



Accelerating Women-owned Businesses in Male-dominated Sectors: A South African Case Study

In partnership with:







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Executive Summary

National governments and international organisations are beginning to realise that fostering women's economic development through enterprise creation can positively impact several areas. Firstly, it enhances economic growth and provides employment opportunities for business owners and their employees. Secondly, it improves the social, educational and health status of women and their families. The South African Government has taken bold steps to institutionalise gender equality and women empowerment. However, despite clear evidence that women's economic empowerment is key to inclusive economic growth and job creation, women-owned businesses remain underrepresented in South Africa's critical economic sectors. In this study "Accelerating Women-Owned Businesses in Male-Dominated Sectors in South Africa", we sought to understand the key barriers to the entry and growth of women-owned businesses face in male-dominated sectors such as construction, infrastructure, manufacturing, and agriculture by utilizing both qualitative and quantitative research methods. Furthermore, we sought to explore how we could better support and accelerate the growth of women-owned businesses within these sectors.

Key Findings



Participation

Across vital economic sectors such as agriculture, manufacturing, construction, and infrastructure, participation is more male-dominated than female-dominated, with more than 60% of firms surveyed across these sectors owned by men. Our survey and in-depth interviews further explore the perception of participation in the industries mentioned above. 60% of women entrepreneurs in the agriculture sector, 61.5% in manufacturing, and 44.1% in construction indicated that the participation of women therein had increased slightly. Meanwhile, 37.5% of women in infrastructure stated that the number of women in that sector had stayed the same. 26.9% of the women surveyed in manufacturing indicated that participation in that sector had declined over the past five years. One of the critical reasons for the increase in participation was the development of government policies and interventions. However, the growth is occurring slowly due to the number of barriers women currently navigate.



Motivation for Sector Choice

Before going into entrepreneurship, 58 % of the women surveyed indicated they were employed; 26% were unemployed, 12 % were in school, 2 % were in informal trade, and 2 % preferred not to say. Our study found that pull factors drove women into traditionally male-dominated sectors more than push factors.

The two most cited reasons for sector selection were being passionate about the industry (47%) and observing market opportunities (33%). In addition, the in-depth interviews revealed that exposure to entrepreneurship through one or more of their family members or someone within their communities opened their eyes to the possibility of running their businesses as an alternative to staying in a corporate career.



Barriers to Entry and Growth

Our research showed that the main stumbling blocks which have a high impact on the ability of women to enter male-dominated sectors include high start-up cost (57%), high market competition (37%); stringent government regulations (35%), and lack of access to information (26%). On the other hand, several factors have a high impact on the growth of their businesses: 66% of respondents indicated a lack of access to finance, a lack of access to international and local markets (49% and 46%, respectively), and poor economic conditions (43%), with other respondents indicating that the above factors had medium to no impact on business entry and growth.

Moreover, these challenges tend to be exacerbated by the social and cultural norms that women must navigate, such as a lack of confidence in their technical capabilities and a trade-off between family and business responsibilities having a medium to high impact on business growth. Further, through our interviews, female entrepreneurs cited social networks as a critical ingredient to business success, particularly regarding access to opportunities. However, breaking into the 'old boys club' has proven to be challenging. Through our research, we found that women have pursued different ways of building their social networks by, e.g., collaborating with other women. For the women interviewed, creating meaningful and lasting social networks was based on having soft skills and the ability to speak and sell their business effectively.



Government and Private Sector Support

An equal number of respondents agreed, disagreed, or were neutral (21%) in their response to the following statement "Is the government doing enough to support the increase in participation of women-owned businesses in male-dominated sectors?". Again, 17% of survey respondents strongly agree, and 19% strongly disagree with the statement. The interviews with female entrepreneurs and ecosystem stakeholders revealed that although the government has put in place several policy frameworks to drive increased participation, there was a lack of effective implementation and vetting to ensure that support reaches the intended beneficiary from their perspective. Further, the government does serve as a source of revenue, with 29% of respondents generating income from the public sector.

However, female entrepreneurs cite that projects have dried up since 2010, particularly for entrepreneurs in the construction/infrastructure sector. Furthermore, the research participants highlighted that the private sector needs to be more intentional about unlocking opportunities for female entrepreneurs across the value chain, particularly within strategic portfolios.



The Role of Incubators/Accelerators

61.46 % of female entrepreneurs surveyed indicated that they participated in incubators/accelerators and considered them essential avenues of support. for the sustainable growth of their businesses, particularly regarding access to mentors and building confidence. On the other hand, 38.54 % of female entrepreneurs surveyed indicated that they had not taken part in any incubator/accelerator. Furthermore, 50% of respondents stated that they lacked information about programmes relevant to their industry; 21.43% did not find a programme that met their business needs; 14.29% indicated that they were far from their business premises. The remaining respondents such as not understanding the cited reasons incubators/accelerators for their business (3.57%) and the cost associated with participating in these programmes (7.14%). Interviews with ecosystem stakeholders and women entrepreneurs highlighted that the support for women is disjointed, and there is a need for more demand-driven and sector-focused programmes that provide end-to-end value chain support.



The Role of Mentors

These women have achieved great success in their work, and the support of mentors has been critical to said success. Of those with a mentor/s (55%), 34% received strategic business guidance from their mentors; 42% received business knowledge; their mentors supported 16% in gaining access to the market; 7% achieved access to social networks, and only 1% noted that they accessed funding with the help of their mentors. 38% of the women surveyed indicated that their mentors were male, while 32.6% revealed that they had both male and female mentors. In addition, 38% of the women surveyed indicated that the gender of the mentor matters. The reason cited is that the sectors are still male-dominated, and men have the networks and knowledge to build sustainable businesses within the industry.

On the other hand, women indicated that having a mentor of the same gender with similar lived experiences and who navigated similar challenges was also important. Of the 45 % of respondents who did not have mentors, 51% indicated that they were not enough people willing to mentor women in their sector, and 43.2% stated that they did not know how to find the right mentor. There is a need for mentorship platforms where women can engage with other women within their sector. Further there is a need to connect more successful entrepreneurs with female entrepreneurs which are still early stages of growth.

Despite these barriers, none of the women who participated in our one-on-one interviews showed any signs of backing down. A joint statement through the interviews was, "never give up."



Nonopa Tenza is the owner and co-founder of the Kevinot Group. Established in 2013, the company has assets across farming, hospitality, and real estate. Nonopa and her husband, Dr Kenny Tenza ventured into farming in 2017 after the passing of her father-in-law, who ran a 366ha farm in the Ongeluksnek region of Matatiele, Eastern Cape, for 30 years. Kevinot Farming now operates the farm, using 266ha to grow livestock feed, and the remaining 100ha to grow crops. The business currently employs four permanent and 10 seasonal workers.

A trained accountant with a solid background in banking, Nonopa refers to herself as a serial entrepreneur. Her interest in entrepreneurship began when she worked as a manager of a Wimpy immediately after university, where she learnt different aspects of the business. However, after struggling to find a suitable helper to take care of her house, she was motivated to start a call a maid cleaning business called Superchar, which employed 10 people. She later sold the business when she received another opportunity, which took her to Johannesburg.

Like so many other women entrepreneurs in the agriculture sector, Nonopa has had her fair share of challenges. In the beginning, Kevinot had a low level of production, as they were using manual labour and had to invest in farming equipment. The equipment was very expensive and obtaining funding as a start-up was difficult. Access to markets remains a hurdle to growing her business, and land isn't very affordable. In addition, as a black female leader in the agriculture sector, she still faces stereotypes and biases.

Throughout her journey, Nonopa has seen the benefits of having corporate experience, as there are skills and expertise that one can garner from this environment that are useful in entrepreneurship. She highlights the need for both government and the private sector to provide women with targeted support. She adds that networking events that create awareness of the sector can increase female participation therein, and that mentorship is imperative to help female entrepreneurs grow. She also sees a lot of value in being part of a farmers' stokvel.

Her advice to other women entrepreneurs in agriculture is that they need to keep abreast of what is happening in the sector. "Women need to be able to tap into the community of farmers and not operate in isolation," she concludes.





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Sewela Setshogoe, Lefata Engineering

Rustenburg, Northwest

Sewela Setshogoe owns Lefata Engineering, which she started in 2016. The company provides civil, electrical, and mechanical engineering services. Sewela is also a member of Women in Mining UK (WiMUK), WiMSA, and Future Females, and has a demonstrated history of success in the mining, engineering, and maintenance industries. She started her business after identifying a need for high-quality and affordable solutions within the mining industry's engineering sub-sector.

Sewela had very quickly climbed the corporate ladder in her full-time job and felt as though there wasn't much room for further growth. However, she wanted more for herself, so she began to think along the lines of job creation and changing other people's lives, which motivated her to start her own business. Sewela had never been exposed to entrepreneurship, but with her engineering background and the full support of her family, she made a smooth transition from employee to entrepreneur. She later decided to resign from her full-time job to focus on her business.

As a female entrepreneur in a male-dominated sector. Sewela has faced a number of challenges, such as stereotypes and biases, as well as gaining access to funding and markets, Being technically inclined and having a hands-on approach to business helped her to come up with solutions to these barriers. She made an effort to fully understand the technical aspects of her business and knocked on many doors to create more opportunities for herself. In addition, collaboration with other more experienced businesses in the sector helped her to create several networks. Sewela is of the opinion that the construction industry is still dominated by men and that it requires the intervention of both government and the private sector. "Women are underrepresented in the industry because they do not receive the necessary support to access markets and grow their businesses." she laments. Sewela advocates for the inclusion of young and aspiring female entrepreneurs in the industry, and part of her work involves supporting and coaching these women. She believes that women are the future of economic transformation, and that they can offer much-needed leadership in South Africa's business and social landscapes. Her definition of success is growth and being able to use what you have learnt, your experiences and your challenges, to help other entrepreneurs overcome the difficulties that come with starting a business. She looks forward to the future and plans to create at least 200 sustainable jobs for youths, and venture into the green energy sector.

Sewela's advice to business owners who are just starting out is to stay resilient through adversity, and to innovate and create solutions for both local and international markets. Most of all, she encourages them to support other entrepreneurs while working to achieve their own business goals.





Thozama Gomba and Lwazi Lutya are the founders and owners of Zamava Construction and Projects, which provides civil works and plumbing services. They started doing business in 2018, and formally registered their company in 2019. Currently, they are working on big projects in different provinces, such as entire bathroom interior installations and renovations. They have one permanent employee and hire part-time staff as the need arises.

Thozama and Lwazi had no experience in the construction sector prior to starting their business and worked in retail. It was only after obtaining learnerships in the field that they began to learn about construction and plumbing. After displaying great commitment and potential for growth, their learnerships were extended to three years, which resulted in them obtaining qualifications in their field. This opened their eyes to the sector's lack of formally registered plumbers who were skilled in the latest plumbing technology.

In 2019, in an effort to gain first-hand experience, Thozama and Lwazi began rendering free plumbing services in their hometown of Kagiso in Krugersdorp. In the process of growing their business, they have faced challenges such as the pricing of services, a lack of access to finance, stereotypes, and the fact that their line of work is very labour-intensive. However, the two women came up with creative ways to make their work easier, improved their skills and the quality of their offering, and now allow their work to speak for itself.

Thozama and Lwazi are advocates for women empowerment, particularly in male-dominated sectors. They say that construction sites need to be made suitable for female workers, who must also be treated as equal to their male counterparts. They also believe that women have the emotional and psychological strength to run their own businesses and emphasise that true strength is found in the mind, thus much can be achieved through the power of positive thinking.

Through their participation in an incubation programme, Thozama and Lwazi have improved the management of their business's paperwork and are now confident in their abilities to handle compliance requirements. They emphasise the importance of being mentored by both men and women in incubation programmes, as it allows you to gain knowledge of the sector from different perspectives.

As their skills have developed, so too has their pipeline of clients across different provinces. Thozama and Lwazi are excited about the future, seeing their business grow, and creating jobs. They have plans to further their education and eventually open a technical training college.







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