	0	0	0	0	0	0	1
	3 Small Extent	1	1	0	1	1	1	0	0	0	5
	4 Neutral	2	0	1	0	0	0	0	0	1	4
	5 Moderate Extent	0	1	1	1	1	1	4	5	0	14
	6 Great Extent	1	0	0	0	0	4	4	10	0	19
	7 Very Great Extent	1	0	0	1	1	0	0	3	0	6
Total		8	3	2	3	3	6	8	18	1	52

## Appendix T

**LBC4 Large companies offer talent recruitment programmes that will help my progress to become a successful entrepreneur \* High\_edu What is the highest level of education you have completed?**

**Crosstabulation**

		High_edu What is the highest level of education you have completed?					Total
		1 Second year	2 Third year	3 Honours	4 Postgraduate Diploma	5 Other (Please specify)	
LBC4 Large companies offer talent recruitment programmes that will help my progress to become a successful entrepreneur	1 No Extent	0	3	0	0	0	3
	2 Very Small Extent	1	1	0	0	0	2
	3 Small Extent	0	4	1	0	1	6
	4 Neutral	0	2	0	0	0	2
	5 Moderate Extent	0	9	7	0	3	19
	6 Great Extent	0	4	9	1	1	15
	7 Very Great Extent	0	3	2	0	0	5
Total		1	26	19	1	5	52