

**Gordon Institute  
of Business Science**  
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**The psychosocial support ecosystem for women  
entrepreneurs in South African townships –  
barriers and enablers**

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## ABSTRACT

Women entrepreneurship has become a subject of increasing interest, especially in the last decade, and literature in this field indicate that has a positive correlation with economic growth and employment levels. Yet, while there are a high number of women in the informal economy or owning micro and small businesses, the number of women entrepreneurs owning larger sized businesses is low. South Africa has a high unemployment rate of 25% and a female population of 52% most of whom are young, Black African and living in townships (Statistics SA, 2014). While there is a prevalence of business development support for technical aspects of enterprise creation, management and growth, this study explores the psychosocial elements of women entrepreneurship in the specific context of the township where resources are constrained; and to understand the extent and nature of support systems in place to deal with these challenges.

The research was conducted through qualitative semi-structured interviews with 40 women entrepreneurs and five small business support organisations in eight townships in Gauteng, Western Cape and Kwazulu-Natal provinces. The analysis was done through content and frequency analysis in order to understand the prioritisation and patterns of responses.

The research proves that for the first time, the psychosocial ecosystem for female entrepreneurs in townships has been recognised through the identification of the component parts of the ecosystem, and the barriers and enablers of each. A set of recommendations has been offered to both female entrepreneurs in townships and the service providers who support them of how they work within this ecosystem in order to maximise the growth of these businesses. A unique contributing component identified within the psychosocial ecosystem is the support provided by faith-based groups. The contextual layers of Gender, Entrepreneurship and the Township context have been found to have a bearing on psychosocial challenges identified by the women. The above findings of the study have culminated in the development of a unique psychosocial support ecosystem model for women entrepreneurs in townships.

Keywords: entrepreneurship, women, psychosocial, townships

## DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Yogavelli Nambiar

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## Chapter 1: Introduction to research problem

### 1.1 Research problem

South Africa's high unemployment rate, currently at 25% and elevated levels of poverty and inequality are of grave concern; and entrepreneurship is increasingly being seen as a key driver in responding to these challenges (Mahadea, 2012). These issues are exacerbated by the population growth rate on the continent, said to be the fastest rising in the world with a concomitant "youth bulge" (Harvard International Review, 2014). At the same time, according to the African Development Bank, in 2012, only a quarter of young African men and just 10% of young African women manage to get jobs in the formal economy before they reach the age of 30, and "the vast majority of young Africans will continue to have precarious employment" (The Economist, 2014). In South Africa, the National Union of Metalworkers released a statement in 2014 that as much as 71 percent of all unemployed people in South Africa are between the ages of 15 to 29, most of whom are women that had never been employed at all (SAPA, 2014).

There is a growing recognition that entrepreneurship needs to play a significant role in the response to the crisis of unemployment. The dual goal of employment generation and inclusive growth forms a significant focus of the National Development Plan, the country's vision document. The document recognises entrepreneurship as a pivotal part of the solution, and 90% of the new jobs required by 2030 have been targeted to come from small and growing firms (The Presidency, 2011).

Yet, small business failure in South Africa is placed at between 70-80% within two years of registration with reasons for this failure being cited as lack of access to finance or markets, lack of business skills, and the burden of red tape (Ligthelm, 2011; Fatoki, 2014; Chimucheka & Mandipaka, 2015). The South African failure rate is significantly higher than some of its emerging economy peers (Herrington, Kew & Kew, 2014). It has provided support to the critique of trade union, Cosatu, to the National Development Plan that small, micro and medium enterprises (SMMEs) are "job destroyers", rather than "job creators" (Congress of South African Trade Unions, 2013). Year on year, SBP Consultants SME Growth Index has repeatedly reported business owners saying that it has become harder to do business in South Africa, with 71% saying that the environment has become more "hostile" (SBP Consultants, 2013). This has given rise to several incubator and small business support facilities across the

country in the last ten years; however, the challenge of small business growth persists as is evidenced by the consistently high failure rate.

In many studies globally, female entrepreneurship has been acknowledged to make a significant contribution to economic growth and employment generation (Rabbani & Chowdhury, 2013; Brush & Cooper, 2012; Maphalla, Nieuwenhuizen & Roberts, 2009; Nmadu, 2011). According to the 2012 Global Entrepreneurship Monitor (GEM) Women's Report, 126 million women were starting or running new businesses in 67 economies around the world. However, in South Africa the Report indicates that female entrepreneurs are not performing as well as their counterparts in other emerging economies, even while they performed higher than the national entrepreneurship results and surpassed the average of their male counterparts (Kelley, Brush, Greene & Litovsky, 2013). The full potential of women as growth-oriented entrepreneurs has not yet been realised. If properly utilised, this potential could unlock higher economic growth for the country and support the drive to alleviate poverty.

Women are 52% of the South African population, and Black African women are the single largest segment of self-employed people in the country (Witbooi & Ukpere, 2011). A gender analysis of the entrepreneurship landscape indicates that women tend to own more businesses than men in the informal sector, but that numbers of female-owned businesses decrease as the business size and sophistication increases (Kelley et al., 2013). The racial demographic of the women within the informal sector is Black African, who as a remnant of apartheid, still live in townships where limited infrastructure is prohibitive to building and scaling sustainable businesses (Bradford, 2007; Mbonyane & Ladzani, 2011). If women-owned informal, micro and small businesses in these townships were supported to scale, other legacy issues of apartheid such as the poor health, education and nutrition of children may also be addressed which has been found to be the result of an investment in women (International Finance Corporation, 2014).

Thus, women entrepreneurship is an important area of study and the microcosm of townships an essential spatial area of focus. There have been very few large companies to emerge from the township environment; micro and small businesses find it difficult to grow to the next level due to deficits of funding, business acumen, legal knowledge and other support (Mbonyane & Ladzani, 2011). Premier of the Gauteng province, David Makhura, mentioned in his 2014 State of the Province address that "The significant participation and meaningful inclusion of the people of the township into mainstream economy of Gauteng through their own township enterprises that are

supported by government and big business will be one of the key game changers...The townships must be self-sufficient and vibrant economic centres” (Gauteng Online, 2014). Yet, business development support agencies and incubators have been found to be unavailable or inaccessible in townships and unable to create a significant change in the rate of growth of established businesses; in fact, this has been shown to drop from 2.9% in 2013 to 2.68% in 2014 (Herrington et al., 2014; Chiloane & Mayhew, 2010; Mboniyane & Ladzani, 2011).

In an attempt to understand the widening gap between the need for new and sustained entrepreneurship to the current reality of stagnation in enterprise growth statistics, most studies undertaken tend to focus on the business or technical reasons for the failure of small enterprises, such as marketing, financial challenges, or efficiency of operational systems (Seeletse, 2012). However, a study of women entrepreneurship in Gauteng townships points to another possible reason for business failure: the findings indicated that women suffer mental, physical and emotional abuse as a consequence of their success and that this tends to inhibit business growth (Treharne, 2011).

This alludes to the possibility of psychosocial reasons contributing to the failure or lack of growth of women-owned businesses; an area that has not been explored extensively through academic study. Psychosocial refers to the “interrelation of social factors and individual thought and behaviour” (Oxford Dictionary, 2015). This indicates that the interplay of social factors, including community context and cultural restrictions, may have a psychological impact that may influence the decision to become or remain an entrepreneur.

This would be especially significant in the case of businesses owned by women who have traditionally been found to have an unequal place in society (Witbooi & Ukpere, 2011; Chiloane & Mayhew, 2010). Black African women entrepreneurs in particular have been found to have “a double negative” of being black and women (Witbooi & Ukpere, 2011). This must be viewed against the context of an unfavourable societal perception of entrepreneurship in South Africa, which adds a further layer of difficulty to small business ownership by this segment of entrepreneurs (Herrington, et al., 2014).

Thus, women may be closing businesses - leading to the country losing viable entrepreneurs and active small businesses - due to a deeply-embedded context of integrated psychological and social issues that have not been addressed in any way. The critical question for small business development practitioners is: how do we create an ecosystem for the entrepreneurial development and business growth of women that takes into account their psychosocial needs? It is thus important to first identify and

understand the challenges that women entrepreneurs, specifically within historically-marginalised and under-developed townships, face in order to create a more enabling environment that will serve to perpetuate small business creation and growth.

It has been identified that effective and appropriate support mechanisms for township entrepreneurs, who are key stakeholders in responding to the challenges of unemployment and inequality, are required (Preisendorfer, Bitz & Bezuidenhout, 2014). It is the aim of this study to explore the psychosocial ecosystem available to female entrepreneurs in townships to ascertain whether they are being provided with the necessary support in order to succeed and contribute to the economic growth and employment required by the country.

## 1.2 Research scope

The research covers women entrepreneurs who run businesses of varying size and type in townships in three provinces in South Africa.

## 1.3 Research purpose

This research topic was selected for both personal and professional reasons: from a fundamental belief in the need to create economic access for those who are most severely underserved in society, and for the business purpose of creating the most impactful support structures and mechanisms to offer these services. From a theoretical perspective, this research will contribute to the body of knowledge on how to support the creation of successful township-based businesses with the aims of growing township economies, creating employment and furthering the gender empowerment agenda (Bradford, 2007). This will be done through the development of a model that addresses the psychosocial needs of women entrepreneurs in townships in order to ensure greater sustainability of businesses created by this segment. This model will provide a framework for the business development service providers to small businesses in townships to help garner attention to the psychological and emotional aspects of support for women entrepreneurs.

From a national perspective, the research speaks directly to the goal of “work for all” that is at the heart of the National Development Plan (The Presidency, 2011). At the

same time, it feeds into the integrated goals of gender empowerment, poverty alleviation and inclusive economic growth. In a 2008 World Bank-Goldman Sachs study entitled “*Women hold up half the sky*”, it was found that investment in women is one of the most effective ways to reduce inequality and to facilitate inclusive economic growth; this can have a significant impact on GDP growth and a multiplier effect on the entrepreneur’s family and community.

In South Africa, the National Business Initiative (NBI) advocates for the role of big businesses in sustainably developing small, medium and micro businesses as part of their socio-economic responsibility (National Business Initiative website, 2015). The Broad-based Black Economic Empowerment Codes (B-BBEE) makes corporate support of small enterprises in South Africa mandatory through the Enterprise and Supplier Development element which requires that 3% net profit after tax is allocated to the support and growth of such businesses (Department of Trade & Industry, 2013); 2% for those small businesses currently within the corporate supply chain and 1% for other external enterprises being developed. Getting more companies to involve township-based entrepreneurs in their supply chain or distribution network has also been seen as a way for big business to play a role in low income communities (Timm, 2015).

The data gathered will be used to develop a framework for support that could be provided to women entrepreneurs in townships that will enable them to grow their businesses with a view of increasing employment within that community. Based on the delivery and adaptation of the framework within various townships, a best practice model could be created for application across low income communities across South Africa, and in other emerging markets with some customisation. This will contribute to the growth of small businesses as job creators in line with the national vision.

## 1.4 Research aims

Data was gathered as part of this study on the psychological and social factors that impact on women entrepreneurs in townships; the current support structures that exist to support them and how the support is perceived to be different from that provided to male entrepreneurs. This information was analysed and used for the creation of a recommended delivery model that will enhance the efforts of business development providers to support women entrepreneurs within townships.

The aims of this research project are to:

- Uncover the psychosocial challenges experienced by women entrepreneurs in townships
- Understand what components make up a psychosocial ecosystem for women entrepreneurs in townships
- Discover how each component of the psychosocial ecosystem helps or hinders the female entrepreneur in townships
- Find out if there is a perceived difference in the psychosocial support provided to male and female entrepreneurs in townships
- Through the analysis of this information, evolve recommendations on how entrepreneurship programmes targeting women in townships can integrate psychosocial support into their services

The intention is for the outcomes of the study to change the one-dimensional perspective on business support to a more gendered view that accounts for the psychological, social and cultural needs of women entrepreneurs within townships. This is especially significant in a country with an unemployment rate as high as that of South Africa, and a historical legacy that still critically requires economic redress.

## Chapter 2: Theory and literature review

### 2.1 Introduction

International research on women entrepreneurship has grown significantly in the past decade; and has demonstrated that entrepreneurship is a “gendered phenomenon” that requires further nuanced study into entrepreneurial emotion from a female perspective (Jennings & Brush, 2013). However, there appears to be a dearth of research on women entrepreneurship within a South African context, and especially within low income, limited resource communities where socio-economic and cultural barriers may provide further obstacles to the growth of women-owned businesses. While women entrepreneurs outnumber male entrepreneurs in the country, especially within the informal and microenterprise sectors; it is still well below the average of comparable emerging economies (Herrington et al., 2014).

The importance of driving sustainable entrepreneurship in a country, especially one with as significant an unemployment rate as that of South Africa which currently sits at 25% cannot be overstated (Mahadea, 2012). Yet, South Africa ranks among the lowest in the world in terms of entrepreneurial activity and culture (Herrington et al., 2014). Business development efforts to raise the levels of entrepreneurial success have not resulted in the desired increase – in fact, the Total Entrepreneurial Activity had increased marginally over the last 10 years, but in 2014 dropped by 34% from 10.6% to 7% (Herrington et al., 2014).

A study of the unemployed indicates that the worst affected are Black, female and young (Statistics SA, 2014). The majority of this population resides in townships, which are areas that were allocated by the pre-democracy government for people of “non-white” ethnic groups (Jurgens, Donaldson, Rule & Bahr, 2013). These areas typically have limited infrastructure; prevailing poverty and weak institutional structure. The current study, conducted 21 years post democracy in South Africa, explores the psychosocial dimension of women entrepreneurship in townships and attempts to unearth the structures in place to support these women in their ability to contribute fully as successful entrepreneurs.

## 2.2 Definition of entrepreneurship

Many studies have discussed the diverse contributions towards evolving a definition of entrepreneurship, ranging from the Schumpeterian view of highly disruptive innovation to the more inclusive albeit generic view of Drucker who labelled entrepreneurship as the creation of any new organisation (Mokaya, Namusonge & Sikalieh, 2012). The similar themes that emerge from the varying definitions are around seizing opportunities, value-creation, innovation and risk taking (Mokaya et al., 2012).

For the purpose of this study, entrepreneurship was used as an all-encompassing term to denote any person who due to having identified an opportunity to serve a need, created and runs an enterprise including informal or micro enterprises. As asserted by Preisendorfer, Bitz and Bezuidenhout (2012), the concept of the radical innovation espoused by Schumpeter “has little in common with the reality of the world of small business start-ups”.

## 2.3 Entrepreneurship in South Africa

Statistics differ but according to the World Bank, the small, medium and microenterprise sector represents 98% of the firms in the country, contributes 37% of its gross domestic product and provides 68% of the country’s jobs (Bradford, 2007). Despite contradictory numbers, the small business sector is widely recognised to be a key ingredient to the economic growth and employment creation within the country. South Africa has set a target in the National Development Plan of 90% of new jobs having to come from “small and growing firms” by 2030 (The Presidency, 2011). The 2010 New Growth Path is the country’s most recent economic development strategy and describes entrepreneurship as a key area of growth for the country (Department of Economic Development, 2010). To ensure governmental support is provided to small businesses, a white paper on the National Strategy for the Development and Promotion of Small Business in South Africa was released in 1995, followed by the passing of the National Small Business Act of 1996 (Department of Trade & Industry, 1996).

However, failure rates of small businesses are still disturbingly high with 70-80% of businesses having to close within the first two years of operation (Ligthelm, 2011; Chimucheka & Mandipaka, 2015). Total early stage entrepreneurship (TEA), a central indicator in the Global Entrepreneurship Monitor report, is slightly over 6% in 2014 after

having dropped from 10% the year before and the established business rate is at 2.6%, dropping from 2.9% (Herrington et al., 2014). This is well below the norm of other developing countries where the average rate of people running businesses that are less than three-and-a-half years old is 14% of adults, while the figure for established businesses stands at 4.5% (Herrington et al., 2014). The international study further indicates that South Africa has an exceptionally low entrepreneurial culture, stating that the perception of opportunities to start a business, and confidence in one's own abilities to do so, remains alarmingly low compared to other sub-Saharan African countries (Herrington et al., 2014).

As the largest racial group within the country, accounting for 79% of the population, TEA rates for Black African people are disproportionately low. Preisendorfer, Bitz and Bezuidenhout (2012) asserted that the future of the South African economy requires an expansion of Black African entrepreneurship based on current numbers of scale of businesses.

Year on year, SBP Business Environment Specialist's SME Growth Index has repeatedly reported business owners saying that it has become harder to do business in SA, with 71% saying that the environment has become more "hostile" (SBP Consultants; 2013). Leading causes inhibiting the growth and expansion of their businesses include lack of skills, burdensome regulations, local economic conditions, lack of finance and the cost of labour; and the concentrated nature of economy (SBP Consultants; 2013). This had followed the findings of Mboniyane and Ladzani (2011) who outlined the extensive challenges faced by township entrepreneurs from legal and technological issues, crime and limited infrastructure to bad financial management and a lack of support mechanisms.

A five year longitudinal study into the viability of the informal sector in South Africa highlighted the difference between necessity-based entrepreneurs who were "pushed" into entrepreneurship due to survivalist needs as opposed to opportunity-driven entrepreneurs who were "pulled" into entrepreneurship due to the recognition of an opportunity and who actively seek to grow their businesses (Ligthelm, 2011). The researcher expands on this by comparing opportunity-driven entrepreneurs who have the tendency and ability to creatively deal with changing economic circumstances versus necessity-based entrepreneurs who lack the skills to create innovative responses to changing environments (Ligthelm, 2011).

According to Herrington et al. (2014), most necessity-based entrepreneurs are found primarily in low-income communities; hence, this may indicate that women

entrepreneurs are not appropriately skilled to deal with the emotional aspects related to rapidly-changing and highly competitive business environments (Herrington et al., 2014).

## 2.4 Women entrepreneurship

Women entrepreneurship has been recognised as being vital to the overall growth of entrepreneurship, economic growth, poverty alleviation and job creation in many countries (Rabbani & Chowdhury, 2013; Brush & Cooper, 2012; Maphalla, Nieuwenhuizen & Roberts, 2009; Nmadu, 2011). Citing the International Labour Organisation, Rabbani and Chowdhury (2013) create the link between the empowerment of women to the building of just societies, achieving targets for national development, sustainability and human rights, and for improving the quality of life for all a nation's people and communities.

Global research output on the topic of women entrepreneurship has grown; however, there is still a lack of substantive study into women who own businesses in the resource-constrained low income South African township context (Grant, 2013). In one study conducted into township enterprises, women were found to dominate the micro and small business sector with the rationale that this type and size of business were particularly suited to the women who had "household priorities" (Njiro, Mazwai & Urban, 2010).

While there has been growth in international female entrepreneurship figures, South Africa's gender gap in terms of entrepreneurship has barely changed since 2002, when 59% of early-stage entrepreneurs were males and 41% females, as compared to 58% and 42% respectively in 2013 (Herrington et al., 2014). The marginal increase has been seen as fuelled by increasing government support, but the perception of opportunities to start a business, and confidence in one's own ability to do so, remains "alarmingly low" compared to other sub-Saharan African countries (Herrington et al., 2014). Thus, the Global Entrepreneurship Monitor indicates that although the real numbers have increased, "females are not playing the significant role that they should be and hence incentives should be looked at to improve this balance" (Herrington et al., 2014).

The majority of women entrepreneurs in developing economies are "locked into" the informal sector, running survivalist micro-businesses; this has been found to be the

case in South Africa as well (Chaney, 2014; Nmadu, 2011). It appears that businesses owned by women either fail or remain small in townships while it is established businesses, employing more than 10 people, that have been found to be the job creators (Herrington et al., 2014). The Department of Trade and Industry released a special report in 2005 entitled “*Women Entrepreneurs: A burgeoning force in our economy*” which acknowledged that while women made up half of the business force, their contribution was not adequately nurtured.

A study on women entrepreneurship in India, indicated that some of the reasons women started their own businesses were related to taking on new challenges, opportunities for self-fulfilment, success stories of friends and relatives, or the need for employment, additional income or independence (Sharma, 2014). Support for Black African women entrepreneurs is a vital part of the South African government’s goal to address historical disempowerment of Black African entrepreneurs, and as a parallel effort to enable women to progress in business (Bradford, 2007). However, women still continue to face negative prevailing socio-cultural attitudes and gender discrimination.

Women have been found to face several obstacles and challenges during their entrepreneurial journey, from the lack of financial and social capital, and experience; to gender discrimination rooted in stereotypical views on traditional roles of women and domestic issues (Ascher, 2012). In the Indian study, several problems or constraints were mentioned as inhibitors to business growth, among them were the male dominated societal norms, women’s poor education levels, lack of self-confidence and not “being taken seriously” (Sharma, 2014). This was further expounded through a discussion on the time and emotional burden created by the dual responsibilities of entrepreneur and the traditional role expectations in the home. These expectations were found to impede the “ambition, self-confidence, innovativeness, achievement motivation and risk-taking ability” of the women entrepreneur (Sharma, 2014). In an article entitled “*Women entrepreneurs: ‘we cannot have change unless we have men in the room’*”, Kamberidou refers to the structured response of the European Commission to obstacles created by gender stereotyping, and argues that it is essential to integrate the gender dimension into discussions on entrepreneurship (Kamberidou, 2013).

In a study on the support system available for female entrepreneurs in South Africa, researchers O’Neill and Viljoen (2001) discussed the need to advocate for changing roles for women in families and emphasised the need for acceptance of women as entrepreneurs while providing ways to build self-confidence through motivational linkages. Yet, 10 years later, women entrepreneurs in townships appeared to still be

demanding the same (Treharne, 2011). The need for acceptance most often has to start in the home and the contribution of the spouse or partner to the women entrepreneur's emotional and mental well-being is an oft overlooked area of concern (Nikina, Shelton & le Loarne, 2013). A Nigerian study found that equal numbers of women reporting that their husbands are constraints to their entrepreneurial growth as those who found them to be strongly supportive. This was surmised to reflect both the patriarchal values of society and the familial support experienced by the women (Mordi, Simpson, Singh, & Okafor, 2010).

Citing *The State of World Population*, a study by the United Nations in 2001, the authors make an argument that women entrepreneurship and development is vital to the success and sustainability of cities due to the burden placed on them as a consequence of urbanisation (O'Neill & Vijoan, 2001). This provided a new lens to the importance of women entrepreneurship and introduced the potential for mental and emotional challenges that may be experienced due to women having to migrate into urban townships from rural places of origin. In an apt allusion to the need for research that focuses on the emotional aspects of entrepreneurship, Rauch and Frese (2007) invite researchers to "put the person back into entrepreneurial research".

## 2.5 Psychosocial impact on women entrepreneurs

According to the Oxford English Dictionary, 'psychosocial' refers to "the interrelation of social factors and individual thought and behaviour". A case study on female entrepreneurs in the Gucha district of Kenya, described the psychosocial challenges affecting them as financial stress, depression, social isolation and poor relationships with friends, relatives and workmates; and that their demographic profile influences their ability to cope with these challenges (Mwangi, 2012). This indicates that the social factors in the environment, including the inferior status of women in communities, impact on their mental and emotional states. South Africa's racially segregated and discriminatory past has led to Black African women often viewing themselves as "third or fourth-class citizens" and carrying the burden of a "double negative", of being both black and women (Witbooi & Ukpere, 2011). The social and psychological implications of this are that women entrepreneurs suffer both from the gender gap, and the consequences of historical and cultural prejudice (Witbooi & Ukpere, 2011). In the Gucha study, women were found to lack social acceptability and face prejudice and class bias; have limited contacts outside of the business and family, and are often

looked down upon (Mwangi, 2012). The societal views on the role of women have often been realised as an inhibitor to the growth of women entrepreneurship, and for women who currently own businesses to grow them beyond what is deemed acceptable in that community (Rabbani & Chowdhury, 2013). The emotional burden created by attempting to balance the traditional expectations within the family and entrepreneurship has an impact on their conduct and ability to make decisions (Sharma, 2014; Mwangi, 2012). As a contrasting view on the role of the family, empirical studies undertaken in Malaysia and the United Arab Emirates indicated that the support of family and social ties have a significant positive impact on women entrepreneurs and their business success (Jabeen, Katsioloudes & Das, 2015; Alam, Fauzi, Jani & Omar, 2010).

Research into the issues and challenges faced by women entrepreneurs in India indicated that because of a patriarchal bias, entrepreneurial traits such as ambition, self-confidence, innovativeness, achievement motivation and risk-taking ability were inhibited (Sharma, 2014). However, the personality traits generally aligned to those who choose an entrepreneurial career are assertiveness, self-governance, and being positive and proactive (Mordi et al, 2010). The question then emerges on how these positive characteristics would be maintained in the midst of the emotional challenges mentioned above. Despite the growth of the number of women-owned small businesses, 'gender asymmetry' still persists – a study on entrepreneurs and motherhood described that women are not usually relieved of household responsibilities and still remain the “primary parent, emotional nurturer, and housekeeper” (Schindehutte, Morris & Brennan, 2003). In addition, the study argued that there are several factors that cause conflict for the women entrepreneur which include, among others, gender, work-role overload, parental demands, family involvement, and informational and emotional support (Schindehutte et al., 2003).

This was reinforced by a study into female owners of micro and small businesses in six townships in Gauteng: Mamelodi, Soweto, Tembisa, Lenasia, Ennerdale and Vanderbijlpark (Treharne, 2011). The study found that the challenges facing the respondents included social and cultural barriers, and behavioural and psychological barriers such as a lack of self-confidence and a sense of entitlement (Treharne, 2011). Unpacked further, these challenges linked to societal perceptions and stereotypes that most women start their businesses to supplement an income already in place, or to run micro-businesses, and are not seen as capable of creating larger businesses.

The researcher found that due to having to face power plays and jealousy by others in the community, the women entrepreneurs tend to censor and restrain themselves from growing their businesses further (Treharne, 2011). It thus becomes important to understand how this can be recognised and addressed by entrepreneurship support role-players in order to provide an enabling and safe space for women to build and grow their businesses. Women appear to be more dependent on social relationships for moral and emotional support during the initial years of their business start-up (Kuada, 2009). This is the basis for the ecosystemic approach, which takes a holistic view on all stakeholders related to the subject of enquiry, being used in this study (Isenberg, 2010).

## 2.6 Ecosystems models

Ecosystems, made popular in ecology, refer to assessing phenomenon within “a complex network or an interconnected system”; and value has been found recently in applying this approach to the entrepreneurship world (Auerswald, 2014). Babson College had applied the theory in this manner, and created six domains of the entrepreneurship ecosystem which are seen as best-practice pillars that should be optimised for success as depicted in Figure 1 below (Isenberg, 2010). Each domain is further itemised into elements that would need to be addressed. The elements of leadership, success stories, societal norms, networks, non-government and educational institutions cover aspects of psychosocial challenges that are experienced by women entrepreneurs (Isenberg, 2010; Treharne, 2011).

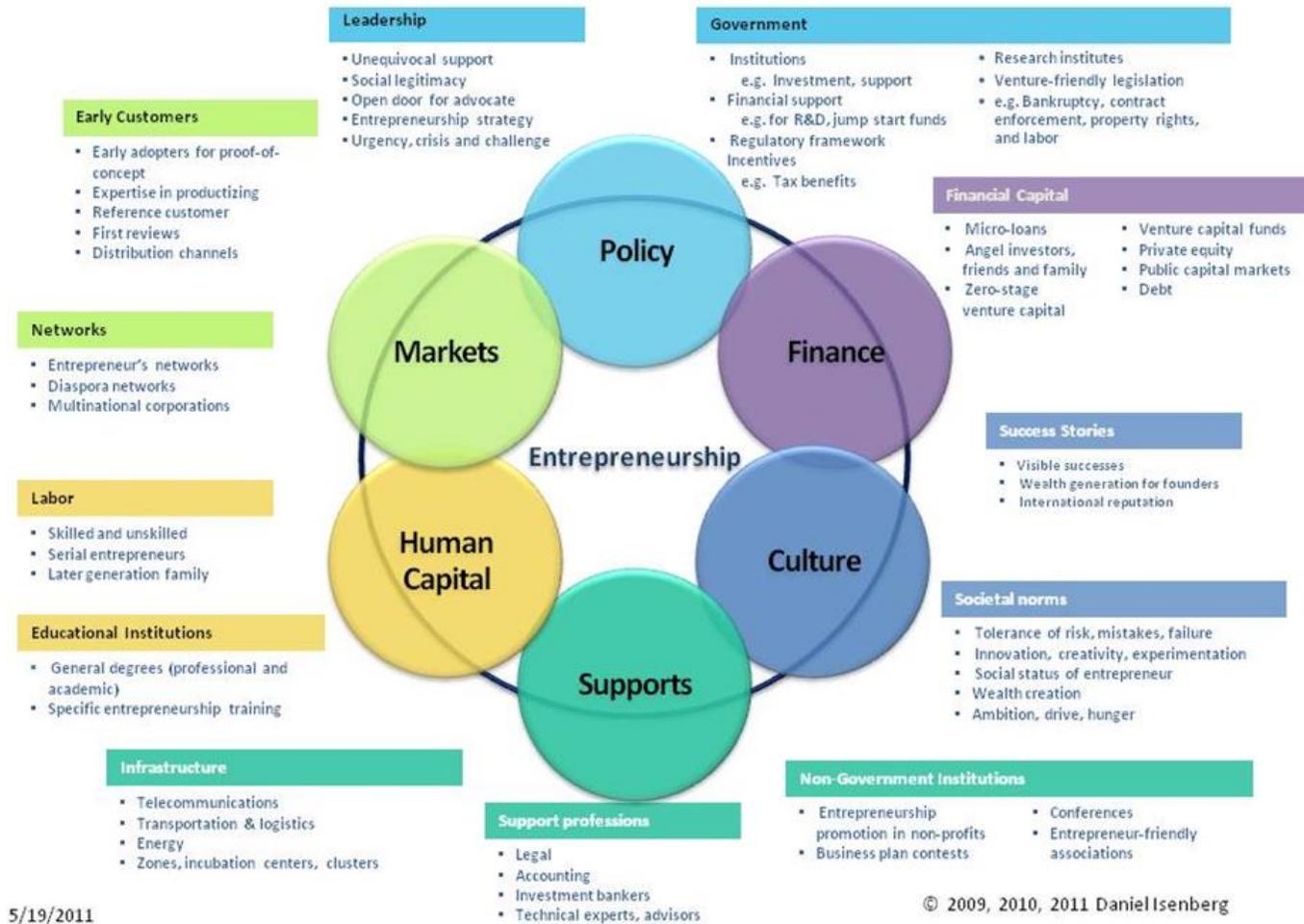
Mattaini and Meyer (2002) explain the ecosystems approach from a social work perspective as a way of seeing the person and the environment in their interconnected and multi-layered reality to comprehend complexity, and avoid oversimplification. This approach attempts to understand thoughts and behaviours in relation to networks, relationships and diversity (Mattaini and Meyer, 2002). The ecosystemic approach provides a valuable framework on which to evaluate the support being offered to women entrepreneurs currently, and to identify where the gaps in terms of psychosocial factors, may exist.

A further study into business start-ups in townships mentioned several factors that contribute to the success of enterprises in this specific location – one of which was the individual characteristics of the entrepreneur. This links into the entrepreneur’s membership of organisations; whether s/he had self-employed friends and support from his/her personal network. These social capital factors would have greater contextual significance for women entrepreneurs in townships (Ewere, Adu & Ibrahim, 2015).

Figure 1: Domains of the Entrepreneurship Ecosystem



## Domains of the Entrepreneurship Ecosystem



5/19/2011

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## 2.7 Townships in South Africa

With 60% of households in metropolitan areas being based in townships, the national agenda of small business development within these communities is vitally important (Lester, Menguele, Karuri-Sebina & Kruger I., 2009; Njiro et al., 2010). Townships are defined as areas that were designated under apartheid legislation for exclusive occupation by people classified as Africans, Coloureds and Indians (Lester et al., 2009). These areas were relegated to the outskirts of cities, which further entrenched the “geographical marginalisation” of its residents from the economy (Jurgens et al., 2013). Due to the legacy of apartheid, these areas traditionally lack full access to water, electricity, waste removal and sanitation creating a complex environment for the operation of businesses and have thus become known as “dormitories of labour” where people live while they work and spend most of their money elsewhere (Njiro et al., 2010).

The key reasons for the high failure rate of small businesses created by entrepreneurs in marginalised communities are attributed to operational and management impediments that include a lack of business knowledge, lack of access to finance, and a lack of infrastructure; as well as environmental challenges that include an unfriendly and highly-regulated business environment (Chimucheka & Mandipaka, 2015). As an ecosystem, townships provide a difficult environment to create and nurture a business due to the infrastructural challenges and lack of appropriate support structures (Mboniyane & Ladzani, 2011). Most businesses are thus very small, with an income of less than R1million per annum and fewer than 10 employees (Njiro et al., 2010).

Despite the negative lens with which townships are often viewed, a study into gendered spaces of informal entrepreneurship in Soweto indicated that the legacy of exclusion under apartheid and continued exclusion from urban networks has culminated in a stronger sense of belonging and commitment to the township by women entrepreneurs (Grant, 2013).

## 2.8 Entrepreneurship in townships

A study conducted into the entrepreneurial spirit within South African townships found that the rate of entrepreneurship in townships was higher than expected although primarily on the scale of informal and survivalist businesses (Preisendorfer, Perks & Bezuidenhout, 2014).

Gauteng is the country's most densely populated province and is viewed as the economic powerhouse of the continent. It is home to the largest number of townships and 41% of the country's small, micro and medium-sized businesses; township economies has thus been flagged as a pivotal area of focus of the provincial government's economic development strategy (Lester et al., 2009; Department of Economic Development, 2014). A key element of the Township Revitalisation Strategy is the development of an enabling environment for the creation and support of small businesses. Yet, most studies indicate a high rate of failure of township-based businesses. In a longitudinal study in the townships of the West Rand in Gauteng, the reasons cited were failure to satisfy customers or to treat employees well; lack of technology, finances or business knowledge; poor financial management, undeveloped infrastructure and crime (Seeletse, 2012). This was reinforced by research undertaken in Soweto (Ligthelm, 2011), Kagiso (Mboniyane & Ladzani, 2011) and Mamelodi townships (Maphalla et al., 2009) which studied the business rationale for failure.

The results in Kagiso point to an extremely low survival and growth rate of small businesses which is attributed partly to internal weaknesses and partly to the lack of support small businesses get from institutions set up for that purpose (Mboniyane & Ladzani, 2011).

With reference to the very specific and unique context of townships, Coetzer & Pascarel (2014) discuss that "the challenge of integrating low income communities into the mainstream economy is far more sensitive and politicised than in most other parts of the world". This is especially complex in the light of xenophobic attacks on migrants from the rest of Africa and some Asian countries. Operating in the same survivalist environment, foreigners are seen to be more successful and due to the competition for scarce resources, have appeared to be "taking from the South African share" (SA History, 2015). In manoeuvring these volatile conditions, women entrepreneurs, both local and foreign, appear to be further disadvantaged.

Township businesses are primarily on an informal level, some micro and small, and mostly necessity-based and not opportunity-focused. Part of the reason for the arrested growth levels is the lack of an enabling environment for entrepreneurship in townships. Despite this and in direct contrast to the findings of the Global Entrepreneurship Monitor 2014, a study of entrepreneurial spirit in Walmer township revealed that respondents had a favourable view of opportunities to start a business and of the social status associated with being an entrepreneur (Preisendorfer et al., 2014). On the other hand, the same respondents indicated that there was a high risk of social disapproval should the businesses fail, or a sense of distrust if they were too successful. This led to a low-trust culture which is seen as vital for the building of social capital, recognised as a key ingredient to business growth (Preisendorfer et al., 2014). This was reinforced by the women entrepreneurs in a multi-township study who spoke of wariness within the community of “women who were too successful” resulting in the women being intimidated and feeling like societal outcasts (Treharne, 2011).

## 2.9 Theoretical framework

Research has indicated that there is no framework that has been customised for the study of psychosocial ecosystems of entrepreneurs, irrespective of gender. This study was conducted with the following theories in mind and against which the findings were understood.

1. Feminist theory
2. Self-efficacy
3. Entrepreneurship development theory

Feminist theory is linked to the research and thinking around gender inequality and the integration of feminist concerns into the mainstream (Donovan, 2012).

Self-efficacy presents a theoretical framework to explain and to predict psychological changes achieved by different modes of treatment (Bandura, 1977).

Entrepreneurship theory is linked to the prevailing thought on definitions and interpretations of the discipline; and ways of understanding and predicting the entrepreneurial environment and individual traits. It is also concerned with the creation of a conducive environment for entrepreneurship to thrive (Kuratko, 2013).

## 2.10 Conclusion

While a significant body of literature points to the importance of entrepreneurship to economic growth, innovation, job creation, poverty alleviation and the empowerment of marginalised groups, South Africa appears to not be successful in optimising its use of entrepreneurship as a strategy for growth. It is also pertinent to note that parallel to this, the country has not maximised the potential of its female population, currently 52% of the overall population, towards entrepreneurial activity.

It is vital to view entrepreneurship development with a gender-sensitive lens to ensure that the township ecosystem takes into account specific needs for women entrepreneurs (Rabbani & Chowdhury, 2013). At the same time though, much of the literature looks at enabling policies and support from a business skills or management competency perspective. The leadership, personality and gender-specific aspects of being a women entrepreneur have largely been integrated within this larger business framework, and thus the specific psychosocial needs of women appear to have been ignored. Even general entrepreneurial capacities such creativity, risk taking capability, perseverance and passion have not received much investigation (Mmbengwa, Groenewald & van Schalkwyk, 2013). This may indicate a large imbalance towards business, technical or management reasons for small business failure without an equalising focus on leadership and psychosocial challenges.

Existing literature indicates that a gap exists in the current study of women entrepreneurship that does not adequately address the emotional and social needs of the entrepreneur which could have an integral contribution to her success and growth. There is thus a need for research that provides a gender-biased understanding of the psychosocial needs of women entrepreneurs against a backdrop of the unique context of townships.

## Chapter 3: Research questions

The research questions were based on the literature review. The psychosocial challenges faced by the female entrepreneur finds minimal articulation in the literature, and even less so when related to those who operate in low income or marginalised communities. The aim of this study is to focus on this dimension and the barriers and enablers within the psychosocial support ecosystem available for women entrepreneurs in South African townships.

The specific questions that have provided a guide to this research are:

Research question 1: What are the psychosocial challenges experienced by women entrepreneurs in townships?

Research question 2: What are the components of a psychosocial ecosystem for women entrepreneurs in townships?

Research question 3: How does each component help the female entrepreneur in townships?

Research question 4: How does each component hinder the female entrepreneur in townships?

Research question 5: Is there a perceived difference in the support provided to male and female entrepreneurs in townships?

Research question 6: How should entrepreneurship programmes targeting women in townships integrate psychosocial support into their services?

## Chapter 4: Research design

### 4.1 Research method

This exploratory research was undertaken with a qualitative methodology through face-to-face interviews with two groups (Zikmund, 2013). The need to retrieve in-depth information on the perceptions of the women being interviewed demanded a qualitative approach. Semi-structured interviews were first conducted with female owners of diverse businesses at their business location in townships within three provinces – Gauteng, Western Cape and Kwazulu-Natal (referred to as Population/Sample A below). The semi-structured interviews allowed for the revision of questions within the process based on the relevance of responses received and for the probing of specific responses in a conversational format (Saunders & Lewis, 2012). The survey contained questions on the business demographics, support services received, and challenges experienced by the entrepreneurs. In Mamelodi, a 20 minute focus group discussion was held prior to the individual interviews to understand the consolidated perspective on the challenges experienced.

Thereafter, a customised questionnaire was administered with people who run institutions that support women entrepreneurs in townships utilising the same approach. The institutions interviewed included business development service providers, non-profit organisations and a business chamber representative (referred to as Population/Sample B below).

An inductive format was found to be suitable to allow for the development of a model against which the psychosocial ecosystem could be explained. Induction is when theory is developed from the explanations that arise in the study itself (Saunders & Lewis, 2012). This was important as, based on observations and interactions with interviewees, general conclusions were drawn which enabled the development of a model for application by practitioners within the enterprise or small business development sector.

## 4.2 Population

Population A: These are women entrepreneurs who operate their own businesses within the following townships in three provinces: Gauteng (Alexandra, Soweto, Mamelodi and Ivory Park townships), Kwazulu-Natal (KwaMashu and Chatsworth) and Western Cape (Khayelitsha and Mitchell's Plain). The townships were chosen based on size of township and to provide a cross-section of race of potential interviewees. This was important due to the fact that townships were originally created for all non-white populations and the selection allowed for representation of the Black African, Indian and Coloured populations. Female entrepreneurs in townships would be the recipients of the psychosocial support being explored in the study, and were therefore interviewed.

Population B: The second population is that of service providers of psychological or social support to entrepreneurs in townships. These organisations are structured as non-profit, private or government agencies. As the providers of support to entrepreneurs, these organisations were assessed to be best-suited to explain the current or planned services being provided, and clarify the challenges or opportunities related to such service provision.

## 4.3 Sample

Sample A: The research made use of a non-probability sampling approach. The quota and purposive sampling methods were used to draw a sample that can be viewed as representative of the population (Saunders & Lewis, 2012). The quotas were based on geographic location (a certain number of entrepreneurs per township); age; racial group and business type and size. The purposive sampling was used in terms of typical and extreme cases – ensuring that the women sampled were seen as typical of the population in that township as well as extreme cases of successful/failing entrepreneurs (Saunders & Lewis, 2012). In total, 40 women entrepreneurs with a cross-section of demographic profiles were interviewed. Female spaza shop owners and other small business owners from townships were sourced through databases of the Enterprise Development Academy at the Gordon Institute of Business Science (GIBS), as well as through employing the services of a township immersion expert, Future Space Solutions. Other township business owners were accessed through business associations, municipalities and non-profit organisations in the selected

townships. Due to three interview cancellations at short notice, a snowball methodology was used to reach further respondents.

Sample B: This group was based on judgemental sampling where experts are selected based on researcher judgement for interviewing (Zikmund, 2013). The sample was drawn from databases of the Enterprise Development Academy at GIBS, The Enterprise Development Council of South Africa, the Small Enterprise Development Agency (SEDA), and the National Directory of Small Business Support Programmes. Six organisations providing services to entrepreneurs in the identified townships were selected, and in each, the Regional/Area Manager was interviewed. The selected organisations were based in Western Cape and Gauteng.

#### 4.4 Interview guide

The semi-structured interviews made use of an interview guide formulated for each of the sample groups. The interview guide for Sample A was divided into sections for personal demographics, business demographics, and entrepreneurship and psychosocial support. The guide for Sample B grouped questions under business demographics, current services and women entrepreneurship. The draft interview guides for both sample groups can be found in the Appendices (Appendix 1: Women entrepreneurs; Appendix 2: Service providers). The former was piloted with two respondents in one township, Ivory Park, to ensure that they are relevant, achievable and understandable (Saunders & Lewis, 2012). The questions emanated from a study of the literature on social and cultural aspects of women entrepreneurship and were framed around the research questions. Questions were primarily open-ended – interrogating the “why” and “how” – to ensure the in-depth interviewing that is important to get a robustness of responses for interpretation (Bailey, 2014). The questionnaire was adjusted for data gathering following the pilot interviews in order to be gain a better quality of response.

#### 4.5 Data collection

The data was collected from qualitative face-to-face interviews with both sample groups which were recorded on a dictaphone for accuracy and to be transcribed at a later time for analysis. Personal interviews were decided to be preferable for this

research as they enable the respondent to feel more comfortable, express themselves better (as they may be people with lower levels of literacy), and allows for a more in-depth questioning through probing on specific responses (Bailey, 2014; Saunders & Lewis, 2012). The interviews were arranged through a local coordinator of township projects and immersions. A translator attended all interviews to translate questions that were not understood by the interviewee, and to provide interpretation of the answers provided by respondents, a potential challenge that was identified at the start of the study.

The interviews appeared to be easier to arrange in some places rather than others. In Chatsworth, the women were reticent to get involved when approached by the interview coordinator, and queried what the motive was, while in Soweto, it appeared to be a badge of honour to have been selected to participate. In Mitchell's Plain and KwaMashu, it was difficult to find larger or more structured businesses, and most interviewees ran informal, unregistered businesses. In both Soweto and Mamelodi, the women tended to come together as a group for the interviews, and used it as an opportunity to network. Snowball sampling was used in both townships to generate the initial list of participants as the entrepreneurs appeared to know of others running businesses within the same sector.

All interviews with the business owners took place at their business location or in the case of Soweto, Mamelodi and Ivory Park, at a central location. The focus group in Mamelodi spontaneously took place as a consequence. Due to availability challenges, telephonic interviews were conducted with three of the Sample B service provider respondents. All interviews lasted an average of 25-30 minutes and were conducted in English; translations were only required in Ivory Park and KwaMashu which was provided by the community-based interview coordinator present. The in-depth interviews took the form of a conversation with the women; this non-threatening tone and style prefaced with a short discussion about the purpose of the research, and its use which allowed them to feel comfortable and be open and honest with their responses. The interview called for active listening in order to understand and engage even when the language may not be fluent, and probing to uncover the messages therein. This is aligned to the characteristics required for successful in-depth interviewing (Ritchie, Lewis, Nicholls & Ormston, 2013).

All but one of the interviews with sample group B, the business development support providers, was done telephonically. While face-to-face interviews have traditionally been seen as a superior approach to in-depth interviewing, telephonic interviews have

been found to provide a different and equally rich result with its own merits (Ritchie et al., 2013). As the service providers had a better command of the language and were more comfortable with telephonic interviews, this approach was not seen as deficient.

## 4.6 Unit of analysis

The unit of analysis is the perception of each woman entrepreneur interviewed.

## 4.7 Analysis

This had taken the form of content and frequency analysis. The raw data was first assessed for themes and categorised accordingly (Saunders & Lewis, 2012). Rank-ordered tables were used to record the frequency of responses in order to prioritise them and draw patterns. This enabled an assessment of which responses had greater resonance within and across townships. The resultant themes were then applied against a model to understand and evaluate the ecosystem for entrepreneurs. The analysis process made use of the Domains of the Entrepreneurship Ecosystem model which was developed by Babson College (Isenberg, 2010). The rationale for using this model was that it was created as a basis for understanding the ecosystem required to ensure entrepreneurship thrives. The current study sought to understand whether this framework met the specific needs of women entrepreneurs in low income communities.

The component of culture within the model was used as the focal point for understanding the results of this research. This component delved into areas that covered entrepreneurship culture and support provision (Isenberg, 2010). According to Nmadu (2011), “entrepreneurship literacy is what helps women entrepreneurs scale up their businesses enough to move out of poverty and become active participants in their economies.”

In order to understand the existing psychosocial support system for women entrepreneurs in townships, a potential structure was created based on the literature. This model draws out the various stakeholders in the life of the woman entrepreneur that have found mention in the literature. This early version was used to develop the content for the final model that sought to understand how psychological and social challenges relate to each aspect of the entrepreneur’s potential support system.

**Figure 2: Psychosocial support ecosystem analysis model**



This ecosystem analysis model was used as the foundation for the interview guide, as well as for the description of findings in Chapter 5. In Chapter 6, the model served as the basis for analysis in order to evaluate the barriers and enablers of the psychosocial support ecosystem and as a comparative tool to identify shortcomings of existing literature on the support components that exist.

#### **4.8 Research limitations**

One of the drawbacks of the survey method is that it is not advisable to ask many questions, and while in this case, they were completed through personal interviews with the respondents, the time that respondents usually have available to answer is limited (Saunders & Lewis, 2012). As interviewees are in their place of business, they may be distracted by work concerns, be unable to share confidential information or lack time for further in-depth probing of their responses. A final potential limitation is the universalisation of the findings. As the study was conducted in only three provinces, and with 40 entrepreneurs, it cannot be inferred that it is indicative of the experiences of all small businesses in townships within every province.

## Chapter 5: Results

### 5.1 Introduction

The findings of the study, based on the research questions outlined in Chapter Three, are presented in this chapter. The study was conducted through qualitative semi-structured interviews with two sample groups; one of 40 woman entrepreneurs based in townships and another of five business development service providers that work with township entrepreneurs. At each service provider organisation, the general manager or regional representative was interviewed. In addition, a focus group consisting of individual interviewees was held in Mamelodi in order to explore a consolidated perspective on support received.

### 5.2 Sample descriptions

#### 5.2.1 Sample 1: Women entrepreneurs

In total, 40 women entrepreneurs were interviewed across eight townships in Gauteng, Western Cape and Kwazulu-Natal. The demographic breakdown by location, racial group and age of respondents is provided below.

**Table 1: Demographic breakdown of interviewees by geographic location**

PROVINCE	TOWNSHIP	NUMBER
<b>Gauteng</b>	Alexandra	6
	Soweto	7
	Ivory Park	5
	Mamelodi	5
<b>Western Cape</b>	Khayelitsha	4
	Mitchell's Plain	4
<b>Kwazulu-Natal</b>	KwaMashu	4
	Chatsworth	5
<b>Total</b>		40

There were 33 Black African, four Coloured and three Indian respondents. The breakdown in Table 2 below is by age and race.

**Table 2: Demographic breakdown of interviewees by age and race**

	<b>18-30</b>	<b>31-45</b>	<b>46-60</b>	<b>Over 60</b>	<b>Total</b>
<b>Black African</b>	7	8	16	2	33
<b>Coloured</b>	0	2	2	0	4
<b>Indian</b>	0	2	1	0	3
<b>Total</b>	7	12	19	2	<b>40</b>

In terms of family structure, 45% were married; 27.5% were single, 15% were divorced and 12.5% were widowed. The vast majority of 90% have children. With regards to educational level, 27.5% had not completed matric, 12.5% had completed matric with no further education; 30% had completed some post-school education in the form of short courses and a further 30% had achieved some formal qualification.

The types of businesses were varied although heavily slanted towards the service industry, which is seen as representative of women-owned businesses; the three industry types with the highest frequency were catering, day-care, and bed and breakfast establishments. The three that were identified as typically being male-dominated industries were hardware, steel fabrication and office maintenance. The small businesses in the survey had been operational for three months to twenty five years, with the average being eight years in operation.

### 5.2.2 Sample 2: Business support service providers

The second sample group was created based on judgemental sampling and consisted of five support organisations that assist small businesses in townships. Three interviewees were from the Western Cape and two from Gauteng. All had a physical presence in the townships either through an office or local representatives; three were national business development support providers and two had operations only in that

region. In each organisation, the regional manager or CEO was interviewed. The names of the interviewees are listed in Table 3 below.

**Table 3: Sample group B – small business service providers**

Name of organisation	Name of interviewee	Designation
<b>Small Enterprise Development Agency</b>	Zaida Jackson Pinky Siwele Carlette Egypt	Regional Manager: Western Cape Business Advisor: Khayelitsha Business Advisor: Mitchell's Plain
<b>The Business Place</b>	Bukhosi Ngalimane	Manager: Khayelitsha
<b>The Awethu Project</b>	Tafadzwa Madavo	Senior Associate
<b>South African Women Entrepreneurs' Network</b>	Dorah Manyoni	Regional Manager: Gauteng
<b>Learn to Earn</b>	Leeanne van Vuuren	Hermanus Enterprise Development Facilitator/Mentor

### 5.3 Results of Research Question One

**What are the psychosocial challenges faced by women entrepreneurs in townships?**

The aim of the first research question was to determine what the psychological and social challenges faced by the entrepreneurs were. This would serve as the basis for the following questions that follow on the components of psychosocial support and whether the ecosystem provides that support. The study of this question was important to understand the issues and challenges as experienced by the women who are entrepreneurs within the complex environment of a township. The responses below are the five with the highest frequency summarised from the entire interviews of the consolidated group.

**Table 4: Top five responses regarding psychosocial challenges experienced**

Response	Frequency
Jealousy and lack of support from the community	23
Gender-related discrimination by employees, suppliers or clients	21
Unsupportive family or friends – discouraging of entrepreneurship	15
Critical or discouraging husband*	3
Lack of confidence in one’s own ability to run and grow a business	3

\*45% of sample were married; n=18

Patterns that emerged from these responses indicated an alignment with the following themes: Gender, Entrepreneurship and Township context. Within each of these themes, interviewees mentioned feeling discriminated against or being unsupported. Each theme is expounded on further below.

### **Gender**

Gender-related sensitivities were mentioned by almost all participants, ranging from “not knowing her place” to “the community is more passive-aggressive. They know what I do but won’t give me business. They would rather say I’m not going to assist; if she succeeds, she succeeds on her own.” Gender-based discrimination was prevalent with customers, staff, suppliers and competitors, again ranging from customers attempting to question the credibility of the woman entrepreneur through to malicious or criminal activity which was perceived to be linked to feeling it is easier to take advantage of a female. One interviewee said “men will never treat us as equals; they will always feel like we don’t know what we are doing.” A second interviewee mentioned that her image of a successful entrepreneur is male, and that she “truly believes for a business to do well, it must be run by a man”. Furthermore, another interviewee felt that there was still a belief that “men have more power to control staff” and that “when a man says something, he’s serious but when a woman says something, it’s taken lightly.”

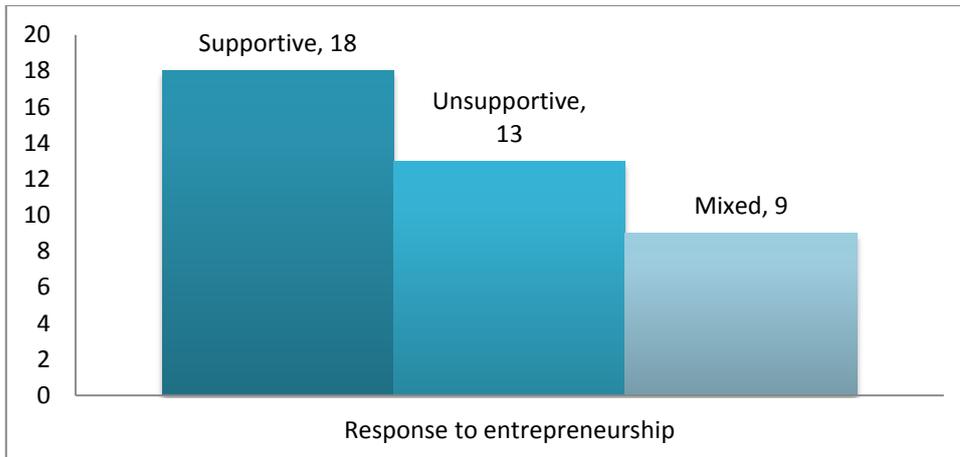
Two interviewees directly linked the lack of support to cultural aspects of being Black South African, referring to traditional beliefs of black males that women should be filling domestic responsibilities as opposed to building businesses. However, the notion that socio-cultural factors could potentially have an impact on their psychological well-being appeared foreign to the women as they struggled to articulate how they cope with the challenges they face. There appeared to be a resignation to “this is the way things are.” Consequentially, many women appear to lack confidence in their own skills and ability. According to one interviewee “If I had the confidence, I would grow the business more and more”; another explained that due to her lack of confidence around entrepreneurship, she was not sure whether the business would succeed.

There was a sense with a few of the respondents that gender could also be used to their advantage: “When a man has a business, and a woman has a business, they get support from the other one. If I smile for a man, I get a discount, but if I smile for a woman, there is no discount.”

## **Entrepreneurship**

From an entrepreneurship perspective, the interviewees consistently mentioned financing, marketing and credit-seeking customers as key challenges. The first two challenges were similar to other entrepreneurs as described in Chapter 2, and all were linked to the difficulties related to working in a township context. As an initial response to the woman choosing entrepreneurship as her career choice as opposed to employment, families and friends were generally sceptical or discouraging, indicating a potential averseness to the risk and uncertainty related to entrepreneurship. However, this was reversed in most cases based on the level of success attained. The table below indicates the share of overall respondents whose families and friends were supportive of the entrepreneurial choice. Most entrepreneurs had a specific set of friends who supported them emotionally and motivated them, especially those who were also self-employed; on occasion, entrepreneurs had friends who got involved in the marketing or sales of products or services.

**Figure 3: Initial response to business formation by family and friends**



While most women tend to garner support for their entrepreneurial endeavours from their families and friends at the outset, as seen in the figure above, many of those who did not initially receive this support were able to obtain it over time as their families became convinced by some level of success.

### **Township context**

With regards to the environmental context, interviewees in Soweto felt that the lack of marketing and support for townships had a direct bearing on their ability to grow their businesses. One interviewee mentioned that “local whites don’t even know Soweto; they ask: is it safe? That makes me mad” and “there’s a lot of red tape with organisations that are here to help.” Due to this inhibiting factor, the interviewees felt that their business growth was constrained by circumstances out of their control. One interviewee commented that “we don’t want people to do things for us, but we want them to help us...they (government) want us to have small businesses to improve ourselves and yet they are demoralising us, and they are oppressing us with their laws.”

The interviewees were further questioned on their specific problems experienced as an entrepreneur in the township. The responses were collated and categorised into themes as per the table below. A description of each challenge is included thereafter.

**Table 5: Top responses on problems experienced being an entrepreneur**

<b>Problem</b>	<b>Examples cited</b>	<b>Frequency</b>
Issues attributed to gender bias	People “taking advantage” (customers, staff suppliers); lack of respect from men; intimidation	10
Financial management	Late payments, customers want credit terms	9
Financing	Lack of start-up financing/funding required for growth	8
Issues attributed to living/ operating in the township	Negative perceptions of townships, added layer of difficulty being in a township	6
Marketing & markets	Challenges related to accessing new markets, having ways to market the business	6
Lack of support	No support from either government or the community	6
Competition	Increase in small, illegal firms; imports encroaching on business; highly concentrated sectors	6

\*Frequency will not equal to 40 (total number of interviewees) as some interviewees mentioned more than one problem experienced

In relation to the gender-related challenges, an interviewee mentioned that men looked at her as if questioning whether “I know what I am doing”; another explained that clients would often ask her “are you working for him?” in reference to her male employee. Yet another interviewee said that men tend not to agree with her doing maintenance work in her business and refer her to cooking instead, adding “they are trying to put me somewhere; to remove me from being a businesswoman, trying to tell me where I belong”.

While financial management and financing-related challenges are common to most small businesses, this appeared to be exacerbated by the interviewees’ business location within a township as this was seen to create further barriers in terms of access to information and support. Interviewees also revealed other difficulties related to working in townships, such as the jealousy created if the entrepreneur appeared to “do better than the rest of the community” or the impact on business of the unfavourable view of townships by the rest of the population. This had a particular influence on the ability of township-based entrepreneurs to access new markets in other areas due to the sense of townships being unsafe or the perception that products manufactured in

these areas would be of inferior quality. At the same time, an advantage of working in the township was that there was greater ease in information sharing – an interviewee explained that should she want to start another business, advice would be freely available from people currently working within that sector. The competitive business environment and the lack of support available further compounded the challenges that these entrepreneurs face.

The results of the individual interviews were consistent with the outcomes of the focus group held with the eight women entrepreneurs in Mamelodi. Participants agreed that there were some very supportive members of the community and others who were not. One participant said “People tend to undermine a woman. When you start something, people say "oh, it's a woman...she will give up eventually. Men confess that they didn't think I will be going for so long.” While one group member mentioned “There are times you feel like...let me give up”, it appears that at the same time, some encouragement emerged from specific customers who provided a sense of purpose and fulfilment for the women entrepreneur.

As elucidated above, although the business challenges appeared to not be unique to this population, the themes of gender and being operational within a township context overlaid on the business challenges created further complexity. Furthermore, three interviewees mentioned culture as a basis for some of the challenges faced, referring specifically to the traditional perspectives of Black African males. Service provider interviewees concurred with some of the issues that arose as challenges for the women entrepreneurs. Due to the small sample size of interviewees in this group, responses are simply listed rather than measured by frequency analysis.

**Table 6: Service provider responses on psychosocial challenges experienced by women entrepreneurs in townships**

<b>Response</b>
Success constrained by societal position and traditional perception of role of women
Lack of support structures for women entrepreneurs in townships
Concern for their safety which causes them to struggle with marketing the business
Business constraints of the township environment
No specific psychosocial challenges experienced by this group – times have changed and men and women operate the same now; as do women in townships or suburbs

None of the interviewees in the service provider sample had examined the psychosocial challenges of women entrepreneurs as a subject of potential concern. In fact, two service providers did not believe that there were specific psychosocial challenges faced by women in townships and that the main concern was instead generic business challenges that were shared by any small business. One interviewee mentioned that the psychosocial challenges are linked with the struggle that women entrepreneurs have to market themselves – either due to safety issues or because they are more reserved. Another interviewee explained that women are not pushed to succeed, and traditional views puts a lot of pressure on them, mentioning that “they can’t work until 10pm as a male entrepreneur would – the push is on them meeting their role as a married woman at home and not on succeeding as entrepreneurs.”

## 5.4 Results of Research Question Two

### **What are the components of a psychosocial support ecosystem for women entrepreneurs in townships?**

The aim of research question two was to understand the factors or sources of potential psychosocial support for women entrepreneurs in the township ecosystem. The psychosocial support model that was proposed in Chapter 4 indicated that the major components of the ecosystem consisted of: Spouse/Partner, Family, Friends, Staff, Business Associates, and Clients.

Based on the interviews in the townships, two further groups were included in this support ecosystem: church groups and peer groups (generally consisting of other entrepreneurs). In tandem with structured professional or business support, the women entrepreneurs, specifically in Soweto and Mamelodi, referenced small structured groups of entrepreneurs as a platform for support. The revised model that includes these groups is depicted in Figure 4 below.

**Figure 4: Components of a psychosocial support ecosystem**



## 5.5 Results of Research Question Three

### **How does each component help the female entrepreneur in townships?**

The aim of research question three was to understand how the components described in research question two help and support the women entrepreneur in the township context. This would enable an assessment of how women entrepreneurs are currently coping with the psychosocial challenges they face and provide small business development professionals with clarity on the support mechanisms that need to be enhanced. The responses are tabulated below.

**Table 7: Help provided by support components to women entrepreneurs**

Component	Description of support/help provided	Frequency
<b>Family</b>	Emotional support Encouragement Assistance in the business	23
<b>Friends</b>	Emotional support in instances Sales assistance	15
<b>Community</b>	Provide support in terms of sales	14
<b>Spouse/Partner</b>	Encouragement Provision of business advice Partnership in the business Support and assistance in the business	8*
<b>Peer groups</b>	Share experiences Provide advice Referrals Friendship	5
<b>Staff/Business Associates</b>	Encouragement Think of the business as their own – (provide advice and support)	5
<b>Clients</b>	Encouragement Provide referrals Friendship	4
<b>Faith-based groups</b>	Support Networking	2

\*45% of sample were married; n = 18

Spouse or partner, families and friends –

Many families provided the primary point of support for the woman entrepreneur. In some cases, the family had mixed feelings with regards to entrepreneurship but in most, there was tangible support in the form of help within the business. Entrepreneurs that achieve some level of success were better able to convince their families to get involved. Some interviewees also mentioned that while families did not hinder them, they did not help either.

#### Staff, business associates and clients –

Employees of the small businesses appear to be delivery-focused but one interviewee spoke of the added support, advice and contribution she received based on her staff viewing the business as their own. In another case, regular clients became the friends of the entrepreneur and were a great source of encouragement, both through the praise they provided and the referrals made.

#### Faith-based and professional peer groups –

Groups of like-minded people provide comfort, support and advice to the entrepreneur, as well as the ability to deal with difficult or trying times. The group tends to have a social platform that creates a space for networking. In the case of Soweto participants, there was a group of women who all owned businesses in the hospitality sector and who met regularly, shared experiences and supported each other. Through a shared professional experience, they were able to become close personal friends, even undertaking an international holiday together every year. Faith-based groups emerged as a source of great support for the entrepreneur; either as larger, more structured ways of business networking or smaller, loosely-structured prayer groups for comfort.

#### Community –

Community support towards the women entrepreneurs was often expressed through its purchasing power. In some areas, where the community was more encouraging, the entrepreneur would experience a greater level of local sales and onward customer referrals. In some cases, members of the community would provide advice or assistance, as in the instance of one interviewee who mentioned that close to 200 women from the community had helped her clear an area of land in order for her to have a crèche built on it.

A specific question regarding coping mechanisms provided an understanding of how women entrepreneurs in townships currently manage their psychological and emotional difficulties resulting from the social and business challenges they experience. The responses that were cited most often are included in the table below.

**Table 8: Responses on methods used to cope with challenges**

<b>Response</b>	<b>Frequency</b>
Talks to family member	12
Prayer/faith-based groups	12
Keeps to herself/sorts it out on her own	11
Talks to friends	7
Books/other activity e.g. exercise	6
Peers – entrepreneurs or other professionals	4
Psychiatrist visits	2

\*Frequency will not equal to 40 (total number of interviewees) as some interviewees mentioned more than one coping mechanism

Only one interviewee mentioned having a formal mentor to approach, whereas four spoken informally to other professionals and entrepreneurs. One of these professionals was a community development specialist. One of the women who had visited a psychiatrist to deal with her stress had remained on anti-depressants. The observation of the reticence of women to answer this question implied that the interviewees tended not to think of the psychological or emotional impact of their challenges on themselves, and resigned themselves to continue with their responsibilities without any specific type of support.

## 5.6 Results of Research Question Four

### **How does each component hinder the female entrepreneur in townships?**

Each of the components in the ecosystem may also become a hindrance in some way over the lifetime of the business, or create concern to the entrepreneur due to support being withheld. The aim of research question four was to explore how each of the factors of potential support could also potentially hamper the growth of the women entrepreneur in the township context. Some of these ways may be small and thought of in passing; others may provide much more significant consequences, such as causing the entrepreneur to give up and close her business venture. The findings in this section would enable an assessment of where gaps in support exist, providing a reference point to small business development providers for the planning of their services. The responses are listed in Table 9 below.

**Table 9: Barriers created by support components to women entrepreneurs**

Component	Description of barriers/ hindrances	Frequency
<b>Community</b>	Discouraging and critical Jealousy Intimidation Theft/crime	22
<b>Staff/business associates</b>	Theft “Take advantage”	11
<b>Friends</b>	Discouraging Attempt to dissuade Jealousy	10
<b>Family</b>	Discouraging and critical Attempt to dissuade	6
<b>Spouse/Partner</b>	Discouraging and critical Argumentative Attempt to dissuade Attempt to “take advantage”	5
<b>Clients</b>	Pushing on credit payments, discounts Speaking disrespectfully “Take advantage”	3
<b>Peer groups</b>	Male peers “did not take them seriously”	1
<b>Faith-based groups</b>	None discussed	

#### Community –

Many women entrepreneurs are faced with a less than enthusiastic response from the community on their entrepreneurship. Approximately 55% felt that they did not have the support of the community and this manifested in jealousy, gossip and active discouragement. One interviewee mentioned that “in townships, there is this unfortunate thing, we don’t want to see other succeed so if we are in the same business, people try drag each other down”. In examples of more extreme cases, two interviewees experienced intimidation or aggressive behaviours from the community. One interviewee explained that she had faced arrests based on malicious slander within the community. However, when she and her business started to win awards, the community wanted to “own” her.

Another interviewee felt that other male business owners in the community had acted in a threatening manner toward her due to her favourable business location and business popularity, taking advantage of her being a woman. She believed that these business owners had been involved in a robbery at her premises resulting in an almost-fatal injury to the entrepreneur which she believes was specifically aimed at intimidating her into closing her business. In terms of general safety, an interviewee felt that women entrepreneurs were compromised – she has been robbed four times in less than a year. Other interviewees also mentioned safety concerns as inhibiting their ability to be competitive. Interviewees felt that more common was community support that was based on their own advantage derived from the business, for example, receiving credit. However, should this not be provided, then the entrepreneur would be “bad-mouthed” or be discredited in other subtle ways. One interviewee also experienced members of the community coming to her for money, as they perceived her to be doing well.

#### Staff and business associates –

Several interviewees mentioned that due to gender, staff tended to “take advantage.” The extreme manifestation of this was in the theft of products. In other cases, it was more subtle insubordination, especially from male colleagues, either in attitude, response to instructions or attending work. In one case, the entrepreneur believed that in certain situations, staff would prefer to speak with and listen only to her husband, even though she was the business owner and leader.

#### Friends –

While friends can play an initial marketing or sales role, this could become a hindrance when friends ask for discounts or are unable to retrieve payments. In other cases, friends appeared to be discouraging due to not understanding or accepting entrepreneurship as a viable career option. One interviewee spoke about friends who tried to start the same kind of business once they recognised that she was doing well, which then caused problems in the relationship.

### Family –

The contrasting role of the family is either one of biggest supporter, or a key reason for losing motivation. One interviewee mentioned that “there are times when business is really show and they put it in your face – can you see that this business thing is not working out? Can you please just leave it and find a job?” Another interviewee mentioned that “they (distant relatives) tell you in your low days that you should close it down.” This attitude was initially discouraging enough for these respondents to become despondent about entrepreneurship and both stopped several times in order to look for employment. Yet another mentioned that her “family were happy when it happened...they hoped the robbery would convince me to close; they would say ‘what are you doing?’” One entrepreneur gave an example of her predecessor (whom she had purchased the business from) as having sold due to a lack of familial support. In other cases, the family was supportive in some ways, but would cause losses through the business through the use of the business as a supplier of cash or free product.

### Clients –

A few interviewees felt that their credibility was called into question by prospective clients based on gender. One respondent explained that if a project manager for a particular job was male and he was the “bullying type”, he will “give you a hard time”. Others perceived that their gender was at the core of clients pushing on discounted rates or in one case, leaving his old goods at her business and returning to claim it years later without explanation.

### Spouse/partner –

Three women spoke of enduring difficulties still being faced by having unsupportive husbands – demonstrated by the constant urging to “get a job”. One interviewee mentioned that her husband felt that he had been competing with her his whole life. She explained that “they can’t handle it when their wives are doing too well. They don’t like women who earn more than them.” A consequence of this on the home life is that she suffered emotional abuse through ongoing arguments and derogatory language. Yet another interviewee summarised her experience as “my husband is not supportive. He criticises everything but when something goes well, he’s the first to smile.” Another

interviewee mentioned that the lack of support made her want to give up on the choice of owning her own business.

Peer groups –

Interviewees who worked in sectors that were traditionally male-dominated felt that when they met their male peers in professional situations, that they were undermined, or not taken seriously. This was sometimes demonstrated through the use of humour or ridicule by the male peer, or calling into question the woman entrepreneur's ability to deliver on the work.

## 5.7 Results of Research Question Five

**Is there a perceived difference in the support provided to male and female entrepreneurs in townships?**

The fifth research question aimed to learn whether women entrepreneurs thought that male and female entrepreneurs were treated differently. Inherent in this question was an enquiry into whether the interviewees felt that men who owned business received more support than they did within the community. This research question was an investigation into the perception of interviewees rather than the reality as the aim was to determine if this perceived difference created a psychosocial barrier for the women to entrepreneurship. The results are provided in Table 12 below.

**Table 10: Responses to perceived differences in support received by male and female entrepreneurs**

Response	Frequency
Number that responded that there is a difference to how men and women entrepreneurs are treated in the community – men are favoured	28
Number that responded that there is no difference to how men and women entrepreneurs are treated in the community	8
Number that were unsure about any gender-based differences in treatment or support received	1
Number that responded that there is a difference to how men and women entrepreneurs are treated in the community – women are favoured	3

The majority of interviewees, 70% of the total, believed that male entrepreneurs are treated differently and are provided with more support. Of the eight interviewees that responded that this was not the case, five were from Soweto. The reasons cited for their responses were “most people who run these communes are women” or “I have not gotten to that stage yet – the business is still young”. The three interviewees who felt that the difference in support was positively biased towards women entrepreneurs mentioned that “customers feel more for me than a man” and that because she is a woman, they will “talk about any mistakes made rather than arguing as they might with a man” and that “women are encouraged because if you have a husband who goes to work, you can pursue your business.”

The interviewees who replied in the affirmative and felt women were given less support cited examples such as “most men believe that women still belong in the kitchen; so if you try to start something, you don’t get support; people criticise you negatively instead of building you and supporting you”; “a man would not have to prove himself”; and “people undermine your authority”; and that “even organisations set up to help, such as the local Business Chamber, elect men in leadership positions”. Another interviewee mentioned that she wished “there was a way that government could educate the people and open doors for women” and provided the example that should a woman buy a taxi, she would have to employ a male driver in order for it to be operational and would not be able to own more than one vehicle. This was in contrast to men who would be able to own and operate as many vehicles as desired.

The strong views on the gender-based segmentation of support, agreed by most women and service providers, were summarised by an interviewee who said that “as a woman, everyone wants me to have a small little business in the corner, not to flourish and I must be okay within a certain range. I can’t have big dreams but males are allowed to dream – it’s expected of males to go out there and do things in the community.”

Most business development service providers believed that there was a gender-based difference in treatment of entrepreneurs, with men enjoying “more support from their peers and families”. One service provider said “Yes, I really do (believe there is a difference) ...when it comes to government tenders; if you’re a man, it is seen that you have more credibility; as a woman, you’re seen as an exception, not the norm. If they go for tenders, there is the possibility of men asking for a sexual relationship.”

The one service provider who did not believe that men and women entrepreneurs get different levels of support said that “the question is whether women want and access the support; whether they want to grow or stay on the level of informal businesses. An entrepreneur is someone who has a dream and sometimes the women don’t want to grow their businesses”.

## 5.8 Results of Research Question Six

### **How should entrepreneurship programmes targeting women in townships integrate psychosocial support into their services?**

The support components to encourage small business development in the townships are currently limited. This was verified by the input provided by the women entrepreneurs in their interviews. The aim of the final research question was to understand the perspective of women entrepreneurs in townships with regards to the support they require and to recommend ways for organisations supporting small business development in townships to integrate services that address psychosocial challenges for women.

The findings show that none of the organisations, other than the one specifically set up for that purpose, offered customised services for women entrepreneurs. These organisations offered generic services that focused primarily on business support.

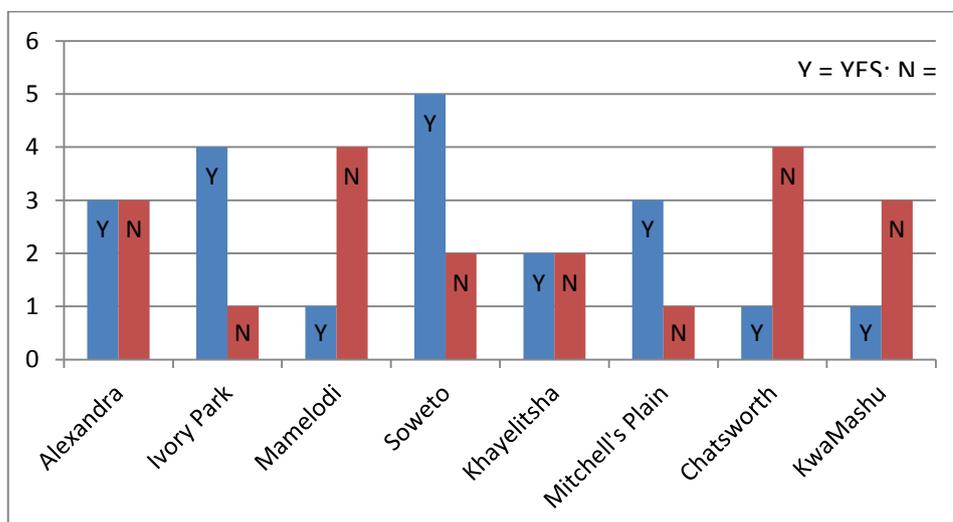
The services currently being offered are:

Business registration; Business advisory; Legal services; Mentorship; Training; Networking events; Business plan formation

Responses indicated that psychosocial services were not seen as a priority of any of the organisations, and there were no services focused on taking care of these needs for their clientele. The service providers appeared to be surprised by the question and indicated that it was not seen as a key consideration with more pressing business support needs in the midst of constrained resources. The psychosocial needs of the women entrepreneurs thus appeared to be a “luxury”.

The interviewees were questioned on whether they knew where to go to meet other entrepreneurs. This was important in order to understand whether support and networking platforms exist within the township, and if there was a possibility that the psychosocial needs of women entrepreneurs were being met within these platforms. The responses are captured in Figure 5 below, with a total of half of interviewees (20) saying they knew of a place to meet, and the other half saying that they did not.

**Figure 5: Responses to whether the interviewee knew of a place to meet other entrepreneurs**



It should be noted that even while entrepreneurs appeared to know or have heard of a place to go to gain support or meet other business owners, many mentioned not accessing these services themselves. The reasons provided for this decision were: 1) “It’s not for me”, 2) “They promise things and don’t deliver” and 3) They don’t provide what I need.

**Table 11: Organisations that support entrepreneurs in the townships**

Area	Organisation name
<b>Alexandra</b>	Alex Business Forum* Legal Aid organisation The Business Place Thusong*
<b>Ivory Park</b>	National African Chamber of Commerce & Industry – Tembisa* Avroy Shlain South African Women Entrepreneurs’ Network The Awethu Project
<b>Mamelodi</b>	MEC Economic Development – Women’s Cooperatives
<b>Soweto</b>	Johannesburg Tourism Council Gauteng Tourism Council Tsogo Sun Federated Hospitality Association of Southern Africa Department of Trade & Industry, Government of South Africa
<b>Khayelitsha</b>	Small Enterprise Development Agency* Bandwidth Barn* The Hubspace Red Door Umsobomvu
<b>Mitchell’s Plain</b>	National Youth Development Agency Red Door Tsiba Cape Chamber
<b>Chatsworth</b>	None
<b>KwaMashu</b>	National Youth Development Agency Small Enterprise Development Agency*

\*Present within the township

35% of the interviewees could not think of any organisation that supports small businesses in their township. One interviewee said that “you hear about it (support) but no-one actually comes here and explains about any programmes – it depends on who you know.”

The table below lists the support services that women entrepreneurs believe are lacking in the current ecosystem. The number of townships that the specific support service was mentioned in is recorded in the frequency column.

**Table 12: Support services believed to be lacking**

Support service mentioned	Frequency of mention
Mentorship; support/advice to deal with business and personal problems	7
Financing	6
Education/Training/Information on how to run a business	6
Marketing support/Access to new markets/Tendering	5
Networking	5
Government support	4
Space/Infrastructure	4
Easing of red tape; support to deal with red tape	4
Build awareness/support from community	3
Resources/Equipment	2
Role models	2
Safety/security	2
Marketing of the township	1
Family/partner counselling	1

\*Entrepreneurs in eight townships were interviewed

An interviewee spoke of her concerns with current platforms available for businesswomen support. “You go say your frustrations and nothing happens –

everyone is pushing KPIs in August (Women’s Month in South Africa); you say what you want and then it’s quiet until next August – unless they give an agenda with the guest speakers, I don’t want to waste my time.” In addition, support was needed to educate the community because “they look down on women when they want to start something...especially those women who go to work; they look down at the other women.”

One interviewee mentioned that “we need organisations where women, we can take care of ourselves – we talk about business but not about ourselves, our feelings, are we coping? There is a need – the things that have been said (is) not just a negative, it’s a reality.” The entrepreneur described how “another friend had to close doors due to family problems; I’ve heard about women whose bank cards are held back by husbands when they get too successful.” A second case of a woman entrepreneur closing her business due to a lack of support was described by one of the interviewees. “The (former) owner didn’t have personal support and this impacted on her being able to run the business – it’s not that there wasn’t any potential but she couldn’t make it work because of the personal factors.” Another interviewee mentioned it would have been nice if there were places where women can go to meet, where there’s people to motivate them to lift their spirits. Because a lot of women, when they can’t handle life, they take overdose, they become mentally disturbed because their own husbands bring them down. If we have these places, we can change a lot of young lives.”

## 5.9 Conclusion

This chapter outlined the findings of the interviews conducted with the two sample groups – one of women entrepreneurs from townships and the other of business development support service providers who offer services to women entrepreneurs in townships. The research will be analysed and discussed in more detail in the next chapter.

## Chapter 6: Discussion of Results

### 6.1 Introduction

The results of the research are discussed in this chapter with reference to the literature review conducted in Chapter 2. The 40 qualitative interviews and focus group conducted with women entrepreneurs in eight townships in three provinces of South Africa, and with five business development service providers, were consolidated and presented in the previous chapter and are deliberated on in light of existing literature in the section that follows.

### 6.2 Discussion of Results for Research Question One

#### **What are the psychosocial challenges faced by women entrepreneurs in townships?**

The aim of this question was to explore the types of psychosocial challenges experienced by women entrepreneurs in townships. The top ranked challenges by frequency, as listed in Table 4, were:

- Jealousy and lack of support from the community
- Gender related discrimination
- Unsupportive family or friends – discouraging of entrepreneurship
- Critical or discouraging husband
- Lack of confidence in one's own ability to run and grow a business

This was further emphasised that the success of women entrepreneurs was constrained by societal position and the traditional perception of women; the lack of support structures for women entrepreneurs in townships; and the constraints of the township environment on businesses. These psychosocial challenges were further categorised into those relating to Gender, Entrepreneurship and the Township context in section 5.3.

Gender-related challenges linked to problems experienced in being taken seriously, discrimination from various stakeholders and purposeful intimidation. This links to the research conducted in India where constraints to the growth of businesses owned by women were found to be, among others, the male-dominated societal norms and not

“being taken seriously” (Sharma, 2014). It further reinforced the multi-township study conducted in Gauteng that referred to women who were “too successful” being intimidated and “feeling like societal outcasts” (Treharne, 2011).

Interestingly, two service providers felt that no psychosocial challenges were experienced by women entrepreneurs at all as “times have changed and men and women operate the same now”. The results from the interviews with women entrepreneurs elucidated in section 5.3 revealed that these challenges do in fact exist which may indicate that some service providers are not adequately aware of the differentiation of needs within their township constituency. Mboniyane & Ladzani (2011) had found in a study of Kagiso township in Gauteng that there is an extremely low survival and growth rate of small businesses in the township which is attributed partly to internal weaknesses and partly to the lack of support small businesses get from institutions set up for that purpose. The misalignment of responses between the two sample groups may be indicative of this lack of support.

Entrepreneurship challenges were those that related specifically to starting and running a business. One of these challenges is the resistance within the community to women choosing to create their own enterprise rather than seek employment. As can be seen in Figure 3, the findings indicated that most women received a mixed or unsupportive initial response to their choice of entrepreneurship as a career option.

The challenges discussed in the findings of the study, listed in Table 5, were similar to those mentioned by other small business owners, specifically in relation to financing and marketing difficulties (Mboniyane & Ladzani, 2011; SBP Consultants, 2013) However, the area of challenge that appeared to be exacerbated by gender was the number of credit-seeking customers within the community. The findings indicate that interviewees felt their gender played a role in customers “taking advantage” and that this would not have been as extensive had the entrepreneur been a man.

As an initial response to the woman choosing entrepreneurship as the career choice as opposed to employment, families and friends were generally sceptical or discouraging, indicating a potential averseness to the risk and uncertainty related to entrepreneurship. This links to the literature from Ascher (2014) who discussed the impediments to entrepreneurship for women, especially those rooted in stereotypical views on the traditional roles of women and domestic issues. As expounded by Sharma (2014), these view or expectations were found to impede the ambition, risk-taking and innovativeness of the women entrepreneur.

The township context added a further dimension of complexity to the challenges already faced by the women entrepreneurs. The findings in Tables 5 and 6 indicate that this context manifests in the following kinds of problems: townships being seen as unsafe and goods produced of inferior quality and thus being restricted in terms of access to external markets; jealousy within the community if women attempt to rise above other community members and lack of business support. This is reinforced by research in Walmer township which indicated that there was a high risk of social disapproval should businesses fail, or a sense of distrust if they were too successful (Preisendorfer, Perks & Bezuidenhout, 2014).

The finding of a lack of confidence in one's ability to create and grow a business is aligned to the Global Entrepreneurship Monitor statement that the confidence of South African entrepreneurs in their ability to start a business is "alarmingly low compared to other sub-Saharan countries" (Herrington, Kew & Kew, 2014).

The results explained in section 5.3 clearly indicate that issues such as jealousy from within the community are real and felt challenges and concerns which have a bearing on the woman entrepreneur's emotional state. This has previously not been given sufficient attention in the literature on women entrepreneurship, specifically within resource-constrained or marginalised communities, in which the psychosocial challenges may be more nuanced. The finding that specific psychosocial challenges are found to relate to the township context indicates that certain spatial structures may create its own unique related challenges.

The outcomes of the research further reinforced that women entrepreneurs in townships are highly likely to struggle with psychosocial challenges related to gender; entrepreneurship, and operating in the complex environment of the township. In reference to the Entrepreneurship Ecosystem model (Isenberg, 2010), the psychosocial challenges indicated by the respondents link in to the specific circle of Culture. Through an examination of the model's more detailed elements, it appears to be deficient in the area of individual psychosocial bearing on the ecosystem.

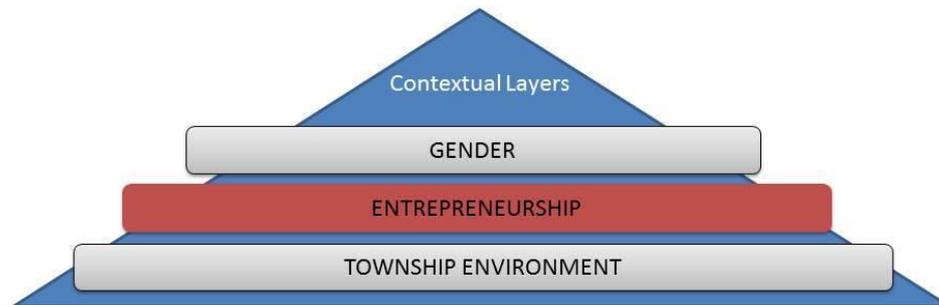
### **Conclusive findings for Research Question One**

The psychosocial challenges outlined by the interviewees indicate that there is a multi-layered context that women entrepreneurs in townships work within, which ranges in its source and intensity. The misalignment between service provider and women

entrepreneur responses on psychosocial challenges received indicate that there may be insufficient knowledge of these pressures on women entrepreneurs in townships.

The thematic areas that arose from the responses are illustrated in Figure 6 below.

**Figure 6: Contextual layers impacting on psychosocial ecosystem of women entrepreneurs in townships**



There is a strong gender-related bias to the challenges faced by the women entrepreneurs; further strain was placed by entrepreneurship not being completely accepted and recognised by the community and other stakeholders as a viable career option; and these issues enacted in the context of the township created a further layer of complexity to the women.

### 6.3 Discussion of Results for Research Question Two

#### **What are the components of a psychosocial support ecosystem for women entrepreneurs in townships?**

The objective of this research question was to understand the various sources of psychosocial support for women entrepreneurs in townships. The importance of this understanding is directly linked to the ecosystems approach outlined in Chapter 2, in which the approach was explained to encourage understanding thoughts and behaviours in relation to networks and relationships (Mattaini & Meyer, 2002).

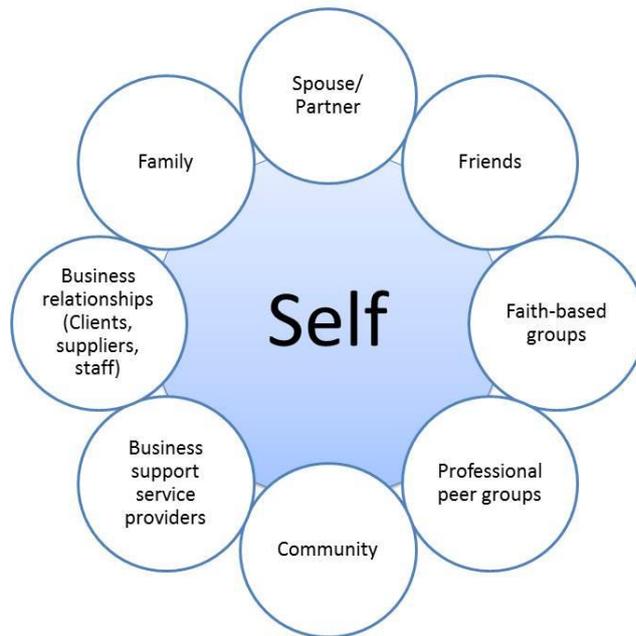
The system of networks and relationships in relation to the woman entrepreneur is delved into further through the study. The findings showed that the major components of the support system fit in with the proposed model in Chapter 2 which consisted of Spouse, Family, Friends, Staff/Business Associates and Community. However, in addition, the two stakeholder groups that were included in the revised model indicated in Figure 4 under the section of 5.4 were professional peer groups and faith-based groups.

The literature makes an indirect mention of peer groups through the reference to the social capital factors mentioned above; however, the importance of engaging with like-minded entrepreneurial individuals or groups informally has not been indicated in a substantive way (Ewere, Adu & Ibrahim, 2015). Additionally, the finding in Table 8 that faith is an important method of coping with psychosocial challenges has been underestimated in the literature as this may have a cultural bias. Prayer or turning to one's faith was ranked highest in terms of coping mechanisms, along with speaking with a family member, as shown in Table 8. Yet, existing literature is silent on the value of faith-based groups to the entrepreneur. In this study, the importance of faith-based groups in offering support has not been found to be significant; it was the lowest ranking component in Table 7 in terms of frequency of response but it did offer a new lens of the provision of potential support. Small business service providers were added to the model at this stage as they were suppliers of the support in question.

### **Conclusive findings for Research Question Two**

The recognition of a social support system that operates around the woman entrepreneur in the township is significant, as it provides the basis to understand the entry points to the provision of support. Following the initial model developed based on a review of the literature, a new contribution to the area of study was made through the inclusion of faith-based groups.

**Figure 7: Revised psychosocial support components for women entrepreneurs in townships**



## 6.4 Discussion of Results for Research Question Three

### How does each component help the female entrepreneur in townships?

The objective of this research question was to uncover the ways in which each of the components of the ecosystem as outlined in 6.3, help and support the woman entrepreneur. The rationale behind this question was to understand where the strengths in the support ecosystem lie with the ultimate objective of ensuring that this type of support is increased or enhanced.

The findings illustrated in Table 7 indicated that the support components of family and friends, who would be those that tend to share the closest relationships with the entrepreneur, tend to be the providers of most support. This support is usually in the form of emotional support and encouragement, as well as some assistance related to the business. This is in line with the literature; specifically, a study conducted with Emirati female entrepreneurs which indicates that family structures and the contribution they provide to the business is important for business success (Jabeen, Katsiolouides & Das, 2015). This is reaffirmed by a Nigerian study where as many women reported that their husbands were supportive and helpful, as those who found them to be barriers to

growth (Mordi, Simpson, Singh & Okafor, 2010). Furthermore, research that delved specifically into the role of husbands in supporting women entrepreneurs found that a key determinant of whether the spouse had a positive impact on the marriage was whether he was “willing to accommodate the changes required by the wife’s business”, as opposed to being resentful or competitive (Nikina, Shelton & le Loarne, 2013). In relation to friends, Ewere et al. (2015) found that social capital factors that included self-employed friends and support from a personal network would have greater significance for women entrepreneurs in townships.

The community, as a component of support, ranked third in Table 7 in terms of helpfulness to the woman entrepreneur. This support was primarily by way of patronising the entrepreneur’s business; however, there were instances of more substantial support such as encouragement and motivation to continue on the entrepreneurial journey. Grant (2013) found that due to the exclusionary nature of apartheid, and townships having been isolated, this has culminated in a greater sense of belonging and commitment to the township by the entrepreneur, and may explain the sense of stronger support by community members.

The case put forward by all results above are confirmed by an empirical study into the success factors of women entrepreneurs in Malaysia which found that family support, social ties and internal motivation have a significant positive effect on women entrepreneurs (Alam, Fauzi, Jani & Omar, 2010).

### **Conclusive findings for Research Question Three**

Family, friends and the stakeholders closest to the woman entrepreneur provide the most significant level of support; the township context provides positive effects of closeness and support from the community.

## **6.5 Discussion of Results for Research Question Four**

### **How does each component hinder the female entrepreneur in townships?**

The aim of this research question is to explore how the same support components outlined in 6.3 can have an unfavourable bearing on women entrepreneurs in a township. While certain components are traditionally seen as support mechanisms for

the entrepreneur, there are also circumstances that lead to these components being a hindrance to entrepreneurial or business growth. The rationale behind this question is to ensure that components that hinder the entrepreneur's growth are minimised, and that effective solutions are found to mitigate their effect.

The findings listed in Table 9 indicate that the highest ranked component serving as a barrier is the community. While the negative impacts of the community has been mentioned in the literature, an important finding was the significance of the potential threat to the women's entrepreneurial growth and potential business failure posed by the inhibiting factors within the community – it was mentioned twice as many times as the next ranked component of staff and business associates. The bearing of gender discrimination based on traditional views within the community of the role of women was noted as a significant challenge faced by women entrepreneurs (Ascher, 2012; Mwangi, 2012; Sharma 2014). A Kenyan study found that women entrepreneurs lacked social acceptance and support resulting in being looked down on and often faced with prejudice (Mwangi, 2012). Research tells us that communities appear to have an unspoken view on what is a socially acceptable level of growth and success of the woman entrepreneur and her business (Rabbani & Chowdhury, 2013). Women who tend to breach this invisible threshold may face consequences of jealousy, criticism and in extreme cases, intimidation.

The group ranked second as a barrier to women entrepreneurs was staff and/or business associates. The literature does not articulate the challenges that arise from having to manage relationships with this group as a major concern; however, in this study, women consistently mentioned that staff, business associates or clients would “take advantage” based on their gender. This is an important finding as it impacts on the leadership skills women need to be equipped with in order to respond to situations appropriately.

Interestingly, friends, who are also seen as a high-ranking source of support for the woman entrepreneur, can also be significant inhibitors to their business growth. This is done through attempting to be “middle men” to the sales process; negotiating unfeasible discounts or opening businesses offering the same product or service. This is an especially important finding as existing literature does not look at the impediments provided by such groups that are generally acknowledged to be supporters of the woman entrepreneur. This rationale holds for the family and spouse/partner as well. The previous minimal study done has indicated that women face challenges within the family that arise from having to juggle the roles of primary parent, housekeeper and

family involvement which are not minimised based on her role as businesswoman (Schindehutte, Morris & Brennan, 2003). While spouses can have a very beneficial impact on the growth of the woman entrepreneur and her business, on many occasions, they can also hinder her in these objectives (Mordi et al., 2010; Nikina et al., 2013). Although only ranked fifth in terms of barriers, the extent of disapproval and discouragement, as well as the force and persistence of dissuasion directed at the woman entrepreneur can be debilitating as proven by the cases of intimidation and abuse. Based on the importance of the support of the husband/spouse component, a specific study was done into its impact, with the finding that these relationships are strengthened if the partner is able to embrace the needs of the woman entrepreneur (Nikina et al., 2013). Unless this is done, the impact on the marriage contract is generally negative and has a further consequence on the psychological contract of the entrepreneur on her business (Nikina et. al, 2013).

#### **Conclusive findings for Research Question Four**

In a direct contrast to the finding for the previous research question, the community is the top ranked inhibitor to women entrepreneurs in townships through gender-based discrimination and traditional perspectives. The observation that staff was seen as a significant barrier led to the recognition that leadership training is essential to supporting the growth of women-led businesses in townships. Spouses/partners could have a detrimental effect on the woman entrepreneur through the depth and constancy of criticism and negativity. Finally, a critical contribution through this study was that while friends ranked highly as a means of support, they could be a source of competitiveness, jealousy and criticism which could create psychological distress to the woman entrepreneur.

## **6.6 Discussion of Results for Research Question Five**

### **Is there a perceived difference in the support provided to male and female entrepreneurs in townships?**

The objective of this question was to understand whether women entrepreneurs perceive there to be a difference in how they are treated by support organisations, and whether they feel that they are discriminated against due to their gender. This question

was not aimed at uncovering or measuring the gender differences as they actually exist, but rather to explore the perceptions of women entrepreneurs, which is important to further appreciate their sense of acceptance of their entrepreneurial role and the support they receive within their communities.

As per the findings, the majority of interviewees, 70% of the total, believed that male entrepreneurs are treated differently and are provided with more support. This is aligned to the prevailing thinking within the literature which was predicated on entrepreneurship being a “gendered phenomenon” (Jennings & Brush, 2013). The result linked to an overall paradigm within townships that micro and small businesses were suited to women who had “household priorities” (Njiro, Mazwai & Urban, 2010). This line of thinking appeared to connect with the comment of one of the interviewees outlined in the findings: “as a woman, everyone wants me to have a small little business in the corner, not to flourish and I must be okay within a certain range. I can’t have big dreams but males are allowed to dream”. This alludes to the women being “allowed” by the community to own businesses that supplement her household priorities, but not to be too ambitious which confirms the finding of societal views being an inhibitor to growth (Rabbani & Chowdhury, 2013).

Interestingly, five of the eight interviewees who felt there was no difference in support provided, came from the hospitality industry in Soweto which was provided with assistance from a specific company and the local public tourism promotion agency. As the largest township in South Africa and popular for historical reasons, a potential reason may be that Soweto receives more support than others.

The findings related to this research question provided a multiplicity of community perceptions and attitudes around the traditional roles of women. Having to prove oneself to be capable more often than a male would have to; having one’s authority undermined and ensuring one’s business growth plans were not very ambitious were issues that women entrepreneurs contended with.

This pattern of thinking fits in with the patriarchal values of society highlighted in a Nigerian study on women entrepreneurship (Mordi, Simpson, Singh & Okafor, 2010). A thought-provoking observation by an interviewee was that “even organisations set up to help, such as the local Business Chamber, elect men in leadership positions”. In other words, the spread of patriarchal bias reached even the service providers that women were counting on for support. The service providers agreed that a gender-based difference in treatment was prevalent, and yet only one customised its services for

women. The implication of this was a potential diminishing of the ability of women to realise their achievement motivation and other entrepreneurial traits (Sharma, 2014).

In response to this, the interviewees called upon government to play a role in education and opportunity creation for women entrepreneurs. Service providers felt that there was a possibility of men asking for “sexual relationships” when women entrepreneurs apply for government tender contracts. This type of power play was one of the reasons that women entrepreneurs appeared to censor their business growth ambitions (Treharne, 2011).

### **Conclusive findings for Research Question Five**

The significance of the results of research question 5 is that women entrepreneurs in the main believe that their male counterparts are given preferential treatment which lends further weight to the prevailing patriarchal bias discussed in the literature. This continued perception by the women appears to have a strong role in inhibiting their will and desire to grow their businesses further. Significantly, while service providers agreed that gender-based differences existed, only one customised its services for women which indicates a potential rationale for the failure of professional support for female entrepreneurs in townships.

## **6.7 Discussion of Results for Research Question Six**

### **How should entrepreneurship programmes targeting women in townships integrate psychosocial support into their services?**

The aim of this research question was to ground the knowledge of the psychosocial challenges faced by women entrepreneurs in townships in an understanding of the services that are currently provided. An alignment of the need and the supply of these services would indicate that this may not be a contributing factor to the failure or lack of growth of women-owned businesses in townships. However, based on the findings, there is a chasm between the demand and supply of services. The importance of this question is to ensure the applicability of the findings in a relevant and practical way for the proponent at the centre of the research – the woman entrepreneur.

As mentioned in 6.6, business support service providers were in agreement with the interviewees that male and female entrepreneurs were treated differently, both by their families and their peers. Yet, the findings indicate that only one organisation had specific services for women entrepreneurs, which was the basis for its formation. All others had generic services for both male and female entrepreneurs. This is despite the assertion by the Global Entrepreneurship Monitor 2014 that “females are not playing the significant role that they should be in entrepreneurship” and the recognition of women entrepreneurship as a significant contributor to economic growth and job creation (Herrington et. al, 2014; Brush & Cooper, 2012). Support provided in townships specifically is critical to respond to uplifting women entrepreneurs from the informal sector that they are generally “locked into” (Chaney, 2014; Nmadu, 2011).

However, based on the results of the study, only half of interviewees knew of a place to access support and networking services, and even then did not necessarily access those services as they did not feel it was adapted to their needs. This is in contradiction to the structured and customised response of the European Commission to obstacles created by gender stereotyping which has been successful in supporting women entrepreneurs (Kamberidou, 2013).

Part of that customised support response requires an understanding of the components that make up the psychosocial ecosystem of the woman entrepreneur. Service providers would have to recognise that the need for acceptance in the home and the contribution of the spouse and family of the female entrepreneur play an integral role in supporting her growth (Nikina, Shelton & le Loarne, 2013). A further consideration is the psychological and social burden placed on women entrepreneurs due to urbanisation (O’Neill & Viljoen, 2001). Based on the challenges outlined above, service providers need to customise psychosocial support that enables women to attain the personality traits that have been identified for successful entrepreneurship, including assertiveness, self-governance and positivity (Mordi, Simpson, Singh & Okafor, 2010).

The findings also indicated a sense of frustration felt by the women with regards to current support mechanisms available, highlighting a lack of understanding and action of their needs. Additionally, societal aspects such as education for the community in order to gain more respect, and platforms to “talk about ourselves, our feelings...” were currently not available. It has been evidenced through a study in Walmer township that a favourable societal perception of entrepreneurship is correlated with a higher entrepreneurial spirit in that community (Preisendorfer et al, 2014).

The current study indicated that the top three ranked support services requested by the women entrepreneurs were mentorship/support and advice for business and personal problems; financing and education/training/information on how to run the business more effectively. While the second two services may be more generic, the evidence provided by this study indicates that the content may be customised to the social challenges faced by the women entrepreneurs. Additionally, the findings demonstrate that there are other levels of support that had a strong gender bias such as the need to build awareness and support in the community for women entrepreneurship; the need for safety and security support; the importance of female entrepreneur role models and family/partner counselling to mitigate the effects of traditional expectations.

### **Conclusive findings for Research Question Six**

The results for Research Question six proved that despite being women entrepreneurship being viewed as a national imperative, small business support providers have not undertaken to provide customised services to women entrepreneurs in townships. The top three ranked support services requested by the women entrepreneurs were mentorship/support and advice for business and personal problems; financing and training on how to run the business more effectively.

The key findings of research questions three to six have been summarised in Table 13 below to contribute towards the development of a model on the psychosocial support ecosystem for women entrepreneurs in townships.

**Table 13: Summary of findings from Research Questions 3-6**

Component	Enabling factors	Inhibiting factors/Barriers
Spouse/Partner	Encouragement Partnership	Argumentative Dissuasive
Family	Emotional support Encouragement	Discouragement Criticism
Friends	Emotional support Sales assistance	Discouragement Competitive
Staff/business associates	Support business growth	Theft “Taking advantage”
Business support service providers	General business support	Psychosocial support Mentorship Financing
Community	Support Patronage	Jealousy Intimidation
Peer support groups	Share experiences Give advice	Discrimination by male peers
Faith-based groups	Support Comfort Business networking	No barriers noted

## 6.8 Conclusion

This study has brought forth several key findings that have reinforced the call for further research in the space of women entrepreneurship, specifically in the low-income complex environments of emerging markets. The research results also support the theory that women entrepreneurs in townships face psychosocial challenges that must be addressed in the support system that exists in order to enable them to grow.

Thus, through the exploration of these psychosocial challenges, it can be reiterated that entrepreneurship is a “gendered phenomenon” (Jennings & Brush, 2013).

## Chapter 7: Conclusion and Recommendations

### 7.1 Introduction

The previous chapter has provided an analysis of the research findings. The final chapter synthesises the major findings of this study to provide a more nuanced view of the contextual psychosocial support ecosystem for women entrepreneurs in townships.

The Babson Entrepreneurship Ecosystem model has been utilised as the entry point into this study; however, the model attempts to outline the entire environment for all entrepreneurs – including aspects such as Policy, Finance, Markets, Human Capital, Culture and Supports (Isenberg, 2010). The Culture component of this model is of specific interest to this study and has been expanded to serve as the background and setting for the detailed model proposed. Based on the findings, the component of culture serves as the primary influence on the support ecosystem in which the woman entrepreneur operates. The component parts of this support ecosystem have been identified with the introduction of the faith-based groups being a unique contribution of this research.

Figure 6 illustrates these findings through a diagrammatic representation of the psychosocial support ecosystem; drawing together the barriers and enablers for each component, and underpinned by the contextual layers of complexity that the woman entrepreneur faces. This clearly indicates the importance of understanding the complexity of the environment that women entrepreneurs operate within in order to support their success and sustainability which is critical to economic growth and job creation.

### 7.2 Research Limitations

As previously noted, a restriction of the interview method is that respondents usually have limited time to respond and this may have been a barrier to probe further (Saunders & Lewis, 2012). A second potential limitation is the universalisation of the findings. As the study was conducted in only three provinces, and with 40 entrepreneurs, it cannot be inferred that it is indicative of the experiences of all small businesses in townships within every province.

### 7.3 Synthesis of the findings: Model for psychosocial support

The findings prove the need for a more contextual understanding of the Culture dimension of the Babson College Entrepreneurship Ecosystem model. This model provides a simplistic view into the overall ecosystem for entrepreneurs and does not apply a gendered or contextual view to differences in the ecosystem based on a more developed environment or one that may have several inhibiting factors.

This study served as an extension to research conducted into the impact of spouses and the extended family on the woman entrepreneur which demonstrated that both groups have an essential role to play, and could have an equally positive or negative effect on the entrepreneur's growth (Nikina, Shelton & le Loarne, 2013).

The findings of each of the research questions in this study were thus synthesised to add greater nuance and depth to the element of Culture within the model from a psychosocial perspective. The components of the psychosocial ecosystem for the woman entrepreneur in a township were first identified and form the core of the model (Jabeen, Katsioloudes & Das, 2015; Mordi et al., 2010; Nikina et al., 2013; Ewere et al., 2015). These components refer to the sources of potential psychological support and comfort to the women entrepreneur; the areas from which she derives the ability to handle the complex environmental and social context in which she operates. A unique component that was added to the model based on the research findings was the faith-based groups. The barriers and enablers are then listed for all components in order to demonstrate that each group may promote and inhibit the growth of the woman entrepreneur. The inclusion of the barriers places into perspective that the sources from which the entrepreneur gets her support may also be a cause of concern or negativity.

To ensure an understanding that the woman entrepreneur does not operate within a vacuum, the contextual layers of gender, entrepreneurship and the township are overlaid on the model to demonstrate the complexity of the ecosystem. The research findings indicate that gender-related sensitivities were prevalent with almost all participants and could impact on the woman entrepreneur on differing levels of intensity, ranging from slight antagonism to passive-aggressive behaviours or intimidation and abuse. Gender-based discrimination was felt in dealing with various stakeholders in the business – staff, business associates/peers/competitors and clients. An important outcome of the gender filter was a lack of self-confidence and a belief that the image of successful entrepreneurship is “male”, as evidenced by the

findings. The potential for this filter to impact on the women entrepreneur is thus significant.

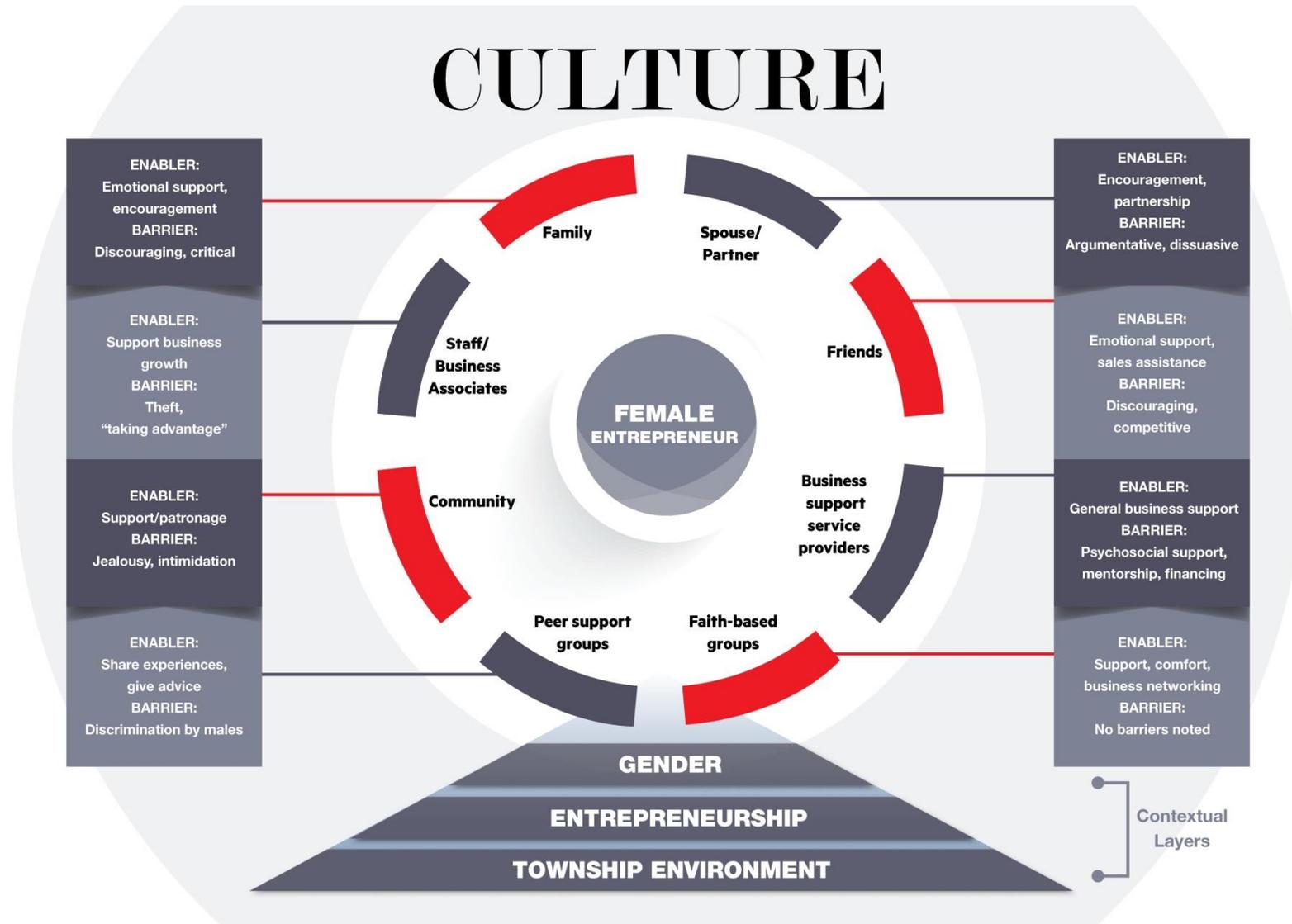
With regards to the layer of entrepreneurship, the notion of this not being a stable and respected career choice has a bearing on the woman entrepreneur. While some business challenges experienced may be generic, the risk aversion and “fear of failure” related to entrepreneurship normally makes it less palatable for the family and community to accept. Another aspect of having to be an entrepreneur that the women found challenging was related to the discouragement and criticism levelled by various components of their support ecosystem. Due to entrepreneurial role models not being prevalent in the community, the respect or credibility of the women entrepreneurs was continually called into question which creates an added pressure.

The third contextual layer is the township environment which has been demonstrated to have a significant effect on psychosocial challenges experienced by the woman entrepreneur. This manifested in various ways that inhibited the woman entrepreneur’s growth – from the jealousy and negativity experienced within the community predicated on the community’s need for “sameness” to the lack of marketing and support for townships as a place of business. Townships have infrastructural challenges that have created a barrier for business growth, and have been portrayed as places of risk and danger to the rest of the population.

Each woman works within this complex system that exerts pressure due to traditional views on gender roles; a lack of entrepreneurial spirit or culture within the community; and the infrastructural barriers and social dynamics of the township. This is illustrated in Figure 6 below.

These inter-related aspects of the model provide the finer detail to the dimension of culture within the overall entrepreneurship ecosystem, and enable the creation of more specificity to the type of support offered by service providers in the community.

Figure 8: Psychosocial support ecosystem model for women entrepreneurs in townships



## 7.4 Recommendations for application

Both groups – the women entrepreneurs in townships and the small business development service providers – should take cognisance of the model in its entirety and the implications it offers. Specific recommendations follow for both groups to enable the applicability of the model.

### 7.4.1 Recommendations for women entrepreneurs

The study has practical applicability to women entrepreneurs in townships, and the recommendations below are premised on the findings that emerged. The entrepreneurs face a challenging environment in which to grow and thrive, and the results indicate that the characteristics of tenacity, self-motivation and resilience are required in order to sustain.

Additionally, women entrepreneurs in townships would benefit from:

- Acknowledging when the psychological burden of dealing with entrepreneurship is inhibiting their growth
- Taking steps to reach out for particular types of support they require through the various components in their ecosystem
- Mitigating discouragement and disillusionment arising from criticism of the spouse/partner, family or friends by reaching out to professional, self-employed peer groups, or faith-based groups for comfort and guidance
- Undertaking leadership programmes through business support service providers in the community and externally to learn how to manage staff and difficult customers better
- Getting involved in networking in order to build “social capital” - positive and beneficial relationships
- Reaching out to successful entrepreneurs or businesspeople to serve as mentors
- Finding entrepreneurial role models within the community or externally to aspire to, and follow key characteristics or traits that would support personal growth

#### 7.4.2 Recommendations for small business development service providers

The research has provided clear evidence to small business development support that a more customised approach is required for women entrepreneurs, which needs to take into account the psychosocial context of the women. Business services currently tend to provide only technical business skills training and support, but tend to ignore the mental and emotional challenges that women face due to the very specific and difficult environment of the township. Those who do provide some level of psychosocial support tend to do this incidentally and not as a core service. The discrepancy between two organisations not recognising any psychosocial challenge, as compared to the women entrepreneurs who were very clear in this being a problem, may indicate that there is insufficient understanding of the role context and gender play in the ability to accept and absorb business development support.

With this in mind, the following recommendations are provided to enhance current support provided in townships:

- Administer a diagnostic tool to uncover gender-related challenges faced by the woman entrepreneur at the outset in order to plan appropriate support
- Use the diagnostic to reveal the different approaches used by women entrepreneurs to manage business issues – e.g. gender-related nuances to leadership, negotiation, and marketing
- Create customised support interventions based on the outcomes of these diagnostics
- Provide a safe environment for women entrepreneurs to share their challenges
- Create peer groups in which women entrepreneurs can share and learn from other like-minded people
- Create gender-specific training workshops e.g. work-life balance,
- Provide increased and non-threatening opportunities for women entrepreneurs to network
- Create awareness programmes within the community to ensure that the status of women entrepreneurs is raised

## 7.5 Recommendations for future research

The current study sought to understand the psychosocial support ecosystem for women entrepreneurs in townships. However, there is a need to explore earlier in the pipeline of female entrepreneurs in townships and understand pre-start barriers to women and young girls becoming entrepreneurs. This would enable the early identification and response to getting more women entrepreneurs into the township economy. It would also be beneficial to understand the exact point of failure for women-owned businesses in townships – this is the point at which the business owner decided to close the enterprise. The rationale for this is to understand what were the reasons for the decision, what proportion of the decision was a result of psychosocial challenges and what support could have been provided to avert the decision.

Further research would be enhanced by case studies of international and regional support mechanisms and incentives that have been successful in supporting the psychosocial needs of women entrepreneurs. This would enable a more distinctive understanding of how entrepreneurs need to be supported in dynamic and complex contexts such as those found within emerging markets.

## 7.6 Conclusion

Women entrepreneurship has been recognised as being critical to the economic and employment growth of countries; as well as integral to the drive for gender parity and poverty alleviation. The specific context that women entrepreneurs in the historically marginalised township communities of South Africa operate within has largely been ignored in the literature. This study makes a significant contribution to the current understanding of this context and uncovers the psychosocial layers that gender discrimination, attitudes toward entrepreneurship and the complexity of the township environment have on the woman entrepreneur's ability to sustain and succeed.

Through this study, the dynamics of this unique psychosocial ecosystem have been identified through delving into its component parts; understanding the duality of support and barriers inherent in each of the component parts and providing recommendations for the applicability of this knowledge into practice. A unique contribution has been the introduction of faith-based groups as a key component of support to the woman entrepreneur in this setting.

Finally, this research has significance in that it contributes to the body of knowledge on women entrepreneurs in low income or emerging markets, specifically those who operate within resource-constrained environments such as townships. It also proposes that the dimension of psychosocial challenges may be a substantial contributor to the failure of women-owned businesses and recommends that support mechanisms for small business development take into account this element. The primary consequence of this research should be an enhanced understanding that the emotional care and well-being of women entrepreneurs is critical in order to enable them to adequately focus on their entrepreneurial leadership and business growth, thus contributing to economic growth and employment.

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## Appendices

### Appendix 1: Interview guide - Sample group A (Women entrepreneurs)

#### CONSENT FORM

*I am conducting research on the support system for women entrepreneurs in townships. I am trying to find out what social and emotional challenges women face when they own businesses in townships and how they are being supported. Our interview is expected to last 30min. Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below:*

*Researcher name: Yogavelli Nambiar*

*Email: [nambiary@gibs.co.za](mailto:nambiary@gibs.co.za)*

*Phone: 079 772 1577 or 011 771 4360*

*Research Supervisor Name: Dr. Margie Sutherland*

*Research Supervisor Signature: \_\_\_\_\_*

*Email: [sutherlandm@gibs.co.za](mailto:sutherlandm@gibs.co.za)*

*Phone: 011 771 4000*

*Signature of participant: \_\_\_\_\_*

*Date: \_\_\_\_\_*

*Signature of researcher: \_\_\_\_\_*

*Date: \_\_\_\_\_*

### Section 1: Personal Demographics

1. Age:
2. Ethnicity:
3. Family structure:
- If other, please give a description \_\_\_\_\_
4. Education level:

### Section 2: Business Demographics

5. Location:
- 
6. What type of business do you run? \_\_\_\_\_
7. When did you start the business? \_\_\_\_\_
8. How many people do you have working for you? \_\_\_\_\_

### Section 3: Entrepreneurship & Psychosocial support

9. Why did you start your business/es? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
10. How did your family and friends react when you started the business/es? \_\_\_\_\_

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11. What problems have you experienced in being an entrepreneur in the township?

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12. Do you think women business owners are treated any differently from men who own businesses? \_\_\_\_\_

13. If yes, how so? \_\_\_\_\_

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14. How do the following people/groups help or hinder you as an entrepreneur?

	Help	Hinder
Husband/Wife/Partner/Family		
Friends		
Staff/Business associates		
Community		

15. Where do you go to meet other people who own businesses? \_\_\_\_\_

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16. Are there organisations that provide any help to business owners in the townships?

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17. What support do you think is still lacking? \_\_\_\_\_

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18. How do you cope when times are hard? \_\_\_\_\_

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\*Ends

## Appendix 2: Interview guide - Sample group B (Service providers)

### CONSENT FORM

*I am conducting research on the support system for women entrepreneurs in townships. I am trying to find out what social and emotional challenges women face when they own businesses in townships and how they are being supported. Our interview is expected to last 30min. Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below:*

Researcher name: Yogavelli Nambiar

Email: [nambiary@gibs.co.za](mailto:nambiary@gibs.co.za)

Phone: 079 772 1577 or 011 771 4360

Research Supervisor Name: Dr. Margie Sutherland

Research Supervisor Signature: \_\_\_\_\_

Email: [sutherlandm@gibs.co.za](mailto:sutherlandm@gibs.co.za)

Phone: 011 771 4000

Signature of participant: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_

Date: \_\_\_\_\_

## Section A: Business Demographics

1. Type of organisation:

Private ED Agency/ Institution	Independent ED Consultant	Governmental agency	Other
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If other, please give a description \_\_\_\_\_

2. Age of organisation: \_\_\_\_\_

3. Location: \_\_\_\_\_

Alexandra	Ivory Park	Mamelodi	Soweto
Umlazi	Chatsworth	Khayelitsha	Mitchell's Plain

4. Legal structure of business:

Non-profit company	CC or private business	Registered Trust	Informal business
Other	If other, please give a description _____ _____		

5. No. of employees: \_\_\_\_\_

## Section B: Current Services

6. What type of services do you provide to entrepreneurs? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Are your services free to the entrepreneur or paid for? \_\_\_\_\_

8. Where is your clientele primarily from? \_\_\_\_\_  
\_\_\_\_\_

9. What is the gender breakdown of your clientele? \_\_\_\_\_  
\_\_\_\_\_

10. Do you have any services specifically aimed at women entrepreneurs? \_\_\_\_\_

11. If no, why not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. If yes, how do your services support the psychological or social aspects of being a female entrepreneur? \_\_\_\_\_

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13. How do you customise these services for the individual? \_\_\_\_\_

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14. What has the response to/impact of these services been? \_\_\_\_\_

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**Section C: Women Entrepreneurship**

15. What do you believe are the main psychosocial factors related to being a female entrepreneur located in a township? \_\_\_\_\_

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16. How do these factors help or hinder them? \_\_\_\_\_

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17. What kind of psychological and social support do you think they need? \_\_\_\_\_

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18. What are the barriers to them getting this support? \_\_\_\_\_

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19. Do you think that male entrepreneurs get more support than female entrepreneurs? \_\_\_\_\_

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## Appendix 3: Consistency matrix

Title: The psychosocial ecosystem for women entrepreneurs in townships – barriers and enablers

Research Questions	Literature Review	Data Collection Tool (Survey questions)	Content Analysis
RQ 1: What are the psychosocial challenges experienced by women entrepreneurs in townships?	Ascher, 2014 Sharma, 2014 Nikina, Shelton & le Loarne, 2013	Sample A: Q10; 11 Sample B: Q15	Content analysis of open-ended questions to understand the nature of the problems experienced and themes that emerge; frequency analysis to rank challenges mentioned
RQ 2: What are the components of a psychosocial ecosystem?	Mwangi, 2012 Isenberg, 2010 Auerswald, 2014	Sample A: Q11; 12; 14; 17 Sample B: Q11; 12; 13; 15	Content analysis of open-ended questions to uncover range of options related to stakeholders (as per content analysis model)
RQ 3: How does each component help the entrepreneur?	Ewere, Adu & Ibrahim, 2015 Grant, 2013 Witbooi & Ukpere, 2011	Sample A: Q10; 11; 12; 15 Sample B: Q13; 14; 16; 17	Content and frequency analysis of open-ended questions to understand the depth of impact of the options articulated
RQ 4: How does each component hinder the entrepreneur?	Sharma, 2014 Witbooi & Ukpere, 2011 Schindehutte, Morris & Brennan, 2003	Sample A: Q10; 11; 12; 15 Sample B: Q16; 17	Content and frequency analysis of open-ended questions to understand the depth of impact of the options articulated
RQ 5: Is there a perceived difference in the psychosocial support provided to male and female entrepreneurs in townships?	Herrington, Kew & Kew, 2014 O'Neill & Viljoen, 2001 Treharne, 2011	Sample A: Q12; 13 Sample B: Q10; 11; 19	Frequency analysis of closed question to understand number of interviewees that agree, disagree or are neutral; content analysis of open-ended follow up question to uncover perceptions of potential discrimination of support

RQ 6: How should entrepreneurship programmes targeting women integrate psychosocial support into their services?	Preisendorfer, Perks & Bezuidenhout, 2014 Rabbani & Chowdhury, 2013 Mordi, Simpson, Singh & Okafor, 2010	Sample A: Q15; 16; 17 Sample B: Q6; 10; 11; 12; 13; 14; 17; 18	Content analysis of open-ended questions to understand range of success achieved by current practices, and desired future practices; frequency analysis to create rank-ordered table of priority services
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## Appendix 4: Ethical Clearance letter

### **Gordon Institute of Business Science** University of Pretoria

Dear Yogavelli Nambiar

Protocol Number: Temp2016-00984

Title: *The psycho-social support ecosystem for women entrepreneurs in townships - barriers and enablers*

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

GIBS Ethics Administrator

