

**UNIVERSITY OF KWAZULU-NATAL**

**FACTORS THAT INFLUENCE ENTREPRENEURIAL INTENTIONS  
OF RURAL YOUTH: A CASE OF NARYSEC FREE STATE**

**By**

**Murendeni Makhwedzha**

**215077753**

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Master of Commerce**

**School of Management, IT and Governance  
College of Law and Management Studies**

**Supervisor: Mr Nigel Chiweshe**

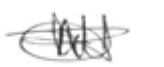
**2019**

## DECLARATION

I Murendeni Makhwedzha declare that

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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10 May 2019

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## **ABSTRACT**

Poverty alleviation in South Africa has been placed high on the government agenda in the past decades. According to Statistics South Africa (Stats SA, 2017), the unemployment rate in the country has risen rapidly in the past few decades, increasing from 7per cent in 1980, to 18per cent in 1991 and 27.5per cent in 2019. The government has a political and moral obligation to alleviate the burden of poverty, create jobs and ensure that it stimulates economic growth and development through the creation of a conducive environment which will enable the small businesses to survive and thrive. The purpose of the study was to identify factors affecting the entrepreneurial intention of the National Rural Youth Service Corp students. The study draws heavily from entrepreneurial intention models and focuses on the relationship between key variables, namely, exposure to entrepreneurial education and social capital.

The institutions of higher learning play a crucial role in stimulating entrepreneurial intentions of students, hence the university students are perceived to be more effective in their role of developing entrepreneurial intentions leading to the emergence of new ventures and to the growth of small, medium and macro enterprises. Entrepreneurial education has an important role to play in enhancing entrepreneurial self-efficacy and the influence of social capital on entrepreneurship intentions. A survey was conducted amongst the NARYSEC students. The respondents of the study comprised of 103 students who were identified by means of simple random technique. The total numbers of 103 questionnaires were completed by the NARYSEC students at Thaba Nchu College in the Free-State and the response rate was 84.3per cent.

The data was quantitatively analysed with the use of SPSS computer software. The results show that the majority of students have strong intentions to become entrepreneurs in the near future. Students had positive attitudes towards entrepreneurship as they would prefer to be entrepreneurs rather than to be employed and some of them indicated that they are already in a process of starting their own businesses. Most students admitted that their families are everything to them and whatever they do is aimed at pleasing them however they do not choose a career based on their family's advice.

To overcome the challenges, this study recommended the review of curriculum to determine success, failures and gaps as well as stimulating entrepreneurship intentions by allowing students to discuss and implement their own business ideas in class as a research project. The

study concluded by recommending that the government should expose every South African learner to entrepreneurship from primary level so that they can grow up thinking and reasoning about entrepreneurship which will propel them to put their ideas into action.

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## **LIST OF ACRONYMS**

DRDLR	Department of Rural Development and Land Reform
DSBD	Department of Small Business Development
DSD	Department of Social Development
DTI	Department of Trade and Industry
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GUESSS	Global University Entrepreneurial Spirit Student Survey
NARYSEC	National Rural Youth Service Corps
NYDA	National Youth Development Agency
SEDA	Small Enterprise Development Agency
SMMEs	Small Medium and Micro Enterprises
SPSS	Statistical Package for the Social Scientists
STATS	Statistics South Africa
TPB	Theory of Planned Behaviour
UK	United Kingdom
UKZN	University of KwaZulu-Natal
USA	United States of America

# **CHAPTER ONE**

## **INTRODUCTION AND OVERVIEW OF THE STUDY**

### **1.1 Introduction**

Institutions of higher education and training represent the largest proportion of youth with untapped job-creating potential which remains unexploited due to reticence in making the transition from entrepreneurial intention into entrepreneurship activities. A proximal predictor of the decision to become an entrepreneur is seen in the entrepreneurial intention; which signals how intensely one is prepared to commit to the effort to carry out entrepreneurial behaviour (Ferreira, 2017). Entrepreneurial activity is a fundamental developmental instrument for innovative economic growth, social mobility, and most importantly for a rich fountain of job creation which can move towards solving some of the socio-economic challenges in the world (Hieu, 2017). Governments across the globe have developed policies and strategies aimed at promoting the development of new business ventures because they believe that these ventures make an enormous contribution to country's economy.

Entrepreneurial intention can be defined as a growing conscious state of mind that a person desires to start a new enterprise or to create new core value in an existing organisation (Kalitanyi & Bbenkele, 2018). The decision to become an entrepreneur is a deliberate and conscious decision which involves both the extensive planning and a high degree of cognitive process (Buli & Yesuf, 2015). An entrepreneurial career decision can be considered as the type of planned behaviour for which an intention model is ideally suited (Morianio, Gorgievsk, Laguna, Stephan and Zarafshani, 2012). It was established that in spite of the chosen programme that young people study in the higher education institutions, they incline to seek employment for entrepreneurship after completion of their studies (Remeikiene, 2013). The intention to choose entrepreneurship as a career choice is possible only if the mentality of the students who depend on public and private sectors for employment is changed to self-employment mentality.

Most articles concentrate on the entrepreneur's career intentions since it is considered as an important factor which contributes to economic development through job creation, human potential development, innovation and customer satisfaction (Farouk and Ikram, 2014) and (Mueni, 2016). The entrepreneurial intention is mostly influenced by personal factors that can

be developed by acquiring entrepreneurial education; hence the tertiary education plays a decisive role in the development of the analytical thinking process which can assist in the development of positive attitudes and skills towards starting a business venture (Malebana, 2012). The entrepreneurship education should be stimulated by public and private sector targeting the students so that they can create sufficient jobs to make a positive impact on contemporary challenges of unemployment in the country. Remeikiene (2013) argued that the current education system does not provide enough information about business or encourage young people's creativity for business start-ups. To ensure the continuous supply of entrepreneurs, academics and practitioners need to know how early-stage potential entrepreneur's intentions originate, as well as what factors stimulate entrepreneurship (Esfandiar *et al*, 2017).

In order to take the process of thinking and reasoning into action, it is crucial for universities, the private sector, and government to have the conversation about the appropriate interventions that would propel students to take the risk to start their own business ventures. Given the persistence of the unemployment challenge in the country, particularly amongst youth, it is important to understand the factors which influence the entrepreneurial intentions amongst the youth. This study focused on the NARYSEC students because they are at the stage in their lives where the process of making career decision is imminent. Krueger (2000) recommends studying entrepreneurial phenomena before they occur, so the use of NARYSEC students is justified for this kind of study. The main purpose of this study was to determine the factors that influence entrepreneurial intentions of rural youth. This chapter presents the background of the study, the problem statement, research questions and objectives, research methodology, the limitations and layout of the study.

## **1.2 Background of the study**

In 1995, the South African government developed the white paper on the national strategy for the development and promotion of small businesses in the country (DTI, 2018). This white paper was developed to ensure that small businesses progressively increase their contribution to the growth and performance of the SA economy in critical areas such as job creation, equity and access to markets. In this white paper, the government pledged to continue to lead the effort to increase the level of entrepreneurship through supporting small business creation through the involvement of the corporate sector, private financing institutions, organised business, non-governmental organisations, universities and media in fostering entrepreneurship development.



The national youth enterprise strategy suggested the following interventions: creation of a culture of entrepreneurship, strengthening and expanding successful youth enterprise support schemes, addressing the financial needs of young entrepreneurs, provision of training and coordination of programmes such as the new venture creation learnership. According to Kolvereid (1996), intention plays a crucial role in the decision to venture into the establishment of new businesses. The Theory of Planned Behaviour (TPB) suggests that entrepreneurial intention is a single best mechanism through which countries gain awareness about the state of entrepreneurship in their countries. Hence, the entrepreneurial intention is an instrument through which countries can evaluate their citizen`s potential of becoming entrepreneurs. The plan for accelerated and sustainable development considers self-employment as a possible partial solution for unemployment particularly amongst young people. According to Serneels (2007), public and private sector jobs are considered as “good jobs” whereas self – employment is considered as a “bad job”.

According to Sinha (2015), most people prefer organisational employment rather than self-employment due to job security, health care benefits and lower stress level it offers compared to self-employment. In contrast of this, the government employment policy should promote self-employment as a viable employment option especially for university students and young graduates. According to Ajzen (1991), entrepreneurial intention precedes entrepreneurship as individuals who have high entrepreneurial intentions are classified as potential entrepreneurs who in due time will indeed become entrepreneurs. Entrepreneurial intention is defined as a way of thinking that guides and directs the activities of the entrepreneur in the direction of the development and execution of the business idea (Boyd & Vozikis, 1994).

Entrepreneurship is seen as a catalyst of economic growth and many countries are pursuing this as a strategy to reduce the unemployment and under-employment problem amongst their citizens. According to Potter and Storey (2007), almost all governments have put the stimulation of entrepreneurship high on their agenda with the hope to become entrepreneurial economies that pick the fruits of dynamic capitalism. According to Godhan (2013), the South African government has been providing support to small businesses and entrepreneurs with initiatives such as tax relief and training support. Moreover, there is the strengthening of industry incentives, including special economic zones funding. According to Lings (2017), the unemployment amongst youth has stayed at the highest level since 2003; the unemployment has risen from 36.4per cent in the first quarter of 2017, to 36.6per cent in the last quarter. The rate of youth unemployment has become a national crisis which calls for

social, economic and political intervention. According to World Wealth, SA is one of the richest countries with a variety of natural resources and is well-known for its gold, diamonds, coal, platinum, timber, sugar industry and wine industry etc., the creation of jobs is possible through the transformation of those natural resources into final products. The creativity and innovation of South Africans is needed so that the exportation of raw materials can be minimised and this calls for graduates to venture into business.

Entrepreneurship education seems to be a solution to the reduction of the unemployment rate which is increasing rapidly in South Africa. It should be stimulated particularly amongst the students so that they can create sufficient jobs to impact positively on the contemporary challenges of unemployment. The structure of the economy needs to be transformed to allow for new ideas, businesses and economic activities to emerge and thrive (Gigaba, 2018). *“The government will set aside at least 30per cent of public procurement to small and medium enterprises, cooperatives, township and rural enterprises”* (Ramaphosa, 2018). According to Estay, Durrieu and Akhter (2013), entrepreneurial motivation is determined by entrepreneurs’ perception of the environment and their own abilities or personal characteristics. Stephan and Uhlaner (2010) argued that entrepreneurship is a social activity that is influenced by the social environment of individuals. Entrepreneurship can be promoted or hindered by certain socio-cultural practices, values and norms. The social environment can impact positively on entrepreneurial activities by contributing to the formation of positive attitudes towards entrepreneurship and by enhancing perceived control which in turn influences entrepreneurial intention (Krueger, 1994,).

According to the Global Entrepreneurship Monitor South Africa (GEMSA), the number of South Africans wanting to pursue entrepreneurship declined from 30per cent to 28per cent in 2015. The biggest barriers to entrepreneurial activities in the country are government policies and access to finance which caused 65per cent of small businesses to close down in 2015 (Skade, 2016). The research by *Eurobarometer* reveals that 67per cent of Europeans do not believe that education systems can develop a mentality which encourages them to set up their own businesses. Nurturing and mentoring young entrepreneurs continues to be a ladder out of poverty and into economic stability by contributing to poverty alleviation, employment creation and economic growth particularly for youth.

Although several entrepreneurial intentions studies like tourism students’ entrepreneurial intention and the role of structured interventions in shaping graduate entrepreneurs were

conducted etc., no study has been conducted on NARYSEC students, which means that the views of the rural youth were left out in many studies. In order to fill this gap, a sample of NARYSEC students was investigated as entrepreneurial intention is the emerging business phenomenon in the developing countries.

### **1.3 Problem statement**

The high level of youth unemployment in SA has been placed high on the government agenda. The Youth Development Network reports that the percentage of youth entrepreneurs in South Africa is around 22.5per cent. This means that the majority of the youth between 18 – 25 years do not view entrepreneurship as a viable career option. This also means that more than one in every three young people in the potential labour force does not have a job (Stats SA, 2017). The government has a political and moral obligation to reduce poverty, create jobs and to ensure that it stimulates economic growth and development through the creation of a conducive environment which will enable the small businesses to survive and hopefully thrive (DTI, 2018). The high level of unemployment amongst the youth is one of the greatest socio-economic challenges that the government has faced in trying to improve the quality of lives for all. The economy needs to grow by at least 6per cent per annum in order to create employment for the 30per cent of the unemployed (Bozas, 2011).

The number of graduates in the institutions of higher education and training is increasing every year. In December 2017, the former President Mr Jacob Zuma made a pronouncement of free education in SA after a “Fees Must Fall campaign” around the universities in the country (News24, 2018). Producing a large number of potential graduates every year is expected as it is the vision of higher education and training in SA. The South African Government continues to pursue various initiatives to increase the number of youth entrepreneurs by establishing the Umsobomvu Youth Fund and Youth Development Network in 2004 and 2005 respectively. Despite the government’s effort to promote youth entrepreneurship in the past thirteen years, the number of youth entrepreneurs is still very small. The small business sector experiences a lot of challenges such as lack of ability to afford modern technologies, inaccessible and unreliable communication and transport services, lack of access to funding and poor management skills. The small businesses are economic drivers particularly in rural areas even though they are very small and extremely vulnerable to many challenges which endanger their performance and existence (Agbenyegah, 2013). Despite the progresses already made by the government in promoting and supporting the development of rural and young entrepreneurs, it is still evident that

young people are still marginal players in the mainstream economy of the country. South African is still expected to produce more entrepreneurs and industrialists as a way of channelling economic opportunities and benefits to the black population (DTI, 2018). According to the *Constitution of the Republic of South Africa* (1994), the government has a political and moral obligation to develop and introduce ways of effecting economic redress.

According to Haile (2005), the self-employment category of the labour market is the less preferred labour market amongst the highly qualified people in SA. This indicates that more awareness is needed amongst students so that entrepreneurship can be considered as viable employment. The educators and policy makers are the focal point in bringing forth more entrepreneurs. However, the factors affecting the entrepreneurial intention amongst the NARYSEC students are currently unknown. Therefore, in order to design an effective programme, and to foster entrepreneurial intention amongst students, the policy makers and programme coordinators need to know the level of student's entrepreneurial intention, and the factors that affect entrepreneurial intention amongst these students. This study sought to investigate factors affecting entrepreneurial intentions.

#### **1.4 Research questions**

The research specifically addresses the following questions:

- What are the factors which affect entrepreneurial intentions amongst the NARYSEC Students?
- How committed are the NARYSEC students to their entrepreneurial intentions?
- What motivates and demotivates entrepreneurial intentions of NARYSEC students?
- How does the internal and external environment affect the entrepreneurial intention?

#### **1.5 Research objectives**

The research specifically addresses the following objectives:

- To identify the determinants affecting entrepreneurial intention amongst NARYSEC students;
- To determine the level of entrepreneurial intentions amongst NARYSEC students;
- To determine the motivation and obstacles to establishing and pursuing entrepreneurial intention of NARYSEC students; and

- To identify the influence of internal and external environment in entrepreneurial intentions of NARYSEC students.

## **1.6 Contribution of the research**

This study is based on the view that there is a need for a growing pool of potential entrepreneurs with the motivation and ability to identify and realise the new business opportunities in SA (Malebana, 2012). The researcher was interested in the factors affecting entrepreneurial intentions of NARYSEC students.

The study is poised to make a contribution to the body of knowledge by investigating the factors influencing the entrepreneurial intentions amongst the rural youth. More specifically, the study is still to explore the role of entrepreneurial education, personal characteristics that contribute towards entrepreneurial intention and family obligation as a determinant of entrepreneurial intention. This research will also contribute to the existing stock of knowledge in the realm of entrepreneurship and new venture creation.

The study is aimed at assisting the policy makers in raising entrepreneurial awareness and support with a view of promoting rural entrepreneurship activity in order to address the inequality of the past and also to develop better ways in which the government initiatives can be channelled to the rural youth for positive results. It also aims to provide the institutions of higher education and training with an insight into how entrepreneurial competencies can be developed in students so that they can contribute to the pipeline of future entrepreneurs.

## **1.7 The scope of study**

The researcher was interested in the factors affecting entrepreneurial intention of NARYSEC students. The study was concerned with how different levels of exposure to entrepreneurship education, awareness of entrepreneurial support and social factors influence entrepreneurial intention. This research focused on registered NARYSEC students who are currently participating in the programme. The population of the study were registered students at Thaba Nchu College which is situated in Free State Province in South Africa. The sample was taken from these registered students.

## **1.8 Limitation of the study**

The study only focused on NARYSEC students in a specific geographical area. Care should be exercised in generalising the findings to all students in the Country. Some of the questions were based on student`s perceptions and there is a difference between perception and reality. Despite its limited focus, important insights were provided.

## **1.9 Ethical Considerations**

The ethical clearance was obtained from the Ethics Clearance Committee from the University of KwaZulu-Natal (UKZN). This research study complied with the ethical standards of academic research. The researcher ensured that the participants were informed about their rights, privacy, confidentiality and anonymity, and that they could withdraw from the research at any given time in case they felt that their rights were being violated. The researcher did not use any participant`s names in the findings and assurance of anonymity and confidentiality was given to the participants prior to the survey session. Furthermore, informed consent form was handed out, securing this confidentiality and anonymity.

## **1.10 Structure of the dissertation**

- **Chapter 1. Introduction and overview of the study**

This chapter introduces the subject of entrepreneurial intention and gives the background of the study. The research problem, research questions and objectives were outlined together with the research contribution and significance of the study. Furthermore, the chapter covered the limitations and ethical considerations of the study.

- **Chapter 2. Literature review**

This chapter provided the definition of entrepreneur, the role and importance of entrepreneurship education, factors impacting on entrepreneurial intentions, entrepreneurship support in SA, factors that drive people to pursue entrepreneurship, the importance of tertiary education in the development of entrepreneurial behaviour and attitudes and factors influencing entrepreneurial intentions.

- **Chapter 3. Research Methodology**

This chapter covered the research methodology employed in the study including the research objectives, the research design, the sample and sampling methods, data collection, data analysis, validity of the research, reliability of the research and ethical considerations.

- **Chapter 4. Findings and Discussion**

This chapter provided a detailed presentation and analysis of the results in relation to the impact of the NARYSEC programme on entrepreneurial intentions. It further presented the results in terms of the problem and questions indicated in the first chapter and its linkages to the literature review.

- **Chapter 5. Conclusion and Recommendations**

This chapter presented the conclusion and recommendations of the study. It further confirmed the achievement of the research objectives and commented on the limitations of the study, the significance of the findings and on the need for further research.

## **1.11 Conclusion**

The entrepreneurial intention was seen as behaviour that happens as a result of some previous commitment. Hence an intention indicates the likelihood of an upcoming course of action. The lower percentage (22.5per cent) of youth entrepreneurs in South Africa verses the higher percentage of unemployment youth (38.2per cent) between the ages of 15 to 34 has influence the carrying out of this study in order to investigate factors affecting entrepreneurial intention amongst the rural youth so that they could be empowered with appropriate knowledge, skills, experience and other initiatives to start their own business ventures after the graduation. An intention is as important as implementation. This chapter outlined the background of the study, the research questions and objectives, the problem statement and furthermore, it included the limitations of the study, the significance of the study and the layout of the study.

The next chapter focuses on the detailed definitions of entrepreneur, the role and importance of entrepreneurship education, factors impacting on entrepreneurial intentions, entrepreneurship support in SA, factors that drive people to entrepreneurship, the importance of tertiary education in the development of entrepreneurial behaviour and attitudes and factors influencing entrepreneurial intentions.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The previous chapter presented the introduction to the study, the background and the research problem, the research questions and objectives, the limitation, and layout of the study. This chapter gives an in-depth analysis of theories touching on various aspects of importance to this study. For ease of understanding, this chapter begins with the clarification of entrepreneur, entrepreneurship education and its role in influencing entrepreneurial intentions. Entrepreneurial intention models and their historical development, factors impacting on entrepreneurial intentions and entrepreneurial motivation. Factors that drive people into entrepreneurship and concludes with a broad discussion on government policies and their influence on entrepreneurial intentions.

#### **2.2 Definition of entrepreneur**

According to Kenton (2018), an entrepreneur is described as an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and businesses. Certo *et al.*, (2009) described an entrepreneur as someone who sees gaps within the market environment and takes advantage of this to fill the gap; thus it is acceptable that the entrepreneur takes more risks to increase personal interest and to seize available opportunities. An entrepreneur is someone who exercises initiative and who takes advantage of an opportunity and as a decision-maker decides on what, how and how many goods and services will be produced (Chell and Allman, 2003).

Barker and Nelson (2005) defined an entrepreneur as an individual who assembles resources, labour, materials and other forms of assets for productive use for value-added motives at the same time, proposes valuable changes and innovative ideas. Kirby (2004) echoes this and adds that the individual entrepreneur is perceived as a disturbance to the status quo within the market environment who is a vital economic changer who is not only self-employed but may also be employed in other sectors of the economy. An entrepreneur sees opportunities where others see threats and they also continue to take a calculated risk. They control their lives and start to influence others to follow suite. Entrepreneurs are people who have visions for doing



things in better ways, thinking beyond the constraints of current rule and resources (European Commission, 2004).

An entrepreneur is an individual who drives job creation and as a result, the entrepreneur is acknowledged as someone who disturbs the status quo, with aspirations that differ from common individuals (Skosana, 2012). Beinhocker (2007:40) argued that entrepreneurs are defined as those that play “*the role of dam breakers, unleashing a flood of innovation into the market place*”. Liang and Dunn (2008) concluded that entrepreneurs stand at the centre of new business creation. The entrepreneur capitalises on any form of intellectual or other assets to create potential wealth through capitalising on unique opportunities and innovative processes for the establishment of new businesses; the entrepreneur creates and builds innovative business ventures due to perceived business opportunities.

The traits model assumes that personality traits are the basis for individual`s differences. According to Bird (2014), the traits model is seen as the determining factor in behaviour that makes a person perform in a relatively consistent way across various circumstances. The trait model relies on the assumption that the entrepreneurs possess certain traits that distinguish them from others.

### **2.2.1 Characteristics of an entrepreneur**

The characteristics of successful entrepreneurs have been examined in an attempt to develop a typical personality profile that identifies the key characteristics of a successful entrepreneur (Littunen, 2000). Timmons *et al.*, (1985) argued that the premise is that an individual`s odds of becoming successful can be improved, while entrepreneurial skills and behaviour can be nurtured, developed and acquired. According to Maes (2003), entrepreneurship research focuses on the personality traits of individual entrepreneurs with the aim of making the distinction between entrepreneurs and non-entrepreneurs. Barringer and Ireland (2008) argued that successful entrepreneurs require a variety of characteristics such as passion for business, intelligence and high levels of tenacity as well as customer focus. Nieman *et al.*, (2002) suggested that the characteristics of entrepreneurs can be acquired by birth, through life experiences or through entrepreneurial process. Walstad and Kourilsky (1999) assumed that entrepreneurial characteristics are universal and can be nurtured and developed at earlier stages of the education process. Below are some of the characteristics of a successful entrepreneur as presented by Kuratko and Hodgetts (2004).

### **(a) Risk bearing**

The new business venture undertaking is considered to be a risky endeavour, as there is a high level of uncertainty regarding the chances of success. According to Jackson (1994) risk propensity is a personality trait that assesses the willingness to take a course of action or to make decisions that are uncertain in their outcome. Most of the relevant literature has shown that the more-averse individuals are more likely to be employees, while less risk-averse individuals are more likely to become entrepreneurs (Sepulveda, 2014). Entrepreneurship is about facing the uncertainty and major decisions are taken through the innovative process. Wang (2008) indicated that the ability of an individual to accept every form of innovative approach accelerates fresh thinking as well as the desire to commit errors and to encourage a fresh sense of thinking without the fear of barriers and punishment. Friedman (1953) has developed a model which argues that the different attitudes towards risk result in income inequality and Knight (1971) argued that the willingness to assume risk is a fundamental factor in determining the worth of entrepreneurs.

Propensity to risk is the readiness to take risks when the likelihood of success is less than 100per cent (Kuip, 2003). McClelland (1961:48) said “*entrepreneurship activities have more risks than activities that are controlled by tradition e.g. spiritual ceremony. But, it is less risky than gambling*”. The risk attitude has an impact not only on the decision to become an entrepreneur but also on the survival and failure rate of entrepreneurs and recent research underpins the theoretical proposition that there is a positive correlation between risk attitude and a decision to become an entrepreneur (Caliendo *et al.*, 2008). Chell, Harworth and Brearley (1991) argued that entrepreneurs should not take neither the highest nor the lowest possible risk but, instead, a ‘well-calculated risk’ to become successful. The results regarding the effect of risk propensity on entrepreneurial intention are still inconclusive. Some researchers have found that the risk-taking behaviour has a direct influence on the interest and motivation to start a new business venture as well as on entrepreneurial intention (Gerry, 2008) and (Gurel, 2010). Other researchers have found that risk taking does not relate to entrepreneurial intentions (Douglas, 2008) and (Busenitz, 1997).

According to Timmons and Spinelli (2009), the entrepreneur takes a calculated risk and tries to accommodate the challenges within the business environment for commercial gains. Entrepreneurial activities take place mostly in uncertain business environments; hence at the core of entrepreneurial activities lies the risk factor. Kuratko and Hodgetts (2004) found that

strategically, entrepreneurs try to share the inherent financial and business risks by, persuading investors and business partners to take advantage of investment opportunities and to attract creditors by offering discounts and suppliers who offer lengthy advances on inventory to augment entrepreneurial activity. The following are some of the risks which the entrepreneurs are faced with; market and opportunity risks, competitive risks, financial risks, political and economic risks and technological risks.

#### **(b) Achievement motive**

The need for achievement prompts individuals to have higher hopes or to do something better and faster than others, it also refers to a tendency to choose and persist in activities that hold only a moderate chance of success rather than in those providing a maximum opportunity of personal achievement satisfaction (McClelland, 1961). The concept of the Need for Achievement (nArch) was originated by Henry Murray in 1938. Murray measured nAch with the Thematic Apperception Test, where the subject writes a story about the picture (Graham, 1994). The need for achievement has a positive and significant influence on entrepreneurial tendency and it correlates with entrepreneurial intention because it pushes someone into establishing his or her own business and to develop hope for success. (Taormina, 2007).

Stewart *et al.*, (1999) conducted a research project amongst small business owners and corporate managers in the US and found that small business entrepreneurs exhibited high levels of achievement motivation. Florin *et al.*, (2007) discovered that the strongest characteristic of entrepreneurial intention amongst the population of students was achievement motivation. McClelland's work on need achievement found nAch to be the key factor in entrepreneurship. Moreover, McClelland concluded that the relationship between nAch and entrepreneurship meant that nAch was essential to economic development, and that any country that wishes to accelerate economic progress should be interested in raising levels of need for achievement within its borders (McClelland, 1961).

#### **(c) Internal locus of control**

Kuratko and Hodgetts (2004) indicated that the growth-minded entrepreneurs believe in themselves but not in failures of established business ventures as other forces are not part of the overall deciding factor of business outcome. Rwigema and Venter (2008) argued that successful entrepreneurs believe that business setbacks are controllable and within their power and they can impose much influence to realise the business outcomes due to individual

action. Raab *et al.*, (2005) are of the opinion that entrepreneurs are controlled from within to attain a high achievement and to enable the entrepreneur to be responsible and to gain self-confidence.

The individual who tends to have an internal locus of control believes that the results of what they do depend on their own behaviour (Kobia, 2010). The concept of locus of control was first proposed by Rotter in Raffiany (2009) and he is an expert in social learning theory. This theory argues that a person will learn to make decisions based on the opportunities that exist; locus of control is a personality variable which is defined as an individual's belief in whether or not is capable of controlling their own destiny. The students who tend to have an internal locus of control respect entrepreneurship activities more than those who do not (Luthje and Franke, 2003). Entrepreneurial attitude that is based on internal locus of control will motivate students to choose entrepreneurship as their career of choice (Othman, 2009).

**(d) Creativity and innovation**

Kropp *et al.*, (2008) advised that the existing business environment is not static; hence the issue of creativity and innovation remain paramount to provide guidance through the era of change and growing environmental uncertainties.

**(e) Self-confidence**

Entrepreneurs are expected to be confident in the foreseeable future in dealing with all business operations and they must always maintain a high level of enthusiasm. Rwigema and Venter (2008) indicated that an entrepreneur must be known for his or her external optimism in the face of serious drawbacks during the course of entrepreneurship activities.

**(f) Access to markets**

Kuratlo and Hodgetts (2007) maintain that growth-minded entrepreneurs focus more on opportunity and not on resources, business structure or the best business-applicable strategy. They further indicated that the ultimate driver of entrepreneurial activity focuses mainly on the pursuance of lucrative business opportunities to reach a goal.

**(g) Commitment and determination**

According to Rwigema and Venter (2008), individual entrepreneurs must be committed and determined to defeat all forms of setback, which entrepreneurship presents and which other people view as very significant. Lambing and Kuehl (2007) indicated that entrepreneurship is

not essentially about success but also about failures; most entrepreneurs become successful after a number of failures but commitment keeps them going.

**(h) Alertness to business opportunity**

Rwigema and Venter (2008) concur that an individual's ability to identify an opportunity within the environment at an early stage, together with the ability to quantify and refine the opportunities is of the essence in influencing entrepreneurship. Kirzner (1973) identified the role of entrepreneurship as instrumental in discovering and exploiting opportunities.

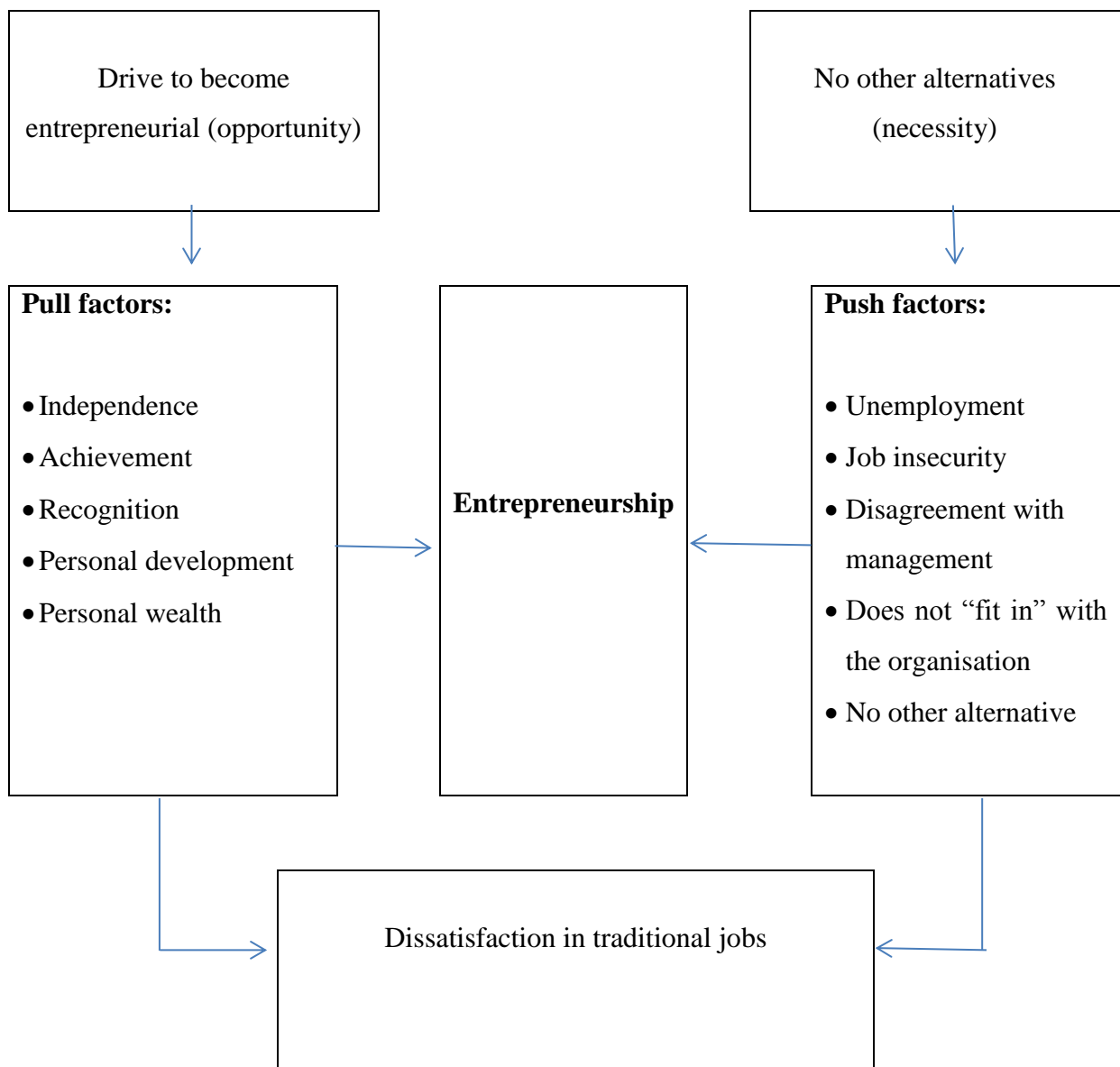
**(i) Problem-solving skills**

Rwigema and Venter (2008) indicated that entrepreneurs are expected on numerous occasions to resolve problems and to remain afloat within the turbulent business climate. Problems in achieving this include the ability to handle stress and time management. Venter *et al.*, (2010) indicate that business operations require the application of very decisive action in resolving problems and individual entrepreneurs are not likely to be intimidated in the face of solving difficult problems.

**2.2.2 Forces that drive people to entrepreneurship**

Rwigema and Venter (2005) state that the pull and push are factors that drive individuals from their conventional labour pool to the entrepreneurial pool. According to Nieman *et al.*, (2006), pull factors are those factors that encourage people who are employed to leave their jobs to become entrepreneurs hence push factors are those that encourage entrepreneurship due to traditional jobs being less attractive or an individual may not have any other career option. Figure 1 presents the pull and push factors of entrepreneurship

**Figure 1: Pull and Push factors of entrepreneurship**



Source: Nieman (2006:31)

According to Driga *et al.*, (2005), the extent to which a person will become an entrepreneur depends on the consideration of both the pull and push factors. An astute evaluation of these factors should lead to a positive decision. Figure 1 indicates the push factors as being the dissatisfaction with the salaries and wages, unemployment, job insecurity, career limitations, inability to pursue innovation, disagreement with management and no other alternative options. The pull factors include independence, personal development, need for achievement, freedom to pursue innovation, personal wealth and need for recognition.

Most researchers have used the popular method of classifying entrepreneurs according to the ‘push’ and ‘pull’ method or necessity-based and opportunity-based entrepreneurs (Amit,

1995). A number of researchers have focused on the existence and influence of ‘Push’ and ‘pull’ situational factors in motivating individuals to engage in entrepreneurial activities and the factors identified have included the frustration of the entrepreneur with his or her current lifestyle, childhood influences, family environment, age, education, work history, role models and support networks (Thomas & Mueller, 2000). In many instances, entrepreneurs may be literally pushed into entrepreneurship by the unexpected and unwelcomed circumstances like loss of employment and dissatisfaction with the current job and other career setbacks (Guttermann, 2015); or sometimes entrepreneurs may be pulled into creating a new venture by factors which are viewed as being more positive in many communities such as training and exposure to business that creates interest and confidence in looking for the new opportunity to exploit and some have viewed ‘push’ and ‘pull’ factors as the prerequisite consideration for new venture creation (Krueger, 1993). The following are additional factors that push individuals into entrepreneurship:

- **Conviction**

Rogers, (1983) argued that conviction is the key to the adoption of innovation and this model refers to the psychological process that is not completely different from the process that leads individuals to decide to establish a new venture. Conviction, according to the Cambridge dictionary, refers to a strong belief, opinion, idea, view, persuasion or stance which enables an individual to perceive entrepreneurship as a career choice. The background variances also have a positive influence on the conviction and intent amongst the students. The study conducted by (Reynolds, 1995) indicated that students had high levels of nascent entrepreneurship which should be nurtured, supported and promoted.

According to Davidson`s (1995) model, conviction of an individual is a major predictor of entrepreneurship intention. The higher the conviction, the higher the entrepreneurial intent and thus the individual would most likely take up entrepreneurship as a career alternative (Skosana, 2012). According to Autio *et al.*, (1997), conviction is understood to be the foundation predictor of entrepreneurial intention and there is a positive correlation between attitudes and entrepreneurial conviction. Conviction is influenced by personal background variables that include age, gender, education, vicarious experience and radical change experience.

- **Social context**

The studies have indicated that the current employment status and changes in it can be assumed to be one of the most important situational influences (Skosana, 2012). Some scholars have highlighted the situational factors as the key to both entrepreneurial intention and decisions (Martin, 1984) and (Shapero, 1982). The situational variables have been tested and indicate the strongest positive direct influence on behaviour (Krithika & Venkatachalam, 2014).

- **General attitudes**

The scholars have identified attitudes as an independent variable that predicts the variance in entrepreneurial intentions. This attitude towards entrepreneurial intention was the greatest determinant of the intention to become self-employed and this attitude is influenced by personality (Kolvereid, 1997); (Luthje and Franke, 2003). The general attitudes exercise an influence on conviction, which consequently affects the decision to become an entrepreneur. According to Kolvereid (1997), attitude has been recognised as an independent variable that predicts the variance in entrepreneurial intention.

### **2.3 Entrepreneurship Education**

The Global Entrepreneurship Monitor defines entrepreneurship education as a process of building knowledge and skills for the purpose of entrepreneurship as part of recognised education programmes at primary, secondary or tertiary educational institutions (*GEM*, 2018). The aim of entrepreneurship education is to encourage the students to be self-reliant and to achieve faster economic development for the country. The European commission (2004) defined entrepreneurship education as a study of sources of opportunities and processes of discovery in which an individual endeavours to acquire the ability to be creative, to take risks and to turn their ideas into action. The entrepreneurship education has a mandate to equip the youth with functional knowledge and skills to build up their character, attitude and vision (European Commission, 2004). Entrepreneurship education is important especially for good students who have dreams, hopes and who are ready to explore innovation in the country. The students who learn about finances in the primary and secondary schools can start to spend wisely and save more so that they can start their businesses in the near future.

The basic purpose of entrepreneurship education is to develop the entrepreneurial programmes which will develop the knowledge, skills, abilities, expertise, attitude and



behaviour which will encourage the potential entrepreneurs to venture into businesses with confidence and passion. The Consortium of Entrepreneurship Education (2008) stated that entrepreneurship education is not about teaching and learning but about encouraging creative thinking and promoting self-efficacy and empowerment. Raposo and do Paco (2011) argued that the entrepreneurship educational knowledge includes: the ability to recognise an opportunity in one's life and to exploit it; the ability to create and operate a new business venture and the ability to think in a creative manner. Holmgren *et al.*, (2004) found that entrepreneurship education has the ability to improve the beliefs and attitudes with the aim of marketing entrepreneurship as an attractive and valid alternative to salaried employment and unemployment. Jones *et al.*, (2012) explained that the students expect to learn by engaging entrepreneurship education using the process of scenario development. According to Heinonen and Poikkijoki (2006), there are three objectives in entrepreneurship education; learning to become an enterprising individual with the expectation of changes in perception, attitude and intention towards entrepreneurship; learning to become an entrepreneur with the expectation of acquisition of knowledge and skills; and learning to become an academic focusing on conducting research.

A sound education system is imperative for a competitive country which is expected to respond to the growing demands of the markets. A good quality education has a positive influence on the self-confidence which increases the chances of new business ventures being successful (Dludla, 2014). Rossouw (2018) argued that business is simple, but not easy and it needs someone who understands the fundamental building blocks of business. He further indicated that lack of formal education for entrepreneurs is evident in the failure rate of SMMEs and in the extent to which South Africans often abandon their entrepreneurial dreams. The significant job creation by the SMME sector will require serious educational intervention to equip young people to be better entrepreneurs. "It is imperative that SA starts to spend significant time and resources to address the need for access to quality education aimed at those who want to pursue entrepreneurship and business ownership. We shouldn't only start teaching these skills at tertiary level" (Rossouw, 2017:1).

### **2.3.1 Types of entrepreneurship education**

The following classification of entrepreneurship education is based on the objective to be achieved. Guzman and Linan (2005) classified entrepreneurship education into four categories:

**(a) Entrepreneurial awareness education.**

The objective of entrepreneurial awareness education is to increase the number of people who may consider small business and self-employment as a viable and rational alternative (Malebana, 2012). Furthermore, the purpose of entrepreneurial awareness is to encourage people to consider entrepreneurship as a career of choice. The aim of this type of education is identification of antecedents of entrepreneurial intention such as entrepreneurial knowledge, desirability and feasibility. These could be presented as optional courses in entrepreneurship. Henry *et al.*, (2005) argued that education about business enterprise deals with awareness creation aimed at educating students on the various aspects of setting up and running a business mostly from a theoretical perspective.

**(b) Education for start-up**

Education for start-up was developed for people who already have a viable business idea so that it can prepare them to run their small business ventures and it focuses more on the practical aspect of creating a new enterprise like obtaining financing, legal regulations and taxation (Guzmán, 2005). Henry *et al.*, (2005) argued that the education for enterprise should focus on the preparations of aspiring entrepreneurs for a career in self-employment with the specific objective of encouraging participants to set-up and run their own businesses.

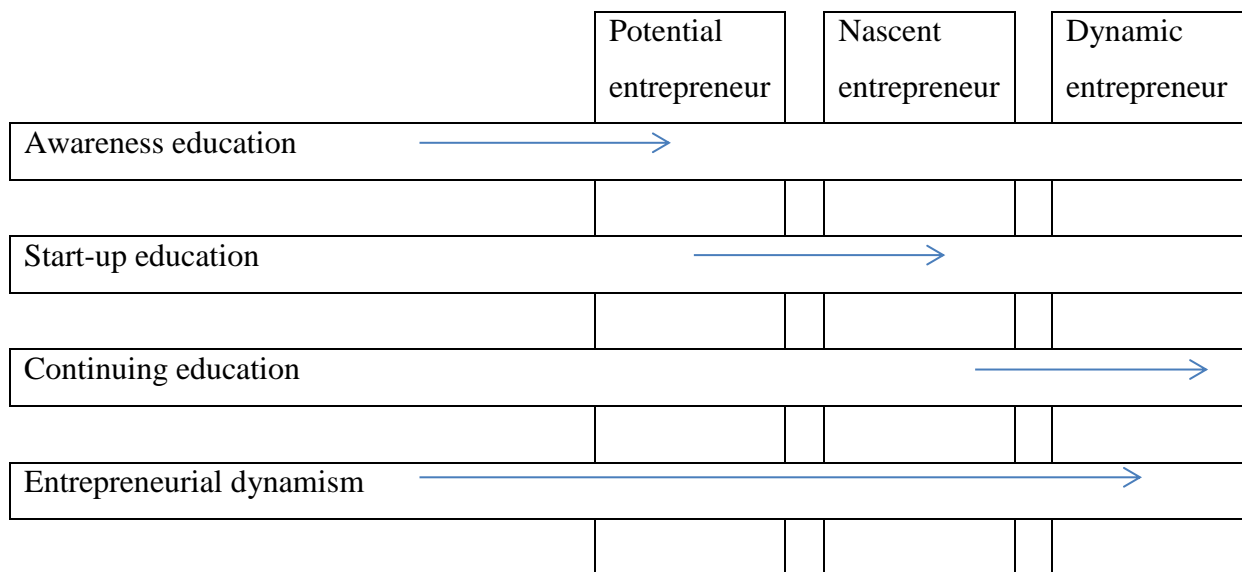
**(c) Education for existing entrepreneurs**

Education for existing entrepreneurs is aimed at improving the effectiveness and efficiency of existing businesses through capacitation of those entrepreneurs with the new information and ideas like production and marketing. Guzman and Linan (2005) argued that this type of specialised adult education is aimed at improving the entrepreneur's existing abilities. Henry (2005) indicated that this type of entrepreneurial education focuses mainly on management training for established entrepreneurs and is aimed at ensuring the growth and future development of the businesses.

**(d) Education for entrepreneurial dynamism**

The objective of education for entrepreneurial dynamism is to draw the attention of potential entrepreneurs to the need to develop dynamic entrepreneurial behaviour when the business is already in operation (Guzmán, 2005). The following section will indicate four stages of entrepreneurship education.

**Figure 2: Entrepreneurship education vs entrepreneurial process**



Source: Malebana (2012:120)

Figure 2 indicates that entrepreneurship education deals with the fostering of attitudes, skills, attitudes and values appropriate to start, own and manage a business enterprise. On the other hand, the entrepreneurship process deals with the creation of new ways of meeting customer's needs, products, processes, services, technologies, markets and forms of organising. There are similarities between Guzman and Linàn (2005) and Henry *et al.*, (2005) regarding the entrepreneurial awareness education or education about business enterprises that deals with fostering the attitudes, skills and values appropriate to start, own, manage or work in a successful business enterprise. Education for start-ups and education for business enterprise have the similar objective of preparing students to set-up and run their own businesses.

### 2.3.2 Distinction between entrepreneurship education and business education

Entrepreneurship education differs from business education by its ability to equip the learner with the ability to generate different ideas on how to exploit the business opportunity and to project a more extensive sequence of action for entering business (Malebana, 2012). The following table compares the difference between entrepreneurship education and business education.

**Table 1: Comparison of entrepreneurship education and business education**

<b>Author(s)</b>	<b>Activity</b>	<b>Entrepreneurship education</b>	<b>Business education</b>
Fiet (2001)  Linan (2004)  Mattare (2008)	Focus on	<p>Process and application.</p> <p>Concerned with traits, skills, attitudes or intentions of the participant</p> <p>Interested in the creation process of an independent entrepreneurial business or its dynamics.</p> <p>Emphasise imagination, creativity and risk taking in business.</p>	<p>Knowledge and theory</p> <p>Concerned with the necessary technical knowledge for business administration</p> <p>Interested mainly in the organisation of the firm in the operation</p> <p>Over-emphasises quantitative and corporate techniques at the expense of more creative skills.</p>
Darling-Hammond (2001)	Teaching	Supporting learning	Transferring knowledge
Stevenson (2000)	Goal of education	Learning to live, autonomy, the ability to self-govern.	Broad knowledge
Fiet (2001)  European commission (2006)	Role of learner	Active producer	Passive producer
Fiet (2001)  Parnell and	Role of teacher and approach	Assistant to the learner	Transmitter of content

Lester (2007)		Educator adopts an artistic perspective of their field	Educators adopt a predominantly scientific perspective of their field
Solomon <i>et al.</i> , (2002)	Source of information	Teacher and text books	All sources available
Solomon <i>et al.</i> , (2002)	Who governs the process	Student	Teacher
Fiet (2001)	Activities	Doing, thinking and talking	Listening and reading
Redford (2006) Jones and English (2004)  Binks <i>et al.</i> , (2006) Jasinski <i>et al.</i> , (2003)	Teaching methods	Project-based learning is particular common.  Conducive to the application of integrating learning approaches	Uses lecture-based methods.  Core concepts are delivered in a stand-alone or silo approach

Adapted from Löbler (2006:24)

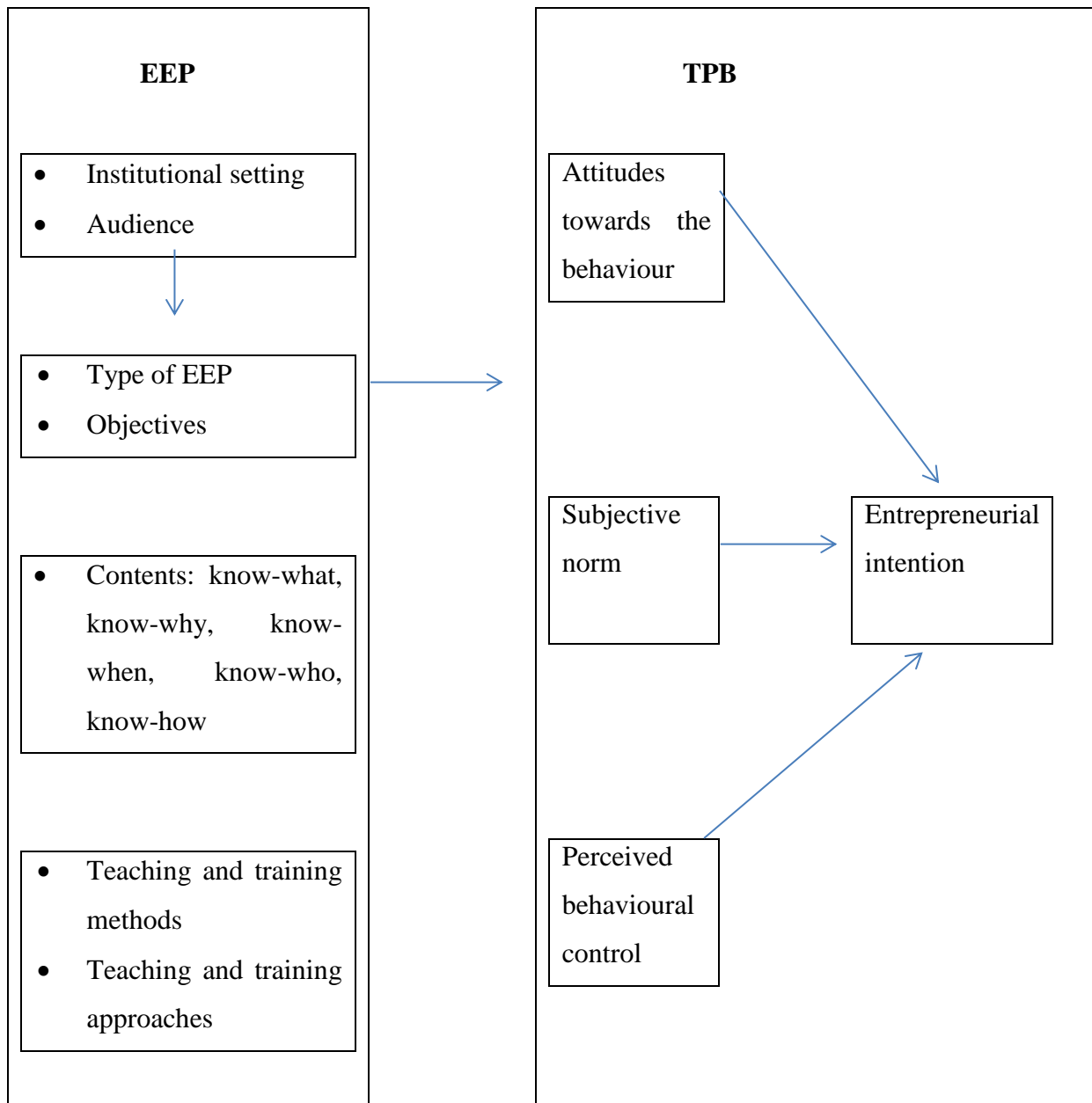
Table 1 illustrates entrepreneurship education as being student-centred. It relies on all sources of information available, it views learners as active producers and the teaching method is project-based; on the other hand business education is teacher-orientated in that it relies on the teacher and the text book as the sources of information and the teaching method is core-concept delivered. Parnell and Lester (2007) argued that in entrepreneurship courses, students are taught idea generation, business planning, capital resource acquisition, start up and small business management.

Solomon *et al.*, (2002) argued that small business management programmes are aimed at providing the students with the know-how for managing and operating small, post-start-up businesses including the setting of goals and objectives, leading, planning, organising and controlling from a small business perspective. Gibb and Nelson (1996) further argued that entrepreneurship focuses on the functional management skills and abilities required to start, manage and develop a small business while the small business relies on the personal capability of the person at the helm of the business.

### **2.3.3 Entrepreneurial training vs entrepreneurship education**

According to Fayolle *et al.*, (2006), the purpose of entrepreneurship education is to enable students to assimilate and develop knowledge, skills and values for addressing a broader range of problems hence entrepreneurship training is to develop the knowledge or skills that enable students to achieve effective performance. The *GEM report* (2001) showed that the higher the level of education of an individual, the greater the tendency to pursue entrepreneurial activities and the greater the probability of starting a new business venture that progresses past the start-up stage. Oxfort *et al.*, (2003) indicated that the education system could play a decisive role in helping to bring about an increase in entrepreneurial involvement of young adults. The following table illustrates the entrepreneurial education programme assessment tool.

**Figure 3: Entrepreneurial education programme assessment tool**



Source: (Fayolle, 2006a: 720)

Figure 3 indicates the assessment model that Fayolle *et al.*, (2006) used in an experiment on a group of students. Fayolle found that the entrepreneurial education programme had a strong, measurable impact on entrepreneurial intentions of students and this has a positive impact on the perceived behavioural control. Malebana (2012) also agreed with the notion that variables relating to the educational environment such as institutional environment, resources, audience, learning process, type of entrepreneurship, objectives, contents, teaching and training methods and approaches affect the perceived behavioural control and subjective norms and that the

implication for entrepreneurial education is that it influences perception of desirability and feasibility in order for students to view entrepreneurship as a career option.

### **2.3.4 The impact of entrepreneurship education on entrepreneurial intentions**

The entrepreneurship education is more than teaching students how to become independent business owners, it is also about creating and nurturing a learning environment that promotes entrepreneurial traits and behaviour (Gautam, 2015). The World Economic Forum (2009) stated that to enhance the entrepreneurial skills and competency in youth, it is important to inculcate these skills from their childhood through primary level schooling and onwards. Entrepreneurship education is essential in shaping the mindsets of young people as well as providing skills and knowledge to develop the entrepreneurial culture even for the future generations. However despite the huge investment towards entrepreneurial education and training by both private and public sector, there is a little evidence to demonstrate its benefits (Mungai, 2013). The higher education institutions are classified as the best places to conduct the entrepreneurship training because they serve as a society's breeding ground.

According to Fayolle (2004), entrepreneurship education facilitates the creation of start-ups, involving educated students, mindset changes and the development of entrepreneurial orientation measured through intention (Malebana, 2012). Entrepreneurship education can improve the perceived feasibility for entrepreneurial business through the increased knowledge base of students, confidence building and promoting self-efficacy. The role of entrepreneurship education according to Deakins is mainly to build the entrepreneurial culture amongst young people that in turn would steer their career choices towards entrepreneurship and it has another advantage which is to increase the student's awareness of the contribution that entrepreneurship makes to the community and to society as a whole. Von Bloembsen *et al.*, (2005) feel that if an individual is educated, it is most probable that they will found a business and employ people. The chance of creating employment by people who went through tertiary education is 2.5 times higher than people who just completed secondary education only and 11 times more than those who did not even complete secondary education. According to Marire (2015), young South African adults who went through tertiary education have high chances of identifying opportunities and of starting new businesses just like youth in other developing countries.

Every nation has a responsibility of developing the next generation of potential entrepreneurs through the practical orientation and greater vocational relevance to entrepreneurial learning.



Garavan and O`Cinneide (1994) argued that there is a major role and need for entrepreneurial education and training. The entrepreneurship education needs to emphasise the connection between action and theory and between learning and doing, Foyolle and Klandt reached a conclusion that enterprising behaviours can be taught.

According to Memani (2013), entrepreneurship education has three main objectives:

**(a) To increase the understanding of entrepreneurship amongst the students**

The universities or the education system should help to create a more entrepreneurial character amongst the students by providing a deep understanding of risk and rewards of entrepreneurship. It is crucial to expose the students to entrepreneurship so that their thinking, reasoning and opportunity-based acting can be developed and cherished.

**(b) To equip the students for the world of work**

The students should be taught to take full responsibility for their lives and careers. According to Bell-Rose and Peyzant (2008), entrepreneurship education is an important tool to prepare students for the global marketplace and it should be universally available to provide all students with opportunity to explore and fulfil their potentials. According to Sowmya *et al.*, (2010), the education system needs to prepare students thoroughly to succeed and to assume leadership positions for the new global marketplace.

**(c) To prepare students to act and behave as entrepreneurs**

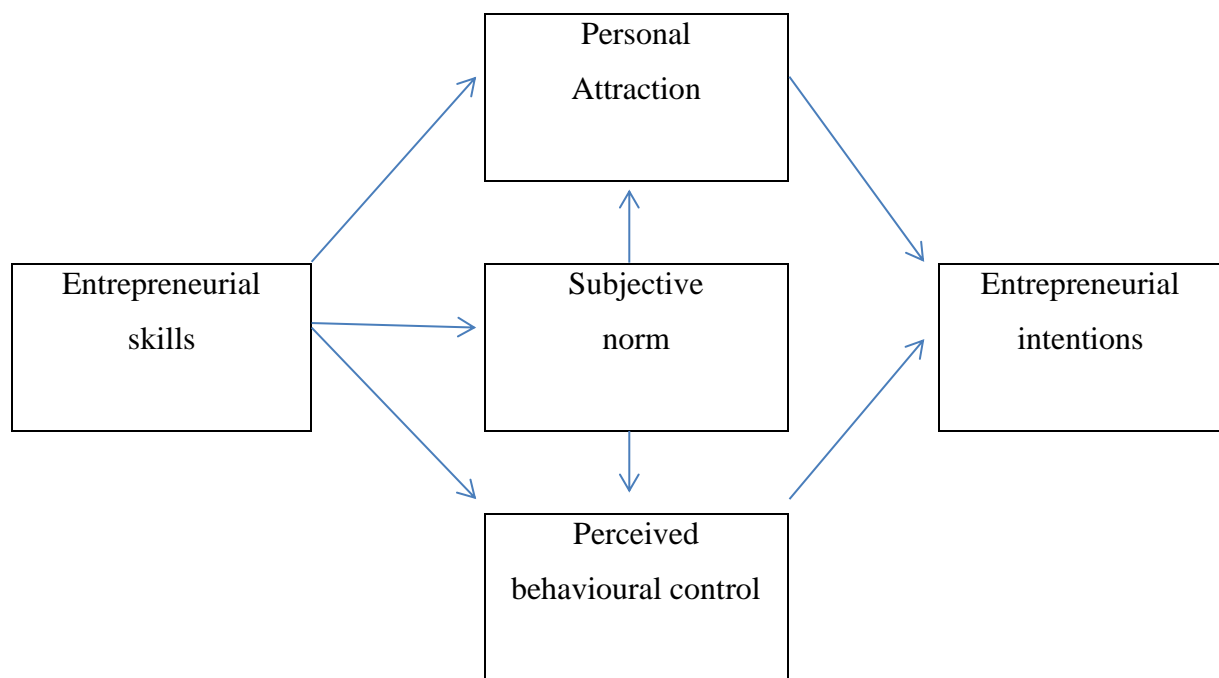
The educational system has traditionally inhibited the development of entrepreneurial qualities because it taught young people to obey, reproduce facts and to engage in wage-employment after finishing their education. According to Chinube *et al.*, (2011), there should be a directive from government to teach entrepreneurship in all tertiary institutions so that it can assist students to be productive members of their societies. According to Timmons and Spinelli (2013), successful entrepreneurs have a set of personal skills, attributes and behaviour that goes beyond that which is purely commercial and they contribute something of benefit to the community.

### **2.3.5 Entrepreneurship education and its role in the development of entrepreneurial skills and competencies.**

The entrepreneurial skills and competencies are the prerequisites for the development of successful business enterprises and in order to pursue entrepreneurial behaviour effectively,

potential entrepreneurs need to have entrepreneurial skills and competencies (Katz, 2007). According to Patel (2015), the following are skills required to succeed as an entrepreneur: the ability to manage money, the ability to raise money, the ability to relieve stress, the ability to be productive, the ability to make entrepreneurial friends, the ability to identify strength and weaknesses, the ability to hire effective people, the ability to train new staff, the ability to manage staff, the ability to focus on customers, the ability to spot new trends and the ability to deal with failure.

**Figure 4: Entrepreneurial skills and competencies**



Adapted from Liñán (2008:265)

Brännback *et al.*, (2005) examine the impact of entrepreneurship education on factors that drive perception of entrepreneurial intention using a sample of students from two Finnish business schools. They found that perceived skills and knowledge were significantly related to perceived personal feasibility for both groups and entrepreneurial intention. (Brännback, 2005).

## 2.4 Defining the concept of entrepreneurial intention

The definition that is adopted in this study is that entrepreneurship intention refers to an individual's intention to start a new business enterprise at some point in the future. Table 2 provides definitions that have been given by other scholars.

**Table 2: Entrepreneurial intention definitions**

<b>Author(s)</b>	<b>Definition</b>
Bird (1988)	The state of mind that focuses a person`s attention, experiences and behaviour towards a goal or path.
Learned (1993)	A conscious state of mind directing attention towards the goal of establishing a new enterprise.
Krueger (1993)	The commitment to start a new business
Katz and Gartner (1998)	The search for information that can be used to fulfil the goal of venture creation.
Linan (2004)	The effort that the person will make to carry out the entrepreneurial behaviour.
Fayolle <i>et al.</i> , (2005)	The cognitive representation of a person`s readiness to perform a given behaviour that is considered to be the immediate antecedent of behaviour.
Urban (2006)	The belief that one will perform certain behaviour
Oruoch (2006)	Degree of commitment towards some future target behaviour
Hmieleski and Corbett (2006)	Intention towards starting a high-growth business.
Souitaris <i>et al.</i> , (2007)	A state of mind directing a person`s attention and action towards self-employment as opposed to organisational employment.
Fayolle (2007)	The cognitive representation of a person`s will to perform a particular behaviour that is considered a good predictor of planned and controllable human behaviour.
Hisrich <i>et al.</i> , (2008)	The motivational factors that influence an individual to pursue entrepreneurial outcomes
Thompson (2010)	Self-acknowledged convictions by individuals that they intend to set up new business ventures and consciously plan to do so at some point in the future.

Source: Malebana (2012:28)

### 2.4.1 Entrepreneurial intention models

According to Bird (2007), the entrepreneurial intention is considered as the key factor in understanding the new venture creation process. Other scholars have studied this concept using various intention models. The Entrepreneurial Intention Model can be used to understand the following: it provides a better understanding of the various antecedents of venture initiation and growth, it provides a sound grasp of the critical antecedents of opportunity perception, and it provides the means to assess the impact of teaching entrepreneurial and managerial competencies on perceptions of venture feasibility and it provides policy makers with a better understanding of how government initiation can help to advance entrepreneurship by influencing attitudes. Table 3 provides an overview of entrepreneurial intention's historical developments.

**Table 3: Entrepreneurial intention's historical development**

Author(s)	Contribution
Fayolle (2007)	Applied the TPB to the field of entrepreneurship and it incorporates the influence of exogenous variables and external triggers into the model.
Wiklund and Shepherd (2003)	Applied the TPB to predict the relationship between entrepreneur's growth intentions and actual growth.
Kennedy <i>et al.</i> , (2003)	Incorporate situational factors into the intention model based on Shapero's perceived feasibility and perceived desirability and Ajzen's subjective norms.
Grundsten (2004)	Developed and tested an intention model based on the Shapero-Kruger model that considers the impact of environmental factors on development of entrepreneurial intentions.
Zhao <i>et al.</i> , (2005)	Applied Bandura's social cognitive theory to develop and test a model of the role of self-efficacy on the development of entrepreneurial intentions.
Linan <i>et al.</i> , (2005)	Built an entrepreneurial intention model that integrates Shapero and Sokol's (1982) and Ajzen's (1991) theories in which the intention to become an entrepreneur depends on

	personal attraction towards entrepreneurship, perceived social norms and perceived feasibility.
Ramayah and Harun (2005)	Used demographic and individual background personality traits and contextual factors to study entrepreneurial intentions.
Li (2006)	Applied the TPB to test the effects of entrepreneurship programmes on entrepreneurial attitudes and intentions of students.
Kolvereid <i>et al.</i> , (2010)	Developed and tested an integrated model of entrepreneurial intention based on the TPB model

Source: Malebana (2012:31)

#### 2.4.2 Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB) was developed as an extension from the theory of reasoned action. This theory was envisioned to explain all behaviour over which people have the ability to exercise self-control and the key component in this theory is the model of behavioural intent. The TPB was also grounded on social psychology and it explains that human behaviour is planned and preceded by intentions towards that behaviour (Ajazen, 1991). The new business ventures are not established in one day, as a result, entrepreneurship could be seen as a planned type of behaviour (Krueger, 2000). The TPB is suitable for explaining the behaviour which requires planning, such as entrepreneurial intentions. Thus it will be possible to predict if someone will eventually establish a business venture by studying their intentions to do so.

The TPB has been used successfully to predict and explain a wide range of health behaviour and intentions including smoking, drinking, breast feeding and subsistence use amongst others and this theory has indicated that behavioural achievement depends on both intention and ability. According to Krueger (2000), entrepreneurship is a result of intentional and planned behaviour. Thus using TPB to investigate the factor affecting entrepreneurial intention amongst the NARYSEC students was considered viable. In fact, TPB has been found to be an effective and influential model for studying and understanding entrepreneurial intentions (Autio *et al.*, 1997), (Foyelle, 2000), (Krueger, 2000), (Gelderen *et al.*, 2006) (Kolvereid, 1997).

The scholars focused more on the relationship between personal attitudes, subjective norms, perceived behavioural control and entrepreneurial intention in diverse sampled groups. The majority of scholars have used student samples in their studies. Othman and Mansor (2012) found the positive effects of the TPB core antecedents on entrepreneurial intentions have been verified in the combined sample of business and engineering students hence Krueger *et al.*, (2000) found the relationship between subject norms and entrepreneurial intention to be insignificant. According to Carey *et al.*, (2010), the students intention to create small or high growth ventures are positively influenced by their favourable subjective norms and their high level of perceived behavioural control, while none of the TPB core antecedents were found to have an effect on students intention to create small-high income ventures.

Previous research utilised student samples from different countries, both developed countries like Australia, Canada, France, Germany, Norway, Spain and Netherlands and developing countries like Brazil, Mexico, Romania, Russia and the Ukrain. The evidence regarding the applicability of TPB found that personal attitude, subject norm and perceived behavioural control explain 59per cent of the variance in intention in developed countries and 62per cent in developing countries. Moreover, they provide enough evidence regarding the formation of positive attitudes, favourable subjective norms, perceived behavioural control and entrepreneurial intention amongst students in developing countries in contrast to develop ones. Gird and Begraim, (2008) have used university student samples in South Africa. In the Netherlands there was Van Gelderen *et al.*, (2008) whilst in Russia Tkachev and Kolvereid, (1999) found that students` entrepreneurial intentions were positively influenced by their positive perceptions regarding entrepreneurship, their belief that significant others favour their engagement in entrepreneurial activities and confidence in their entrepreneurship-related skills and ability to control behaviour. The scholars Paco *et al.*, (2011) have also confirmed the positive influence of personal attitudes and the insignificant role of the subjective norm on secondary students` entrepreneurial intentions but found mixed results regarding the perceived behavioural control-intention relationship.

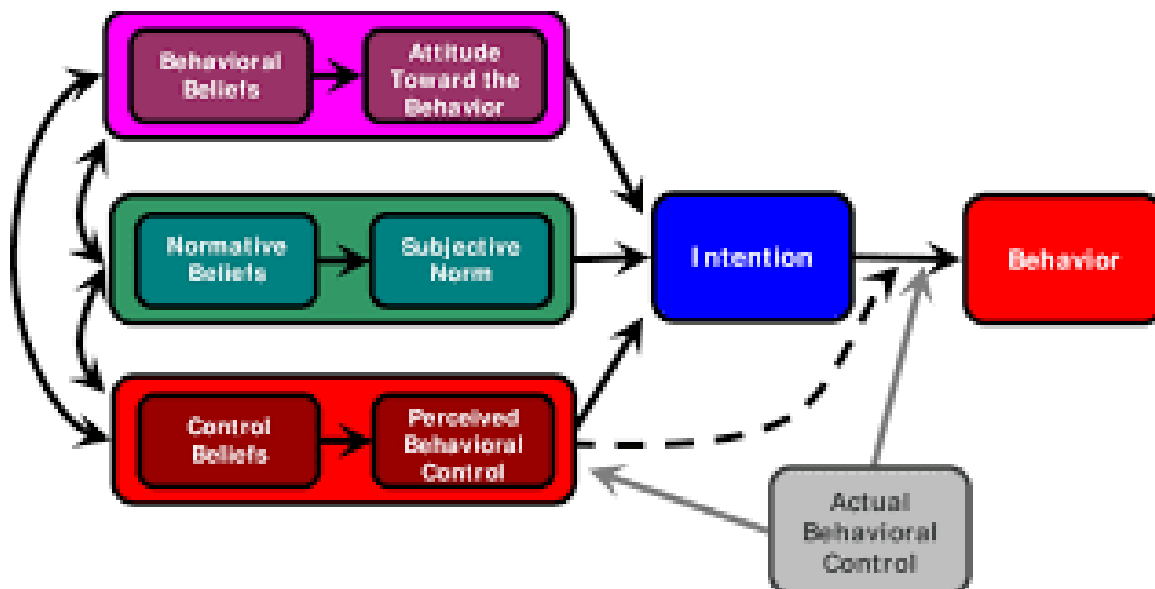
On a cross-cultural level, Linan *et al.*, (2013) found that norms influence student`s entrepreneurial intention indirectly via personal attitude and perceived behavioural control both in Spain and the United Kingdom. The relationship between personal attitude and entrepreneurial intention was stronger in Spain, while the perceived behavioural control-intention relationship was stronger in United Kingdom. Diverse results regarding the

applicability of TPB in different countries have raised concern regarding the moderating role of individual cultural orientation in the proposed TPB relationship.

The TPB as shown in figure 5 below identifies that there are three kinds of antecedents that influence human behaviour:

- (a) Behavioural beliefs are described as attitudes towards the behaviour, and the results of behaviour can produce a positive or negative attitude towards the behaviour.
- (b) Normative beliefs are described as subjective norms that constitute views about the normative anticipation of others as a consequence of social pressure.
- (c) Control beliefs are described as perceived behavioural controls that are determined by the degree of control the individual believes they possess to execute the behaviour.

**Figure 5: Theory of Planned Behaviour**



Source: Ajazen (2006:1)

TPB significantly explained the entrepreneurial intentions of students and how their previous entrepreneurial experience influenced their intentions through its three antecedents (Gird & Balgraim, 2008). According to Foyelle (2000), TPB was used to evaluate the effect of the entrepreneurial programme on students' entrepreneurial behaviour. They found that the entrepreneurial programme had significantly improved the student's entrepreneurial attitudes and intentions. This theory was further used to examine the factors affecting entrepreneurial intentions in Vietnam National University students. 401 students aged 18-24 years old were surveyed and the study found that there were three independent variables that significantly

affected positive perception towards entrepreneurship which were; prior entrepreneurial experience, external environment and perceived feasibility. Peng *et al.*, (2012) surveyed 2010 students from nine universities in China by analysing the student's entrepreneurial intention level and its influencing factors. This study examined the influence of psychological factors, family background factors and social environmental factors and the results showed that the perceived subjective norm of university students has significant influence on their entrepreneurial attitudes and their entrepreneurial self-efficacy while other factors influence their entrepreneurial intentions significantly. Fokoti, (2010) surveyed 701 final year students in South Africa on their motivations and obstacles towards entrepreneurial intentions. The results indicated the entrepreneurial intention of South African students as very weak as results of obstacles such as lack of capital, lack of skills, lack of support, risk bearing, the depressed economy and crime. However, the motivational factors such as employment opportunities and creativity were identified. All the above studies employed the TPB and produced results. The three conceptual independent determinants of intention are discussed as follows:

**(a) Attitudes towards behaviour**

The attitudes towards behaviour explain the individual judgement to perform a particular activity, the impact and the results of a decision taken. An individual who believes that it is beneficial to perform a given behaviour will have a positive attitude towards that behaviour. The entrepreneurial intentions can be motivated by the particular belief that an individual can get from an entrepreneurial profession (Volery *et al.*, 2013). Choo and Wong (2006) stated that the intention to start a business is inspired by rewards. The study conducted by Schwarz *et al.*, (2009) found that the perceived University support, competitiveness, change, money and attitude towards becoming an entrepreneur greatly inspired student's intentions to start a business venture. Douglas and Fitzsimmons (2013) indicated that people can have a negative attitude towards entrepreneurship if they see other entrepreneurs going through some hardships, and this can result in low entrepreneurial intentions. The attitudes towards entrepreneurial behaviour are manifested as entrepreneurial disposition based on conceptual evaluation of self with regard to entrepreneurial career choices (Mungai, 2013). The more favourable the attitude towards the behaviour, the stronger the individual intent to perform that behaviour. The students with a positive attitude towards entrepreneurship incline to becoming entrepreneurs once they complete their studies (Rudhumbu *et al.*, 2016). The study by (Remeikiene, 2013) confirmed that the attitude towards entrepreneurship was the main



factor in student's entrepreneurial intention in Lithuania. It was confirmed that the entrepreneurial intention amongst the secondary students in Portugal was personal attitudes towards the behaviour. Ferreira *et al.*, (2012) and Peng *et al.*, (2012) also confirmed that entrepreneurial attitude is significantly related to entrepreneurial intention amongst the university students in China. The table 4 below illustrates eight areas of attitudes and behaviour that threatens the success of entrepreneurs.

**Table 4: Attitudes and behaviour that threatens the success of entrepreneurs**

Area	Attitudes, behaviour or thinking patterns
Invulnerability	Thought patterns of people who feel that nothing could happen to them. They are likely to take unnecessary chances and unwise risks.
Machismo	Foolish head-to-head competition and irrational takeover battles, as well as over-confidence, in order to prove themselves superior and / or to impress others.
Anti-authoritarian	Resenting control and an attitude of "no one can tell me what to do".
Impulsivity	Facing a moment of decision, certain people feel they must do something, do anything and do it quickly. They act without exploring the consequences.
Outer control	This is the opposite of the internal locust of control characteristic. People with the outer-control trait feel they can do little, if anything to change circumstances.
Perfectionist	Perfectionism is described as the enemy of the entrepreneur. The time and cost

	implications of attaining perfection invariably results in the opportunity window being slammed shut by a more decisive and nimble competitor. Perfectionism and high standards are not the same.
Know it all	Entrepreneurs who think they have all the answers usually have very few do not obtain assistance from other people.
Counter dependency	An extreme and severe case of independence that negatively impacts on progress. These entrepreneurs often end up accomplishing very little.

Source: Timmons and Spinelli (2004:259)

#### **(b) Subjective norm**

Subject norm represents the individual views on the values, norms, beliefs and thinking of other people who have greater influence on them. The most important social influence according to the subjective norm will be mentors, friends, role models and family members. Krithika and Venkatachalam (2014) found that the subjective norm played a major role and it creates an influence on entrepreneurial intentions amongst the business students in Bangalore. Entrepreneurship education also played a decisive role in stimulating the student's subjective norm and entrepreneurial intentions amongst the students. Autio *et al.*, (2001) found that the subjective norm is not a major factor when it comes to forecasting entrepreneurial intention. Other scholars even totally abandoned the subjective norm variable as a major predictor of entrepreneurial intentions.

#### **(c) Perceived behavioural control (self-efficacy)**

Behaviour control is specified in the form of self-efficacy as a condition where people believe that behaviour is easy or difficult to do (Cruz, 2015). The perceived self-efficacy includes the personal belief in the possibility of conducting the planned behaviour in the light of the aptitude, thoughts, passion, finances, physical and mental resources to personally control and execute the task (Khuong and Nguyen, 2016). Some scholars have indicated that self-efficacy has been identified as one of the main factors that affect entrepreneurial intention by

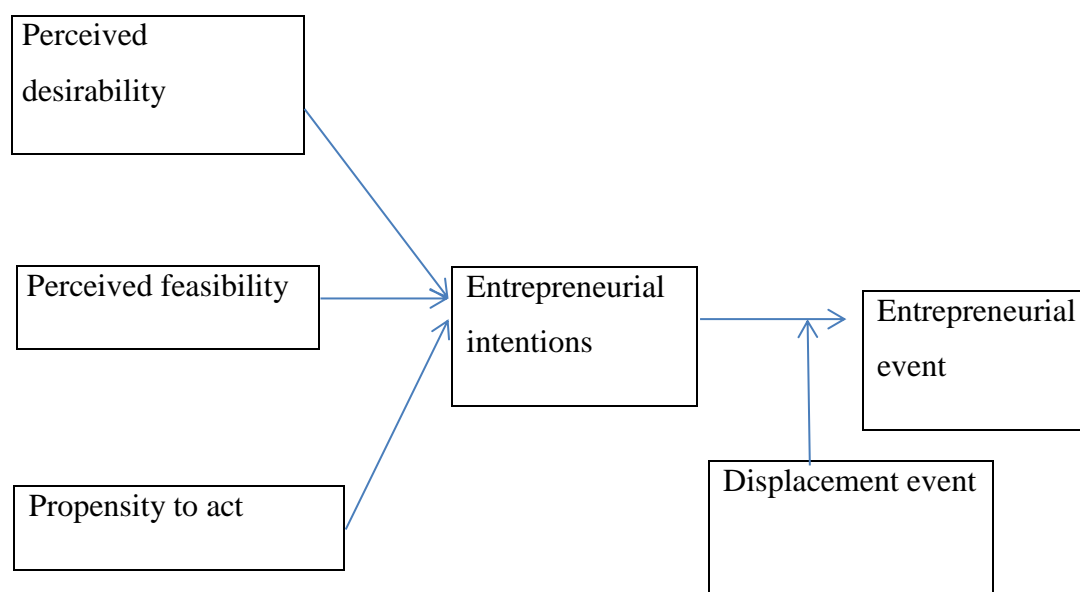
influencing the perceived behavioural control. It should also be remembered that the behaviour of the elderly and young people differs depending on their age, perception and experiences (Fishbein & Ajzen, 1975).

Chou *et al.*, (2011) found that student's entrepreneurial intention has a significant direct effect on entrepreneurial learning behaviour and entrepreneurial self-efficacy has a significant effect on entrepreneurial learning behaviour through entrepreneurial intention. The influence pattern and empirical data on entrepreneurial self-efficacy and entrepreneurial intention on entrepreneurial learning behaviour has a good fit (Skosana, 2012). Entrepreneurial self-efficacy is also linked to the high level of resilience and persistence which are essential tools which are required in entrepreneurship. Uygun and Kasimoglu (2013) found a positive relationship between entrepreneurial intention and self-efficacy; this positive relationship can be increased if the role models are also entrepreneurs.

### **2.4.3 Entrepreneurial event model**

Entrepreneurial event model argues that the intention between initiatives, abilities, management, relative autonomy and risk can better explain the event of creating a new business venture (Shapero, 1982). The model suggests that an intention to venture into a new business is dictated by three factors: perceived desirability, perceived feasibility and propensity to act. It further indicates that potential entrepreneurs develop entrepreneurial intentions when they start considering entrepreneurship as a career of choice which they opt to pursue. Elving *et al.*, (2009) argued that entrepreneurial event occurs as a result of a dynamic process providing situational momentum that has an impact upon individuals whose perceptions and values are determined by their social and cultural inheritance and their previous experiences. Peterman and Kennedy (2003) indicated that a person's attitudes towards entrepreneurship would be indirectly influenced by his prior exposure to entrepreneurship, through prior work experience and the existence of the role model.

**Figure 6: Shapero and Sokol's model of entrepreneurial event**



Source: Kuehn (2008: 90)

Figure 6 indicates that intention to start a new business derives from perceived desirability and feasibility of the action, and from the propensity to act upon opportunities. Fitzsimmons and Douglass (2011) suggested that entrepreneurial intention is based on the interaction between personal characteristics, perceptions, values, beliefs, background and environment. This theory has three variables which act on entrepreneurial intentions (Shapero, 1982):

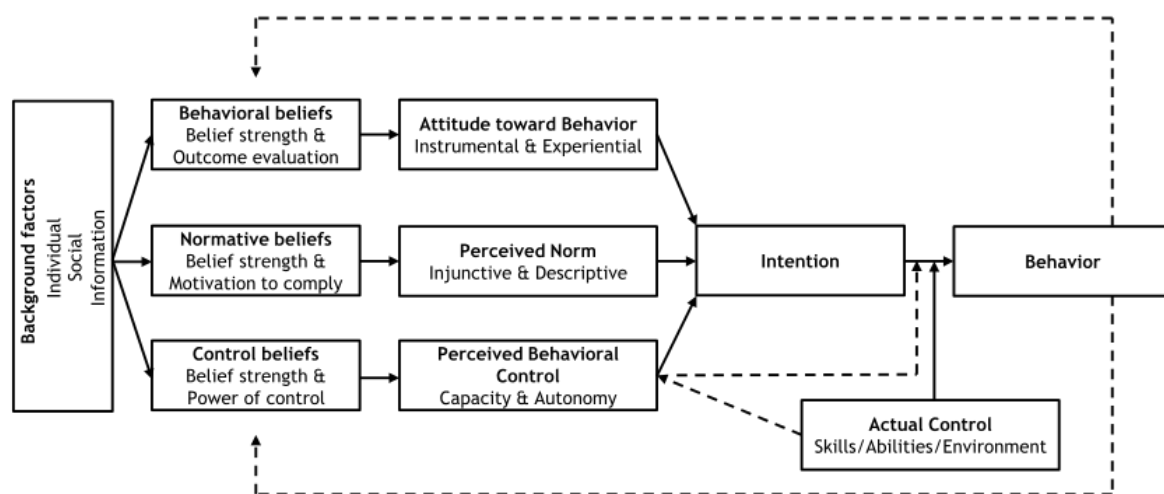
- (a) Perceived feasibility: Shapero and Sokol (2009) argued that the perceived feasibility is related to an individual's perception of available resources as it measures an individual's perceived ability to carry out the behaviour. The role models, mentors or partners have a great impact on the ability to act in response to a given opportunity;
- (b) Perceived desirability: Fani *et al.*, (2009) defined perceived desirability as a belief in how easy or difficult the behaviour is in an intended situation. Linan (2004) described perceived desirability as the degree to which an individual is attracted towards a given behaviour which is mostly affected by values, feelings and personal attitudes; and
- (c) Perceived opportunities: Shapero and Sokol (1982) argued that perceived opportunities refers to personal disposition to act on one's decision, reflecting the volitional aspect of intention.

The Entrepreneur Event Model assumes that individuals will do nothing until something happens to change the status quo. The change may be negative like losing a job or positive like an inheritance from a family member.

#### 2.4.4 Basic intentional model

Basic intentional model explains that behaviour and attitudes influence the intentional process of starting a new business. It further investigates the relationship between attitude and intention towards entrepreneurship (Krueger & Carsrud, 1993).

**Figure 7: The Basic Intention Process Model**



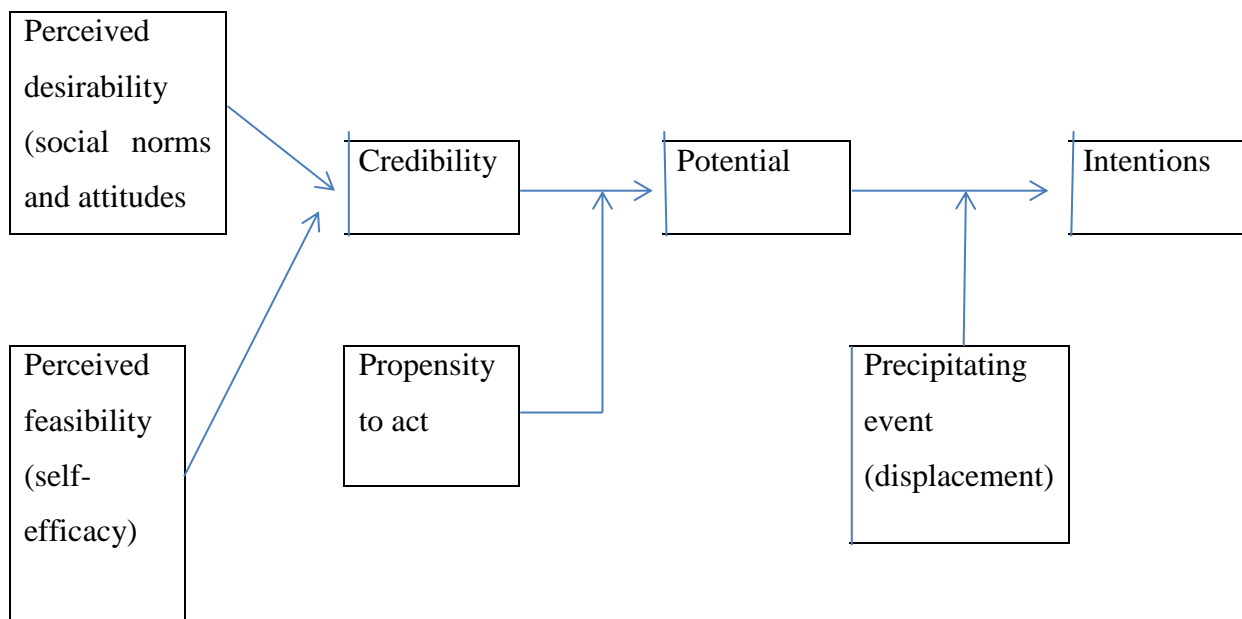
Sources: (Shook *et al.*, 2003:32

The exogenous influences such as personality traits and role models moderate the relationship between intention and behaviour and the influence of exogenous factors is indirect most of the time (Sarri *et al.*, 2016).

#### 2.4.5 Model of entrepreneurial potential

This model was proposed by Krueger and Brazeal (1994), this model has combined the TPB and entrepreneurial event model. This model suggests the three critical constructs: perceived feasibility, perceived desirability and propensity to act and it is one of the best. It is, however, not often used (Singh, 2012).

**Figure 8: Model of Entrepreneurial Potential**



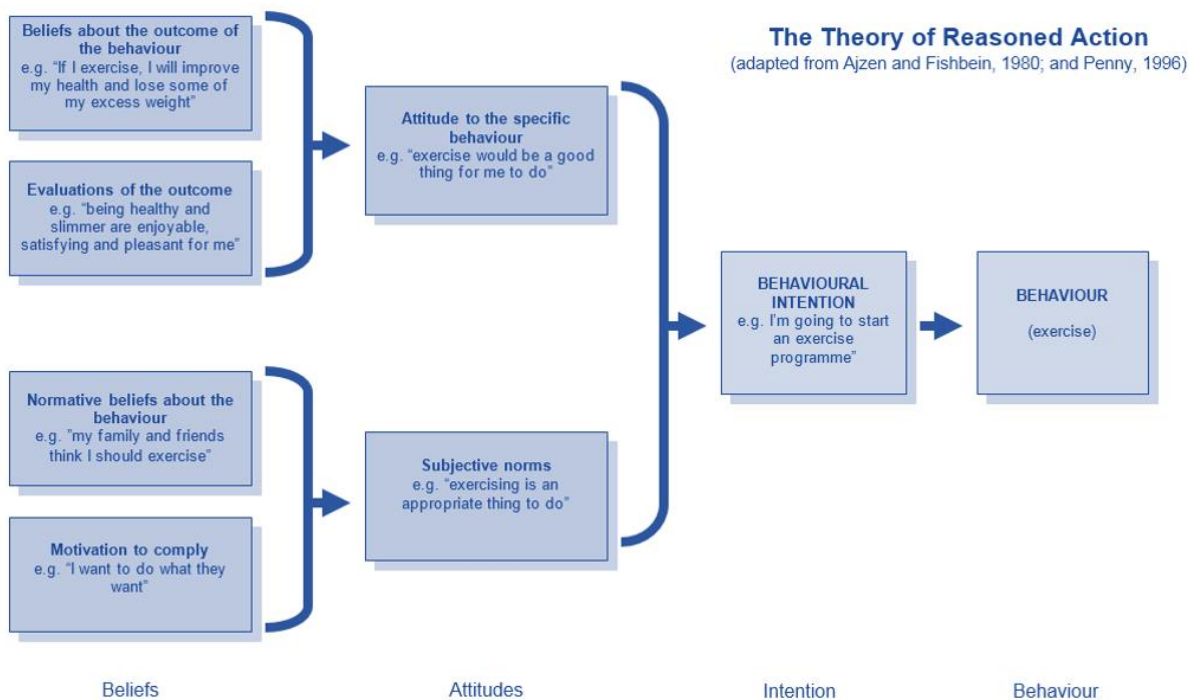
Source: Guerrero *et al.*, (2008:43)

In an effort to promote entrepreneurship Kruger and Brazeal (1994) suggested that successful entrepreneurship should aim at empowering people to have the potential to become entrepreneurs (Grundstén, 2004). The conducive entrepreneurial environment should provide credible information, credible role models, emotional support and more tangible resources.

#### **2.4.6 Theory of Reasoned Action**

The Theory of Reasoned Action assumes that both the attitudes and the social norms are equally significant in determining behavioural intention. This theory is essentially a motivational theory which argues that the higher the intention level of the individual, the higher the chances of behaviour being executed. It further argues that the more the person attempts to execute the behaviour, the higher the intention. Figure 9 indicates that attitudes towards the behaviour are based on the individual's assessment of the perceived behaviour whether it's positive or negative, and the subject norm is the social pressure on an individual to perform certain behaviour.

**Figure 9: Theory of reasoned action**



Source: Ajzen and Fishbein (2005:194)

The Theory of Reasoned Action will not be employed in this study to measure the entrepreneurial intentions of the NARYSEC students as it does not provide for the factors of perceived behavioural control or self-efficacy, which are important in determining intentions.

## 2.5 Entrepreneurial family history and entrepreneurial intentions

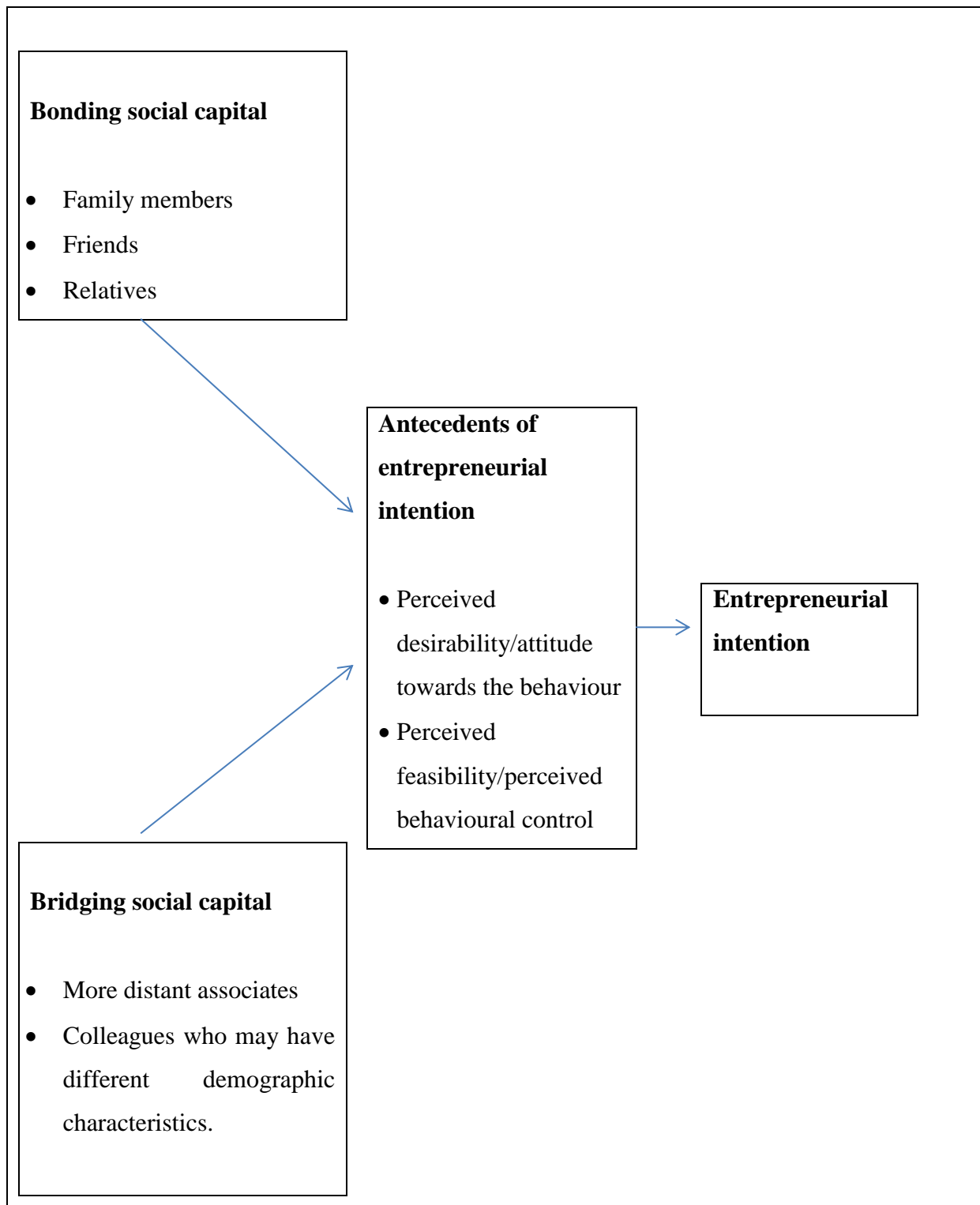
It is empirically proved that people with a family business background are likely to start their own business ventures since the family members are the source of support both morally and financially for potential entrepreneurs (Steier, 2000). According to the researchers, the family background with entrepreneurial experience is more supportive and reliable than families with no entrepreneurial background (Bloodgood, 1995). Aldrich and Cliff (2003) argued that the families play a crucial role in the venturing process and thus deserve greater consideration in the entrepreneurship intention. Scott and Twomey (1998) found that students have a high preference to engage in self-employment whose parents have small businesses and they hardly ever prefer to become employees of large undertakings. Entrepreneurs are amongst the most celebrated people in the world but very little is known about their family backgrounds, beliefs, motivations and life histories. Understanding how the entrepreneurs develop, the

mindset, beliefs and circumstance that foster entrepreneurship can assist in the development of potential entrepreneurs.

There is an inseparable link between entrepreneurs and their families since they often rely on their families for support in pursuing their entrepreneurial endeavours (Rogoff, 2009). Family members share a common identity, and have mutual bonds of trust and often have opportunities to discuss new business ideas (Aldrich, 2003). The family constitutes one of the most common entrepreneurial teams (Ruef, 2010) and some scholars have argued that significant entrepreneurial potential can be discovered within the family (Nordqvist, 2010). Some families become the entrepreneurial team since the substantial shares of many companies are founded and run by family members (La Porta, 1999). Mutual affection and consensus are believed to hold the family together (Cherlin, 1978); the family can also transmit practices and cultural values (Segalen, 1986). There is a belief that if an individual is exposed to culture where innovative thoughts have been successfully transformed into great business empires, children tend to view this as the tradition which they need to take further and they tend to create separate ventures for themselves and they seek the opportunity to prove their courage (Pant, 2015). Some families establish their businesses and appoint a trusted family member to a key position with the purpose of providing decent employment to unemployed and underemployed family members. The cultural values also have their roots in the entrepreneurial intentions because senior family members are respected and supposed to be obeyed even when it comes to making professional and business decisions. The following model indicates social capital and its influence on entrepreneurial intention.



**Figure 10: Influence of social capital on entrepreneurial intention**



Source: Malebana (2012:316)

Figure 10 demonstrates that the perceived desirability and perceived feasibility have a significant direct impact on entrepreneurial intention and on the other hand it draws from the

discussion of the micro-level of social capital which consists of bonding and bridging social capital and hypothesises (Malebana, 2012).

Wadhwa *et al.*, (2009) explore some of the myths, stereotypes and the commonly held belief that successful entrepreneurs are young, lightly-educated, childless, unmarried, workaholics that come from rich families and graduate from exclusive schools that produced the celebrity entrepreneurs such as Steve Jobs, Bill Gates, Sergey Brin and Larry Page. The following was found in their research: companies founders seems to be middle-aged and well-educated, the entrepreneurs tend to come from middle-class or upper lower class backgrounds, most entrepreneurs are married and have children, most had significant industry experience when starting their companies, the motivation for becoming entrepreneurs was to build wealth and to own a company.

### **2.5.1 The relationship between role-models and entrepreneurial intentions**

The role models are recognised as a variable factor that has a significant influence on the career decision-making process that includes both the selection of the academic discipline and the self-employment options (Nauta, 2001). The role models have been identified as parents, teachers, peers and other family members whose lives and activities influence other people in specific life decisions. The theory of social learning indicates that a person can learn by observing the behaviour of others and noting the subsequent results (Bandura, 1977). The role models may indirectly influence the career choices through self-efficacy, interest and expectation of the outcome, suggesting that the role models do not actually need to be actively involved in the career themselves (Lent, 1994). Nauta found that the university students in the USA identified their parents, peers, teachers, coaches, media celebrities and sports figures as their most influential figures respectively. According to Dryler (1998), parents are the most influencing role models for their children as the students tend to choose the career path that reflects their parents and this finding was stronger between fathers and sons than mothers and daughters. The invitation of people who are potential role models to visit the classrooms has shown that this does have some influence on improving students' attitudes towards careers in science, mathematics and engineering (Evans, 1995).

The role models can also play a vital role in influencing entrepreneurial intention through socialization with students since the decision to venture into the new business is not only influenced by social circumstances and individual characteristics but also by socialization (Starr, 1992). According to Matthews and Moser (1996), the likelihood of starting a business

increased if the parents own their own business since they are regarded as the most influential role models. The self-efficacy increased as a result of vicarious learning which enables individuals to feel that they can control the situation if they venture into the business without being afraid of the risks associated with the new business venture. The individuals evaluate the overall attractiveness of the specific career by observing the role model's behaviour and the extent to which it is enforced; which encourages or discourages them from entering into the same career field. The students with role models perceived starting a business to be more desirable and feasible than students who do not have role models. Although there are some gender differences in students choosing the field of study and their identification of role models, the greatest gender difference emerged in the perception of entrepreneurship as a whole (Kennedy, 2003). The importance of role models for university students should be recognised and more attention should be given to entrepreneurial role models.

### **2.5.2 Relationship between gender and entrepreneurial intention**

Many researchers have explored the role of gender in entrepreneurial intentions, some argued that males have stronger entrepreneurial intentions than females (Matthews and Moser, 1995). Lee *et al.*, (2011) found that there are stereotypical images caused by the responsibilities of raising the kids and supporting families which have a negative influence on women. The numerous studies conducted in various countries have revealed that ventures owned by women face lower rates of growth, lower sales and profits compared that those owned by males (Lewis, 2006) and (Ahl, 2006). Varghese and Hassan (2012) argued that females are more eager to establish a business than males because they are more creative and they have new ideas for the niche businesses. Over the past three decades, women have made significant progress in entrepreneurship and new venture creation (Kickul, 2008). The number of female entrepreneurs has increased recently in countries like Spain, South Africa and other countries, however the evidence from researchers indicates that the number of business ventures owned by males is significantly higher than those owned by females and that twice as many men become entrepreneurs as do women (Gupta, 2014). Some literature has shown that perceptual factors are also playing a vital role in explaining the various behavioural roles between men and women (Koellinger, 2007).

Most of the literature has reflected the impact of gender on fear of failure; Most of it has indicated that women in general are more opposed to taking risks than men (Kwong, 2009). The women in all countries in the *GEM* sample (except Japan) reported fear of failure more often than men (Minniti, 2009). The Global Entrepreneurship Monitor has examined the

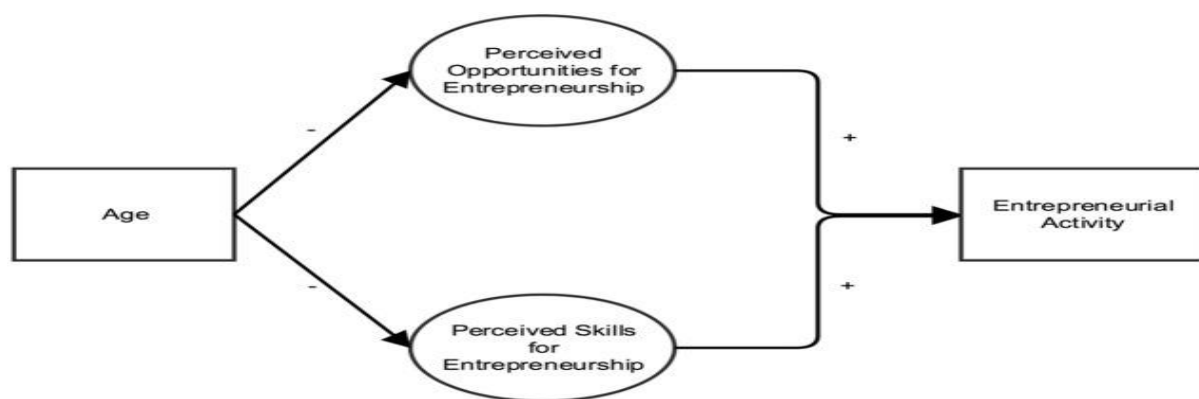
entrepreneurial activities in more than 70 countries and the results have indicated the low participation by women in terms of entrepreneurship (Kwong, 2009). Yordanova (2010) pointed out that women perceive that they are less efficient than men because they are less likely to be associated with business roles that involve confrontation in the process of starting up a new business venture. Verheul (2005) have indicated that the different access to opportunities and resources may result in women being disadvantaged in term of previous managerial experience and training and, as a result, women may feel that they do not have the necessary entrepreneurship abilities. Kickul, (2008) argued that self-efficacy is vital in considering entrepreneurship as a career of choice and he highlighted in the conclusion that women probably limit their career options because of the perception that they lack entrepreneurial abilities. Even the young women who presented a reasonable level of entrepreneurial self-efficacy showed less inclination to choose an entrepreneurial career compared with men and believe that they have more opportunities in other fields (Wilson, 2007). Cox, (2002) has indicated that learning by doing is a basic principle in gaining self-confidence and to successfully perform in the future. Once women become entrepreneurs, they can acquire cognitive, social and language abilities through business experiences, workshops or entrepreneurial training which may increase the level of entrepreneurial self-efficacy (Kirkwood, 2009). The Government is encouraged to allocate its resources to the nurturing the men and women who are interested in self-employment rather than directing its resources towards motivating all men and women in this regard.

### **2.5.3 The relationship between age and entrepreneurial intention**

Entrepreneurship can become a compromising career path for older adults during the times of economic uncertainty due to the aging workforce. The attractiveness of entrepreneurship compared to salaried employment can differ with age, because the abilities and motivations related to entrepreneurial activities are likely to change over a life span (Ainsworth, 2015). The importance of age in entrepreneurial activity is grounded on life span activities. As people get older, some abilities such as physical strength to overcome obstacles and day-to-day activities tend to decline whereas other abilities such as knowledge, skills and wisdom tend to increase (Baltes, 1997). Levesque and Minniti (2006) suggested that the relationship between entrepreneurial activities and age is negative and the link amongst age, age-related characteristics and entrepreneurial activity is therefore not well understood; and the process underlying this relationship is largely unknown. The role of age for entrepreneurial activities can be better explained using the theorizing by Levesque and Minniti (2006). This theory

argues that the negative relationship between entrepreneurial activities and age is due to opportunity cost and time. When people age, they realise that they have less time remaining to live hence they cannot rely on the uncertain return from entrepreneurship. As a result they opted for the calculated risk kind of entrepreneurship or instant payoff. Some scholars also argued that the interest in becoming entrepreneurs decreases with age (Salthouse, 2012) and (Spirduso, 1995).

**Figure 11: Entrepreneurial Activity and Age**



Source: Bohlmann *et al.*, (2017:1)

According to Douglas and Shepherd (2002), age affects the movement to and from self-employment even though it's not regarded as one of the significant determinant of business start-ups. Studies have argued that both young and old people are less likely to be self-employed (Beugelsdijk, 2004). A study of the probabilities of preferring self-employment and the probability of being self-employed in Japan found that both probabilities decrease and increase with age respectively (Harada, 2005). Some scholars argued that people who are in their late 30s and early 40s are more successful in creating new business ventures than those who are in their late 20s and 30s. Others argue that the average age of 35 is the most suitable age for determining individual entrepreneurial intention (Sequeira and Bergmann, 2007). The effect of age is associated with the age range of an individual and the type of employment such an individual will feel suitable for at a particular age. For example, young people are associated with enrolment in higher education, middle age is associated with employment and older age is associated with retirement (Davis, 2004). Burke (2006) argued that in general, men entrepreneurs begin to follow entrepreneurial carriers between the age of

25 and 35 in contrast to their women counterparts who pursue entrepreneurial careers between the ages of 30 to 40.

Some scholars have tried to correlate an entrepreneur`s age when he or she launched their start-ups, with the ultimate success of their start-ups, Kauffman (2015); Robinson and Stubberud (2014). Table 5 below indicates the age of some of the successful entrepreneurs in the world from the youngest to the oldest.

**Table 5: Age of entrepreneurs during business invention**

Business	Age during invention
Facebook	20
Microsoft	20
Apple	21
Thawte	22
Rembrandt	24
Google	25
Black Like Me	26
Liberty Life	27
Twitter	30
Amazon	30
Auto General Insurance Company	33
Tesla	34
Oracle	35
Netflix	35
Zynga	41
African Rainbow Minerals	41
Mvelaphanda holdings	44
Shanduka Group	45
Pam Golding Property Group	48

Source: Adapted from Google, 2018

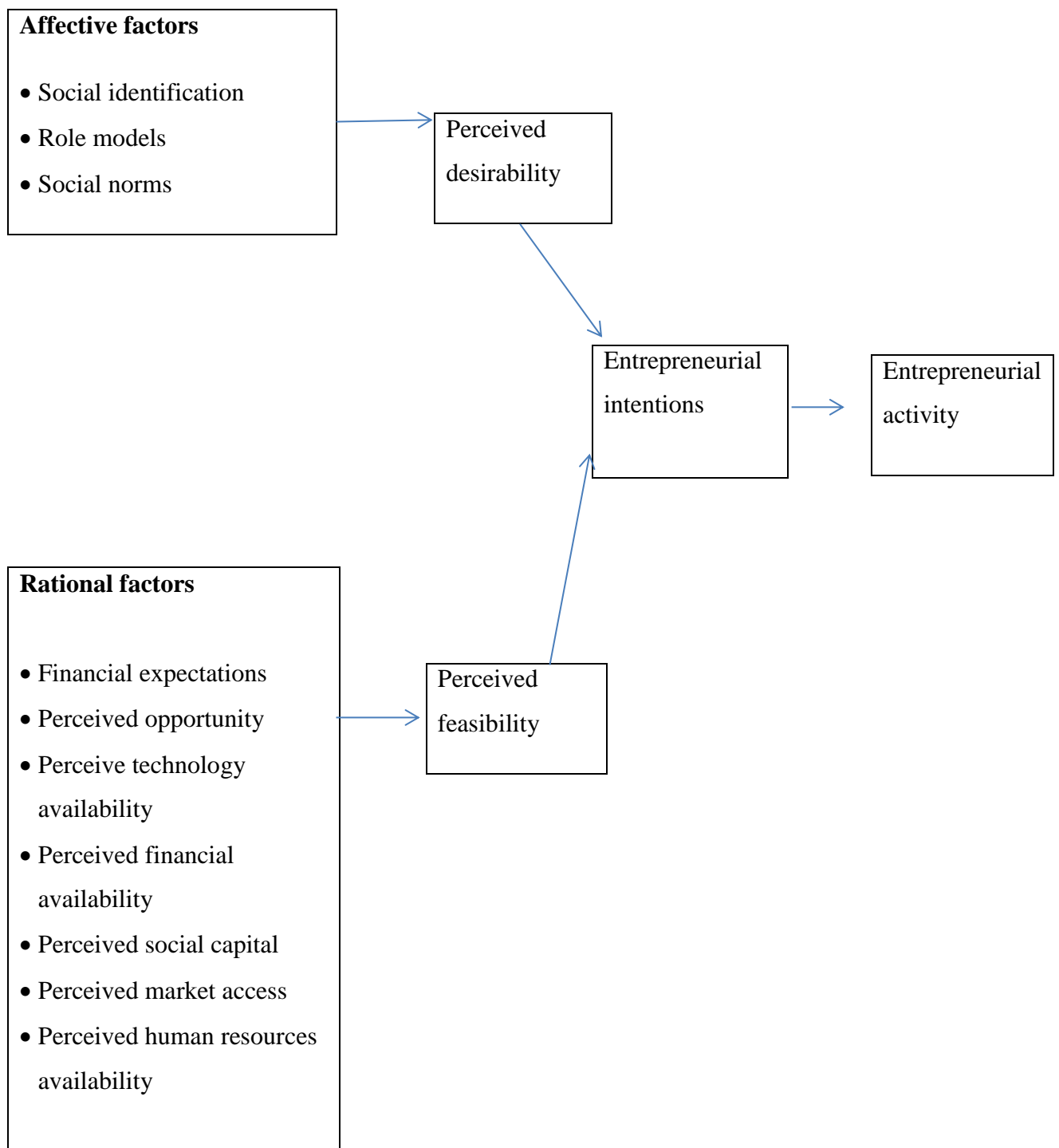
Table 5 indicates that 42per cent of the businesses were invented by people in their 20s, 32per cent of them were invented by people in their 30s and 26per cent by people in their 40s. The success of the business is usually based on how many hours you invest in your

business and how passionate are you in your business (Herrington, 2016). The success is not a respecter of age but rather of passion and principle. According to Deeb (2015), the age itself does not matter in trying to forecast entrepreneurial success, but experience does, and often times, that comes with age. Smart entrepreneurs that lack experience can offset that by surrounding themselves with experienced mentors.

#### **2.5.4 The relationship between environment and entrepreneurial intention**

The entrepreneurial intention is a function of environmental variables that are expressed in terms of rational and affective factors (Grundstén, 2004). Malebane (2012) argued that the social identification denotes how individuals relate themselves to the surrounding environment as entrepreneurs and he further argued that social norms include the attitudes of fellow men towards entrepreneurship and entrepreneurial occupation. The rational factors that affect entrepreneurial intentions through perceived feasibility are availability of technological-related resources and financial expectations. The social norm was indirectly affected by entrepreneurial intention through perceived desirability (Grundstén, 2004). Figure 12 shows the relationship between environment and entrepreneurial intentions.

**Figure 12: Model of environmental factors and entrepreneurial intentions.**



Source: Grundstén (2004:52)

Entrepreneurial intentions were strongly associated with perceived desirability and perceived feasibility. However, there was no significant relationship between perceived availability of social capital, perceived availability of financial resources, perceived availability of human resources, perceived opportunity and role models (Grundstén, 2004). The above diagram confirms that rational factors affect entrepreneurial intentions through perceived feasibility through financial expectations and availability of technological resources. Engle *et al.*, (2010)



found that antecedents of entrepreneurial intent differ greatly between countries in their ability to predict entrepreneurial intention.

## **2.6 Entrepreneurial intention in South Africa**

The Global Entrepreneurship Monitor report indicates that only 15.4per cent of South Africans have entrepreneurial intentions, and men are more likely to have higher entrepreneurial intentions than woman (Herrington and Kew, 2018). Apart from the low entrepreneurial intention, South African`s total entrepreneurial activity rates from 2002 to 2012 had been very low compared to other countries (Turton and Herrington, 2013). The unemployment rate in South Africa has risen rapidly in the past few decades increasing from 7per cent in 1980, to 18per cent in 1991 and 28per cent in 2003 and 27per cent in 2017. Some scholars argue that many individuals can be attracted to entrepreneurship. Necessity and unemployment can make entrepreneurship an attractive career option and could stimulate an intention to start businesses (Krishna, 2013). South Africa needs entrepreneurial activity in order to reduce inequality and unemployment.

The South African government continues to commit to youth entrepreneurship development. Most of the potential young entrepreneurs do not have funding to start their own business ventures hence government involvement in creating the enabling environment for students remain critical. According to Fatoki (2006), there are agencies that have been set up primary to support youth entrepreneurship. However, he argues that entrepreneurs are not aware of these programmes. Maas Herrington (2006) further argues that there is insufficient information that relates to the support programmes and more importantly little is known about the available products and procedures in order to gains access to them. As a result, there is a perception that there is no government support for potential entrepreneurs.

According to Sheepers *et al.*, (2009), most South African students do not want to establish their own new business ventures after their graduation but they postpone this to a distant future. Most students (64.7percent) within the first five years after their graduation preferred dependent employment.

The 2011 GUESSS report in which 26 countries have participated, including South Africa, found that over 66per cent of students preferred organisational employment after the completion of their studies (Sieger *et al.*, 2011). The same report found out that just over 70per cent of South African respondents have intentions to establish their own business ventures; this percentage is higher than their counterparts who scored 42per cent in the

international sample. Table 6 below indicates the South African students compared with their international counterparts.

**Table 6: Student founder types**

Founding type	South African Students		International Students	
	No:	Percentage	No:	Percentage
Non-Founders	188	27.0	51 661	55.4
International founders	492	70.6	39 280	42.1
Active founders	17	2.4	2 324	2.5
<b>Total</b>	<b>697</b>	<b>100</b>	<b>93 265</b>	<b>100</b>

Source: Sieger *et al.*, (2011: 2)

The entrepreneurial culture is mostly influence by attitudes and perception towards entrepreneurship. The employment status also influences the student's entrepreneurial intentions, since the venture creation is understood to constitute a planned behaviour and conviction (Skosana, 2012).

**Table 7: Entrepreneurial behaviour and attitudes in South Africa**

Behaviour and Attitudes	2016	2017
Perceived opportunities rate	35.03	43.17
Perceived capability rate	37.87	39.93
Fear of failure rate	31.18	31.31
Entrepreneur intention rate	10.03	11.72

Source: Herrington (2018:1)

The intention to be an entrepreneur is stronger especially in individuals who have positive attitudes towards risk and autonomy (Shepherd, 2002). The perceived opportunity rate has increased by 8.14per cent, perceived capability increased by 2.06per cent, fear of failure rate increased by 0.13per cent and entrepreneurial intention increased by 1.69per cent.

Entrepreneurial intentions are consequences of motivation and alertness, the latter includes intellect, ability and skills (Rwigena *et al.*, 2008).

## **2.7 Entrepreneurial support in South Africa**

South Africa like any other developing country is faced with the high level of unemployment. The role and contribution of entrepreneurial intention towards job creation, economic development, innovation, broadening the tax revenue and competition in the developing countries is widely acknowledged (Stephan, 2012). Some scholars argue that entrepreneurial intentions give birth to entrepreneurial actions or activities which result in the creation of more business ventures and result in the economic development of the country (Douglas, 2013). The governments in both developing and developed countries are compelled to consider the mechanism to improve the level of entrepreneurial activities in their countries. The research on entrepreneurial intentions and education in developing countries is still a challenge since few studies have been conducted in those countries to date (Scott & Twomey, 1988). Fokoti, (2010) and Herrington, (2016) are two of the few who studied students from South Africa. Recently, some cross-international studies on entrepreneurial intentions have been conducted. Moriano *et al.*, (2012) has conducted a study in six countries (German, India, Iran, Poland, Spain and Netherlands). Engle *et al.*, (2010) has conducted an entrepreneurial investigation across twelve countries (Bangladesh, China, Costa Rica, Egypt, Finland, France, Germany, Ghana, Russia, Spain, Sweden and USA). While the above studies find differences in entrepreneurial intentions across countries, none of them explored whether or not those differences might be due to developmental status of those countries because the environmental factors differ greatly between developing and developed countries.

The developed countries are all in innovation-driven economies, while the developing countries are all in efficiency-driven economies. In efficacy-driven economies; institutions support industrialisation in pursuit of higher productivity and economies of scale. As economy develops further, the emphasis on industrial activity gradually shifts towards expanding the service sector, which develops and becomes more complicated (Tatiana *et al.*, 2011). In the innovation-driven economies, innovative entrepreneurs may have a significant impact on the creation of new jobs, wealth and economic growth. The average rate of nascent entrepreneurship amongst efficiency-driven economies is 6.1per cent whilst in innovation-driven economies it is only 3.4per cent. Moreover, only 17per cent of all start-ups are driven by necessity in developed economies, versus 32per cent in developing countries (Bosma and Levie, 2009).

The economic environment in the developing countries is less stable compared with the developed countries. As a result, it makes choosing careers in developing countries is a tricky task for graduates because they cannot expect the same demand for salaried employees as in developed countries (Jones *et al.*, 2008). Due to stability in developed economies, there are many opportunities for career progress or promotion in entrepreneurial related jobs compared with developing economies. Therefore, entrepreneurial intention in developing countries will be stronger compared to developed countries. To build the in-depth understanding of entrepreneurial phenomena in developing countries, it is equally important to conduct research in individual countries due to diverse socio-economic and cultural contexts. Some Southern African countries are characterised as middle-income economies and they are unique due to historical and economical characteristics which makes them stand-alone units.

### **2.7.1 Government policies and their influence on entrepreneur intention**

The lack of government policies, existing rules and procedures, social and economic conditions was identified as an important barrier. According to Chell and Allman (2003), a crucial part of entrepreneurship promotion by the government is to formulate business policies in order to support entrepreneurship and the creation of new businesses through various programmes. Jodyanne (2009) argued that the structural policies that determine the overall economic framework in which the business sector operates such as those affecting labour markets, tax design, competition and financial markets can affect potential entrepreneurship development. Table 8 illustrate the importance of government policies to promote entrepreneurship.

**Table 8: Entrepreneurship policies aimed at promoting entrepreneurship**

<b>Entrepreneurship policies dealing with building-up entrepreneurial capacity</b>	<b>Enterprise policies dealing with competitiveness and viability of existing SMEs to increase their chances of survival and growth</b>
Policies that seeks to influence the attitudes and motivation of individuals towards entrepreneurship and to provide opportunities for the acquisition of business and management skills through education and training	Policies on the provision of generic support to rural businesses including advice on different aspects of running a business.

Policies directed at potential sources of entrepreneurs which include attracting immigrants with entrepreneurial skills and ambitions or increasing the proportion of entrepreneurship from under-represented groups (young people and women).	Policies relating to the provision of specialist support to enterprise in a particular sector
Policies that support the process of starting new business ventures through pre-start-up advice, appraisal of the business idea and assistance with setting up a new business.	Policies regarding the provision of infrastructure that support enterprise formation and development in rural areas.

Source: North and Smallborne (2006:43-44)

## 2.7.2 Government intervention and entrepreneurship

The development and growth of entrepreneurs is recognised as a source of future employment in the country. According to Botha (2006), the government is keen to encourage educational programmes that focus on raising awareness and understanding of the entrepreneurial sector and that help individuals to identify employment opportunities in the SMMEs. The business intervention is crucial at various stages of its development from a range of support, mentoring and training. Table 9 indicates the intervention types.

**Table 9: Intervention type**

Stages of business	Policy Field or Need	Intervention
Pre-start	Ideas	Spin-off ideas, technology transfer, ideas generation workshops. Small-business skills training
	Small-business know-how	Networking, access points
	Know-who network	Pre-start counselling
Start-up (external)	Customers	Purchasing initiatives
	Suppliers	Sourcing initiatives and directories

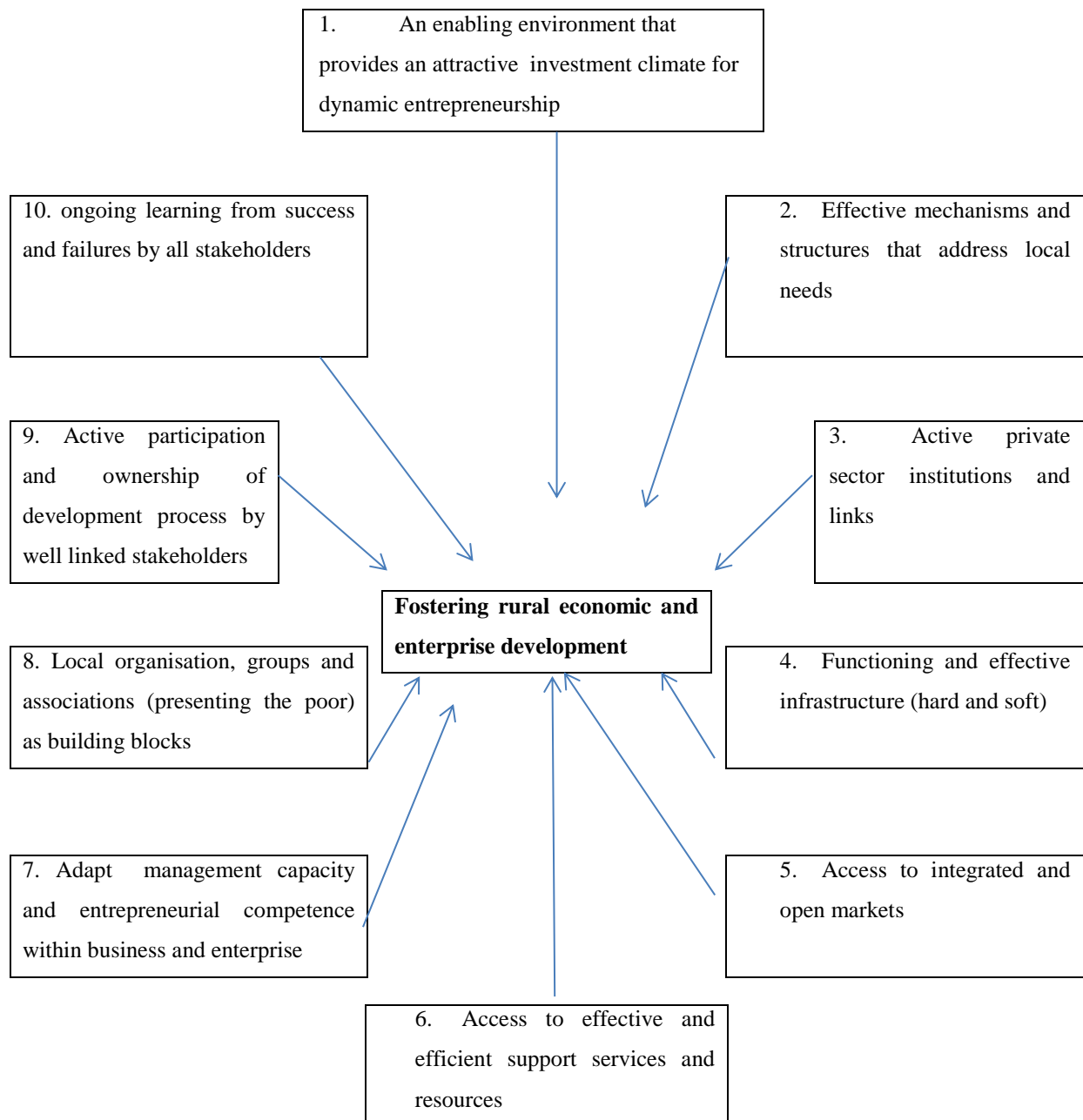
	Advice/consultancy  Business plan information	Business expertise provision, training, counselling, research databases/ business planning  Incubators, science parks
Established	New ideas   Market/ administration expertise  Financial management	Ideas generation workshops, spin-off ideas, technology transfer  Guidance services, including banks, ventures capitalists, accountants
Growth	Market  Opportunities/exports  Product development Strategic approach Management skills and finance	Trade mission, export advisers Market/technical information Development courses  Salary support, subsidies, grants
Decline	Confidence, customers, money  Strategic review and planning	Mentors  Advice and guidance
Termination	Legal/ other advice	Advising and counselling
Other dimensions	Business sector Business support environment	Sectoral initiatives/training Information and education
All of the above stages	Information on small business needs	Research coordination, research databases.

Source: Botha (2006:59-60)

## 2.8 Rural economic and enterprise development

According to Seda (2007), 80per cent of female-owned businesses were informal and are found in deep rural areas in South Africa; they further report that opportunity entrepreneurship was four times higher in townships and cities than in rural areas.

**Figure 13: Rural economic enterprise development models**



Source: UYF 2008: 23

According to Klapper (2004), it is paramount to create an entrepreneurially friendly environment that promotes an entrepreneurship environment through government intervention in loans, and rules and regulations. This would definitely create key conditions

for success in nurturing and promoting entrepreneurship. Diale (2009) found that the challenges facing the development of SMMEs in rural areas is that they operate in poverty-stricken areas with high unemployment rates, outflow of wealth to larger urban centres and reduced access to markets. Therefore, there is a need for a targeted strategic set of interventions that are supported by national, provincial and local government.

## **2.9 Conclusion**

The chapter provided a discussion on the theory which is applicable to this study and highlighted the three antecedents of TPB, attitudes towards the behaviour, subject norms and perceived behavioural control. The literature review has indicated the importance of entrepreneurial intentions which refers to the desire and commitment of starting up a business. Zaffane (2002) argued that individuals with high entrepreneurial intention are more likely to start a business than those with lower entrepreneurial intention and furthermore, the intention was identified as the best predictor of actual behaviour. Some scholars have tried to correlate an entrepreneur's age with the launch of business start-ups (Burke, 2006) and (Harada, 2005), however it was concluded that the success is not the respecter of age but passion and principle.

There was overwhelming agreement that entrepreneurship contributes positively to the economic growth of the country. However other researchers caution that different countries yield different results, depending on whether they are developing or developed. For entrepreneurial intention and activities in both developing and developed countries, it was established that all developed countries are in innovation-driven economies while developed countries are all in efficiency-driven economies. The factors that influence the development of entrepreneurs were highlighted as demographic, personality, personal and micro-social factors.

The institutions of higher learning alone cannot influence the behaviour of potential entrepreneurs. The government has a crucial role to play in creating a conducive business environment for fostering potential entrepreneurs. Most of the existing government policies focused on trying to attract existing foreign investment rather than developing and nurturing our own potential entrepreneurs. Finally issues explored in this chapter are aligned with the study objectives.



The following chapter will outline the research methodology of the study which will include the population and location of the study, data collection strategies, research design and methods, research philosophy, research approach, sample and sampling methods etc.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The previous chapter focused on reviewing the literature on entrepreneurial intention and a discussion of the related entrepreneurial models. This chapter provides the road map on how the research questions and objectives will be addressed. It further provides the detailed description of the geographical location of the study, data collection strategies, research design and methods, research philosophy, research approach, recruitment of participants, sample and sampling methods, data collection procedure and the procedure taken to ensure reliability and validity of the study.

The research methodology is defined as a procedure by which the researchers go about their work of describing, explaining and predicting (Rajasekar *et al*, 2013). According to Sekaran and Bougie (2010), the managers with knowledge of research are able to deal with problems before they get out of control; therefore, research becomes a useful tool in making an informed business decision.

#### **3.2 Research objectives**

The main research question that guided this study was to identify the factors that influence entrepreneurial intentions of rural youth: A case of NARYSEC in the Free State. The study selected students because of the perception that entrepreneurial education plays a prominent role in establishing an interest in entrepreneurship.

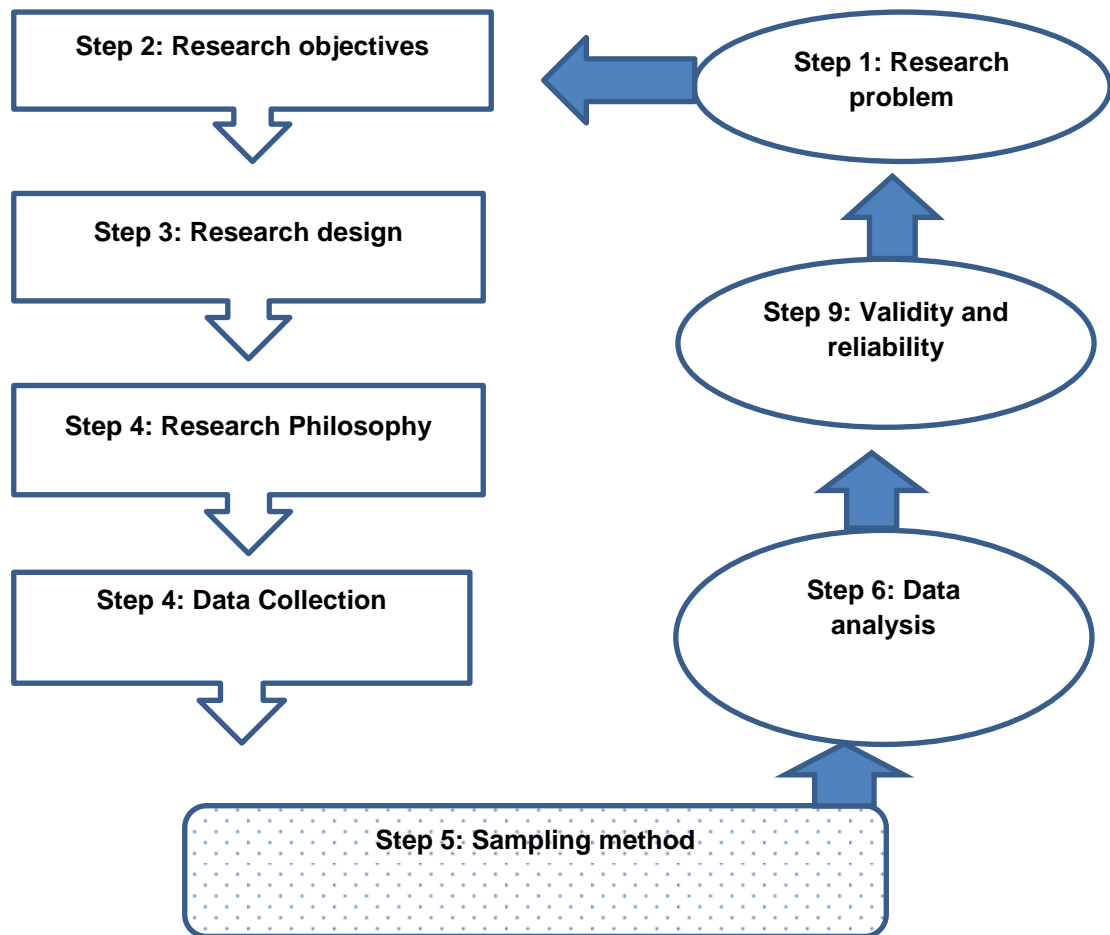
The research objectives investigated include:

- To identify the determinants affecting entrepreneurial intention amongst NARYSEC students;
- To determine the level of entrepreneurial intentions amongst NARYSEC students;
- To determine the motivation and obstacles to entrepreneurial intention of NARYSEC students; and
- To identify the influence of the internal and external environment in entrepreneurial intentions of NARYSEC students.

### 3.3 Research Design

Newman (2002) described research design as the arrangement of conditions for collection and analysis of data in a manner that aims to address the research purpose. Diagram 14 below illustrates the structure of the research process that the study employed.

**Figure 14: The research process**



Adapted from (Liñán, 2008)

#### 3.3.1 Types of research design

The research design is an overall plan to obtain answers to the research questions (Singleton, 1999). According to Sekaran and Bougie (2016), there are three research design methods namely: descriptive, exploratory and case study. Descriptive research design is a survey method which describes the features of the population like age, ethnic group and gender before going further with an interview (Sekaran and Bougie, 2016). This research design was also supported by Gill and Johnson (2010) who argued that it assists in ascertaining the study

population and eases the sample calculation which assists in answering the research questions. Sandelowski (2000) stated that descriptive research was typically described in research text as being on the lowest rung of the quantitative research design hierarchy.

Exploratory research design comprises a large amount of primary data which can be collected through questionnaires, interviews or observation. According to Bougie and Sekaran (2016), this method is usually utilised when there is little information available related to the study which is being conducted. Neuman (2011) defined exploratory research design as research in which the primary purpose was to examine a little-understood issue or phenomenon to develop preliminary ideas and to refine the research question. Case study research design investigates one case in detail with an aim of generalising the results (Thomas, 2011).

Autio *et al.*, (2001) applied the research design to analyse factors influencing entrepreneurial intention amongst university students. Using a cross-sectional survey the study compared participants from different countries such as Sweden, Finland, USA and the UK. Their dependant variable was entrepreneurial intention and their independent variables were attitudes, subjective norm, perceived behavioural control, work experience, employment status and age. The results showed that the TPB was robust and perceived behavioural control was found to be the most important determinant of entrepreneurial intention.

This study followed a quantitative method with a survey design based on the positivist paradigm, where all phenomena were reduced to empirical indicators which represented the truth. The purpose of collecting quantitative data using survey research was to gather information on the factors affecting entrepreneurial intention of NARYSEC students using a large number of students. Therefore, the investigator was able to study the phenomenon without influencing it or being influenced by it. The following is the distinction between qualitative and quantitative research methods.

**Table 10: Distinction between qualitative and quantitative research methods**

Qualitative	Quantitative
Concern with understanding human and social sciences behaviour from the informant's perspective.	Concern with discovering facts about social phenomena

Assumes a dynamic and negotiated reality	Assumes a fixed and measurable reality
Data are collected through participation observation and interviews	Data are collected through measuring things
Data are analysed by themes from descriptions by informants.	Data are analysed through numerical comparison and statistical inferences
Time expenditure lighter on the planning end and heavier during the analysis phase.	Time expenditure heavier on the planning phase and lighter on the analysis phase
The validity and reliability heavily depends on the skill and rigor of the researcher	The validity and reliability heavily depend on the research instrument used.

Source: Minniti (1990:42)

The quantitative method has been used as most suitable because it draws a large and representative sample from the target population.. Hopkin (2008) defines this type of study as qualifying relationships between variables such as performance, weight, time and treatment. According to Kayrooz and Trevitt (2005), the quantitative approach provides accuracy and a potential for publication and it all so offers prestige and trustworthiness.

### 3.4 Research Philosophy

The positivist paradigm is research orientation which assumes that useful research is based on theory, hypothesis and qualitative data. According to Ridenour and Newman (2008), positivist research has been dominant in the social, psychological and behavioural sciences, as well as in management research. Phenomenology as a research approach in the social science derives from anthropology and sociology (Ridenour, 2008). According to Saunders *et al.*, (2009) there are four main philosophies, namely: positivism, realism, interpretivism and pragmatism. De Vos *et al.*, (2007) describe Positivism as an epistemological approach which entails methods in the natural sciences applicable to social sciences.

Saunders *et al.*, (2009) argued that a pragmatic research problem is the key determinant of the research thinking, while an interpretivist, epistemological viewpoint is key to the differentiation between humans in their position as social actors. Saunders *et al.*, (2009)

further indicated three main thinking processes regarding research philosophy, namely ontology, epistemology and axiology. Epistemology is how knowledge is created whilst ontology comprises suitable knowledge in the discipline of the study. Axiology is the way the researcher understand the values in the research. The researcher employed the epistemological positivism as the research philosophy in the study because it would provide credible data and facts as recommended (Myers, 2011). Table 11 depicts four research philosophies in relation to ontology, epistemology and axiology.

**Table 11: Four Research Philosophies**

<b>Research philosophies</b>	<b>Positivism</b>	<b>Realism</b>	<b>Interpretivism</b>	<b>Pragmatism</b>
Ontology: The researcher`s view of the nature of being	External, objective and independent of social factors	Is objective. Exists independently of human thoughts and beliefs of knowledge of their existence, but is interpreted through social conditioning	Socially constructed, subjective, may change, multiple.	External, multiple, view chosen to best enable answering of the research question
Epistemology: The researcher`s views regarding what constitutes acceptable knowledge	Only observable phenomena can provide credible data and facts. Focus on the causality and laws like generalisations, reducing phenomena to simplest elements	Observe phenomena provide credible data and facts. Insufficient data means inaccuracies in sensations which are open to misinterpretation. Focus on explaining within a context	Subject meaning and social phenomena. Focus upon the details of a situation, the reality behind these details, subjective meaning and motivating actions.	Either or both observable phenomena and subjective meaning can provide acceptable knowledge dependent upon the research question. Focus on practical applied

				research, integrating different perspectives to help interpret the data.
Axiology: The researcher's views of the role of values in research	Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance	Research is value-laden; the researcher is biased by world views, cultural experiences and upbringing. This impacts on the research.	Research is value bound, the researcher is part of what is being researched, cannot be separated and the study will be subjective.	Values play a large role in interpreting results, the researcher adopting both objective and subjective points of views.
Data collection techniques	Highly structured, large samples, measurement, qualitative, but can also use a qualitative method.	Method chosen must fit the subject matter, qualitative or quantitative methods.	Small sample, in-depth investigations and qualitative method	Mixed or multiple method designs, quantitative and qualitative methods

Source: Saunders (200:9)

### 3.5 Data Collection

The primary data can be collected either through observation, personal interviews or by using the questionnaire method. An observation method is followed when the researcher gathers data by just observing the respondent without talking or asking any questions (Kothari, 2004). A personal interview is the use of oral-verbal prompts to ask questions and to get responses, and the questionnaire method involves a number of typed or printed questions designed to achieve the objectives of the research project which respondents answer on their own (Malhotra, 2007). A self-administered questionnaire refers to a survey in which a

respondent reads and answers the questions; it makes the coding, exploring and analysing of the data easier and it is less time-consuming and simpler when dealing with large samples (Zikmund, 2003).

This study considered both primary and secondary data for gathering information, self-administered questionnaires were used to collect primary data because this was found to be a suitable means of collecting data from a large population and it allowed the researcher to obtain accurate and reliable information.

Giesen *et al.*, (2012) defined questionnaire design as the formulation process of the questionnaire writing, layout and format. According to Kothari (2004), the researcher should decide whether or not to use open-ended questions or closed-ended questions when designing a questionnaire. In this study, closed-ended questions were used because of the advantages they offer, like time-efficiency in answering and analysis. The questionnaire was developed in the English language and it comprised 4 sections. It also included the covering letter requesting the students to participate in the study, explaining study purposes and providing instructions on how to answer the various sections of the questionnaire. The issues of confidentiality and anonymity were emphasized in the cover letter.

It is important for the questionnaire to be precise and clear so that it can be understood by the respondents. Kumar (2014) has indicated that different scales can be used to formulate a questionnaire such as a Likert scale, the Guttman scale and Thurstone scale. According to Aaker and Day (1990), a Likert scale is a scale on which respondents indicate the level of agreement or disagreement with the range of statements presented. This study employed a Likert scale in all the sections in the questionnaire because the construction and administration is easy and accurate results are obtained. The scale ranges from 1 to 5, with 1 representing strongly disagree and 5 representing strongly agree.

The questionnaire layout has an impact on the response rate. McColl *et al.*, (2001) suggested that if the questionnaire layout is in a neat format, it increases the response rate. The questionnaire comprised 4 sections namely: Sections A, B, C and D. Section A aimed at understanding the demographic data of the students such as gender, ethnicity and level of education. Section B was aimed at understanding the personal perception of students towards entrepreneurship. Section C was aimed at understanding the family obligation factor and its influence on the entrepreneurial intentions of the students. Finally, Section D focused on measuring the entrepreneurial intention of the students.



A structured questionnaire with closed-ended questions was developed and it had a limited number of open-ended questions because respondents needed to provide specific details. The questionnaire was two pages long in order to examine issues of entrepreneurial intention. The total number of 150 questionnaires were distributed to collect the data. The questionnaires were hand delivered to the respondents during launch time by two research assistants. Most respondents took an average of 10 minutes to complete the questionnaires. Some respondents requested a day or two to return the questionnaires since they were busy; hence some of them did not return them. The total number of questionnaires received was 103; hence the response rate was 84.3per cent. A cover letter assuring the respondents about their anonymity and the confidentiality of the information was attached to the questionnaire. All questions were answered by marking the designated block with a cross.

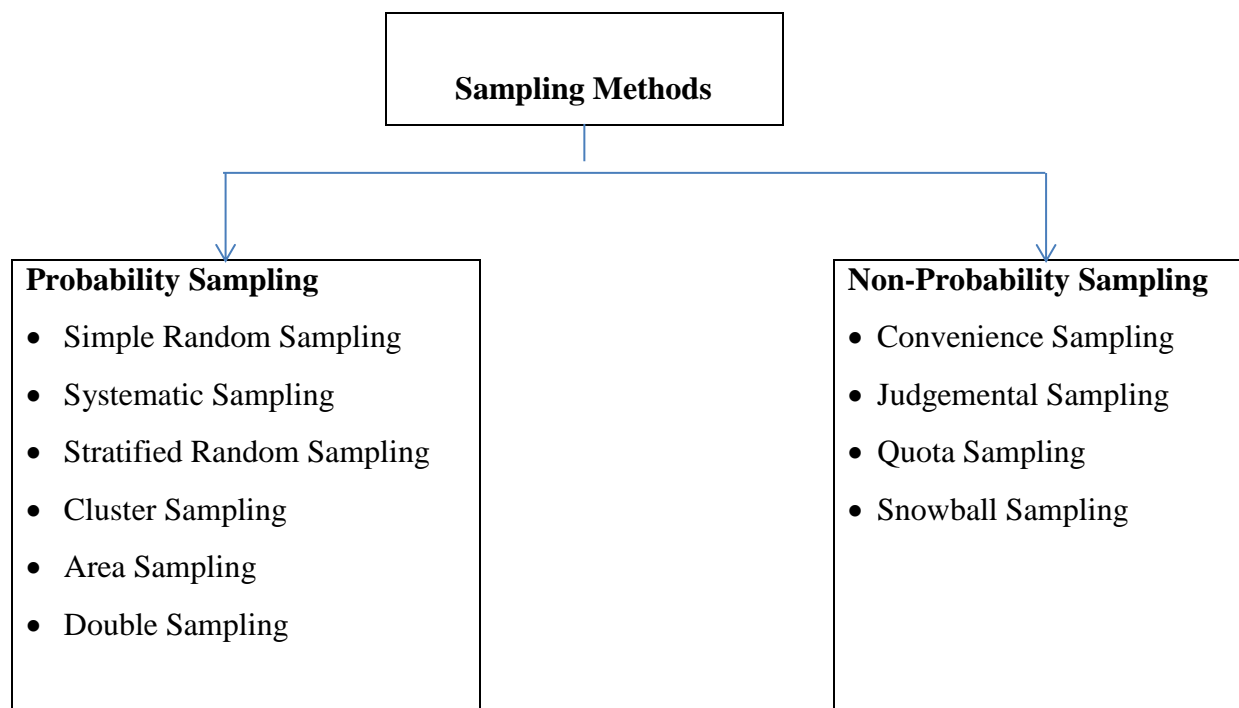
The study used the survey data collection method. According to Gelber-Net *et al.*, (2005), surveys can be divided into 4 major types namely: telephone surveys, mail surveys, self-administered surveys and interviews. This study employed a self-administered questionnaire that was designed with an aim of soliciting views and perceptions from NARYSEC students on their entrepreneurial intentions. The questionnaire was identified as the most appropriate method of investigating the factors affecting entrepreneurial intention amongst the NARYSEC students, assessing the likelihood of students starting their own businesses in the near future or after the graduation and whether or not they had been exposed to entrepreneurship before.

### **3.6 Sampling methods**

According to Neuman (2011); a sample is defined as the smaller set of cases a researcher selects from a larger pool and generalises the results to the population. Students were selected as the subjects of the investigation, given that other research findings concluded that entrepreneurial intention in South African students is lower compared to other comparable countries (Herrington, 2016). The sampling technique which was applied in this study is probability sampling because it has the least bias and offers more generalisability of findings (Sekaran and Bougie, 2016). This study adopted simple random sampling because all elements in the population were considered and had an equal chance of being chosen as subjects.

The target population refers to all components (objects, individuals and events) that fit the sample standards to be included in the study (Burns, 1993). This population gives the researcher a direction as to where the appropriate data will be collected (Marire, 2015). In this study, the population refers to the NARYSEC students from Thaba Nchu College in the Free State Province. The population comprised the 140 NARYSEC students, both males and female students who are participating in the skills development programme doing their first or second year from which a sample of 103 was selected through simple random sampling.

**Figure 15: General types of sampling**



Source: (Wagner, 2012)

### **3.6.1 Probability Sampling**

According to Zulu (2017), Probability sampling refers to the possibility that each object in the target population could be selected, and usually the chance of selecting one object is equal to the chance of selecting any other object. This method is usually used with surveys, and generalizations about the population are obtained from the sample. In simple random sampling, all elements in the population are considered and each element has an equal chance of being selected as the subject. This method has a high generalisability of findings but it is not as efficient as stratified sampling (Sekaran and Bougie, 2016). Systematic sampling means that every Nth element in the population is chosen starting from a random point in the population frame, this method is easy to use if the population frame is available but

systematic bias is possible (Sekaran and Bougie, 2016). In stratified random sampling, the population is first divided into meaningful segments thereafter subjects are drawn in proportion to their original numbers in the population. This method is the most efficient of all probability designs and all groups are adequately sampled and comparisons amongst groups are possible but, this method is more time-consuming than simple random sampling or systematic sampling (Sekaran and Bougie, 2016).

Cluster sampling means that the groups that have heterogeneous members are first identified then some are chosen at random. All members in each of the randomly chosen groups are studied and the cost of data collection is low (Sekaran and Bougie, 2016). The area sampling method involves cluster sampling within a particular area. It is cost efficient and useful when used for decision-making in relation to a particular location but it takes more time to collect data (Sekaran and Bougie, 2016). Double sampling means that the same sample or sub-set of the sample is studied twice and this method offers more detailed information on the topic of study but the respondents may not be happy to respond to the same questions for a second time (Sekaran and Bougie, 2016).

### **3.6.2 Sample size**

A sampling frame is defined as the actual list of all elements in the population from which the sample is drawn (Sekaran, 2010). In this study, the sampling frame is the Registrar's database of NARYSEC students during 2018 academic year. According to Sekaran (2010) a sample size for a population of 140 units is 103 units as per table 12 below.

**Table 12: Population vs Sample Size**

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Source: Sekaran *et al.*, (2010:294)

The sampling design and the sample size are crucial to establish the representativeness of the sample for generalisability and the sampling decision should consider both sample design and sample size. Sample size was determined by the extent of precision and level of confidence. Table 13 recommended at least 103 responses which should represent the whole population of 140 students (Sekaran, 2010). Therefore the recommended sample size was 103, with a confidence level of 95per cent and a margin of error of 5per cent.

### 3.7 Data Analysis

The data collected through questionnaires was coded and captured in the spreadsheet before a completed analysis was conducted. The completeness and accuracy was checked before the raw data was manually captured on the Statistical package for Social Sciences (SPSS) programme for comprehensive analysis. The descriptive aspects of the study was analysed and presented by means of charts, tables and descriptive statistics using SPSS to enhance the understanding of the presented information. The SPSS Version 5 software was chosen because of it's user-friendly and efficient software for students because most computers have spreadsheet packages (Sekaran and Bougie, 2016). The choice of the methods of statistical

analysis depends on the type of questions to be answered, the number of variables, and the scale of measurement. The type of questions the researcher was attempting to answer was the main consideration in the choice of statistical technique.

Eiselen *et al.*, (2005) indicated that descriptive analysis summarises some aspects of the variables. There are two types of statistics used to describe data, measures of central tendency and measure of spread. According to Neuman (2011), the measure of central tendency describes the central position of the frequency distribution for a group, hence the measure of spread summarises a group of data by describing how spread out the responses were. The statistics used in the research involved standard deviation because it measures the spread of scores within a set of data.

### **3.8 Validity of the research**

Mugenda (2003) has defined validity as the degree to which results obtained from analysis of the data actually represent the phenomenon under study. Bougie and Sekaran (2010) argued that validity refers to the truthfulness of the measure if it measured what was intended to be measured and provide accurate answers to cover what is required by the researcher. Content validity refers to the degree to which objects entirely represent the model being measured (Deirdre and Scott, 2009). This shows how the measurement of a model is outlined and whether or not it is broad enough to cover the target population. Bougie and Sekaran (2010) indicated that the group of experts can be used to evaluate the validity of the measurement. In line with the author's advice, the questionnaire was validated by the Higher Degree Committee as satisfactory and that the selected sample size was representative of the NARYSEC students.

Criterion validity involves the verification of an indicator by comparing it with another measure of the same construct in which the research had confidence, Bernard (2013) explained that this type of validity is established when there is a close relationship between the results of the measured phenomenon and those found by other measurements. This involves a close correlation between the results produced and the results for a standard measure that is deemed to be valid. This research study investigated factors influencing entrepreneurial intentions of NARYSEC students and its findings will be verified by comparing them to other similar studies that is why this type of validity is applicable to this study.

Face validity involves the judgement by the specific community that the indicator really measured the construct. Bougie and Sekaran (2010) argued that face validity is tested by just looking at the measurement and deciding, right on the face of it, if the measurement makes sense. The question asked may not be valid until confirmed, but if people agreed that the questions are fit for measuring that concept, and then it is a valid question. This research study did not follow this type of validity.

Construct validity involves the measurement of whether multiple indicators were consistent or not. Bernard argued that construct validity indicates how well the outcome found from the use of the instrument fits the concept it is intended to measure. This research study did not follow this validity. Concurrent validity ensures that the measured objects produced different scores (Bougie and Sekaran, 2010).

### **3.9 Reliability of the research**

Deirdre and Scott (2009) defined reliability as when a measure of an object shows steadiness and uniformity. Bougie and Sekaran (2010) argued that when the test is done, it must show that the study was free from favouritism defects and the test must show consistent results if measured repeatedly. Deidre and Scott (2009) mentioned the following measures of reliance:

- Cronbach's Alpha was used to test how consistent data was during the time the questionnaire was administered (Santos, 1999). The Cronbach's Alpha method was used for this study. Santos (1999) further explains that this method is preferred if most of the questions are dichotomous scale questions. Pallant (2010) recommends the minimum accepted value for Cronbach's Alpha as 0.7.
- Test-retest reliability measures the degree of resemblance of the respondent's responses after the same tests were conducted on two different occasions and administered to the same respondents (Deirdre and Scott, 2009). The time interval between the two tests is crucial because the sample changes its behaviour in the time lapse between the two occasions. Bernard (2013) argued that when there is too much time between the two measurements occasions, there will be a low relationship between the scores, when there is little time between the measurement occasions, there will be a high relationship between the scores of two different measurements of the same sample.

- Deirdre and Scott (2009) explain parallel forms of reliability as estimated by testing one sample of the population with two different forms of a measuring implement. The result will be an estimation of parallel reliability. This can be achieved by having a set of many different questions that measures one concept. Divide them randomly into two parts and administer them differently to the same sample. Bougie and Sekaran (2010) clarify that the relationship between the scores obtained from the two different groups of the questions, will constitute a parallel form of reliability.
- ‘Inter-rater’ reliability is used to test reliability by having more than one person measuring the instrument’s actions and reaching consensus on the nature of such an action (Bougie and Sekaran, 2010). This gives a high consistency especially where human beings are used for recording certain activities. Bernard (2013) advised that human beings get tired while dealing with a heavy task alone and end up missing some actions, but with various observers present, missing records from one observer can be found from the others after reaching an agreement.

### **3.10 Pre-Testing**

The purpose of pre-testing an instrument is to ensure that the questions are well understood by the respondents and the problems of wording in the research instrument are identified and addressed (Collins, 2003). The questionnaire was pre-tested using ten NARYSEC students within the DRDLR to test the appropriateness of the questions and their understanding. This assisted in resolving in-adequacies in time allocation before the administering of a questionnaire to the respondents.

### **3.11 Ethics**

According to Neuman (2011), a major ethical issue in survey research is the invasion of privacy. Like all social research, the researchers are expected to conduct the survey in an ethical way. The UKZN ethics committee granted permission to the researcher to carry out the study and the ethics rules were observed throughout the process. The participation in the survey was voluntary and all the participants were requested to read the information sheet and sign the consent form if they agreed with the content. Over and above this, the anonymity was observed as the researcher explained that no names would be published in the research but only the findings and the basic demographics of the respondents.

The hardcopies such as questionnaire and consent forms will be securely locked away in University of KwaZulu-Natal in Pietermaritzburg Campus in the college of Law and Management studies and school of Management, Information Technology and Governance for the period of five (5) years. The data includes all the research, research questionnaires, and approval to conduct research which can be accessed by other researchers for the purpose of research.

### **3.12 Conclusion**

The research was triggered by the high level of unemployment amongst youth in SA and sought to investigate the factors affecting entrepreneurial intentions amongst the NARYSEC students. This chapter presented the research methodology which comprised the research design and methods, the population and sampling procedures, data collection procedure, research philosophy, pre-testing, validation and reliability of the research instrument and data analysis procedure. The data were collected using a structured questionnaire with closed-ended questions. The analysis was done using Statistical Package for the Social Scientists (SPSS) version number 5. The respondents answered all questions themselves to ensure validity. Other studies were reviewed and used as a measure of reliability in comparison with the results. All ethical issues were observed to ensure that the results of the study were not compromised. Chapter Four will present the results and the analysis of the data.



## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

#### 4.1 Introduction

The previous chapters laid the groundwork of the study. They provided an explanation of the purpose of the research; the outline of the research questions and objectives as well as the research methodology of the study. According to Binder and Roberts (2003), data analysis is essential for understanding results from surveys and pilot studies since it provides information on data gaps, for designing and redesigning surveys. The main purpose of this chapter is to present the findings from the data extracted from a questionnaires that was completed by 103 respondents on the factors that affect entrepreneurial intentions of NARYSEC students from Thaba Nchu College in the Free-State province.

#### 4.2 Reliability and validity of the results

According to Babbie and Mounon (2001), reliability refers to whether or not the results would be the same if the same research was to be conducted by a different team. It also refers to the ability of findings to be generalised. This study employed the Cronbach`s Alpha test to determine the reliability level of the questionnaire. According to Pallant (2007), a level above 0.7 is considered adequate to declare the question or questionnaire valid. It is common to find lower values, even as low as 0.5 therefore. The Cronbach Alpha test was conducted on the questionnaire and the results were as follows:

**Table 13: Cronbach`s Alpha**

Cronbach`s Alpha	Number of items
0.743	15

Cronbach`s Alpha was calculated at 0.743 as per table 13 above which is above 0.7 so the scale can be considered reliable as can the sample (Pallant, 2007).

### 4.3 Demographic characteristics

The results shows that 79.6per cent of the respondents who participated in the study were between the ages of 21 to 25 years old, followed by 18.5per cent of respondents who are between the ages of 18 to 20 and 1.9 per cent who are over the age of 31 years old. The gender proportion was 64.1per cent for females and 35.9per cent for males. The total number of 89.3per cent were Africans and 10.7per cent were Coloureds. The highest proportion (87.4per cent) had matric as their highest qualification, followed by higher certificate and diploma which constituted 5.8per cent respectively.

### 4.4 Gender of respondents

The table below indicates the gender representative of the respondents.

**Table 14: Gender of respondents (N=103)**

<b>Gender</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Valid per cent</b>	<b>Cumulative Per cent</b>
Male	37	35.9	35.9	35.9
Female	66	64.1	64.1	100
<b>Total</b>	<b>103</b>	<b>100</b>	<b>100</b>	

Table 14 in the diagram above reveals the gender distribution of the respondents. The largest percentages of the respondents were females with 64.1per cent compared to their male counterparts who constituted 35.9per cent.

#### 4.5 Age grouping of respondents

The table below indicates the age representative of the respondents.

**Table 15: Age grouping of respondents (N=103)**

Age Category	Frequency	Per cent	Valid per cent	Cumulative Per cent
18-20	19	18.5	18.5	18.5
21-25	82	79.6	79.6	98.1
25-30	2	1.9	1.9	100
31 +	-	-		
<b>Total</b>	<b>103</b>	<b>100</b>	<b>100</b>	

Table 15 shows that 79.6per cent of the respondents were between 21 and 25; followed by 18 to 20 years old who constituted 18.5per cent, and followed by 25 to 30 years old who constituted 1.9per cent. There were no respondents who were more than 31 years of age. The career Development Theory concurs with the findings that respondents were an ideal group for studying the entrepreneurial intent of the youth since the majority of respondents are at an appropriate age in terms of making career-related choices and are possibly more concerned about their options at this age than they will be after graduation.

#### 4.6 Ethnicity profile of respondents

The table below indicates the ethnicity representation of the respondents

**Table 16: Ethnicity Profiles of respondents (N=103)**

<b>Race</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Valid Per cent</b>	<b>Cumulative Per cent</b>
African	92	89.3	89.3	89.3
Coloured	11	10.7	10.7	100
Indian	-	-		
White	-	-		
Other	-	-		
<b>Total</b>	<b>103</b>	<b>100</b>	<b>100</b>	

Table 16 shows that 89.3per cent of respondents were African, followed by Coloureds who constituted 10.7per cent. No Indians or whites who participated in the study. The population in South Africa is one of the most complex and diverse in the world. It comprises of 51.7 million South Africans, over 41 million are African, 4.5 million are whites, 4.6 million are coloureds and about 1.3 million are Indians (Stats SA, 2017).

According to Suttie (2015) extreme poverty continues to be overwhelming in rural areas where much of this poverty is concentrated in sub-Sahara Africa, home of approximately 413 million poor people. It is alarming that the prospects of children and youth in rural areas are often held back compared with children in urban areas, they are more likely to be out of school and to be involved in child labour. (Suttie, 2015).

#### 4.7 Educational level of respondents

Below table indicates the educational level of the respondents

**Table 17: Educational Level of respondents (N=103)**

<b>Educational Level</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Valid Per cent</b>	<b>Cumulative Per cent</b>
Less than Matric	-	-		
Matric	90	87.4	87.4	87.4
Higher Certificate	6	5.8	5.8	93.2
Diploma	6	5.8	5.8	99
Degree	1	1	1	100
Post-Graduate	-	-		
<b>Total</b>	<b>103</b>	<b>100</b>	<b>100</b>	

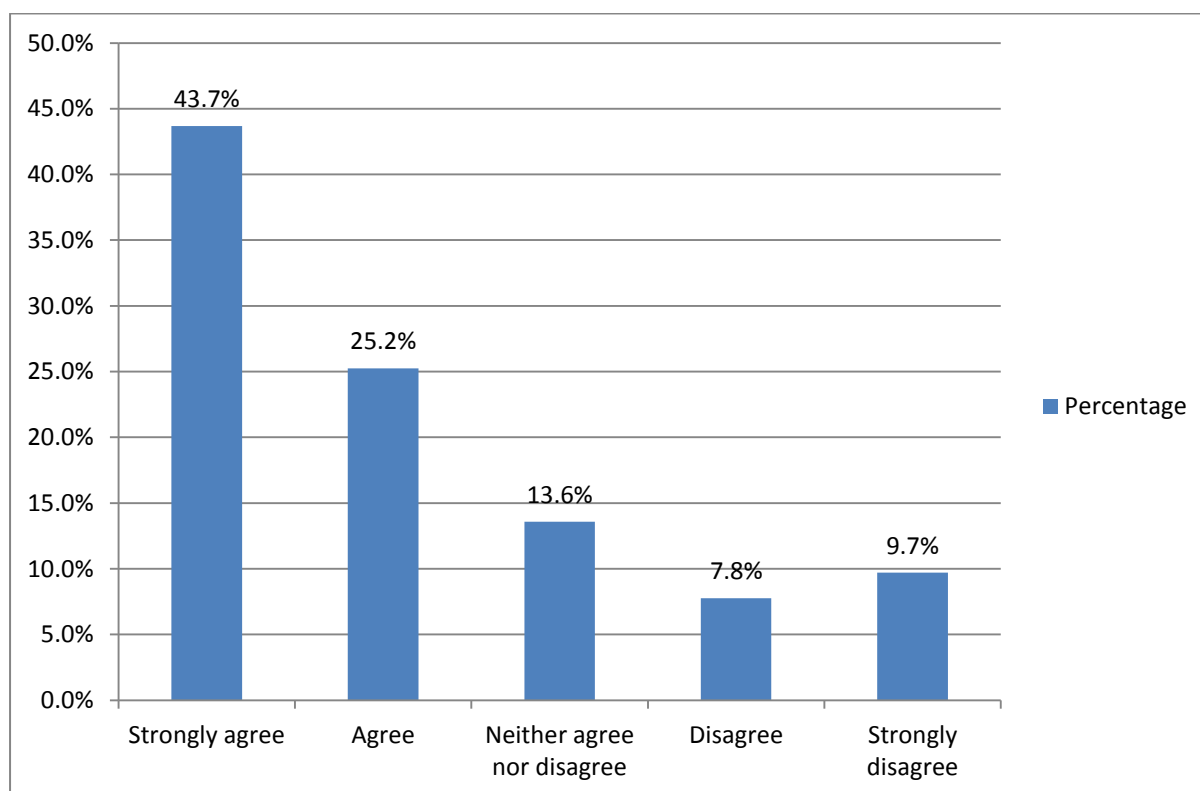
Table 17 shows that the largest percentage of respondents was made up of students with a matric as their highest qualification (87.4per cent), followed by higher certificates and diplomas (5.8per cent) and degrees with (1per cent). According to General Household Survey (2017), 33.8per cent of youth aged 18-24 were attending educational institutions, 22.2per cent were attending school while 11.6per cent were attending post-school educational institutions.

Approximately 47percent of youth aged 20-24 years who held bachelor degrees or qualification equivalent to NQF level 7 came from the highest household income quintile, compared to 7.4per cent of youth who held the same qualification come from the lowest household quintile. Future more, close to 36per cent of youth holding post graduate degrees came from the highest household income quintile (Stats SA, 2017).

#### 4.8 Likelihood to become entrepreneur

Figure 16 in the diagram below indicates the likelihood of respondents becoming entrepreneurs after their graduation.

**Figure 16: Likelihood to become entrepreneur**

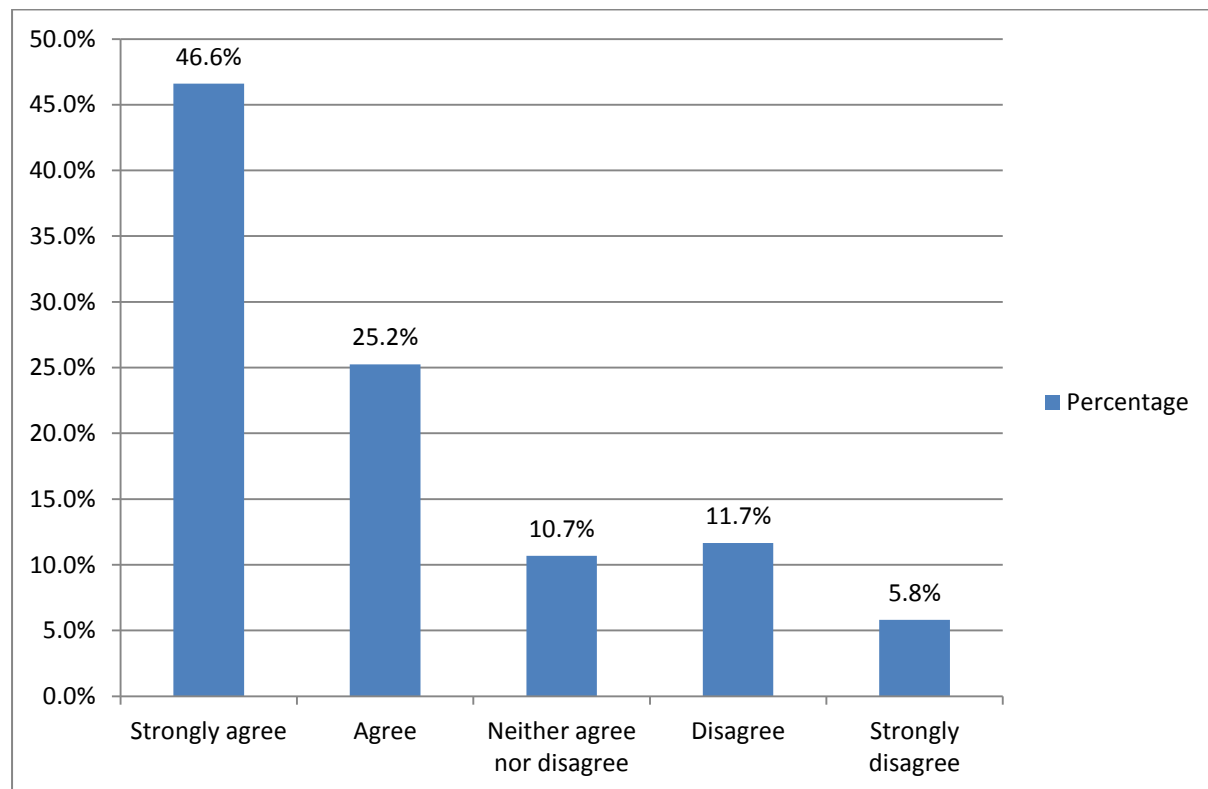


The overwhelming percentage of respondents strongly agree that they would like to become entrepreneurs (43.7per cent), followed by 25.2per cent of respondents who agree with the statement. The total number of 13.6per cent of respondents neither agree nor disagree with the statement, 7.8per cent disagreed with the statement and followed by 9.7per cent who strongly disagree with the statement. It is evident from these findings that the overwhelming majority of NARYSEC students 68.9percent (43.7 + 25.2) want to see themselves as entrepreneurs who will create job opportunities and contribute towards economic development. According to the 2015 Global Enterprise Monitor report, South African has done well in terms of overall global ranking for entrepreneurship. The biggest areas of improvement are in start-up skills, human capital and risk capital.

#### 4.9 Strong intentions for business

Figure 17 below indicates the strong intentions for venturing into a new business enterprise amongst the respondents.

**Figure 17: Strong intentions for business**

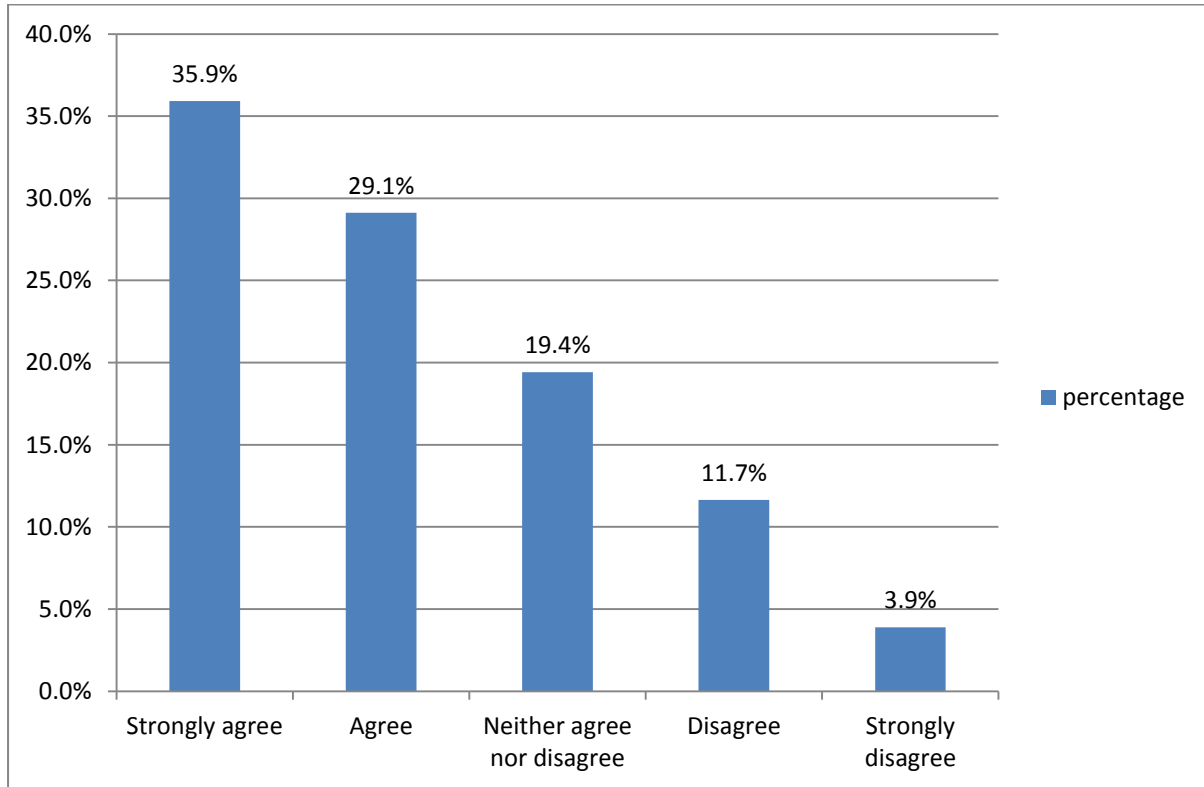


Most respondents indicated that they have strong intentions of starting their businesses (46.6per cent), 25.2per cent agrees with the statement, 10.7per cent who neither agree nor disagree, 11.7per cent who disagree, followed by 5.8per cent who strongly disagree. Sutha (2016) argued that the decision to become an entrepreneur is a deliberate and conscious decision which involves a high degree both of planning and of cognitive processes.

#### 4.10 Determination in creating a new business venture

Figure 18 indicates the determination to establish a new business venture amongst the respondents.

**Figure 18: Determination in creating a new business venture**



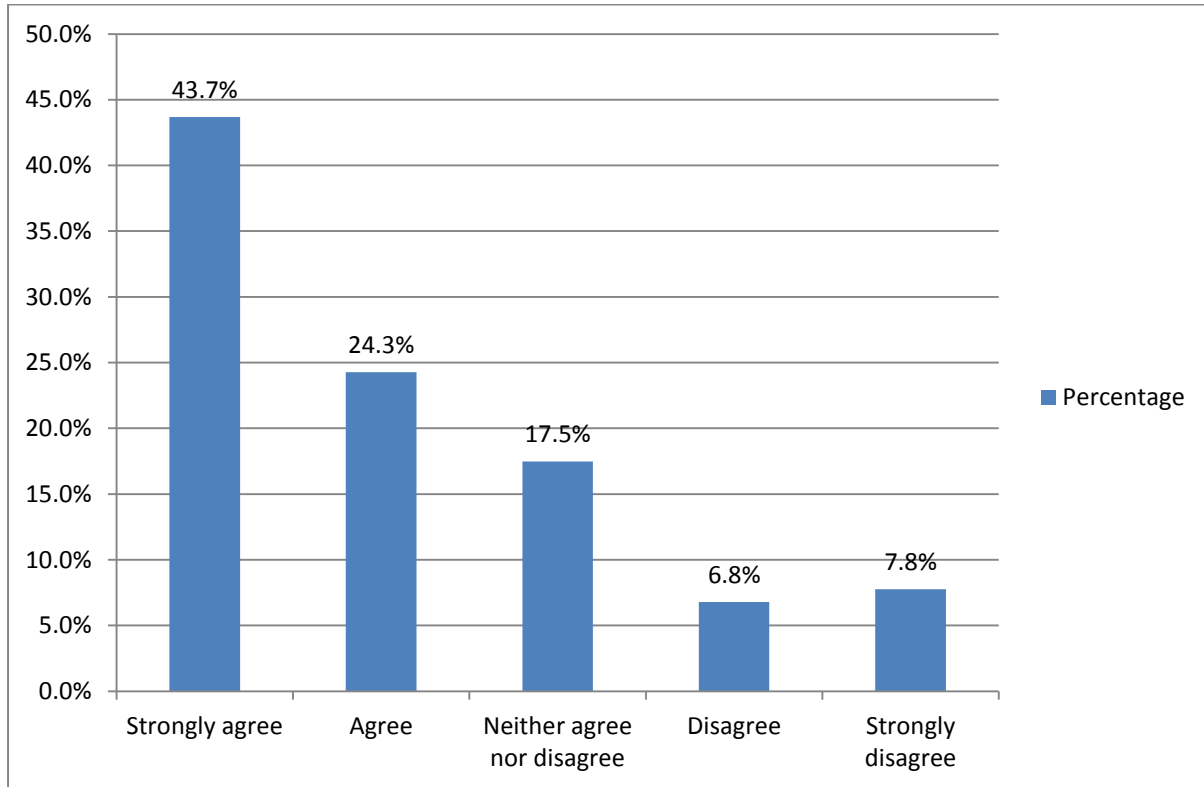
The majority of respondents (35.9per cent) are determined to create new business ventures, followed by 29.1per cent who agree with the statement. The total number of 19.4per cent neither agree nor disagree with the statement, followed by 11.7per cent who disagree and 3.9per cent strongly disagree with the statement.



#### 4.11 I would prefer to be an entrepreneur rather than to be employed

Figure 19 demonstrates the preference between entrepreneurship and employment by the respondents.

**Figure 19: I would prefer to be an entrepreneur rather than to be employed**



The findings of this study indicated that 43.7per cent of respondents prefer to be an entrepreneur rather than to be employed, followed by 24.3per cent of respondents who agree with the statement. The total number of 17.5per cent neither agrees nor disagree, followed by 6.8per cent who disagree and 7.8per cent who strongly disagree with the statement.

#### 4.12 The business idea is appealing to me

Figure 20 indicates whether the idea of business is appealing to the respondents or not.

**Figure 20: The appealing of the idea of business**

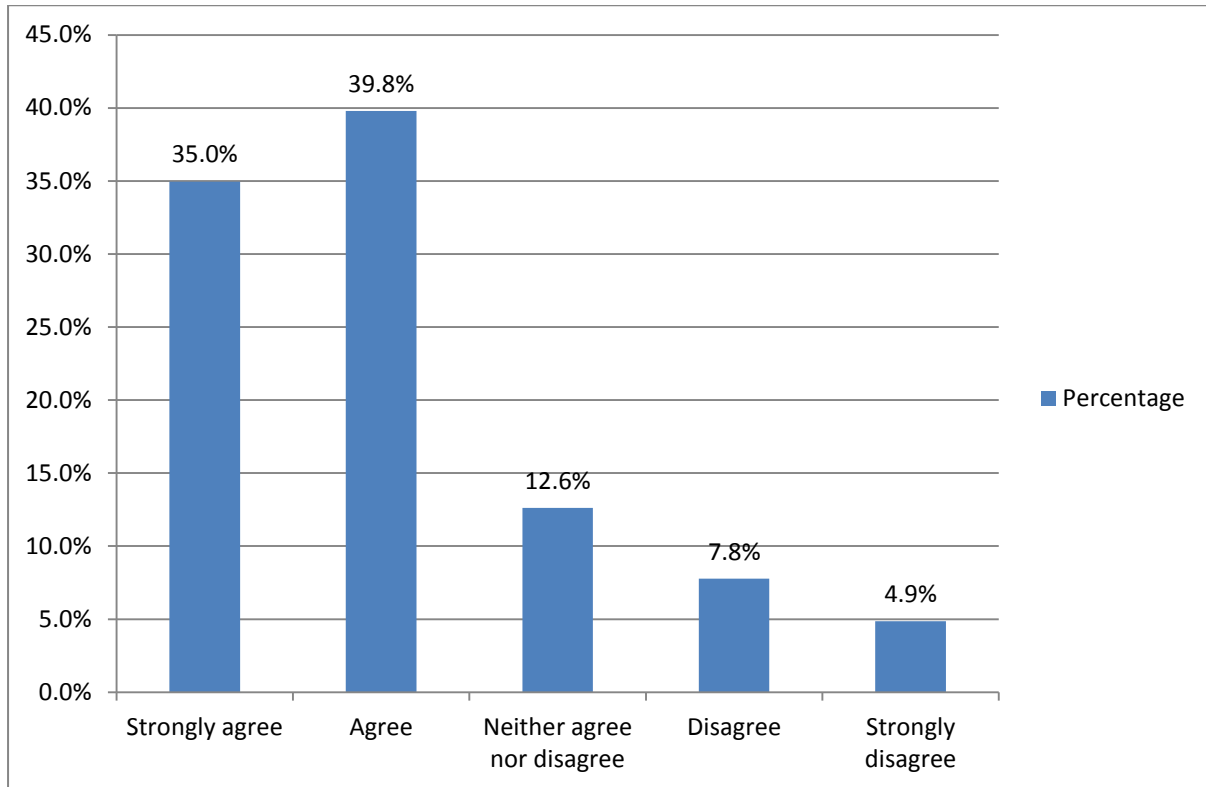


Figure 20 indicates that 35per cent and 39.8per cent of respondents agree that the business idea is appealing to them; 12.6per cent of respondents neither agree nor disagree with the statement and 7.8per cent and 4.9per cent disagrees and strongly disagrees with the statement respectively.

#### 4.13. Process of starting a business

Figure 21 indicates the results if the respondents are in the process of starting their businesses or not.

**Figure 21: Process of starting a business**

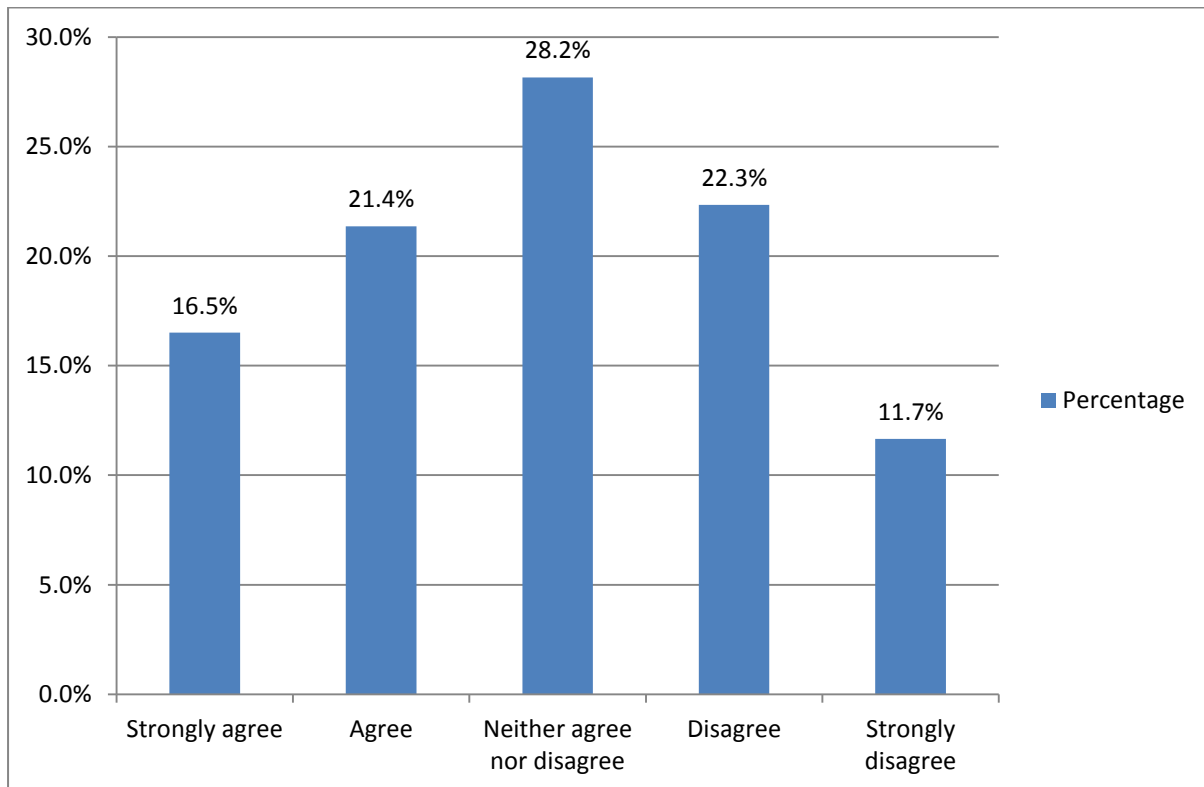


Figure 21 above indicates that 16.5per cent of the respondents are in the process of staring their own businesses, followed by 21.4per cent who agreed with the statement. The total number of 28.2per cent neither agree nor disagree with the statement, followed by 22.3per cent disagree and 11.7per cent strongly disagreed with the statement.

#### 4.14 Independence from the opinion of others

Figure 22 indicates the independent status of the respondents in terms of the opinion of others regarding entrepreneurial intentions.

**Figure 22: Independence from the opinion of others**

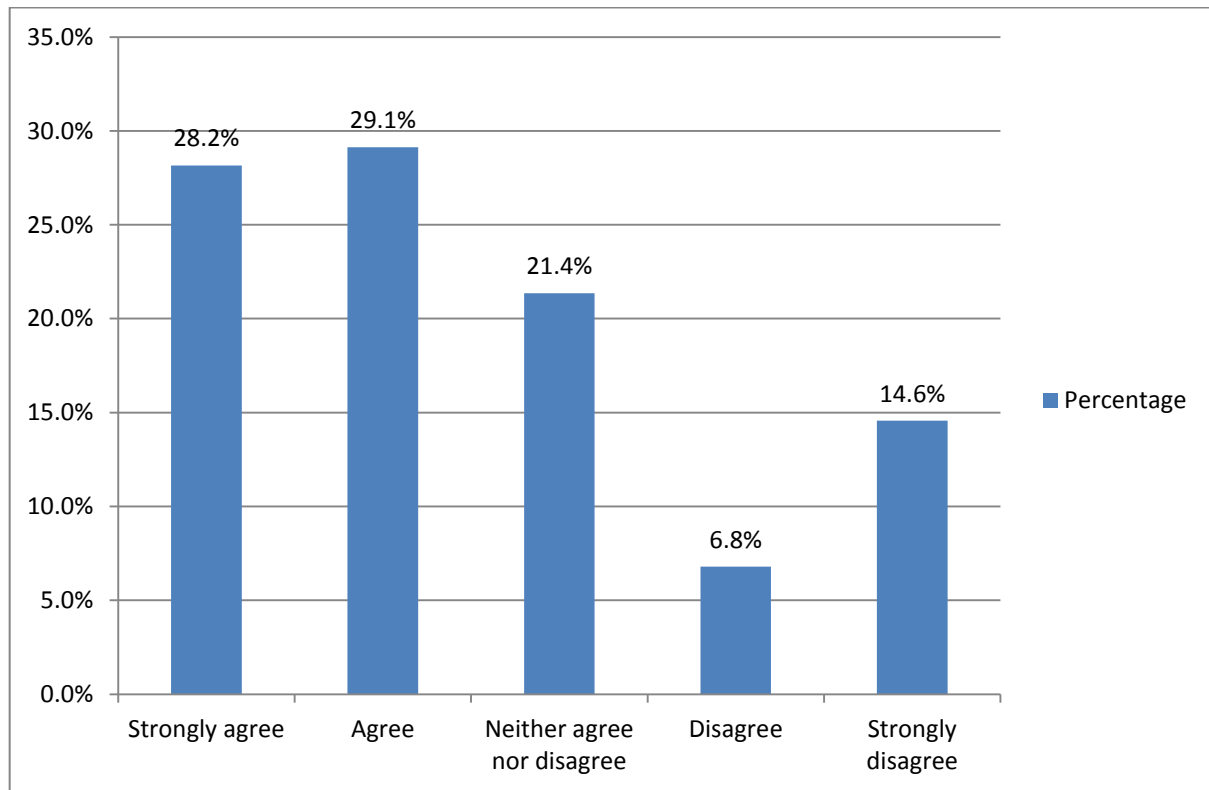


Figure 22 above indicates that 28.2per cent of respondents strongly agreed that they are independent of the opinion of others; 29.1 agreed with the statement; 21.4per cent neither agree nor disagree; 6.8per cent disagree and 14.6per cent strongly disagree with the statement. The independence from the opinion of others allows the entrepreneur to be proactive and innovation in their way of conducting business.

#### 4.15 Uncertainty and the risk factor

Figure 23 demonstrates the personal factor in uncertainty and risk by respondents

**Figure 23: The Uncertainty and risk factor**

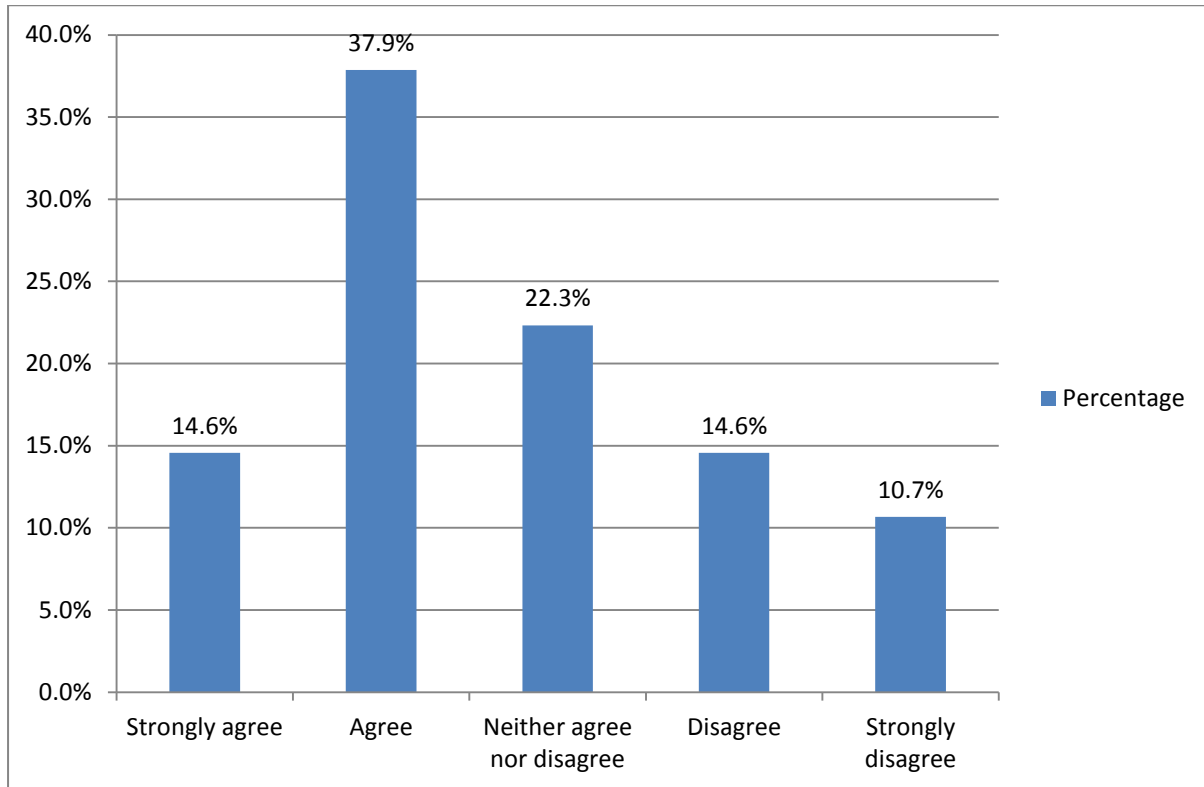


Figure 23 above indicates that 14.6per cent of the respondents strongly agreed that they enjoy uncertainty and risk; 37.9per cent agreed with the statement, 22.3per cent neither agreed nor disagreed; 14.6per cent disagreed with the statement and 10.7per cent strongly disagreed with the statement

#### 4.16 Willingness to take business risks

Figure 24 demonstrates the willingness of respondents to take business risks.

**Figure 24: Willingness to take business risks**

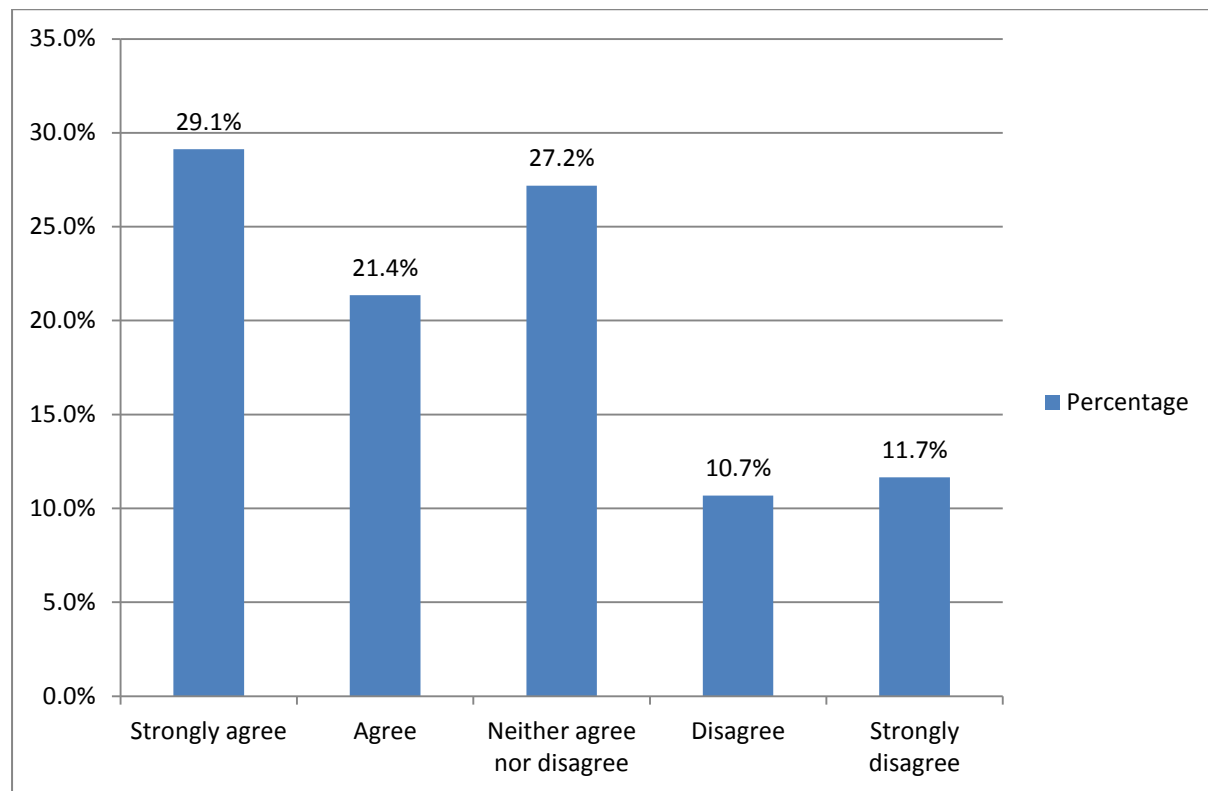


Figure 24 indicates that 29.1per cent of respondents strongly agreed that they are willing risk anything for the sake of their business; 21.4per cent agreed with the statement; 27.2per cent neither agreed nor disagreed; whilst 10.7per cent disagreed with the statement and 11.7per cent strongly disagreed with the statement.

According to Rwigema and Venter (2008), individual entrepreneurs must be committed and determined to defeat all forms of setback, which entrepreneurship presents and which other people view as very significant. Lambing and Kuehl (2007) indicated that entrepreneurship is not essentially about success but also about failures; most entrepreneurs become successful after a number of failures but commitment keeps them going.

#### 4.17 Competition factor

Figure 25 indicates the role of innovation on the part of respondents in overcoming the competition in the market.

**Figure 25: Competition factor**

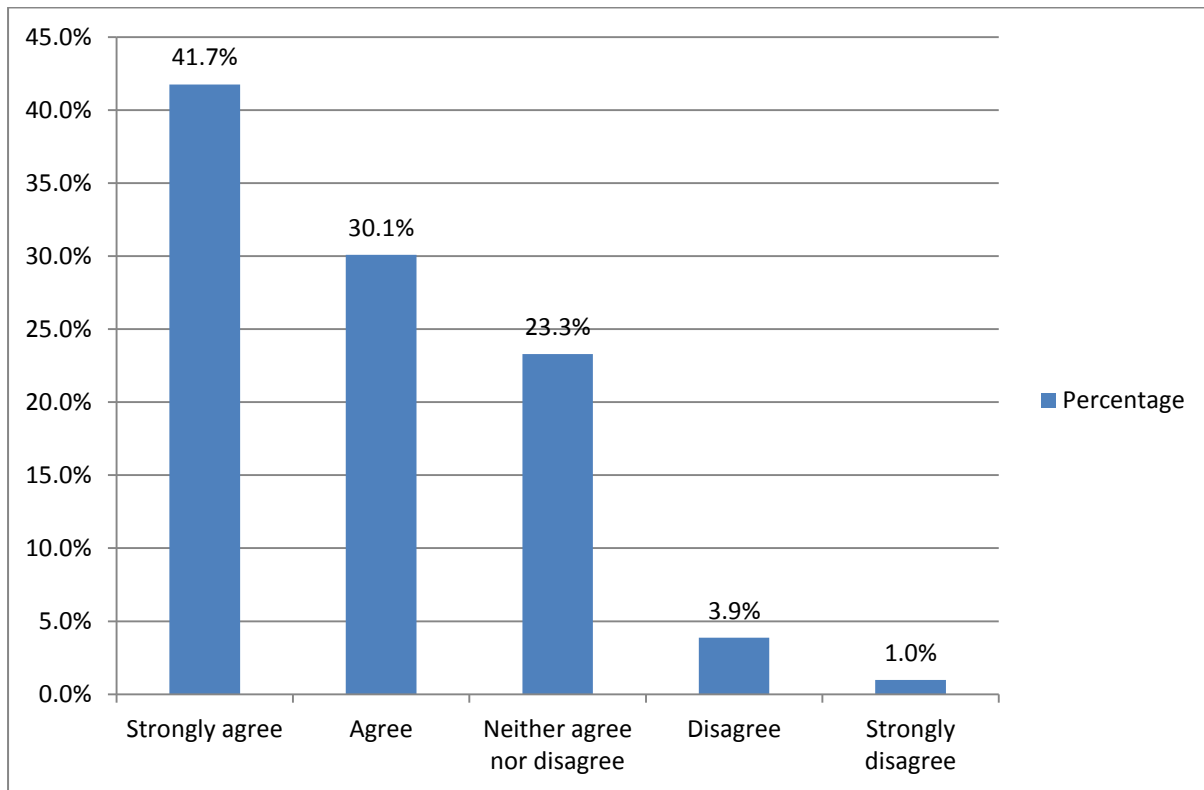


Figure 25 indicates the availability of strategy to beat competitors. 41.7per cent strongly agreed that they can overcome competition; 30.1per cent agree with the statement and 1per cent strongly disagreed with the statement.

#### 4.18 New methods of doing things

Figure 26 indicates the degree of innovation amongst the respondents in their entrepreneurial intentions.

**Figure 26: New methods of doing things**

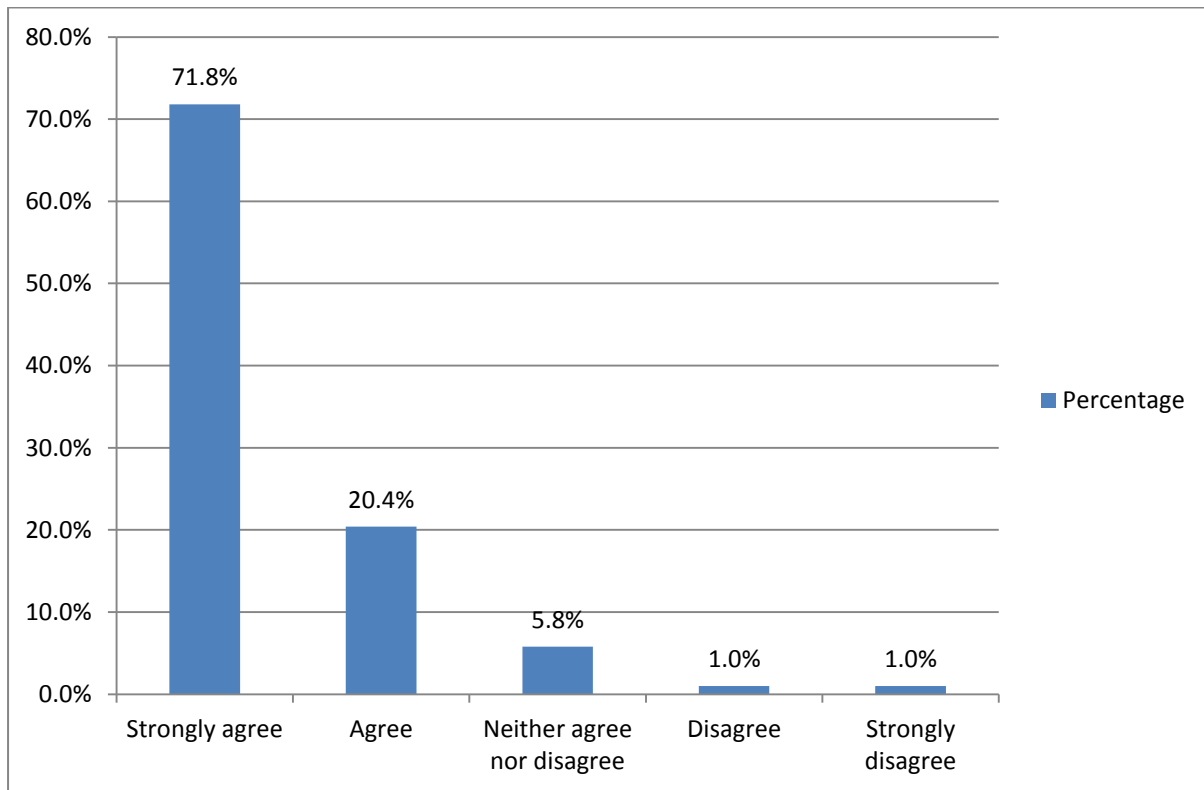


Figure 26 indicates that 71.8per cent strongly agreed that it is important to continuously look for new methods of doing things, 20.4per cent agreed with the statement; 5.8per cent neither agreed nor disagreed; 1per cent disagreed with the statement and another 1per cent strongly disagreed.



#### 4.19 The effect of family obligations on entrepreneurial intentions

Figure 27 indicates the importance of the family contribution to the respondent's entrepreneurial intentions.

**Figure 27: The effect of Family obligations on entrepreneurial intentions**

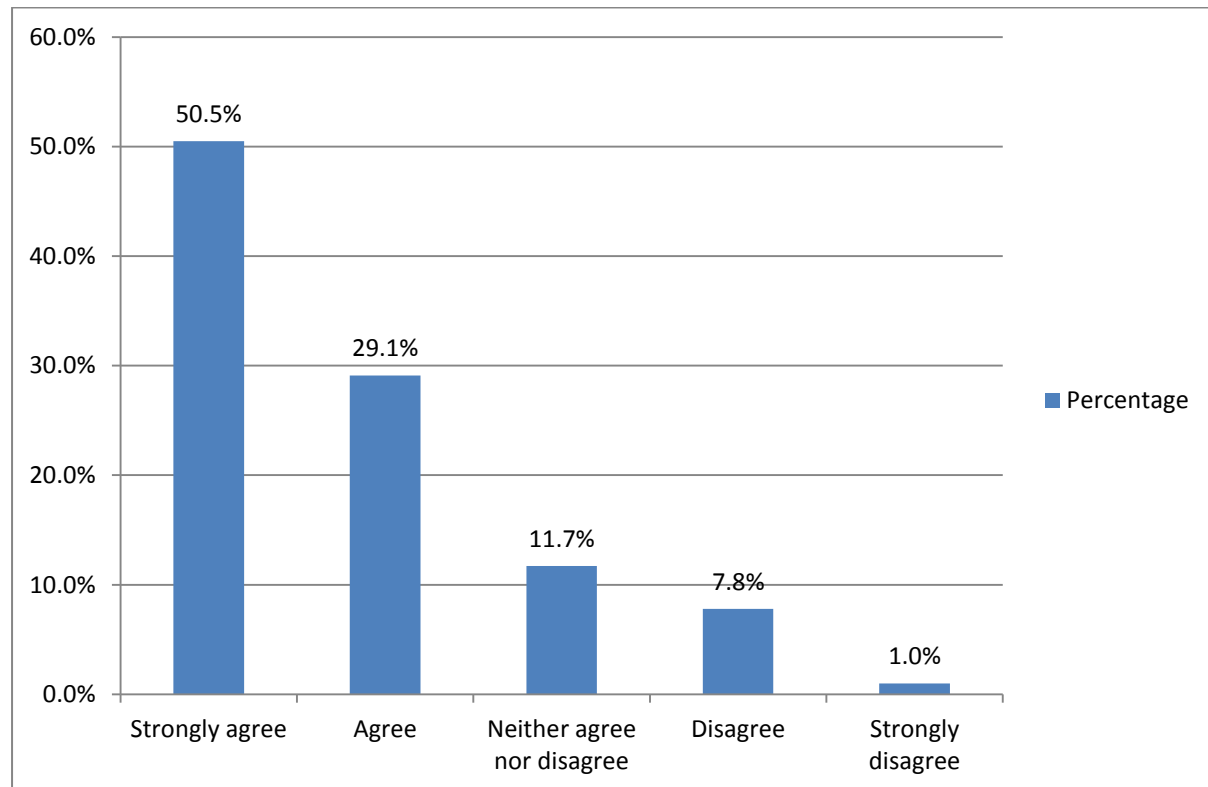


Figure 27 indicates that 50.5per cent of respondents strongly agreed that their family can positively and negatively contribute to their entrepreneurial intentions, 29.1per cent agreed with the statement and 11.7per cent neither agreed nor disagreed. The family background with entrepreneurial experience is more supportive and reliable than families with no entrepreneurial background (Bloodgood, 1995). Aldrich and Cliff (2003) argued that the families play a crucial role in the venturing process and thus deserve greater consideration in the entrepreneurship intention.

#### 4.20 Contingency table of gender and entrepreneurial intentions

Table 18 and 19 indicates the distribution of entrepreneurial intentions per gender of research participants.

**Table 18: Males and entrepreneurial intentions**

Males							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
C1	37	3	2	1	11	20	100
C2	37	3	3	4	10	17	100
C3	37	1	4	3	9	20	100
C4	37	2	3	4	12	16	100
C5	37	2	1	5	11	18	100
C6	37	1	2	4	14	16	100
C7	37	2	7	11	13	4	100

\*SD = Strongly disagree, \*D = Disagree, \*N = Neither agree or disagree, \*A = Agree, \*SA = strongly agree.

**Table 19: Female and entrepreneurial intentions**

Females							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
C1	66	7	6	13	15	25	100
C2	66	6	9	14	19	18	100
C3	66	5	8	8	17	28	100
C4	66	2	9	16	18	21	100
C5	66	6	6	13	14	27	100
C6	66	4	6	9	27	20	100
C7	66	10	16	18	9	13	100

\*SD = strongly disagree, \*D = Disagree, \*N = Neither agree or disagree, \*A = Agree, \*SA = strongly agree.

C1 = I would like to be an entrepreneur

C2 = I am prepared to become entrepreneur

C3 = I have strong intentions to start a business one day

C4 = I am determined to create a new business venture in the near future

C5 = I would prefer to be an entrepreneur rather than to be employed

C6 = the idea of starting my own business is appealing to me

C7 = I am in the process of starting my own business

#### 4.20.1 Gender and likelihood of becoming an entrepreneur

Figure 28 indicates the relationship between gender and entrepreneurial intentions of the respondents as extracted from table in 4.20.

**Figure 28: I would like to be an entrepreneur (cross-tabulation)**

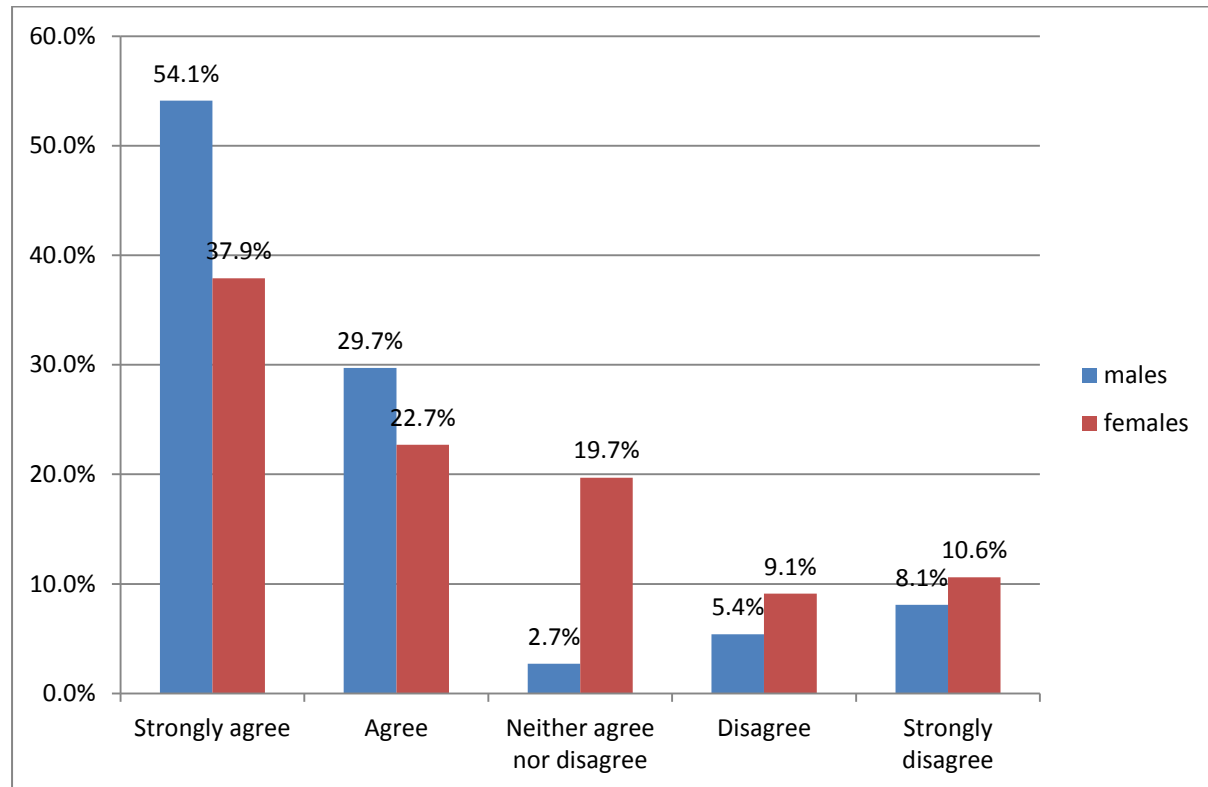


Figure 28 indicates that males have stronger entrepreneurial intentions than their females' counterparts regarding their willingness to become entrepreneurs. The overwhelming majority (54.1per cent) of males strongly agreed that they would like to become entrepreneurs compared to 37.9per cent of their female counterparts. This finding concurs with Verheul (2005) who found that the different access to opportunities and resources may result in women being disadvantaged in terms of previous experience and training, as a result, women may feel that they do not have necessarily entrepreneurship abilities.

Choitung *et al.*, (2012) surveyed 411 engineering students from three universities in Hong Kong and found out that male students have higher entrepreneurial intentions than females. Kolvereid and Moen (1997) confirm that males are more inclined to start a business than females.

#### 4.20.2 Gender and business idea

Figure 29 reflects the perception of the idea of starting a business by the respondents by gender as extracted from table in 4.26.

**Figure 29: The Idea of starting a business is appealing to me (cross tabulation)**

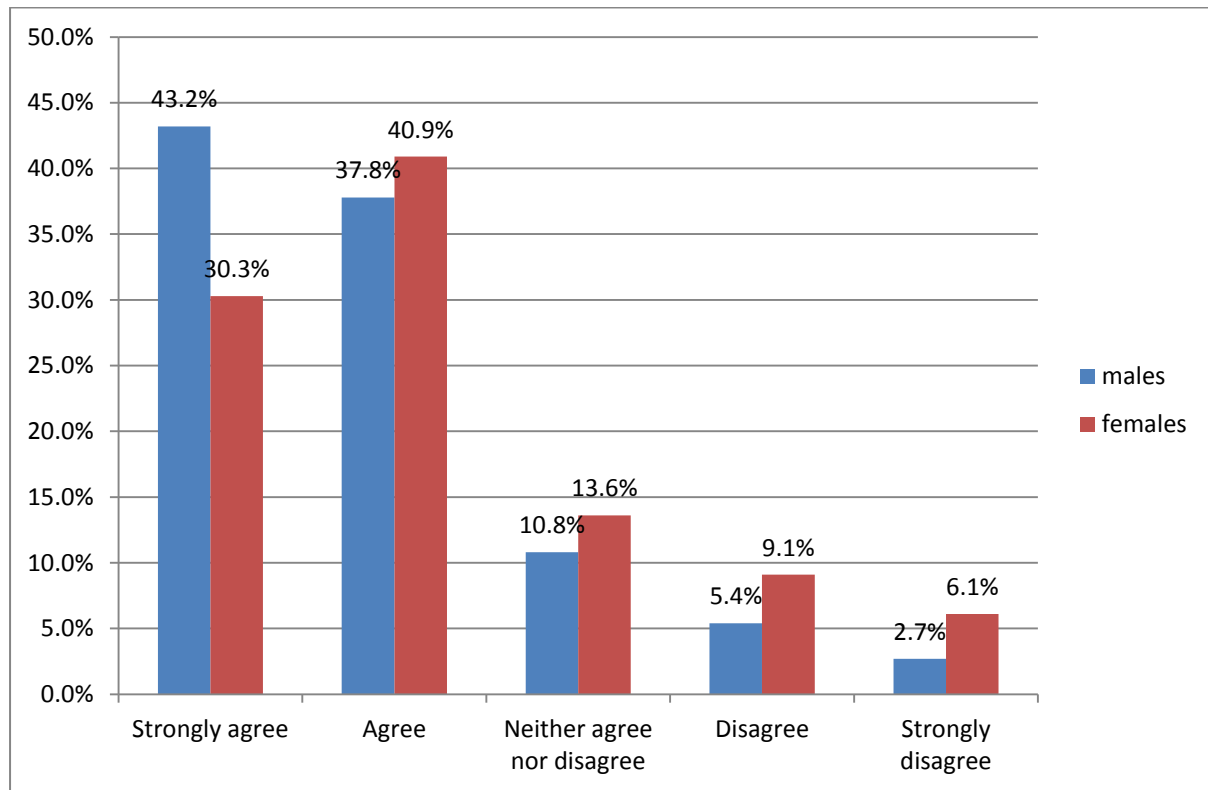


Figure 29 in the diagram above reflects that the majority of respondents (43.2per cent) of males strongly agree that the idea of starting a business is appealing to them compared to (30.3 per cent) of their females counterparts. Lee *at al.*, (2011) found that there are stereotypical images caused by the responsibilities of raising the kids and supporting families which have a negative influence on women. The government is encouraged to allocate resources to the nurturing of men and women who are interested in self-employment.

#### 4.20.3 Gender and Self-employment

Figure 30 illustrates the preference for self-employment between male and female respondents as extracted from table in 4.26.

**Figure 30: Preference for self-employment between males and females.**

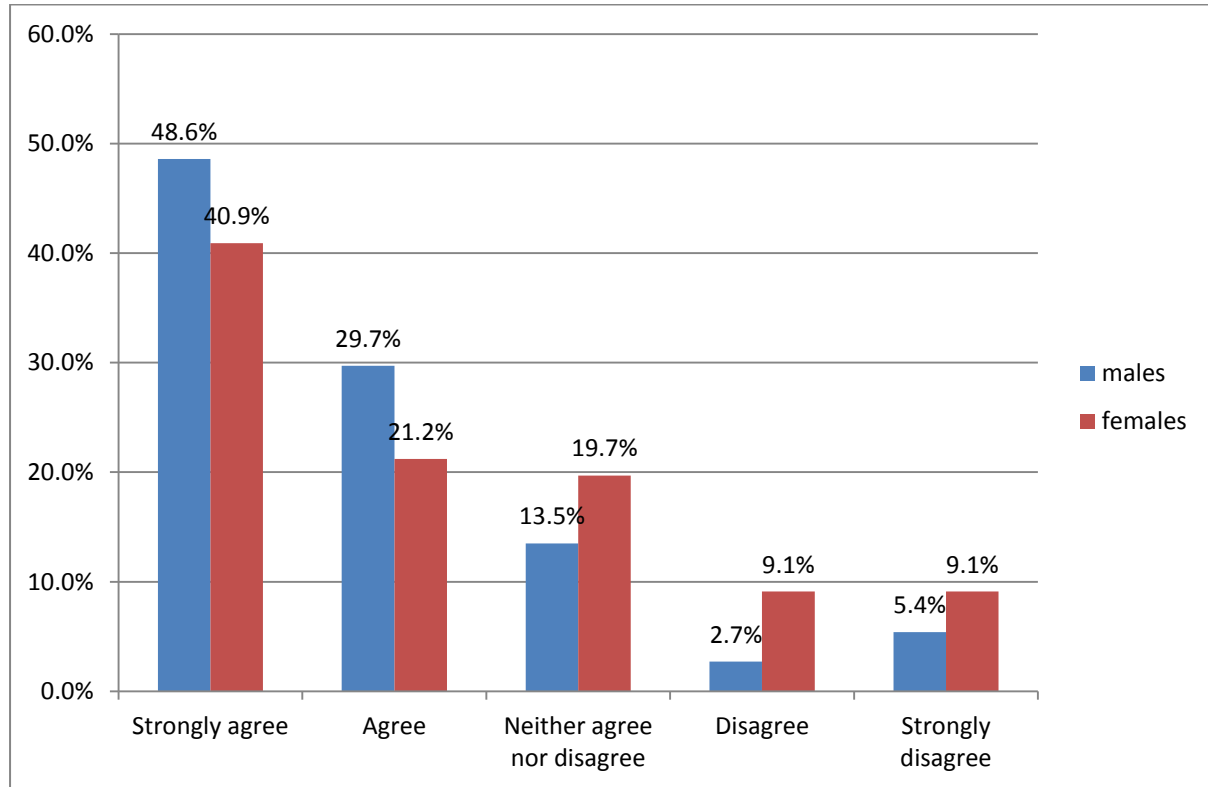


Figure 30 indicates that more males (48.6per cent) strongly agreed to be self-employed by comparison with 40.9per cent of their female counterparts. The total number of 29.7per cent of males agreed with the statement compared to 21.2per cent of the females. Chowdhury and Endres (2005) found that females are more likely to recognise that they have lower entrepreneurial skills, capabilities and performance than males. That could probably be the reasons why females do not prefer self-employment compared to their male counterparts.

Gupta (2014) has found that the number of female entrepreneurs has increased recently in countries like Spain, South Africa and other countries, however the evidence from researchers indicates that the number of business ventures owned by males is significantly higher than those owned by females and that twice as many men become entrepreneurs as do women.

#### 4.21 Contingency table of age and entrepreneurial intention

The below tables indicates the relationship between age and entrepreneurial intentions for respondents.

**Table 20: Entrepreneurial intentions for 18 – 20 years old**

18 – 20 years old							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
D1	19	4	2	4	4	5	100
D2	19	2	4	1	3	9	100
D3	19	0	2	1	4	12	100
D4	19	3	3	5	7	1	100
D5	19	3	3	3	4	6	100
D6	19	0	1	6	6	6	100
D7	19	2	4	1	3	9	100

**Table 21: Entrepreneurial intentions for 21 - 25 years old**

21 – 25 years old							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
D1	82	11	4	18	25	22	100
D2	82	4	7	9	23	39	100
D3	82	0	0	8	12	60	100
D4	82	15	19	19	21	6	100
D5	82	9	7	25	17	24	100
D6	82	1	2	18	24	35	100
D7	82	4	7	9	23	39	100

**Table 22: Entrepreneurial intentions for 25 - 30 years old**

25 – 30 years old							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
D1	2	0	1	0	0	1	100
D2	2	0	1	0	1	0	100
D3	2	0	0	0	0	2	100
D4	2	0	0	0	0	2	100
D5	2	0	1	0	1	0	100
D6	2	0	1	0	0	1	100
D7	2	0	1	1	0	0	100

\*SD = strongly disagree, \*D = disagree, \*N = neither agree nor disagree, \*A = agree, \*SA = strongly agree.

D1 = I am quite independent of opinion of others  
D2 = I enjoy the uncertainty and risk of various tasks  
D3 = I spend more time thinking about my future than my past  
D4 = I do not get excited on doing something on my own  
D5 = I am willing to risk for my business sake  
D6 = I believe that I can beat my competitors in the market  
D7 = I have strong intentions to start to start a business one day

#### 4.21.1 Uncertainty and risk factors per age

Figure 31 indicates that risk and uncertainty tolerance amongst the respondents differs depending on the age group.

**Figure 31: Cross-tabulation of enjoyment of uncertainty and risk**

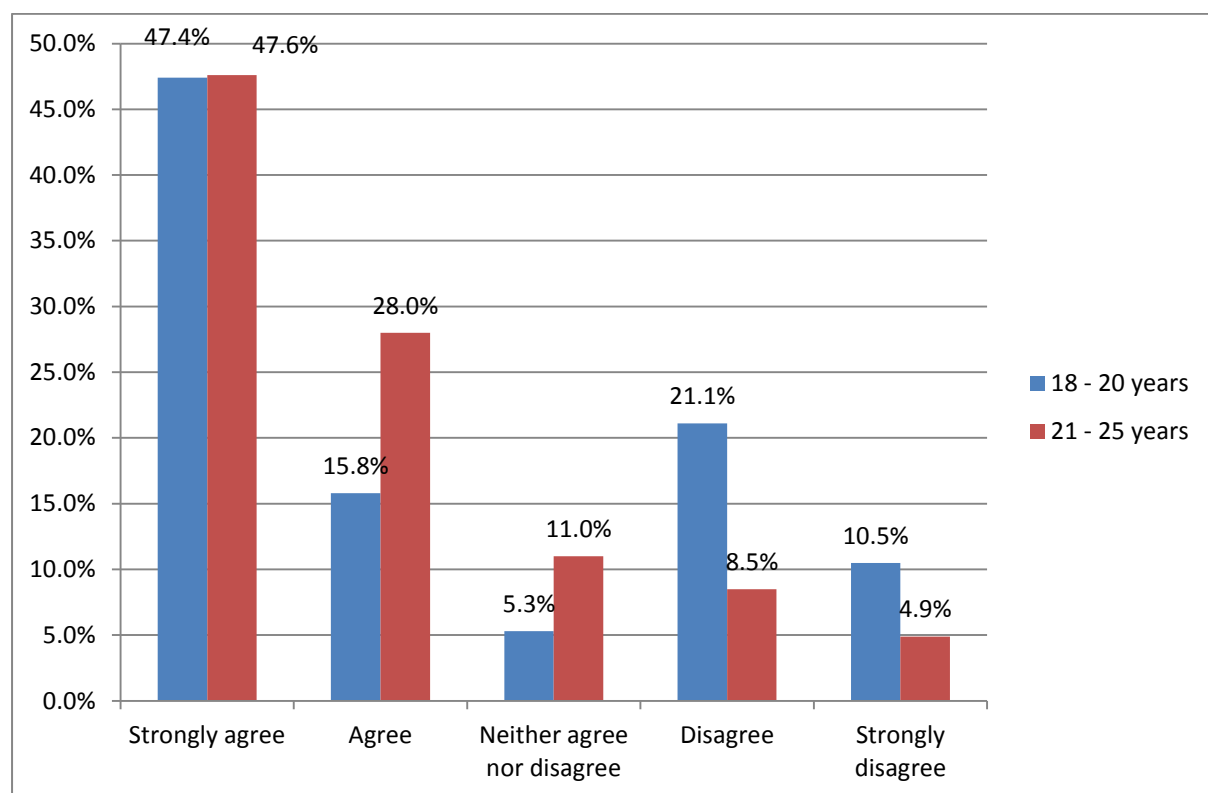


Figure 31 indicates the risk and uncertainty tolerance between respondents of two different age groups. The respondents between the ages of 21 to 25 strongly agreed that they enjoy the uncertainty and risk of various tasks compared to the 18 to 20 age group who constituted 47.4per cent. Most of the literature has reflected the impact of gender on fear of failure; women in general are more opposed to taking risks than men (Kwong, 2009). The women in all countries in the *GEM* sample (except Japan) reported fear of failure more often than men (Minniti, 2009). The Global Entrepreneurship Monitor has examined the entrepreneurial activities in more than 70 countries and the results have indicated the low participation by women in terms of entrepreneurship (Kwong, 2009).

#### 4.21.2 Commitment to entrepreneurship per age group

Figure 32 indicates the level of commitment to entrepreneurship intentions per age group.

**Figure 32: Age and willingness to risk for business**

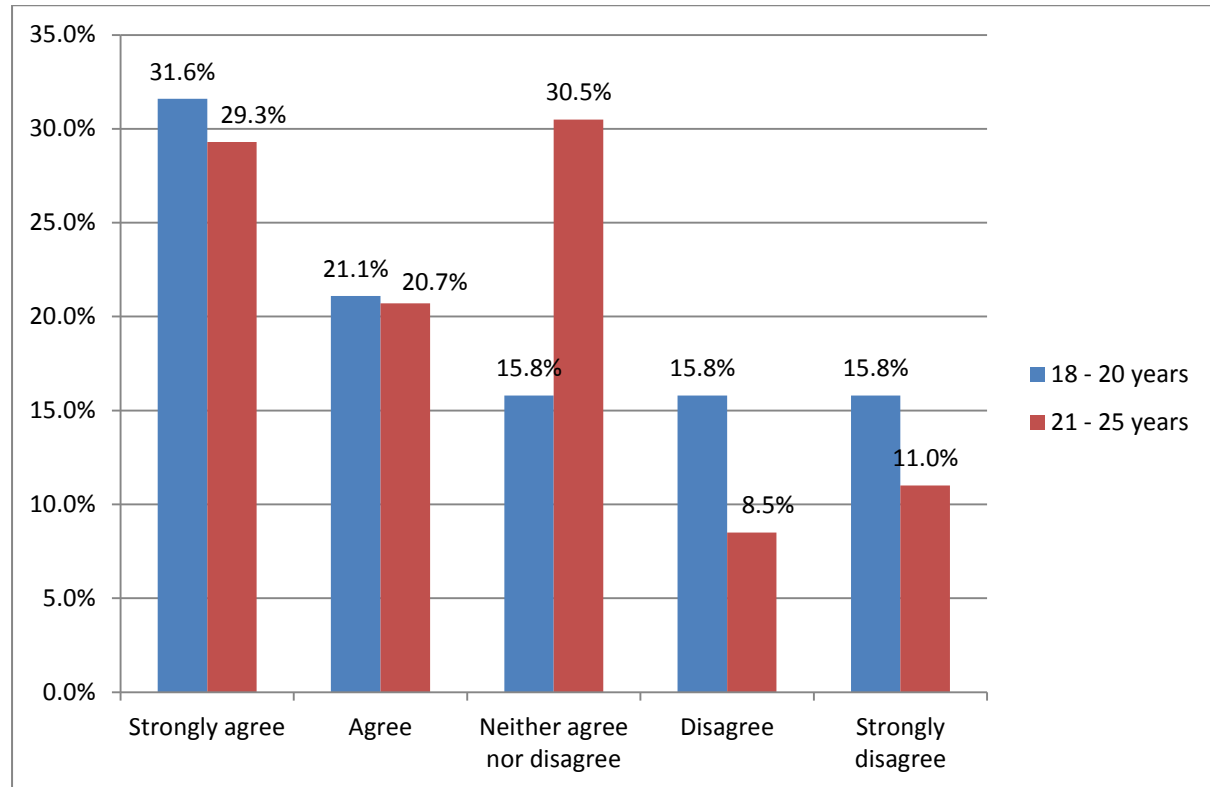


Figure 32 indicates the risk factor which comes with age. The diagram above shows that the respondents aged 18 – 20 are more committed to their entrepreneurship intentions (31.6per cent) than 21 – 25 years old counterparts who constituted (29.3per cent). The age itself does not matter in trying to forecast entrepreneurial success, but experience does, and often times, that comes with age. Smart entrepreneurs that lack experience can offset that by surrounding themselves with experienced mentors (Deeb, 2015).



### 4.21.3 Age groups vs entrepreneurial intentions

Figure 33 indicates the level of entrepreneurial intentions per age group.

**Figure 33: Age and strong intentions for business**

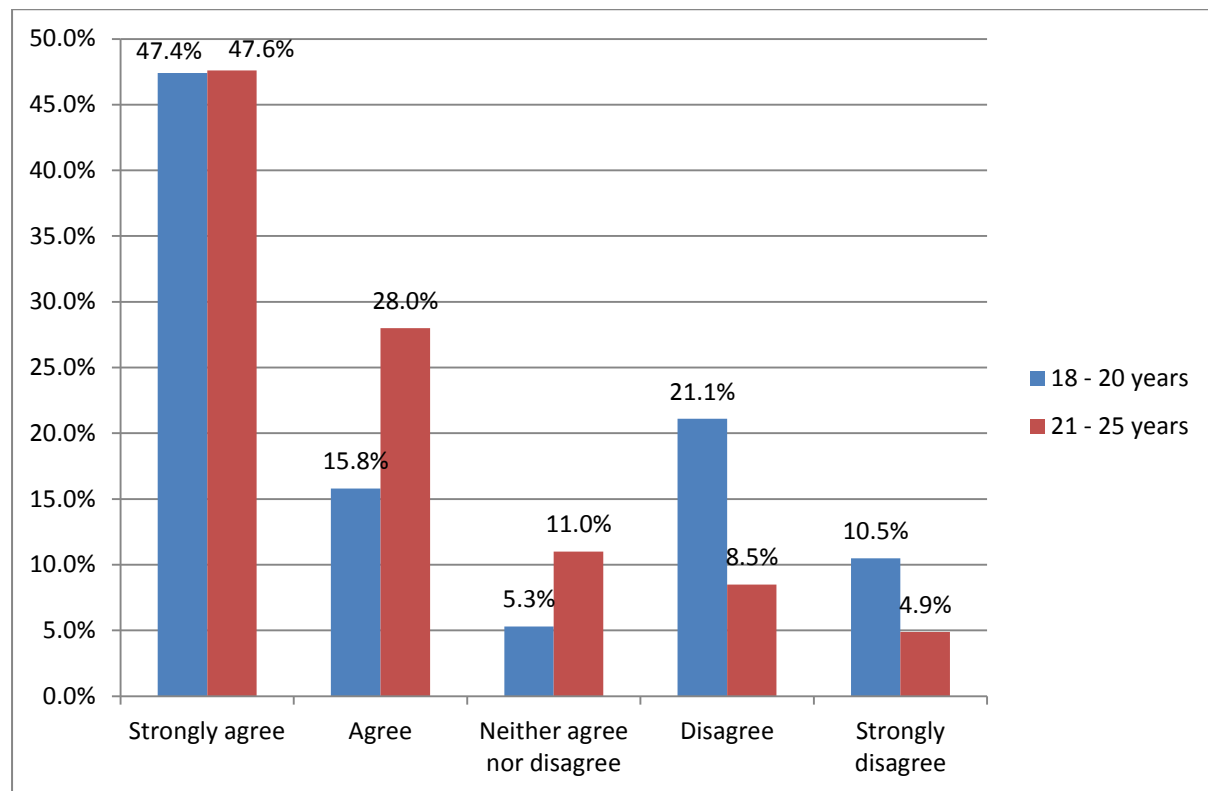


Figure 33 indicates that respondents aged 21 – 25 have strong entrepreneurial intentions 75.6per cent (47.6 + 28) by comparison with the 18 – 20 year old 63.2per cent (47.4 + 15.8). On the other hand the majority of 18 – 20 years old respondents do not agree that they have strong intentions for business. A proximal predictor of the decision to become an entrepreneur is seen in the entrepreneurial intention; which signals how intensely one is prepared to commit to the effort to carry out entrepreneurial behaviour (Ferreira, 2017).

#### 4.22 Respondents on independence opinion of others

Entrepreneurs are expected to be confident in the foreseeable future in dealing with all business operations and they must always maintain a high level of enthusiasm. Rwigema and Venter (2008) indicated that an entrepreneur must be known for his or her external optimism in the face of serious drawbacks during the course of entrepreneurship activities. The below table indicates the independent of opinion from others from respondents.

**Table 23: Independent of the opinion from others**

<b>Entrepreneurial intention</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Strongly agree	29	28.2	28.2	28.2
Agree	30	29.1	29.1	57.3
Neither agree or disagree	22	21.4	21.4	78.7
Disagree	7	6.8	6.8	85.5
Strongly disagree	15	14.5	14.5	100
<b>Total</b>	<b>103</b>	<b>100</b>	<b>100</b>	

The total number of 57.3per cent (28.2 + 29.1) believe that they are quite independent of the opinions of others compared to 21.3per cent (6.8+ 14.5) of respondents who disagree with the statement. Akhter and Sumi (2014) defined an entrepreneur as a change seeker who responds to change and uses it as an opportunity.

According to Masi (2007), an entrepreneur is a self-confident risk-taker who creates products and markets these to make money. Risk taking is an important personal characteristic which is fundamental in entrepreneurship because without risk there is no reward and most entrepreneurs who succeeded in life have taken risks. Some resign from their permanent jobs, some invest all their savings or borrow some money from family, friends and from banks in order to pursue their entrepreneurial notions. The entrepreneurs were found to be people who give colour to the environment and who through their vision see what other people cannot see. They are also seen as the creators of their own entrepreneurial environment since they are the deciders and not the implementers of other people's decisions.

#### 4.23 Entrepreneurial intention of the respondents based on gender

The multiple studies have indicated that males are expected to have stronger entrepreneurial intention than their female counterparts. Chapter two of this study mentioned the findings from several different countries that indicated that men have stronger entrepreneurial intentions than women. Table 24 and 25 compared the percentage of respondents who had strongly agreed with the entrepreneurial intention factors.

**Table 24: Overall Males entrepreneurial intentions**

Males							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
C1	37	3	2	1	11	20	100
C2	37	3	3	4	10	17	100
C3	37	1	4	3	9	20	100
C4	37	2	3	4	12	16	100
C5	37	2	1	5	11	18	100
C6	37	1	2	4	14	16	100
C7	37	2	7	11	13	4	100

**Table 25: Overall Female entrepreneurial intentions**

Females							
Variables	No	Percentage (%)					Total
		*SD	*D	*N	*A	*SA	
C1	66	7	6	13	15	25	100
C2	66	6	9	14	19	18	100
C3	66	5	8	8	17	28	100
C4	66	2	9	16	18	21	100
C5	66	6	6	13	14	27	100
C6	66	4	6	9	27	20	100
C7	66	10	16	18	9	13	100

\*SD = strongly disagree, \*D = Disagree, \*N = Neither agree or disagree, \*A = Agree, \*SA = strongly agree.

The statistical significance of gender differences amongst the respondents with regard to their entrepreneurial intention were tested using the nonparametric Mann-Whitney U test. The test revealed that male respondents differed significantly, statistically (at the 1per cent, 5per cent and 10per cent levels of significance) from female respondents. They did so with regard to six of the seven factors of entrepreneurial intention. This includes “I would like to be an entrepreneur” (C1,  $p = 0.000$ ), “I am prepared to become entrepreneur (C2,  $p = 0.000$ ), “ I

have strong intentions to start a business one day (C3,  $p = 0.000$ , I am determined to create a new business venture in the near future” (C4,  $p = 0.000$ , “ I would prefer to be an entrepreneur rather than to be employed” (C5,  $p = 0.000$ ), “ the idea of starting my own businesses is appealing to me” (C6,  $p = 0.000$ ) and “I am in a process of starting my own businesses (C7,  $p = 0.000$ ).

#### **4.24 Entrepreneurship exposure**

The institutions of higher learning should establish synergies with many companies so that the students can do their practical work in those institutions and also gain some experience on how to establish and manage their own smaller businesses. According to Memani (2013), 60per cent of respondents from University of KwaZulu-Natal indicated that the University has played a decisive role in exposing them to entrepreneurship and this finding supports the studies from other scholars like Basu and Virik (2008) that entrepreneur education has a positive effect on student attitudes towards a career in entrepreneurship. It is difficult to fall in love with something that you do not know or have ever been exposed to. As a result exposure is crucial in stimulating the desire for entrepreneurship and the entrepreneurship awareness should focus more on the benefits and impact rather than on disadvantages and challenges.

The South African government through its job summit should partner with small businesses to assist students with a platform to do their practical assignments in both formal and informal business settings so that they can gain some practical work experience which will stimulate their entrepreneurial intention.

#### **4.25 Conclusion**

This chapter has presented and interpreted the findings of the survey. Interesting results emerged with regard to the relationship between the key variables of this study namely, entrepreneurial intention, exposure to entrepreneurship education, and social capital. The results indicate that the majority of the respondents, irrespective of their qualifications, had the intention to start a business. Entrepreneurship intention of males differed significantly from those of their female counterparts on seven out of eight entrepreneurial intention factors. With regard to the antecedents of entrepreneurial intention, all seven factors measuring the attitudes towards becoming an entrepreneur were statistically and significantly related to all eight entrepreneurial intention factors. The findings indicate that some statistical relationship

exists between the factors constituting social capital, entrepreneurial support and entrepreneurial intention

The next chapter will present the conclusion and recommendations made in the light of the findings presented in this chapter. The primary and secondary objectives were revisited and this is followed by an indication of the extent to which they were achieved. A summary of the conclusion regarding the key research questions is also given together with the key research findings which were addressing the main objectives of this study. There was a consensus that entrepreneurship is the best instrument which can begin to address the social and economic challenges facing the country as a whole, like unemployment, poverty, crime, inequality and under-employment. The tertiary institutions were portrayed as pioneers of cultivating entrepreneurial behaviour amongst the NARYSEC students.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study investigated the factors affecting entrepreneurial intentions of NARYSEC students, with particular reference to the Thaba Nchu College in the Free-State. The previous chapter presented the findings of the study. Based on the issues explored in the study and research findings, this chapter gives the general findings and recommendations for future studies in the field of entrepreneurial intentions. The first part of this chapter provides general conclusions by reviewing the contribution of each chapter of the research.

#### **5.2 Main research questions**

This study was guided by the following research questions:

- What are the factors which affect entrepreneurial intentions amongst the NARYSEC Students?
- How committed are the NARYSEC students to their entrepreneurial intentions?
- Which factors motivates and demotivates entrepreneurial intentions of NARYSEC students?
- How does the internal and external environment affect the entrepreneurial intention?

#### **5.3 Research objectives**

Following the identification of the research problem, this study sought to address the following objectives:

- To identify the determinants affecting entrepreneurial intention amongst NARYSEC students;
- To determine the level of entrepreneurial intentions amongst NARYSEC students;
- To determine the motivation towards and obstacles to achieving entrepreneurial intention for NARYSEC students; and
- To identify the influence of both the internal and external environments that has an impact on entrepreneurial intentions of NARYSEC students.

The objective of the study was prompted by the fact that graduates possess minimal entrepreneurial intention and seek employment compared to initiating their own business ventures (Fatoki, 2013). Furthermore, this study aims to transform the status of relying on established firms for opportunities compared to using the skills acquired through tertiary level and converting them into opportunities of building a business venture in order to create more opportunities for ordinary citizens who do not possess entrepreneurial skills (Amos *et al*, 2015).

The study focuses more on entrepreneurial intentions and factors which influence entrepreneurial intentions. It was noted that there is a direct relationship between attitudes towards entrepreneurship and entrepreneurial intention. The perceived behavioural control was regarded as one of the core functions of entrepreneurial intentions. However, it was noted that respondents were more interested in entrepreneurial education as it molds their skills which is needed to be a successful entrepreneur (Ndovela, 2016).

#### **5.4 Conclusion of empirical findings and literature review**

Peneder (2009) described entrepreneurship as one of the concepts in economics which is difficult to provide a precise meaning, given its multiplicity of functions and involvement of various specialists. However, Timmons and Spinelli (2003) defined entrepreneurship as a way of thinking, reasoning and acting that is opportunity-based, holistic in approach and leadership balanced. The findings indicated that there was positive thinking and reasoning about entrepreneurship, even though that might not translate into imminent action but if this level of thinking and reasoning is channelled properly more entrepreneurship ventures can be anticipated in the country.

##### **5.4.1 The importance of entrepreneurial intentions**

Memani (2013) indicated that the entrepreneur plays a crucial role when considering the behaviour of enterprises and takes on a greater responsibility for the maintenance of a free enterprise society. Sheepers *et al.*, (2009) stated that entrepreneurship was typically associated with job creation, venture creation, innovation, rejuvenating of existing businesses and accelerating national economic growth. The results showed that a greater percentage of this sample of respondents would want to become entrepreneurs (68.9 percent). This seemed to suggest that the respondents were exposed to number of successful entrepreneurs who they wish to emulate. In this study, entrepreneurship was established to be a major phenomenon in triggering self-employment (Gries, 2011). Entrepreneurship education was noted as acquiring

skills necessary for one to develop a norm in terms of business ventures using skills that have been offered to them. These skills can be used to pursue new business ventures in order to create job opportunities. These findings are in line with Kaijage and Whller (2013) who found that entrepreneurship education has a direct relationship with entrepreneurial intentions.

It was noted that the subjective norms, which can be defined as individual's belief on the norm of the people around and one's motivation to obey the norm. Ajzen (2012) indicated that perceived behavioural control is perceived as one of the core functions of entrepreneurial intentions. Theoretically, it has been noted that perceived behavioural control is associated with entrepreneurial intentions, and evidence from this study confirms the findings by Uygun and Kasimoglu (2013 and Ajzen and Cote (2008).

#### **5.4.2 Attitudes towards entrepreneurship**

According to the theory of planned behaviour, the students would need to have a positive attitude to start a business. The attitudes will lead to intentions and the intentions would often result in entrepreneurial behaviour (Ajzen, 1991). The results showed that the majority of respondents had positive attitudes towards entrepreneurship with most of them expressing preference for self-employment. A positive attitude towards entrepreneurship is the first step in the right direction towards job creation and financial breakthrough, Vuuren (2018). It is encouraging that the large number of respondents perceived entrepreneurship as a career of choice. It could be envisaged that in the medium to long term, these aspiring entrepreneurs would create job opportunities and create wealth for themselves which will result in economic growth. The education system was seen as crucial to the development of positive attitudes because of its role in the development of critical thinking skills.

Risk-taking propensity refers to a trend to take risk while entrepreneurship has always been associated with risk-taking tendencies. Zhao *et al.*, (2010) found that individual with a greater risk acceptance had a stronger levels of entrepreneurial intention. It was noted that students with proactive personalities play a major role in entrepreneurship education. According to Ndovela (2013), personality traits can be associated with an individual's behaviour in terms of entrepreneurship, and factors of personality can easily determine if one has an ambition to be an entrepreneur.



### **5.4.3 The likelihood of becoming an entrepreneur**

The majority of respondents (68.9 per cent) showed a positive attitude towards starting their own businesses. The positive likelihood is encouraging, given that not all students were exposed to entrepreneurship at the family or school levels. Souitaris *et al.*, (2006) caution that the high number of students could have positive entrepreneurial intentions due to the effect of an enthusiasm generated by their business plan academic project, but it could dissipate soon after, rather than be translated into starting a business. Ajazen (1991) pointed out that positive attitudes were needed for entrepreneurial behaviour to be realised, and it was indicated that the attitude will lead to intention.

Memani (2013) indicated that fear amongst students was rather to seek employment first as it would be easier to go through job interviews rather than facing the challenges of starting a new business venture. He further highlighted a need for enterprise education to empower students with appropriate skills that would enable them to consider self-employment sooner than later and the government and private sector should also make it easy for aspiring graduates to access support that will assist them to start their businesses immediately after graduation.

## **5.5 Addressing research objectives:**

### **5.5.1 Addressing research objective one**

The purpose of this study was to identify the determinants affecting entrepreneurial intention amongst NARYSEC students. This objective was achieved by asking the respondents to state whether they strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree with the statements related to personality factors affecting the students. The results of the study indicated that there are four main factors which affect entrepreneurial intentions; namely personal background factors, motivational factors, contextual factors and personality trait factors. The results of this study concurs with Wang and Wong (2008) who found that age, gender, educational level and family business experience have a significant impact on an individual's entrepreneurial intention. The study revealed that males have a higher inclination towards self-employment than females.

The results shows that respondents are motivated to start-up their businesses in order to provide security for themselves and their families; hence it was found that the desire to earn more money and lack of appropriate job opportunities are the key motivators to business

start-up. Motivational factors also influenced student's entrepreneurial intention because they believe that entrepreneurship can give them high status while they are contributing to the economic development of the country. The social network factor was identified as one of the greatest contributors to an individual's entrepreneurial intention.

Personality factors affect the individual's career decision and there are some specific personality traits which affect entrepreneurial intentions such as self-confidence, risk taking capacity, internal locus of control, innovativeness and autonomy (Chell and Allman, 2003). Self-confidence is regarded as a valuable personal asset which is a key to entrepreneurial success because it improves individual motivation to understand entrepreneurship and to persevere in pursuing goals (Ajazen, 1988). The study revealed that the respondents with entrepreneurial intentions have significantly higher scores in risk taking and the need for achievement was identified as another key factor which influences respondent's entrepreneurial intentions. The risk factors assist in distinguishing the entrepreneurs from the employees. Without risk of venturing into entrepreneurship, potential entrepreneurs will not experience failure and therefore will not learn from their mistakes.

The acceleration and sustainable development of self-employment as a possible solution to unemployment will prompt the policy makers to design the policies and curriculum which will encourage self-employment as a career of choice, particularly amongst students and also to change the mindset and perception that public and private jobs are considered as 'good jobs' while self-employment is regarded as a 'bad job' choice.

### **5.5.2 Addressing research objective two**

The purpose of this objective was to determine the level of entrepreneurial intention amongst NARYSEC students. This objective was achieved by asking respondents to state whether they strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with the statements related to the level of commitment to their entrepreneurial intentions. The respondents were asked if they were prepared to become an entrepreneur. The majority of them agreed that indeed they are prepared to do anything to ensure that their entrepreneurial intentions are executed. Doing 'anything' would probably mean working hard, working long hours, and sacrificing a lot of things for the sake of fulfilling their entrepreneurial purpose. The majority of respondents also agreed that they have strong intentions to establish their businesses and they are determined to create new ventures. Some of them indicated that they are willing to do anything, legally and ethical possible for their businesses to survive. The

objective was met because some of them indicated that their level of commitment compels them to start with the process of establishing their own businesses. Nemko (2005) argued that real entrepreneurs have fire in their bellies which cannot be stopped by anything. The overall level of NARYSEC student's entrepreneurial intention was satisfactory considering their level of education and the lack of practical exposure to the entrepreneurial environment. The objective was achieved as the overall level of entrepreneurial intention was considered as very strong.

### **5.5.3 Addressing research objective three**

The purpose of this objective was to determine the personality motivation and obstacles on entrepreneurial intention of NARYSEC students. This objective was addressed in Chapter 4 where the respondents were asked to state whether they strongly agree, agree, neither agree or disagree, disagree or strongly disagree with the personality questions like, the research instrument focus on personal question to address this objective like willing to take risk, independency and competition. The results confirms what Luthje and Franke (2003) found that propensity for the risk taking, locus of control, lack of government assistance, infrastructure issues, lack of training, poor contract and property laws, corruption, environmental support and contextual barriers were found to have an influence of individual's entrepreneurial intention.

The study revealed that the majority of students have Grade 12 as their highest qualification during the time of the survey. Herrington and Wood (2007) confirm that lack of education and training has reduced management capacity in new firms in South Africa. The obstacles includes competition, lack of innovation, lack of capital and restrictive government policies. The objective was achieved as it was established that students are focusing more on motivation like to determine their own salaries and pay date rather than on obstacles which exist. This finding was viewed as encouraging given the level of unemployment and inequality in the country.

The literature review indicated that the potential graduate entrepreneur can be motivated to start a new business but capital can be a challenge. Maas and Herrington (2006) indicated that lack of financial support is the second major contributor to low TEA rate in South Africa and the need for capital is common to everyone.

#### **5.5.4 Addressing research objective four**

The purpose of this objective was to identify the influence of the internal and external environments on entrepreneurial intention of NARYSEC students. The study has established that the environment has a strong influence on the invention, survival and growth of business ventures and the entrepreneurial environment is the combination of factors that play a role in the development of entrepreneurship. The study addressed this objective by focusing on the socioeconomic conditions which affect the entrepreneurial environment.

Chapter 4 recorded the results of this objective that noted that internal factors such as experience, skills, knowledge and external factors such as government regulations and the economic climate discouraged the respondents from starting their businesses. The objective was achieved because respondents indicated that they lack business skills and experience that would enable them to start and run their businesses successfully. This showed that if respondents were provided with appropriate entrepreneurial skills, the probability of starting their businesses after graduation would be increased. The findings concur with Gnyawali and Fogel (1994) that favourable attitudes of the society towards entrepreneurship and a wide spread public support for entrepreneurship activities are both needed to motivate people to start their new businesses.

The results of the study show that the external entrepreneurial environment and entrepreneurial education influence the attitudes of students towards new business creation. Furthermore, it indicated that there was a certain level of thinking and reasoning about entrepreneurship, even though that might not translate into immediate action based on identified opportunity. A need was identified to increase the level of thinking through exposure to entrepreneurship using internal factors such as role models and the education system as well as external factors such as government policy and private sector initiatives. The presence of successful entrepreneurs in the society conveys a message to the potential entrepreneurs that operating a business can be an attractive career option.

#### **5.6 Recommendations of the study**

In order to take the process of thinking and reasoning into action, the researcher recommends the following:

##### **5.6.1 NARYSEC College**

NARYSEC should design the appropriate content for their entrepreneurship courses or programmes which should emphasize stimulation of the entrepreneurial intention amongst the

students by pointing out its positive benefits for the rural communities where these students come from. A review of current skills development programmes should be undertaken to determine success, failures and gaps. The NARYSEC curriculum should include entrepreneurship from 1<sup>st</sup> year to final year because the results indicated that students from business studies related courses are more encouraged by current studies to become business owners than those in other disciplines.

The method of teaching entrepreneurship should be evaluated because the theory alone is not enough to inspire students to start their own businesses, the college must partner with some small and established businesses so that the students can get an opportunity to gain experience in their preferred area of specialization. Devonish *et al.*, (2010) found that in-service programmes enhance student's awareness of entrepreneurial opportunities and students will therefore understand the need for responsibility and accountability which comes from having their own businesses.

The college should also partner with other institutions which can provide mentorship to students who aspire to start their own businesses. This could be done by setting up the NARYSEC incubators group who will teach the students how to start and run their own businesses practically. The NARYSEC incubators could partner with the Department of Small Businesses, Department of Trade and Industry, Youth Development Agency etc. The college should verify the efficiency of its initiatives by regularly conducting feedback sessions and by inviting the business owners and potential business owners to share their best knowledge and experience.

The college should maintain a database of all existing businesses which were started by students so that they can become the nerve centre for development of potential entrepreneurs and they should receive continuous assistance and guidance from the college to ensure that those small businesses grow and thrive.

### **5.6.2 Government**

The youth are aspiration of the nation and possess productive ideas for the country's future development. It is critical that entrepreneurial intentions be injected to the lower levels of education, especially in primary and high schools. This will result in the youth embarking on self-employment rather than organisational employment. Therefore, growth of the

entrepreneurial intention amongst youth is essential for poverty reduction and employment generation; as a result is recommended that government should develop policies which will expose every South African learner to entrepreneurship from the primary school level. This will ensure that learners grow up thinking and reasoning about entrepreneurship, and this thinking could propel them to put their ideas into action. By the time learners reach tertiary level, some of them would have started a business or would be considering starting their businesses after graduation. The entrepreneurship intentions should be stimulated by allowing the students to discuss and implement their own business ideas in class as research projects. It is envisaged that learners should grow a capacity to assess their own entrepreneurial capabilities so that they do not discover their potential only at tertiary level. This statement was confirmed by Memani (2013) that the education system has an important role to play in cultivating a entrepreneurial mindset amongst students so that they can recognise opportunity and can be innovative in creating businesses and astute enough to recognise when a business is failing.

The government should run an awareness campaign to encourage young graduates to start their own businesses. The government incentives and assistance should be known through intensive marketing by the government so that young people can benefit from those incentives which are available. At present, there is no business competition that targets university graduates from rural areas. The government should encourage competition which starts from district level, to provincial level so that the top 20 contenders can be awarded with different prizes in the form of cash which they will invest in their businesses. This can also encourage pro-activeness and innovation amongst the students and, as a result, entrepreneurial intentions could be stimulated and this will encourage implementation.

The government should develop policies which support the domestically produced products by imposing more tax on the imported products so that more products can be produced locally and can even be exported to other countries.

### **5.6.3 Family and society**

The family and society should encourage the students to become the best entrepreneurs particularly in their own villages and communities by supporting them. The parents should teach their children how to save money and how to develop good business ideas from their childhood. The NARYSEC and government alone cannot change the mindset of being job seekers to being the employer since this mindset needs to be inculcated from childhood.

According to Rogoff and Heck (2003), entrepreneurs are inseparably linked to their families and rely on their support in pursuing their entrepreneurial endeavours since they share a common identity and have strong mutual bonds of trust and often have opportunities to discuss business ideas.

### **5.7 Contribution of the study**

The study aimed to contribute to the body of knowledge in the field of entrepreneurial intention. It generated insights, specifically on NARYSEC students' entrepreneurial intention. It revealed the extent of entrepreneurial intentions of NARYSEC students in SA. The study findings can be applied to other society groups besides students and also in other African countries, since they are currently sailing in the same economic waters (Sachs and Warner, 1997).

The research findings are important in providing understanding of the current state of entrepreneurial intention amongst the NARYSEC students, since it has the potential to contribute to public policy disclosure on entrepreneurship and its encouragement of colleges to design appropriate entrepreneurship skills development programmes for the students. Finding ways to initiate and improve the educational system to enhance the entrepreneurial spirit of students is important in helping to alleviate poverty and unemployment.

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

The researcher acknowledges that the research study has a study limitation since the findings of the study can only be generalised to the population from which the sample is selected. The future researcher's should conducted their research on the broader scale which may yield more and accurate results.

The study is also limited to the perception of potential graduates about the factors that influence entrepreneurial intentions. The real factors encountered by entrepreneurs who actually started their own business ventures are not investigated in this study.

### **5.9 Needs for further research**

This research focused on the 2018 registered NARYSEC students from Thaba Nchu College in the Free State. It is suggested that future researchers should conduct a comprehensive research project by conducting a comparative analysis of current and past NARYSEC students to make a better generalization. The researcher also recommends the inclusion of

other variables which may determine the entrepreneurial intentions of NARYSEC students and further recommends the comparative study between NARYSEC students and students from other universities. Lastly there should be a study conducted into a comparison of entrepreneurial intentions at various stages from primary, secondary, tertiary and this should include members of the working class so that we can have a better picture of entrepreneurial intention in the country as a whole.

### **5.10 Conclusion**

This study was undertaken to determine factors affecting entrepreneurial intentions of NARYSEC students. Even in the developed industrial economies, entrepreneurship is seen as a catalyst for economic growth that many countries are still pursuing as a strategy to reduce the unemployment and in-equality amongst their citizens. The study indicated that entrepreneurship development and job creation cannot be separated. The researcher used the quantitative method to investigate the factors affecting entrepreneurial intention amongst NARYSEC students.

Successful entrepreneurship education requires an educational approach aimed at changing the behaviour and attitudes of students. Since entrepreneurship is viewed as a pillar and driver of economic development, it is crucial for the government and tertiary institutions to find innovative ways to stimulate an entrepreneurial spirit amongst students in trying to address the problem of poverty and unemployment in the long run. SA as one of the developing countries can only protect itself from the dynamic, ever-changing economic situation by having a strong entrepreneurial economy that is competitive with other countries and should improve ways to enhance entrepreneurial intention through its education systems by revisiting the curriculums.

The study showed overwhelmingly that NARYESC students possessed entrepreneurial intentions and they prefer to be entrepreneurs rather than salaried workers. In circumstances where graduate employment projections are never guaranteed, the chances of becoming self-employed remains an employment option. Entrepreneurship and entrepreneurial ethos amongst students should be fostered to allow graduates to become masters of their own destinies.



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## ANNEXURE 1: PERMISSION LETTER TO CONDUCT THE STUDY



### rural development & land reform

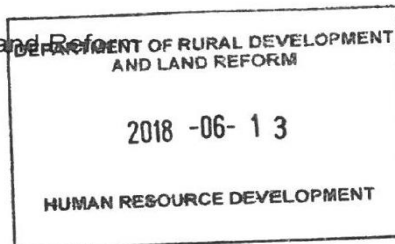
Department:  
Rural Development and Land Reform  
REPUBLIC OF SOUTH AFRICA

#### OFFICE OF THE DIRECTOR-GENERAL

Private Bag X833, Pretoria, 0001; 184 Jeff Masemola Street, Pretoria  
Tel: 012 312 8911; Fax: 012 323 6072; Email: [DGOffice@drdlr.gov.za](mailto:DGOffice@drdlr.gov.za)

Mr M Makhwedzha

Department of Rural Development and Land Reform  
Private Bag X833  
**PRETORIA**  
0001



Dear Mr Makhwedzha

### APPROVAL TO CONDUCT ACADEMIC RESEARCH IN THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Thank you for your application providing details of your research in relation to your dissertation.

The Department has no objection to your request to conduct research; however, the following must be adhered to:

- The final copy of your research report must be submitted to the Department prior to your final submission to the Institution of study.
- Files and records may not be removed from the Department's archives.
- Photocopies of official records may not be made for public purposes.
- Names of individuals from official records may not be published.
- Access to the records must be arranged in collaboration with the Head of Office, or in the case of National Office, with the Directorate: Information and Innovation Management Services.
- The Department reserves the right to restrict access to files of a sensitive nature.
- Access to classified information will not be granted if you have not been security cleared.
- Supply annual proof of registration from your University to the Department.

The Department will not be responsible for your travelling and accommodation expenses during this time of conducting the research.

Departement van Landelike Ontwikkeling en Grondhervorming - Umhlango Wezokuthuthukiswa Kwezindawo ZaseMakhaya Nezinguquko Kwezomhlaba - Muhasho wa Mvelediso ya Mahayani na Mhuyedzedzo ya Mavu - Ndzawulo ya Nhlukiso wa Matikokukaya na Artsosho wa Misava - Lelapha le Tihopololo ya Magae le Nishwafatso ya Mafatshe - Lelapha la Tihopololo ya Dibaka tsa Mahae - Kgoro ya Tihopololo ya Dinagamagae le Peakanyoleswa ya Naga - ISebe loPhuhliso lwamaPhandie noBuyekezo lwemihlaba - Umhlango wokuThuthukisa iNdawo zemakhaya nokuBuyiselwa kweNtsha - Litko Letekuthuthukiswa KwentindzawoTasemaphandleni Ntinguquko Kutemhlaba



**APPROVAL TO CONDUCT ACADEMIC RESEARCH IN THE  
DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM**

You will need to sign the attached letter of indemnity before conducting research in the Department.

Your co-operation to meticulously adhere to the aforementioned will be highly appreciated.

Kind regards



**MS R SADIKI**

**ACTING DIRECTOR-GENERAL: RURAL DEVELOPMENT AND LAND  
REFORM**

**DATE:** 2018.06.09

## ANNEXURE 2: RESEARCH QUESTIONNAIRE

### RESEARCH QUESTIONNAIRE

**QUESTIONNAIRE ON FACTORS THAT INFLUENCE ENTREPRENEURIAL INTENTIONS OF RURAL YOUTH: A CASE OF NARYSEC, FREE STATE.**

#### SECTION A: DEMOGRAPHIC INFORMATION

1. Please indicate your gender.

Male	Female
------	--------

2. Please indicate your age.

18-20	21-25	25-30	31+
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3. Please indicate your ethnicity

African	Coloured	Indian	White	Other
---------	----------	--------	-------	-------

4. Please indicate your highest level of education.

Less than matric	Matric	Higher certificate	Diploma	Degree	Post-Graduate
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#### SECTION B: PERSONAL FACTORS

Indicate the extent to which you agree or disagree with the following statement by ticking in the appropriate box. ( 1 = strongly disagree, 2 = disagree, 3 = neither agree or disagree, 4 = agree and 5 = strongly agree)

5.	I am quite independent of opinion of others					
6.	I enjoy the uncertainty and risk of various tasks					
7.	I spend more time thinking about my future than my past					
8.	I do not get excited on doing something on my own					
9.	A am willing to risk anything for my business sake					
10.	I believe that I can beat my competitors in the market					
11.	It is important to continually look for new ways of doing something					

#### The following statements are related to Family obligation

Indicate the extent to which you agree or disagree with the following statement by ticking in the appropriate box. ( 1 = strongly disagree, 2 = disagree, 3 = neither agree or disagree, 4 = agree and 5 = strongly agree)

12.	My family is everything to me and whatever I do is aimed at pleasing them					
13.	I sacrifices my won happiness for my family					
14.	My family's expectations for me are always justifiable					
15.	I am a results of my family's personal sacrifices					
16.	I expect my children to follow my career advice					
17.	I chose my career based on my family 'advice					
18.	I pursued employment because it afford me an opportunity to take care of my family					

**The following statements relate to Entrepreneurial Intention**

Indicate the extent to which you agree or disagree with the following statement by ticking in the appropriate box. ( 1 = strongly disagree, 2 = disagree, 3 = neither agree or disagree, 4 = agree and 5 = strongly agree)

19.	I would like to be an entrepreneur					
20.	I am prepared to do anything to become entrepreneur					
21.	I have a strong intention to start a business one day					
22.	A am determined to create a new business venture in the near future					
23.	I would prefer to be an entrepreneur rather than to be employed					
24.	The idea of starting my own business is appealing to me					
25.	I am in a process of starting my own business					

**Thank you for your time and consideration**

### ANNEXURE 3: LETTER OF INFORMED CONSENT

UNIVERSITY OF KWAZULU-NATAL  
School of Management, IT and Governance

Dear Respondent,

**Research Project**

**Researcher:** Murendeni Makhwedzha Telephone number: 012 312 8595

Email: 215077753@stu.ukzn.ac.za

**Supervisor:** Mr. Nigel Chiweshe Telephone number: 033 260 5355 Email: Chiweshen@ukzn.ac.za

**Research Office:** Humanities & Social Sciences Research Ethics Administration, Govan Mbeki

Building, Westville Campus, Tel: + 27 (0)31 260 8350, Email: [hssreclms@ukzn.ac.za](mailto:hssreclms@ukzn.ac.za)

I, Murendeni Makhwedzha am a Masters of Commerce student in the School of Management, Information Technology and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled (*Factors that influence entrepreneurial intentions of rural youth: A case of NARYSEC Free State*).

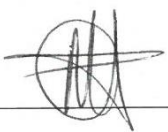
The aim of this study is to determine the factors which influence the entrepreneurial intentions amongst the NARYSEC students through the positive and negative perception towards entrepreneurship.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and the school of Management, IT and Governance, UKZN. All collected data will be used solely for research purposes and will be destroyed after 5 years.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval ref number HSS/1523/018M)).

The questionnaire should take about 10 minutes to complete. Thank you for your time.

Sincerely

Researcher's signature  Date 10 / 10 / 2018  
[Murendeni Makhwedzha]

*This page is to be retained by participant*

## ANNEXURE 4: ETHICAL CLEARANCE



04 October 2018

Mr Murendeni Makhwedzha (215077753)  
School of Management, IT & Governance  
Pietermaritzburg Campus

Dear Mr Makhwedzha,

Protocol reference number: HSS/1523/018M

Project title: Factors that influence entrepreneurial intentions of rural youth: A case of NARYSEC Free State

### Full Approval – Expedited Application

In response to your application received on 31 August 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

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

Professor Shenuka Singh (Chair)

/ms

Cc Supervisor: Mr Nigel Chiweshe  
cc Academic Leader Research: Professor Isabel Martins  
cc School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee  
Professor Shenuka Singh (Chair) / Dr Shamila Naidoo (Deputy Chair)  
Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: [ximbap@ukzn.ac.za](mailto:ximbap@ukzn.ac.za) / [snymanm@ukzn.ac.za](mailto:snymanm@ukzn.ac.za) / [mohunp@ukzn.ac.za](mailto:mohunp@ukzn.ac.za)

Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)



Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

## ANNEXURE 5: LANGUAGE CERTIFICATE



A collaboration under the Wordweavers umbrella  
CK Reg. No. 2006/156780/23

Contact Catherine on [eberles@telkomsa.net](mailto:eberles@telkomsa.net) (website under construction)

28 January 2019

### Letter Confirming Editing

This letter serves to confirm that Prof. Dennis Schaffer a member of the editing team of the above collaboration, EditatWordweavers, received and edited the dissertation of **Murendeni Makhwedzha** to be submitted for a Master's in Commerce, College of Law and Management, School of Management, IT & Governance with the University of Kwazulu-Natal. The dissertation was titled: *Factors that influence entrepreneurial intentions of rural youth: A Case of NARYSEC Free State.*

The document of 112 pages was edited in MS Word Track Changes with corrections inserted and comments and queries noted. The student was obliged to accept or reject changes made and address queries. The edited document, together with a report listing possible errors or issues in the edit, as well as this letter will be copied to the supervisor of the student, Mr. Nigel Chiweshe, on Email: [Chiweshen@ukzn.ac.za](mailto:Chiweshen@ukzn.ac.za) to ensure that all relevant parties are informed of the process.

The editing process addresses grammar, spelling, language usage, syntax, tense and punctuation and, while comments are made regarding referencing; inappropriate heading and labelling, layout and design and formatting are not included in this process, nor is the content of the edit addressed by our editors, except in so far as obvious deficiencies are perceived.

Kind regards

**Catherine Eberle (Team Leader)**