

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

**Exploring Entrepreneurial Intentions of MBA
Students in light of the Shapero
Entrepreneurship Event Theory**

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ABSTRACT

Small businesses are an indispensable conduit that allow for millions of people to enter the economic and social mainstream of a society by creating sustainable employment and decreasing poverty. This makes entrepreneurs the heroes of society, they are central to value creation, and reside at the heart of economic evolution. In order for South Africa to reach its national development objectives of true economic growth, the country will have to enable more entrepreneurs.

This study used the Shapero Entrepreneurial Event Model to gauge the entrepreneurial intentions of South African MBA students. The Shapero Model is a parsimonious intentions tool that has high predictive power on whether or not individuals will discharge entrepreneurial behaviour. The dependent variable of Entrepreneurial Intention was regressed against the independent constructs of Perceived Desirability, Propensity to Act and Perceived Feasibility in order to assess the entrepreneurial intention of South African MBA Students.

The study found that only Perceived Desirability and Propensity to Act had a significant predictive power of Entrepreneurial Intention when the entire Shapero Model was taken into account. Perceived Feasibility was found to be insignificant. Perceived feasibility is a function of the context and the environment and as such it appears that these are yet to be fully accessible to future entrepreneurs in South Africa. This has relevance to policy makers and all stakeholders within the Entrepreneurship Ecosystem. In general, the study found that participants wanted to become entrepreneurs in order to attain self-realisation as well as to do the work they like. This is a noteworthy point of departure.

KEYWORDS

Entrepreneurship

Intentions

Entrepreneurial Intention

Shapero Entrepreneurial Event

Perceived Feasibility

Perceived Desirability

Propensity to Act

Acronyms

SMME -	Small Micro Medium Enterprises
GDP -	Gross Domestic Product
NPC -	National Planning Commission
NDP - -	National Development Plan
GEM -	Global Entrepreneurship Monitor
SADC -	Southern African Development Community
TEA -	Total Entrepreneurship Activity
m -	million
MBA -	Masters in Business Administration
GIBS -	Gordon Institute of Business Science
SAICA -	South African Institute of Chartered Accountants
SEDA -	Small Enterprise Development Agency
TPB -	Theory of Planned Behaviour
SEE -	Shapero Entrepreneurial Event
GMAC -	Graduate Management Admission Council

DECLARATION

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

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1. INTRODUCTION TO RESEARCH PROBLEM

1.1. Introduction

The South African Ministry of Trade and Industry has estimated that Small Micro Medium Enterprises (SMMEs) contribute 52% to 57% to Gross Domestic Product (GDP) and has further put the number of SMMEs in South Africa at 2, 8 million and their contribution to employment at 60% (Groepe, 2015). As impressive as these statistics may be, the country suffers from a 26.6% rate of unemployment (Kazemi, 2016). The National Development Plan (NDP) forecasts that by 2030, 90% of all new jobs will be created by the SMME sector (National Planning Commission, 2010). Therefore small businesses will play a critical role in creating employment and a thriving economy.

The Reserve Bank of South Africa identifies two main contributions made by small business in South Africa, that is: small business plays an integral part in innovation; it introduces technology that helps societies improve and as a by-product supports productive growth in a nation. Small business also acts as an indispensable conduit that allows millions of people to enter the economic and social mainstream of a society and is particularly proficient at creating opportunities for women, immigrants and minority groups (Groepe, 2015). With so much positive impact made by small business in the country, enabling more entrepreneurs who will create these small businesses should be of uppermost priority for the Government and for the economy. According to Nieman and Nieuwenhuizen (2015), “The entrepreneur is the true hero of society, is central to value creation, drives capital markets and is the heart of economic evolution” (p.3). The South African entrepreneurial context is contrasting according to the Ernst and Young G20 Entrepreneur Barometer (Sedov, 2013), it is characterised by an environment that supports entrepreneurial culture; where it is easy to start a business (in comparison to countries like Brazil, India, China and Russia) but, access to funding is still difficult and expensive. To emphasise this contradiction, the Global Entrepreneurship Monitor (GEM) approximated that 45% of South Africa’s GDP is created by SMMEs (Park, Razak, & Herrington, 2015). GEM reports that on overall self-perception, when it pertained to entrepreneurial intentions, only 10% of South Africans have a desire to start a business. This is besides the 76.1% of South Africans who regard entrepreneurs as having a high status in society or the 73.8% who

regarded entrepreneurship as a good career choice. This raises the natural question of why the discrepancy?

Generally, and in response to the above, both studies emphasise the need for countries to do more in order to promote entrepreneurship as a credible career path. In support, the collaborators of the GEM Report recognise the interdependency of entrepreneurship and the economic condition of a nation (Park et al., 2015).

The National Planning Commissioning, through the NDP, projects that the South African economy needs to grow up to three times its size, by growing 5.4% per annum, until 2030; that the unemployment of 25%, now at 26.6%, should fall to 6% by 2030 and that salaries should double (National Planning Commission, 2010). Currently, 39% of South Africans live on or below \$1.25 per day (Bank, 2016) which equates to R17.40 per day. South Africa remains a highly unequal society, the GINI coefficient currently sits at approximately 0.7 (Bank, 2016) making social mobility almost impossible. A great deal of job and employment creation will have to come from future entrepreneurial endeavours. As illustrated in both the Ernst and Young Report (Sedov, 2013), the GEM Report (Park et al., 2015) the NDP (National Planning Commission, 2010) and the Reserve Bank of South Africa (Groepe, 2015) the more that people intend to be and eventually become entrepreneurs, the better it is for the society's economic outcomes.

1.2. The Need for Employment and the Economy

The 'Schumpeter Effect' is understood to be the process involving entrepreneurial activity that reduces the unemployment situation in the economy (Jayeoba, 2015). The idea is that as new businesses are set up, employment opportunities will arise and unemployment will decrease. South Africa is a developing country characterised by high inequality as well as a high unemployment rate. The Landscape Small to Medium Enterprises (SME's) report details that approximately 35.9% of the South African population currently lives below the national poverty line, this necessitates that the goals of skills development and job creation should be regarded as important developmental aspects of the government in order to facilitate the Schumpeter Effect (Gossouw; Luprini & Ordman, 2015). Further, it is anticipated that the South African economy will only grow between 0 and 0.4% in 2016 unlike the ideal of 5.4% as expected by the NDP (Bank, 2016). These indicators amplify the need for entrepreneurial action that will improve the South African economy. Thus, understanding entrepreneurial intention seems to be the natural next step on the road

to creating more entrepreneurs in the country (Fini, Grimaldi, Marzocchi, & Sobrero, 2009).

According to the PwC Emerging Companies Landscape, the state of entrepreneurship in South Africa, in comparison with neighbouring Southern African Development Community (SADC) countries, is the poorest (Botha, van Dijk, & de Rijk-Uys, 2015). That is, early stage entrepreneurial development is still the lowest with the loss of business outnumbering the number of new entrants (Botha et al., 2015). This is despite South Africa being the second largest economy in Africa.

Sautet (2013), further emphasises the need to have local and systematic entrepreneurship as that is what effectively stimulates the economy. There is therefore a case to first understand the formation of future enterprises which will play a crucial role in supporting that national growth of the country (Sautet, 2013). Lastly, studies by Gerry and Susana, (2008) as well as Ngugi, Gakure, Waithaka and Kiwara (2012) share a common understanding in that there is a greater chance that students leaving university will start micro – small enterprises (Gerry, Susana, & Nogueira, 2008) or small ventures (Ngugi, Gakure, Waithaka, & Kiwara, 2012) which provide opportunities for employment creation and thus enhancing and bettering the national and regional economies.

1.3. Entrepreneurial Intentions

Krueger, Reilly and Carsrud (2000) pose the question of why intentions are interesting to those who care about new venture creation. The answer lies within the idea that the opportunity identification process of starting a business is intentional and thus entrepreneurial intentions have merit; as they offer a better means of explaining and predicting entrepreneurship because business does not start as a reflex.

Intention models can be used to describe how entrepreneurial intentions are formed, how education and training influence entrepreneurial intentions and how existing entrepreneurs plan to grow their businesses. Intention models assist in creating the understanding behind the motives in business decisions (Ngugi et al., 2012). With a full understanding of intentions, carefully planned interventions aimed towards would be and existing entrepreneurs can be carefully constructed. The study of entrepreneurial intention is recognised as the first step in understanding how new ventures are formed. When considering the entrepreneurial construct, intentions are the representation of a person's conviction to start a business, whilst consciously planning to open that venture

at a future point in time (Kibler, 2013). Therefore, understanding entrepreneurial intentions assists this study in foregrounding an understanding of the plans that individuals may have to start these much-needed businesses, and this information can help the various stakeholders who shape policy to create an enabling environment for entrepreneurial practice and support.

The PwC Emerging Companies Landscape show that of the 534 various start-ups surveyed (ranging between less than R1mil to R100m in revenue per annum) it was found that 75% of the respondents had some form of tertiary qualification, of which two-thirds had post graduate degree (Botha, van Dijk, & de Rijk-Uys, 2015) . These findings agree with the GEM report which found that the majority of South African early stage entrepreneurs had some form of secondary education (Park et al., 2015). Research conducted by Myers (2016) demonstrates that students engaged in business studies show a strong propensity for entrepreneurial leadership. Thus, MBA students, in comparison with other students, seem as the more viable population to investigate when questioning their entrepreneurial intent.

1.4. Research Objectives

This study aims to investigate the application of the Shapero Entrepreneurial Event Model (Shapero & Sokol, 1982) in explaining or expounding upon the entrepreneurial intentions harboured by South Africans in the context of a business school. The Shapero Entrepreneurial Event Model is strictly an entrepreneurial intention model, unlike the more popular Theory of Planned Behaviour Model which is a generic intentions based model (Krueger, Reilly, & Carsrud, 2000).

The focus of this study is on the entrepreneur who will form a scalable venture (Mogorosi & Kreil, 2015), one that will create the economic contribution necessary for the country's growth and also one that will create realisable and sustainable employment. Stel, Carree and Thurik (2003) through their studies on Total Entrepreneur Activity (TEA) show that new and small businesses can contribute significantly to job creation. While it is vitally important to encourage the formation of new SMEs, the research indicates that they only start to meaningfully contribute to job creation when they grow to R2m or more in turnover). The larger the SME, the more likely it is to employ significant numbers of people (Mogorosi & Kreil, 2015).

Hall, Matos, Shehan and Silvestree (2012) categorise entrepreneurship into three categories: productive, destructive and unproductive entrepreneurship. Productive

entrepreneurship includes those activities which are socially beneficial, derived from new ways of doing business or improved technology. Destructive entrepreneurship is detrimental to society and includes such activities as crime and unproductive entrepreneurship consists of activities that do not add value to society but take away from it like someone who exploits a legality to make more money. This study will focus on those entrepreneurial activities which are productive.

In light of the above, it is worth investigating the formation of entrepreneurship in the South African context. The purpose of the research can be stated as Exploring the likelihood of new entrepreneurship forming within South Africa. The aim can be thought of as an exploration of the Entrepreneurial Intentions of MBA Students using the Shapero Entrepreneurial Event Theory. This will be done by establishing a holistic view of entrepreneurial intentions which are purposed to provide information around future entrepreneurial ventures or also serve as an indication of future business ambition for the South African entrepreneurial context by assessing the new venture ambitions of MBA students.

The objectives which the study aims to address include:

Objective One: The effect of perceived desirability on entrepreneurial intentions of MBA students?

Objective Two: The effect of propensity to act on entrepreneurial intentions of MBA students?

Objective Three: The effect of perceived feasibility on entrepreneurial intentions of MBA students?

1.5. Chapter Conclusion

Small business will continue to play a critical role in creating employment in South Africa. These businesses contribute significantly to economic growth and currently contribute at least 52% towards the South African GDP. Therefore, enabling more entrepreneurs who can create these small businesses will become an imperative for the achievement of the country's national development goals. In order to understand the driving forces behind the formation of these new ventures, an in depth study of entrepreneurial intentions will be employed. Intention studies have been found to offer

robust prediction abilities to future behaviours (Peng, Lu, & Kang, 2012), and as such should provide those necessary keys that will drive the creation of policy which will support the creation and sustenance of small businesses – which should drive economic growth and create sustainable employment opportunities for South Africa.

2. LITERATURE REVIEW

2.1. Chapter Introduction

Many scholarly articles credit entrepreneurs as catalysts that build, grow and develop national economies. As expressed in the preceding chapter, the need for understanding entrepreneurial intentions, as an indication of South Africa's future entrepreneurial endeavours, motivates the study. This chapter will further the objectives by looking into theoretical and research works conducted around entrepreneurship with a focus on entrepreneurial intentions as the precursor to entrepreneurial activity.

2.2. Entrepreneurship

Timmons (1999) states that successful entrepreneurs share common behaviours as well as attitudes, they are: hardworking, determined, show perseverance, are optimistic, show integrity, always look for opportunities, are effective and use failure as motivation. Interestingly, those who have been successful always attribute their success to attitudes and behaviours. Entrepreneurship can thus be summarised as a succession of activities, actioned by an individual who is called an entrepreneur in order to attain particular objectives.

Ngugi et al. (2012) consider entrepreneurship as an engine of economic growth and as an "important vocational option" (p.126). Krueger et al. (2000) describe entrepreneurship as a way of thinking which emphasises opportunities over threats. Entrepreneurship is an economic equaliser as it is a mobiliser of opportunities as proposed by Timmons (1999); "no other institutional process offers the chance for self-sufficiency, self-determination and economic improvement than the entrepreneurship process" (p.16). Allen (2015) defines entrepreneurship as a way of thinking that is opportunity focused and further adds that what sets entrepreneurs apart from others are traits such as, perceiving, assessing and then making use of business opportunities, they take risks and over time exert effort and resources in order to build innovative businesses.

Entrepreneurship is therefore a personal journey. This study considers entrepreneurship as the personal journey which an individual traverses, taken to create a new business for economic growth (Guerrero, Rialp, & Urbano, 2008). Ultimately, the new business should have the potential to be scalable as well as the promise to employ people within a foreseeable future. This has particular significance for South

Africa as most small businesses do not grow and cannot create employment (Makina, Fanta, Mutsonziwa, Khumalo, & Maposa, 2015), whilst 75% of all small businesses which start are known to fail (Fatoki & Odeyemi, 2010). It has been found that only registered businesses will create meaningful employment in South Africa (Grundling & Kaseke, 2010). There is, therefore, a need to obtain an understanding in the South African business context and comprehend its operating nuances.

2.3. The South African Context of Entrepreneurship

The South African government has identified small business as the force that will power economic growth (Grundling & Kaseke, 2010). In response to this need, the National Small Business Act and the Accelerated Shared Growth Initiative of South Africa (AsgiSA) were launched as initiatives which will propel small businesses to grow and make them viable economic contributors. In addition to this, the South African government has also established a Ministry of Small Business Development that focuses on the SMME sector. Stimulating growth and sustainability in the sector was an important milestone in Government's effort to give effect to the recommendations of the National Development Plan (Mogorosi & Kreil, 2015).

Even with the structural reform introduced by the South African government, there is still a need for more qualified, or at least more trained entrepreneurs, as advised by the South Africa Institute of Chartered Accountants (SAICA) (Mogorosi & Kreil, 2015) which indicate gaps in terms of:

- Accounting and reporting
- Risk identification and management
- General business advice
- Cash-flow management and
- Funding sourcing

The study reports that the main reasons for SMEs' business failures are overwhelmingly cash-flow related. From the view of the SMEs; they start with too little capital, then collect debts late, they are then subject to bad debts, overhead levels are too high and they are victims of the risks they have not even identified. Effectively, a lack of financial planning and control are at the heart of many of their problems. Research that SAICA previously undertook with the major lenders to SMEs also confirmed this particular concern. Clearly, a fair amount of education, especially around the topic of financial management, is required in order to run a start-up business.

Makina, Fanta, Mutsonziwa, Khumalo and Maposa (2015) add that lack of funding is the biggest reported inhibitor of entrepreneurship in South Africa, with many small businesses struggling to obtain funding. In further response to this plight, the South African Government has created more financial support for small business, through organisations such as Small Enterprise Development Agency (SEDA), Khula Enterprises and Ntsika Enterprise Promotion Agency as well as issuing guidelines for state organs on how to deal with small business funding. More importantly, the Government has identified SMME development as a key aspect of economic development, poverty alleviation and as a job creation strategy. The Global Entrepreneurship Monitor, categorises South Africa as an efficiency driven economy characterised by a low number of necessity entrepreneurs (Park et al., 2015). The authors report that entrepreneurial activity dropped from 10% to 7% in 2014, which shows that although there is interest in starting a business, the self-confidence to start is low in comparison to other Sub-Saharan countries. The report confirms the high number of business failures and also cites finance and poor profitability as a big reason for start-up failure. The report credits South Africa as having good infrastructure as well as good banking institutions as the enablers of entrepreneurship, whilst the constraints can be thought of as an inadequately educated workforce, inefficient government bureaucracy, crime and stifling labour laws – in 2014 the report could not find enough government agencies that supported entrepreneurship. In general, environmental factors that influence entrepreneurship include but are not limited to: government policies, funding, infrastructure, investors, corporation between industries, universities and openness to the external environment (Parente & Feola, 2013),

2.4. The Entrepreneur

Othman, Ghazali and Yeong (2006) define the entrepreneur as a person who identifies an opportunity and thereafter creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth. This will be the definition which shall be carried throughout this study. Douglas and Shepherd (2002) discuss that the decision to become an entrepreneur may be modelled as a utility maximising choice, which individuals may choose to become entrepreneurs as a result of the total utility they can develop, the authors further add that the intention towards entrepreneurship is stronger for individuals with positive attitudes to risk and independence.

Entrepreneurs are further characterised as having a McClelland's need for achievement (Okhomina, 2010), they take initiative, are creative, take risks, are self-confident, have a high internal locus of control and autonomy. The Global

Entrepreneurship Monitor characterises the South African entrepreneur as males (although more women have become entrepreneurs), who are between the ages of 25 – 45, who live in an urban area with a secondary or even tertiary level of education.

2.5. Social Capital

Personal networks are known to assist entrepreneurs in creating successful businesses (Tatarko & Schmidt, 2016), This is known as Social Capital. Social Capital is known as one of the most important considerations which facilitate good business progress. The authors define an individual's social capital as a person's access to different resources based on their social relations.

Social Capital and Financial Capital play an important role when one is opening a new business. So, there is reason to believe that one's social capital can influence the intention to start a business; this is because there may be an increased perception of behavioural control (Tatarko & Schmidt, 2016). Social values towards entrepreneurship may vary all around the world including how entrepreneurship is taught through family knowledge, culture, perceptions of education institutions (Nabi & Liñán, 2011).

2.6. Opportunity Recognition

Matos, Sheehan and Silverstre (2012) consider entrepreneurship as a set of creative actions of building something that did not exist before, by perceiving an opportunity that may be ignored by the environment.

Entrepreneurs are known to exploit identified opportunities (Parente & Feola, 2013) . An opportunity can be considered to be something that is not always pre-existing but somehow, created by the entrepreneur as they trudge along their path of action. That is to say that opportunity is endogenous as opposed to exogenous as previously understood. This makes the identification of opportunities a somewhat random, unplanned process which can also be subjective. Baron and Ensley (2006) describe the activity of opportunity recognition as a cognitive process, one that involves pattern recognition where individuals are able to pick up trends from situations that may appear to be independent of other people. Therefore, an individual's experience and background play a large role in their being able to recognise and identify entrepreneurial opportunities.

2.7. Education

Robinson and Sexton (1994), in an empirical study, found that the number of years spent by an individual in formal education increases their likelihood of being entrepreneurs. In fact, the longer the formal education, the more successful the individual should be. Therefore, education has a strong positive influence on being a successful entrepreneur. Vasiliadis and Poullos (2007) introduce the idea that companies which are established by university graduates have a higher survival rate and better profits. Nabi and Linan (2011), report on moderating the effect of higher education on entrepreneurial intentions and find that students with tertiary education tend to have higher entrepreneurial intent as well as a higher risk. In support, Murugesan and Jayavelu (2015) assert that entrepreneurship education as well as entrepreneurship courses have progressively led to a positive influence on students to develop entrepreneurial intentions and the desire to start up their own businesses. They show that graduates who major in entrepreneurial studies are more prone to start businesses and have stronger entrepreneurial intentions

The impact of entrepreneurship education as examined by Rauch and Hulsink (2015) shows that it is useful and that there is a significant improvement of attitudes and perceived behavioural control when a student has participated in entrepreneurship education. Although people tend to question a graduate's path when it does not necessarily lead to employment as others disregard self-employment (Mwaslwiba, 2012). It has been found that entrepreneurial education has an effect on the overall perception of entrepreneurship and should assist to strengthen the intention. In this perspective, the argument can be made to say that entrepreneurial intentions can be influenced by the amount of education which a person has.

Education can also be thought of as a displacement event, which is a type of event which acts as a trigger of entrepreneurial intention into entrepreneurial behaviour. Education serves as an influence as it is a tool which can be used to demystify the entrepreneurial landscape and can also offer tools such as financial skills which could assist a future entrepreneur in running their business (Rambe, Ndofirepi, & Dzansi, 2015). Rambe, Ndofirepi and Dzansi (2015) have also recognised other influences such as regional factors, prior experiences, human capital and social capital which like education can act to shape an individual's entrepreneurial intentions. The study will look at the intentions of students as they may have already experienced their

displacement event through their education and entrepreneurship may become their new career goal.

The importance of education is emphasised by Luthje and Franke (2003) who found that a lack of entrepreneurship education decreased the level of entrepreneurship intentions in students and further found that attitudes towards entrepreneurship provide a good indication of how attractive a person will find entrepreneurship to be.

2.8. Entrepreneurial Intentions

Intentional models offer a clear, exact and thorough framework for understanding the entrepreneurial process (Krueger, 1993). In their study, Murugesan and Jayavelu (2015), report that empirical results show behaviour is successfully predicted by intentions, behaviour is influenced by attitudes and it is those attitudes that are successful at predicting intentions. Having an intention inclined towards entrepreneurship will have influence on how one will act around forming a business, often the behaviour will be in favour of starting a venture. .

Nabi and Linan (2015) explain entrepreneurial intentions as a, “Conscious awareness and conviction” (p.327) which an individual possesses with the intention of starting a business sometime in the future. Fini et al. (2009) defined entrepreneurial intention as, “A cognitive representation of the actions to be implemented by individuals to either establish new independent ventures or to create new value within existing companies” (p.4). In support of this, Krueger et al. (2000) add that businesses are started on purpose and not by reflex, emphasising that the opportunity identification which leads to entrepreneurship is intentional. It is thus important to understand the factors that contribute to influence entrepreneurship intention if this is where the motivation for future entrepreneurship lies (Rambe et al., 2015).

Trait studies as conducted by Gartner in 1998 qualified that factors such as traits, demographics and others known as exogenous variables, are attributed to indirect influences on entrepreneurial intentions (Krueger & Brazeal, 1994). Entrepreneurial self-efficacy is understood to be the explanatory variable that determines the strength of entrepreneurial intention, it can also be thought of as the probability of the intention being carried out (Sušanj, 2015).

2.9. Intentions

Work conducted within the studies of social psychology by researchers such as Ajzen and Shapero show that intentions provide critical insights into behaviour processes (Ajzen, 1987, Shapero, 1975). They empirically demonstrate that intentions successfully predict behaviour whilst attitudes successfully predict intentions. Ajzen's (1987) studies emphasise the importance of intentions as a precursor towards a purposive behaviour. Intentions assist in the understanding of experiences, correlations and consequences of behaviours. Intentions represent a form of commitment. For entrepreneurship, intentions help to explain why and how a business gets formed. Intentions precede a planned action; the plan will follow as long as the intention is there. In this light, "since starting a business constitutes a complex, distal behaviour, intentions (end) and the plan (means) will likely co-evolve" (Kreuger, 1993, p.6.).

Intentions are the prediction of planned behaviour, they predict a person's readiness to act (Kibler, 2012). Since the 1980s, scholars such as Ajzen, Fishbein, and Bagozzi, have all worked to prove that a person's intentions offer the best estimate towards the discharge of their behaviour (Fini, Grimaldi, Marzocchi, & Sobrero, 2009). Intentions are the best predictor of how a person will behave when they have to make a choice about something as intentions precede the behaviour, the stronger the intention, the more likely the behaviour will take place (Ajzen, 1991). Ngugi et al. (2012) summarise that intentions are a form of commitment to a future plan or action or behaviour.

The general understanding of the argument on intentions is that intentions are motivated by attitudes and behaviours. This led to the development of many models which sought to understand exactly how these attitudes and behaviours come into being. The models include the Internal Basic Model (2000), the Shapero and Sokol Entrepreneurial Event Model (1982), Ajzen's Theory of Planned Behaviour (1991), the Entrepreneurial Potential Model (1994), the Entrepreneurial Attitude Orientation Model (1991), Bird Theory of Intentionality (1988) as well as Davidson's Model (1995) (Krueger, Reilly, & Carsrud, 2000). These models view attitudes and behaviour from perspectives such as feasibility, desirability, achievement, personal control, self-esteem, innovation, personal relations, the general state of mind, economic and psychological factors (Giagtzi, 2013). The most widely accepted theory, which can also be considered the best predictor of intention is Ajzen's Theory of Planned Behaviour (TPB) (Krueger et al., 2000). As previously introduced, the Theory of Planned Behaviour proposed that a person's intention is dependent on their attitudes towards their behaviour, the subjective norm and the perceived behavioural control (Giagtzi,

2013; Kibler, 2012; Ngugi et al., 2012; Rusteberg, 2014). Although the Theory of Planned behaviour Intention Model is the most widely used model for predicting intentions, the Shapero Entrepreneurial Event Model is an intention model which is especially suited for the predicting entrepreneurial intentions as it has a better explaining power (Guerrero et al., 2008; N. F. Krueger et al., 2000).

An interesting element, which is different from Entrepreneurial Intentions, is called Entrepreneurial Commitment (Parente & Feola, 2013). This is considered to be the next step after entrepreneurial intention as it is the active assessment of the feasibility of the business and whether it is worth investing resources into it. Commitment may be jeopardised by the environment and the context within which a venture may be formed. Entrepreneurial commitment should then be seen as an extension of intention. Commitment and intention thus go hand in hand; if a person intends to start a business then they should be committed to seeing it through. Thus, the energy which one puts into starting a business should be considered as a measure of commitment (Parente & Feola, 2013).

Risk is also a consideration when entrepreneurial intention is taken into account. A risk taking attitude can be thought of as the ability to tolerate ambiguity, the personal locus of control and trust in one's own abilities; cognitive and otherwise (Parente & Feola, 2013). Cognitive abilities as well as environmental factors are also taken into consideration as possible influences on intentions.

Krueger (1993) outlines that starting a business is not stimulus response behaviour, it is a planned behaviour which needs to be understood from the initiation process and intentions are the best predictor of this planned behaviour. Intentions establish the initial key characteristics of a future business through a business plan.

Intentions thus offer the best means of predictive validity, they also help in explaining and modelling why entrepreneurs will scan for opportunities long after they have decided to start their businesses (Krueger., et al, 2000). Najafabadi, Zamani and Mirdamadi (2016) argue that some entrepreneurs in fact, had in the past no intention of starting a business whilst there are people who showed high intent to start a business but have never started these businesses. Therefore, intention cannot always be generalisable although it is still the best means of predicting entrepreneurship.

2.10. Intentions Models

One model used for assessing intentions is known as the TPB. According to this theory, intentions are made up of three constructs namely: attitudes, subjective norms,

and perceived behavioural control. Ajzen (1991) attributes intentions fully to consequential behaviour and as a result, holding a certain attitude towards the behaviour can influence and affect the intention. Behaviour is then classified into two components: attitude based on expectancies and attitude based on social norms, Theory of Planned behaviour then adds a third; attitude of perceived behavioural control – all these attitudes are then linked to intention; in this case, intention is thought of that which is made to start a new venture. Fini et al. (2009) include two additional domains made up of the individual and environmental domain which can also act to influence behaviour. The individual domain includes factors such as demographics, personal traits, skills, knowledge, individual psychology and networks. The other domain is made up of factors such as environmental influences and support. These domains have no direct influence on intentions if not viewed from a theoretical construct (Fini et al., 2009).

Vinogradov, Kolvereid and Timoshenk,(2013) point out that TPB is under volitional control, that the individual in question can decide to either perform or not perform a behaviour, this notion is jeopardised when a person becomes an entrepreneur because they have no choice around the matter – the assumption of volitional control may be jeopardised. This marks the difference between necessity driven and opportunity driven entrepreneurs (Park et al., 2015). Vinogradov et al. (2013) further argue that both necessity driven and opportunity driven entrepreneurs still have a choice in whether to start a business or not.

Quan (2012) reported on the findings of Krueger et al.'s (2000) study which, contrasts intentions models. The study found that the Shapero Entrepreneurial Event Model had a little more explaining power on Entrepreneurial Intention even though the TPB was sufficient. Quan (2012) further argues that a social psychological variable like Entrepreneurial Intention had some inconsistencies in their predicting whether a business will start or not. This is largely because results of some empirical tests found that intention was not always a good predictor of starting a business. Najafabadi et al. (2016) extend the argument by impressing that even though Shapero's Model and TPB may not account for all entrepreneurial intent because the constructs may not answer or explain everything, especially why some individuals eventually start their businesses even though they demonstrated the desire or why individuals who never demonstrated a desire end up starting a business, there is room for understanding volitional control. Moreover, even if the intention is a good independent variable, it is interesting to note that some individuals may have intention but never end up starting a business.

Intentions though are still a good starting ground as they explain about 30% variance as a predictor of starting a business Krueger et al. (2000).

Quan (2012) therefore summarises that intention may not have a homogenous meaning in different contexts and introduces the possibility of entrepreneurial intention having different levels across various contexts. The writer therefore, introduces two different levels of entrepreneurial intentions which are:

- Impulsive intentions which represent the desire or even the will to start a business without realistic control of resources necessary to start the business. These types of intentions are influenced by culture, demographic and personal attitudes. Often students fall within this segment.
- Deliberate intentions come as a result of control and rely on an individual's prior tangible experiences.

This study foregrounds itself in both types of intentions as described in (Quan, 2012).

2.11. Intentions and the Developing World

Nabi and Linan (2011) discuss the paucity of research on the topic of university graduates and entrepreneurial intent. The writers go on to describe just how under researched entrepreneurial intentions are within developing countries and argue that entrepreneurial intentions are an important part of the start-up process and also deserve attention in their own right.

Vinogradov et al. (2013) discuss the need for alternatives indicating that there is a shortage of studies which illustrate the impact of entrepreneurship when there are favourable employment opportunities. The authors report on Fakoti's (2010) study which showed that often South African graduates would opt for entrepreneurship because they have fewer employment choices. They surmise that often people who cannot get employment are pressured by friends, families and or partners to start a business. So, where alternatives exist, the assumption is that volitional control will come into play when self-employment is presented as an alternative and a person can select a preference. South Africa presents itself as a unique context where certain sectors of the country are classified as developing whilst other segments of South Africa can be classified as developed.

2.12. Attitude

An entrepreneurial attitude is an individual's personal perception towards the value, benefit and favourability of entrepreneurship that highly affects their intention to step into a new creative venture.

Two scholarly approaches talk to this concept:

1. Entrepreneurship attitude is an individual's feelings, thoughts and cognition towards the value, benefit and favourability of entrepreneurship that highly affect their intention to step into a new creative venture.
2. Their second approach encompasses four key personality factors including the need for achievement, personal control over behaviour, innovation and self-esteem that is known as the entrepreneurial attitude Orientation Scale. Entrepreneurial orientation as loosely taken to mean entrepreneurial intentions to set up or start a business in the future (Jayeoba, 2015).

Krueger's (1993) study finds itself at a time when the works of Ajzen and Fishbein dominate the field of intentions. These studies talk about the predictive power of intentions towards future behaviours but also presenting attitudes towards that behaviour having an influence on the intention. Thus, intentions and behaviours happen as a result of attitudes; attitudes may come about as a result of a certain expectation or even as a result of a social norm. Krueger (1993) therefore qualifies those attitudes, as per Ajzen and Fishbein's work, as a representation of attractiveness of behaviour and edifies the idea by introducing the concept of perceived behavioural control. Perceived behavioural control represents the perception that the decision lies within the decision maker's control.

2.13. The Shapero Entrepreneurial Event Model

Overview of the Shapero Entrepreneurial Event Theory

Shapero and Sokol (1982) describe entrepreneurship as a phenomenon. The authors describe the entrepreneurial event as characterised by an entrepreneurial act performed by either an individual who carries out at least one entrepreneurial act, someone who is a full time entrepreneur or even a part time entrepreneur. The entrepreneurial event constitutes of:

- Initiative taking
- Consolidation of resources

- Management of the organisation
- Relative autonomy
- Risk taking

Shapero and Sokol's (1982) argument describes entrepreneurial intentions as dependent on perception of personal attractiveness, personal desirability, feasibility and propensity to act. Unlike the TPB model (Ajzen, 1991), Shapero's Entrepreneurial Event Model is an intention model specifically designed for entrepreneurship (Krueger et al., 2000).

Shapero and Sokol (1982) ask the following, when considering the entrepreneurial event:

1. What happened that led to the entrepreneur pursuing the event?
2. Why the choice of entrepreneurship?

The authors question why individuals start businesses, as starting a business is not always the only alternative. On this, they introduce the displacement concept that is, a negative or positive experience that has an influence or impacts the decision of an individual to become an entrepreneur.

Perceptions of desirability and of feasibility are products of cultural and social environments and help to determine which action will be seriously considered and thereafter subsequently taken. As such, individuals have varying perceptions of desirability and feasibility. The following aspects also influence each of the constructs:

Perceived Desirability and Perceived Feasibility

Perceived desirability is influenced by culture, family, peers, colleagues, mentors etc. Perceived feasibility is influenced by financial support, other kinds of support, mentors, partners, etc. (Shapero and Sokol, 1982). Krueger (1993), positions these two constructs within the domain of attitudes towards intentions, adding that a change in these attitudes will affect behaviour by affecting intention.

Propensity to Act

Propensity to act is the confirmation of whether a person will commit to the action of starting a business (Shapero and Sokol, 1982). Krueger (1993) likens its effect to that of a moderator towards the process of intentions as this process is not necessarily simplistic and is in fact rather complex. Propensity to act may act as the decider where

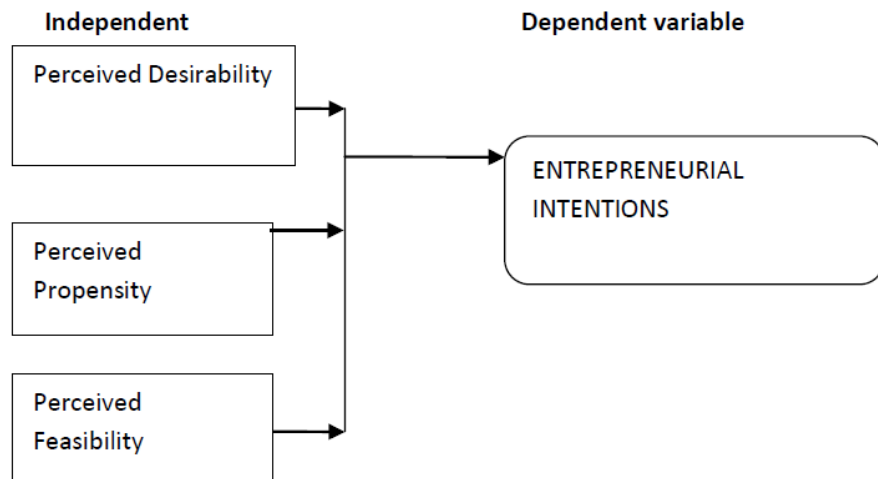
perceived feasibility and perceived desirability have some form of threshold or a tipping point,

Shapero and Sokol (1982) argue that education cannot just be the only influence on a person's intention to start a business. The environmental context as well as policy and business context has an impact on how one perceives feasibility and desirability. Lastly, the authors further question the effect of business school education on entrepreneurship. The question is made on whether a "good" business school education decreases the probability of an individual starting a business? This will be explored within the study.

Krueger (1993) summarises Shaper's Shapero Entrepreneurship Event Model in two steps, this is: an entrepreneur should first perceive that starting a business is credible, this credibility can be thought of as an intention. Essentially, starting the business should be believable. Secondly, there should be a displacement event for this to go ahead. Krueger (1993) further argues that according to Shapero, attitudes held towards entrepreneurship - that is perceived feasibility and perceived desirability.

When examining entrepreneurial intentions through the Shapero Model , a great deal of emphasis is placed upon perceptions, this may mean that external factors may not have a direct effect on the intentions of an entrepreneur as they are viewed through the filter of perceptions (Parente & Feola, 2013). The use of the word "perceived" reduces the impact of external factors and therefore raises the argument that entrepreneurial studies are mostly personal and maybe not always applicable to all contexts, especially where "opportunities" are low and the economic environment is unsupportive. Moreover, not all people will start a business because they have been displaced or because they have identified an opportunity. Necessity entrepreneurs are forced into entrepreneurship because of their environmental contexts when there is no work.

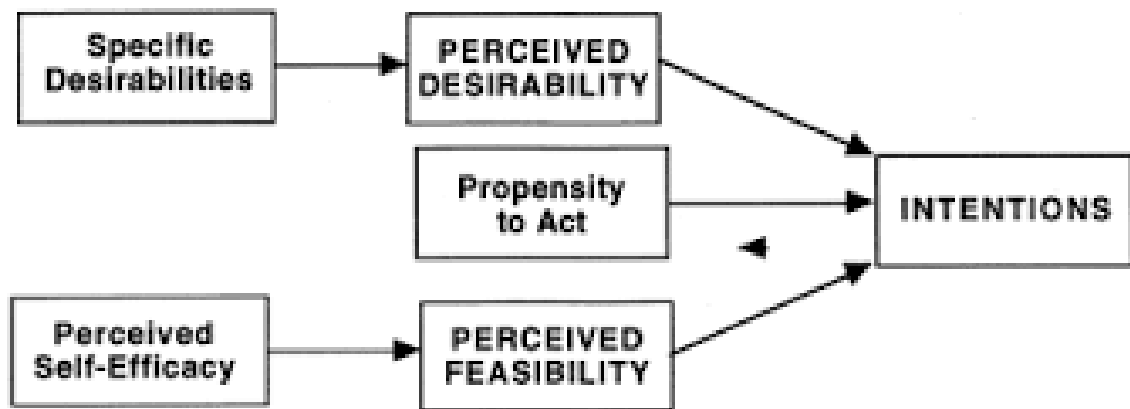
Figure 1 Shapero Entrepreneurial Event Model



Source: Ngugi et al. (2012)

Figure 1 illustrates the components that make up entrepreneurial intentions viz. perceived desirability, propensity to act and perceived feasibility

Figure 2 Elaborated Shapero Entrepreneurial Event Model



Source: Liguori (2004)

Figure 2, The Elaboration Model, shows that entrepreneurial intention is a result of perceived desirability, which is influenced by a specific desirability. This talks to attractiveness and believability of performing the behaviour (in this case, the behaviour is starting a business). At the same time, perceived efficacy (which is also known as self-confidence) which influences perceived feasibility, can be thought of as a capability in starting a business after the opportunity has been identified (Krueger et al., 2000; Liguori, 2004).

Ngugi et al. (2012) describe the model, in the context of business creation, as the interaction between initiatives, abilities, management, relative autonomy and risk. The model acknowledges a disturbance or displacement event occurring that will unsettle a person's natural inertia – the disturbance whether negative or positive will cause a person to change direction and opt for entrepreneurship. A negative disturbance can be classified as boredom or even the loss of a job while a positive experience can constitute a good business opportunity or a monetary windfall. Either disturbance will cause a person to change trajectory and consider entrepreneurship as an end goal. Thereafter, depending on the availability of choices, the person's behaviour will opt for the more credible route.

It is important that when one utilises this model they test entrepreneurial intention, to understand the test subjects as necessity entrepreneurs may not see opportunities (or alternatives), even though it is still within their control to choose whether they become entrepreneurs or not, as their context is vastly different. Giagtzi (2013) further classifies perceptions into individual perceptions – made up of individual self-efficacy and role models, socio-cultural perceptions – which are cultural norms, perception on economic opportunities – which are viewed as the broader economic environment. Further, self-efficacy – which is the measure for feasibility – can be influenced by a person's skills, confidence, obstacles and capacities. Individual control is viewed in the light of available opportunities, their prior experiences or even the availability of resources. Lastly, desirability is influenced by social norms and cultural factors which mean that if the environment is enabling, people may want to become entrepreneurs.

Intentions, being attitude based, are a result of perception – which may imply that they could be learnt or developed. Therefore, in order for policy implementers to make entrepreneurship appealing, they would need to make entrepreneurship more attractive. To increase entrepreneurship's attractiveness, one would have to increase the perceptions around feasibility and desirability – these should ultimately influence intentions.

2.14. Application of the Shapero Entrepreneurial Event Theory

The Krueger (1993) study tested the Shapero Model by examining the effect of feasibility and desirability and propensity to act on entrepreneurial intentions. The author reports on the Shapero measurements as being made up of dichotomous questions, whereas other studies have used Likert scales with multiples measures in

order to measure entrepreneurial intentions; the argument was for entrepreneurial intentions to be measured as a continuum rather than on a yes or no basis. The author advises that intentions should be looked at per industry, that intentions should be evaluated as people are facing a major career decision and that for intentions to predict behaviour; they have to be well formed. The propensity to act is also viewed as a moderating influence rather than a direct antecedent of entrepreneurial intention.

By utilising a homogeneous sample of 126 upper-division university students who are approaching career decisions, Krueger (1993) used correlation analysis and the T-test to test the relationship of perceived desirability and perceived feasibility to entrepreneurial intentions. The study supported the formation of entrepreneurial intentions based on the three constructs of perceived feasibility, perceived desirability and propensity to act. The study found strong relations between the three independent variables to entrepreneurial intentions. The Shapero model was significantly supported.

Further testing on the influence of prior exposure to entrepreneurial activity on attitudes and intentions were also conducted, in addition, an assessment of some complexity of the Shapero model was conducted. The study found that prior entrepreneurial exposure had an indirect effect on entrepreneurial intentions but rather operated through perceived feasibility. Perceived feasibility was found to explain the most variance. The highlight within the findings is the complexity of intention formations and that the testing models are much more simplistic than the complex relations for which they are testing.

Entrepreneurial intentions were tested on a sample of 97 senior university business students with broad ranges of experiences, intentions and attitudes towards entrepreneurship, all facing eminent career decisions by Krueger et al. (2000). The authors discuss the need to understand the volitional aspect of entrepreneurial intentions as intention are an important variable between exogenous variables and the act of starting a business, intentions have a higher explanatory power. Being perception based, intentions can be learnt. The authors discuss the impact of career decision and find it to be a process where beliefs attitudes and intentions are engaged, they further add that entrepreneurial role models only weakly predict future entrepreneurial activity – role models only affect entrepreneurial intentions if they affect attitudes like self-efficacy.

By using the competing models approach, in comparing the Theory of Planned Behaviour Model against the Shapero Entrepreneurial Event Model, Krueger et al. (2000) found that both models are sufficient in explaining entrepreneurial intentions.

The TPB model is a generic intentions based model whilst the Shapero Entrepreneurial Event Model is specifically an entrepreneurial intentions model. The results offered strong statistical support for both models; intentions still offer a better predictive power. The intention models are both versatile as well as robust. The Shapero Model, however, was found to be slightly superior to the TPB model as every relationship predicted by the model was significant with $p < 0.05$ or better. When looking at self-efficacy, which predicts opportunity recognition, the study found that it was correlated to perceived feasibility with ($R^2 = 0.111$, $p < 0.002$). Perceived feasibility was found to have a stronger influence on intentions. Two important comments around the limitations of the Krueger et al. (2000) study revolve around the idea that for students who are facing career choice, starting a business would be feasible and also that cross sectional studies only offer a snapshot in time and not necessarily the full picture.

Quan (2012) presents the concept of entrepreneurial intention not having a homogenous meaning in various contexts and there is a possibility of even having different levels of entrepreneurial intention. These could be dependent upon one's personal desire as a result of an individual's prior experiences and exposure such as employment, management experiences, educational background and whether or not an individual has previous experience in starting a business. Other influences could also include an individual's personality, their cultural beliefs, values, education level, their demographic as well as many other psychological factors and social networks.

In addition to the above, Boukamcha (2015) further expounds upon the desirability construct of the Shapero Model by calling it valence, in line with the Expectancy Framework. Desirability is likened to a person's attitude towards a certain act which can be thought of as the perceived value of entrepreneurship reports the author. Factors such as individual values, social networks and cultural patterns and intrinsic motivation are also thought to influence the desirability construct. High levels of desirability should produce high levels of entrepreneurial intent. The authors continue to describe those individuals with high perceived feasibility as those who have a high confidence in their own skills and ability. Entrepreneurial education is thought to increase this perception. Self-efficacy is also described as an individual's confidence in their own ability and is linked to perceived feasibility. One should have a high self-efficacy and a favourable attitude towards starting a business for their perceived feasibility to be considered high.

In Boukamcha's (2015) study, when analysing the impact of entrepreneurship training on entrepreneurial intentions, utilising a sample of 240 participants from four business

incubators, it was found that training had a positive and significant effect on entrepreneurial intentions. More noteworthy, though, was that perceived feasibility had no impact on perceived desirability. This means that individuals may be motivated to start businesses even if they do not perceive a high feasibility. Overall, desirability was found to trigger entrepreneurial intentions, self-efficacy and perceived feasibility had no effect.

Hallam, Zanella, Dosamantes and Cardenas (2016) employ the use of Temporal Construal Theory as a means to gauge its influence on entrepreneurial intention models. Utilising a sample of 1046 university business students across three countries a measure of long term and short term intent based on an individual's self-efficacy (perceived feasibility) was used. The study found a positive significant effect of entrepreneurial self-efficacy and short term entrepreneurial intent as well as to long term entrepreneurial intent. Short term intent was found to be more directly driven by self-efficacy in comparison to long term intent, short term intent was confirmed as a mediator of self-efficacy over long term intent, and therefore short term intent should occur before long term intent settles. Other factors, such as gender, country and past experience had no significant moderating effect.

2.15. Chapter Conclusion

South Africa faces a poor economic growth outlook, currently only growing at 0.7% per annum (Bank, 2016), this is besides the country's national growth plans (National Planning Commission, 2010) which expect a growth of at least 5.4% per annum . There certainly exists a need for an intervention that will stimulate economic growth, create more employment and improve the dire inequality conditions which South Africa faces. This study suggests that Entrepreneurs who start businesses can provide that economic stimulation.

There are thus grounds to investigate the entrepreneurial intentions held by South Africans; intentions are predictors of the future discharge of behaviours. Therefore should policy makers understand how these intentions are formed, then they can do more to influence their formation and thus stimulate the creation of more entrepreneurs.

Successful entrepreneurs are said to attribute their success to their attitude and outlook, and behaviour. They are known to share common behaviours as well as attitudes (Timmons, 1999), Allen (2015) further outlines the common traits of

entrepreneurs as being the ability to perceive and assess then environment in order to identify a business opportunity.

The South African environmental context appears to offer a supportive foundation for the development of entrepreneurship with many government initiated interventions, such as SEDA and AsgiSA, created to support the development of small business. This presents a contradiction to the Global Entrepreneurship Monitor (Park et al., 2015) which highlighted that although South African harboured keen interest in entrepreneurship, there was not enough support for the development of these. There is a general agreement though, in that majority of South African small businesses fail as a result of lack of funding or cash flow (Mogorosi & Kreil, 2015).

Additional factors which influence successful entrepreneurship are said to be factors such social capital, education and the ability to recognise opportunities. It is thought that entrepreneurial behaviour is influenced by knowing people who have started business or having a person who can demystify the experience. Opportunities are said to be subjective and a result of past experience, personality traits and cognitive frame. An individual is thought to identify an opportunity as a pattern recognition exercise which comes from their perceptions and experiences.

This study will, therefore, employ the use of the Shapero Entrepreneurship Event Model as a means of gauging entrepreneurial intentions of those potential entrepreneurs who wish to become full time entrepreneurs and possibly create large scalable enterprises. Krueger et al. (2000) posit that promoting entrepreneurial intentions by promoting the perceptions of feasibility and desirability is not just desirable but is thoroughly feasible. The Shapero Model will be used as it delivers a more specific outcome when interrogating entrepreneurial intentions; it is a robust model for the prediction of future business venture creation. Ngugi (2012) also adds that the model has been empirically tested and has received empirical support as an unbiased predictor of entrepreneurial career choices.

3. RESEARCH HYPOTHESES

3.1. Introduction

As previously introduced, the aim of this study is to understand the entrepreneurial intentions of South African MBA students. Specifically, the study will determine the relationship of the variables of perceived desirability, propensity to act and perceived feasibility as predictors of entrepreneurial intentions. Consideration of the mediating variables such as education and experience will be taken into account as those which influence the attitudes which lead to the discharge of the intention.

Krueger, Reilly and Carsrud (2000) posit that entrepreneurial intentions should be examined early (before the entrepreneurial event occurs); this motivates the study on the intentions of MBA students who are on the verge of widening their career paths or even changing paths completely; even to start their own businesses. Their values, attitudes and beliefs surrounding entrepreneurship become of keen interest.

MBA Students, according to the Graduate Management Admission Council (GMAC) have a 50% likelihood of starting business ventures that survive (Graduate Management Admission Council, 2015). It highlights an annual increase of 20% - 30% of Harvard School MBAs turning towards entrepreneurship. (GMAC, 2015) has found, that from 2010 – 2013 there has been a 45% increase of MBA entrepreneurs. These statistics, when viewed in light of The United States of America's GEM statistics viz. 54% contributions of SMEs to overall GDP, 12.4% level of Entrepreneurial Intent and 55.7% of perceived capabilities (Park et al., 2015), show a possible correlation of increased entrepreneurship as the number of MBAs going into the field increases.

Research Question One (RQ1): Does perceived desirability influence entrepreneurial intention of MBA Students?

Null Hypothesis One (H01): Perceived desirability does not influence entrepreneurial intention of MBA Students.

Alternative Null Hypothesis One (H1): Perceived desirability does influence entrepreneurial intention of MBA Students.

Research Question Two: (RQ2): Does propensity to act influence entrepreneurial intention of MBA Students?

Null Hypothesis Two (H02): Propensity to act does not influence entrepreneurial intention of MBA Students.

Alternative Hypothesis Two (H1): Propensity to act does influence entrepreneurial intention of MBA Students.

Research Question Three (RQ3): Does perceived feasibility influence entrepreneurial intention of MBA Students?

Null Hypothesis Three (H03): Perceived feasibility does not influence entrepreneurial intention of MBA Students.

Alternative Hypothesis Three (H1): Perceived feasibility does influence entrepreneurial intention of MBA Students.

4. RESEARCH METHODOLOGY

4.1. Introduction

All empirical social sciences research involves theories and methods, whether they are explicitly stated or not. Methods are based on philosophical epistemologies or assumptions and represent different ways of generating and analysing data about the world in which the research is conducted. Methods are used for the development of knowledge in a given study (Kallet, 2004). The following chapter serves to outline the research steps and methods that were followed in the study in order to conduct and evaluate the research. It was therefore important to know and understand the assumptions linked to the research question and methods which were to be used by the study.

In this chapter, the overall research design, which provides a more holistic view of how the study's questions were answered, will be laid out in detail. It will describe the criteria used in the selection of the participants and also describe how the participants were sampled. An elaboration of the research tool which was used will then follow and thereafter, the method of analysis will also be elaborated upon.

Overall, the study is quantitative in nature, therefore the manner in which data was collected and analysed is important in order to advance the research question and theory (Creswell, 2010). In quantitative studies, data is collected in a numerical format, which allows for statistical testing to be used for data analysis. The research was designed with the aim of appropriately expanding upon the research tools and techniques which will enable the hypothesis to be answered.

4.2. Research Design

Qualitative and quantitative approaches are generally the two main approaches to collecting, reporting and analysing information (Creswell, 2013). The quantitative view is described as being realist or sometimes positivist, while the worldview underlying qualitative research is viewed as being subjectivist. The qualitative approach to research is focused on understanding a phenomenon from a closer perspective; it is more exploratory and is used to gain insights of underlying opinions, reasons and motivations. The quantitative approach tends to approximate phenomena from a larger number of individuals by quantifying a problem and then through the generation of

numerical data or any other data, can transform it into a useable statistic (Sukamolson, 2010).

Quantitative research generally focuses on measuring social reality; this is done by quantifying opinions, attitudes and behaviours in order to explain how the whole population perceives a certain issue. The activity for which quantitative research is especially suited is the testing of hypotheses. Advantages of using quantitative research include: insights or approximation of populations at large, indication of extensiveness of attitudes which may be held by people, provides synthesised results through a condensed statistic, therefore allows for statistical comparisons to be conducted between groups, it has precision, can be definitive and can provide an understanding of how often or how many times an event may occur. Since quantitative researchers view the world as reality that can be objectively determined, rigid guidelines in the process of data collection and analysis become entirely important (Sukamolson, 2010).

The study is a cross sectional research study which is a study of an event or phenomenon at a specific point in time (Saunders & Lewis, 2012). Gray (2014) presents positivism as the “epistemological paradigm in social science from the 1930’s through to the 1960’s” (p.21). Essentially, positivism details how the real world can be explained through scientific observation. Saunders and Lewis (2012), add that positivism refers to the study of observable and measurable variables in controlled settings. The behaviour of these variables can thus be described from a cause and effect perspective. This then means that theories can be proposed and thereafter tested.

Post-positivists (O’Leary, 2010) have, in modern times, permeated into positivist thinking where researchers have gained the understanding that although in the study of the world, reality is independent but, observations are still subject to fallibility and truth ends up being an approximation thus it may not offer quite the complete or total explanation. Rather than focusing on certainty and absolute truth, post-positivists focuses on confidence, asking the question: how much can we rely on our findings? Or how well do they predict certain outcomes? As a result, the post positivist research relies on inferential statistics which emphasise probabilities over certainties (Gray, 2014).

This work finds itself within the post-positivist epistemological paradigm. The objective is based on the view of studying and observing a naturally occurring phenomenon and

at the same time removing subjectivity from the observation. This was achieved by using inferential statistics as a method of analysing the results garnered from the study.

The study followed a deductive approach to research by using hypothesis testing in order to explain the relationship between dependent and independent variables (Gray, 2014). In this work the dependent variables are: perceived desirability, propensity to act and perceived feasibility, while the independent variable is: entrepreneurial intention. Saunders and Lewis (2012), explain that the deductive research approach is an exploration of theory in different context, and in this study correlation between variables could therefore be investigated and analysed.

4.3. Population and the Method of Sampling

A population constitutes as the entire set of group members who can answer the questions. In this study, the population consisted of all students within South Africa who will be facing a vocational choice within a foreseeable future. The sampling frame, which is the full list of the population, could not be adequately established for this study.

Students registered in universities are considered as those people who will soon be making important vocational decisions. As their graduation date draws closer, they are faced with important career decisions (Krueger & Brazeal, 1994), these will be to either enter into employment or venture into self-employment. Therefore, to access such individuals who may be contemplating such career decisions, students (full time and part time) were identified and approached – the full time students had previously been in employ whilst the part time students were not employed.

A non-probability sampling technique was employed in order to conduct the study; this is a sampling technique which does not employ random selection. This form of sampling technique is appropriate when the full list of a population cannot be accessed (Saunders & Lewis, 2012). Purposive sampling is sampling with a purpose in mind, it can be used for situations where one needs to reach a targeted sample in a short space of time, where the researcher utilises their judgement in order to select members who fit certain criteria. The criteria of this study consisted of two dimensions; firstly the participants had to have the likelihood of facing important vocational decisions within a foreseeable future, and secondly the participants must not be self-employed.

4.4. Unit of Analysis

A unit of analysis is the most basic element upon which a researcher may generalise (Lewis-Beck, Bryman, & Lia, 2004). In this study, the unit of analysis is the MBA

student. According to Saunders and Lewis (2012), quantitative studies require at least thirty (30) respondents, and the same must be heterogeneous. A total of 157 participants who were either full time or part time students, were captured by this study. These participants represented various diverse ethnicities, races, genders, ages, industries, etc. making the study heterogeneous.

4.5. Survey Design and Pilot Study

Survey research uses scientific sampling and questionnaire design to measure characteristics of the population with statistical precision. It allows for estimates to be garnered from a sample that can be related to the entire population with a degree of certainty. Survey research is the systematic gathering of information from participants with the aim of understanding and or predicting some aspects of the behaviour of the population of interest. The process of survey research includes sampling, questionnaire design, questionnaire administration and data analysis.

Research instruments are designed with the aim of converting phenomena that do not naturally exist in quantitative form into quantitative data, such as attitudes and beliefs, which can thereafter be analysed statistically. This study employed the use of an online survey tool, the tool simplified the layout, made making amendments easier, but more importantly it allowed for responses to be captured easily and for all questions to be answered in totality – with little room for error. An electronic survey tool also made the exporting of the data into Excel straightforward and much faster than through manual input.

Pilot Study

Zikmund, Ward, Lowe, Winzar and Babin (2011) ascribe the process of conducting a pilot as study and a means of collecting data from alternate subjects of a particular research project in order to serve as a guide for the larger study. In order to ensure that the questionnaire was clearly designed as well as unambiguous, it was first piloted to a small group of individuals, similar to the sample. The objective was to fix any inadequacies within the survey questionnaire before deploying to all participants. The preliminary questionnaire for the present study was sent out to ten former MBA students for comments on survey design, wording, and ease of use and ambiguity identification. This provided the necessary opportunity to amend where applicable before distributing the survey to the intended participants. Appendix One shows the questionnaire which was piloted to the small group.

Data was collected after the researcher received Ethical Clearance from the school. Thereafter, class lists with email addresses were sourced from the various programs and streams at The Gordon Institute of Business Science and students were then emailed. The survey contained a cover letter detailing the objectives of the research and also the procedures for completion.

Questionnaire Design

The questionnaire tool works with the deductive approach to research as it assist in classifying the population and getting a representative sample and thus the results can be generalisable (O’Leary, 2010). Following is the questionnaire tool which was employed by this study. The basis of the questionnaire is made up from an integration of the works of Sources: Shapero (1982), Krueger (1993), Ngugi et al. (2012) and Rusteberg (2014). It is arranged to first ask biographic questions, the dichotomous question which represents the dependent variable of entrepreneurial intention follows, thereafter questions which represent the measurement items for each of the independent constructs are presented and finally. Two additional questions centred on entrepreneurship are included in the survey as a means gauging further opinions on entrepreneurship from the participants. These questions were selected and were used in a manner which has assisted the research in answering the research question. Further, the questionnaire allowed for comparison to be made.

Biographic Information Questions:

1. The participant’s age
2. The Gender
3. Racial Group
4. Is the participant a student
5. Is the participant employed
6. Which sector is the participant employed in
7. The number of years which the participant has been employed
8. Whether or not the participant is considering a career change
9. Breadth of entrepreneurship experience
 - Whether participant has studied an entrepreneurship course or not
 - Whether the participant’s parents have ever started a business
 - Whether the participant knows anyone who has started a business before
 - Whether the participant has worked for a small company

- Whether the participant has started a business

Dependent Construct: Entrepreneurial Intention

- Do you think that you will ever start a business? [Yes or No]

Independent Constructs:

1. Perceived Desirability

- I would love to start my own business
- Starting a business would make me very tense
- The thought of starting a business enthuses me
- Being an entrepreneur implies more advantages than disadvantages
- A career as an entrepreneur is attractive to me
- If I had the opportunity and resources, I'd like to start a business
- Being an entrepreneur would be great satisfaction to me
- Among various options, I'd rather be an entrepreneur

2. Perceived Feasibility

- I think that starting a business would be hard
- If I were to start a business, I would succeed
- I would be over worked if I started a business
- I am sure in my abilities as an entrepreneur
- The entrepreneurs role in the economy is not sufficiently recognised
- A career as an entrepreneur is often unsuccessful
- It is commonly thought that entrepreneurs take advantage of others

3. Propensity to Act

- I certainly will start my own business
- I plan to develop myself so that I can start my own business
- I plan to acquire technical support to help me when I start my own business

Generic Entrepreneurship questions:

1. Being a successful entrepreneur involves [Participant to pick applicable choices]
- Competing hard in local and global markets
 - Reaching a high level of income

- Doing the kind of work that you really like
 - Achieving great social recognition
 - Helping to solve the problems of the community
 - Sustaining a path of positive growth
2. The following factors have an influence on one's choice if becoming an entrepreneur [Participant to pick applicable choices]
- Economic Opportunity (Wealth)
 - Autonomy
 - Challenge
 - Self-realisation

The measurement items, making the independent construct of Perceive Desirability, Perceived Feasibility and Propensity to Act, were all measured using a five point Likert scale (Strongly Disagree to Strongly Agree). The Likert scale offers a robust procedure for measuring attitudinal scales (Boone & Boone, 2012).

4.6. Data Analysis

The approach to the data analysis first involved downloading the self-administered questionnaires into a Microsoft Excel spreadsheet. This empirical data was coded and then loaded to SPSS 23. The descriptive statistics were done to describe the data while the inferential statistics was used to test the hypotheses as they were outlined in chapter 3.

4.6.1 Descriptive statistics

Descriptive statistics are used to describe and summarise features of the data. This data was summarised using frequency distributions, measurements of central tendency and dispersions which were means and standard deviation. The frequencies were used to understand the characteristics of the sample dealt by profiling the biographic information of the respondents and the breadth of the entrepreneurial experience of the respondents. The biographic variables profiled were the age, gender, racial group, employment status, working experience, sector and consideration for employment change of the respondent. In addition, the breadth of the entrepreneurial experience of the respondents included them having studied entrepreneurship, past or present knowledge of anyone who has started a business, whether or not parents have started a business and whether the respondent had worked for a small company before and finally, if the respondent had started their own business before.

4.6.2 Differences between Groups

A t-test analysis was done to evaluate if there was a difference between the participants who have the intention to be an entrepreneur and those who have no intention. This test was analysed at a 95% confidence interval, with the significance based on p-value $<.05$.

4.6.3 Relationship between the Constructs and Entrepreneurial Intentions

The analysis was of the relationship between the independent variables (desirability, feasibility and propensity to act) and the dependent variable (entrepreneurial intention). The significance of the relation was analysed using Pearson's Chi -square test (χ^2) while the strength of the relations was analysis with Phi test or Cramer V test. Both the assumptions of the Chi-squared test were met, which include that the variables are to be categorical and their groups were two or more. The p-value for the significance was $<.05$. Where there were cells with less than five count, in violation of the significance, the Fisher exact test results were then taken for significance.

To confirm this relationship and to see what the effect of all the three independent variables (perceived desirability, perceived feasibility and propensity to act) were at once, a binary logistic regression was utilised as it determines how much variance, if at all is explained on a dichotomous depend on variable ("Do you think that you will ever start a business?") by an independent variable (perceived desirability, perceived feasibility and propensity to act). In this logistic regression, the comparison was done for this model with the model that included the predictors. The overall significance of the model was tested with model Chi-square derived from the likelihood of the observing the actual data. This is done under the assumption that the model that has been fitted is accurate. The model summary, which contains Cox & Snell R-Square and Nagelkerke R-Square, was used to calculate the explained variation. Nagelkerke R-Square was preferred for reporting the R² value. The Wald criteria was used to ascertain the significant contributing to prediction, based on p-value $<.05$, with the Exp (B), present the extent to which raising the corresponding measure by one unit influences the odd ratio.

4.7. Validity and Reliability

Saunders and Lewis (2012) define validity as the extent of accuracy of the tool which measures the data, while reliability talks to the consistency of the measured result; it is for this reason that the use of tried, tested and validated data collection tools were

employed by the study, albeit this study sees a combination of these tools integrated into one questionnaire tool.

Kimberlin and Winterstein (2008), suggest that construct validity is a judgement based on the accumulation of evidence from numerous studies that have used a specific measurement instrument. These authors go on to present that no statistical test exists which conclusively determines whether a measure adequately covers a content area, or whether it adequately represents a construct in question. Validity is thus said to rely on the judgement and endorsement of experts.

Reliability talks to consistency of a research tool yielding a certain result. Cronbach's alpha is a statistic that measures the internal consistency among a set of survey items believed to measure the same construct that could be formed into one scale. Alpha coefficients range between zero and one, with larger values representing a higher scale coherence and reliability

Tavakol and Dennick (2011) highlight that instrument reliability is closely related to its validity to the extent that validity is dependent on reliability. Reliability does not always mean validity, therefore an instrument can be reliable but if it is consistently measuring the incorrect construct, then it is said to have no validity. It is therefore apparent that both scales of validity and reliability were essential prerequisites for the purposes of this research. The researcher then adopted instruments which had been previously developed and validated by what could be regarded as experts (Shapero, 1982, Krueger, 1993, Ngugi et al., 2012, Rusteberg, 2014) within the field of entrepreneurship and thereafter employed a Cronbach's alpha coefficient to test for internal reliability.

Ensuring validity one must ensure that: the theory and conclusions flow logically from the findings, the data comes out as expected from the research strategy that was circulated, and there is coherence between the research strategy and the research question.

In this study, the influence of the three constructs perceived desirability, perceived feasibility and propensity to act on entrepreneurial intention were investigated. The reliability of these constructs within this current setting was evaluated using the Cronbach Alpha coefficient and their acceptance was based on the rule of thumb by George and Mallery (2003) as well as the guidelines of Hair et al (2010). In this study, the cut off point was 0.6. The value of 0.6 - .79 was deemed acceptable, 0.7 – 0.9 Good, and 0.9 and higher excellent.

4.8. Assumptions

The assumptions of this study include but are not limited to the following:

The research was targeted to MBA students only, and the assumption therein is that they would be accessible as a 30% response rate was expected. Moreover, the assumption is that they were the best suited candidates (over other students) for this type of research.

4.9. Limitations

A non-probability random sample was utilised by this study. Non-probability samples may or may not represent the population well, and it will often be hard for the researcher to know whether the population has been represented well. In the case of this study, the researcher is aware that the students reached by the study live within a South African context which is not representative of the majority of the population. Thus, their perceptions may be influenced by their particular environments which may not be generalisable to the overall South African environment.

With a purposive sample, you are likely to get the opinions of your target population, but you are also likely to overweight subgroups in your population that are more readily accessible. This study is based on a sample of people who may possibly not form part of the larger South African context.

Lastly, some of the participants had already started their own businesses and thus may have included a potential bias into the study.

5. RESULTS

5.1 Introduction

The main aim of this study was to understand the factors that influenced entrepreneurial intentions of MBA students. There were a total of 157 participants where the data was collected. However, four of the participants were removed as they were not MBA students and thus did not meet the inclusion criteria of the study. Data from 153 respondents was used for analysis as these respondents met the inclusion criteria, furthermore there is missing data from the questionnaire which was less than the 5% cut off as proposed by Shafer (1999), Shafer (1999) argues that if the missing rate of data is 5% or less then it is inconsequential. These 153 respondents were currently GIBS MBA candidates within the University's various structure configurations (Table 1) which is made up of MBA full time, part times, short block and PG Dip (equivalent first year of MBA from 2016 academic year).

Table 1: Respondents who are MBA candidates

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	153	100.0	100.0	100.0

A total sample of 300 was compiled for this study and based on the completed questionnaires; the response rate was 52.3%. In this chapter the results of the study are presented, following the format of the research questions and hypotheses, after the characteristics of the data have been profiled, the descriptive statistics presented and the reliability of the constructs have been verified. The last part of this chapter provides the summary of the findings of the study.

5.2 Characteristics of the sample

The characteristics of the sample dealt with the biographic information of the respondents and the breadth of the entrepreneurial experience of the respondents.

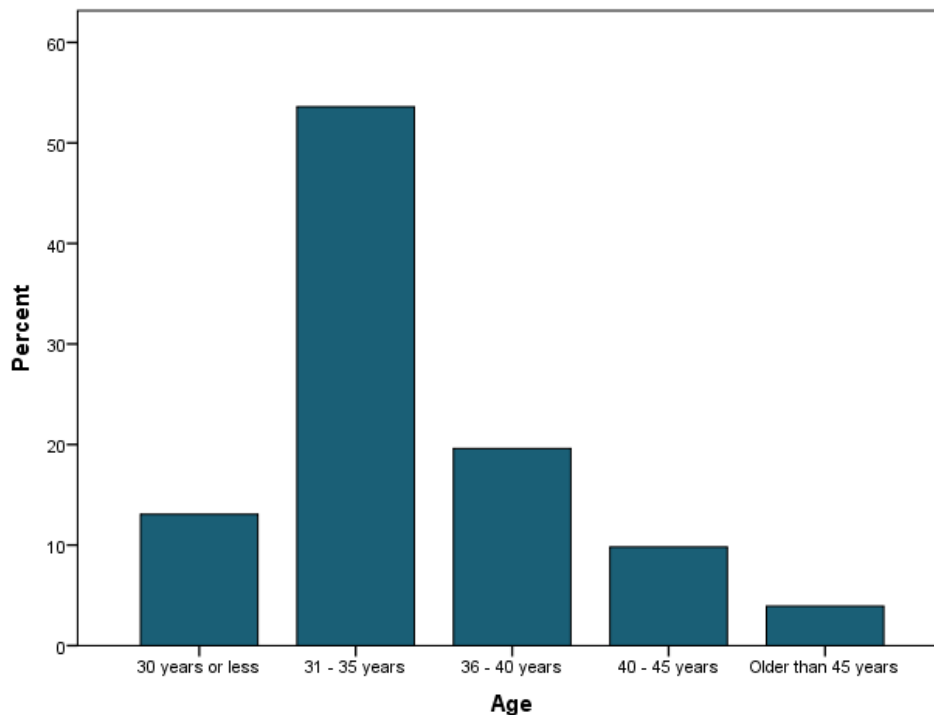
5.2.1 Biographic information of the respondents

There were a total of seven biographic variables that were used to profile the empirical data. These included the age, gender, racial group, employment status, working experience, sector and consideration for employment change.

5.2.1.1 Age

Figure 3 represents the age groups of the respondents. These results show that a high number of respondents were in the ages of 31-35 years with 53.6% (N=82) followed by those in the ages of 36-40 years old with 19.6% (N=30). About 13.1% (N=20) of the respondents were in the ages of 30 years or less and those in the 40-45 years were 9.8% (N=15). There was a fewer number of respondents who were older than 45 years with 3.9% (N=6).

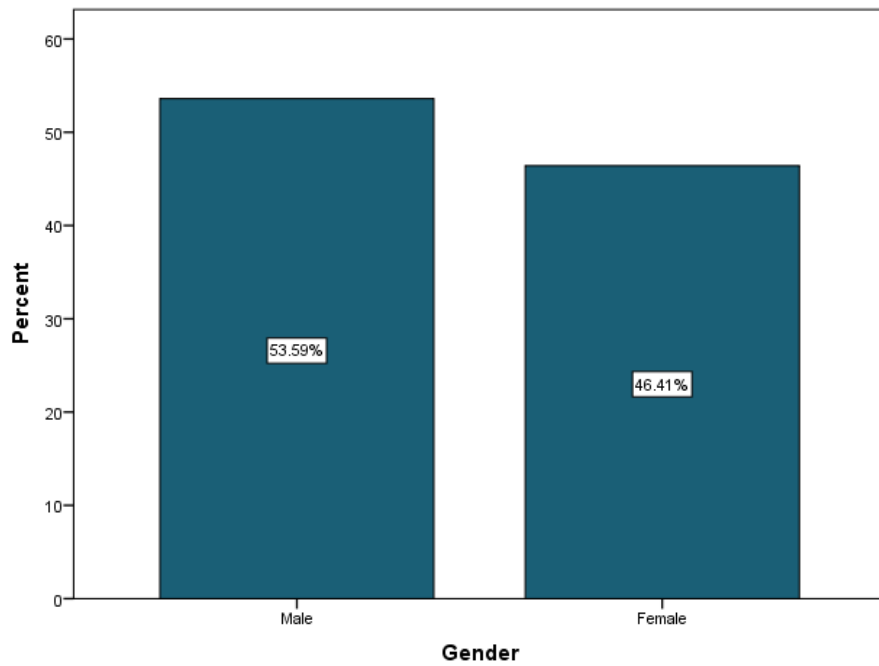
Figure 3: Age profile of the respondents



5.2.1.2 Gender

Figure 4 presents the results on the gender of the respondents. The results indicate that the majority of the respondents who participated in this research study were males with 53.6% (N=82) and 46.41% (N=71) were females.

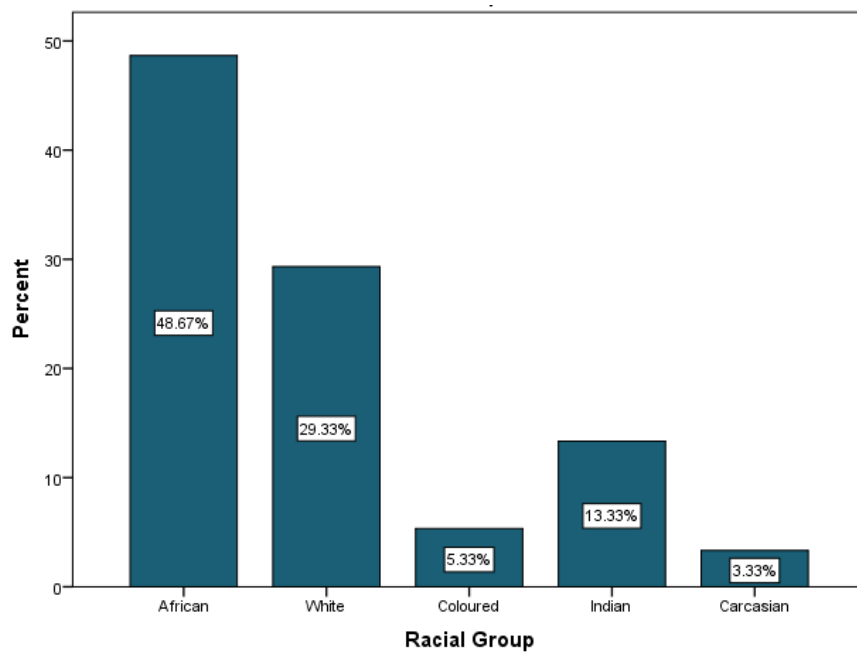
Figure 4: Gender profile of the respondents



5.2.1.3 Racial group

During the survey of this study, respondents of different races participated. Figure 5 show the results of the racial groups of the respondents.

Figure 5: Racial group of the respondents

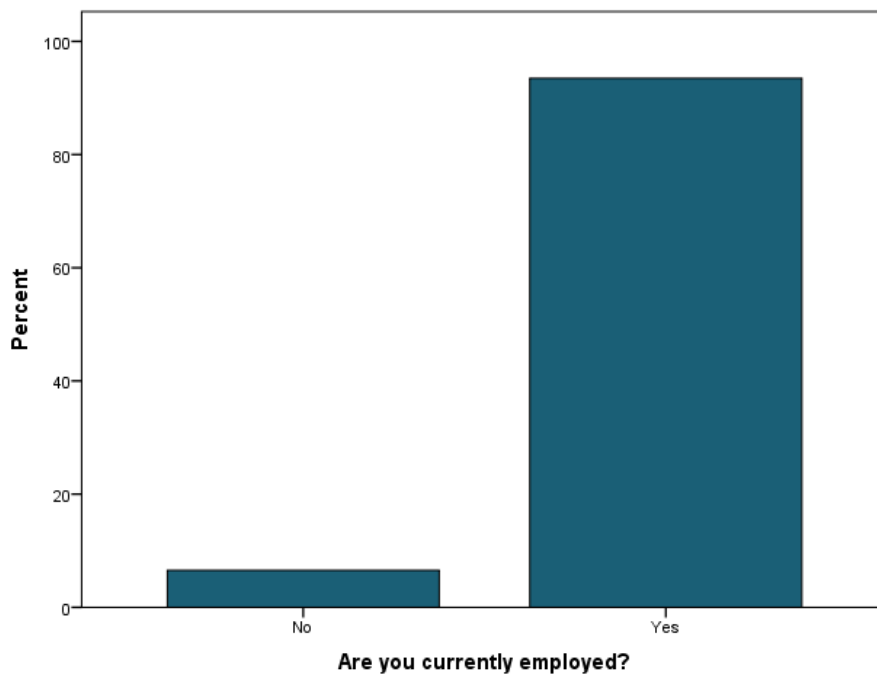


According to the results, there was a high number of Africans who participated with 48.7% (N=73) followed by Whites with 29.3% (N=44). About 13.3% (N=20) of the participants were Indians and 5.3% (N=8) were Coloured. There were a total of five Caucasians participants which comprised of 3.3% of the sample.

5.2.1.4 Employment Status

Of 153 respondents or participants, 93.5% (N=143) indicated that they were currently employed while 6.5% (N=10) were not employed (Figure 5).

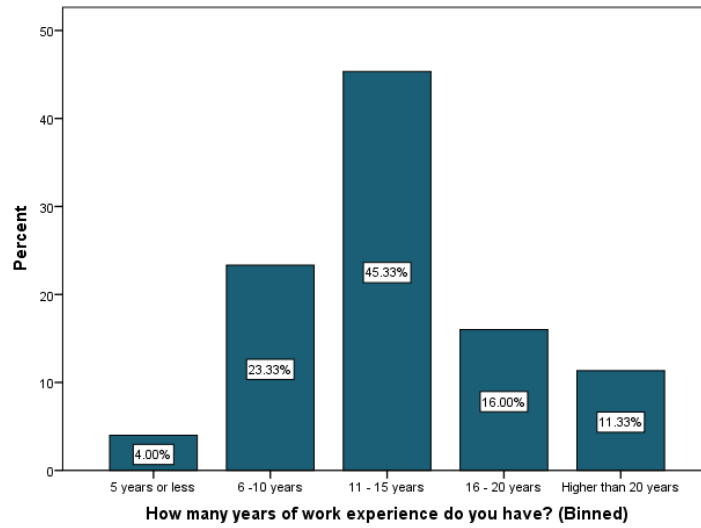
Figure 4: Employment Status of the respondents



5.2.1.5 Working experience

The highest number of respondents had a working experience of 11-15 years with 45.3% (N=68). About 23.3% (N=35) of the respondents had a working experience of 6-10 years and 16.00% (N=24) of the respondents indicated that they had a working experience of 16-20 years. Only about 11.3% (N=17) had about higher than 20 years of work experience and fewer respondents had about 5 years or less work experience with 4.0% (N=6).

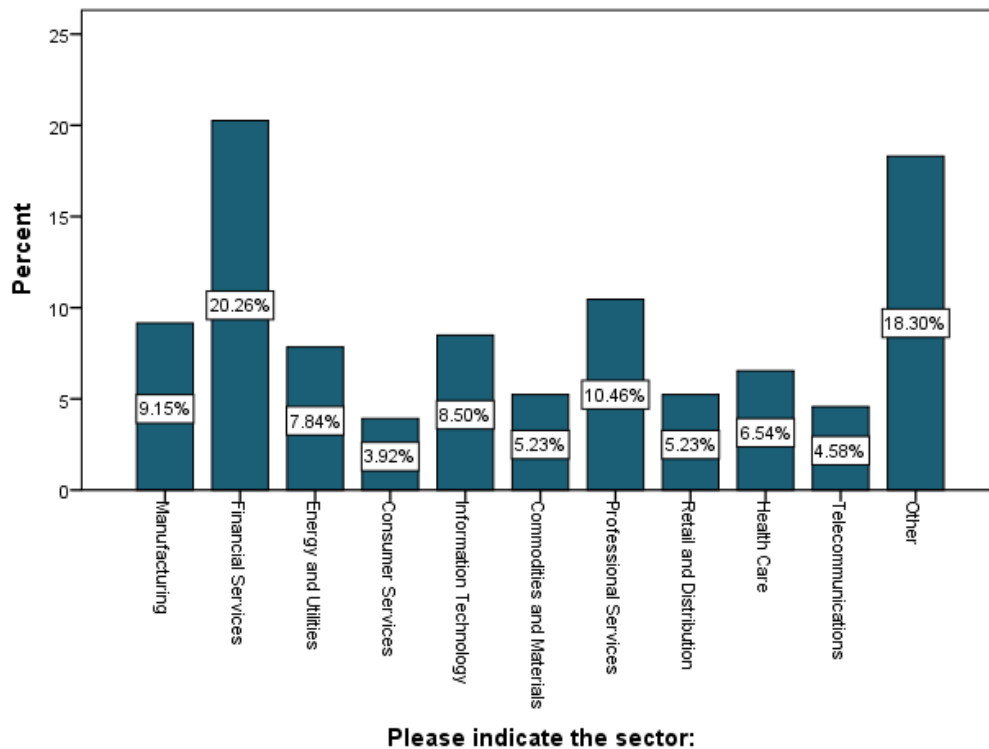
Figure 5: Working experience



5.2.1.6 Sector

As part of the survey, the respondents were requested to indicate the sectors that they worked in (Figure 7).

Figure 6: Sector of work



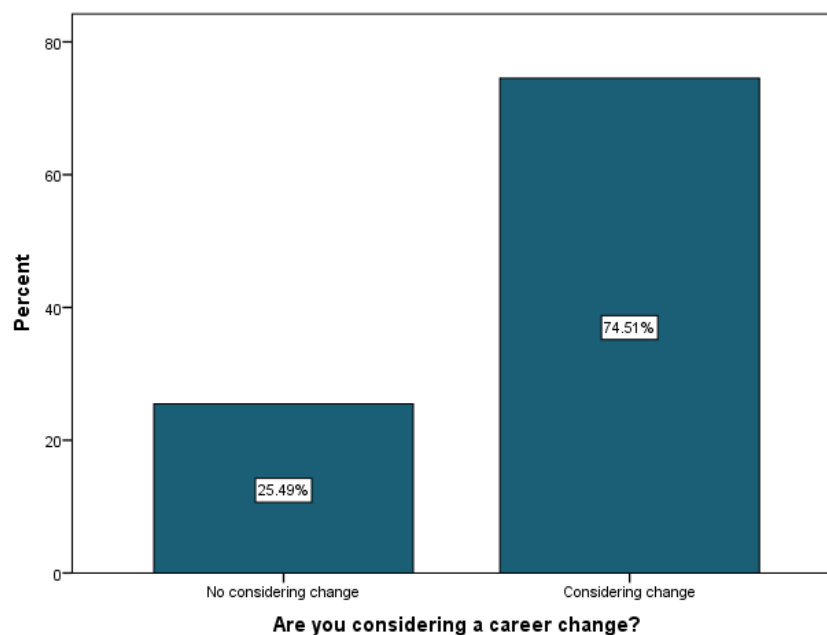
The majority of respondents indicated that they were in the financial services sector with 20.3% (N=31) and 18.3% (N=28) were in the other sectors. About 10.5% (N=16) of

the respondents were in the professional services while 9.2% (N=14) were in the manufacturing sector. 8.5% (N=13) of the respondents were in the information technology sector and 7.8% (N=12) were in the energy and utilities sector.

5.2.1.7 Considering a career change

During the survey about 74.5% (N=114) of the 153 respondents indicated that they were considering to change their careers while 25.5% (N=39) were not (Figure 7).

Figure 7: Considering career change



In summary, the majority of the respondents were African males within an age group of 31-35 years who were currently employed with 11- 15 years' experience in the financial services sector, who were considering changing their career.

5.2.2 Breadth of Entrepreneurial Experience

In the total of 153 respondents, about 58.2% (N=89) of the respondents indicated that they studied an entrepreneurship course while 41.83% (N=64) indicated that they did not study an entrepreneurship course.

Table 2: Entrepreneurship course studies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Have not studied an entrepreneurship course	64	41.8	41.8	41.8
	Have studied an Entrepreneurship course	89	58.2	58.2	100.0
	Total	153	100.0	100.0	

Almost all these respondents (95.4%) indicated that they knew someone who started a business while 4.6% (N=7) did not know anyone who had started a business (Table 3).

Table 3: Knowledge of anyone who has started a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No knowledge of anyone who has started a business	7	4.6	4.6	4.6
	Knowledge of anyone who has started a business	146	95.4	95.4	100.0
	Total	153	100.0	100.0	

Within these respondents, the majority indicated that their parents have started a business with 56.9% (N=87) while 43.1% (N=66) indicated that their parents have never started a business (Table 4).

Table 4: Have parents who have started a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Parents have not started a business	66	43.1	43.1	43.1
	Parents have started a business	87	56.9	56.9	100.0
	Total	153	100.0	100.0	

A number of respondents indicated that they have worked for a small company at 58.2% (N=89) and 41.8% (N=64) of the respondents have indicated that they had never worked for a small company (Table 5).

Table 5: Have worked for a small company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Have not worked for small company	64	41.8	41.8	41.8
	Worked for small company	89	58.2	58.2	100.0
	Total	153	100.0	100.0	

The majority of the respondents indicated that they have started a business before with 55.6% (N=85) while 44.4% (N=68) of the respondents indicated that they never started a business before (Table 6).

Table 6: Respondents started a business

Have you started a business before?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Have not started a business before	85	55.6	55.6	55.6
	Started a business before	68	44.4	44.4	100.0
	Total	153	100.0	100.0	

In summary, the majority of respondents have attended an entrepreneurship course, their parents have started a business and the people they know have also started a business, they have worked for a small company and but have themselves not started a business.

5.3 Reliability of the constructs

According to Shapero (Shapero & Sokol, 1982), entrepreneurial intentions depend on perceived desirability, propensity to act and perceived feasibility. Unlike the Theory of Planned Behaviour model (Ajzen, 1991), Shapero's Entrepreneurial Event model is an intention model specifically designed for entrepreneurship (Krueger et al., 2000). In this study, the influence of the three constructs perceived desirability, perceived feasibility and propensity to act on entrepreneurial intention were investigated. The reliability of these constructs within this current setting was evaluated using the Cronbach Alpha coefficient (Table 7).

Table 7: Reliability of the constructs

Construct	No of items	Cronbach Alpha Coefficient (α)	Decision*
Perceived desirability	8	0.827	Good
Perceived Feasibility	3	0.694**	Acceptable
Propensity to act	3	0.834	Good

*Decision of state of reliability based on rule of thumb by George and Mallery (2003); ** Questionable, accepted by Hair *et al* (2010) based on 0.6 cut off f

The perceived desirability and propensity to act constructs were found to be highly reliable, with a Cronbach Alpha coefficient (α) of 0.827 and 0.834, respectively. This was better than the rule of thumb of George and Mallery (2003) and the guidelines of Hair *et al* (2010). In this study, the cut off point was 0.6. The third construct, perceived feasibility was also found to be reliable with $\alpha = 0.694$. These constructs were based on reverse scoring items with negative connotation so as to align the measuring scale. In the case of perceived feasibility, there were three items that were used for this constructs, after the elimination of six other items.

5.4 Descriptive statistics of variables

The descriptive statistics for the three independent constructs (perceived desirability, perceived feasibility and propensity to act), as well as for the dependent variable (entrepreneurial intentions), and for the aspects which the participants deem as influencers and determinants of success in entrepreneurship are presented in the section which follows.

5.4.1 Independent variables

There were three independent variables which were perceived desirability, perceived feasibility and propensity to act. The mean score for the construct of 31.4967 (SD = 4.442), which is an average score of 3.937 per item (Table 8). This means that the majority of the respondents within this construct were in the “Agree” range. This was also the case with perceived feasibility and propensity to act, with a mean score of 11.490 (SD= 2.173) and 12.2288(SD=2.421), respectively. These scores were also about four, meaning they were within the “Agree” range.

Table 8: Descriptive statistics of the constructs

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Perceived desirability	153	16.00	38.00	31.4967	4.44280
Perceived Feasibility	153	4.00	15.00	11.4902	2.17376
Propensity to Act	153	5.00	15.00	12.2288	2.42112

5.4.2 Dependent variable

During the survey, the respondents were asked if they were considering becoming entrepreneurs. A high number of the respondents indicated that they were considering becoming entrepreneurs with 83.7% (N=128) while about 16.3% (N=25) were not considering becoming ones (Table 9).

Table 9: Intention to be entrepreneur

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No intention to be entrepreneur	25	16.3	16.3	16.3
	Intend to be entrepreneur	128	83.7	83.7	100.0
	Total	153	100.0	100.0	

A t-test analysis was done to evaluate if there was a difference between the participants who have the intention to be an entrepreneur and those who have no intention (Table 10). Of the 11 variable evaluated (age, gender, racial group, employment status, experience, consideration of career change, studies entrepreneurship, parents started business, person they know started business, worked for small company and started business before) there was only statistical significance between the respondents “Have you started a business before” and the intentions to be entrepreneur. This means that the participants who had started a business before had a higher intention to be an entrepreneur than those who have not started a business before ($t(151) = -2.737, p = .007$).

Table 10: t-test for equity of means for intentions to become an entrepreneur

Intention to be entrepreneur	N	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper	
Age	No	25	35,120	5,4262	1,0852	,184	151	,854	,1903	1,0328	-1,8504	2,2310
	Yes	128	34,930	4,5786	,4047	,164	31,026	,871	,1903	1,1582	-2,1718	2,5525
Gender	No	25	1,60	,500	,100	1,491	151	,138	,163	,109	-,053	,378
	Yes	128	1,44	,498	,044	1,487	33,961	,146	,163	,109	-,060	,385
Racial Group	No	23	2,09	1,041	,217	,681	148	,497	,181	,267	-,345	,708
	Yes	127	1,91	1,198	,106	,751	33,492	,458	,181	,242	-,310	,673
Are you currently employed?	No	25	,96	,200	,040	,558	151	,578	,030	,054	-,077	,138
	Yes	128	,93	,257	,023	,659	41,121	,513	,030	,046	-,063	,123
How many years of work experience do you have?	No	24	12,33	5,239	1,069	,134	148	,893	,135	1,004	-1,848	2,118
	Yes	126	12,20	4,358	,388	,119	29,368	,906	,135	1,138	-2,191	2,461
Are you considering a career change?	No	25	,720	,4583	,0917	-,313	151	,755	-,0300	,0959	-,2195	,1595
	Yes	128	,750	,4347	,0384	-,302	32,985	,765	-,0300	,0994	-,2322	,1722
Have you studied an entrepreneurship course before?	No	25	,600	,5000	,1000	,202	151	,841	,0219	,1086	-,1926	,2364
	Yes	128	,578	,4958	,0438	,200	33,867	,842	,0219	,1092	-,2000	,2438
Did your parents ever start a business?	No	25	,440	,5066	,1013	-1,420	151	,158	-,1538	,1083	-,3677	,0602
	Yes	128	,594	,4931	,0436	-1,394	33,485	,173	-,1538	,1103	-,3780	,0705
Has anyone you know started a business?	No	25	,960	,2000	,0400	,150	151	,881	,0069	,0460	-,0840	,0977
	Yes	128	,953	,2122	,0188	,156	35,391	,877	,0069	,0442	-,0828	,0965
Have you worked for a small company?	No	25	,560	,5066	,1013	-,239	151	,811	-,0259	,1086	-,2404	,1885
	Yes	128	,586	,4945	,0437	-,235	33,543	,816	-,0259	,1103	-,2503	,1984
Have you started a business before?	No	25	,20	,408	,082	-2,737	151	,007	-,292	,107	-,503	-,081
	Yes	128	,49	,502	,044	-3,144	39,609	,003	-,292	,093	-,480	-,104

5.3.3 Aspects of a successful entrepreneur

Table 11 shows the results in which the respondents were evaluated on the aspects of being a success entrepreneur. The majority of the respondents on the total sample were of the view that the success of the entrepreneur was because of “Doing the kind of work, you really like” for 85.6% (N=131) followed by “Sustaining a path of positive growth” for 68.6% (N=105).

Table 11: Aspects of successful entrepreneur

	Frequency	Percent of total sample
Doing the kind of work, you really like	131	85,6
Sustaining a path of positive growth	105	68,6
Helping to solve the problems of the community	99	64,7
Competing hard in local and global markets	89	58,2
Reaching a high level of income	48	31,4
Achieving great social recognition	32	20,9

Achieving great social recognition and reaching a high level income were the least mentioned aspect for success in entrepreneurship by the respondents.

5.3.4 Influencers of choice to become an entrepreneur

Self-realisation was rated as the most influencing factor for the choice to become an entrepreneur with 81.0% (N=124) of the total sample (Table 11). This is followed by economic opportunity (wealth) with 75.2% (N=115) and the least being autonomy with 59.5% (N=91).

Table 12: Influencer of choice to become an entrepreneur

	Frequency	Percent of total sample
Self-realisation	124	81,0
Economic Opportunity (Wealth)	115	75,2
Challenge	100	65,4
Autonomy	91	59,5

5.3 Research question and Hypothesis testing

Research Question One (RQ1): Does perceived desirability influence entrepreneurial intention of MBA Students?

Null Hypothesis One (H_{01}): Perceived desirability does not influence entrepreneurial intentions of MBA Students.

Alternative Null Hypothesis One (H_{11}): Perceived desirability does influence entrepreneurial intentions of MBA Students.

A Chi-square test was conducted to determine the significance of the association. The results as presented in Table 13 indicates that they were significant: $\chi^2 (21, N=153) = 92.027, p < .05$

Table 13: Chi-Square Tests for intention to become entrepreneur and perceived desirability

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	92.027	21	.000
Likelihood Ratio	82.716	21	.000
Linear-by-Linear Association	65.483	1	.000
N of Valid Cases	153		

Having established the relationship between the perceived desirability and entrepreneurial intention of MBA Students, the strength of the relationship was evaluated using Cramer $V(\phi)$. Based on the guideline of Henkel *et al* (2003) the strength of the relationship was strong with an ϕ value of 0.776 (Table 14).

Table 14: Strength of the relationship between intention to become entrepreneur and perceived desirability

		Value	Approximate Significance
Nominal by Nominal	Phi	.776	.000
	Cramer's V	.776	.000
N of Valid Cases		153	

Research Question Two: (RQ2): Does propensity to act influence entrepreneurial intention of MBA Students?

Null Hypothesis Two (H_{02}): Propensity to act does not influence entrepreneurial intentions of MBA Students.

Alternative Hypothesis Two (H_{12}): Propensity to act does influence entrepreneurial intentions of MBA Students.

A Chi-square test was conducted to determine the significance of the association, so a pronouncement can be made whether propensity to act influences entrepreneurial intention of MBA students. The results as presented in Table 15 indicate that this influence is significant, with a p-value of less than .05: $\chi^2 (10, N=153) = 78.582, p < .05$. The strength of the relationship was strong with an ϕ value of 0.717 (Table 16).

Table 15: Chi-Square Tests for intention to become entrepreneur and propensity to act

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	78.582	10	.000
Likelihood Ratio	72.185	10	.000
Linear-by-Linear Association	64.201	1	.000
N of Valid Cases	153		

Table 16: Strength of the relationship between intention to become entrepreneur and propensity to act

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	.717	.000
	Cramer's V	.717	.000
N of Valid Cases		153	

Research Question Three (RQ3): Does perceived feasibility influence entrepreneurial intention of MBA Students?

Null Hypothesis Three (H_{03}): Perceived feasibility does not influence entrepreneurial intention of MBA Students.

Alternative Hypothesis Three (H_{13}): Perceived feasibility does influence entrepreneurial intention of MBA Students.

The Pearson Chi-square results show $\chi^2 (11, N=153) = 28.417, p = .003$. This indicates that there is a statistically significant association between perceived feasibility and entrepreneurial intention of MBA Students. Table 17 shows that the association was medium with a with an ϕ value of 0.431.

Table 17: Chi-Square Tests for intention to become entrepreneur and propensity to act

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	28.417	11	.003
Likelihood Ratio	26.117	11	.006
Linear-by-Linear Association	9.884	1	.002
N of Valid Cases	153		

Table 18: Strength of the relationship between for intention to become entrepreneur and perceived feasibility

		Value	Approximate Significance
Nominal by Nominal	Phi	.431	.003
	Cramer's V	.431	.003
N of Valid Cases		153	

5.5 Influence of the constructs on entrepreneurial intention

All the three constructs (perceived desirability, perceived feasibility and propensity to act) show association with entrepreneurial intention. To confirm this relationship and to see the effect of all the three independent variables (perceived desirability, perceived feasibility and propensity to act) at once, a binary logistic regression was utilised as it determines how much variance if at all is explained on a dichotomous depend variable

("Do you think that you will ever start a business?") by an independent variable (perceived desirability, perceived feasibility and propensity to act).

Table 19 provides a classification table of the binomial logistic regression results which only include the constant before the independent variables are entered into the equation of the model. In this logistic regression, the comparison is done for this model with the model that included the predictors. Without the predictors, the model has 83.7%.

Table 19: Classification table of the model with constant only

Observed			Predicted		
			Are you considering becoming an entrepreneur?		Percentage Correct
			No	Yes	
Step 0	Are you considering becoming an entrepreneur?	No	0	25	.0
		Yes	0	128	100.0
Overall Percentage					83.7

- a. The constant is included in the model.
- b. The cut value is .500

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	1.633	.219	55.784	1	.000	5.120

The model (Table 20) where the predictors are added improves the prediction accuracy from 83.7% to 93.7%. This model appears good, however, significance and fit needs to be evaluated.

Table 20: Classification tables with predictors

Observed			Predicted		
			Are you considering becoming an entrepreneur?		Percentage Correct
			No	Yes	
Step 1	Are you considering becoming an entrepreneur?	No	19	6	76.0
		Yes	4	124	96.9
Overall Percentage					93.5

a. The cut value is .500

The overall significance of the model is tested with model Chi-square derived from the likelihood of the observing the actual data. This is done under the assumption that the model that has been fitted is accurate. Hypothesis tests the relations to the model fit.

H_0 The model is a good fitting model

H_1 The model is not a good fitting model (i.e. the predictors have significant effect)

The -2Log likelihood value from the summary model (Table 21) was 58.560. The Chi-square has 3 degrees of freedom, a value of 77.690 with a probability of .000 (Table 22). This indicates that the model has a poor fit, with the model indicating that the predictors do have significant effects and thus create a different model.

Table 21: Model summary of binary regression

Step	-2 Log likelihood	Cox & Snell R-Square	Nagelkerke R-Square
1	58.560 ^a	.398	.675

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Table 21 presents the model summary, which contains Cox & Snell R-Square and Nagelkerke R-Square which are both methods of calculating the explained variation. The explained variation in the dependent variable (entrepreneurial intention) based on the model ranges from 39.8% to 67.5%, depending on whether the reference is Cox R-square or Nagelkerke R-Square method, respectively. Nagelkerke R-Square is a modification and it is preferable for reporting the R^2 value ($R^2 = .675$). This indicates a moderately strong relationship between the predictors and prediction.

Table 22: Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	77.690	3	.000
	Block	77.690	3	.000
	Model	77.690	3	.000

The Wald criteria demonstrated that perceived desirability and propensity to act were significantly contributing to prediction, with p-value of .002 and .003, respectively, while perceived feasibility did not show significance with p-value of .208 meaning it was not contributing to prediction (Table 23). The Exp (B) presents the extent to which raising the corresponding measure by one unit influences the odd ratio. This indicates that when perceived desirability is raised by one unit the odd ratio is 1.48 times, and therefore the MBA student has 1.48 times more likely to have entrepreneurial intentions. With a propensity to act, they have 1.88 more times to have entrepreneurial intention.

Table 23: Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 ^a	Perceived desirability	.394	.130	9.184	1	.002	1.483	1.149	1.913
	Perceived feasibility	-.232	.184	1.589	1	.208	.793	.553	1.137
	Propensity to act	.632	.213	8.810	1	.003	1.881	1.239	2.856
	Constant	- 14.357	3.052	22.131	1	.000	.000		

a. Variable(s) entered on step 1: Perceived desirability, Perceived feasibility, Propensity to act.

5.5 Summary of findings

A total of 153 respondents were used for analysis of the results of the study. The majority of the respondents were African males within an age group of 31-35 years who were currently employed with 11- 15 years' experience in the financial services sector, who were considering changing their career. In addition, the majority of respondents have attended some entrepreneurship course, their parents have started some form of business before and the people they know have also started a business, they have worked for small companies but have not started a business.

All three individual independent variables (perceived desirability, perceived feasibility and propensity to act) were found to have a significant influence on the entrepreneurial intention of the MBA student. However, when all were included in a binary logistic model, perceived desirability and propensity to act had prediction ability to the entrepreneurial intention, while perceived feasibility did not have this ability to predict the entrepreneurial intention. The summary of the hypothesis outcome is given in Table 24.

Table 24: Summary of the findings

Research Question	Hypotheses	Outcome	Conclusion
<p>Research Question 1 How does perceived desirability influence entrepreneurial intention of MBA Students?</p>	<p>Hypothesis 1 Null Hypothesis One (H₀₁): Perceived desirability does not influence entrepreneurial intention of MBA Student. Alternative Null Hypothesis One (H₁₁): Perceived desirability does influence entrepreneurial intention of MBA Student.</p>	<p>χ^2 (21, N=153) = 92.027, $p < .05$. $\phi = 0.776$ Wald criterion = 9.184, $p = .002$, Exp (B) = 1.483</p>	<p>Strong relationship: Predict the model Decision: Rejected null hypothesis, accept the alternative hypothesis</p>
<p>Research Question 2 How does propensity to act influence entrepreneurial intention of MBA Student?</p>	<p>Hypothesis 2 Null Hypothesis Two (H₀₂): Propensity to act does not influence entrepreneurial intention of MBA Student. Alternative Hypothesis Two (H₁₂): Propensity to act does influence entrepreneurial intention of MBA Student</p>	<p>χ^2 (10, N=153) = 78.582, $p < .05$. $\phi = 0.717$. Wald criterion = 8.810, $p = .003$, Exp (B) = 1.88</p>	<p>Strong relationship: Predict the model Decision: Rejected null hypothesis, accept the alternative hypothesis</p>
<p>Research Question 3 How does perceived feasibility influence entrepreneurial intention of MBA Student?</p>	<p>Hypothesis 3 Null Hypothesis Three (H₀₃): Perceived feasibility does not influence entrepreneurial intention of MBA Student. Alternative Hypothesis Three (H₁₃): Perceived feasibility does influence entrepreneurial intention of MBA Student</p>	<p>χ^2 (11, N=153) = 28.417, $p = .003$; $\phi = 0.431$. Wald criterion = 1.589, $p = .208$, Exp (B) = .793</p>	<p>Low relationship Influence diminishes in presence of perceived desirability and propensity to act. Decision: Accept null hypothesis,</p>

6. DISCUSSION

6.1. Chapter Introduction

The previous chapter presented the results obtained from the statistical analysis. This chapter will review the significant findings and discuss them in light of the literature presented earlier, noteworthy conclusions, limitations and other implications will also be discussed.

Firstly, a review of the purpose of the research study will be presented through revisiting and restating the research problem by re-establishing its importance, thereafter the research questions will be discussed in greater detail and lastly, an overview discussion of all other factors will be entered into and thereafter a summary of the findings will conclude the chapter.

6.2. Purpose of Study

The research problem can be stated as: Exploring the likelihood of new entrepreneurship forming within South Africa. The aim can be thought of as: An exploration of the Entrepreneurial Intentions of MBA Students using the Shapero Entrepreneurial Event Theory.

This study has the explicit aim of exploring the likelihood of MBA students starting their own business by exploring their entrepreneurial intentions. The motivation behind this study is driven by the goals of the NDP (National Planning Commission, 2010), which envisions the South African economy growing by 5.4% year on year until 2030, and such growth can be supported by entrepreneurs who actively participate in the economy. Small business creates the type of business that can create employment, which as a by-product improves the standard of living for many people who are potentially living below the poverty line. Ultimately, with sustainable employment, South Africa could see a remarkable difference in the GINI coefficient which currently sits at 0.7 (Bank, 2016).

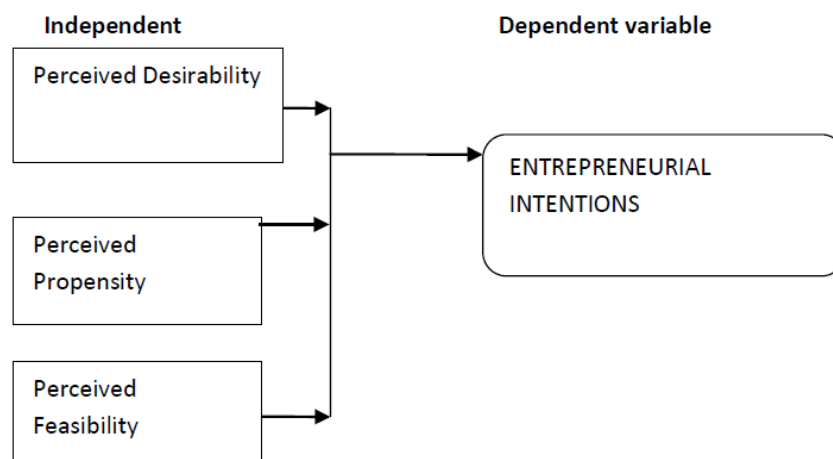
MBA students offer a unique sample to this study, as a set of highly educated people, they have the marked potential of starting these sustainable, and scalable ventures that can create employment (Rusteberg, 2014). What this study hoped to accomplish is to find those critical factors that South African policy makers can incorporate into existing policy in

order to create an enabling environment where these potential businesses can form and thrive and ultimately assist in attaining the 2030 goals.

Intentions models offer a parsimonious means of predicting the future discharge of any behaviour (Iakovleva, Kolvereid, & Stephan, 2011; Mada et al., 2013; Peng et al., 2012; Rusteberg, 2014; Sušanj, 2015; Tatarko & Schmidt, 2016). The Shapero Entrepreneurial Model (Shapero & Sokol, 1982), offers a robust model for ascertaining (specifically) entrepreneurship intentions, that is, whether or not a person intends to or is likely to start a business (Fayolle & Liñán, 2014; N. F. Krueger et al., 2000; Nabi & Liñán, 2011). In this study, it was used as a means of building an understanding of the motives behind the business initiating decisions considered by MBA students in the context of South Africa.

The Shapero model Figure 1 is an intentions model with three independent constructs, viz. perceived desirability, propensity to act and perceived feasibility which influence the dependent variable of entrepreneurial intention.

Figure 1: Shapero Entrepreneurial Event Model



Source: Ngugi et al. (2012)

The application of the Shapero Model is more suited to situations where an individual experiences a disturbance or displacing event, whether positive or negative, which causes the individual to make a choice. In this instance, it is believed that most students face a disturbance or displacing event when they complete their studies and such will be faced with making a career choice (Rambe et al., 2015). This phenomenon is illustrated by Figure 8, in the previous chapter, which reports that 74.5% of the participants who are

considering a career change. Leaping off of this understanding, the research questions of this study can be outlined as:

Research Question One: Does perceived desirability influence entrepreneurial intention of MBA Students?

Research Question Two: Does propensity to act influence entrepreneurial intention of MBA Student?

Research Question Three: Does perceived feasibility influence entrepreneurial intention of MBA Student?

The section which follows provides a discussion of the results for each research questions and research hypothesis as they relate to the theory as well as their implications for this study. The research hypotheses were developed from the research questions, which are derived from the central theme of the literature.

6.3. Discussion of Research Questions

This section aims to delve deeper into the findings and results in relation to each research question.

The outcomes from each of these questions, although not prescriptive, can be thought of as a guideline for input into entrepreneurship enabling policies for the various stakeholders.

6.3.1 Research Question One

RQ1: Does perceived desirability influence entrepreneurial intention of MBA Students?

The construct of perceived desirability was tested for association with the entrepreneurial intention using a Chi-squared test. The results found that the association was significant: $\chi^2 (21, N=153) = 92.027, p < .05$ (Table 13). The strength of this relationship was obtained by using Cramer's $V(\phi)$ test, the strength of the relationship was strong with an ϕ value of 0.776 (Table 14).

This result does not deviate from results found in literature. As demonstrated by Krueger (1993), Krueger et al. (2000) and Ngugi et al. (2012), who found a strong relationship

between the independent variable of perceived desirability and the formation of entrepreneurial intentions.

Perceived desirability can be attributed to environmental factors along with intrapersonal factors. Perceptions of entrepreneurship desirability develop as a result of the cultural and social environment, and therefore not all individuals will have the same levels of perceptions of desirability. Influences of entrepreneurial desirability include influences from family, peers, culture, colleagues, mentors, etc. by observing their successes or failures.

Desirability is likened to a person's attitude towards a certain concept or idea, in this instance desirability can be thought of as the perceived value of entrepreneurship (Boukamcha, 2015). The outcome of this study demonstrates that there is a strong desire for individuals to start a business, who through their interpersonal and social associations view entrepreneurship as attractive. They have gained confidence by seeing friends, family and colleagues start their own business, or perhaps because they have even started their own business (Table 2, Table 3, Table 4, Table 5 and Table 6). This influence presents entrepreneurship as a credible opportunity and positively influences the attitudes of the participants in a manner which makes the idea of entrepreneurship as attractive.

6.3.2 Research Question Two

RQ2: Does propensity to act influence entrepreneurial intention of MBA Students?

The construct of propensity to act was tested for association with the entrepreneurial intention using a Chi-squared test. The results found that the association was significant: $\chi^2 (10, N=153) = 78.582, p < .05$ (Table 15). The strength of this relationship was obtained by using the Cramer's $V(\phi)$, the strength of the relationship was strong with an ϕ value of 0.717 (Table 16).

This result also conforms to theory. According to the works of Ngugi et al. (2012), Fini et al. (2009), Krueger et al. (2000), businesses are started deliberately, that the intention is not a reflex reaction but it is rather a purposeful action. The propensity to act is more volitional and refers to a person's self-will. For an entrepreneurial event to occur there has to be both a credible and desirable opportunity which a person can take advantage of in order to start a new venture. It makes the action situational. More so, the idea of entrepreneurial commitment (Parente & Feola, 2013) is a credible departure point when one considers an individual's commitment toward entrepreneurship.

Upon examination of one of the measurement items which make up the construct of propensity to act: I plan to develop myself so that I can start my own business, one can infer that there is some form of commitment from this statement. Developing one's self requires time and effort and as such, it can be assumed that of the 82% of participant who have indicated that they have considered becoming an entrepreneur, there exists a large amount that are committed to seeing the process through.

As such, propensity to act is considered as a confirmatory measure of a person's intent to start a business. In this instance, there is positive confirmation that most of the participant do indeed intend to start a business at some future time.

6.3.3 Research Question Three

RQ3: Does perceived feasibility influence entrepreneurial intention of MBA Student?

The construct of perceived feasibility was tested for association with the entrepreneurial intention using a Chi-squared test. The results found that the association was significant: $\chi^2 (11, N=153) = 28.417, p = .003$ (Table 17). The strength of this relationship was obtained by using the Cramer's $V(\phi)$, the strength of the relationship was strong with an ϕ value of 0.431 (Table 18).

This result confirms much of the findings which are presented in prior research. In a similar light as to perceptions on desirability, perceptions of entrepreneurship feasibility develop as a result the cultural and social environment; and as a result, not all individuals will have the same levels of perceptions. Influences of entrepreneurial feasibility are influenced by financial support, other kinds of support, mentors, partners and an enabling environment.

Individuals who demonstrate high perceived feasibility as those who are thought to have confidence in their own skills and abilities. Self-Efficacy, which is thought to be influenced by education, is also described as an individual's confidence in their own ability and is linked to perceived feasibility (Boukamcha, 2015). This result on its own would imply that South African MBA students do trust in their own abilities to create a supportive environment which will support the formation of their individual ventures.

6.4. Discussion of the Hypotheses

Hypotheses One

Null Hypothesis One (H01): Perceived desirability does not influence entrepreneurial intentions of MBA Students.

Alternative Null Hypothesis One (H1): Perceived desirability does influence entrepreneurial intentions of MBA Students.

Outcome: $\chi^2 (21, N=153) = 92.027, p < .05. \phi = 0.776$; Wald criterion = 9.184; $p = .002$, Exp (B) = 1.483. Strong relationship: Predicts the model Decision: Rejected null hypothesis, accept the alternative hypothesis. Therefore perceived desirability does influence the entrepreneurial intentions of MBA students.

Hypotheses Two

Null Hypothesis Two (H02): Propensity to act does not influence entrepreneurial intentions of MBA Students.

Alternative Hypothesis Two (H1): Propensity to act does influence entrepreneurial intentions of MBA Students.

Outcome: $\chi^2 (10, N=153) = 78.582, p < .05. \phi = 0.717$; Wald criterion = 8.810; $p = .003$, Exp (B) = 1.88. Strong relationship: Predicts the model Decision: Rejected null hypothesis, accept the alternative hypothesis. Therefore propensity to act does influence entrepreneurial intentions of MBA students.

Hypotheses Three

Null Hypothesis Three (H03): Perceived feasibility does not influence entrepreneurial intentions of MBA Students.

Alternative Hypothesis Three (H1): Perceived feasibility does influence entrepreneurial intentions of MBA Students.

Outcome: $\chi^2 (11, N=153) = 28.417, p = .003; \phi = 0.431$; Wald criterion = 1.589; $p = .208$, Exp (B) = .793. Low relationship, therefore influence diminishes in presence of perceived desirability and propensity to act. Accept null hypothesis. Therefore, perceived feasibility does not influence the entrepreneurial intentions of MBA students.

6.5. Discussion of the Hypotheses in lieu of the Shapero Entrepreneurial Event Model

As advised by Krueger (1993), entrepreneurial intentions should be evaluated as an individual is facing a major career decision, that the intention has to be well formed, This is evidenced in this study, about 74% of the participants are looking for a career change, and also evidenced by the strength of the relationship between the three independent constructs (perceived desirability, propensity to act and perceived feasibility).

When binary logic regression is used to determine how much variance is explained by the dichotomous entrepreneurial intention question (“Do you think that you will ever start a business?”). Without the independent variables included in the model, the result of the regression yields an 83.7% prediction level (Table 19). With the independent variables included into the equation, the model’s prediction accuracy improves to 93.7% (Table 20). This implies that the intentions of the sample are well formed.

All three independent constructs, individually, were found to have a significant influence on the dependent entrepreneurial intentions variable, However, when all were included in a binary logistic model, only perceived desirability and propensity to act had prediction ability towards the entrepreneurial intention (Table 24). This presents a somewhat different outlook on the Shapero model as presented earlier in this work. Therefore in this study, a deviation from the traditional Shapero Model is presented. Figure 8 and Figure 9 provide a diagrammatic interpretation of these results.

Figure 8: Independent Constructs Individual influence on Entrepreneurial Intentions

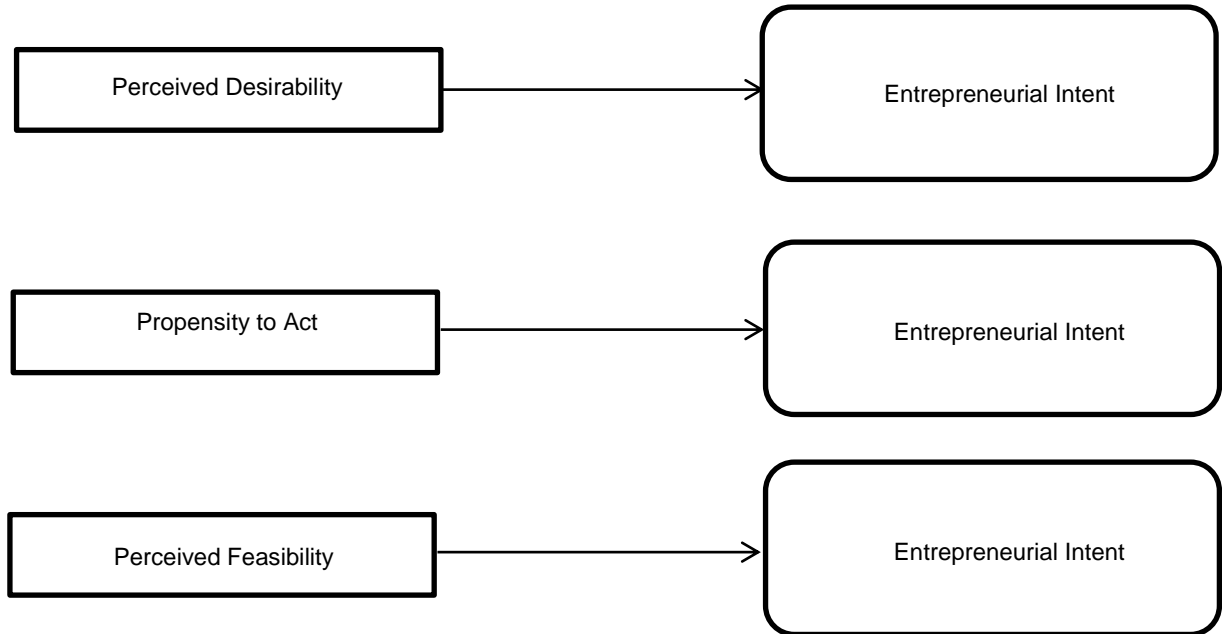


Figure 8 demonstrates that each independent construct on its own can explain entrepreneurial intention.

Figure 9: Entrepreneurial Intentions of South African MBA Students

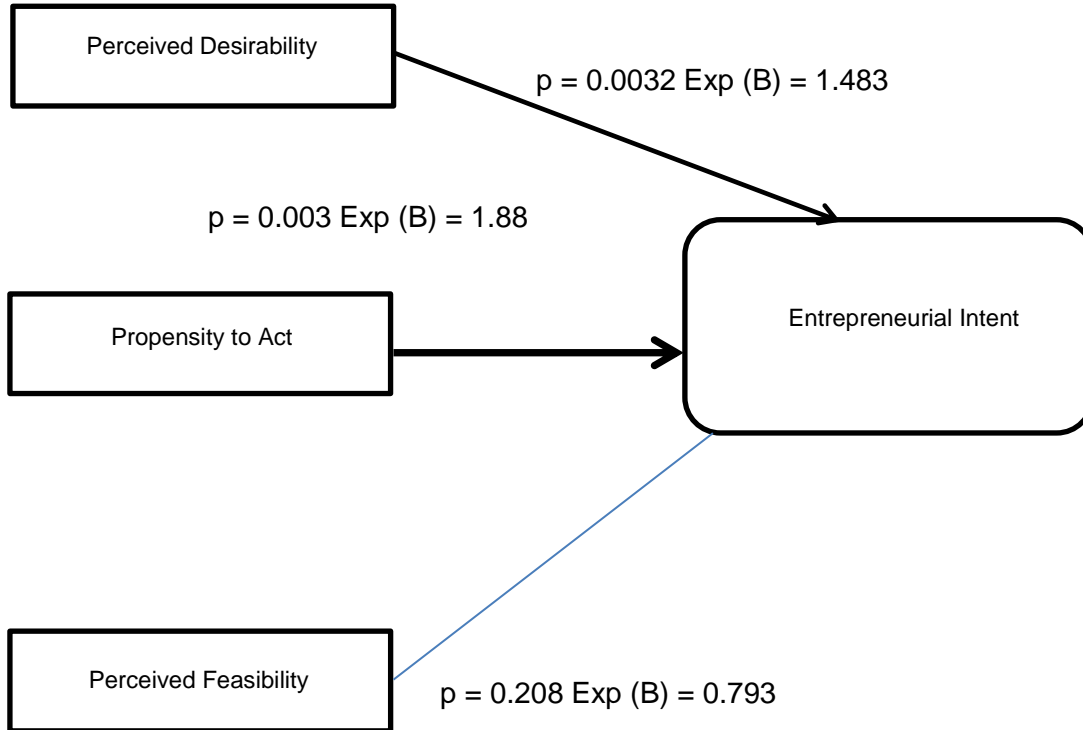


Figure 9 provides a graphic demonstrate the strong predictive ability of perceived desirability and propensity to act to the entrepreneurial intention model for South African MBA Students, Perceived feasibility has no ability to predict in this model.

These findings deviate from literature and may begin to give an indication of what literature has alluded to as the complexity of the Shapero Model. The Krueger (1993) study found that perceived feasibility explained the most variance when explaining entrepreneurial intentions. The study further cautioned against the use of simplistic models when analysing the complexity of intention formations. Krueger et al. (2000) found that every relationship between the independent and dependent variables was significant with $p < 0.05$ or better for each relationship, interestingly, the authors found that propensity to act h the stronger influence on intentions, which was not the case for this study.

Perceived feasibility can be attributed to the identification and recognition of opportunity and this presents the point of departure. Entrepreneurial commitment, which is regarded as the next step after entrepreneurial intention (Parente & Feola, 2013) is dependent on the assessment of feasibility. In this instance there appears to a disjoint between these two

concepts, and the commitment exists without the perception of feasibility. When perceptions of feasibility no longer have an influence on entrepreneurial intent then commitment, or the energy which one puts into starting a business may be jeopardised. This may be caused by a poor environment and the context which is meant to support the formation a new ventures being disempowering too. Interestingly, though, it may appear that South African MBA students feel that although the environment is not enabling, that there may still be hope and that they can still run successful ventures as the perceived desirability and propensity to act are still significant predictors of entrepreneurial intentions.

Quan (2012) postulates that entrepreneurial intentions do not have a homogenous meaning across all contexts and this result may be a demonstration of this. This would imply that the perceptions of feasibility on a whole in relation to desirability as well as propensity to act may be far weaker within the South African context this can be linked to the earlier reports on the South African entrepreneurship landscape, where access to finance is still the biggest problem (Park et al., 2015).

Quan (2012) adds that perceptions are rather individualistic and all dependent upon a person's own exposure and experiences. Most of the participants sampled in this study have not started businesses before and at the same time, most of them are currently engaged in formal employment, there is a reason to believe that their personal experiences may have contributed to their diminished view of the feasibility of starting a new venture as they may be looking at the environmental factors through a completely inappropriate lens – one that may be influenced by their careers and industry.

Even so, the majority of the participants would still start a venture. The influence of entrepreneurship education may also lead to the phenomenon of Impulsive Intentions (Quan, 2012), which represent the desire or even the will to start a business without necessarily having realistic control over the resources required to start a business. This behaviour is often demonstrated by students.

Alternatively, the measurement which was used by this study was an inadequate measure for the construct, at least six measurements were removed in order to ensure reliability and this is perhaps where the measurement scale became flawed. There is a possibility that the measurements are the reason for the construct's poor predictive power rather than what would seem as if South Africans do not think that starting a business is feasible.

Further, as outlined by Boukamcha (2015), perceived feasibility has no impact on perceived desirability. This means that individuals may be motivated to start businesses even if they do not perceive a high feasibility, and this effect is demonstrated in the findings of the study Figure 9.

6.6. Discussion of Other Factors Which Influence Entrepreneurial Intent

Table 10 presented that aspect which participants could rate as those which determine success for an entrepreneur. Most (85.6%) of the participants rated that “Doing the kind of work you really like” to be the number one factor for success as an entrepreneur, this was followed by “Sustaining the path of positive growth” at 68.6% and “Helping to solve the problems of the community” came in third at 64.7%. These results may indicate that although most of the participants want to become entrepreneurs, most may not start scalable businesses although at least 58.2% of the participants rated “Competing hard in local and global markets”.

When questioned why the participants would choose entrepreneurship, 81% rated “Self – realisation” as the most important reason why they would become entrepreneurs. The second most important reason, rated at 75.2% was “Economic Opportunity (Wealth) – this represents self-wealth and not necessarily wealth that has a national economic impact. At 65%, the third highest was for a “Challenge”, and “Autonomy” at 59.5%. These particular results gain relevance when one considers that Intentions are an individualistic and subjective phenomenon.

The opportunity identification process of starting a business is intentional (Krueger et al., 2000), as a departure from theory, the results of this study (Table 10) showed that there was only one outside variable, other than the independent constructs, which had association to the dependent variable of entrepreneurial intention, this is: “Have you started a business before?”. Other variables, like education, which were considered by this study, do not play a part in shaping this intent.

Essentially, this study demonstrates the subjectivity of the formation of entrepreneurial intentions. The participants in this study mostly harboured a desire to become an entrepreneur and mostly have the propensity to act in this regard, but find the feasibility of the venture formation as a challenge. This result is similar to that outlined by the Global Entrepreneurship Monitor report, which rated entrepreneurial activity as low even though

many South Africans highlighted an interest towards the vocation. This disjoint could not be fully explained by this study.

6.7. Chapter Conclusion

Hypothesis one was supported concluding that perceived desirability was a significant predictor entrepreneurial of intentions of MBA students. This finding did not divert from prior research and it serves to confirm the applicability of the Shapero model. The answer to research question one is answered in the affirmative; perceived desirability does influence the entrepreneurial intentions of MBA students.

Hypothesis two was supported concluding that propensity to act was a significant predictor entrepreneurial of intentions of MBA students. This finding did not divert from prior research and it serves to confirm the applicability of the Shapero model. The answer to research question two is answered in the affirmative; propensity to act does influence the entrepreneurial intentions of MBA students.

Hypothesis three was not supported concluding that perceived feasibility was not a significant predictor of entrepreneurial intentions of MBA students. This finding diverts from prior research and it thus renders Shapero model a weak predictor of entrepreneurial intentions. The answer to research question three is answered in the affirmative were only perceived feasibility acts on entrepreneurial intentions, then it does influence on its own but is insignificant when taken in light of the Shapero model.

Overall, South African MBA Students have the desire to become entrepreneurs and some may even become entrepreneurs. Majority of the participants want to become entrepreneurs as a means of self-realisation and believe that being an entrepreneur means doing the work that one likes. The implication of this finding has relevance for policy makers as they will have to enable an environment where entrepreneurship can be pursued by people who want to do highly individualistic trades which help them become their better selves.

This implies that the formation of structures should be holistically focused and not merely be clinical support. This has relevance for what is generally perceived as barriers towards entrepreneurship, these may be regarded as personal obstacles more than what is known as “bureaucratic” – and for individuals who are forming ventures in order to self-actualise, these may just be too burdensome.

7. CONCLUSION AND RECOMMENDATIONS

7.1 Chapter Introduction

The previous Chapter presented the link between entrepreneurship theory and the results which were found in this study. In this Chapter, the summary of the objectives of the study will be presented, along with the major findings of the work and their implications. Recommendation for future research which can build on this study will be presented and thereafter a concluding statement will close off this work.

7.2 Background and Objectives of Study

The explicit aim of this study was centred on discovering the entrepreneurial intention of MBA students in South Africa. The significance of entrepreneurship for a country is in that entrepreneurship is directly linked to the economic growth. Individuals who have received some secondary or tertiary education are more likely to run successful, scalable business, which can offer meaningful employment. This has relevance for South Africa.

This study regards the student who engages in business studies as one who is more capable, in comparison to other students, to start a successful venture, especially in light of the number of start-up failures. Therefore it is of interest for all South African stakeholders to gauge the entrepreneurial intentions of this particular group. Insights garnered from this group have relevance for the development of policy as well as for creating an overall supportive environment which will enable sustainable venture formation.

The study employed the use of the Shapero Entrepreneurial Event Model as a tool to gauge the entrepreneur intentions of MBA students, and also to explore other factors which may either support or impede this group of people from starting their business ventures.

7.3 Summary of Key Findings

The findings of this study, summarised in Figure 9, found that there was a significant one on one relationship between perceived desirability and entrepreneurial intention, propensity to act and entrepreneurial intention as well as perceived feasibility and entrepreneurial intention. However, when all independent constructs are regressed against

entrepreneurial intentions at the same time, then only perceived desirability and as well as a propensity to act were significant at predicting intention.

The propensity to act was a stronger predictor of entrepreneurial intention and because it is the moderating variable, when there is not strong enough feasibility and desirability, it is safe to accept that MBA students have a keen interest in entrepreneurship.

Moreover, when the dichotomous entrepreneurial intention variable was analysed, it was found that majority of the participants had intent towards entrepreneurship, education, interestingly had no effect as the intent was just as strong for those students who had received entrepreneurial education and for those who had not.

A majority of the participants wanted to become entrepreneurs as a means to self-actualise and were interests in the more social entrepreneurship as opposed to hardcore bottom line entrepreneurship. This has an impact on the scalability of their ventures, and for the most part, there is reason to believe that MBA students may not start a scalable business which can offer meaningful employment and grow an economy. This is supported by the poor influence which perceived feasibility has on intentions.

7.4 Implications of Key Findings

The majority of the participants were African males, and between the ages of 31 -35, this moves away from the Global Entrepreneurship Monitors statistic which found that majority of small business owners were white males between the ages of 25 – 45 who live in urban areas with a secondary or even tertiary level of education. This contrast suggests that the profile of the South African is starting to change; however, the lower representation of women may suggest that women’s perceptions of entrepreneurship may still require improvement.

This has implication for all stakeholders who have involvement in the formation of a small business, groups such as educators, institutions, government structure and policy and planning agents who all form part of the entrepreneurial ecosystem are advised to direct more concerted effort to the creation of female start-ups.

Entrepreneurial intentions are formed by attitudes, attitudes are created by the influence of a multiple amount of exogenous factors such as prior experience, work experience, environmental and contextual settings etc. this study surveyed a homogenous set of MBA

students and found that most aspire towards entrepreneurship, therefore, there is no one such factor which can be targeted in order to attempt to increase perceptions. What this study confirms is that access to funding and liquidity are still the primary inhibitors of new venture formations. Aspects such as the role of the entrepreneur, the risk associated with entrepreneurship, are others which appear to generate a poor response.

Self-employment is a necessary for a growing country. When one contrasts South Africa against a country such as Vietnam – one is able to better see the impact and necessity of self-employment. Vietnam is an economy growing at approximately 6.7% year on year; this growth founded on the back of these entrepreneurs. The similarities between these two countries are striking, although Vietnam has almost double the population of South Africa, Lessons can certainly be learnt from this country on how to promote entrepreneurship and remove the now common inhibiting factors.

Lastly, it is important to take into cognisance that entrepreneurship is not always the only alternative for MBA students and to have such an overwhelming interest in the pursuit of entrepreneurship offers a fertile ground to those policy makers who need to ensure that entrepreneurs are supported. More importantly the importance of individuals doing what they like in order attain self-realisation must be well noted.

7.5 Research Limitations

A non-probability random sample was utilised by this study. Non-probability samples may or may not represent the population well, and it will often be hard for the researcher to know whether the population has been represented well. In the case of this study, the researcher is aware that the students reached by the study live within a South African context which is not representative of the majority of the population. Thus, their perceptions may be influenced by their particular environments which may not be generalisable to the overall South African environment.

With a purposive sample, you are likely to get the opinions of your target population, but you are also likely to overweight subgroups in your population that are more readily accessible. This study is based on a sample of people who may possibly not form part of the larger South African context. Lastly, some of the participants had already started their own businesses and thus may have included a potential bias into the study

7.6 Suggestions for future Research

In addition to the results found in this study, alternative avenues for future research are presented as:

- An investigation of the role of personal-level variables and how they influence entrepreneurial intentions, especially in light of the findings of his study
- An investigation of how the context and institutions can assist in influencing intentions.
- A study where the true impact of policy and how it influences entrepreneurial intention is investigated
- A study that looks fully into the relationship between commitment and entrepreneurial intention.

7.7 Conclusions

The study found that only Perceived Desirability and Propensity to Act had a significant predictive power of Entrepreneurial Intention when the entire Shapero Model was taken into account. Perceived Feasibility was found to be insignificant. Perceived feasibility is a function of the context and the environment and as such it appears that these are yet to be fully accessible to future entrepreneurs in South Africa. This has relevance to policy makers and all stakeholders within the Entrepreneurship Ecosystem. In general, the study found that participants wanted to become entrepreneurs in order to attain self-realisation as well as to do the work they like. This is a noteworthy point of departure

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APPENDIX ONE

PILOT QUESTIONNAIRE

Shapero Entrepreneurial Event Model

Sources: Ngugi et al. (2012), Shapero (1982), Rusteberg (2014) and Krueger (1993)

Demographic Information

- Age
- Gender
- Racial Group
- Are you a student?
 - Please specify which programme you are enrolled in [box to fill in programme]

Employment Related Information

- Are you employed? [Yes/No drop down box]
- Please state which sector you are employed in [tick applicable option]
 - Healthcare
 - Telecommunications
 - Information Technology
 - Energy and Utilities
 - Transport
 - Manufacturing
 - Commodities/Materials
 - Consumer Services
 - Financial Services
 - Education
 - Government or Non-profit
 - Professional Services
 - Retail and Distribution
 - Other [box to fill in other]

- Years of work experience [box to fill in number of years]
- Considering a career change or not [Yes/No drop down box]

Entrepreneurial Intentions

- Do you think you will ever start a business? [Yes/No drop down box]

Breadth of Entrepreneurial Experience [Yes/No drop down box]

- Have you studied an entrepreneurship course?

- Did your parents ever start a business?
- Has anyone you know started a business?
- Have you worked for a small company?
- Have you started a business?

Perceived Desirability [Rating Scale: Strongly Disagree – Strongly Agree]

- I would love to start my own business
- Starting a business would make me very tense
- The thought of starting a business enthuses me
- Being an entrepreneur implies more advantages than disadvantages
- A career as an entrepreneur is attractive to me
- If I had the opportunity and resources, I would like to start a business
- Being an entrepreneur would be great satisfaction to me
- Among various options, I would rather be an entrepreneur

Perceived Feasibility [Rating Scale: Strongly Disagree – Strongly Agree]

- I think that starting a business would be hard
- If I were to start a business, I would succeed
- I would be overworked if I started a business
- I know enough to start a business
- I am sure in my abilities as an entrepreneur
- The entrepreneurs role in the economy is not sufficiently recognised
- A career as an entrepreneur is often unsuccessful
- Entrepreneurial activity is considered too risky to be worthwhile
- It is commonly thought that entrepreneurs take advantage of others

Being a successful entrepreneur involves [Tick applicable choices]:

- Competing hard in local and global markets
- Reaching a high level of income
- Doing the kind of work you really like
- Achieving great social recognition
- Helping to solve the problems of the community
- Sustaining a path of positive growth

The following factors have an influence on one's choice of becoming an entrepreneur [Tick applicable choice]:

- Economic Opportunity (Wealth)
- Autonomy
- Challenge
- Self-realisation

Propensity to Act [Rating Scale: Strongly Disagree – Strongly Agree]

- I certainly will start my own business
- I plan to develop myself so that I can start my own business
- I plan to acquire technical support to help me when I start my own business

APPENDIX TWO

BIOGRAPHIC INFORMATION OF THE RESPONDENTS

		Age_			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30 years or less	20	13.1	13.1	13.1
	31 - 35 years	82	53.6	53.6	66.7
	36 - 40 years	30	19.6	19.6	86.3
	40 - 45 years	15	9.8	9.8	96.1
	Older than 45 years	6	3.9	3.9	100.0
	Total	153	100.0	100.0	

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	82	53.6	53.6	53.6
	Female	71	46.4	46.4	100.0
	Total	153	100.0	100.0	

		Racial Group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	73	47.7	48.7	48.7
	White	44	28.8	29.3	78.0
	Coloured	8	5.2	5.3	83.3
	Indian	20	13.1	13.3	96.7
	Caucasian	5	3.3	3.3	100.0
	Total	150	98.0	100.0	
Missing	System	3	2.0		
Total		153	100.0		

Are you currently employed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	6.5	6.5	6.5
	Yes	143	93.5	93.5	100.0
	Total	153	100.0	100.0	

How many years of work experience do you have? (Binned)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 years or less	6	3.9	4.0	4.0
	6 -10 years	35	22.9	23.3	27.3
	11 - 15 years	68	44.4	45.3	72.7
	16 - 20 years	24	15.7	16.0	88.7
	Higher than 20 years	17	11.1	11.3	100.0
	Total	150	98.0	100.0	
Missing	System	3	2.0		
Total		153	100.0		

Please indicate the sector:					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	14	9.2	9.2	9.2
	Financial Services	31	20.3	20.3	29.4
	Energy and Utilities	12	7.8	7.8	37.3
	Consumer Services	6	3.9	3.9	41.2
	Information Technology	13	8.5	8.5	49.7
	Commodities and Materials	8	5.2	5.2	54.9
	Professional Services	16	10.5	10.5	65.4
	Retail and Distribution	8	5.2	5.2	70.6
	Health Care	10	6.5	6.5	77.1
	Telecommunications	7	4.6	4.6	81.7
	Other	28	18.3	18.3	100.0
	Total	153	100.0	100.0	