PROMOTING YOUTH EMPOWERMENT THROUGH BUSINESS MENTORSHIP IN SOUTH AFRICA

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Abstract

One of the setbacks in youth entrepreneurship is the unavailability of proper business knowledge and mentorship. In rural municipalities of South Africa, the absence of youth mentorship has widened the inequality gap and triggered deep youth poverty. This article reinforces the importance of youth mentoring in crucial business aspects such as writing business plans for entrepreneurial success. This study is premised on a positivist paradigm that uses a quantitative research design. The researchers administered twenty questionnaires to youth entrepreneurs in Buffalo City Metropolitan Municipality (BCMM) in the Eastern Cape Province of South Africa to examine whether mentoring the writing of business plans plays an essential role in their entrepreneurial ventures. The results for this article reveal that most youth entrepreneurs do not receive mentoring to boost their entrepreneurial ventures, even though mentoring has been identified as necessary. The report recommends that youth entrepreneurs be mentored to promote their businesses, which will create youth economic development and employment creation in BCMM.

1. Introduction

Mentorship is not a new phenomenon in entrepreneurship and has been regarded as a panacea to mitigating challenges encountered by start-up entrepreneurs (Srivastava, 2013). Maluleke (2016) describes mentoring as an effective way of efficiently keeping entrepreneurs at the top. A mentor plays a critical role in an individual’s entrepreneurial development in this process. The mentor guides entrepreneurs from the start of their business to product development and expansion (Morren, Rozan, Ismail, Uddin & Daud, 2015). Mentors in entrepreneurial ventures act as a ‘sounding board’ as most have been through emerging entrepreneurs’ experiences (Maluleke, 2016). Therefore, there is little doubt that good mentors are almost indispensable for an entrepreneur’s business success. The benefit of mentorship is that it allows one to develop and grow as an independent entrepreneur (Xiao & North, 2017). In light of this, St Jean & Audet (2012) emphasize the importance of mentorship in the development of young entrepreneurs and thus put:

mentored youth develop high self-esteem, self-confidence, improved abilities for goal achievement, problem-solving skills, learning, dealing with change and doing business, enhanced contact network and knowledge and opportunity recognition, and entrepreneurial self-efficacy.

This assertion shows the importance of mentoring the youth in their entrepreneurial ventures to achieve entrepreneurship growth. The Strength, Weaknesses, Opportunities, Threats (SWOT) analysis, as advocated by several authors (Co, Groenewald et al. 2018; Ehlers & Lazenby, 2019), is crucial for identifying personal and career goals that help improve the visibility of the youth in various organizational situations.
Further, SWOT can assist the youth in organizations to engage, reflect, self-evaluate towards understanding the basic entrepreneurial knowledge crucial to driving their businesses.

Globally, mentorship in entrepreneurship receives high appreciation since it is a critical instrument and a driver of long-term economic growth through career advancement and employment creation (Ekpe, Razak, Ismail & Abdullah, 2016; Light & Bhachu, 2017). Global research (Ngate-Ivangui & Dassah, 2019), highlights the importance of entrepreneurial mentorship and its role among youths (Oni, Aghobli & Iwu, 2019). The studies yield that this is predominant in Africa, where the continent's population continues to get younger while struggling to find employment opportunities. In South Africa, youth unemployment accounts for 73 percent of the total unemployment rate or 63.5 percent of the youth unemployment rate (StatsSA 2018). Youth unemployment in South Africa is a burden on the government’s budget that is already constrained (Motala, 2020). Owing to high unemployment South Africa, youth entrepreneurship development plays a critical role in formulating government policy (Shava & Maramura, 2017).

According to the 2014-2015 Global Entrepreneurship Monitor (GEM), South African youth entrepreneurship propensity is the lowest in Africa, at 23.3%, compared to 55.2% in Malawi and 55.4% in Uganda. In addition, the GEM Report also highlights that South African youth entrepreneurship participation is the lowest in the African continent, with only 12.8% compared to other African countries. Even though the South African Government is committed to creating a favorable environment to nurture and support young entrepreneurs in the country, recent studies confirm that young entrepreneurs continue to face various challenges in establishing long-term business ventures (Din, Anuar, & Usman, 2016; Kickul, Griffiths, Bacq & Garud, 2018).

Therefore, mentorship has positive benefits; these benefits can be linked to successful youth entrepreneurship.

Herrington & Kew (2015-2016) noted that South Africa’s economy is not growing compared to other Sub-Saharan countries due to different societal challenges such as poverty, high unemployment, and income inequality, among others. As stated by Nwajuuba et al. (2020), South Africa still ranks very low on start-ups when compared to other emerging market economies. Yet, as pointed out by several authors (Bamford & Bruton, 2019; Barringer & Ireland, 2019; Botha, 2021; Chimucheka, Chinyamurindi & Dodd, 2019), entrepreneurial activities have a favorable impact on economic growth.

The data extracted from the 2015-2016 GEM report revealed that South Africa’s continually low level of Total Entrepreneurial Activity (TEA) rated at 9.2%, which is half the regional average of Africa (Li, Isidor, Dau & Kabst, 2018; Du & O’Connor, 2018). It is vital to foster youth entrepreneurship because they are a vulnerable population group highly affected by unemployment (Herrington & Kew, 2015). Therefore, to solve the problem of escalating unemployment among youth, South Africa has since the late 1990s invested significant resources into growing the entrepreneurial capacities of its citizens, alongside understanding what is required to create an enabling environment for entrepreneurs (Development Bank of South Africa (DBSA), 2011). As noted by Lam, Leibbrandt & Mlatsheni (2008), South African policymakers have attempted to tackle youth unemployment through several mentorship interventions in the past decade. Shava & Chamisa (2018) affirm the various plights of youth entrepreneurs, including not being taken seriously, lack of enterprise culture, lack of access to finance/start-up, and lack of business connections. Despite legal frameworks such as the National Development Plan vision 2030, youth in South Africa still experience youth poverty and inequalities that threaten youth economic development. The absence of a vital mentoring institution negatively impacts youth; hence this study examines how mentoring in BCMM helps achieve youth growth in entrepreneurship. The article responds to the following questions: What is the purpose of mentoring? Do youth entrepreneurs in Buffalo City require mentoring in their entrepreneurial ventures? How does mentoring contribute to the effective entrepreneurial goals of youth entrepreneurs in Buffalo City?

The article is structured as follows. The following section presents the theoretical framework followed by data and methodology. Section four presents the results, followed by a discussion. Finally, the conclusions, limitations and future guidelines are outlined.

2. Theoretical Framework

2.1. Mentor Relationship Theory

The research employs the Mentor Relationship Theory, developed based on ground-breaking research by Kram (1983, 1985, 1996), who defined two types of mentor functions: professional and psychosocial. Mentoring was clarified thanks to this classification of mentor functions, which distinguished it from other types of interpersonal learning interactions.

Career functions are operationalized as mentor behaviors that foster protégés’ career development and advancement, for example; sponsoring, coaching, enhancing visibility and exposure, protecting, and providing challenging assignments (Scandura & Pellegrini, 2007). Career functions help protégés learn organizational rules and culture and assist with planning, networking; and job searching mentors who perform career
functions with protégés; typically, model, coach and give feedback.

Psycho-social functions are intended to foster protégés’ psychological and social development. Mentors perform psycho-social functions when they interact with protégés personally to enhance their self-efficacy, sense of identity and overall job comfort through emotional support (Johnson, 2014). In fulfilling psycho-social functions, mentors may model, counsel, show acceptance and provide confirmation (Ragins & Cotton, 1999); and they may actively listen, criticize constructively and encourage development (Nora & Crisp, 2008). Psycho-social functions are less well-explored than career functions; thus, their potential to support protégés’ development remains unrealized. But psychosocial processes are hypothesised to be essential for protégés’ career development (Clark, Harden & Johnson, 2000). Researchers (Ragins & Cotton, 1999; Ragins & Kram, 2007) have validated the distinction between career and psycho-social functions and their relevance to positive mentoring relationships and desirable protégé outcomes (e.g., self-efficacy, personal development, job knowledge). Other conceptualizations construe mentoring functions somewhat differently, but these perspectives are united in stressing the importance of functions. Scandura (1992), for example, modified Kram’s (1985) theory to emphasize protégés aspirations to become more like their mentors and identified role modeling as a third mentoring function. Kram’s (1985) premise that protégés benefit from mentoring when mentors take professional and psychosocial duties seriously and do them well, is widely supported by research (Scandura & Pellegrini, 2007). The authors also employed the Social Cognitive Theory (SCT) propounded by Albert Bandura. The theory is critically discussed below.

2.2. Social Cognitive Theory

Although many theories relate to mentorship (Haggard, Dougherty, Turban & Wilbanks, 2011), the Social Cognitive Theory situates behavior within a model of interaction and personal (cognitive; affective) behavioral and social or environmental factors. This model emphasizes the importance of proactively shaping one’s thoughts, actions, and environments to achieve desired outcomes. This appears to be a dynamic process highly applicable to entrepreneurship mentoring, where practical skills and attitudes are required to effectively manage business ventures (Rasheed & Rasheed, 2004).

Bandura (1986) postulated three aspects of self-regulation: self-observations, self-judgments, and self-reactions. Key self-regulation processes are goal setting, self-evaluations of progress, and self-efficacy, or beliefs about one’s perceived capabilities to learn or perform actions at designated levels (Bandura, 1997). Individuals enter achievement situations with learning goals and a sense of self-efficacy for attaining them. Bisk (2002) supports these viewpoints by providing the factors that influence the learning process and business development skills - Self-worth, personal advice, value systems, and interpersonal relationships. According to Sullivan (2000), the latter aspect includes friendship, support and acceptance.

Although social cognitive theory stresses the social context of learning, researchers in this tradition have concentrated more on individual learning than how group members coordinate their self-regulated learning. The expanding educational emphasis on collaborative and peer learning aligns well with self-regulated group learning (Rohrbeck, Ginsburg-Block, Fantuzzo & Miller, 2003), mentoring theory and practice (Fletcher & Mullen, 2012). Most importantly, social cognitive theory explains different entrepreneurial behaviour situations based on Ajzen’s (1991) theory of planned behaviour. Thus, according to this theory, individuals will show their entrepreneurial potential if they have confidence, ability, and social support. Therefore, it is required for society as a whole, and institutions in particular, to have positive views toward such an endeavor, for academics to believe they are capable of doing so, and for academic personnel to believe it is innately rewarding.

2.2.1. Key Imperatives in Coaching and Mentoring

Coaching overlaps with mentoring and this not only make it difficult to draw a clear distinction between the two, it leads to a wide-spread misunderstanding and debate surrounding the terms mentoring as well as to definitional confusion regarding the definition of mentoring (Clutterbuck, 2012; Nel, Werner, Du Plessis, Ngalo, Poisat, Sono, Van Hoek & Botha, 2017; Van der Merwe, 2016). Some people use the two interchangeably and refer to coaching and mentoring as one process (Van der Merwe, 2016). Despite the reality that there is not only one definition for mentoring, but it has also been compared with other relational processes such as coaching, counselling, advising, and teaching. Van der Merwe (2016) emphasizes that understanding the fact that the two processes are very different and complimentary. Where mentoring provides the mentee with a guide and advisor to look up to, coaching provides a platform for the individual to unlock their potential (Van der Merwe, 2016). Coaching, therefore, is not the same as mentoring (Kram, 1985). In defining the difference between mentoring and coaching, Clutterbuck (2008) believes that coaching deals with personal development while mentoring is associated with the mentee's much broader holistic career advancement.
3. Data and Methodology

This study adopted a quantitative research method. The researchers opted for group-administered questionnaires by following the guidance of Denscombe (2017). This ensured a very high response, but the researchers could also explain the study’s purpose, relevance, and importance and clarify any respondents' questions (Denscombe, 2017). Since there are no hard and fast rules in designing questionnaires (Wild & Diggines, 2015), this study used a 12-step model adapted from Masha (2014), who modified questionnaire design steps from different authors.

Noting that researchers use relevant literature to plan and construct questionnaires (Johnson & Christensen, 2020), all questions in the administered questionnaire were linked to relevant literature of this study. Data were analyzed using the eight stages of data analysis proposed by Wild and Diggines (2015). The statistical information in this study was generated and tabulated visually using graphic representations, namely, bar charts. Simple descriptive statistics translated the raw data, giving significant insights (Wild & Diggines, 2015). To present findings, the text was used to explain the data since the reader has significance in conveying possible meaning (Du Plooy-Cilliers et al., 2019).

3.1. Sampling

The researchers sampled respondents using a census sampling technique to acquire data from every member of the targeted population (Johnson & Christensen, 2020). By gathering data from the niche group of respondents, we achieved a satisfactory response rate whereby there was the allowance of a confidence level of 95% with a margin of error = 5%.

3.2. Ethical Considerations

After securing ethical clearance for this study, we secured informed consent from all the respondents before data collection could commence. We identified all risks and, through the principle of non-maleficence, did not harm the participants (Bartley & Hashemi, 2021). Since we dealt with people’s personal information, the Protection of Personal Information (POPI) (Act no 4 of 2013) required such information to be treated with respect and ethically. Still on the principle of non-maleficence, we assured all participants of their confidentiality and anonymity in the research study (Babbie, 2021).

4. Results and Discussion

4.1. The need for mentoring

A Likert Scale was used in the questionnaire to establish the purpose of mentoring. According to Zikmund, Babin, Carr & Griffin (2019), with the Likert Scale, respondents indicate their attitudes by checking how strongly they agree or disagree with carefully constructed sentences, ranging from very negative to very positive attitudes towards some object. Therefore, to indicate their level of agreement or disagreement with the following statements regarding the need for a mentoring programme for the success of entrepreneurial ventures, respondents were requested to respond by putting an 'X' on the appropriate number on a scale of 1-5; 5 strongly agree, 4 agree, 3 neutrals, 2 disagree, and 1 strongly disagree. The results are seen below.

![Figure 1. Results from the need for mentoring](image-url)

Figure 1 above shows that all (100%) of the participants agree (agree + strongly agree on each questionnaire item) on the need for mentoring. They all agree that mentoring: has a place in the success of entrepreneurial ventures; is different from coaching; enhances the satisfaction and commitment of entrepreneurs; provides entrepreneurs with a sense of belonging and engagement; increases entrepreneurs’ sense of empowerment; increases one’s sense of business satisfaction and personal...
effectiveness; provides both learning and socio-emotional learning to the mentor-mentee relationship; offers role-modelling, confirmation, and friendship, which help the mentee develop a sense of business identity and competence; provides advice, business career planning and instruction in social-technical and management skills; provides mentees with business career-enhancing functions, exposure, and visibility; all which help the mentees to establish a role, learn the ropes and prepare for advancement.

Closed-ended questionnaires are meant to analyses the results to yield only numbers in the form of percentages. However, respondents in closed-ended questionnaires cannot add their opinions about a particular issue raised by a question or item. Accordingly, this study’s questionnaire incorporated a few open-ended questions to gain additional insights. Results from both closed-ended and open-ended questions show that entrepreneurs are aware of the importance of mentoring and require mentoring.

### 4.2. Achieving Success in Youth Entrepreneurship

This section aimed to test the quality of the features for successful youth entrepreneurship among respondents. According to Zikmund et al. (2019), a summated ratings Likert scale using poor, fair, neutral, good and excellent is used in such instances to measure quality. Therefore, to indicate their level of agreement or disagreement regarding their assessment of the quality of the features for successful youth entrepreneurship, respondents were requested to darken the circle with the appropriate number, on a scale of 1-5, 5 being excellent, 4 good, 3 average, 2 fair and 1 poor. The results are seen in figure 2 below.

![Figure 2. Successful youth entrepreneurship](image)

Figure 2 above shows that the majority (83%) of respondents have good features for successful youth entrepreneurship in the following areas: competencies, characteristics, personality, attitude, creativity, passion and customer care, while 33% of the participants have satisfactory features for successful youth entrepreneurship. The implications of the participants’ ratings on the above points are that respondents seem to be good in terms of the elements for successful youth entrepreneurship.

### 4.3. Mentoring on Requirements of Entrepreneurial Ventures

In this section, the aim was to test the frequency at which entrepreneurs receive mentoring on the requirements of entrepreneurial ventures. According to Zikmund et al. (2019), a summated ratings Likert Scale; never used, rarely, sometimes (neutral), often, and very often; is used to measure the frequency of such occurrences. Therefore, to indicate their level of agreement or disagreement with the following statements regarding the frequency of mentoring on running entrepreneurial ventures, youth entrepreneurs were requested to please tick (□) the items below on a scale of 1-5; 5 being never, 4 rarely, 3 sometimes (neutral), 2 often and 1 very often. The results are seen in Figure 3 below.
Figure 3. Results from the frequency of mentoring

Figure 3 shows that the majority (83%) of the participants disagree (rarely + not at all) that they receive mentoring on requirements of entrepreneurial ventures, which include; business plans, business start-ups for youth entrepreneurial ventures, resource requirements, and legal aspects of an enterprise (Sole proprietor, partnership, companies, close corporations, and informal entrepreneurship). There was a strong emphasis on mentoring in writing business plans.

4.4. Discussion

The study has found a strong need for entrepreneurial mentoring among the youth in BCCM, as it guides new entrepreneurs to start and develop their businesses. The mentoring process is critical for achieving Bandura’s (1986) essential aspects of social learning: self-regulation, self-observations, self-judgments, and self-reactions. These aspects are goal setting, self-evaluations of progress, and self-efficacy or beliefs about one’s perceived capabilities to learn or perform actions at designated levels (Bandura, 1997). Laukhuf & Malone (2015) support the above, providing the factors influencing the learning process and business development skills. These factors include: self-worth, personal advice, value systems and interpersonal relationships. Thus, these aspects are fundamental in developing and empowering the mentees toward their business goals.

The study has also shown that the respondents have good features for successful youth entrepreneurship in the following areas: competencies, characteristics, personality, attitude, creativity, passion and customer care. These features are addressed by the Mentor Relationship Theory, which identifies two broad classes of mentor functions which are career and psycho-social (Kram, 1983, 1985, 1996). According to researchers such as Newman, Obschonka, Schwarz, Cohen & Nielsen (2019) and Baluku, Matagi & Otto (2020), these two mentor functions positively link positive mentoring relationships to desirable outcomes as personal development, self-efficacy and job development.

The survey found a high level of interest in mentoring for entrepreneurial venture requirements such as business plans, company start-ups for junior entrepreneurs, resource requirements, and legal aspects of an enterprise. According to Nabi, Walmisley & Akhtar (2021), youth mentorship fosters knowledge development and socio-emotional functions such as entrepreneurial career development, specialist business knowledge, role model presence, and emotional support. As a result, St Jean and Audet (2012) underline the importance of mentorship in the growth of young entrepreneurs since it fosters self-confidence, self-esteem, goal attainment, enhanced abilities, and measures for dealing with business changes. Therefore, mentorship is essential for nurturing and developing youth interested in business.

5. Conclusions

This research aimed to extend the knowledge on mentorship in youth in a metropolitan municipality. The results of the study indicate many factors affecting youth entrepreneurship in BCMM. These factors relate to the absence of business knowledge, low education levels, and limited platforms to expose youth to entrepreneurial skills and knowledge required to drive innovative ventures. The other question this study sought to respond to relates to mentoring and its usefulness in meeting the entrepreneurial goals of youth entrepreneurs in BCMM. The researchers found that many youths could become entrepreneurs if they had the proper guidance and funding to kick-start their businesses.

The study found it imperative to develop entrepreneurial knowledge among the youth and entrepreneurial programs that link up youngsters with other business organizations such as the
Chamber of Commerce, South African United Business Confederation (SAUBC) and the Global Business Round Table to boost confidence and inspire youth to engage in various entrepreneurial ventures. These interactions also allow youth to experience first-hand the challenges successful entrepreneurs face. Thus, this research contributes to understanding mentoring and coaching as determinants for spearheading youth entrepreneurship in South African municipalities.

5.1. Managerial and Policy Making Directions
This study was quantitative and premised on the Mentor Relationship Theory and Social Cognitive Theories. The analyses of the findings have shown a massive gap in skills mentoring for youth in Buffalo City Municipality. Mentoring youth in entrepreneurship was reiterated as the key to eradicating youth poverty and improving youth empowerment. Ensuring that youth acquire skills to write business plans and understand resource requirements and legal aspects is crucial to sustaining youth empowerment in Buffalo City. The findings of the study point to vital insights for local government officials and policymakers. Given the high unemployment in South Africa, supporting youth entrepreneurship remains a strategic and innovative method for promoting youth development and growth. The study has noted the eagerness of youth in BCMM to indulge in entrepreneurship; however, hindrances that emanate from limited business knowledge start-up capital, among others, adversely affect them. Policymakers are enlightened by a plethora of literature and evaluation reports on how they can help establish government institutions that offer start-up capital to youth. However, criteria must be set to determine those who deserve state support. Furthermore, policymakers would understand the need to promote enabling policies that foster youth entrepreneurship and growth as part of youth empowerment.

5.2. Limitations and Direction for Further Studies
The study was limited by the reliance on surveys which could have left out some critical aspects in examining youth entrepreneurship. Therefore, the findings are generalizable to youth in BCMM who are confronted with challenges such as lack of business mentorship. However, other municipalities experiencing similar challenges can tap into the study recommendations. Therefore, future research on youth entrepreneurship can be qualitative, which is crucial for exploring detailed insights into the feelings of youth regarding mentorship in youth projects as part of poverty alleviation and empowerment.

References


