

**THE INFLUENCE OF ENTREPRENEURIAL PARENTS ON ENTREPRENEURIAL
INTENTIONS IN THE EASTERN CAPE**

By

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RESEARCH PROPOSAL

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DECLARATION

I, Msekeli Nqwazi, hereby declare that this treatise and content thereof represents our own original work; all sources used or referred to have been documented and referenced; and this treatise has not been previously submitted for assessment in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution.

The opinions expressed and conclusions arrived at, are those of the researcher and not necessarily that of the Nelson Mandela University.

Msekeli Nqwazi

Date

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ABSTRACT

There is an alarming decrease in the entrepreneurial intentions in South Africa, Herrington, Kew and Mwanga (2016) in the 2016/2017 South African GEM report found that entrepreneurial intentions in South Africa had fallen by more than a third (from 15.4% to 10.1%) when compared to 2013 and almost halved when compared to 2010 figures. The high unemployment rate and issues of underemployment in South Africa do not explain why many unemployed graduates do not resort to starting their own enterprises.

The ability to become an entrepreneur can be possessed by any type of individual, emphasising that higher education students can through entrepreneurship education become entrepreneurs should they decide to and have a do necessarily need genetic inheritance of entrepreneurial traits. Entrepreneurship is seen globally as one of the key resolutions for developing countries to address issues such as fiscal growth, dealing with high levels of unemployment and in turn reducing poverty (Smith & Chimucheka 2014:161-162). Entrepreneurship is seen as a crucial factor in determining economic development and over recent years policy makers have publicised growing interest in the role of entrepreneurship and its ability to generate economic growth and development (Fatoki 2010:88).

In this study entrepreneurial intention is depicted as an individual possessing the attitudes, behaviours and beliefs to become entrepreneurs in the near future (Tanveer *et al.* 2013). This study is based on the view that there are currently a limited number of theories and little known information regarding the role that entrepreneurial parents have in influencing the entrepreneurial intentions of their children. Additionally, through identifying these theories, guidelines and influencing variables much needed information can be provided to the government, schools and researchers to ensure that they can increase and find more triggers that influence an individual's entrepreneurial intention. More specifically the primary objective of this study is to investigate the influence of entrepreneurial parents on entrepreneurial intentions of children in the Eastern Cape.

Entrepreneurial intention models provide familiarity regarding individual's choices to start, develop or to exit a business and were also discussed in Chapter 2 (Krueger, Reilly & Carsrud 2000:412-414). Two widely renowned intention based models were studied to gain familiarity regarding an individual's choices to start their own business and measure EI in Chapter 2. Namely: the Theory of Planned Behaviour and the Entrepreneurial Event model. The theory of planned behaviour uses three factors to identify and explain how an individual's intention to act. These factors are known as *attitude towards behaviour*, *subjective norm*, and *perceived behavioural control*.

Convenience sampling was implemented, with the sampling size compromising of 100 children above the age of 18 until 35, whose parents own a business and are situated in the Eastern Cape. In total 100 questionnaires were voluntarily issued. Five independent influences of entrepreneurial intention were identified through the literature review namely: Attitude, Self-efficacy, Perceived behavioural control, Subjective norm and Outcome expectation. However, according to the empirical results of this study only three independent variables namely: *Attitude*, *Self-efficacy* and *Outcome expectations* were found to have an influence on the dependent variable *Entrepreneurial intention*.

Respondents were limited to children between the ages 18 and 35 in the Eastern Cape. The sample size was limited to 100 respondents which can affect the quality of results. The sampling method, convenience sampling is prone to bias due to the choice of sample there can be some inconsistencies via the method and as a result many generalisations. The ethics clearance was not a full clearance which resulted in the questionnaires not being handed out at any the Nelson Mandela University vicinity.

It is important for entrepreneurship to be perceived as a challenging career but a doable and very possible career. Institutions are full of academics who most times lack the experience that is needed when it comes to a sense of practicality regarding the pressures and various stresses one might face should there become entrepreneurs. It is important to ensure that it is made a regularity for young children to be exposed to the work place in order to increase and in turn influence their entrepreneurial intention as well as

completing tasks that can enhance their self-efficacy to be able to have the confidence to become an entrepreneur in the near future.

The data collected for this study utilised a questionnaire and due to costs and time issues only a small part of the Eastern Cape was studied. Additionally there is a lack of information regarding entrepreneurial parents and their role that is based in South Africa. Future researchers need to find more technological methods to conduct research in order to reach more respondents with ease and increase sample sizes. In addition more studies have to be done on entrepreneurial parents as there is a lack of information on the factors that affect entrepreneurial intention in South Africa. Future researchers should investigate this topic beyond simply children between the ages to 25 and conduct studies in educational institutions so that there is access to more information regarding the respondents.

When looking back at this study, it was interesting to research and find out in detail the factors that influence entrepreneurial intention in relation to the role that parents play in a child's life. As a child who has entrepreneurial parents it is so true that the positive and negative experiences that your parents face as well as the experiences that they allow you to take part in and see shape the person you become. You develop traits that are orientated to taking risks and no matter the outcome for simple tasks there is a strong mentality that an individual develops

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CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Entrepreneurship is perceived as an engine of economic and social development throughout the world (Audretsch, Keilbach & Lehmann 2006:12). Entrepreneurship has existed throughout modern history (Rwigema & Venter 2004:6). According to Naude (2009:2), entrepreneurship is considered to be an important mechanism for economic development through employment, innovation and welfare effects. Entrepreneurship is crucial to job creation and economic development (Mahadea 2012:1). Smith and Chimucheka (2014:164), mention that it is accepted all over the world that entrepreneurship is one of the most important solutions, not only for economic growth but also to low unemployment and poverty. The relationship between unemployment and entrepreneurship is an interesting one, where and unemployment has been found to stimulate entrepreneurial activity (Smith & Chimucheka 2014:164). The theory of economic development emphasises the role of entrepreneurship as a prime reason of economic development (Carree & Thurik 2002:5-6).

Rwigema and Venter (2004:4) define entrepreneurs as individuals who discover various opportunity's and enforce structures to exploit it. Entrepreneurs mobilise resources and trade or manufacture something for profit (Rwigema & Venter 2004). Entrepreneurship driven individuals are creating a vast number of employment opportunities every day contributing to sustainable economic growth. Entrepreneurial activity is assessed throughout the globe through a research program called the global entrepreneurship monitor (GEM) which was initiated in 1999. The (GEM) report shows that South Africa's total (early stage) entrepreneurial activity (TEA) is lower than that of many countries. Between 2002 and 2011, GEM reports consistently highlighted that the South African economy continued to experience lower levels of entrepreneurial activity compared to other developing countries (Agbenyegah, 2013:3). South Africa's emerging entrepreneurial rate from 2015 has dropped by 30 percent, and the indicator for a country's early stage of entrepreneurial activity (TEA) rates dropping by 25%. A

comparison of past rates suggest a slow decline and a wider gap emerging between South Africa and its African counterparts (Herrington *et al.* 2016).

The South African government sponsored initiatives targeted at supporting youth entrepreneurs financially or otherwise. The sponsored initiatives included institutions such as Small Enterprise Finance Agency (SEFA); Small Enterprise Development Agency (SEDA); National Youth Development Agency (NYDA) (Sambo 2015:161). Despite these initiatives, South Africa's growth and unemployment rates are a concern, together with socio-economic issues such as, inflation, budget deficit, high crime rate and levels of corruption, poor service delivery, increasing income inequalities and poverty (Mahadea 2012:2; Fatoki 2010). According to Dispatch live (2014) The Eastern Cape has the highest rate of joblessness in the country, statistics show that the unemployment rate was 30.6 percent in a period of March till June 2014. Fatoki, (2011:162), "states that the weak participation of youth in the entrepreneurship process become very important in the light of the high rate of unemployment in South Africa."

Entrepreneurial intentions is the quest for information which can be used to create a business opportunity (Tanveer, Shafique, Akbar & Rizvi 2013:718-719). Individuals possessing entrepreneurial intentions have decided to become entrepreneurs in the near future (Tanveer *et al.* 2013). "An individual's intention has a strong influence and ability to shape their entrepreneurial behaviour (Tanveer *et al.* 2013:719). According to Fatoki (2010) reasons why one could become an entrepreneur in the future depend on a number of various factors. The various factors include: where a person resides, their attitude, personality and family background can easily motivate or increase one's entrepreneurial intention (Fatoki 2010). Studying entrepreneurial intentions, can be divided into three groupings, what an entrepreneur takes part in, what their actions result in and the reason a person chooses to become an entrepreneur (Segal, Borgia & Schoenfeld, 2002). Entrepreneurial activities are influenced by many factors, such as unemployment, career and parental influence (Fayolle, 2005). However, studies on determining entrepreneurial influences show that early demonstrated entrepreneurial behaviour is strongly influenced by people values, attitudes and beliefs (Rachmawan, Lizar & Mangundjaya 2016:418). Parents play a pivotal role in determining a child's work ethic and habits. Seth (2015:1)

mentions that researchers have long understood that parental involvement deeply shapes a child's personal, intellectual and academic development, emphasising that most young children spend enormous amount of time with their parents and guardians. Dean (2012:2) agreed that parents play an essential role in helping their children identify, research and carryout business enterprises, and are involved in entrepreneurial activities that helps kids to pinpoint their talents and abilities. It is evident that many entrepreneurs have parents who were self-employed and have been found to influence entrepreneurial intention, parental relationships, order of birth and family income (Rachmawan *et al.* 2016:421). According to Wang, Wang, and Chen, (2017:5) children who perceive that their parents receive extensive entrepreneurial rewards are more likely to have higher entrepreneurial intentions. Matthew, Sol, and Praag, (2015:3) highlight that parental entrepreneurship increases the probability of a person starting their own business. Although entrepreneurial intensions are influenced by various factors, this study will investigate the significances of entrepreneurial parents on the entrepreneurial intentions of their children.

1.2 PROBLEM STATEMENT

There is an alarming decrease in the entrepreneurial intentions in South Africa, Herrington, Kew and Mwanga (2016) in the 2016/2017 South African GEM report found that entrepreneurial intentions in South Africa had fallen by more than a third (from 15.4% to 10.1%) when compared to 2013 and almost halved when compared to 2010 figures. The high unemployment rate and issues of underemployment in South Africa do not explain why many unemployed graduates do not resort to starting their own enterprises. Young entrepreneurs between the ages of (18-24) and (25-34) decreased by 40 percent in entrepreneurial activity between 2015-2016 and Fatoki (2010) highlights the need to focus on children over the age of 18 in order to discover the key influences that affect their intention to start a business in the future. Thompson, Asarta, Zhang and LeMarie (2013) believes the decision to become an entrepreneur is influenced by the acceptance for risk, the amount of the risk involved and the resources one would have available. A factor often overlooked is the important role parents play in children's development of entrepreneurial traits (Thompson *et al.* 2013). Children can easily take to

their parents, at an early stage and develop risk taking qualities and an entrepreneurial intention due to the influence of their entrepreneurial parents (Thompson *et al.* 2013).

Scott & Twomey (1988) highlight that parent role models and any previous self-experiences regarding working were seen as key influences for children future career choices. Furthermore, students with parents who were entrepreneurs had the higher preference for self-employment and were least favourite to work in in a large business (Van Auken, Fry & Stephans 2006). Lindquist, Sol, and Van Praag (2015: 269-296) found that the strongest predictor of entrepreneurial intention are entrepreneurial parents. Therefore, because of the important role that entrepreneurial parents play, this study will investigate the influence of entrepreneurial parents on their children's (over the age of 18) entrepreneurial intentions.

1.3 RESEARCH OBJECTIVES

In this section, the primary, secondary and methodological research objectives of the study will be presented.

1.3.1 Primary research objective

In line with the problem statement, the primary research objective of this study is to investigate the influence that entrepreneurial parents have on the entrepreneurial intentions of their children.

1.3.2 Secondary research objectives

In order to the give effect to the primary objective of this study, the following secondary objectives are put forth:

- SO¹: To investigate the influence of subjective norms, attitudes, perceived behaviour control (PBC) on entrepreneurial intentions.
- SO²: To investigate the influence of self-efficacy & outcome expectations on entrepreneurial intentions.

1.3.3 Methodological objectives

- MO¹: To conduct a literature review on the nature and importance of entrepreneurship, entrepreneurship in South Africa, intention based models influencing entrepreneurial intention, the role parents play regarding entrepreneurship and parents influence on entrepreneurial intentions of their children.
- MO²: To develop a hypothesized model and propose appropriate hypotheses for the relationships between the independent variables (subjective norms, attitudes, PBC, outcome expectations and self-efficacy) and the dependent variable (entrepreneurial intentions).
- MO³: To develop a measuring instrument that will empirically test the hypothesized relationships.
- MO⁴: To empirically test the hypothesized model which indicates the relationship between the independent variables (social norms, attitudes, outcome expectations and perceived behavioural control) and the dependent variable (entrepreneurial intentions).
- MO⁵: To report the findings and make appropriate recommendations to small and medium sized businesses, higher education learning institutions such as The NMU, government and the national youth development agency.

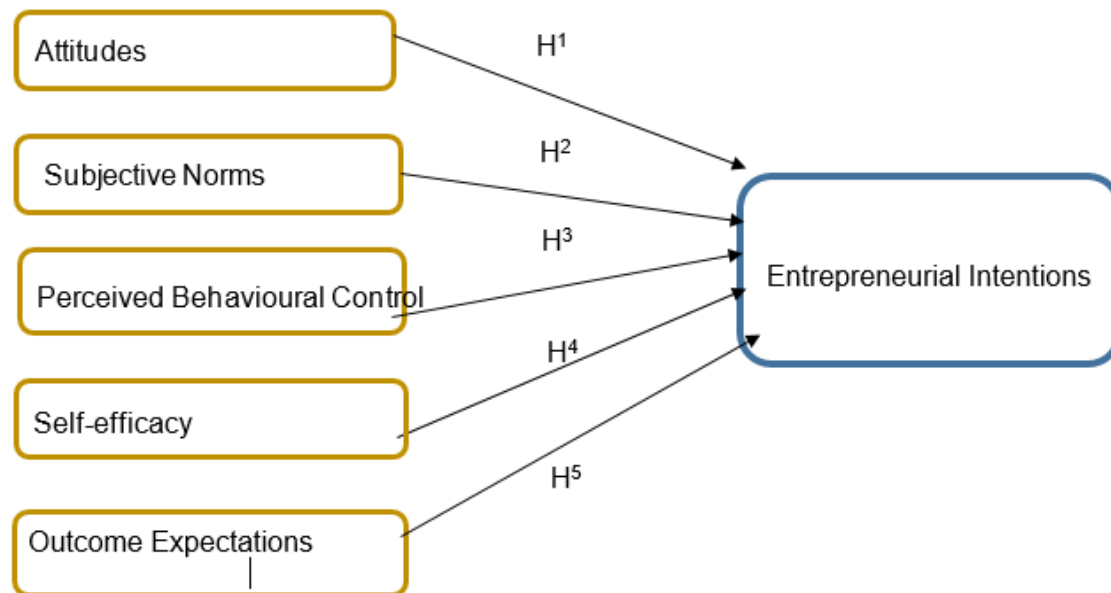
1.3.4. Research questions and hypothesis

Since the primary objective of this study is to investigate the influence that entrepreneurial parents have on the entrepreneurial intentions of their children over the age of 18, a hypothesised model will be constructed of the selected factors in this study.

The factors selected for this study were identified in the literature as influencing entrepreneurial intention based on the most important career choice theory's and entrepreneurial intention based models are Attitudes, Subjective Norms, Perceived Behavioural Control, Self-efficacy and Outcome expectations. The proposed model

representing the various factors influencing Entrepreneurial Intention are depicted in Figure 1.1.

Figure 1.1: Proposed conceptual model: factors influencing entrepreneurial childrens intentons.



Based on this hypothesised model and the stated research objectives, a number of research questions and hypothesis have been formulated. These are outlined in the paragraphs below.

1.3.4.1 Research questions

Given the purpose and the primary objective in this study, the following research questions are presented:

- What is the influence of Attitudes on the Entrepreneurial intentions of an entrepreneurial parents children?
- What is the influence of Subjective norms on the Entrepreneurial intentions of an entrepreneurial parents children?

- What is the influence of Perceived behavioural control on the Entrepreneurial intentions of an Entrepreneurial parents children?
- What is the influence of Outcome expectations on the Entrepreneurial intentions of an Entrepreneurial parents children?
- What is the influence of Self-efficacy on the Entrepreneurial intentions of an entrepreneurial parents children?
- What is the influence of the entrepreneurial parent on the Entrepreneurial intentions of their children?

1.3.4.2 Research hypothesis

The following hypotheses, as depicted in Figure 1.1, have been formulated to represent all the relationships contained in the hypothesised model in this study:

- H¹: There is a positive relationship between the respondent's *Attitudes* and their *Entrepreneurial intentions*.
- H²: There is a positive relationship between the respondents *Subjective norms* and their *Entrepreneurial intentions*.
- H³: There is a positive relationship between the respondents *Perceived behavioural control* and their *Entrepreneurial intentions*.
- H⁴: There is a positive relationship between the respondent's *Self-Efficacy* and their *Entrepreneurial intentions*.
- H⁵: There is a positive relationship between the respondent's *Outcome expectations* and their *Entrepreneurial intentions*.

1.4 RESEARCH DESIGN AND METHODOLOGY

In this section the following topics will be discussed: research design, research approach, research methodology, sampling and data collection and data analysis. More details on research design and methodology will be provided in chapter 3.

1.4.1 Research paradigm

In social science there are two predominant research paradigms, a positivistic paradigm and an interpretivist paradigm. According to Gray (2013) a positivistic paradigm is based on and centres on facts. Creswell (2003:7-8) sees a positivistic paradigm as a scientific method that is established on philosophies of rationalism and observations that on conclusion produce effects and outcomes. Research by O'Leary (2004) emphasises positivist's use of observation to test and control objects around us. An Interpretivist paradigm focuses on meaning (Gray 2013). The interpretivist paradigm trusts the views of its contributors and takes into accounts the impact of the research contributors, there background and involvements. (Creswell 2003:8-9). In this study a positivistic paradigm will be used a positivistic paradigm can be based on exact scientific methods that will support the research data objectively.

1.4.2 Research Approach

There are two main approaches that form part of social sciences, a quantitative approach and a qualitative approach. The quantitative approach is linked to the positivistic paradigm, whilst the qualitative approach is linked to the interpretivist paradigm. The quantitative approach is described as an empirical study on a social or human problem. This approach tests a theory involving variables which are measured with numbers and analysed with statistics. This is done in order to conclude if the dependent variable compared with various independent variables predict or explain the given problem (Yilmaz 2013). Gay and Airasian (2000:627) describe the qualitative approach as gathering wide-ranging information based on numerous variables and experience obtained from the study over a long period with the intention of gaining an understanding that wasn't previously attainable from other parts of research. A quantitative approach will be used in this study. This is because the quantitative approach uses measurements or numerical analysis of data collected and factual figures directly linking it to the positivistic paradigm (Tuli 2011). A quantitative approach is advantageous as it allows in-depth details regarding the subject matter to be found, it is appropriate for situations where a lot of information is needed and the context regarding the event studied is often more holistic. (Yilmaz 2013).

1.4.3 Research methodology

The quantitative data will be collected by means of a survey through the use of a structured questionnaire which will be distributed to qualifying children between the ages of 18-35. Cooper and Schindler (2008:215) define a survey as a measurement instrument that is used to collect information. Surveys permit a researcher to attain data about views through questionnaires or interviews. Researchers then use quantitative methods to draw inferences from this data regarding existing connections. (Galliers, 1991:150). Surveys are advantageous as they allow researchers to analyse more than one variables at once. The data collected in surveys can also be from real world environments. Gable (1994:115) wrote that surveys can accurately document the norm, identify extreme outcomes, and explain associations between variables in a sample. A crucial weakness in surveys concerns the difficulty in analysing insights relating to the causes of or processes involved in the subjects measured (Galliers, 1991:150).

1.4.4 Sampling and Data collection

The respondents and proposed sample of this study will comprise of children between the ages of 18-35 whose parents own a businesses that are located in the Eastern Cape. The respondents will be selected based on the convenience sampling. Convenience sampling is used for pre-test questionnaires, it consists of elements that are quick and allow the researcher to get easy access to the studies respondents (Du Plooy-Cillier, Davis & Bezuidenhout 2014:142).

1.4.5 Design of the measuring instrument

The measuring instrument that will be used will be a structured questionnaire. The structured questionnaire will make use of a 5-point Likert-scale. The scale of the measuring instrument will range from 1-5, 1 being strongly disagree and 5 = strongly agree. The structured questionnaire will be divided into two sections. Section A will comprise of the biographical data of the respondents and section B will include the respondent's information regarding the influence that entrepreneurial parents have had on the entrepreneurial intentions of their children.

1.4.6 Data Analysis

In social science research the data analysis process consists of three main steps, data preparation- where the data is cleaned and organised in order to be analysed, the data is described using descriptive statistics and models and hypothesis are tested in inferential statistics to determine findings (Trochim & Donnelly 2001:14-34). Data analysis is the process of editing and reducing accumulated data to a useable size, in order to develop summaries, seeking key and crucial patterns through statistical techniques being applied (Cooper & Schindler 2008). Descriptive and inferential statistics are used to analyse survey research. Descriptive statistics use statistical calculations to describe the relationships between a variable and the traits of a sample (Babbie 2004:442). Descriptive statistics provide simple summaries about the sample and the measures, they form structure of every quantitative analysis of data (Trochim & Donnelly 2001:14-34). Inferential statistics use statistical measures to make inferences from key findings from observed samples and populations. (Babbie 2004:458). "The use of inferential statistics is for researcher to try infer from the sample data what the population thinks."(Trochim & Donnelly 2001:14-34).

This study will make use of descriptive statistics that determine the calculation of mean scores, standard deviation, and frequency of the data distribution (Du Plooy-Cillier, *et al.* 2014:212). A mean score is a numerical average of data (Du Plooy-Cillier, *et al.* 2014:213). The standard deviation signifies the average distance that the data values vary from the mean, it indicates how far removed a value is from the initial mean value. (Du Plooy-Cillier, *et al.* 2014:213). The frequency distribution of data shows us the number of times a particular data value occurs (Du Plooy Cillier, *et al.* 2014: 212).The study will then use inferential statistics to test the relationship between the independent variables. Pearson's product correlation will be used to determine if a relationship exists between independent variables and dependent variables. (Du Plooy-Cillier, *et al.* 2014:214). Lastly a Multiple regression analyses will be used to determine the variance between the dependent variable and the independent variables.

1.5 SCOPE AND DEMARCATION OF THE STUDY

The academic researcher is interested in the role that entrepreneurial parents play to influence entrepreneurial intentions. This study will focus on children between the ages of (18-35) in the Eastern Cape, South Africa. This needs more detail and why you have chosen this demarcation. The Eastern Cape has been the least entrepreneurially active province in South Africa and consist of mostly rural uneducated individuals that have potential. It is an area of concern that needs to be looked into. Furthermore there are minimal studies on the influence of an entrepreneurial parent in the province.

1.6 CONTRIBUTION OF THE STUDY

This study is based on the view that there are currently a limited number of theories and that there is little known information regarding the role that entrepreneurial parents have in influencing the entrepreneurial intentions of their children.

The study highlights and seeks to find solutions regarding the present need in South Africa for young individuals that have the abilities and are motivated enough to identify opportunities and start businesses in South Africa, to reduce the low and ever decreasing rates of entrepreneurial activity. Furthermore... to identify key Entrepreneurial intention indicators to encourage entrepreneurship in South Africa at an early age. (Herrington *et al.* 2016; Fatoki 2010).

Herrington *et al.* (2016) in the GEM reported that there is a limited amount of literature that is well tested empirically related to South Africa and its high unemployment concerns. Based on these views this study makes the following contributions:

It conducts an in depth literature review of the most relevant theories on entrepreneurial intention and highlights the role that entrepreneurial parents play in the entrepreneurial intention of children. The study will focus on entrepreneurial intentions and the various models that can affect entrepreneurial intentions in developing countries where there is very limited research. The study makes a relevant and significant contribution that will provide either governmental and private education institutions or policy makers with valuable insight that will highlight the role of entrepreneurial parents in an individual's

entrepreneurial activity development that can in future be used analyse Entrepreneurial intentions and promote entrepreneurial activity.

1.7 DEFINITION OF KEY CONCEPTS

With the focus of this research being on the influence entrepreneurial parents have on entrepreneurial intentions of children clear definitions regarding the terms that are frequently mentioned in this study are presented below.

1.7.1 Entrepreneurial parents

For the purpose of this study, entrepreneurial parents are parents that have children raised in an entrepreneurial environment. These parents in the upbringing of their children must have managed or owned a business.()

1.7.2 Entrepreneurial Intention (EI)

In this study entrepreneurial intention is depicted as an individual possessing the attitudes, behaviours and beliefs to become and become entrepreneurs in the near future.

1.7.3 Total Early-Stage Entrepreneurial Activity (TEA)

In this study the TEA is a measuring instrument to predict entrepreneurial behaviour amongst young South Africans aged 18-64 year olds used by the GEM.

1.7.4 Accelerating Entrepreneurship in Africa Report (AEA)

For the purpose of this study the AEA is an original research report by the Omidyar Network which outlines the opportunities and challenges for Africa's entrepreneurial ecosystem and suggests recommendations for accelerating high-impact entrepreneurship across the continent of Africa.

1.8 STRUCTURE OF THE STUDY

The structure of the research will be as follows:

Chapter 1: Introduction and background to study, problem statement, research objectives, research design and methodology, scope and demarcation of the study, contribution of the study, definition of key concepts, and the structure of the study.

Chapter 2: the literature review on entrepreneurial parents influence on entrepreneurial intention is presented. The chapter will discuss how well established theoretical models influence entrepreneurial intentions. The nature and importance of entrepreneurship, entrepreneurship in South Africa, intention based models influencing entrepreneurial intention, the role parents play regarding entrepreneurship and parents influence on entrepreneurial intentions.

Chapter 3: focuses on research design and methodology. Secondary research, primary research, research paradigm, sampling and data collection, measuring instrument details and data analysis is with a main emphasis on validity, reliability and statistics used.

Chapter 4: focuses on the empirical results.

Chapter 5: deals with the conclusions, summaries and recommendations.

1.9 STUDY TIME FRAME

A Detailed proposed time schedule for the completion of this study is as follow:

Activities	Dates undertaken
Theoretical investigation	February –May 2018
Writing of theory chapters	April – May 2018
Finalising the methodology	April – May 2018
Finalising the data base	May 2018
Empirical investigation	June- July 2018

Data analysis	August 2018
Writing up the financial report	September – October 2018
Proposed completion	15 November 2018

CHAPTER TWO

THE INFLUENCE OF ENTREPRENEURIAL PARENTS ON ENTREPRENEURIAL INTENTIONS IN THE EASTERN CAPE

In this section a literature review is provided regarding the nature and importance of entrepreneurship, entrepreneurship in South Africa with special emphasis on the Eastern Cape. This is followed by the discussion on entrepreneurial intention, the various key intention models, the factors influencing entrepreneurial intention and their theoretical framework.

2.1 THE NATURE AND IMPORTANCE OF ENTREPRENEURSHIP

Entrepreneurs are the individuals known for noticing and exploiting various opportunities, these individuals continually attempt to add value to the world whilst creating a means of profit for themselves (Fatoki 2010:88). Robinson, Stimpson, Huefner and Hunt (1991:3-4) highlight that there is a clear difference between managers who operate established enterprises and entrepreneurs that innovate and start their own businesses (Robinson et al. 1991:3-4). Various myths that exist assert that entrepreneurs are born, not made, this suggestion has been proved false as entrepreneurs can be made and are not necessarily genetically inherited (Barringer & Ireland 2010). According to Gelard & Saleh (2011:2) the ability to become an entrepreneur can be possessed by any type of individual, emphasising that higher education students can through entrepreneurship education be become entrepreneurs should they decide to and have a do necessarily need genetic inheritance of entrepreneurial traits. Entrepreneurs introduce new products, and find new ways to carry out production and business operations (Robinson *et al.* 1991:3-4). Entrepreneurs create and move on to invent and identify more opportunities and look beyond a mere goal of making a profit, but to improve their surroundings (Robinson *et al.* 1991:3-4).

Entrepreneurship is seen globally as one of the key resolutions for developing countries to address issues such as fiscal growth, dealing with high levels of unemployment and in turn reducing poverty (Smith & Chimucheka 2014:161-162). Entrepreneurship is seen as

a crucial factor in determining economic development (Fatoki 2010). Over recent years policy makers publicised growing interest in the role of entrepreneurship to generate economic growth and development (Fatoki 2010:88) According to Pihie (2009:338-339) entrepreneurship can be defined in two ways: Actual entrepreneurship (an individual that has started a business) and entrepreneurial intention (an individual that has the intention to start a business).

Individuals who are motivated by entrepreneurship and choose to follow an entrepreneurial career path possess the ability to create employment opportunities (Fatoki 2010:88). The ability of entrepreneurs to create employment suggest they can greatly contribute to their countries wellbeing and increase its levels of entrepreneurial activity (Fatoki 2010:88). Smith and Chimucheka (2014:162) found that levels of unemployment stimulate a country's entrepreneurial activity due to unemployment being one of the key factors that push an individual to become an entrepreneur. Unemployed individuals have less risk to take when deciding to start a new venture or initiative and for the most part decide to become entrepreneurs rather for the necessity opposed to one making it a career choice (Herrington *et al.* 2016:7-8). According to Naudé (2014:2-3) entrepreneurship in developing countries is one of the least studied economic and social issues in the world.

2.2 ENTREPRENUERSHIP IN SOUTH AFRICA

South Africa as a country has tackled many challenges, the biggest of them being the overcoming of the apartheid era. South Africa after the apartheid era has had to overcome many challenges, and entrepreneurship being a crucial factor for the creation of new jobs and economic development in the country has helped in providing a solution to some of these challenges. (Mahadea 2012:2-3). In the 2016/17 GEM report, South Africa found the ongoing lack of both private and public sectors inability to create and cater for new and old jobseekers has enhanced the importance and new reliance for entrepreneurship to create new jobs and alleviate unemployment in the country (Herrington *et al.* 2016:7). According to Fatoki (2010:88) entrepreneurship is seen as a vital and essential factor with regards to the growth and unemployment issues South Africa faces and as a result

South Africa is still deemed to have a low job generating capability (Herrington *et al.* 2016:8-9) Herrington et al. (2016:8-9) and Fatoki (2010:88-89) found that South Africa suffers from high unemployment, graduate unemployment being an even more concerning factor. There is also a growing emphasis on the need for entrepreneurs and ways to increase entrepreneurial activity as it is seen as the only way to alleviate South Africa's issue of high unemployment (Chimucheka 2014:162).

Statistics South Africa's national and provincial youth report in the first quarter of 2015 found that South Africa had an unemployment rate slightly over 27% at the beginning of 2011 (StatisticsSA 2015:3-4). Furthermore to highlight the issue in the Eastern Cape Province specifically, the province had the second highest unemployment rate of 28.9%, with a staggering amount being the youth of the province at the start of 2011 (StatisticsSA 2015:3-4). Most recently there have not been enough improvements with regard to Eastern Cape labour market relations. The Quarterly Labour Force Survey (QLFS) 2016 quarter 4 to 2017 quarter 1 survey for the Eastern Cape presented in Figure 2.1 is a household-based sample survey conducted by Statistics South Africa. Statistics South Africa collects data on the labour market activities of individuals aged 15 years and above in the country.

Figure 2.1: Labour market dynamics in the Eastern Cape, 2016Q4-2017Q1

Eastern Cape labour market		Numbers (000)			Percentage (%)		
Index description	2016Q4	2017Q1	QoQ change	YoY change	QoQ change	YoY change	
Population working age (15-64)	4166	4178	12	45	0.3	1.1	
Labour force/ EAP	2021	2126	104	212	5.2	11.1	
Total Employment	1447	1442	-5	76	-0.4	5.5	
Formal (non-agricultural)	905	923	18	62	2.0	7.2	
Informal (non-agricultural)	346	327	-19	39	-5.5	13.6	
Agricultural	88	87	-2	-8	-1.7	-8.0	
Private households	107	105	-3	-18	-2.6	-14.5	
Unemployment	574	684	110	136	19.1	24.9	
Not economically active	2144	2052	-92	-167	-4.3	-7.5	
Discouraged work-seekers	403	370	-33	-140	-8.1	-27.4	
Other (not economically active)	1741	1682	-59	-27	-3.4	-1.6	
		Rates (%)		Percentage points			
Unemployment rate		28.4	32.2	3.8	3.6		
Labour absorption rate		34.7	34.5	-0.2	1.4		
Labour force participation rate		48.5	50.9	2.4	4.6		

Source: StatisticsSA (2017)

The analysis QLFS for the Eastern Cape (2017Q1) mainly signified a minor employment increase of 5000 individuals in the Eastern Cape Province opposed to a 110 000 significant increase in unemployment in the 2017 first quarter (StatisticsSA 2017). This stemmed in the increase of the unemployment rate in the Eastern Cape increasing by 3.8 percentage points to 32.2%. Figure 2.1 also explains the GEM 2016 reports findings of with major declines in the informal and formal sector employment which attribute to this unemployment rate increase (StatisticsSA 2017).

2.2.1 Youth entrepreneurship in South Africa

South Africa's key indicator of early stage entrepreneurial activity which is measured using the Total Early-Stage Entrepreneurial Activity (TEA). According to the GEM report South Africa's TEA has decreased below the average that is used to compare similar developing countries with a relative economic development (Fatoki 2014:157). According to Herrington *et al.* (2016) South Africa's emerging entrepreneurial rate from 2015 has dropped by 30 percent, and the indicator for a country's early stage of entrepreneurial activity (TEA) rates dropping by 25%. A comparison of past rates suggest a slow decline and a wider gap emerging between South Africa and its African counterparts. The unexpected decrease in South Africa's early stage entrepreneurial activity (TEA) rates "was due to two –thirds of businesses in 2016 (67%) closing down for financial reasons" (Herrington et al. 2016:7). The businesses were either not able to produce adequate profits or faced issues when they required access to finance.

Figure 2.2: TEA by age group in South Africa 2001-2016

	2001	2005	2009	2013	2014	2015	2016	Africa region 2106 (average)
18 - 24 years	3.4*	3.1	4.7	7.8	4.8	6.3	6.7	16.3
25 - 34 years	5.3	6.1	7.4	14.1	9.0	10.9	6.3	20.8
35 - 44 years	9.1	7.2	7.7	11.5	7.5	12.3	8.4	18.9
45 - 54 years	4.3	4.5	5.9	10.9	7.4	8.0	9.6	15.6
55 - 64 years	1.9	5.4	2.2	6.0	4.9	4.4	3.1	11.4

Source: Herrington *et al.* (2016:30)

Figure 2.2 in particular highlights the early-stage entrepreneurial activity rates from 2001-2016 by Herrington *et al.* (2016:30). Although South Africa, in years (2001-2015), had followed the common GEM pattern, in 2016 there are several changes when compared to the trend found in the overall GEM sample. South Africans aged between 25 and 34 years are the least entrepreneurially active in 2016, with rates lower than the 18 – 24 year olds. Entrepreneurial activity in the 25 – 34 year age category is lower than a third of the African average as well as considerably lower than the average for efficiency-driven economies (17%) (Herrington *et al.* 2016:30). South Africa is classified 58th out of 65 economies in terms of entrepreneurial participation by 25 – 34 year olds – a disappointing score that is likely a strong contributor to South Africa's decline in overall TEA, and is cause for grave concern in its implications for future entrepreneurial activity (Herrington *et al.* 2016:30).

Fatoki and Garwe, (2010:731) also found that entrepreneurship education is still one of the prime factors limiting the growth of the South Africa economy. Chimucheka (2014:4-5) agrees that there is a lack of entrepreneurship education in South Africa, which needs to be corrected as entrepreneurship education could provide valuable knowledge and teaching of entrepreneurial skills. According to Herrington *et al.* (2016:31) one of the most challenging issues is that the South African education system does not prepare young people adequately for the realities of the labour market. Herrington *et al.* (2016:31) found "This results in school-leavers having insufficient literacy, numeracy and livelihood skills to be able to participate actively in the economy (Herrington *et al.* 2016:31-32). that do attempt to engage in business activities lack managerial, technical and marketing skills, as well as experience, and are therefore at a disadvantage in a competitive and changing business environment."(Herrington *et al.* 2016:31-32).

Figure 2.3: Education levels of early-stage entrepreneurs in South Africa, 2001-2016

	2001	2005	2009	2013	2014	2015	2016
None/ primary	0.0	0.0	13.2	5.1	5.8	4.4	4.5
Some secondary	45.5*	42.5	29.9	33.4	34.2	28.2	25.8
Secondary degree	43.2	44.6	42.5	48.2	43.4	47.6	47.8
Post-secondary	11.3	12.9	14.4	13.3	16.6	19.8	21.9

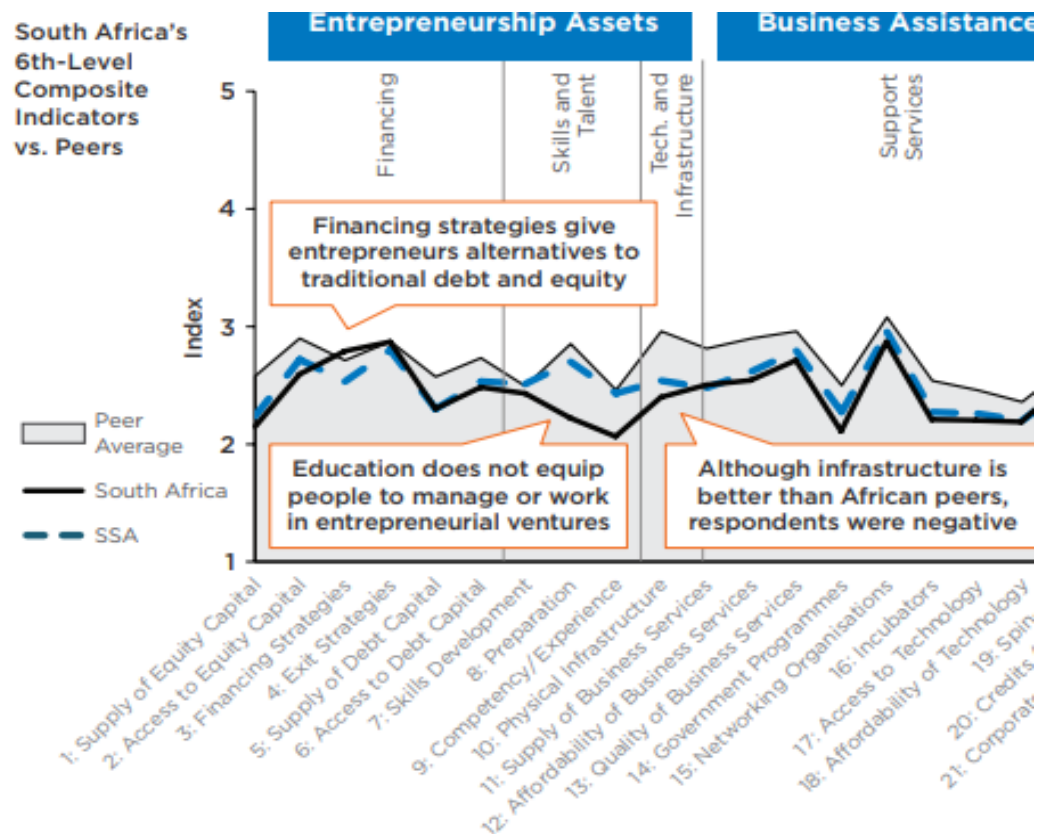
Source: (Herrington *et al.* 2016:33).

Figure 2.3 shows that just less than half of early-stage entrepreneurs in South Africa in 2016 had at least a secondary qualification, while a quarter have some secondary education. “Given that almost three-quarters of South Africa’s entrepreneurs depend on their basic education for their entrepreneurial and business competencies, it is critical that persistent deficiencies in the education system are addressed.”(Herrington *et al.* 2016:33).

Provinces such as the Eastern Cape and Limpopo contained high levels of entrepreneurs that suffer from lack of market access (Herrington *et al.* 2016; 7-14). In South Africa the amount of assistance received by young entrepreneurs was reported as a major issue suggesting accessing finance and market access affected the sustainability of early stage entrepreneurs (TEA) (Herrington *et al.* 2016; 7-14).Fal (2013:39) surveyed over 550 entrepreneurs in the major African country’s including South Africa to develop the accelerating entrepreneurship in Africa report of 2013 (AEA). In this original research report, Omidyar Network highlights the opportunities and challenges for Africa's entrepreneurial environment and puts forward key recommendations for accelerating high-impact entrepreneurship across the continent of Africa (Fal 2013:1-2). The AEA report found that entrepreneurs struggled regarding access to finances in there entrepreneurial activities (Fal 2013:38-39).

Considering the availability of entrepreneurial education in South Africa, the AEA report of 2013 compared South Africa to its African peers on factors such as Entrepreneurship Assets and Business Assistance (Fal 2013:40). The figures showed the entrepreneurial education provided by South Africa was inadequate if individuals were required to manage or start new ventures successfully (Fal 2013: 39-41). Respondents also reacted negatively with regards to the level of business assistance they received even though the AEA report (2013:41) regarding South Africa the country with the best infrastructure in Africa (Fal 2013:41). These figures are illustrated in Figure 2.4.

Figure 2.4: South Africa's 6th- level composite indicators vs. Peers



Source: (Fal 2013: 41)

2.2.2 Government interventions to increase entrepreneurship in South Africa

The South African government has sponsored initiatives targeted at supporting youth entrepreneurs financially or otherwise include institutions such as Small Enterprise Finance Agency (SEFA); Small Enterprise Development Agency (SEDA); National Youth Development Agency (NYDA) are currently in place in the country (Sambo 2015:161). These initiatives were initially aimed at funding and supporting small and medium businesses in order to potentially stimulate economic development in an attempt to combat the rising rates of unemployment and the high poverty levels in the country (Herrington et al. 2016:36). Despite these efforts, there are still lingering challenges such as corruption, inflation, financial plan shortages, entrepreneurial activity deducing crime rates, poor service delivery and high graduate and overall unemployment (Mahadea 2012:2). One of the support initiatives is the small enterprise development agency (SEDA) and was established in December 2004 and provides business development and support services for small enterprises through a national network, in partnership with other role players who support small enterprises (Herrington et al. 2016:36; Sambo 2015). In the Eastern Cape adults are aware of the initiatives are 11%. This low percentage is a cause for concern as the Eastern Cape is one of the most rural provinces (Fatoki 2011:163-164) and suggests that entrepreneurs in rural Eastern Cape who are most in need of support to start businesses are unlikely to be aware of the available entrepreneurial resources. (Herrington et al. 2016:37; Fatoki 2011:163-164).

Figure 2.5: Various South African government initiatives and criteria to help entrepreneurs

GOVERNMENT PROGRAMMES AND SUPPORT INITIATIVES	CRITERIA: ASSISTANCE PROVIDED TO ENTREPRENEURS
Government Learnerships: aimed at developing the skills of the South African workforce and to improve the quality of life of workers and their prospects of work (National Treasury 2011:18).	Learnerships are linked to the Skills Development Strategy and must be registered with the Department of Labour (DoL) and last between 12 and 18 months (NQF 2012).
NYDA : The National Youth Development Agency (NYDA) was formally launched on 16 June 2009, aimed at creating and promoting co-ordination in youth development matters (Anon 2012:36).	The National Youth Development Agency provides a number of services such as funding to youth and aim to facilitate the job search and match jobs to the requirements of young work seekers (Anon 2012:36; National Treasury, 2011:18).
Youth Entrepreneurship Programme: The Youth Entrepreneurship Program was launched as an initiative to assist young entrepreneurs to harness their leadership skills and to sharpen their business skills	A six week mentorship/exchange period is offered for South African entrepreneurs to be placed with specific institutions as part of a skills development program (YEP, 2012).
Small enterprise development agency (SEDA	provides business development and support services for small enterprises through a national network, in partnership with other role players who support small enterprises (Herrington et al. 2016:36

Furthermore the government has repeatedly identified the SMME sector as a key factor to address its unemployment challenges and these initiatives have thus failed (Herrington

et al. 2016:42-43). The initiatives, programmes and support agencies initiated by the South African government have countless fallen short. "South Africa was ranked 74th out of 190 countries with other developing African countries such as Rwanda (56th) and Morocco (68th) ranked above South Africa in terms of ease of doing business from data from the "World banks doing business report". In 2015, South Africa was ranked 43rd out of 189 countries, highlighting the significant decline in ease of doing business in this country" (Herrington et al. 2016:43).

2.3 ENTREPRENEURIAL INTENTION

According to Bird (2015) defines intentions as a concept that works with the mind, a future-focused thought is combined with a motivational trait. Intentions is a psychological state that is experienced and envisioned in the future (Bird 2015:143-145). With that in mind an intention can simply be termed a thought and action with a target insight (Ajzen & Fishbein, 1980). According to Henley (2007:254-255) entrepreneurship is an intentional act. These intentions are thought of and established at least a year beforehand, suggesting the link between entrepreneurship and intentions. Entrepreneurial intentions is the quest for information which can be used to create a business opportunity (Tanveer, Shafique, Akbar & Rizvi 2013:718-719). Individuals possessing entrepreneurial intentions have decided to become entrepreneurs in the near future (Tanveer *et al.* 2013). "An individual's intention has a strong influence and ability to shape their entrepreneurial behaviour (Tanveer *et al.* 2013:719).

Ajzen and Fishbein (2005) report that intentions are forecasters of specific behaviours such as entrepreneurship. Examining entrepreneurial intention (EI) can enhance the understanding of future entrepreneur's prospective actions (Bird 2015). Fatoki (2010:88-90) emphasizes the importance of entrepreneurial intention being investigated in a developing country such as South Africa as most studies conducted on entrepreneurial intention have steered towards developed countries. Factors such as crime, and the levels of unemployment in developed countries differ vastly, this means the significance of predicting future entrepreneur intentions is made less important.

Ways to improve entrepreneurial intentions in South Africa would involve an increase in government intervention regarding sponsoring and promoting entrepreneurial activity. (Fatoki 2010:89). Furthermore having an entrepreneurial family background is a strong motivator of EI (Fatoki 2010:89). Individuals raised in an entrepreneurial family were found to be expressively impacted when it came to their intention to start a business in the future (Fatoki 2010:89). Fal (2013:39-46) and Harrington *et al.* (2016:7-9) emphasized that South Africa has a high level of infrastructure and would need to focus on educating entrepreneurs and providing more business assistance for new entrepreneurs.

In retrospect, academics have employed a variety of methods in analysis of the decision to become an entrepreneur, where their main approach was the emphasis of distinct personality traits that may be associated with the entrepreneurial activity (McClelland 1965:389-392). Academics have concentrated on personality traits that determined levels of entrepreneurial intention (Gurbuz & Aykol 2008:48-51). The concept of this approach is that individuals who decided on self-employment as an occupation have a certain personality character (Amos & Alex 2014:168-171). According to Amos and Alex (2014:168-171) the need for achievement, risk taking propensity and locus of control are the most commonly mentioned personality traits of entrepreneurial intention. According to Amos and Alex (2014:168-171), there is a positive relationship between the need for achievement and the individual entrepreneurial intention. Entrepreneurs are most likely to have upper levels of need for achievement, risk taking propensity and locus of control (De Pillis & Readon, 2007:383-385).

Subsequently, alternative studies have emphasized the importance of various “demographic” variables (Robinson *et al.* 1991). Exploring characteristics such as age, gender, religion, origination, qualifications, work experience, et al (Robinson *et al.* 1991). Both analyses allow the distinguishing of notable relationships between particular traits or demographic variables of the person, and the realisation of entrepreneurial behaviour (Krueger *et al.* 2000:412-414). Nevertheless the high degree of limitation on predictive capacity. Objectively speaking, it seems necessary to examine how that decision is taken, given the possible voluntary and conscious nature of the decision (Krueger *et al.* 2000:412-414).

2.4 INTENTIONS BASED MODELS

Bird (1988) reports that understanding how new businesses are established can be made easier by knowing an individual's intent. This can be done by studying the numerous intention based models. Entrepreneurial intention models can provide familiarity regarding individual's choices to start, develop or to exit a business (Krueger, Reilly & Carsrud 2000:412-414). Entrepreneurial intention models offer essential insights allowing an easier perception of the entrepreneurial process and the ability to forecast entrepreneurial activities by using the key antecedents of the models (Krueger et al. 2000; Bird 1998; Davidsson 1995) In this section various entrepreneurial intention models are discussed such as Azjen and Fishbein 1980 theory of reasoned action, Azjen's evolved 1991 theory of planned behaviour entrepreneurial intent model and Shapero and Sokol's 1982 theory of entrepreneurial event. These models are one of the most regarded, significant and prevalent theoretic entrepreneurial intention models used by academics to study Entrepreneurial intention and behaviours regarding individuals starting businesses. (Bird 2015:143; Mariano et al. 2012:164-165).

2.4.1 The theory of planned behaviour (TPB)

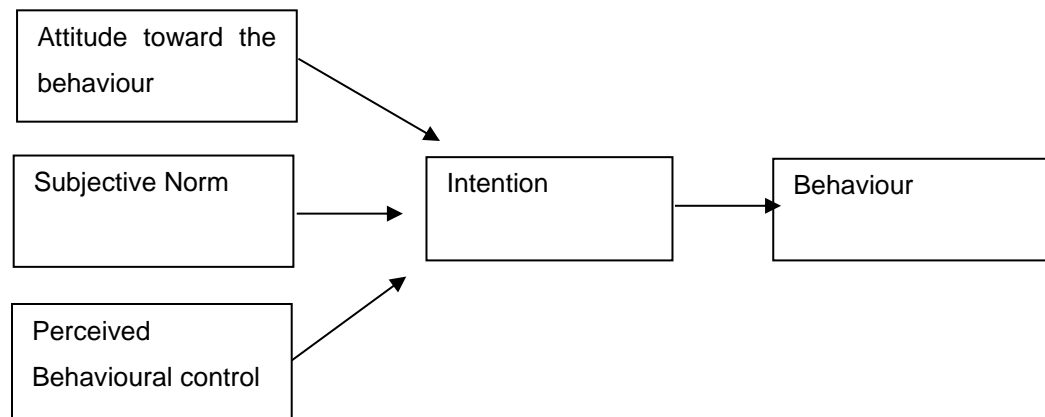
According to Azjen (1985:11) actions are guided by intentions but not all intentions are put into action, with some being cancelled all in all and others revised. Azjen and Fishbein studied the relationship between an individual's intention and their actions with a special emphasis on the way goals and plans influenced behaviours as well as how factors persuaded individuals to change their hamper their intentions in the successful execution of their behaviour (Azjen 1985:11). The first theory that came about as a results of their studies on intention and actions was the Theory of reasoned action by Azjen and Fishbein in 1980. The belief behind the theory was that "individuals decided on their own ways of action based on a rational volitional process (Azjen and Fishbein 1980:5)". The theory of reasoned action emphasizes intentions as the main determinant of an individual's behaviour, with the two basic determinants of an individual's intentions being attitude toward the behaviour and subjective norm. (Azjen & Fishbein 1980:7). After understanding that behaviour is influenced by intentions and that intentions correspond with and are influenced by individuals attitudes Azjen and Fishbein further investigated

the several driving factors of attitude toward the behaviour and subjective norm and concluded that the two main determinants are a function of beliefs (Ajzen & Fishbein 1980:7). Ajzen and Fishbein studies found that attitude towards behaviour is influenced by the negative or positive beliefs an individuals has on the outcome of their behaviour (Ajzen & Fishbein 1980:7). The newly developed were referred to as to as behavioural beliefs. Conversely, subjective norms were found by Ajzen and Fishbein to be influenced by normative beliefs, namely based on how important people and groups viewed the behaviour the individual considered performing.

The theory of reasoned actions excludes external variables such as personality traits and demographic characteristics (Ajzen & Fishbein 1980:7). Ajzen and Fishbein believed that the external variables would influence individual behaviours to such an extent that pressure would be placed on the determinants of the behaviour (Ajzen & Fishbein 1980:7-8). There being no exact relationship between given external variables and behaviour performed led Ajzen and Fishbein to leave other factors bar attitude towards the behaviour and subjective norm out of the Theory of reasoned action (Ajzen & Fishbein 1980:7-8).

The theory of planned behaviour (TPB) is a result of the theory of reasoned action which was developed by Ajzen and Fishbein in 1980. (Moriano, Gorgievski, Laguna, Stephan, & Zarafshani, 2012:168-170; Fayolle 2004:7-8).The TPB was shaped initially by Ajzen in 1991 and was reformulated in 2002 Ajzen (2002:665). Furthermore Ajzen and Cote (2008:301) regard the TPB as the most significant and prevalent model to forecast human behaviour (Ajzen & Cote 2008:301). Personal and social influences are the key element that ultimately decide an individual's intentional behaviour in this highly regarded social cognitive theory (Krueger & Carsrud, 1993).”The TPB integrates two lines of research on entrepreneurial intentions: research on the relationships between attitudes and EI (Douglas & Shepherd 2002:84-86) and research on the connections of self-efficacy and EI (De Noble, Jung, & Ehrlich 1999)” (Moriano *et al.* 2012:164). The TPB places significance on a person's intentions to perform or not to perform a specific action. (Ajzen 2006:1; Ajzen 2005). Figure 1.6 reflects the key intention factors of the TPB.

Figure 2.6: Theory of Planned Behaviour (TPB)



Source: Ajzen (1991:182)

The TPB model indicates how intentions allow us to monitor behaviours from the key influencing motivational factors (Ajzen & Cote 2008:301). We can then indicate the level of performance exerted and effort given when behaviours are performed (Kruegar *et al.* 2000:413). Stronger intentions tend to result in a higher level of performance (Ajzen & Cote 2008:301-303). Several studies (Moriano *et al.* 2012; 165-167; Fayolle *et al.* 2005:90-92; Kruegar *et al.* 2000:412-415; Douglas & Shepard 2002:84-87; Jung *et al.* 2001) aimed at empirically studying individual behaviours and entrepreneurial intention made were successfully approved based on the theory of planned behaviour.

Moriano *et al.* (2012:164-165) through Kruegar *et al.* (2000:413) reported that the TPB offered a relevant academic framework, which enabled an easier understanding and prediction of EI. The TPB not only took into account personal factors but social factors as well. Ajzen's theory of planned behaviour is considered to theoretically and vigorously predict a wide range of planned behaviours, including entrepreneurial behaviour using its main three elements, attitudes towards the behaviour, subjective norms and perceived behavioural control. Using the theory of planned behaviour an individual's intention to perform certain behaviours could be predicted at high accuracy using attitudes towards the behaviour, subjective norms and perceived behavioural control (Ajzen & Cote 2008:301; Ajzen, 2002:665) the three independent concepts will be discussed below.

2.4.1.1 Attitudes towards behaviours

One of the three main elements regarding the TPB relates to individuals having the intention to perform a behaviour and individuals attitudes towards the behaviours (Azjen 1991:181). The attitude toward behaviour variable in the TPB refers to an individual's overall assessment of a behaviour (Azjen 1991:182). It is the degree to which an individual has a fortunate or unfortunate evaluation or assessment of the behaviour (Azjen & Cote 2008; Azjen 2005:118). Moriano et al. (2012:167) found that the attitude towards behaviour is achieved through a set of available behaviour associated beliefs, related to various attributes, skills and outcomes, with the evaluation of each result determining the various strengths of each belief. Attitudes are developed when beliefs about certain behaviours are examined along with their consequences (Azjen 2005:123). The more positive the attitude towards a behaviour, the stronger should the individual's intention to execute that behaviour (Carr & Sequeria 2007:1092). "Attitudes of people can be influenced by many factors, including the key ties that individuals have with important influence agents within their environment such as family member" (Carr & Sequeria, 2007:1092). Azjen (2005); places emphasis on the beliefs level of strength increasing when outcomes are evaluated resulting in the way to determine the attitude towards behaviour. Outcomes from evaluations and the resulting level of strength of the behaviour conducted decide a specific individual's attitude towards a behaviour (Azjen & Cote 2008:301-303).this statement hypothesises that the attitude that individuals embrace towards being self-employed is depended the specific individuals expectations and beliefs about their personal outcomes resulting from the behaviour. (Azjen 2005:123 Mariano et al. 2012:167). A positive attitude towards behaviour results in individual having a belief that a new venture will provide, a higher level of independence, self-wealth for the individual and that a new venture could positively contribute to their individuals surroundings. Negative attitudes involve an individual beliefs that a new venture may result in added stress or less time with their family (Krueger *et al.* 2000:417).

2.4.1.2 Subjective norms

Norms are how persons are supposed to behave (Moriano *et al.* 2012).Subjective norms are an individual's self-perceived social pressures to carry out or not to complete certain

behaviours (Azjen & Cote 2008:301). Mackie, Moneti, Denny and Shakya (2012) report social norms are what specific persons in a specific group deem to be an acceptable action or route to take. For a norm to be classed as a subjective norm, it needs to be firstly common to others and secondly sustained by their approval (Meek, Pacheco & York 2010). Norms are upheld by the undesirable emotions such as guiltiness and shame an individual feels when not obeying with them (Meek *et al.* 2010) Individuals have an essential need to belong to social groups and be acknowledged by them, this further emphasises the need for individuals to heed the importance of subjective norms (Meek *et al.* 2010). Subjective norms propose suitable attitudes, ideals, and behaviour in a certain situation, they are a result of individual beliefs that key influences cause them to accept or reject (Amjad & Wood 2009). A key influence would be an individual's blood relation, partner and colleagues at work. Motivation to comply is how individuals perceive certain behaviours that are brought on by influences from there significant others such as parents and friends (Amjad & Wood 2009). Individuals who perceive there key social influences conforming or disapproving of certain behaviours renders that specific behaviour a norm (Azjen 2005).The individuals are then influenced to perform the behaviour due to socially exerted pressure or be against it (Azjen 2005). Whether individuals are willing to conform to societal norms can either dictate there progression to be entrepreneurs, as they can be seen as barriers or triggers. (Morianio *et al.* 2012). Kim & Hunter (1993) a conducted to determine the strength of the relationship between interactions and found that individual desirability and subjective norms explained 76 percent of the variance in intentions, while intentions explained 67 percent of the variance in behaviour (Diochon, Gasse, Menzies & Garand 2002). Further research conducted by Mackie *et al.* (2012) suggests that the influence of social norms could favourably or unfavourably influence ones entrepreneurial intention. Azjen (2005:120) reported that, subjective norms at a greater deal accounted for less change than the other two predictors in the TPB.

2.4.1.3 Perceived behavioural control (PBC)

Perceived behavioural control (PBC) is defined as the level of self-efficacy or capability of an individual to perform the behaviour (Azjen 2005). Perceived behavioural control

comprises of an individual's own conclusions regarding their ability to perform certain behaviours, the level of belief that they can overcome resulting obstacles and the level of resources they have for the required behaviour (Ajzen 2002). Moriano et al. (2012) emphasises the link between PBC and self-efficacy, when individual's insight of their abilities determine their outcomes regarding behaviour. Previous experiences and the amount of resources therefore can obstruct or be advantageous to an individual's performance (Ajzen & Cote 2008:303). Ajzen (2005:125) found that individuals presented with the resources and chances along with less challenges have a greater PBC. This result was due to more intentions being carried out due to superior control over the behaviour (Ajzen & Cote 2008:301). Internal and external factors can also impact the amount of control an individual has over a certain behaviour (Ajzen 2005:119) Positive performance can be induced internally with the availability of key information, skills and capabilities along with a well-grounded emotional base (Ajzen 2005). A lack of opportunities alongside individuals having a large degree of reliance on others are external factors that can result in negative performance (Ajzen 2005). Ajzen (2005) argues that individuals with less resources and opportunities, lack the ability to produce positive behaviour intentions regardless of a favourable attitude towards a behaviour. PBC influences behaviour indirectly through intentions and provides key information regarding the actual control individuals apply in practice of the specific behaviours, in addition PBC voices the ability as an alternative to directly predict behaviour of individuals (Ajzen & Cote 2008:302; Ajzen 2006:13; Ajzen 2005; Ajzen *et al.* 2004).

Ajzen's theory of planned behaviour has been numerously used to explain individual actions and entrepreneurial behaviours. Studies by Gird and Bagrim (2008:717), have used to the TPB to predict the entrepreneurial intention of university students and their study discovered that the theory of planned behaviour significantly explains a good percentage of change in student's decision to become self-employed and that prior exposure to entrepreneurship influences entrepreneurial intentions through the influence of the TPB determinants: attitude towards behaviour, subjective norms and perceived behavioural control (Gird & Bagrim 2008:717-718).

2.4.2 Shapero and Sokol' Model of Entrepreneurial event

Shapero and Sokol (1982:77-78) came up with a model that focused on the entrepreneurial event with the following elements:

- initiative-taking,
- consolidation of resources,
- management,
- relative autonomy and
- risk-taking.

Shapero and Sokol with the development of their entrepreneurial event theory seek to answer two questions:

- What brought about the action that lead to a change in the entrepreneur's former life path? and
- Why does the entrepreneur choose to follow this path, the path of the entrepreneurial even and not another action that is available? (Shapero & Sokol 1982:82)

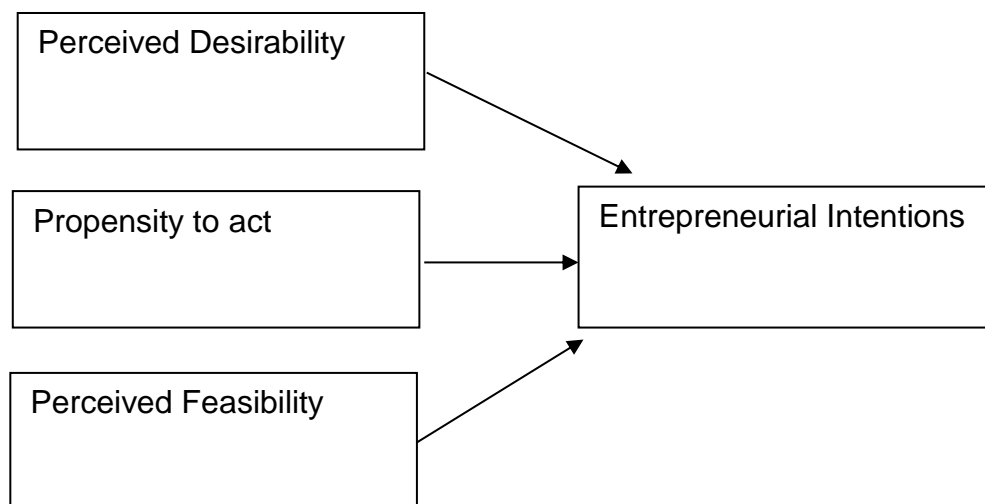
The authors identified the elements that lead to a change in the actions of individuals from their former life paths as i) negative displacements, ii) between-things situations and iii) positive pulls, as principle forces that could cause a life changing path (Shapero & Sokol 1982:79-81). Negative displacements are imposed situations, where an individual could be forced to leave their country of birth, losing one's job, suffering abuses and mostly being unhappy with life (Shapero & Sokol 1982:79-81). Between-things relate to an individual feeling out of place or between things, such as individuals discharged from military, students that have completed their studies or been released from jail (Shapero & Sokol 1982:79-81). Lastly positive pulls are good and positive influences such as counsellor, saver and financial funding being accessible to an individual to encourage them to start a business (Shapero & Sokol 1982:79-81).

Furthermore the authors emphasized that individual react differently to each of the elements. With the nature of the reaction from each individual based on their psychological differences. Shapero and Sokol (1982: 82-85) developed the concepts of perceptions of desirability and perceptions of feasibility to explain the question of why individuals took a certain opposed to other available actions(Shapero & Sokol 1982:82-85).

- Perceived desirability is the degree to which an individual feels a pull towards a given behaviour (to become an entrepreneur). Likewise,
- Perceived feasibility is the degree to which individuals consider themselves personally capable to carry out that certain behavior (Shapero & Sokol 1982:82-85).

Shapero & Sokol (1982:85), highlight that the presence of role models, counsellors or partners would be a pivotal component in crafting the individual's feasibility level.

Figure 2.7: The Social Cognitive Career Theory (SCCT) Model



Source Shapero & Sokol (1982)

The decision to become an entrepreneur is based on the career choice an individual has to make (Kruegar et al. 2000). Research concerning the psychology of new businesses highlighted that new businesses begin because of a person's deliberate choice by Shaver

and Scott (1991). Douglas and Shepard (2002) and Campbell (1992) determined how the decision to become an entrepreneur is motivated, with most models being process-orientated or based on cognitive theories (Segal *et al.* 2002:47).

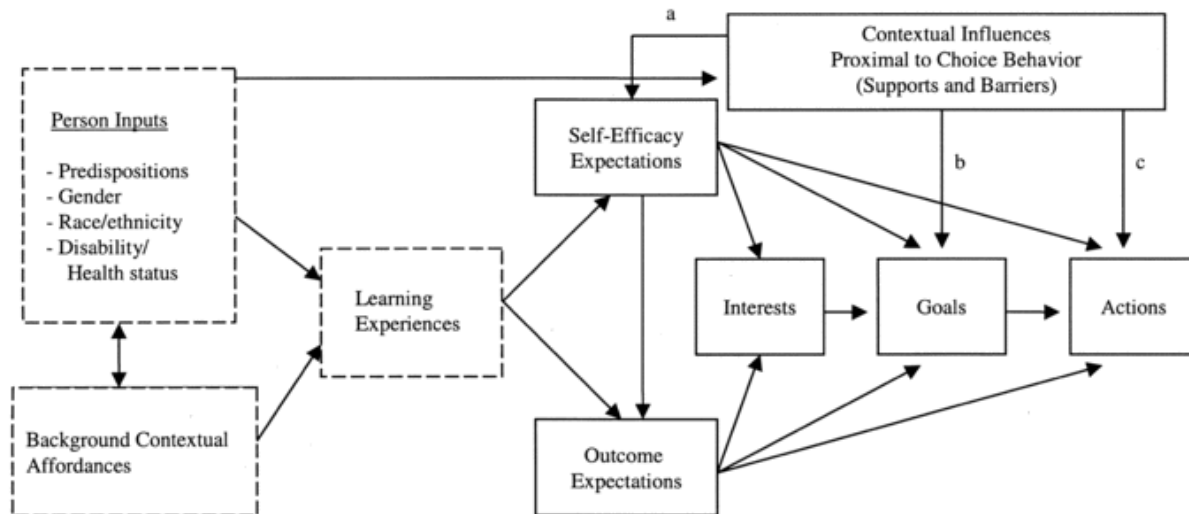
2.5 CAREER CHOICE MODELS

Process-orientated models including Azjen's theory of planned behaviour developed in 1991 though fail to clearly explain the field of entrepreneurship with regards to career literature and the use of models relating to career choice (Segal *et al.* 2002:47-48). In this section a key significant career choice theories are presented such as the Social Cognitive Career Theory (SCCT), Dick and Rallis theory of career choice, the utility maximisation model of career choice and the 8 career anchors model theory. These career choice models are perceived as one of the most acknowledged and valid career choice concept models, discussing career literature about the understanding of career interests and goals (Segal *et al.* 2002:48; Gore & Leuwerke 2000).

2.5.1 The Social Cognitive Career Theory (SCCT)

According to Segal *et al.* (2002); Gore and Leuwerke (2000), the Social Cognitive Career Theory (SCCT) is one of the highly regarded, accepted and endorsed models that focuses on an individual's career interests. The Social Cognitive Career Theory was developed by Lent, Brown and Hackett in 1994 (Gore & Leuwerke 2000). The SCCT aims to explain the key individual thought process dynamics that result in career and academic interests being established, how individual career choices arise, furthermore seeking to analyse how career choice performance outcomes are achieved (Segal *et al.* 2002:48; Lent, *et al.* 1994; Hackett & Lent 1992). "The model is anchored in social cognitive theory and emphasises the importance of self-belief and self-thought in nurturing a person's motivation and in-turn controlling their behaviour" (Segal *et al.* 2002:48; Lent & Brown 1996; Lent *et al.* 1994). The SCCT has the capacity to predict entrepreneurship as a career choice. Self-efficacy, outcome expectations and goals are the three main social cognitive mechanisms of the SCCT model (Lent, Ireland, Penn, Morris, & Sappington 2017; Lent & Brown 2013). Figure 2.9 reflects the three main variables of the SCCT.

Figure 2.8: The Social Cognitive Career Theory (SCCT) Model



Source: (Lent *et al.* 1994:79-83)

2.5.1.1 Self-Efficacy

The self-efficacy theory depicts individuals interacting with their environment resulting in the individuals desiring key cognitive, social and behaviour skills that can aid in goal achievement (Segal *et al.* 2002:49). Self-efficacy represents an individual's sense of ability: their belief to successfully accomplish a specific task. (Elfving, Brannback & Carsrud, 2009:26). Self-efficacy is the strength of an individual's convictions regarding their own abilities and powers that is required to achieve certain outcomes (Bandura, 1977:79). Lent and Brown (2013) through Lent *et al.* (2017) suggested that self-efficacy was one of the social cognitive variables along with outcome expectations that determined an individual's own capability for future and present career decisions. Self-efficacy plays an important role in influencing an individual's goal-orientated behaviour (Elfving, *et al.* 2009:26). Studies by Taylor and Bets in 1983; Lent and Brown in 2013 on career decision self-efficacy (CDSE) found individuals with a higher self-efficacy developed more favorable expectations about their future outcomes (Lent *et al.* 2017; Lent & Brown 2013).

Bandura (1977:195-200) who studied the possible behavioural changes that could result from an individual's self-efficacy, from an extensive research identified four sources of information which attribute to an individual's impact from self-efficacy: i) performance accomplishments, ii) vicarious experience, iii) verbal persuasion and iv) emotional arousal.

Performance accomplishments reinforce self-efficacy through individuals having successful experiences, an individual who has experienced success in performing a certain behavior was perceived as feeling more self-assured of themselves and the specific behaviour (Bandura 1977: 195-200).

Vicarious experience is the observation of other individuals, that are doing well with difficult behaviours, even though it strengthens self-efficacy, it has a weaker effect on self-efficacy than performance accomplishments should the individual involved (Bandura 1977: 195-200).

Verbal persuasion is the influence from other individuals that the particular individual will cope with a certain situation (Bandura 1977: 195-200). Verbal persuasion was not proven to vastly influence an individual's self-efficacy, unless a key influencer such as an individual's parents or role models who had previous success in the behaviour were the influence (Bandura 1977: 195-200).

Lastly, emotional arousal is a character-based variable that relates to the ability of an individual to deal with a difficult situations emotional demands, such many known anxiety's and stresses could undermine an individual's confidence and in-turn affect their self-efficacy. (Bandura 1977: 195-200).

The SCCT model through self-efficacy is regarded similar to the perceived behavioural control (PBC) component developed by (Ajzen, 1991). Segal *et al.* (2002:49) wrote that "self-efficacy not only assists in individuals goals and interests directly, but also through its influence on outcome expectations". This further emphasises the importance of self-efficacy and outcome expectations in influencing entrepreneurial intention (Elfving *et al.* 2009).

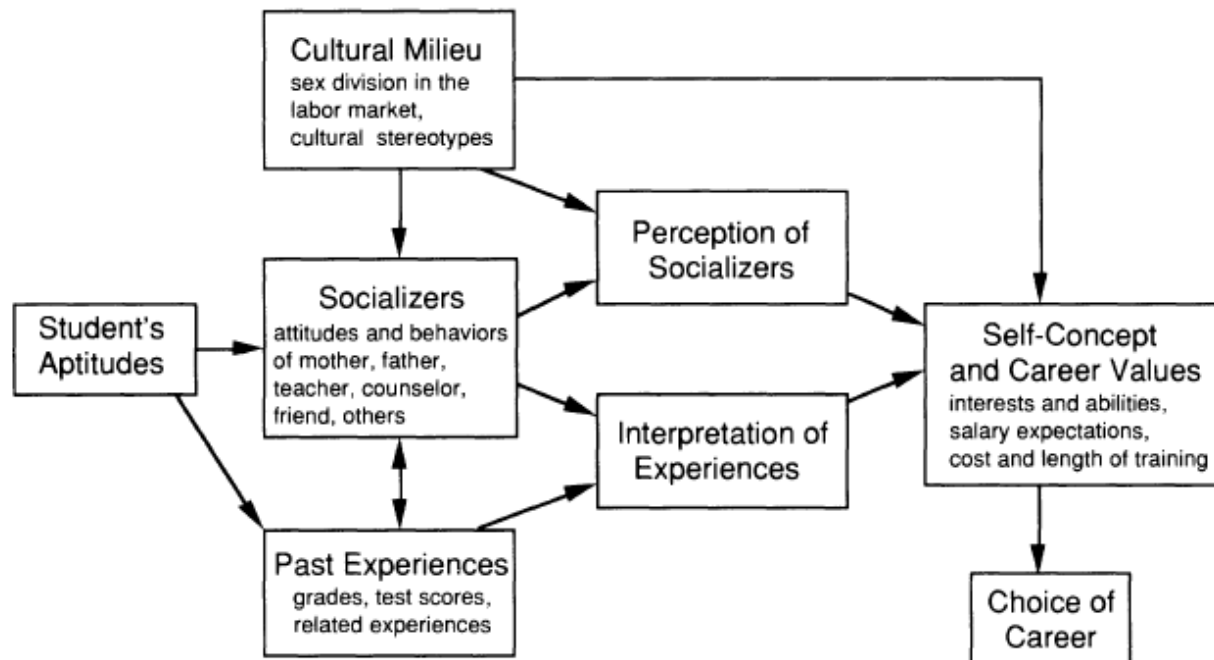
2.5.1.2. Outcome expectations

Outcome expectations describe the perceived (negative or positive) effects of engaging in adaptive behaviours (Lent *et al.* 2017). Outcome expectations are formed from the expectations individuals have of themselves regarding to performing the behaviours. (Segal *et al.* 2002:49). Outcome expectations include various forms of beliefs about response outcomes, such as” beliefs about extrinsic reinforcement (receiving rewards for acceptable performance), self-directed consequences (pride in oneself for doing a hard task) and the outcomes from the process of an individual performing an assigned task (Segal *et al.* 2002:49; Lent *et al.* 1994). Positive outcome expectations play a key role in motivating individuals towards their goals (Segal *et al.* 2002:49). Studies by Lent and Brown in 2013 found that individuals possessing positive outcome expectations are more likely to reach their career decision making goals (Lent *et al.* 2017). Bandura (1986) argued that an individual’s career behaviour can be influenced by their outcomes expectations and emphasised the role of self-efficacy in ensuring the individuals believe they are able to do and valued their desired outcomes. The CSST model suggests individuals interested in becoming entrepreneurs possessing a positive expectation on the outcomes of self-employment will develop a stronger interest and be more drawn to entrepreneurship as a career decision (Segal *et al.* 2002:49; Gore & Leuwerke 2000).

2.5.2 Dick And Rallis Theory of Career Choice

Dick and Rallis (1991:283) Theory of Career Choice found below as figure 2.9 highlights that an individual's views and potential decision about a career is influenced by their interpretation of past experiences. Furthermore it is influenced by their perception of the attitudes and perceived expectations from ‘socializers’ (e.g. parents, friends, role models) toward those career choices. These beliefs and experiences therefore influence attitudes toward a particular career and ultimately the career choice that those individuals make (Dick & Rallis 1991).

Figure 2.9: Dick and Rallis' (1991) Theory of Career Choice



As depicted in Figure 2.9, the socialisers are a key part of the model. The socialisers influence the students with their influences and attitudes, furthermore they provide experiences that affect the students and how they students perceive or interpret them (Dick & Rallis 1991:283). The study emphasises that the influences are not one way influences and that students aptitudes play a key part in their own behaviours and potential career choices (Dick & Rallis 1991:282-285). The most important element which makes the model relevant is that most individuals at an early age have a role model whom they spend a large duration with and if that influence is an entrepreneurial parent or role model they can play a significant factor in increasing an individual's entrepreneurial intent.

2.5.3 Career choice anchors theory

Schien's work on career choice anchors remains one of the most important contributions to career choice theories. Schien derived the model in an effort to show the relationship between people's orientation towards work, motives, values and self- perceived talents

with career choice (Schien 1993:1). The career anchors Schien developed are based on an individual's past and future goals (Schien 1993:3)

Schien particularly focused on the way an individual views his or her work life and the role in that life as opposed to an individual's formal position and career advancement based on their career characteristics (Schien 1993: 11). Schien's career anchor model used three dimensions to measure an individual's progress and success, namely an individual's growth in abilities and skills, the promotion in rank and the increase in influence and power an individual receives (Schien 1993:11-13).

Schein model suggests that as a career evolves, the individual, with experiences, education and work gains a self-concept that comprises of three elements: i) talents- an individual's own perceptions regarding their strengths and weaknesses, ii) motives- individuals most important goals and iii) values- awareness of what's most important to individual (Schein 1993: 21-24). The career anchor, as defined by Schein (1993:24), is "therefore the self-image, that one element in an individuals that he or she will not give up, even in the face of difficult choices (Schien 1993: 1).

Schein (1993: 26-51) developed the eight career anchors, described below.

- Technical/Functional Competence. Individuals with this career anchor value the content of their work the most and seek vacancies that can match or enhance their technical skills; (Schein 1993: 26-51).
- General Managerial Competence. Individuals possessing this career anchor prefer to specialise in several areas and find motivation when given more responsibility, leadership and can contribute more to the businesses success; (Schein 1993: 26-51).
- Autonomy/Independence. Individuals possessing the career value anchor are motivated mainly by their need for autonomy and independence in their job; (Schein 1993: 26-51).
- Security/ Stability. Individuals with this career anchor prefer a sense of security in their work environments, these individuals are motivated by job stability, and a long term future in a business (Schein 1993: 26-51).

- Entrepreneurial Creativity. Individuals possessing this career anchor make career decisions based on their own need to create new businesses, products and services, these individuals find their work life as an extension of their personality.
- Service/Dedication to a Cause. Individuals with this career anchor choose career that allow them to exercise their value systems and serve and improve their communities (Schein 1993: 26-51).
- Pure Challenge. Individuals motivated by this career anchor make career decisions based on their own need to overcome difficult obstacles which can be defined as success, they aim to solve problems and seek challenging and difficult situations. (Schein 1993: 26-51).
- Lifestyle. Individuals possessing this career anchor are motivated to take up career or job opportunities that allow them to meet and balance their lifestyle so that they can be the individual's needs as well as their family and friends (Schein 1993: 26-51).

Schein stated that individuals may possess or have more than a single factor active in the choice of a career, but emphasised that only one element would be the principal determinant of that career. This element is called the career anchor (Schein 1993: 50-51). Schien's career anchors are even still one of the most widely used and most vital career choice models. Barclay, Chapman and Brown (2013) combined data resulting from seven empirical career- anchor studies to compare with Schien's career anchors model. The authors studies concluded that Schien's career anchors was the model that best distinguished the different career anchors on an empirical basis (Barclay et al. 2013:444).

2.5.4 Utility maximisation model of career choice

Douglas and Shepherd (2000, 2002), developed and successfully tested a Utility-Maximisation model of career choice instead of other psychological and social studies. Test relating to this model showed that based on a career choice of an individual being self-employed and choosing employment, career decisions are driven by utility maximisation (Douglas & Shepherd 2000:232). The studies done by Douglas and Shepherd were due to the realisation that personality and demographic characteristics do

not necessarily separate entrepreneurs from non-entrepreneurs, as both non-entrepreneurs share the same personality and demographic characteristics recognized to entrepreneurs (Douglas & Shepard 2000:233). Douglas and Shepherd (2000:233-234), had a common belief that entrepreneurial intentions were certain predictors of entrepreneurial behaviour and that the intentions were influenced by attitudes, determined by every individual's personal and situational circumstances (Douglas & Shepherd 2000:233-234).

The utility-maximisation model of career choice proposes that an individual's decision to become either an entrepreneur or to become a non-entrepreneur depends on utility of satisfaction of each decision, which is based on the characteristics below: income, attitudes to work effort, attitudes to risk, attitudes to independence and other working conditions (Douglas & Shepherd 2000:246). The authors came up with this model to explain the both the decision between single careers and the choice between career paths individuals take throughout their working lives (Douglas & Shepherd 2000:249).

When the model of career choice was tested, Douglas and Shepherd (2002:87-88) came to the conclusion that i) individuals consider income, risk and independence when evaluating different career decisions, and the amount of work effort required from the individual is not significantly related to career choice (Douglas & Shepherd 2002:87-88). ii) Entrepreneurial intentions are stronger for those individuals with positive attitudes towards risk and attitudes to independence. The amount of income to be earned by the individual however was not found to be a principle determinant of entrepreneurial intentions (Douglas & Shepherd 2002:87-88).

2.6 PARENTAL INFLUENCE ON ENTREPRENEURIAL INTENTION

The role that parents play in an individual's upbringing is essential as the attitude and expectations of parents can influence future entrepreneurs (Bird 1988). Mauer, Neergaard & Linstad (2017) highlight one's family as a key socialisation setting where early traits can be developed. De Clercq and Arenius (2004:6) found that being exposed to individuals with an entrepreneurial background increased the chances of the individual engaging in entrepreneurial activity. The exposure allows the individual to be aware of

their abilities and increases the likelihood of them becoming entrepreneurs (De Clercq & Arenius 2004:6). According to Parker (2009) this can be done with entrepreneurial parents being seen as and being role models to their children from an early age. The role modelling process would allow children an early taste of entrepreneurship (Parker 2009).

Studies done by Scherer, Adams, Carley & Wiebe (1989) using social learning theory intended to study the connection between a parent role model and an inclination for an entrepreneurial career were conducted. The study found that individuals with a parental role model in an entrepreneurial career, through observational learning, embraced favourable habits that were exhibited by the role model (Van Auken, et al. 2006). Furthermore evaluations of the parents entrepreneurial performances were formed through the individuals cognitive abilities. Through modelling, the individual was able to garner a positive or negative perspective on entrepreneurship as a career. (Scherer, Adams, Carley et al. 1989:66). Studies concluded that the higher the level of performance of parental entrepreneurial role models in their entrepreneurial activities, the higher the level of the individuals entrepreneurial career preference. (Scherer, Adams, Carley et al. 1989:66) Lindquist, *et al.* (2015: 269-296) further emphasised this when their research found that the strongest predictor of entrepreneurial intention are entrepreneurial parents.

2.6.1 Entrepreneurial parent family business influence on individual entrepreneurial intentions

Zellweger, Sieger and Hills (2011) found that children raised in an entrepreneurial environment that involved their parents managing or owning an enterprise were more likely to turn to entrepreneurship as a career intention. The parents were seen as affirmative and influential role models to their children (Zellweger *et al.* 2011). Consequently children that were raised in entrepreneurial families were found to receive a greater degree of support with resources and possessed a greater perception of the potential trials that followed choosing entrepreneurship as a career choice (Fatoki 2014). Entrepreneurial parents were found to provide their children with the opportunity of on the job practical experience that facilitated early learning and development of key traits that

influenced their children's perceptions of entrepreneurship either in a negative or a positive manner (Fatoki 2014:158). These experiences with entrepreneurial parents businesses positively or negatively swayed the children's attitudes and future behaviours regarding entrepreneurship (Carr & Sequeira 2007). Tanveer et al. (2013) and Sivirajah and Achchunthan (2013) conducted different studies on the motivational factors required by young graduates to increase entrepreneurial intention, the studies found a positive relationship between parents involved in business and the entrepreneurial intention of the individuals. Hytti, Paasio and Pukkinen (2005:9) concur that "entrepreneurial parents influence entrepreneurial intent and the possibility of an entrepreneurial career but do not have the ability to influence the appeal of the entrepreneurship to a child."

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The literature review was discussed in the previous chapter. In this chapter a discussion of the research design and methodology that was used in this study is presented. The research design and methodology informs the reader how respondents are selected and how data was obtained from the respondents.

Chapter 3 provides an overview of the various research paradigms with the purpose of determining and explaining the choice of the paradigm and design chosen for this study. The population studied is defined, and the study's sample size and sampling is described. Furthermore the chapter describes the data collection method which entails a focus on the measuring instrument used, qualifying questions and the scale development. The operationalisation of the dependent and independent variables to ensure a better understanding of this study. The administering of the measuring instrument and data collection process is explained as well as the various ethical considerations. Lastly this chapter elaborates on the data analysis discussing in detail the statistical techniques that will be used to analyse the data.

3.2. RESEARCH PARADIGM

A paradigm can be defined as a set of consistent assumptions about the social world which provide a theoretical and philosophical outline based on the framework for that organised study of that world.(Ponterotto 2005:127). Similarly, Houghton, Hunter and Meskell (2012:34) described a paradigm as a set of uncomplicated beliefs that clarify how individuals observe the nature of the world and their place in it. The research paradigm sets down the intent, motivation and expectations for research (Mackenzie & Knipe 2006:2). Without choosing a paradigm, there is no foundation for subsequent choices regarding methodology, methods, literature or research design (Mackenzie & Knipe

2006:2). The paradigm selected guides the investigator in the objective assumptions about the research and in the choice of tools, participants, and methods used in the study (Ponterotto 2005:128).

In social science there are two predominant research paradigms, a positivistic paradigm and an interpretivist paradigm (Gray 2013:21). A positivistic research paradigm is based on and centres on facts (Gray 2013:21). According to Creswell (2003:7-8) a positivistic paradigm is a scientific method that is established on philosophies of rationalism and observations that on conclusion produce effects and outcomes. Research by O'Leary (2004) emphasises positivistic research paradigms use observation to test and control objects around us. Researchers that use a positivistic paradigm believe in the power of repetition research with positivism strongly describing what is experienced and understood by some individuals and generally applied to the remainder of the population (Grey 2013:22; Creswell 2003:8).

An interpretivist paradigm focuses on meaning (Gray 2013:23). According to Houghton *et al.* (2012:36-37) the interpretivist research paradigm's main aim is to capture respondent's subjective experiences along with the researchers as they may be key in influencing the result. Similarly, the interpretivist trusts the views of its contributors and takes into accounts the impact of the research contributors, there background and involvements (Creswell 2003:8-9). Tuli (2010:100) found interpretivism as a view that the world is made, experienced and understood by individuals differently. Interpretivist researchers choose a study that uncovers inside viewpoints or real meanings of social occurrences from its study participants as a good social knowledge (Wahyuni 2012:71).

In this study a positivistic research paradigm and quantitative research approach have been chosen. These approaches were adopted because a positivistic paradigm is based on detailed observation and measurement that is verifiable, with quantitative research selected as the researcher seeks to attain a large amount of numerical data to measure the frequency of variables and verify the relationships hypothesised. This paradigm and approach were selected as they are considered most suitable when testing relationships between variables (Struwig & Stead 2013:4).

The quantitative data will be collected by means of a survey through the use of a structured questionnaire which will be distributed to qualifying children between the ages of 18-35. Cooper and Schindler (2008:215) define a survey as a measurement instrument that is used to collect information. Surveys permit a researcher to attain data about views through questionnaires or interviews. Researchers then use quantitative methods to draw inferences from this data regarding existing connections. (Galliers, 1991:150). Surveys are advantageous as they allow researchers to analyse more than one variables at once. The data collected in surveys can also be from real world environments. Gable (1994:115) wrote that surveys can accurately document the norm, identify extreme outcomes, and explain associations between variables in a sample.

3.2.1 Research approach

There are two main approaches used in social sciences are the qualitative approach and a quantitative approach (Smith 2015:7). The quantitative approach is linked the positivistic research paradigm, whilst the qualitative research approach is linked to the interpretivist paradigm (Mackenzie & Knipe 2006:199). The aforementioned approaches make use of separate methods to reach an understanding of a phenomenon with each approach having its own set of advantages and disadvantages (Smith 2015:7).

The qualitative approach can be regarded as “interdisciplinary, multi pragmatic and multi-method” (Struwig & Stead 2013:10). Qualitative findings are generally presented in everyday language and frequently include participants’ own words to describe a psychological event, experience, or wonder (Ponterotto 2005:128). Tuli (2010:101) argues that the qualitative research approach treats people as research participants and not as objects. At times the qualitative approach is scrutinised for lack of objectivity, because participants’ experiences are mediated through the researcher’s own perceptions (Tuli 2010:102). Struwig and Stead (2013:13) similarly note the disadvantages in the qualitative approach as it allows too much flexibility as there are numerous possible, especially when the researcher makes use of too many theories using an already unstructured approach.

The quantitative approach is defined as a form of conclusive research that involves large representative samples and fairly structured data collection methods (Struwig & Stead 2013:3). The quantitative approach seeks to measure social occurrences and collect and analyse key numerical data, with a focus on the links among a smaller percentage (Tuli 2011:106). The quantitative approach is described as an empirical study on a social or human problem, which tests a theory involving variables which are measured with numbers and analysed with statistics, this is done in order to conclude if the dependent variable compared with various independent variables predict or explain the given problem. (Yilmaz 2013) A quantitative approach is used in this study as it allows in-depth details regarding the subject matter to be found, it is appropriate for situations where a lot of information is needed and the context regarding the event studied is often more holistic. (Yilmaz 2013). The quantitative approach uses measurements or numerical analysis of data collected and factual figures directly linking it to the positivistic paradigm (Tuli, 2011).

3.3 DATA COLLECTION

During this phase the researcher discusses the various types of data collection methods between primary and secondary data collected in the information-gathering stage whereby questionnaires are distributed to the sample size and thereafter collected, assessed and recorded. This section describes the different sources of data the researcher used, the different methods of data collection, with the advantages and disadvantages of each method.

3.3.1 Secondary data collection

According to Struwig and Stead (2013:82) secondary data is the already available data obtained from sources other than the current project being conducted by a researcher. Secondary data sources offer the researcher cost-effective resources that can assist for research on a limited fund or time to be undertaken. (Lewis-Beck, Bryman & Liao 2004:1007-1008). Secondary data ensures that costly, time-consuming procedures of preparation, administrating the Secondary data will be collected for this study by using journals, books and previously submitted thesis on the influence of parents on their children's career choices, entrepreneurial intentions and entrepreneurial orientation in a

South African context. The available literature sources will be collected using the Nelson Mandela University Library alongside the online electronic database that the Nelson Mandela University students have access to such as Google scholar, Emerald and EBSCO

3.3.2 Primary data collection

Primary data is new information that a researcher gathers for a recent research project (Struwig & Stead 2013:82). This data is gathered by the researcher for the first time, is original and can come in different methods such as surveys, questionnaires or interviews (Kothari 2004:95). Kothari (2004:95-96) found the collection of primary data as advantageous to the researcher due to its high reliability with regards to the data being collected by an interested party. Furthermore, primary data is seen as current and gives a realistic view to the study for the researcher regarding the topic at hand (Kothari 2004:95). However, Tuli (2011) questioned the reliability of some primary data as some respondents do not give timely responses. Respondents have been found to cover up realities with fake and soft answers that tended to affect the study Tuli (2011). The researchers selected population, sample frame and sample size as well as the various sampling methods, the method of data collection and measuring instrument are discussed in the section that follows.

3.3.2.1 Population Studied

Cooper and Schindler (2008:374) describe a population as the total gathering of elements about which the researcher wants to use for interpretations. Populations are greater parts from which samples are drawn. The population for the study will focus on children between the ages of (18-35) in the Eastern Cape, South Africa.

3.3.2.2 Sampling unit and sampling method

A sample is a subset of a population (Cooper & Schindler 2008:374-375). Struwig and Stead (2013:114) insist that should a sample be selected using the proper scientific guidelines and is representative of the population, then the findings from the sample can be safely generalised to the population as a whole. The sample for this study is 100

children between the ages of 18-35 whose parents own their own businesses and are in the Eastern Cape, South Africa.

The two main types of sampling methods that are used to collect data are probability and non-probability sampling (Struwig & Stead 2013:116). The type of sampling method selected is dependent on the research objective (Latham 2007:5). According to Kothari (2004:58) probability sampling is centred on the idea of the selection of respondents being random, whereas non-probability sampling is a non-random selection by the researcher which involves subjectivity. Under probability sampling there is an equal chance for all items to be selected in a sample making it similar to a lottery (Kothari 2004:60). The various probability sampling techniques that exist are Simple random probability sampling, Stratified probability sampling, Cluster sampling, Systematic sampling and lastly Multi-stage sampling (Struwig & Stead 2013:119-120).

Simple random sampling is a method that allows every part in the population a similar chance of being selected in the sample (Latham 2007:4). Random samples are easily drawn by researchers either using tables or random numbers of statistical programmes on a computer (Struwig & Stead 2013:118). Stratified probability sampling occurs when a strata (group) with the same or similar traits in a population are selected and drawn using present information about the population to create a sample (Struwig & Stead 2013:119). Kothari (2004:62) highlights that stratified sampling results were more dependable and detailed as the strata's allowed more precise and accurate estimates from each group.

Cluster sampling happens when the researcher samples clusters with naturally occurring groups such as schools, homes which happen within the selected population (Struwig & Stead 2013:119). Several groups are randomly selected to make up the sample (Struwig & Stead 2013:119). Alvi (2016:22) suggests the use of cluster sampling when the elements of a population are spread over a wide geographical area. Systematic sampling is a method of probability sampling where a mathematical formula is used by the researcher to decide random selection of respondents from the entire population (Struwig & Stead 2013:120). In practice, systematic sampling is used when lists of the population

are available and they are of considerable length (Kothari 2004:62). Multi-stage sampling is a grouping of several probability sampling techniques at different stages of gathering a sample (Struwig & Stead 2013:120). Find a more descriptive reference!

Non-probability sampling occurs when the probability of the items selected is not known and can also be called non-random sampling (Alvi 2016:13). In this form of sampling there is no random selection made (Alvi 2016:13; Struwig & Stead 2013:113). When researchers make use of non-probability sampling methods, selections may be hindered with bias which can potentially affect the sample, possibly influencing the research findings (Kothari 2004:59). Thus, there is always the danger of bias entering into this type of sampling technique (Kothari 2004:59). The different type of non-probability sampling forms that exist are convenience sampling, judgement sampling, quota sampling and snowball sampling (Struwig & Stead 2013:116-117).

Convenience sampling is a sampling method where respondents are selected based on how easy they are to reach and the most convenient people to approach (Alvi 2016:29). Latham (2007:9) found this convenience sampling most applicable when the respondents who are surveyed are available and agree to be questioned. However Struwig & Stead (2013:116) only recommend this method when the population measured have a lot of characteristics in common. Judgement sampling is a method where the identified respondents are chosen based on predetermined ideas regarding the respondents which are solely depend on the judgement of the researcher (Kothari 2004:59). This means that not every available respondent is included in the sample rather those available are included who meet the defined criteria. Similar to judgement sampling quota sampling is based on a predetermined judgement sample that will consist of a certain limit for the certain criteria that has been identified important by the researcher (Kothari 2004:59). the respondents would need to meet certain minimum requirements determined by researchers to be included in quota sample (Struwig & Stead 2013:117). A quota sample ensures the presence of every sub group of the population in the sample (Avili 2016:31). Lastly snowball sampling is when additional respondents are selected from initial respondents through the use of probability methods (Struwig & Stead 2013:118). One part of the population is approached at a time and then is asked to refer the

investigator to the other elements of the population as a means of a referral process (Avili 2016:33; Struwig & Stead 2013:118).

In the present study the researcher self-administered the questionnaires to the 18-35 year old children whose parents/parent owned a business in the Eastern Cape. The respondents were found all over the Nelson Mandela Bay Metro area. Any 18-35 year old child with an entrepreneurial parent could voluntarily fill in the questionnaire. The sample acquired in this study can therefore be termed non-probability convenience sample. This method was selected because convenience sampling is an inexpensive sampling method, consists of elements that are quick and are able to get easy access to and is able to measure a population with similar traits in common better (Alvi 2016:29; Struwig & Stead 2013:116).

3.3.2.3 *Method of data collection*

The researcher collected primary data by means of a survey using a structured questionnaire (see Annexure A). In order to gather data from the chosen sample a hard copy of the questionnaire was spread to the qualifying respondents that voluntarily participated in the study. The use of a questionnaire was a convenient way of gathering information from the target population.

3.3.2.4 *Measuring instrument*

The research questionnaire design stage is very significant as the information collected on the measuring instruments are a result of the questions that are asked (Zikmund et al.2010:336). The measuring instrument used in this study of comprised a cover letter which provided the prospective respondent with the essential information about the study. This information included a complete description of the main objectives and topic of the study, the type of information required from the respondents that voluntarily agreed to answer the questionnaire, as well as the details of the primary researcher and supervisor. In addition to this, the qualifying criteria that would enable the respondent to participate in the study is mentioned. Confidentiality was assured to all respondents alongside guidelines on how to complete the questionnaire were included in the cover letter. The

questionnaire was administered under the name of the registered research centre at the Nelson Mandela University (Unit for Applied Business management).

Section A requested demographic information from the respondent. Demographic information included questions relating to the gender of the respondents entrepreneurial parents, the amount of time the respondents parents had owned a business, the amount of full-time employees the respondents parents employed, whether the respondent had worked for their respective entrepreneurial parents business, the industry which the respondents entrepreneurial parents business operated in and the gender and age of the respondents amongst other things.

Section B of the questionnaire contained 31 randomised statements (items) that would provide insights into the entrepreneurial attributes of respondents. The 31 statements are centred on the relationship between the independent variable of entrepreneurial intention (5 statements) and dependent variables (the attitude towards behaviour – 5 statements, perceived behavioural control- 5 statements, subjective norms – 5 statements) and career decision making theories (outcome expectations – 6 statements and self-efficacy – 5 statements). With each statement the respondent was asked to answer based on their own view by using a 5-Likert scale of one to five. A 5-point Likert scale allows respondents to indicate the degree to which they agreed or disagreed with each of the statements, in order to achieve the best question arrangement. One on the Likert scale indicated the respondent strongly disagreeing with the statement and five suggesting the respondent strongly agrees with the statement. The researcher made use of multiple-choice in section A and Section B to give the respondent clear choices. Struwig and Stead (2013:96) recommend multiple-choice questions for quantitative data collection, this is because the editing and recording process is minimised during data analysis. All 31 statements in section B were aimed at assessing the degree to which the respondents possessed a specific entrepreneurial attribute that influenced their intentions to become an entrepreneur based on the influence of their parents.

3.3.2.5 Scale development and operationalisation

The researcher made use of the existing scales from the Entrepreneurial Intention Questionnaire (EIQ) that was developed by Liñán and Chen (2009) and the Career choice questionnaire that were developed by Utami (2017);Mcstay (2008); Lent et al. (1994) to measure the independent variables. The EIQ study was based on existing theoretical and empirical literature about the application of the Theory of planned behaviour to entrepreneurship. It has been carefully crosschecked with those instruments used by other researchers (Liñán & Chen 2009:600). The entrepreneurial variables used in the researcher's study which formed the independent variables in this study were: Attitude towards behaviour, Subjective Norm, Outcome expectations, Self-efficacy and Perceived Behavioural Control. Miller and Breton-Miller (2011:1071) define operationalisation as a form of measuring a variable that is unable to be directly measured in a particular study. Operationalisation takes place so that the variables may be observable and predictable for research purposes. The various operational definitions as proposed by Utami (2017); Solesvik et al. (2012);Liñán and Chen (2009);Mcstay (2008);Chen et al. (2001)Krueger (2000); Lent et al. (1994).were adopted for this study and are summarised in Table 3.1, 3.2 and 3.3.

Table 3.2: Operationalisation of dependent variable section B – entrepreneurial intent

Entrepreneurial intention	Items
Entrepreneurial intention refers to a person's who has the goal of becoming and would choose to be an entrepreneur than work for others, with plans and interests in starting their own business in the next five years.	5
I would choose to be an entrepreneur rather than to work for others (Utami 2017:484)	
I will do anything to become an entrepreneur. (Utami 2017:484)	
My goal is to become an entrepreneur. (Utami 2017:484)	
I am interested in starting my own business in the future. (Utami 2017:484)	
I plan to start a business in the next five years. (Utami 2017:484)	

Table 3.3: Operationalisation of independent variables section B

Attitude	Items
Refers to a person's who views and prefers entrepreneurship as a career choice and a more advantageous career than working for someone else, due to the influence of seeing their father/mother as an entrepreneur which made them think, follow and want to become an entrepreneur within the next five years.	5
<p>My father/mother views entrepreneurship as a more advantageous career choice than working for someone else.(Liñán & Chen 2009)</p> <p>My father/ mother would prefer me to be an entrepreneur. (Liñán & Chen 2009)</p> <p>Seeing my father/mother as entrepreneur makes me want to follow the same career choice. (Liñán & Chen 2009)</p> <p>Seeing my father/mother as entrepreneur has made me think about becoming an entrepreneur. (Solevik et.al 2012)</p> <p>Seeing my father/mother as entrepreneur makes me want to become an entrepreneur within the next 5 years. (Utami 2017:484)</p>	
Self-efficacy	Items
Refers to a person's level of belief and confidence to own a business and the self-perception that if they were an entrepreneur the belief that they could work well under stress, make it through difficult times, successfully overcome future career challenges and in any future career perform under pressure.	5
<p>I believe I have the confidence to own a business. (Utami 2017:484)</p> <p>If I was an entrepreneur, I believe I could work well under stress. (McStay 2008:18)</p> <p>If I owned my own business, I believe I could make it through difficult times. (Chen et al., 2001)</p> <p>I believe I can successfully overcome any challenge in my future career. (Chen et al., 2001)</p>	

I believe that in my future career I will perform under pressure. (Chen et al., 2001)	
Perceived behavioural control	Items
Refers to a person's level of belief, control and personal capability that being an entrepreneur would allow them to work for themselves, that it would be their own decision and would allow them control over their own futures, environment and time in order to make their future businesses a success.	5
<p>Being an entrepreneur would allow me to work for myself. (McStay 2008:18)</p> <p>I believe that I have control over my own future if I am an entrepreneur. (McStay 2008:18)</p> <p>Being an entrepreneur would allow me to have full control over my time. (Solesvik et.al 2012)</p> <p>Being an entrepreneur would be my own decision. (Solesvik et.al 2012)</p> <p>I believe I will have control over my environment to make my future business a success. (Solesvik et.al 2012)</p>	
Outcome expectations	Items
Refer to a person's self-perceived entrepreneurial expectations to grow personally, be a provider for their family, receive public recognition, be satisfied and to receive financial rewards such as a lot of money should they follow their father/mothers footsteps by becoming an entrepreneur.	6
<p>I expect to receive financial rewards if follow the same career as my father/mother. (Krueger, 2000)</p> <p>I expect to be satisfied if I follow in my father/mothers career footsteps. (Krueger, 2000; Zellweger, Sieger and Halter 2011)</p> <p>I expect to receive public recognition If follow in my father/mothers entrepreneurial footsteps. (Krueger, 2000)</p> <p>I expect to grow personally if I follow the same career choice as my father/mother. (Krueger, 2000)</p>	

<p>I expect to be able to provide for my family should I follow the same career choice as my father/mother. (Krueger, 2000)</p> <p>I expect to make a lot money if I become an entrepreneur. (Zellweger, Sieger and Halter 2011)</p>	
Subjective Norms	Items
Refer to a Individuals self-perceived social pressures based on themselves and their father/mother on whether they would approve of the decision, if they think and whether they have a positive perception of them pursuing an entrepreneurial career. This includes the view of the individual on whether entrepreneurship is seen a prestigious career and whether people would look up to him should he become an entrepreneur.	5
<p>My father/mother would approve of my decision to start my own business. (Liñán & Chen 2009)</p> <p>My father/mother thinks I should pursue an entrepreneurial career. (Liñán & Chen 2009)</p> <p>Being an entrepreneur is seen as a prestigious career. (Liñán & Chen 2009)</p> <p>Being an entrepreneur will make people look up to me. (Utami 2017:484)</p> <p>My father/mother has a positive perception of entrepreneurship as a career choice. (Utami 2017:484)</p>	

3.3.3 Ethical considerations

Ethical considerations in research are critical (Resnik 2011). According to Bryman (2016:125) ethics are the norms or standards for conduct that distinguish between right and wrong. They help to determine the difference between acceptable and unacceptable behaviours (Bryman 2016:125-126; Resnik 2011). Ethical standards ensure against the fabricating of data consequently promoting the pursuit of truth in social research methods which is the primary goal of research (Resnik 2011). Ethical behaviour is also critical for cooperative research, as it encourages an environment of trust, accountability, and mutual respect among researchers. In addition, researchers following ethical

considerations, protect the researcher as well as their institution from harm when following ethical practices (Bryman 2016:127; Resnik 2011). To ensure the above standards were met the researcher ensured that the respondents were not asked to provide any of their personal details such as their names, financial information and addresses in the study allowing the respondents to remain unidentified and safeguard their responses.

In the current study the following listed ethical considerations were adhered to: the right to voluntary participation and no harm, the right to anonymity and confidentiality, privacy and the ethical approval of this study. Voluntary participation must be made aware from the start to the respondent to conform to social research ethical considerations (Bryman 2016:128). Regarding no harm the researcher must ensure the questions asked are not sensitive to respondent and do not cause harm to the respondent answering (Bulmer 2001:50). The researcher ensured that during this study all 100 respondents that took part in the study were made that their participation was voluntarily and verbal consent was received from each respondent.

Secondly, the right to anonymity and confidentiality was ensured (Collins & Hussey 2014:340). Anonymity is defined as the assurance given to respondents that they will not be named in a research study (Collins & Hussey 2014:340). In addition, confidentiality is ensured when the respondent's names and addresses being omitted. The respondent's geographic location should not be approximately identifiable to ensure confidentiality (Bulmer 2001:54). Anonymity and confidentiality ensures that the respondents are fully respected during the research process (Bryman 2016:128).

The third ethical consideration was the respondent's right to privacy, Bryman (2016:133) explains the right to privacy as the respondents personal right to have the information they provide towards a study to not be associated to their identities (Bryman 2016:132-133). These include questions relating to income, religious beliefs or sexual activities (Bryman 2016:132). Privacy can also be when respondents are not given the opportunity to refuse to invasions of their privacy (Bryman 2016:132). However, Bulmer (2001:49) argues that privacy in research is preserved should the information be used in the same

context it was gathered, further suggesting that privacy is hard to define and is exchanged but should be used accordingly. In this study the privacy of the respondents as well any other information gathered during this study was used only for the purpose of this study.

Furthermore the study underwent and was done through approved Nelson Mandela University ethics procedures, the NMU ethics procedures cleared the questionnaire of having any risk of harm to the participant or any other third parties at large. The study was deemed not to be based on a vulnerable research population in terms of age or physical characteristics. In addition neither NMU staff, students nor no children under the age of 18 took part in the study in accordance to NMU ethics clearance considerations (see Annexure B for more). As a result the study was granted Proforma ethics clearance and therefore was not allocated an ethics clearance number.

3.3.4 Administering of the questionnaire

he questionnaire was issued to 100 qualifying respondents being children between the ages of 18-35 whose parents own businesses within the Eastern Cape region. The questionnaires were voluntarily issued to qualifying and interested respondents and upon their completion collected. Of the questionnaires the researcher handed out, 98 were correctly completed after 2 questionnaires invalidly were filled in by the researcher and as a result questionnaire (89) and (97) were discarded. The two questionnaires were at a later stage completed by two eligible qualifying respondents ensuring 100 questionnaires were completed and returned. After collection, the questionnaires were checked for missing data. In total, there were no incomplete questionnaires, where data was not captured correctly or accurately received.

3.4 DATA ANALYSIS

Data analysis is the process of editing and reducing accumulated data to a useable size, in order to develop summaries, seeking key and crucial patterns through statistical techniques being applied (Cooper & Schindler 2008:497). Bryman (2012:390) found that validity and reliability are substantial in establishing and measuring the quality of research. Without a valid and reliable measuring instrument, generalisation outside an

immediate sample can be misleading (Sakakibara, Flynn & Schroeder 1993). The researcher's data was analysed by determining the validity and reliability of the measuring instrument used. The data will be captured in Microsoft Excel and imported into a statistical programme named Statistica. Thereafter descriptive statistics such as mean, standard deviation and frequency distribution, were determined to describe the sample and summarise the data. The last stem involved the researcher conducting inferential statistics in order to analyse the data obtained using Pearson's product moment correlation and multiple regression analyses.

3.4.1 Validity of the measuring instrument

Validity ensures that the outcomes a researcher obtains are accurately reflected based on what was measured (Collins & Hussey 2014:55). It is the extent to which a score actually represents a notion (Zikmund et al. 2010:660). Validity ensures that a topic not only is measured regarding its correctness but also that the study is measured unequivocally by a measuring instrument free of irregularities (Bailey 2008:67). There are numerous ways to test a measurements validity. These different ways will now be outlined.

Face validity tests if the items in a test measure what they claim to measure (Struwig & Stead 2013:146). Bailey (2008:67) views face validity simply as a matter of judgement where a person needs to have knowledge of the concept being measured and whether the information being collected is relevant to the researcher's content. Face validity can be determined by asking other people or researchers whether a measurement seems to be getting at the concept that is the focus of attention (Bryman 2016:159).

Content validity refers to the extent that a measure hides the area of interest (Zikmund et al. 2010:307). Similarly Gray (2009:157) likened content validity to the evaluation of a test or examination score as it is used to measure specific content when determining a measurements validity (Du Plooy-Cillier et al 2014:256). According to Wimmer and Dominick (2006:61) content validity is the most simple and efficient method of validity as it is attained by an internal panel judging whether the questionnaire appears to be measuring what it intends to measure.

Criterion validity is the ability of a measure to relate with other criterion measures of comparable concepts or founded criteria (Struwig & Stead 2013:147). With criterion-related validity consisting of predictive validity and concurrent validity (Struwig & Stead 2013:147).

Construct validity is the type of validity that focuses on the measurement of abstract concepts, and traits such as ability, anxiety, intelligence and motivation which are variables not directly observed. (Gray 2009:157). With this type of validity the researcher is encouraged to comprehend hypotheses from a theory that is relevant to the concept (Bryman 2016:159). Construct validation is said to be the strongest validation procedure opposed to face and criterion validity (Bailey 2008:70). Researchers find this form of validity significant as it allows researchers to ask the questions related to find out if a test corresponds to other variables or measures what it is supposed to measure (Du Plooy-Cilliers et al. 2014:256).

Before the questionnaires are released the current study will make use of content, construct and face validity. Content and face validity will be used as expert supervisors in the field of business management will reflect and scrutinise the questionnaires before they are distributed to the respondents. Respondents may also question the purpose of completing the questionnaire upon face value and to determine if the test items measure what the researcher claims they measure (Struwig & Stead 2013:146).

3.4.2 Unidimensionality

Once the questionnaires has been collected, the researcher seeks to measure the construct using the applicable multiple indicator variables by means of a unidimensionality test (Garson 2012:15). When testing for unidimensionality a researcher needs to demonstrate that the items used in the study the same things as a lack of unidimensionality is a form of measurement error (Garson 2012:15). An item is found to be unidimensional when the systematic differences within an item variance are only due to one variance source, that source being the latent variable (Ziegler & Hagemann 2015:231). Unidimensionality of items in a measuring instrument are essential and Ziegler and Hagemann (2015:232) emphasise that without testing for unidimensionality,

interpretations of scores based on one dimension are very risky. Garson (2012:15) identified a factor analysis as one of the several methods to test for unidimensionality. A factor analysis is a method that is used to decrease a large number of measured variables with an exploratory factor analysis and confirmatory factor analysis being the two focal forms to determine validity of a measuring instrument (Zikmund et al. 2010:593). In addition a unidimensionality test provides important information regarding the factorial validity of a test score and can determine which items need to be left out or separated (Ziegler & Hagemann 2015:232).

In this study a principal component factor analysis was specified as the method of initial factor extraction. Furthermore the factor rotation was not specified as there was only one factor per scale. This type of factor analysis was done on the dependent variable as the five unidimensionality analyses ensure that all the items measure Entrepreneurial intention. Hair, Black, Babin and Anderson (2013:115) state that an adequate factor loading is thought to be 0.5 or 0.6. However, Mahmoud and Kamel (2010:1884) argued a "factor loading is reliable if it has three or more variables with loadings of 0.8, four or more variables with loadings of 0.6 and ten or more variables with loadings of 0.4, and sample size of greater than or equal to 150". Furthermore, factors with only a few loadings require sample size greater than or equal to 300 (Mahmoud & Kamel 2010:1884). For the reason of this study, a factor loading of 0.5 or 0.6 will be used and concluded the scale as presenting evidence of validity.

3.4.3 Reliability of the measuring instrument

According to Struwig and Stead (2013:138), reliability refers to the level to which accurateness and consistency of data collected can be measured and understood. Welman et al. (2005:145) highlights that the reliability of a measuring instrument is centred on the findings of the study and its trustworthiness. To determine the reliability of scores, split-half, test-retest and internal consistency alongside Cronbach's alpha are discussed below.

The split-half method of reliability determines reliability by using half of the items that measure a concept and comparing them to the other half of the items measuring the same concept (Zikmund et al. 2010:306).

Test-retest reliability evaluates whether a researchers study would produce the same data when the questionnaires get administered a second time (Creswell 2010:150). It involves administering the same the questionnaires to the same respondents at two separated time intervals to evaluate the consistency of the data produced by the study (Zikmund et al. 2010:306).

Internal consistency reliability measures the extent to which a test or questionnaire is the same or similar to another variable and allows a reliability coefficient to be calculated (Gray 2009:159). Struwig and Stead (2013:140) claim internal consistency reliability requires respondents to complete the test measured on one separate occasion and highlight its compatibility with test retest reliability. According to Gray (2009:158) reliability is never perfect and so is measured as a correlation coefficient, in the social and business research the coefficient is rarely above 0.9. Cronbach's coefficient alpha is one of the most frequently used methods for reliability when respondents respond to items of multiple levels (Struwig & Stead 2013:141).

Similarly, Wiid and Diggines (2013:238) guidelines regarding the Cronbach's coefficient alpha are outlined below:

- If a measure is above 0.8, reliability is acceptable;
- If a measure is between 0.6 and 0.8, reliability is acceptable;
- If a measure is below 0.6, reliability is unacceptable.

For this study a Cronbach's coefficient alpha between 0.6 and 0.9 is used as it is the most widely used method and measure to test reliability (Wiid & Diggines 2013:238; Hair et al. 2013:115-116).

3.4.4 Descriptive statistics

Descriptive statistics use statistical calculations to describe the relationships between a variable and the traits of a sample (Babbie 2004:442). The use of descriptive statistics allow researchers to present basic yet effective pictures a large amounts of quantitative data (Struwig & Stead 2013:165). The main purpose of descriptive statistics is to provide measures of central tendency, dispersion, and distribution shape. Such measures differ by data type, and are ordinary calculations in statistical programs (O'leary 2004:189).

This study will use the following descriptive statistics namely: the mean, standard deviation and frequency distributions which are outlined below. A mean score is a numerical average of data (Du Plooy-Cillier et al 2014:213). This is calculated as the sum of all data points divided by the number of data points (Du Plooy Cilliers et al. 2014:211). Since the mean is a mathematical calculation, "it is used to measure central tendency for interval and ratio data, and cannot be used for nominal or ordinal data" (O'leary 2004:190). The standard deviation signifies the average distance that the data values vary from the mean, it indicates how far removed a value is from the initial mean value (Du Plooy-Cillier, et al. 2014:213). It is the foundation of many commonly used statistical tests for interval and ratio data" (O'leary 2004:190). The frequency distribution of data shows us the number of times a particular data value occurs (Du Plooy Cillier, et al. 212). Frequency distributions are known for being the most common methods for survey data analysis, frequencies are the number of occurrences in a class which in most surveys are associated to Likert scales (Grey, 2009:463). All the above mentioned methods are used in the descriptive statistics of the current study.

3.4.5 Inferential statistics

Inferential statistics use statistical measures to make inferences from key findings from observed samples and populations. (Babbie, 2004:458)." The aim of inferential statistics is to draw conclusions that extend beyond the immediate data. In addition researchers use inferential statistics to form statistical tests that show statistical significance. (O'leary 2004:190). The current study will then use inferential statistics to test the relationship between the variables. Pearson's product moment correlation, multiple regression

techniques will be used to determine if a relationship exists between independent variables and dependent variables (Du Plooy-Cillier, et al. 2014:214).

3.4.5.1 *Pearson's product moment correlation*

Pearson's product moment correlation (r) is a statistical technique that is used to determine the level to which variation in one continuous variable describes the variation in another continuous variable (Struwig & Stead 2013:168). In statistics, the word correlation refers to the relationship between two variables. According to (Calkins 2005) a correlation can be interpreted in the following ways: The closer r is to +1, the stronger the positive correlation is. The closer r is to -1, the stronger the negative correlation is. If $|r| = 1$ exactly, the two variables are perfectly correlated.

Correlation coefficients whose magnitude are between 0.9 and 1.0 indicate variables which can be considered very highly correlated. Correlation coefficients whose magnitude are between 0.7 and 0.9 indicate variables which can be considered highly correlated (Calkins 2005). Correlation coefficients whose magnitude are between 0.5 and 0.7 indicate variables which can be considered moderately correlated. Correlation coefficients whose magnitude are between 0.3 and 0.5 indicate variables which have a low correlation. Correlation coefficients whose magnitude are less than 0.3 have little if any (linear) correlation (Calkins 2005).

3.4.5.2 *Multiple regression analysis*

A multiple regression analysis was carried out in this study to examine whether there is any relationship between entrepreneurial intention (independent variable) and attitude, self-efficacy, perceived behavioural control, outcome expectations as well as subjective norms (dependent variables). According to Struwig and Stead (2013:168) multiple regressions are made up of a set of statistical techniques that analyse the association between multiple independent variables and one dependent variable. Similarly, Wimmer and Dominick's (2006:314) studies showed it is used to predict the dependent variables using information obtained from the independent variables. According to Zikmund et al. (2010:584) multiple regression analyses the influences of two or more independent

variables on single dependent variable. The researcher's main purpose of multiple regression analysis is to develop a formula that extensively explains or predicts as much as possible the variance in the dependent variable (Wimmer & Dominick 2006:315).

Multiple regression coefficients are called beta's (B) and are used by researchers to determine which independent variable is the most predictive of the dependent variable (Zikmund et al. 2010:586). When it comes to multiple regression the larger the absolute value of the beta regression coefficient, the more that specific independent variable is responsible for explaining the dependent variable (Zikmund et al. 2010:586).

Beta weights are heavily relied on to assess a variables importance (Nathans, Oswald & Nimon 2012:2). In addition an independents variables beta weight determines the expected increase or decrease in the dependent variable using standard deviation units (Nathans et al. 2012:2).Moreover beta weights are best used as an initial starting point determining the contribution of independent variables in a regression equation (Nathans et al. 2012:3).

Wegner (2012:187) highlights the importance and necessity of hypothesis testing) who theorizes that 'to test claims scientifically, sample data is gathered and analysed. The researcher will then base on the values accept or reject the hypotheses with the probability value (p-value) method the most suggested hypothesis test (Wegner 2012:187-188). According to Wegner (2012: 206-207) the p-value shows the statistical significance of each relationship between each independent variable and dependent variable. A low p-value indicates a low probability of detecting the sample statistic should the null hypotheses be true. Wegner (2012) states that a p-value of less 0.05 ($p < 0.05$) is normally used to reject H_0 in favour of H_1 . Statistically, the smaller the p-value is below 0.05, the stronger the sample data against the null hypothesis being the true state of nature (Wegner, 2012:207).

R^2 describes how well all independent variables can predict and explain a dependent variable (Nathans et al. 2012:4-5). The variance in the dependent variable needs to be accounted for by the variance in the independent variables. Studies by Nathans et al. (2012) and Garson (2012) show that when interpreting r^2 a variance $>50\%$ is seen as a

strong fit, with a variance between 0.31 – 0.5 (31% - 49 %) seen as modest fit. Lastly <0.11-0.3 found to be a poor fit).

3.5 SUMMARY

In this chapter, the research design and approach implemented for the study was explained. The research paradigm was expanded on, with the researcher focusing on the differences between the qualitative and quantitative approaches. Subsequently, the population, sampling technique, sample size and the method of data collection were examined. The factors under scrutiny were operationalised using definitions, and the development of the scales measuring these different factors, such as validity, reliability and the overview of the ethical considerations the researcher undertook were discussed. Afterwards, the procedure of administering the questionnaire was explained as well as a description of the statistical techniques used to analyse the data were confirmed. Chapter 4 will present the empirical results of the study including the summary of the demographic data thereafter the results of the validity and reliability tests will be presented and lastly the results of the descriptive and inferential statistics will be examined.

CHAPTER 4

EMPIRICAL FINDINGS

4.1 INTRODUCTION

In chapter 3 the research paradigm, population studied, the sample unit and method selected was identified and discussed in detail. The data collection method used in this study was discussed, the administration, ethical guidelines and the data analysis techniques to be used were described.

In this chapter, the demographic data collected from the respondents is presented. The demographics relating to the respondents that took part in the study are provided. Furthermore, the results of the validity and reliability tests are presented for each of the six variables (one dependent variable and five independent) related to entrepreneurial intentions under investigation. Empirical findings based on the variables will be discussed in detail; research hypotheses formulated will be accepted and rejected. Finally, the descriptive and inferential statistical results will be reported.

4.2 SAMPLE DESCRIPTION

The research sample consisted of children in the Eastern Cape whose parents own a business in order to investigate the influence of entrepreneurial parents in children between the ages of 18-35 entrepreneurial intentions. In this section the sample studied is reiterated and information related to Section A of the questionnaire in the context of the business owner and the respondent are described in Tables 4.1 and 4.2. These tables summarise the demographic data collected, and these results are discussed in the paragraphs that follow. Table 4.1 will focus on the entrepreneurial parents business and demographics and Table 4.2 discusses the respondent's demographic profile in terms of their gender, age category, ethnicity and qualifications.

4.2.1. Demographic profiles of respondents

In this section the demographic profiles of the respondents are reported and summarised shown in Table 4.1. Table 4.1 will discuss the entrepreneurial parents business industry,

gender, how long the business has been running and the number employees there businesses have. In addition, other key questions that were asked relating to the respondents working for their entrepreneurial parent are discussed in no particular order.

From Table 4.1 it can be seen that the majority of the respondents participating in this study had entrepreneurial parents that owned their own businesses. The study finds that there are only 21.00% of respondents who's fathers and mothers were both entrepreneurs and a staggering 79.00% of respondents had either a mother or father as an entrepreneurial parent. Between that, 79% it is almost a tie between entrepreneurial fathers (41.00%) and entrepreneurial mothers (39.00%).

Most respondents (92.00%) entrepreneurial parents have owned a business for longer than one year with 23.00% of entrepreneurial parent's respondents having owned a business between one to three years and 37.00% of the respondent's entrepreneurial parents having owned a business for more than seven years. When it came to the amount of employees the respondents entrepreneurial parents employed 31.00% of respondents employed more than 10 but less than 49 employees. Whilst a staggering 69% of the respondents entrepreneurial parents employed less than 10 employees. This suggest that of the sample studied the entrepreneurial parents mostly owned SMME. Most respondents (63.00%) worked for their entrepreneurial parents business at some stage with the remaining respondents (37.00%) having not worked for their entrepreneurial parents Yet, There were no dominant industries the respondent's parents worked in. the highest industries was the retailing and wholesaling industry (19.00%) and the catering and accommodation industry (18.00%). The communication industry (5.00%) had the least amount of respondent's parents working in it.

Table 4.1: Demographic data: Eastern Cape children

Regarding entrepreneurial parents		
Entrepreneurial Parents	N = 100	%
Father	41	41.00
Mother	38	38.00
Father and mother are both entrepreneurs	21	21.00
How long your father/mother has owned their own business	N = 100	%
Less than a year	8	8.00
1 -3 years	23	23.00
3 – 7 years	32	32.00
More than 7 years	37	37
Entrepreneurial parents full time employees	N = 100	%
<5 employees	40	40.00
5-9 employees	29	29.00
10-49 employees	31	31.00
Respondent worked for entrepreneurial parents business	N = 100	%
Yes	63	63.00
No	37	37.00

Entrepreneurial parent business industry	N = 100	%
Retailing and/or Wholesaling	19	19.00
Catering and Accommodation	18	18.00
Other industry	11	11.00
Transport and Travelling	10	10.00
Construction and Engineering	9	9.00
Medical	8	8.00
Manufacturing	7	7.00
Leisure and Entertainment	7.	7.00
Financial	6	6.00
Communication	5	5.00

From Table 6.2 it can be seen that the gender of the respondents were almost equally split as male respondents accounted for 53.00% of the sample, while (47.00%) of the respondents were female. Most of the respondents were between the ages 21 and 25 years (57.00%), or between the ages of 18 and 20 years (28.00%). Most of the respondents were Black (72.00%), followed by Coloured respondents (22.00%). In addition, it can be seen that the majority of the respondents (50.00%) had minimum of a matric certificate as a qualification, followed by 36.00% of respondents having undergraduate qualifications.

Table 4.2: Demographic data (continued) respondents

		EASTERN CAPE CHILDREN AGES 18-35	
Gender	N	=	%
	100		
Male	53		53.00
Female	47		47.00
Age category	N	=	%
	100		
18-20 years	28		28.00
21-25 years	57		57.00
26-35 years	15		15.00
Ethnicity	N	=	%
	100		
Black	72		72.00
Coloured	22		22.00
Other	8		8.00
Highest qualification	N	=	%
	100		
Matric (Grade 12)	50		50.00

Certificate	7	7.00
Undergraduate diploma	36	36.00
Post-Graduate qualification	7	7.00

4.3 RELIABILITY AND VALIDITY OF THE MEASURING INSTRUMENT

4.3.1 Validity

Each measuring instrument scale was analysed. This was done using an item analysis to measure the construct using the applicable multiple indicator variables by means of a unidimensionality test (Garson 2012:15). When testing for unidimensionality a researcher needs to demonstrate that the items used in the study the same things as a lack of unidimensionality is a form of measurement error (Garson 2012:15). An item is found to be unidimensional when the systematic differences within an item variance are only due to one variance source, that source being the latent variable (Ziegler & Hagemann 2015:231). In addition a unidimensionality test provides important information regarding the factorial validity of a test score and can determine which items need to be left out or separated (Ziegler & Hagemann 2015:232).

A Principal component analysis for unidimensional tests was selected as the method of factor attraction. Factor rotation was not used, as there was only one factor per scale. All six variables (one dependent and five independent) are not mutually exclusive. The results of the exploratory factor analysis revealed that the bulk of the items loaded significantly onto the six variable categories as anticipated. According to Hair *et al.* (2013:115) an adequate factor loading is thought to be 0.5 or 0.6 with items that are loaded onto one factor only and have a reported factor loading of greater than 0.5 can be considered significant (Mustakallio, Autio & Zahra 2002). As such, items displaying factor loading of greater than 0.50 were considered significant in this study. To avoid content validity issues the researcher undertook the decision to retain items with a loading of less than 0.5 from further analyses.

4.3.2 Reliability

Secondly, Cronbach alpha coefficients were used to calculate the internal consistency of each item on the measuring scale to determine reliability. In this study the Cronbach alpha coefficients of less than 0.50 is considered unacceptable. When it came to reliability a measure that is between 0.60 and 0.70 deemed sufficient, and a measure above 0.70 was seen as acceptable (Wiid & Diggines 2013:238). The results of the factor analysis alongside the Cronbach alpha coefficients for the various entrepreneurial intentions variables are summarised in Tables 4.3 to 4.8 below.

4.3.3 Entrepreneurial intention

Five items were used to measure the dependent variable *Entrepreneurial intention* (Table 4.3). All five items developed to measure *Entrepreneurial intention* loaded as expected. *Entrepreneurial intention* explained 54.6% of the variance in the data, and the factor loadings of between 0.815 and 0.613 were reported for this factor. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.790 for *Entrepreneurial intention* suggested that the scale used to measure this factor was reliable. For the purpose of this study *Entrepreneurial, intention* refers to a person's interest and intention to start a new business at some point in the future.

Table 4.3: Dependent variable – Entrepreneurial intention

% of Variance: 54.6		Cronbach alpha :0.790		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM3	I will do anything to become an entrepreneur.	.815	0.660	0.720
ITEM4	I plan to start a business in the next five years.	.790	0.625	0.733
ITEM20	My goal is to become an entrepreneur.	.783	0.627	0.731
ITEM26	I am interested in starting my own business in the future.	.671	0.493	0.774
ITEM15	I would choose to be an entrepreneur rather than to work for others.	.613	0.443	0.789

4.3.4 Attitude

Five items were used to measure the independent variable *Attitude* (Table 4.4). All five items developed to measure *Attitude* loaded as expected. *Attitude* explained 56.5% of the variance in the data, and the factor loadings of between 0.834 and 0.632 were reported for this factor. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.807 for *Attitude* suggested that the scale used to measure this factor was reliable. For the purpose of this study, *Attitude* Refers to a person's beliefs associated with becoming an entrepreneur based on the advantages, preferences, views and influence as a result of seeing their father/mothers as entrepreneurs.

Table 4.4: Attitude

% of Variance: 56.5		Cronbach alpha :0.807		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM23	Seeing my father/mother as an entrepreneur makes me want to become an entrepreneur within the next 5 years.	.834	0.697	0.736
ITEM14	Seeing my father/mother as an entrepreneur makes me want to go into the same career.	.784	0.632	0.758
ITEM1	Seeing my father/mother as entrepreneur has made me think about becoming an entrepreneur	.760	0.601	0.768
ITEM30	My father/ mother would prefer me be to an entrepreneur.	.735	0.573	0.776
ITEM11	My father/mother views owning your own business as a more positive career choice than working for someone else.	.632	0.467	0.805

4.3.5 Self-Efficacy

Five items were used to measure the independent variable *Self-efficacy* (Table 4.5). All five items developed to measure *Self-efficacy* loaded as expected. *Attitude* explained 44.9% of the variance in the data, and the factor loadings of between 0.749 and 0.608 were reported for this factor. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.691 for *Self-efficacy* suggested that the scale used to measure this factor was reliable. For the purpose of this study, *Self-efficacy* refers to a person's level of belief, ability and confidence in their own capacity to own a

business as well as being able to overcome the significant challenges and pressures that are associated with being an entrepreneur.

Table 4.5: Self-efficacy

% of Variance: 44.9		Cronbach alpha :0.691		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM6	I believe I have the confidence to own a business.	.749	0.535	0.598
ITEM25	I believe I can successfully overcome any challenge in my future career.	.728	0.505	0.616
ITEM8	If I was an entrepreneur, I believe I could work well under stress.	.630	0.408	0.657
ITEM28	I believe that in my future career I will perform under pressure.	.610	0.390	0.663
ITEM27	If I owned my own business, I believe I could make it through difficult times.	.608	0.393	0.662

4.3.6 Perceived behavioural control

Five items were used to measure the independent variable *Perceived behavioural control* (Table 4.6). Four items developed to measure *Perceived behavioural control* loaded as expected with the exception of Item12. Item 12 was not deemed valid due to a loading less than .5 and as a result was excluded from further analyses and results. *Perceived behavioural control* explained 46.6% of the variance in the data, and the factor loadings

of between 0.821 and 0.647 were reported for this factor. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.807 for *Perceived behavioural control* suggested that the scale used to measure this factor was reliable. For the purpose of this study, *Perceived behavioural control* refers to a person's level of belief, control and personal capability to become an entrepreneur, make their own decisions and maintain control of their futures as they work for themselves.

Table 4.6: Perceived behavioural control

% of Variance: 46.6		Cronbach alpha : 0.807		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM29	I believe that I have control over my own future, if I am an entrepreneur.	.821	0.614	0.589
ITEM24	Being an entrepreneur would allow me to have full control over my time.	.726	0.496	0.645
ITEM21	Being an entrepreneur would allow me to work for myself.	.700	0.493	0.647
ITEM17	I believe I will have control over my environment to make my future business a success.	.647	0.434	0.670
ITEM12 (EXCLUDED)	Being an entrepreneur would be my own decision.	.469	0.290	0.723

4.3.7 Outcome expectation

Six items were used to measure the independent variable *Outcome expectation* (Table 4.7). Only five items developed to measure *Outcome expectation* loaded as expected with the exception of Item13 not deemed valid with loading less than 0.5. This item was excluded from further statistical analyses as a result. *Outcome expectation* explained

48.5% of the variance in the data, and the factor loadings of between 0.820 and 0.595 were reported for this factor. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.784 for *Outcome expectation* suggested that the scale used to measure this factor was reliable. For the purpose of this study, *Outcome expectation* refers to a person's self-perceived expectations to grow personally, be a provider for their family, receive recognition, and be satisfied should they follow their father/mothers entrepreneurial footsteps.

Table 4.7: Outcome expectation

% of Variance: 48.5		Cronbach alpha :0.784		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM10	I expect to be satisfied if I follow in father/mother's career footsteps	.820	0.680	0.711
ITEM5	I expect to grow personally, if I follow the same career path as my father/mother.	.797	0.639	0.723
ITEM7	I expect to receive public recognition if I follow in my father/mother's career footsteps.	.729	0.571	0.742
ITEM19	I expect to be able to provide for my family should I follow the same career choice as my father/mother.	.717	0.562	0.745
ITEM31	I expect to receive financial rewards if I follow the same career as my father/mother.	.595	0.432	0.775
ITEM13 (EXCLUDED)	I expect to make a lot of money if I become an entrepreneur.	.449	0.312	0.797

4.3.8 Subjective norms

Five items were used to measure the independent variable *Subjective Norms* (Table 4.8). All five items developed to measure *Subjective Norms* loaded as expected. *Subjective*

Norms explained 46.1% of the variance in the data, and the factor loadings of between 0.763 and 0.509 were reported for this variable. Sufficient evidence of validity for this measuring scale is provided. The Cronbach alpha coefficient of 0.695 for *Subjective Norms* suggested that the scale used to measure this factor was reliable. For the purpose of this study, *Subjective Norms* refers to a person's self-perceived social pressures to gain their parents and significant others approval, positive perception and to have a prestigious career should they become entrepreneurs.

Table 4.8: Subjective norms

% of Variance: 46.1		Cronbach alpha :0.695		
Item	Statements	Loading	Item-total correl	Cronbach's alpha after deletion
ITEM18	Being an entrepreneur will make people look up to me	.763	0.521	0.618
ITEM22	Being an entrepreneur is seen as a prestigious career	.758	0.525	0.620
ITEM16	My father/mother thinks I should pursue an entrepreneurial career.	.710	0.476	0.637
ITEM9	My father/mother has a positive perception of entrepreneurship as a career choice.	.620	0.428	0.655
ITEM2	My father/mother would approve of my decision to start my own business.	.509	0.330	0.695

4.4 EMPIRICAL RESULTS

In order to achieve the objectives of the study which is to test the hypotheses proposed in chapter 1, numerous statistical analyses were done. The statistical analyses were in the form of descriptive and inferential statistics. The results of the analyses done by the researcher are presented below. The empirical findings below and hypotheses tested as a result do not include the two items.

4.4.1 Descriptive results

In order to report the level of influence of entrepreneurial parents on the entrepreneurial intentions of their children aged between 18 and 35, descriptive statistics were calculated. Descriptive statistics in the form of the mean, standard deviation and frequency distributions, were calculated in order to summarise sample data. The summary of these descriptive statistics are tabled below in Table 4.9.

The respondents were required to assess themselves in terms of the influence that their entrepreneurial parents played in their intention to start a business using a structured questionnaire as the research instrument. The mean, standard deviation and the frequency distributions in terms of the answers recorded from the respondents using the 5 point Likert-scale measuring instrument were summarised and categorised as *Disagree* ($1 = x < 2.333$), *Neutral* ($2.3333 \leq x < 3.667$) and *Agree* ($3.667 \leq x \leq 5.000$). Respondents that disagreed with a statement (selected 1 and 2) were considered as uninfluenced, respondents that were neutral (selected 3) regarding a statement and agreed (selected 4 and 5 on the Likert scale) with a statement were considered influenced and highly influenced respectively.

Using Table 4.9. It can be seen that most respondent's selected *Perceived behavioural control* and *Self-efficacy* as the most influencing variables. With mean scores of 4.02 and 4.01 respectively reported for *PBC* and *Self-efficacy*. The standard deviation for the *PBC* and *Self-efficacy* was an equally reported 0.65 which was the smallest number in the descriptive results. Regarding *Perceived behavioural control*, a large majority of respondents (78%) agreed to be highly influenced by *PBC* factor suggesting respondents have a high level of belief in their personal capability's to work for themselves by becoming entrepreneurs. In addition they believe that by owning their own businesses it would allow them more control over their time and futures. *Self-efficacy* followed with 70 percent of the respondents agreeing to have a have a high level of confidence in their personal capability's to own a business in the future and make it through difficult times and pressure situations.

Table 4.9 Descriptive results Eastern Cape children (18-35) entrepreneurial parents influence.

Entrepreneurial variables	Mean	SD	Disagree%	Neutral%	Agree%
PBC	4.02	0.65	2%	22%	78%
SELF-E	4.01	0.65	2%	28%	70%
SUBNORM	3.91	0.65	1%	31%	68%
INTENT	3.88	0.81	5%	31%	64%
ATT	3.69	0.88	10%	36%	54%
OUTEXP	3.57	0.85	9%	42%	49%

As mentioned above regarding the *Perceived behavioural control* factor, 78 percent of respondents agreed to having high levels of belief in their personal capability's to work for themselves by becoming entrepreneurs. This finding supports literature where Azjen (2005:125) found that individuals presented with the resources and chances along with less challenges have a greater *PBC*. An entrepreneurial parent presents the respondents with more resources and chances, whether they allow them to work at their business and gain initial experience or provide the respondents with the relevant information needed to know what is expected of them personally when an individual owns a business. Furthermore with 70 percent of the respondents in the *Self-efficacy* factor agreeing to possess a high level of confidence in their personal capability's to own a business in the future and make it through difficult times and pressure situations. With an entrepreneurial parent it can be argued that the respondents have faced or been exposed to the challenges of owning a business at an early age and could be well equipped with the confidence and ability to deal with such challenges should they one day own their own businesses.

Subjective norms and Entrepreneurial intentions reported mean scores of 3.91 and 3.88 respectively. in addition *Subjective norms* and *Entrepreneurial intention* recorded respective standard deviation results of 0.65 and 0.81. Regarding the frequency

distribution of the answers, a significant part of the respondents agreed that *Subjective norms* (68%) and *Entrepreneurial intentions* (64%) were highly influencing factors. The respondent's *Subjective norms* show that they are highly influenced by their entrepreneurial parent's approval and opinions with regards to entrepreneurship as a career choice. Furthermore the respondent's *Entrepreneurial intentions* show that they would be interested at some stage in the near future to start a business and would rather work for themselves than another individual respectively.

The descriptive findings from the *Subjective norms* show that respondents are highly influenced (68%) by their entrepreneurial parent's approval and opinions with regards to entrepreneurship as a career choice. This finding supports the literature where Amjad and Wood (2009) found *Subjective norms* propose suitable attitudes, ideals, and behaviour in a certain situation, where key influence would be an individual's blood relation. An individual's entrepreneurial parents are seen as significant influence when they have to decide which career to go into. Having entrepreneurial parents suggest that the respondents approve of entrepreneurship as a career choice and are likely to have a positive attitude towards it.

Moreover the dependent variable *Entrepreneurial intentions* showed that most respondents (64%) plan to become entrepreneurs at a certain stage in their lives as the majority of the respondents would rather work for themselves than another individual respectively. This finding supports the literature where Fatoki (2010:89) studies showed that having an entrepreneurial family background is a strong motivator of Entrepreneurial intention. Individuals raised in an entrepreneurial family were found to be expressively impacted when it came to their intention to start a business in the future (Fatoki 2010:89). The above corroboration of empirical findings show that the respondent's entrepreneurial parents provide their children with an early exposure to entrepreneurship which impacts their intentions to start their own business.

The respondents regarded the variable *Attitude* as an influencing factor with a mean score of 3.69 and a standard deviation of 0.88 making it the highest amount in the study. Regarding the frequency distributions 54 percent of the respondents agreed that seeing

their father/mother as entrepreneurs gave them a positive attitude towards entrepreneurship and made them want to become entrepreneurs within the next five years. Only a minimal amount (10%) of respondents disagreed with the statements concerning *Attitude* highlighting the influence of this variable. Lastly the descriptive findings from *Attitude* factor shows that more than half of the respondents (54%) are well influenced when seeing their father/mother as entrepreneurs. The fact that there parents are entrepreneurs places a positive effect and attitude on entrepreneurship as a career and most consider it an option in the future to own a business themselves like there entrepreneurial parents. This finding supports the literature where Krueger *et al.* (2000:417) found that a positive attitude towards behavior results in individual having a belief that a new venture will provide, a higher level of independence, self-wealth for the individual and that a new venture could positively contribute to their individuals surroundings.

Outcome expectations recorded the least yet a relatively high mean value of 3.57 and recorded a high standard deviation of 0.85. based on the answers recorded using the measuring instrument, half of the respondents (49%) agreed that their outcomes expectations when starting a business are influenced by an expectation to make a lot of money and follow in their parents footsteps. In addition a minority (9%) of the respondents would not be satisfied with becoming an entrepreneur and following their entrepreneurial parent. Positive *outcome expectations* play a key role in motivating individuals towards their goals (Segal *et al.* 2002:49). Therefore entrepreneurial parents being successful can prove a motivation to their children should they consider starting their own venture.

None of the five independent variables and single dependent variable in *Entrepreneurial intention* recorded a mean of less than 3.57 with the mean values of all the descriptive statistics ranging from 4.02 and 3.57. It can thus be seen that on average all respondents considered all the variables investigated in this study to be influencing when it came the influence their *entrepreneurial parents* had on their *entrepreneurial intentions*. The standard deviation results in table 4.9 show that no variable recorded a standard deviation of less than 0.65, with the highest result 0.88. the standard deviations calculated mean that the answers recorded from the respondents statements are closely related to the

means recorded in the values on average showing that there is a lower than average concentration around the mean of the data. All statements on the questionnaire were as a result were deemed to some extent influential as the frequency distributions showed that only a maximum of 10 percent of the respondents found the statements uninfluential.

Based on the empirical research conducted showing the proven validity, reliability and influence of the measuring instrument descriptive statistics the five independent variables and dependent entrepreneurial intention variable are reoperationalised and defined and summarised in Table 4.10. The reoperationalised definitions exclude items (12 and 13) from independent variables *Perceived behavioural control* and *Outcome expectations*

Table 4.10: Re-operational definitions

Entrepreneurial intention	Items
Entrepreneurial intention refers to a person's who has the goal of becoming and would choose to be an entrepreneur than work for others, with plans and interests in starting their own business in the next five years.	5

Attitude	Items
Refers to a person's who views and prefers entrepreneurship as a career choice and a more advantageous career than working for someone else, due to the influence of seeing their father/mother as an entrepreneur which made them think, follow and want to become an entrepreneur within the next five years.	5
Self-efficacy	Items
Refers to a person's level of belief and confidence to own a business and the self-perception that if they were an entrepreneur the belief that they could work well under stress, make it through difficult times, successfully overcome future career challenges and in any future career perform under pressure.	5

Perceived behavioural control	Items
Refers to a person's level of belief, control and personal capability that being an entrepreneur would allow them to work for themselves, that it would be their own decision and would allow them control over their own futures, environment and time in order to make their future businesses a success.	4
Outcome expectations	Items
Refer to a person's self-perceived entrepreneurial expectations to grow personally, be a provider for their family, receive public recognition, and be satisfied and to receive financial rewards should they follow their father/mothers footsteps by becoming an entrepreneur.	6
Subjective Norms	Items
Refer to a Individuals self-perceived social pressures based on themselves and their father/mother on whether they would approve of the decision, if they think and whether they have a positive perception of them pursuing an entrepreneurial career. This includes the view of the individual on whether entrepreneurship is seen a prestigious career and whether people would look up to him should he become an entrepreneur.	5

4.4.2. Pearson's product moment correlation

Pearson's product moment correlation (r) is a statistical technique that is used to determine the level to which variation in one continuous variable describes the variation in another continuous variable (Struwig & Stead 2013:168). Two variables are correlated if a change in one is accompanied by change in another – either in the same direction or a reverse direction. Correlation can be interpreted in the following ways: The closer r is to +1, the stronger the positive correlation is. The closer r is to -1, the stronger the negative correlation is. If $|r| = 1$ exactly, the two variables are perfectly correlated.

In this study Pearson's correlation was used to determine the correlation between the five independent variables used in the measuring instruments (*Attitude, Perceived behavioural control, Self-efficacy, Outcome expectation and Subjective norms*) and the

dependent variable *Entrepreneurial intention*. Table 4.11 below represents the dependent variable *Entrepreneurial intention* Pearson's Product Moment Correlations with all five dependent variables involved in the study.

Table 4.11: Entrepreneurial intention Pearson's Product Moment Correlations with all five dependent variables

N=100	EI	Subjective norms	PBC	Outcome expectation	Self-efficacy	Attitude
EI	1.000	0.564	0.652	0.487	0.808	0.773
Subjective norms	0.564	1.000	0.592	0.509	0.496	0.668
PBC	0.652	0.592	1.000	0.474	0.675	0.603
Outcome	0.487	0.509	0.474	1.000	0.466	0.741
Self-efficacy	0.808	0.496	0.675	0.466	1.000	0.588
Attitude	0.773	0.668	0.603	0.741	0.588	1.000

The independent variables *Self-efficacy* ($r = 0.808$) and *Attitude* ($r = 0.773$) reported the highest correlations with *Entrepreneurial intentions*. According to Calkins (2005) Correlation coefficients whose magnitude are between 0.7 and 0.9 indicate variables which can be considered highly correlated. Significant ($p < 0.05$) positive correlations are reported between the dependent variable *Entrepreneurial intention* and both the independent variables *Subjective norms* ($r = 0.564$) and *Perceived behavioural control* ($r = 0.652$). According to Calkins (2005) Correlation coefficients whose magnitude are between 0.5 and 0.7 indicate variables which can be considered moderately between these factors. There is no significant ($p < 0.05$) correlation between *Entrepreneurial intentions* and the independent variable Outcome expectations ($r = 0.487$). With Calkins (2005) agreeing that Correlation coefficients whose magnitude are between 0.3 and 0.5 indicate variables which have a low correlation. Therefore apart from the variable

Outcome expectation, significant positive ($p < 0.05$) correlations are reported between *Entrepreneurial intentions* and all other variables listed in Table 4.10.

4.4.3 Multiple regression analysis

Multiple regression analyses the influences of two or more independent variables on single dependent variable. In this study the researcher's main purpose of multiple regression analysis is to develop a formula that extensively explains or predicts as much as possible the variance in the dependent variable (Wimmer & Dominick 2006:315). The coefficient of multiple determination (R^2) varies between 0 and 1 and determines the percentage (%) of the variation in the dependent variable that can be explained by the variations in the dependent variables Hair *et al.* (2013).

Multiple regression coefficients are called beta's (B) and are used by researchers to determine which independent variable is the most predictive of the dependent variable. When it comes to multiple regression the larger the absolute value of the beta regression coefficient, the more that specific independent variable is responsible for explaining the dependent variable (Zikmund *et al.* 2010:586).

A multiple regression analysis was carried out in this study to examine whether there is any relationship between entrepreneurial intention (independent variable) and attitude, self-efficacy, perceived behavioural control, outcome expectations as well as subjective norms (dependent variables). The results of the multiple regression analysis for the various factors are summarised in Table 4.12 below and depicts that these independent variables describe 81% of the variance in job satisfaction.

Table 4.12: Multiple Regression Analysis Table

Dependent variable : entrepreneurial intentions			R-Square = 0.8120
Independent variables	Beta	t-value	Sig.(p)
Attitudes	0.566078	7.60937	0.000000***
Self-efficacy	0.666715	8.40259	0.000000***
Outcome expectations	-0.216519	-3.39999	0.000991**
Perceived behavioural control	0.048465	0.57713	0.565234
Subjective norms	-0.028162	-0.35406	0.724085

(*P<0.05; **P<0.01; ***P<0.001)

From Table 4.12 it can be seen that a statistically significantly positive linear relationship is reported between *Attitude* (0.566078; $p<0.001$) and *Entrepreneurial intentions*. In other words the more an entrepreneurial parent can provide their children with exposure and experiences about owning from the children seeing their parents running a business then the more it is perceived that previous experience and influences from the entrepreneurial parents would allow the children to develop a positive attitude towards one day running their own businesses. This finding concurs with the literature that “attitudes of people can be influenced by many factors, including the key ties that individuals have with important influence agents within their environment such as their family members” (Carr & Sequeria, 2007:1092). Thus presence of an entrepreneurial parent plays large part in forming a positive attitude in their child’s mind and motivate them to have *Entrepreneurial intentions*.

The results also show a significant positive linear relationship between *Self-efficacy* (0.666715; $p<0.001$) and *Entrepreneurial intentions*. This implying that the presence of entrepreneurial parents in the children’s lives allowed them to possess a high level of confidence in their personal capability’s to own a business in the future and make it through difficult times and pressure situations. This finding supports literature where Bandura (1977:195-200) who studied the possible behavioural changes that could result

from an individual's self-efficacy, and found that *Vicarious experience*, which is the observation of other individuals, that are doing well with difficult behaviours and *Verbal persuasion* defined as the influence from other individuals that the particular individual will cope with a certain situation strengthens an individual's *Self-efficacy*. *Verbal persuasion* was only found as a key influencer of an individual's *Self-efficacy* when an individual's parents or role models who had previous success in their behaviour were the influence (Bandura 1977: 195-200). An entrepreneurial parent's previous experience and coping with their own business allows their children to learn to cope with difficult situations and handle pressure situations which corroborates with the findings regarding the respondents *Self-efficacy*.

In addition, the results show a positive linear relationship between *Outcome expectation* (-0.216519; $P < 0.01$) and *Entrepreneurial intentions*. This implying that the early experience and knowledge provided by entrepreneurial parents in the children's lives allowed them to possess high expectations on that they can successfully own and manage their own business. This is supported by the literature studies by Lent and Brown in 2013 found that individuals possessing positive outcome expectations are more likely to reach their career decision making goals (Lent *et al.* 2017).

This Study found no relationship between the independent variables *Perceived behavioural control*, *Subjective norm* and the dependent variable *Entrepreneurial intentions*. In other words whether or not these factors are perceived to play a part in children when the influence of their entrepreneurial parents in there *Entrepreneurial intentions* is considered has no effect on the respondents participating in this study. Against this background, support is found for the hypothesised relationships between the independent variables *Attitudes* (H^1), *Self-efficacy* (H^4), *Outcome expectation* (H^5) and the dependent variable *Entrepreneurial Intentions*, but not for the independent variables *Subjective norm* (H^2), *Perceived behavioural control* (H^3)

4.5 SUMMARY

This chapter described and termed the demographic profile of the sampled respondents that voluntarily participated in this study. In addition, the reliability and validity of the

measuring instrument were described. The results of the various statistical analyses done to access the influence of entrepreneurial parents on the entrepreneurial intentions of their children between the ages (18-35) in the Eastern Cape. Furthermore the analyses were done to test, present and support or reject the proposed hypotheses that were earlier presented in chapter one. In Chapter 5 a summary of the study as a whole will be done, where the empirical results that were presented in chapter 4 are interpreted, recommendations made and key factors highlighted.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In Chapter 4, the empirical results were given, where the demographics of the respondents was presented, validity and reliability tests were presented for each of the six variables (one dependent variable and five independent) related to entrepreneurial intentions under investigation. Furthermore, the empirical findings based on the variables, descriptive and inferential statistics and the research hypotheses formulated were accepted were all presented and summarised. The aim of Chapter 5, is to present a summary of the various chapter's research findings and make conclusions on that basis. Following that, to interpret the empirical research results and make interpretations and resulting recommendations. Additionally, the contribution and limitations of the study will be given. Finally, some recommendations for future research will be mentioned.

5.2 OVERVIEW OF THE STUDY

The Purpose of this study was to investigate the influence of Entrepreneurial parents on *Entrepreneurial intentions* of their children in the Eastern Cape. In this study entrepreneurial intention is depicted as an individual possessing the attitudes, behaviours and beliefs to become entrepreneurs in the near future (Tanveer *et al.* 2013). This study is based on the view that there are currently a limited number of theories and little known information regarding the role that entrepreneurial parents have in influencing the entrepreneurial intentions of their children. Additionally, through identifying these theories, guidelines and influencing variables much needed information can be provided to the government, schools and researchers to ensure that they can increase and find more triggers that influence an individual's entrepreneurial intention.

The primary research objective of this study is to investigate the influence that entrepreneurial parents have on the *Entrepreneurial intentions* of their children over the age of 18.

In order to give effect to the primary objective of this study, the following secondary objectives are put forth:

- SO¹: To investigate the influence of subjective norms, attitudes, perceived behaviour control (PBC) on entrepreneurial intentions.
- SO²: To investigate the influence of self-efficacy & outcome expectations on entrepreneurial intentions.

5.2.1 Methodological objectives

- MO¹: To conduct a literature review on the nature and importance of entrepreneurship, entrepreneurship in South Africa, intention based models influencing entrepreneurial intention, the role parents play regarding entrepreneurship and parents influence on entrepreneurial intentions.
- MO²: To develop a hypothesized model and propose appropriate hypotheses for the relationships between the independent variables (subjective norms, attitudes, PBC, outcome expectations and self-efficacy) and the dependent variable (entrepreneurial intentions).
- MO³: To develop a measuring instrument that will empirically test the hypothesized relationships.
- MO⁴: To empirically test the hypothesized model which indicates the relationship between the independent variables (social norms, attitudes, outcome expectations and perceived behavioural control) and the dependent variable (entrepreneurial intentions).
- MO⁵: To report the findings and make appropriate recommendations to small and medium sized businesses, higher education learning institutions such as The NMU, government and the national youth development agency.

An in depth literature review was conducted in Chapter 2. In Chapter 2, the nature and importance of entrepreneurship, entrepreneurship in South Africa, intention based models influencing entrepreneurial intention, the role parents play regarding entrepreneurship and parents influence on entrepreneurial intentions. The nature and

importance of entrepreneurship was defined and its importance after was emphasised. Entrepreneurship is defined by as a creative process that involves individuals identifying, creating and being able to exploit opportunities that resulted in a profit (Fatoki 2010:88). Additionally Entrepreneurship is seen to be globally important because it is a crucial factor in assisting developing countries economic development which would lead to job creation and decreasing factors such as unemployment, which intern reduces poverty. (Smith & Chimucheka 2014:161-162). With entrepreneurship a well-known economic and social issue capable of contributing to economic development in countries it was found that it was the least studied in Africa (Naudé 2014:2-3). Highlighting the importance of conducting further in-depth analysis into South Africa.

The state of entrepreneurship currently in South Africa was highlighted as South Africa's emerging entrepreneurial rate in 2015 had dropped by 30 percent, and the indicator for a country's early stage of entrepreneurial activity (TEA) rates dropped by 25% in 2016 (Herrington *et al.* 2016:7). The decrease in TEA rates was more prominently a case of the lack of support young entrepreneurs received with (67%) of businesses closing down for financial reasons such as no access to finance. Furthermore reports showing that entrepreneurial activity in the 25 – 34 year age category is lower than a third of the African average as well as considerably lower than the average for efficiency-driven economies (17%). The (AEA) report focused on Entrepreneurship in South Africa showed that the entrepreneurial education provided by South Africa was inadequate if individuals were required to manage or start new ventures successfully (Fal 2013:40). Ensuring that the ever widening gap between South Africa and other African Countries continues. (Fal 2013: 39-41). In an effort to intervene and promote entrepreneurial activity the South African government has implemented the several policies and initiatives. These polices include NYDA, SEDA, and educational programmes to stimulate entrepreneurship from a young level, fund qualifying small and medium business and offer business assistance. Despite these policies and efforts, challenges such as corruption, inflation, poor service delivery and crime rates in the country were identified as the main obstacles (Mahadea 2012:2).

Furthermore in Chapter 2 the independent variable *Entrepreneurial intention* is discussed. According to Henley (2007:254-255) Entrepreneurship is deemed an intentional act. As an individual's intentions are thought of and established at least a year beforehand, suggesting the link between entrepreneurship and intentions (Henley 2007:254-255). An individual possesses an Entrepreneurial intention when they possess the attitude, behaviour, and beliefs to become entrepreneurs in the near future. Ways to improve entrepreneurial intentions in South Africa involve an increase in government intervention regarding sponsoring and promoting entrepreneurial activity. (Fatoki 2010:89). Furthermore academics linked EI to personality traits with sources finding a positive relationship between the need for achievement and an individual's entrepreneurial intention (Gurbuz & Aykol 2008:48-51). Alternative studies on EI emphasised the importance of demographic variables such as age, gender, religion, qualifications and one's prior work experience as a way to measure EI.

Entrepreneurial intention models provide familiarity regarding individual's choices to start, develop or to exit a business and were also discussed in Chapter 2 (Krueger, Reilly & Carsrud 2000:412-414). Two widely renowned intention based models were studied to gain familiarity regarding an individual's choices to start their own business and measure EI in Chapter 2. Namely: the Theory of Planned Behaviour and the Entrepreneurial Event model. The theory of planned behaviour uses three factors to identify and explain how an individual's intention to act. These factors are known as *attitude towards behaviour*, *subjective norm*, and *perceived behavioural control*.

Using the theory of planned behaviour an individual's intention to perform certain behaviours could be predicted at high accuracy and given its role and ability to determine entrepreneurial intentions. Using the intention based theory, it was found the more positive the attitude towards a behaviour, the stronger should the individual's intention to execute a behaviour. (Bird 2015:143; Mariano *et al.* 2012:164-165). The Theory of planned behaviour model indicates how intentions allow us to monitor an individual's behaviour and allows us to interpret the level of performance one exerts with an individual with stronger intentions tending to result in a higher level of performance and a greater chance of becoming a successful entrepreneur. (Ajzen & Cote 2008:301-303).

Additionally in Chapter 2, various key career choice models were discussed. These models are perceived as one of the most acknowledged and valid career models that offer guidance in understanding why individuals choose certain career paths (Segal *et al.* 2002:48; Gore & Leuwerke 2000). The Social Cognitive Career Theory (SCCT) is regarded as one of the most accepted, endorsed models focusing on an individual's career interests (Segal *et al.* 2002; Gore & Leuwerke 2000). The SCCT has the capacity to predict entrepreneurship as a career choice using *Self-efficacy*, *Outcome expectations* as two of its three main social cognitive mechanisms (Lent, Ireland, Penn, Morris, & Sappington 2017; Lent & Brown 2013). This study incorporated Self-Efficacy and Outcome Expectations as one the five independent variables. The Social cognitive career model found that individuals interested in becoming entrepreneurs possessing a positive expectation on the outcomes of self-employment will develop a stronger interest and be more drawn to entrepreneurship as a career decision (Segal *et al.* 2002:49; Gore & Leuwerke 2000).

Lastly, Chapter 2 discussed the concept of a parental influence on entrepreneurial intention. A parent that is an entrepreneur is able to provide early on the job experience to their children and influence their perception on entrepreneurship (Fatoki 2014:158). Zellweger, Sieger and Hills (2011) found that children raised in an entrepreneurial environment involving parents managing or owning an enterprise were more likely to turn to entrepreneurship as a career intention. Lindquist, *et al.* (2015: 269-296) further emphasised this when their research found that the strongest predictor of entrepreneurial intention are entrepreneurial parents. These experiences with entrepreneurial parents businesses were found to either positively or negatively sway a child attitudes in-turn influence future behaviours regarding entrepreneurship (Carr & Sequeira 2007).

In Chapter 3, the research methodology used in this study was identified and explained. Firstly, the research paradigm and research approach implemented for this study were discussed. The positivist research paradigm was adopted while a quantitative approach to the research was utilised. The quantitative research approach seeks use measurements or numerical analysis of data collected and factual figures directly linking

it to the positivistic paradigm and is ideal when researchers attempt to find the relationship between independent and dependent variables. (Tuli 2011).

Additionally, the population studied, samples and the selected sampling method were identified and explained. Convenience sampling was implemented, with the sampling size compromising of 100 children above the age of 18 until 35, whose parents own a business and are situated In the Eastern Cape. In total 100 questionnaires were voluntarily issued. 98 were correctly completed after 2 questionnaires invalidly were filled in by the researcher and as a result questionnaire (89) and (97) were discarded. The two questionnaires were at a later stage completed by two eligible qualifying respondents ensuring 100 questionnaires were completed and returned. The method of data collection, measuring instrument development, qualifying questions, scale development and operationalisation, administration of the measuring instrument and missing data were also discussed. The methods for assessing validity and reliability were also discussed. The methods for assessing the validity and reliability of the measuring instrument were described as well as the statistical methods to analyse the data. These methods were: descriptive statistics (mean, standard deviation and frequency distributions) and inferential statistics (Pearson's product moment correlations and multiple regression), the results of which were presented in Chapter 5.

In Chapter 4, the empirical results were given ensuring the third secondary objective was accomplished. The beginning of chapter 4 discussed the demographic information gathered from the respondents that participated in the study in a summarised form. The gender of the respondents was almost equally split with male respondents accounting for 53.00% of the sample. A majority of the respondents were between the ages of 21 and 25 (57.00%) with the 72.00% of the respondents that took part in the study of Black (72.00%) ethnicity. This was followed by Coloured respondents (22.00%). that the majority of the respondents (50.00%) had minimum of a matric certificate as a qualification, followed by 36.00% of respondents having undergraduate qualifications. A large majority of the respondents (63.00%) have at some stage worked for their entrepreneurial parents. Most of the respondent's entrepreneurial parents were owned businesses in the retail (19.00%) and catering and accommodation industry (18.00%).

Additionally 40.00% of the businesses the entrepreneurial parents had owned employed less than 5 employees full time, with 29.00% of the businesses employing more than 5 but less than 9 employees.

In this study a principle component factor analysis and unidimensionality tests were conducted on the dependent to assess the validity of the measuring instruments. This type of factor analysis was done on the dependent variable as the five unidimensionality analyses ensure that all the items measure *Entrepreneurial intention*. A unidimensionality test provides important information regarding the factorial validity of a test score determines which items need to be left out or separated from further statistical analyses (Ziegler & Hagemann 2015:232). Hair, Black, Babin and Anderson (2013:115) state that an adequate factor loading is thought to be 0.5 or 0.6. As a result items that loaded one factor only and reported factor loading of greater than 0.50 were considered desirable and indicated a good factor loading.

The reliability of a measuring instrument is centred on the findings of the study and its trustworthiness. According to Wiid & Diggines (2013:238) a measure below 0.6 is low, with the reliability deemed unacceptable and a measure between 0.6 and 0.8 is acceptable. Therefore a minimum Cronbach-alpha value 0.6 and above will be used in this study to test reliability (Wiid & Diggines 2013:238; Hair *et al.* 2013:115-116).

All five items developed to measure *Entrepreneurial intention* loaded as expected with 54.6% of the variance in the data explained and the factor loadings of between 0.815 and 0.613 were reported for the dependent variable. The Cronbach alpha coefficient of 0.790 for *Entrepreneurial intention* suggested that the scale used to measure this factor was reliable. The independent variables *Perceived Behavioural control* and *Outcome expectation* respectively contained items 12 and 13 which were not deemed valid with factor loadings less than 0.5 and as a result were excluded from further results and the definitions from Chapter 3 were thus operationalised in Chapter 4. All remaining independent variables were deemed reliable and valid. As a result of the validity and reliability evaluation, the hypothesised framework was revised and the hypotheses restructured.

Descriptive statistics were computed to determine and interpret the sample data. These comprised of the mean, standard deviation and frequency distributions. Mean scores of between 3.57- 4.02 were reported for the independent variables. The independent variables with the highest mean values were *Perceived behavioural control* and *Self-efficacy*. Regarding the Standard deviation and frequency distributions, no variable measured recorded a standard deviation of less than 0.65, with the highest result 0.88. the standard deviations calculated mean that the answers recorded from the respondents statements are closely related to the means recorded in the values on average showing that there is a lower than average concentration around the mean of the data. The frequency distributions showed that only a maximum of 10 percent of the respondents found the statements uninfluential.

Inferential statistics were used to summarise the sample data collected. Inferential statistics use statistical measures to make inferences from key findings from observed samples and populations. (Babbie, 2004:458). Pearson's product moment correlations were conducted in order to investigate the relationships between the different factors under investigation. Correlation coefficients whose magnitude are between 0.7 and 0.9 indicate variables which can be considered highly correlated (Calkins 2005). All the independent and dependent variables with the exception of *Outcome expectation* received positive correlations.

A Multiple regression analysis was conducted in this study to examine whether any relationship exists between the dependent variable *Entrepreneurial intention* and the independent variables *attitude*, *self-efficacy*, *perceived behavioural control*, *outcome expectations as well as subjective norms*. The coefficient of multiple determination (R^2) varies between 0 and 1 and determines the percentage (%) of the variation in the dependent variable that can be explained by the variations in the dependent variables Hair *et al.* (2013).

5.3 INTERPRETATIONS OF THE EMPIRICAL RESULTS AND RECOMMENDATIONS

5.3.1 Entrepreneurial intention

The dependent variable *Entrepreneurial intention* reported a mean score of 3.88. The empirical results show that all the components investigated in this study were found to be influential. The majority of respondents agree that they would be interested at some stage in the near future to start a business and would rather work for themselves than another individual respectively.

5.3.2 Attitude

Based on the results of this study it can be seen that a highly correlated positive relationship is reported between *Attitude* and *Entrepreneurial intentions*. In other words the more an entrepreneurial parent can provide their children with exposure and experiences about owning from the children seeing their parents running a business then the more it is perceived that previous experience and influences from the entrepreneurial parents would allow the children to develop a positive attitude towards one day running their own businesses. The following recommendations are thus put forward:

- Schools should allow regular visits to entrepreneur businesses to allow early exposure and to be able to generate early positive attitudes regarding entrepreneurship.
- Entrepreneurial parents need to be allowed to give talks and share information about their experiences when running a business at schools and universities. Additionally it is key to from an early age to give children a positive perception of entrepreneurship in order to increase their entrepreneurial intentions.

5.3.3 Self-efficacy

The findings of this study show that there is a highly correlated positive relationship between *Self-efficacy* and *Entrepreneurial intentions*. This implies that the presence of entrepreneurial parents in the children's lives allow them to possess a high level of

confidence in their personal capability's to own a business in the future and make it through difficult times and pressure situations. The following recommendations are put forward:

- Programmes and initiatives should be put in place by learning institutions that work on an individual's self-belief and self-efficacy, this would include evaluations that can help individuals improve their self-awareness and address children above the ages of 18's confidence levels and alert them of the personality traits that they have and their links to a good entrepreneurs traits.
- Initiatives such as market days, public speaking lessons and learnerships for individuals that feel they are capable need to be budgeted for and implemented to allow any child above 18 to know and understand that they can become an entrepreneur.

5.3.4 Perceived Behavioural Control

The findings of this study show that there is a moderately correlated positive relationship between *Perceived Behavioural control* and *Entrepreneurial intentions*. This implies that respondents have a high level of belief in their personal capability's to work for themselves by becoming entrepreneurs. In addition they believe that by owning their own businesses it would allow them more control over their time and futures. The following recommendations are thus put forward:

- The government needs to support young graduates more by offering them more accesses to finance, the tools and mentorship that can lead them to become entrepreneurs.
- Initiatives that allow individuals to test their capabilities must be put in place so at an early age children and their parents can know there strengths and weaknesses.

5.3.5 Subjective Norm

Based on the results of this study it can be seen that there is a weak positive relationship is reported between *Subjective Norm* and *Entrepreneurial intentions*. Respondents are influenced by their entrepreneurial parent's approval and opinions with regards to

choosing entrepreneurship as a career choice. The following recommendations are thus put forward:

- Entrepreneurial parent must encourage their kids to become entrepreneurs and provide positive perceptions and influences regarding their children becoming an entrepreneur.
- Parents must encourage their children to take risk and not take the safe route at all times to ensure a steady income as the unemployment rate is at a high in South Africa.

5.3.6 Outcome expectation

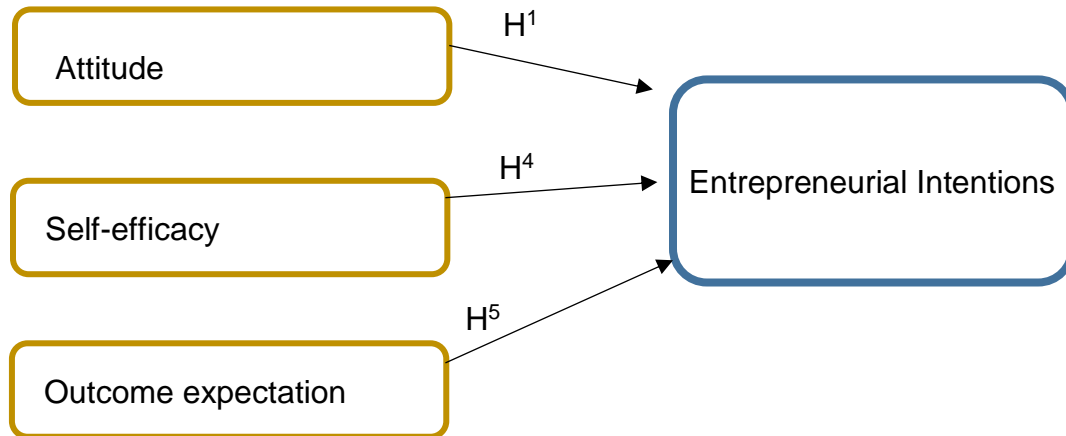
This Study found significant correlation between the independent variables *Outcome expectation* and *Entrepreneurial intentions*. In other words whether or not these factors are perceived to play a part in children when the influence of their entrepreneurial parents in there *Entrepreneurial intentions* is considered has no effect on the respondents participating in this study. The following recommendations are put forward:

- Entrepreneurship needs to be promoted by learning institutions rather employees working for others.
- Money should not be used as a factor to promote entrepreneurship but rather passion.
- More studies with a larger sample size need to be conducted that investigate the relationship between *Entrepreneurial intention* and *Outcome expectation*.

5.3.7 A summary of revised Hypothesised model

In regard to the factor analysis, the hypothesised model was reviewed (see Figure 5.1) and the hypotheses restructured.

Figure 5.1: Restructured hypothesised model: factors influencing entrepreneurial intention



5.3.8 A Summary of Multiple Regression Analysis

The relationships between the factors influencing entrepreneurial intention and the overall strength of these relationships were determined by means of a multiple regression analysis (MRA). The results of the study show that there are statistically significant positive relationships between *Attitude*, *Self-efficacy*, *Outcome expectation* and *Entrepreneurial intentions*. This Study found no relationship between the independent variables *Perceived behavioural control*, *Subjective norm* and the dependent variable *Entrepreneurial intentions*. Against this background, support is found for the hypothesised relationships between the independent variables *Attitudes* (H¹), *Self-efficacy* (H⁴), *Outcome expectation* (H⁵) and the dependent variable *Entrepreneurial Intentions*, but not for the independent variables *Subjective norm* (H²) and *Perceived behavioural control* (H³).

In Table 5.1 the acceptance or rejection of the hypotheses, based on results of the multiple regression analysis, are summarised.

Table 5.1: Summary of hypotheses

	HYPOTHESES	DECISION
H ¹	There is a positive relationship between the respondents <i>Attitude</i> and their <i>Entrepreneurial intentions</i> .	Accepted
H ²	There is a positive relationship between the respondents Subjective Norms and their <i>Entrepreneurial intentions</i> .	Rejected
H ³	There is a positive relationship between the respondents Perceived Behavioural Control and their <i>Entrepreneurial intentions</i> .	Rejected
H ⁴	There is a positive relationship between the respondents Self-efficacy and their <i>Entrepreneurial intentions</i>	Accepted
H ⁵	There is a positive relationship between the respondents <i>Outcome Expectation</i> and their <i>Entrepreneurial intentions</i>	Accepted

5.3.9 Summary of the objectives of this study

The overview of the study provided indicates that the objectives regarding this study have been achieved by the researcher. These objectives as well as the relevant chapters they were attained in are summarised in Table 5.2. As such the primary objectives of this study were obtained.

Table 5.2: Study objectives achieved in the chapters

OBJECTIVE	ATTAINED
To conduct a literature review on the nature and importance of entrepreneurship, entrepreneurship in South Africa, intention based models influencing entrepreneurial intention, the role parents play regarding entrepreneurship and parents influence on entrepreneurial intentions.	Chapter 2
To develop a hypothesized model and propose appropriate hypotheses for the relationships between the independent variables (subjective norms, attitudes, PBC, outcome expectations and self-efficacy) and the dependent variable (entrepreneurial intentions).	Chapter 3
To develop a measuring instrument that will empirically test the hypothesized relationships.	Chapter 4
To empirically test the hypothesized model which indicates the relationship between the independent variables (social norms, attitudes, outcome expectations and perceived behavioural control) and the dependent variable (entrepreneurial intentions).	Chapter 4
To report the findings and make appropriate recommendations to small and medium sized businesses, higher education learning institutions such as The NMU, government and the national youth development agency.	Chapter 5

5.4 CONCLUSIONS

Five independent influences of entrepreneurial intention were identified through the literature review namely: Attitude, Self-efficacy, Perceived behavioural control, Subjective norm and Outcome expectation. However, according to the empirical results of this study only three independent variables namely: *Attitude, Self-efficacy and Outcome expectations* were found to have an influence on the dependent variable *Entrepreneurial intention*.

5.5 RECOMMENDATIONS

Parents are a child's first take at a role model or form of example to follow, they play a significant part in the development of children and the traits they adopt. Entrepreneurial parents set an example when it comes to entrepreneurship and there needs to be more exposure to others who lack early exposure to an entrepreneurial lifestyle. Entrepreneurial parents need to be given a platform to share their experiences with children at an early age.

It is important for entrepreneurship to be perceived as a challenging career but a doable and very possible career. Institutions are full of academics who most times lack the experience that is needed when it comes to a sense of practicality regarding the pressures and various stresses one might face should there become entrepreneurs. It is important to ensure that it is made a regularity for young children to be exposed to the work place in order to increase and in turn influence their entrepreneurial intention as well as completing tasks that can enhance their self-efficacy to be able to have the confidence to become an entrepreneur in the near future.

5.6 LIMITATIONS OF THE STUDY AND RECOMMENDATIONS FOR THE FUTURE RESEARCH

There are a number of limitations to this study that should be highlighted. These limitations should be considered when interpreting the findings of the study, the following limitations and opportunities for future research are highlighted.

Respondents were limited to children between the ages 18 and 35 in the Eastern Cape. The sample size was limited to 100 respondents which can affect the quality of results. The sampling method, convenience sampling is prone to bias due to the choice of sample there can be some inconsistencies via the method and as a result many generalisations. The ethics clearance was not a full clearance which resulted in the questionnaires not being handed out at any the Nelson Mandela University vicinity.

The data collected for this study utilised a questionnaire and due to costs and time issues only a small part of the Eastern Cape was studied. Additionally there is a lack of information regarding entrepreneurial parents and their role that is based in South Africa. Future researchers need to find more technological methods to conduct research in order to reach more respondents with ease and increase sample sizes. In addition more studies have to be done on entrepreneurial parents as there is a lack of information on the factors that affect entrepreneurial intention in South Africa. Future researchers should investigate this topic beyond simply children between the ages to 25 and conduct studies in educational institutions so that there is access to more information regarding the respondents.

The results of this study make a considerable contribution to the existing body of knowledge with regards to the influence that entrepreneurial parents have over children between the ages of 18 and 35.

5.7 SELF-REFLECTION

When looking back at this study, it was interesting to research and find out in detail the factors that influence entrepreneurial intention in relation to the role that parents play in a child's life. As a child who has entrepreneurial parents it is so true that the positive and negative experiences that your parents face as well as the experiences that they allow you to take part in and see shape the person you become. You develop traits that are orientated to taking risks and no matter the outcome for simple tasks there is a strong mentality that an individual develops.

I have learnt so much from my parents and I will continue to learn. Each scenario you witness as a child in an entrepreneurial household affects one in every single way. It is important to understand firstly that in any career that one may choose there will be difficulties.

But being an entrepreneur is less about the money or impressing others, it is about possessing a vision, having the courage to take a risk and the resilience to do your best until you achieve your goals step by step. My parents failed many times but always pushed and did what they could to not show us the hardships. It is truly a blessing and a curse to have entrepreneurial parents. But one thing for sure and based on the literature and the empirical I have read and wrote, perhaps even mastered for some time as I dreamt it only, I know that you become a stronger person.

It is important to test yourself in the world, each and every day as humans we are our own bosses and entrepreneurship is exactly that but in a business sense where we need to help each other and survive in order to grow.

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APPENDIX

Questionnaire



Summerstrand South Campus

DEPARTMENT OF BUSINESS MANAGEMENT

August 2018

Dear Respondent

As part of the Business Management honour's program at Nelson Mandela University, the student is required to complete the following research project:

Topic: The influence of entrepreneurial parents on entrepreneurial intentions in the Eastern Cape.

The Aim: To gain greater insights into the influence of entrepreneurial parents on the entrepreneurial intentions of their children

The role that parents play in their child's upbringing is essential, as parents have the ability to shape their children's attitudes, beliefs and expectations of a career, as an entrepreneur. Therefore, the Business Management honours student is required to investigate the influence that an entrepreneurial parent(s) have on the entrepreneurial intentions of their children.

It would be greatly appreciated if you could complete the following questions so as to assist the student in the completion of their honours treatise. The questionnaire should take approximately 15 minutes to complete. There are no right or wrong answers. Only your **honesty** and the **perceptions** you hold are important.

All information you provide will be treated in the strictest confidence and you are under no obligation to participate. Please note that the information obtained will be used for research purposes only. Furthermore, the final report will be anonymous with regards to the information obtained from this questionnaire. Please feel free to contact us with regards to any queries you might have. Your participation in the study will be most appreciated.

Yours faithfully

Ms S.B. Saunders

Mr M Nqwazi

Supervisor

Honours student

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A GENERAL INFORMATION

Please mark your selection to the following questions with an (X).

- 1.1 Do you meet the requirements for participating in this research project, namely (1) you are between the ages 18 and 35 (2) Is your father or mother an entrepreneur?

Yes		1
No		2

- 1.2 Is your father/mother an entrepreneur?

Father		1
Mother		2
Father and mother are both entrepreneurs		3

- 1.3 Please indicate for how long your father/mother has owned their own business

Less than a year		1
1 -3 years		2
3 – 7 years		3
7-15 years		4
More than 15 years (please specify)		5

- 2 Indicate how many **full-time employees** are currently employed in your father/mothers business?

<5 employees		1
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5-9 employees		2
10-49 employees		3
50-199 employees		4

3 Have you at any stage worked in your father's/mother's business?

Yes		1
No		2

4 Which industry does your father/mother business operate? You may indicate more than one industry.

Communication		1
Financial		2
Retailing and/or Wholesaling		3
Manufacturing		4
Medical		5
Catering and Accommodation		6
Transport and Travelling		7
Construction and Engineering		8
Leisure and Entertainment		9
Other (Please specify :.....)		10

5 Please indicate your gender

Male		1
Female		2

6 Please indicate to which age category you belong (for statistical purposes only)

18 - 20		1
21 - 25		2
26 - 30		3
31 - 35		4

7 Please indicate to which population group you belong (for statistical purposes only)

Asian		1
Black		2
Coloured		3
White		4
Indian		5
Not willing to say		6

8 Please indicate your highest education qualification

Matric (Grade 12)		1
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Certificate		+2
Undergraduate diploma		3
Undergraduate degree		4
Post-graduate diploma		5
Post-graduate degree		6
Other (Please specify :.....)		7

9 Please indicate your current occupation

Student		1
Employee full time		2
Student working part time		3
Employee full time studying part time		4
Working in your parent's business (full time or part time)		5
Other (please specify.....)		6

10 Total number of years of working experience? _____ years

B ENTREPRENEURIAL INTENTIONS

Below are several statements that attempt to identify the influence that entrepreneurial parents have on the entrepreneurial intentions of their children. Please indicate (with an **X**) the extent to which **you agree or disagree with each statement**. The columns are graded from **1** to **5**. The number **1** denotes strong **disagreement** with the statement, and at the other end of the scale, **5** denotes strong **agreement** with the statement.

Please indicate (with an **X**) the extent to which **you agree or disagree with each statement**. The columns are graded from **1** to **5**. The number **1** denotes strong **disagreement** with the statement, and at the other end of the scale, **5** denotes strong **agreement** with the statement.

	In my opinion.....	Extent of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Seeing my father/mother as entrepreneur has made me think about becoming an entrepreneur.	1	2	3	4	5
2	My father/mother would approve of my decision to start my own business.	1	2	3	4	5
3	I will do anything to become an entrepreneur.	1	2	3	4	5
4	I plan to start a business in the next five years.	1	2	3	4	5
5	I expect to grow personally, if I follow the same career path as my father/mother.	1	2	3	4	5
6	I believe i have the confidence to own my business.	1	2	3	4	5
7	I expect to receive public recognition if I follow in my father/mother's entrepreneurial footsteps.	1	2	3	4	5

8	If I was an entrepreneur, I believe I could work well under stress.	1	2	3	4	5
9	My father/mother have a positive perception of entrepreneurship as a career choice.	1	2	3	4	5
10	I expect to be satisfied if I follow in father/mother's career footsteps.	1	2	3	4	5
11	My father/mother views entrepreneurship as a more positive career choice than working for someone else.	1	2	3	4	5
12	Being an entrepreneur would be my own decision.	1	2	3	4	5
13	I expect to make a lot of money if I become an entrepreneur.	1	2	3	4	5
14	Seeing my father/mother as an entrepreneur makes me want to follow the same career choice.	1	2	3	4	5
15	I would choose to be an entrepreneur rather than to work for others.	1	2	3	4	5
16	My father/mother thinks I should pursue an entrepreneurial career.	1	2	3	4	5
17	I believe I will have control over my environment to make my future business a success.	1	2	3	4	5
18	Being an entrepreneur will make people look up to you.	1	2	3	4	5
19	I expect to be able to provide for my family should I follow the same career choice as my father/mother.	1	2	3	4	5
20	My goal is to become an entrepreneur.	1	2	3	4	5
21	Being an entrepreneur would allow me to work for myself.	1	2	3	4	5
22	Being an entrepreneur is seen as a prestigious career.	1	2	3	4	5
23	Seeing my father/mother as an entrepreneur makes me want to become an entrepreneur within the next 5 years.	1	2	3	4	5

24	Being an entrepreneur would allow me to have full control over my time.	1	2	3	4	5
25	I believe I can successfully overcome any challenge in my future career.	1	2	3	4	5
26	I am interested in starting my own business in the future.	1	2	3	4	5
27	If I owned my own business, I believe I could make it through difficult times.	1	2	3	4	5
28	I believe that in my future career I will perform under pressure.	1	2	3	4	5
29	I believe that I have control over my own future if I am an entrepreneur.	1	2	3	4	5
30	My father/ mother would prefer me to an entrepreneur.	1	2	3	4	5
31	I expect to receive financial rewards if I follow the same career as my father/mother.	1	2	3	4	5

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

NELSON MANDELA
UNIVERSITY

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICS CLEARANCE FOR TREATISES / DISSERTATIONS / THESES

Instructions:

- Should be completed by supervisor and student
- Must be signed off by student, supervisor and HoD
- Submit completed form to Ms Lindie van Rensburg
- Please ensure that the research methodology section from the proposal is attached to this form
- *Please note that by following this Proforma ethics route, the study will NOT be allocated an ethics clearance number*

FACULTY: _____ Business and Economic Sciences _____

SCHOOL / DEPARTMENT: _____ Business Management _____

I, (surname and initials of supervisor) _____ Saunders, S.B. _____

the supervisor for (surname and initials of candidate) _____ Nqwazi, N. (214016528) _____

a candidate for the degree of _____ BCom Honours _____

with a treatise/dissertation/thesis entitled (full title of treatise/dissertation/thesis):

The influence of entrepreneurial parents on entrepreneurial intentions in the Eastern Cape


considered the following ethics criteria (please tick the appropriate block):

		YES	NO
1.	Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		x
2.	Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		x
2.1	Are subjects/participants/respondents of your study:		x
2.1.1	Children under the age of 18?		x
2.1.2	NMMU staff?		x

2.1.3	NMMU students?		X
2.1.4	The elderly/persons over the age of 60?		X
2.1.5	A sample from an institution (e.g. hospital/school)?		X
2.1.6	Handicapped (e.g. mentally or physically)?		X
3.	Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		X
3.1	Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		X
4.	Will the participant's privacy, anonymity or confidentiality be compromised?		X
4.1	Are you administering a questionnaire/survey that:		X
4.1.1	Collects sensitive/identifiable data from participants?		X
4.1.2	Does not guarantee the anonymity of the participant?		X
4.1.3	Does not guarantee the confidentiality of the participant and the data?		X
4.1.4	Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		X
4.1.5	Will create doubt whether sample control measures are in place?		X
4.1.5	Will be distributed electronically via email (and requesting an email response)?		X
	Note:		
	<ul style="list-style-type: none"> If your questionnaire DOES NOT request respondents' identification, is distributed electronically and you request respondents to return it <i>manually</i> (print out and deliver/mail); AND respondent anonymity can be guaranteed, your answer will be NO. If your questionnaire DOES NOT request respondents' identification, is distributed via an email link and works through a web response system (e.g. the university survey system); AND respondent anonymity can be guaranteed, your answer will be NO. 		
5.	Do you wish to publish an article from this study and submit to an accredited Journal?		X

Please note that if ANY of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty RECH (Ethics) representative.

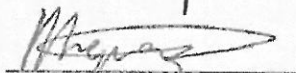
and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.


SUPERVISOR(S)

17/8/2018
DATE


HEAD OF DEPARTMENT

18/8/2018
DATE


STUDENT(S)

16/08/18
DATE

NELSON MANDELA
UNIVERSITY

Summerstrand South Campus
DEPARTMENT OF BUSINESS MANAGEMENT

August 2018

Dear Respondent

As part of the Business Management honour's program at Nelson Mandela University, the student is required to complete the following research project:

Topic: The influence of entrepreneurial parents on entrepreneurial intentions in the Eastern Cape.

The Aim: To gain greater insights into the influence of entrepreneurial parents on the entrepreneurial intentions of their children

The role that parents play in their child's upbringing is essential, as parents have the ability to shape their children's attitudes, beliefs and expectations of a career, as an entrepreneur. Therefore, the Business Management honours student is required to investigate the influence that an entrepreneurial parent(s) have on the entrepreneurial intentions of their children.

It would be greatly appreciated if you could complete the following questions so as to assist the student in the completion of their honours treatise. The questionnaire should take approximately 15 minutes to complete. There are no right or wrong answers. Only your honesty and the perceptions you hold are important.

All information you provide will be treated in the strictest confidence and you are under no obligation to participate. Please note that the information obtained will be used for research purposes only. Furthermore, the final report will be anonymous with regards to the information obtained from this questionnaire. Please feel free to contact us with regards to any queries you might have. Your participation in the study will be most appreciated.

Yours faithfully



Ms S.B. Saunders
Supervisor



Mr M Nqwazi
Honours student

Department of Business Management
Nelson Mandela University
Email: shelly.saunders@mandela.ac.za
Tel: +27 (0) 41 5041392

A GENERAL INFORMATION

Please mark your selection to the following questions with an (X).

- 1.1 Do you meet the requirements for participating in this research project, namely (1) you are between the ages 18 and 35 (2) Is your father or mother an entrepreneur?

Yes		1
No		2

- 1.2 Is your father/mother an entrepreneur?

Father		1
Mother		2
Father and mother are both entrepreneurs		3

- 1.3 Please indicate for how long your father/mother has owned their own business

Less than a year		1
1 -3 years		2
3 – 7 years		3
7-15 years		4
More than 15 years (please specify)		5

- 2 Indicate how many **full-time employees** are currently employed in your father/mothers business?

<5 employees		1
5-9 employees		2
10-49 employees		3
50-199 employees		4

- 3 Have you at any stage worked in your father's/mother's business?

Yes		1
No		2

- 4 Which industry does your father/mother business operate? You may indicate more than one industry.

Communication		1
Financial		2
Retailing and/or Wholesaling		3
Manufacturing		4
Medical		5
Catering and Accommodation		6
Transport and Travelling		7
Construction and Engineering		8
Leisure and Entertainment		9
Other (Please specify :.....)		10

- 5 Please indicate your gender

Male		1
Female		2

- 6 Please indicate to which age category you belong (for statistical purposes only)

18 - 20		1
21 - 25		2
26 - 30		3
31 - 35		4

7 Please indicate to which population group you belong (for statistical purposes only)

Asian		1
Black		2
Coloured		3
White		4
Indian		5
Not willing to say		6

8 Please indicate your highest education qualification

Matric (Grade 12)		1
Certificate		2
Undergraduate diploma		3
Undergraduate degree		4
Post-graduate diploma		5
Post-graduate degree		6
Other (Please specify :.....)		7

9 Please indicate your current occupation

Student		1
Employee full time		2
Student working part time		3
Employee full time studying part time		4
Working in your parent's business (full time or part time)		5
Other (please specify.....)		6

10 Total number of years of working experience? _____ years

B ENTREPRENURIAL INTENTIONS

Below are several statements that attempt to identify the influence that entrepreneurial parents have on the entrepreneurial intentions of their children. Please indicate (with an X) the extent to which **you agree or disagree with each statement**. The columns are graded from 1 to 5. The number 1 denotes strong **disagreement** with the statement, and at the other end of the scale, 5 denotes strong **agreement** with the statement.

Please indicate (with an X) the extent to which **you agree or disagree with each statement**. The columns are graded from 1 to 5. The number 1 denotes strong **disagreement** with the statement, and at the other end of the scale, 5 denotes strong **agreement** with the statement.

	In my opinion.....	Extent of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Seeing my father/mother as an entrepreneur has made me think about becoming an entrepreneur.	1	2	3	4	5
2	My father/mother would approve of my decision to start my own business.	1	2	3	4	5
3	I will do anything to become an entrepreneur.	1	2	3	4	5
4	I plan to start a business in the next five years.	1	2	3	4	5
5	I expect to grow personally, if I follow the same career path as my father/mother.	1	2	3	4	5
6	I believe I have the confidence to own a business.	1	2	3	4	5
7	I expect to receive public recognition if I follow in my father/mother's career footsteps.	1	2	3	4	5

8	If I was an entrepreneur, I believe I could work well under stress.	1	2	3	4	5
9	My father/mother have a positive perception of entrepreneurship as a career choice.	1	2	3	4	5
10	I expect to be satisfied if I follow in father/mother's career footsteps.	1	2	3	4	5
11	My father/mother views owning your own business as a more positive career choice than working for someone else.	1	2	3	4	5
12	Being an entrepreneur would be my own decision.	1	2	3	4	5
13	I expect to make a lot of money if I become an entrepreneur.	1	2	3	4	5
14	Seeing my father/mother as an entrepreneur makes me want to go into the same career.	1	2	3	4	5
15	I would choose to be an entrepreneur rather than work for others.	1	2	3	4	5
16	My father/mother thinks I should pursue an entrepreneurial career.	1	2	3	4	5
17	I believe I will have control over my environment to make my future business a success.	1	2	3	4	5
18	Being an entrepreneur will make people look up me.	1	2	3	4	5
19	I expect to be able to provide for my family should I follow the same career choice as my father/mother.	1	2	3	4	5
20	My goal is to become an entrepreneur.	1	2	3	4	5
21	Being an entrepreneur would allow me to work for myself.	1	2	3	4	5
22	Being an entrepreneur is seen as a prestigious career.	1	2	3	4	5
23	Seeing my father/mother as an entrepreneur makes me want to become an entrepreneur within the next 5 years.	1	2	3	4	5
24	Being an entrepreneur would allow me to have full control over my time.	1	2	3	4	5
25	I believe I can successfully overcome any challenge in my future career.	1	2	3	4	5
26	I am interested in starting my own business in the future.	1	2	3	4	5
27	If I owned my own business, I believe I could make it through difficult times.	1	2	3	4	5
28	I believe that in my future career I will perform under pressure.	1	2	3	4	5
29	I believe that I have control over my own future, if I am an entrepreneur.	1	2	3	4	5
30	My father/ mother would prefer me to an entrepreneur.	1	2	3	4	5
31	I expect to receive financial rewards if I follow the same career as my father/mother.	1	2	3	4	5

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

RESEARCH DESIGN AND METHODOLOGY

In this section the following topics will be discussed: research design, research approach, research methodology, sampling and data collection and data analysis. More details on research design and methodology will be provided in chapter 3.

RESEARCH PARADIGM

In social science there are two predominant research paradigms, a positivistic paradigm and an interpretivist paradigm. According to Gray (2013) a positivistic paradigm is based on and centres on facts. Creswell (2003:7-8) sees a positivistic paradigm as a scientific method that is established on philosophies of rationalism and observations that on conclusion produce effects and outcomes. Research by O'Leary (2004) emphasises positivist's use of observation to test and control objects around us. An Interpretivist paradigm focuses on meaning (Gray 2013). The interpretivist paradigm trusts the views of its contributors and takes into account the impact of the research contributors, their background and involvements. (Creswell 2003:8-9). In this study a positivistic paradigm will be used because it allows us to give validity and objectivity to a research. Furthermore a positivistic paradigm can be based on exact scientific methods that will support the research data objectively.

RESEARCH APPROACH

There are two main approaches that form part of social sciences, are a quantitative approach and a qualitative approach. The quantitative approach is linked to the positivistic paradigm, whilst the qualitative approach is linked to the interpretivist paradigm. The quantitative approach is described as an empirical study on a social or human problem, which tests a theory involving variables which are measured with numbers and analysed with statistics, this is done in order to conclude if the dependent variable compared with various independent variables predict or explain the given problem. (Yilmaz 2013). Gay and Airasian (2000:627) describe the qualitative approach as gathering wide-ranging information based on numerous variables and experience obtained from the study over a long period with the intention of gaining an understanding that wasn't previously attainable from other parts of research. A quantitative approach will be used in this study. This is because the quantitative approach uses measurements or numerical analysis of data collected and factual figures directly linking it to the positivistic paradigm (Tuli 2011). A quantitative

approach is advantageous as it allows in-depth details regarding the subject matter to be found, it is appropriate for situations where a lot of information is needed and the context regarding the event studied is often more holistic. (Yilmaz 2013). The quantitative approach has a few limitations where at times there are many studies that are deemed unreliable, therefore conclusions need to be carefully constructed regarding studies. (Yilmaz 2013; Cohen, Manion & Morrison 2002).

RESEARCH METHODOLOGY

The quantitative data will be collected by means of a survey through the use of a structured questionnaire which will be distributed to qualifying children between the ages of 18-35 who have entrepreneurial parents. Cooper and Schindler (2008:215) define a survey as a measurement instrument that is used to collect information. Surveys permit a researcher to attain data about views through questionnaires or interviews. Researchers then use quantitative methods to draw inferences from this data regarding existing connections. (Galliers, 1991:150). Surveys are advantageous as they allow researchers to analyse more than one variables at once. The data collected in surveys can also be from real world environments. Gable (1994:115) wrote that surveys can accurately document the norm, identify extreme outcomes, and explain associations between variables in a sample. A crucial weakness in surveys concerns the difficulty in analysing insights relating to the causes of or processes involved in the subjects measured (Galliers, 1991:150).

SAMPLING AND DATA COLLECTION

The respondents and proposed sample of this study will comprise of children between the ages of 18-35 who have entrepreneurial parents that reside within the Nelson Mandela Bay Metropolitan Area. The respondents will be selected based on the convenience sampling method. Convenience sampling is used for pre-test questionnaires, it consists of elements that are quick and are able to get easy access to (Du Plooy-Cillier, Davis & Bezuidenhout 2014:142).

DESIGN OF THE MEASURING INSTRUMENT

The measuring instrument that will be used will be a structured questionnaire. The structured questionnaire will make use of a 5-point Likert-scale. The scale of the measuring instrument will range from 1-5, 1 being strongly disagree and 5 = strongly

agree. The structured questionnaire will be divided into two sections. Section A will comprise of the biographical data of the respondents and section B will include the respondent's information regarding the influence their entrepreneurial parents have played on their entrepreneurial intentions.

DATA ANALYSIS

In social science research the data analysis process consists of three main steps, data preparation- where the data is cleaned and organised in order to be analysed, the data is described using descriptive statistics and models and hypothesis are tested in inferential statistics to determine findings (Trochim & Donnelly 2001:14-34). Data analysis is the process of editing and reducing accumulated data to a useable size, in order to develop summaries, seeking key and crucial patterns through statistical techniques being applied (Cooper & Schindler 2008). Descriptive and inferential statistics are used to analyse survey research. Descriptive statistics use statistical calculations to describe the relationships between a variable and the traits of a sample (Babbie 2004:442). Descriptive statistics provide simple summaries about the sample and the measures, they form structure of every quantitative analysis of data (Trochim & Donnelly 2001:14-34). Inferential statistics use statistical measures to make inferences from key findings from observed samples and populations. (Babbie 2004:458). "The use of inferential statistics is for researcher to try infer from the sample data what the population thinks."(Trochim & Donnelly 2001:14-34).

This study will make use of descriptive statistics that determine the calculation of mean scores, standard deviation, and frequency of the data distribution (Du Plooy-Cillier, *et al.* 2014:212). A mean score is a numerical average of data (Du Plooy-Cillier, *et al.* 2014:213). The standard deviation signifies the average distance that the data values vary from the mean, it indicates how far removed a value is from the initial mean value. (Du Plooy-Cillier, *et al.* 2014:213).the frequency distribution of data shows us the number of times a particular data value occurs (Du Plooy Cillier, *et al.* 212). The study will then use inferential statistics to test the relationship between the independent variables. Pearson's product correlation will be used to determine if a relationship exists between independent variables and dependent variables (Du Plooy-Cillier, *et al.* 2014:214).

