Entrepreneurial orientation and enterprises performance: Mediating role of sefa funding among female-owned enterprises in South Africa

by

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Submitted in partial fulfilment of the requirements for the degree.

MASTER OF MANAGEMENT IN ENTREPRENEURSHIP AND NEW VENTURE CREATION

FACULTY OF COMMERCE, LAW, AND MANAGEMENT

UNIVERSITY OF THE WITWATERSRAND

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24 January 2025

ABSTRACT

The study examines entrepreneurial orientation **(**EO) dimensions; namely, innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness and their impact on access to funding from the Sefa. Additionally, the study analyses whether Sefa funding mediates the relationship between EO and enterprise performance. Despite the critical role that female entrepreneurs play in driving innovation, job creation, wealth creation, gender equality and economic growth, factors influencing their success, particularly access to finance, remain underexplored. Grounded in the entrepreneurial orientation theory, resource-based view, pecking order theory and the institutional perspective of development finance institutions (DFIs), the study adopts a cross-sectional, quantitative design with a post-positivist approach. Data were collected through self-administered online surveys from 181 female entrepreneurs funded by Sefa between 2012 and 2022. Multiple regression analysis and structural equation modelling (SEM) were used to analyse the hypothesized relationships.

The results reveal that EO dimensions do not directly influence access to Sefa funding as entrepreneurial behaviours are not considered in the agency's funding criteria. Additionally, the study finds that access to Sefa funding does not mediate the relationship between EO and enterprise performance. These findings challenge existing theoretical models that link EO to financing and performance thus highlighting gaps in DFI funding mechanisms. The study contributes to female entrepreneurship literature by advancing the theoretical understanding of EO and entrepreneurial finance in emerging markets. It recommends that DFIs should integrate EO dimensions into their funding models to drive enterprise performance. Policymakers are encouraged to enhance DFI funding mechanisms and develop policies that promote innovative financing. The practical implications highlight the need for female entrepreneurs to cultivate EO behaviours to strengthen business performance, competitiveness, and long-term sustainability.

Key words: Small Enterprise Finance Agency(sefa), Development Finance Institution (DFI), Entrepreneur Orientation (EO), Female-owned Enterprises, Access to Funding

DECLARATION

I, Nothemba Gqiba, declare that this research report is my own work except as indicated in the references. It is submitted in partial fulfilment of the requirements of the degree of Master of Management at the University of the Witwatersrand, Johannesburg. To my knowledge, this research report has not been submitted before for any degree or examination in this or any university.

Signature

Signed ……in Johannesburg.

On this date, 26 February 2025

DEDICATION

I dedicate this body of work to my late mother, Linda Eleanor Tu Gqiba, who passed away on the 24th of December 2024. Thank you for being my inspiration. To my son Ngqiqo, thank you for your unwavering love and support throughout this challenging journey.

ACKNOWLEDGEMENTS

Sincere gratitude to my supervisor Dr. Jabulile Msimango for her continuous support and guidance during my research proposal drafting stage to the final thesis report.

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ACRONYMS

Table 1: List of Acronyms

Sefa	Small Enterprise Finance Agency
SEDA	Small Enterprise Development Agency
Sedfa	Small Enterprise Development and Finance Agency
MSMEs	Micro, Small and Medium-Size Enterprises
BBBEE	Broad-Based Black Economic Empowerment
SEM	Structural Equation Modelling
GEM	Global Entrepreneurship Monitor
DFIs	Development Finance Institutions
BBSDP	Black Business Supplier Development Programme
EO	Entrepreneurial Orientation
FY	Financial Year
RBT	Resource-Based Theory

CHAPTER 1: INTRODUCTION

1.1 Introduction

This chapter highlights the purpose of the study and deliberate on the background of the study and the central problem statement. It also examines the research objectives, the research question as well as the rationale, justification, and significance of the study. Lastly, it highlights the study delimitation, assumptions and conclusively provides the context for major definitions of terms used in the research.

1.2 Statement of Purpose

Research has consistently shown that entrepreneurial orientation (EO), operationalized by its dimensions of innovativeness, risk-taking, proactiveness, competitive aggressiveness and autonomy serves as a critical strategic driver of firm performance (Frank, Kessler & Fink, 2010; Dess & Lumpkin, 2005; Rauch *et al.,* 2009). Moreover, studies by Zampetakis *et al.* (2011); Fatoki (2012); Sidek *et al*. (2016); Potgieter and Rungani (2018) highlight the role of EO in facilitating access to entrepreneurial finance as a key factor for business growth and sustainability. Despite this scholarly and empirical evidence, limited research exists on the mediating role of access to finance in the relationship between EO and the performance of women-owned enterprises, particularly in the context of development finance institutions (DFIs) like the Small Enterprise Finance Agency (sefa) in South Africa. This gap is significant given the critical contributions of women entrepreneurs to innovation, job creation and poverty alleviation; alongside the persistent barriers they face in accessing entrepreneurial finance.

In light of the above evidence and argument, the purpose of this study is two-fold. First, the study seeks to examine the influence of EO dimensions of innovativeness, risk-taking, autonomy, proactiveness and competitive aggressiveness on access to sefa funding. Secondly, the study seeks to investigate the mediating role of sefa funding in the relationship between EO and enterprise performance among sefa funded women-owned enterprises.

1.3 Background of the Study

Globally, female entrepreneurship is increasingly recognized as a pivotal force for economic growth, poverty reduction and social transformation (Ojong *et al*., 2021; Mahohoma; 2018). Africa, in particular, has emerged as a unique context where women account for the majority of entrepreneurs, surpassing other continents in this regard (World Bank, 2019). These female entrepreneurs play a transformative role in the continent's development, overly contributing to innovation, gender equality, job creation, wealth generation, poverty alleviation and household welfare (GEM, 2010; Amine & Staub, 2009; Friedson-Ridenour & Pierotti, 2019; Scott *et al*., 2012).

In South Africa, which is grappling with persistent poverty, high rates of unemployment and extreme inequality, the contributions of women entrepreneurs are especially significant (GEM, 2024). Female entrepreneurs have been at the forefront of efforts to combat socio-economic challenges, driving initiatives that create jobs, foster innovation and enhance household livelihoods (GEM, 2024). South Africa's Micro, Small and Medium Enterprises (MSMEs) sector, which is predominantly women-owned enterprises, is acknowledged as a critical driver of economic growth and poverty reduction (BER, 2016; GEM, 2024).

Despite their contribution, women entrepreneurs in South Africa face systemic barriers and structural inequities that hinder their entrepreneurial success. Historical and socio-economic challenges, such as limited access to education and training (Derera, 2011), inadequate institutional support (GEM, 2024) and ingrained gender biases (Zizile & Tendai, 2018) exacerbate these obstacles. Additionally, issues such as management inefficiencies, the lack of scalability and gaps in business practices contribute to the high failure rates among women-owned enterprises (Olawale & Garwe, 2010; Chimucheka & Mandipaka, 2014; Msimango-Galawe & Hlatshwayo, 2021).

Moreover, one of the most significant impediments to women entrepreneurs in South Africa is the lack of access to entrepreneurial finance. Research highlights that biases in investment decisions, restricted networks, insufficient collateral, and risk-averse lending practices create financial barriers that disproportionately affect women in the country (Lucey, 2010; Fatoki, 2012; Ibrahim & Sharif, 2016). This financial exclusion limits the ability of women-owned enterprises to

innovate, scale and thrive in competitive markets. Amidst the impediments hindering the growth and sustainability of women-owned enterprises, EO has emerged as a strategic framework for enhancing enterprise performance. However, its integration into institutional frameworks remains limited, particularly in South Africa where DFIs, such as the sefa play a crucial role in supporting MSMEs and fostering entrepreneurship.

1.4 Problem Statement

Female entrepreneurs in South Africa are key drivers of socio-economic transformation, significantly contributing to innovation, job creation, poverty reduction and gender equality. Despite their vital role in the MSMEs sector, which underpins the nation's economic growth, women-owned enterprises face systemic barriers that stifle their ability to start, sustain and scale their businesses (GEM, 2024; Hartcher, Hodgson & Holmes, 2003; Ramukumba, 2014; Seeletse, 2012). Research highlights a stark failure rate of approximately 75% among medium-sized enterprises in South Africa, particularly among women-owned ventures, revealing a critical gap in entrepreneurial sustainability (Olawale & Garwe, 2010; Chimucheka & Mandipaka, 2014).

Although the South African government has implemented comprehensive initiatives to support female entrepreneurs, including the infamous Broad-Based Black Economic Empowerment (BBBEE), the National Development Plan (NDP), National youth enterprise strategy, strategic framework on gender and women's economic empowerment and specialized DFIs such as the Sefa, these efforts have not effectively translated into sustained competitive advantage and growth among enterprises in the country. Persistent obstacles such as limited access to entrepreneurial finance, gender biases, inadequate collateral, restricted networks, and inefficiencies in business management undermine the resilience of women-owned enterprises. Moreover, financial decision-making processes in DFIs often exclude EO as a criterion for evaluating business viability, thereby limiting access to critical funding, and perpetuating structural inequities.

Amidst the obstacles facing women entrepreneurs, especially access to entrepreneurial finance, EO, comprising dimensions of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness is globally recognized as a strategic enabler of enterprise growth and performance (Frank, Kessler & Fink, 2010; Dess & Lumpkin, 2005; Rauch *et al*., 2009). However,

the potential of EO to improve access to finance and drive sustainable enterprise performance among female entrepreneurs in South Africa remains underexplored.

In light of the lack of evidence, this study addresses the pressing need to investigate the interplay between EO and access to sefa funding. Specifically, the study seeks to examine whether Sefa funding mediates the relationship between EO dimensions, and the performance of Sefa funded women-owned enterprises between 2012 and 2022. By focusing on the interplay between EO and access to sefa funding, the study sought to answer the below research question and provide answers to the set research objectives.

1.5 Research Question

This study sought to answer the question *to what extent does access to sefa funding mediates the relationship between entrepreneurial orientation and performance among Sefa funded female-owned enterprises?*

1.6 Research Objectives

To provide answers to the above research question, the main objective of the study is to investigate the mediating role of sefa funding on the relationship between entrepreneurial orientation on enterprises performance among Sefa funded female enterprises in South Africa.

Specific objectives include:

1. To investigate the influence of the EO dimension of innovativeness on access to Sefa funding.
2. To investigate the influence of the EO dimension of risk-taking on access to Sefa funding.
3. To investigate the influence of the EO dimension of proactiveness on access to Sefa funding.
4. To investigate the influence of the EO dimension of autonomy on access to Sefa funding.
5. To investigate the influence of the EO dimension of competitive aggressiveness on access to Sefa funding.
6. To investigate the mediating role of Sefa funding on the relationship between EO and women-owned enterprise performance.

1.7 Definitions

Small Enterprise Finance Agency (sefa)

Sefa is an implementing agency of the Department of Small Business Development. The agency is a wholly-owned subsidiary of the Industrial Development Corporation Limited (IDC) and was founded on 1 April 2012 – in terms of Section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act) – following a Cabinet decision and the 2011 State of the Nation Address to merge three agencies (Khula, the South African Micro-Finance Apex Fund and the IDC's small business funding unit) into a single entity.

Development Finance Institutions (DFI)

The study will follow the National Treasury South Africa definition of 2006, which states that DFI's are specialised development banks or subsidiaries set up to support private sector development in developing countries by providing financing, guarantees and technical assistance for development related investments.

Entrepreneur Orientation

EO is a foundational theoretical construct that informs the strategic behaviours of firms and significantly influences performance outcomes. Characterized by five core dimensions of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness, this (EO) phenomenon refers to the processes, practices and decision-making styles at company level and is of vital importance for organisational success and a key driver of increased performance (Lumpkin & Dess, (1996).

Female-owned enterprises

According to the GEM Report (2024), female-owned enterprise is a business in which a woman (or women) owns 51% of the equity and exercise control over the business's decision-making and operations.

Access to Funding

Rampe & Mosweunyane (2017), define access to funding as a procedure and a requirement that enables small, medium and micro enterprises (SMMEs) to acquire financial support from commercial banks, venture capitalists or development financial institutions (DFIs) for their survival and expansion.

1.8 Rationale and Significance of the Study

The efforts to promote female entrepreneurship in South Africa have been supported by various policies and initiatives, including the Black Business Supplier Development Programme (BBSDP), BBBEE, the strategic framework on gender and women's economic empowerment etc. that are aimed at increasing women's participation in economic activities and improving their access to finance (Boris *et al*., 2017; Herrington *et al*., 2017; Seed Academy, 2019). Despite these efforts, access to entrepreneurial finance and the overall performance remains a critical challenge for South Africa's female entrepreneurs. Previous studies (e.g. Frank, Kessler & Fink, 2010; Dess & Lumpkin, 2005; Rauch *et al*., 2009) have demonstrated that EO, comprising of its dimensions of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness significantly influence the performance and access to finance for women entrepreneurs (Irwin & Scott, 2010; Adesua-Lincoln, 2011; Derera *et al*., 2014; Mauchi, 2014; Lucey, 2010; Zampetakis *et al*., 2011; Fatoki, 2012; Aminu & Sharif, 2015; Ibrahim & Sharif, 2016; Sidek, 2016). However, while evidence linking EO, performance and access to finance exists, there is limited documentation on how EO dimensions at the institutional level, for example in institution such as DFIs influence performance and whether such a relationship is mediated by access to finance remain elusive.

Sefa's mandate: *To foster the establishment, survival and growth of SMMEs and Co-operatives, and thereby contributing towards poverty alleviation and job creation.* Sefa's mandate is broad and did not have financial product exclusive targeted at women. The study seeks to establish how women-owned businesses are assessed for funding.

To fill this gap, this study explores the mediating role of access to finance on the relationship between EO and enterprise performance in Sefa, a DFI mandated to provide enterprise support and

development finance. According to the National Small Business Act of 1996 (revised in 2004), sefa, now Small Enterprise Development Finance Agency (SEDFA) is a state-owned institution tasked with addressing market failures in financing MSMEs and cooperatives.

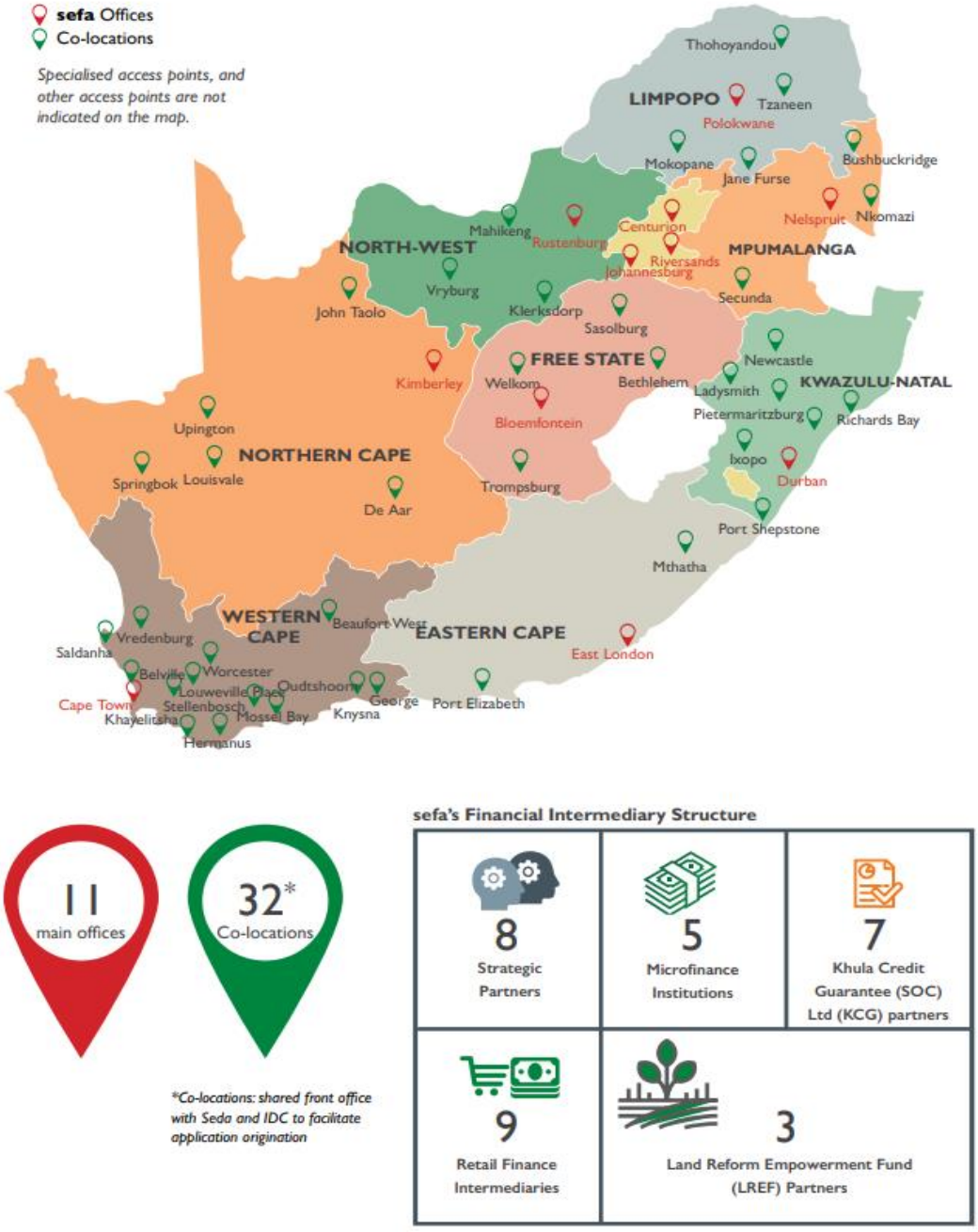

Figure 1: Sefa's Geographical footprint.

Source: Sefa 2022 Annual Report, page 21.

Sefa has multiple delivery models to ensure ease of access. The diagram illustrates these access points and together with the financial intermediaries.

Over the last decade, sefa has demonstrated its commitment to supporting Small, Medium and Micro Enterprises (SMMEs) through significant financial disbursements. For example, in the 2021/22 financial year (FY) alone, sefa approved R2.494 billion in funding to MSMEs and cooperatives, disbursed R2.322 billion to 76,129 enterprises and facilitated the creation or preservation of 96,589 jobs (sefa, 2022). Between FY 2019/20 and FY 2023/24, sefa consistently invested approximately R2 billion annually in direct lending, wholesale lending, credit guarantees, fund management and ancillary services, benefiting over 700,000 MSMEs. Despite these efforts, there remains a lack of empirical evidence on the mediating role of EO in accessing finance and enhancing the performance of supported women-owned enterprises.

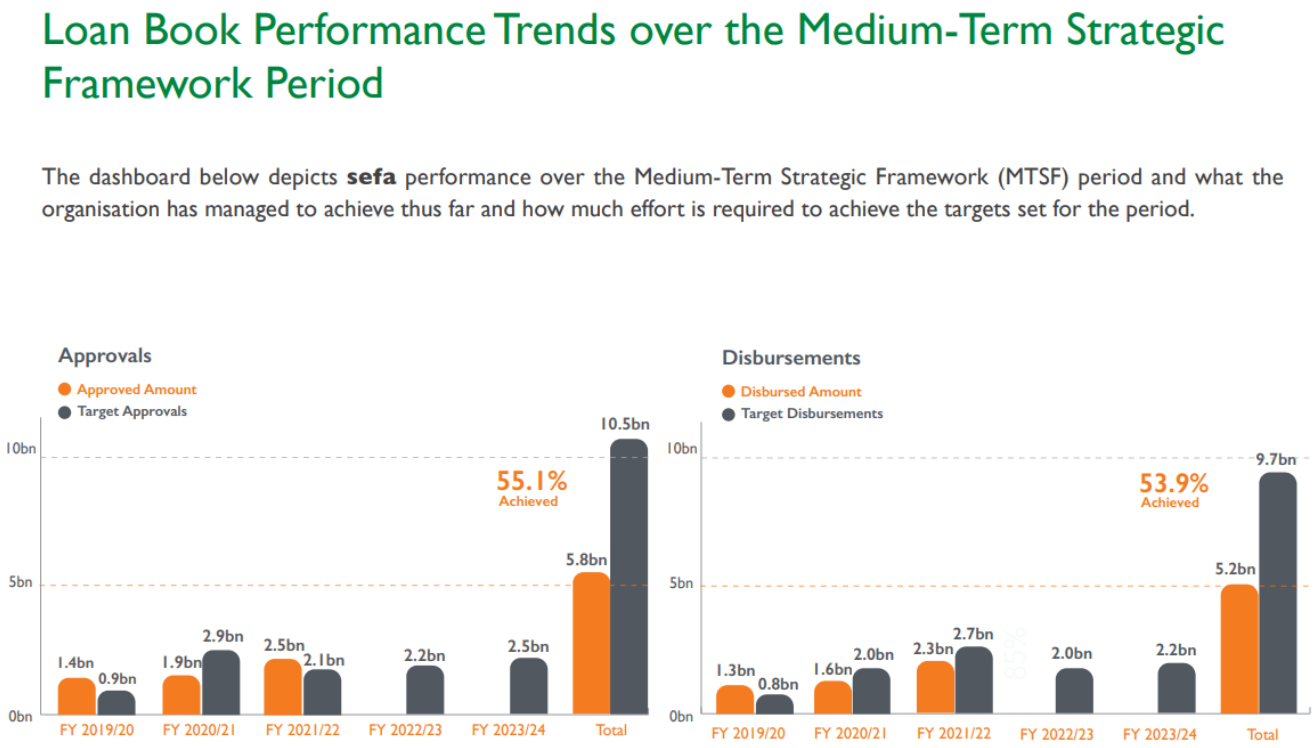

Figure 2: Sefa 2021 - 2022 outlook performance.

Source: Sefa 2022 Annual Report, page 20

Loan Book Performance Trends

The **sefa** management team recognises the need to balance the contradictory and sometimes competing priorities that fulfil the unlimited demands of the organisation's mandate while deploying limited fiscal resources. Figure 7 below provides an analysis of **sefa**'s loan book performance against key metrics.

Figure 3: Sefa Geographical footprint.

Source: Sefa 2022 Annual Report, page 22

From an operational standpoint, sefa's operational framework provides funding to MSMEs across various sectors, including services, manufacturing, agriculture, construction, mining, and green industries. It also employs a post-investment management and graduation model leveraging channels such as Small Enterprise Development Agency (SEDA), which recently merged with

Sefa to form SEDFA, business advisors and sefa's regional offices to support youth and women-owned MSMEs. However, the extent to which EO dimensions influence Sefa's funding decisions and impact enterprise performance has not been systematically explored.

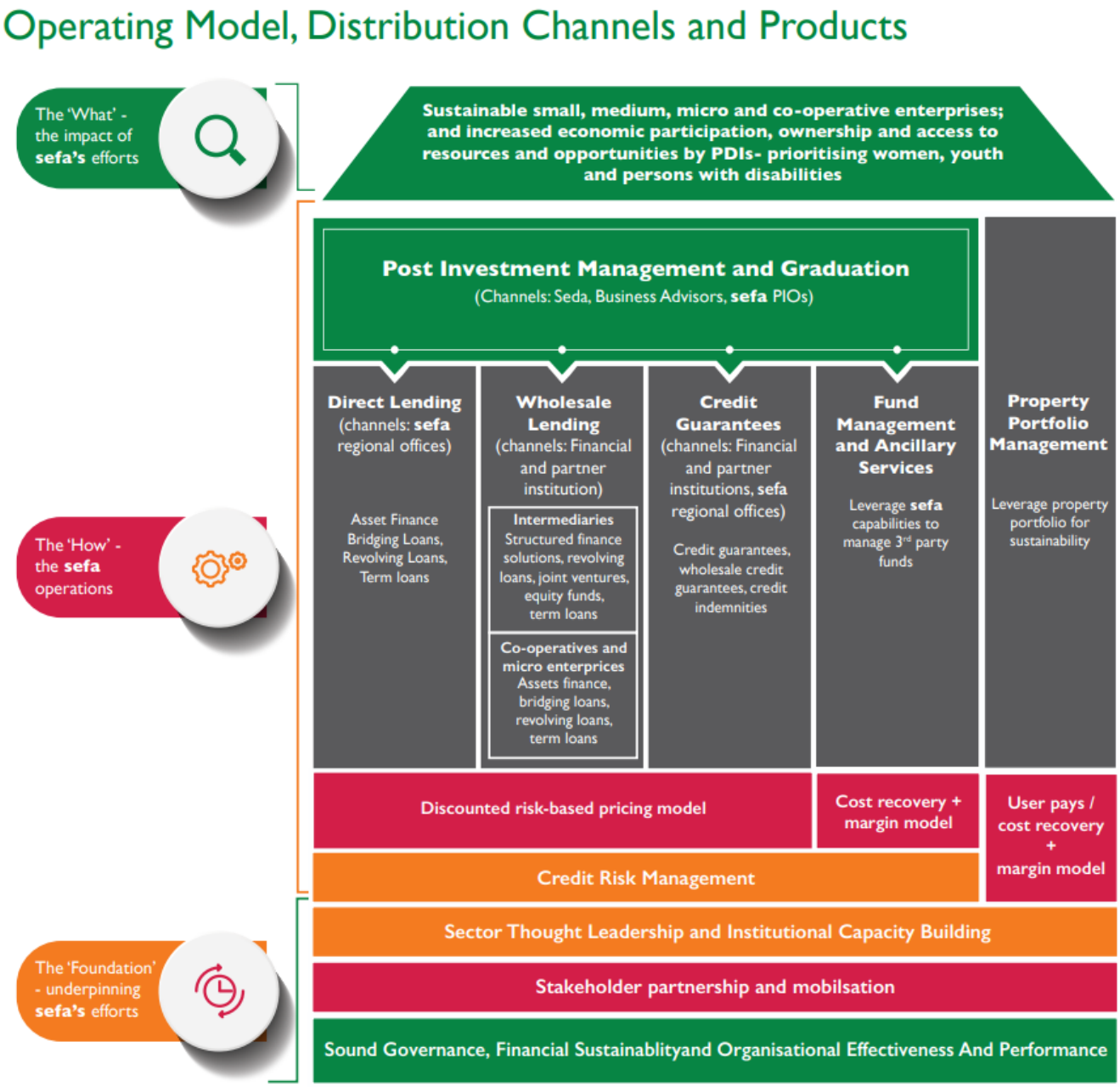

Figure 4: Sefa operating model, distribution channels and products.

Source: Sefa 2022 Annual Report, page 15

In light of the lack of evidence on the mediating role of sefa funding in any possible relationship between EO and enterprise performance as well as the government support of sefa, this research addresses a critical gap by investigating the potential of EO to bridge the divide between women entrepreneurs and access to finance, offering insights that can shape policy, improve institutional support and foster a more inclusive entrepreneurial landscape in South Africa. The findings from this study are expected to:

1. Provide critical insights into South Africa's female entrepreneurship landscape, highlighting challenges and opportunities.
2. Contribute to empirical evidence on the relationship between EO and enterprise performance.
3. Provide insights into whether access to sefa funding mediates this relationship; EO – sefa funded female enterprise performance; and
4. The study also aims to help DFIs such as sefa to enhance their funding frameworks by integrating EO dimensions into the eligibility criteria and decision-making processes which could significantly improve governance, financial sustainability and the overall performance of women-owned enterprises that align with Sefa's broader mandate to support the over 2 million MSMEs representing 98% of formal businesses in South Africa (UNCTAD, 2023).

The study was subject to the following limitations:

1. This study is limited to female entrepreneurs in South Africa who received sefa funding through the direct lending channel between 2012 and 2022.
2. The study does not represent the entire South Africa female entrepreneurial sector population.
3. Objectively, the study focused on whether Sefa considers the five dimensions of EO of innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness as processes, practices and decision-making styles when approving funding applications from potential beneficiaries.
4. Methodologically, the study adopted a random sampling methodology which was applied nationally across all industries that sefa funds, without consideration of the South African provincial entrepreneurial uniqueness or sector-specific characteristics.

5. The study was also conducted simultaneously across all provinces in South Africa due to time constraints where the sefa database was leveraged.
6. Lastly, the analysis was guided by the Resource-Based Theory and Pecking Order Theory to interpret the data.

1.9 Structure of the Report

This study comprises of 6 chapters as follows:

Chapter 1 provides the purpose of the study and introduces the background to the study. It also highlights the problem statement being addressed through the guidance of the central research question and research objectives. It draws insights on existing knowledge to address the particular research gap, and it concludes with a discussion of the research rationale and significance, including the rationale to research the sefa as a DFI.

Chapter 2 follows the tone set out in Chapter 1 to provide the definition of key concepts and a detailed review and analysis of the literature on the study variables, including female entrepreneurship in South Africa, EO as a strategic posture of firm performance and the role of entrepreneurial finance in the survival of women-owned enterprises. Following the literature review and analysis, the chapter examined the relevant theoretical foundations and concludes with the development of a conceptual framework and hypotheses to be tested.

Chapter 3 describes the research design and methodology detailing the research approach, design, the research instrument, the sampling methods, sample size and data collection procedures employed throughout the research process.

Chapter 4 discusses data analysis and presents the techniques used for data screening and cleaning. It also discusses assumption testing, scales validity and reliability testing and ethical considerations.

Chapter 5 presents the results of the hypothesis tested related to the correlations and mediation of hypothesized relationships. It also presents the sample characteristics.

Chapter 6 concludes the study and discuss the study's findings in comparison with existing theories and literature. It provides the limitations, theoretical and practical contributions, makes suggestions for future research and recommendations and conclusions.

CHAPTER 2: EMPIRICAL LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter provides a review of the empirical literature on the female entrepreneurship landscape in South Africa, including the role of women entrepreneurs in socio-economic development, challenges and opportunities for female entrepreneurs and efforts to promote female entrepreneurship. This is to engage on the study which seeks to explore the mediating role of access to finance on the relationship between EO and enterprise performance in Sefa. The chapter also highlights scholarly evidence on entrepreneurial orientation (EO) as a strategic posture for enterprise performance and the role of entrepreneurial finance in the growth and sustainability of enterprises. Following the literature review and analysis, the chapter examined relevant entrepreneurship theoretical foundations and concluded with the development of a conceptual framework and hypotheses to be tested.

2.2 South Africa's Female Entrepreneurship Conundrum

According to the 2023/2024 Global Entrepreneurship Monitor (GEM) Women's Entrepreneurship Report: Reshaping Economies and Communities, the entrepreneurial perceptions among women have improved significantly over the past two decades, with a 79% increase in perceived business opportunities and a 27% increase in startup skills (GEM, 2024). With the rise in women entrepreneurial perception, the report findings also suggest that the failure rates have also risen by over half among women entrepreneurs. Therefore, this poses new questions for researchers and policymakers. In South Africa, female entrepreneurship presents both opportunities and challenges. On the downward trends, the GEM *Women Entrepreneurship in South Africa: What does the future hold* special report indicate that South African women are exiting their businesses at a higher rate than they are starting and running businesses indicating that they need more support in growing start-ups to the established stage of more than 3.5 years (GEM, 2024). The higher rates of exit for women entrepreneurs comes at a juncture when the positive role of women entrepreneurs in societal development is gaining significant optimism despite the challenges hindering their success in their entrepreneurial endeavours. The conundrum facing female

entrepreneurship form the basis for the empirical literature review, theoretical underpinnings and the hypothesis development discussed below.

2.2.1 The role of Women Entrepreneurs in Economic and Social Development

According to the 2023/2024 Global Monitor Report, women entrepreneurs have a considerable and increasingly positive impact on society and economies (GEM, 2024). In developing nations such as South Africa, women entrepreneurs are not only developing successful enterprises, but also creating jobs, innovating and solving social, environmental and economic problems (GEM, 2010; Amine & Staub, 2009, Friedson-Ridenour & Pierotti, 2019; Scott *et al*., 2012; Malaza, 2010; BER, 2016). Key motivations for women entrepreneurs starting enterprises include the desire to change the world by bringing critical products and services to underserved markets, creating personal wealth, honouring family traditions, or contributing to household income and social networks (Itani *et al*., 2011; GEM, 2024; Teoh & Chong, 2008). However, several obstacles for women entrepreneurs especially in an unequal society such as South Africa persist (Scott *et al*., 2012).

2.2.2 Challenges facing Female Entrepreneurs in South Africa.

Although motivations to venture into entrepreneurial undertakings have led to a burgeoning female entrepreneurship, scholarly and statistical evidence, especially in South Africa indicated a 70-80% failure rate (Olawale & Garwe, 2010:29; Chimucheka & Mandipaka, 2014; Msimango-Galawe & Hlatshwayo, 2021; Lekhanya, 2016). Among the root causes of such a high failure rate include the inability of women entrepreneurs to display entrepreneurial behaviours such as innovativeness, risk-taking and proactive and limited access to entrepreneurial finance which is a prerequisite for enterprise performance (Rausch *et al*., 2009) and access to finance (Lucey, 2010; Zampetakis *et al.,* 2011; Fatoki, 2012; Aminu & Sharif, 2015; Ibrahim & Sharif, 2016; Sidek, 2016). In a context similar to South Africa such as Nigeria, women enterprises grapple with low productivity, hard-to-get finance or capital and a low labour force to enhance their businesses (Halkias *et al*., 2011) as well as work-family conflicts and a lack of entrepreneurial education (Itani *et al*., 201; Tambunan, 2009) whereas low levels of entrepreneurial self-efficacy (Dempsey & Jennings, 2014; Nowiński *et al*., 2019; Wilson *et al*., 2007) inhibits their ability to drive their enterprises' performance instead of the latter (Msimango-Galawe & Mazonde, 2024). Additionally, access to finance which is hypothesised can be accessible to women entrepreneurs through EO dimensions

of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness remains a significant issue for women entrepreneurs (Irwin & Scott, 2010; Adesua-Lincoln, 2011; Derera *et al*., 2014; Mauchi, 2014; Adesua-Lincoln, 201; Lubinda, 2018; Radović-Marković, 2018).

2.2.3 Efforts to Promote Female Entrepreneurship in South Africa

Recognising the vital role of female entrepreneurship and the challenges facing women's enterprises, the government has formulated policies and introduced various initiatives to boost female entrepreneurship to achieve the desired outcomes such as those set out in the country's National Development Plan (NDP) 2030 (Herrington *et al*., 2017; Seed Academy, 2019). These initiatives are enshrined in the country's constitutional and legislative framework which are progressive and promote gender equality and embedded in the Broad-Based Black Economic Empowerment (BBBEE) Act and the Strategic framework on gender and women's economic empowerment which stipulates the need for increasing the extent to which black women own and manage existing and new enterprises, as well as increasing their access to economic activities, infrastructure and skills development (Naidoo, Hilton & Natalie, 2006; Urban *et al*., 2017).

Additionally, billions of rands have been invested in development financial institutions (DFIs) such as the Small Enterprise Development Agency (SEDA) to provide products and services that financially empower women entrepreneurs (SEDA, 2024) and improve the survival and success rate of Micro, Small and Medium-Size Enterprises (MSMEs) (Msimango-Galawe & Hlatshwayo, 2021). Despite investing abundant resources in both the private and public sectors, efforts towards promoting female entrepreneurship in the country tend not to match the needs of women enterprises hence attempts to accommodate this growing and potentially rewarding market are insufficient (Naidoo, Hilton & Natalie, 2006). To cement these efforts and address the obstacles facing women entrepreneurs, therefore, call for a rethink (Martin & Javalgi, 2016; Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin & Frese, 2009; Wales, Gupta & Mousa, 2013), especially in the face of an increasing female entrepreneurship (World Bank, 2018: 2019; Kelly-Linden, 2020; Amine & Staub, 2009; Ojong, Simba, & Dana, 2021). Therefore, this study seeks to draw on evidence in the female entrepreneurship body of knowledge to highlight the role of the entrepreneurship phenomenon of EO as a driver of enterprise performance as well as the critical role of access to entrepreneurial finance in the growth of female ventures as discussed below.

2.3 Entrepreneurial Orientation as a Strategic posture of Enterprise Growth

The EO is recognized as a critical driver of firm performance, particularly in dynamic and competitive markets. For example, Rauch *et al.* (2009) found that EO explained a 24% of the variance in firm performance, highlighting its substantial influence. Similarly, Justin *et al.* (2010) demonstrated that firms led by managers with high EO - exhibiting risk tolerance, innovative strategies, and proactive market engagement - achieved better financial outcomes. The impact of EO on enterprise performance and growth spans both financial metrics, such as revenue growth and profitability and non-financial outcomes, including market positioning and customer satisfaction (Hughes & Morgan, 2007; Jantunen *et al*., 2005).

In contextualizing EO and its five dimensions of innovativeness, risk taking, proactiveness, competitive aggressiveness and autonomy (Lumpkin & Dess, 1996; Covin & Slevin, 1989) innovativeness among firms reflects a firm's tendency to support creativity and experimentation in developing new products or processes. Such levels of innovativeness come in many ways, including technological innovativeness which would be evident in research and development (R&D) efforts that result in developing new products, services, or processes (Hult, Hurley & Knight, 2004). Innovation as a driver of firm performance (Gupta, MacMillan & Surie, 2004) is also evident in product market or service market innovativeness and include product design, service system, market research and innovations in advertising, service, and promotion. Lastly, innovativeness as reported by Murimbika (2011) drive enterprise strategic posture and growth among firms through administrative systems such as more efficient management information systems, control techniques and organisational structure.

Risk taking drive firms strategic posture and sustain growth by denoting the willingness of managers to commit resources to ventures with uncertain outcomes (Richard *et al*., 2004; Covin & Wales, 2012). With enterprises, risk taking is prevalent in various forms including personal risk-taking, which refers to what a manager assumes in deciding about a strategic course of action (Voss, Voss & Moorman, 2006; Zahra & Dess, 2001), financial risk-taking that occurs when an organisation accumulates heavy debt burden or commits more of its scarce resources in the quest for wealth creation and business risk-taking, which involves venturing into new business arenas without knowing the probability of success or failure. In their quest to drive performance,

enterprises characterized by such degree of risk taking are presented with more opportunities (Chow, 2006).

Proactiveness (Miller, 1983) captures a forward-looking perspective characterized by anticipating and acting on both present and future market demands. Such forward looking drives performance and enables enterprises to identify the current and future needs of current and potential customers, monitor trends and anticipate changes in demand. For female-owned enterprises supported by Sefa, a proposition is that managers who manage their enterprises proactively have their eye on current and future opportunities to exploit for growth and improved performance hence creating a competitive advantage for their firms (Teece, Pisano & Shuen, 1997).

Autonomy and competitive aggressiveness further drive enterprise performance as autonomy involves independent action by entrepreneurial teams to bring forth ideas (Rauc *et al*., 2009; Dess & Lumpkin, 2005) while competitive aggressiveness refers to a firm's intensity in outperforming competitors (Lumpkin & Dess, 2001). In the Sefa context, women-owned enterprises that are characterised by a strong offensive stance and aggressive responses to competitive threats (Rauch *et al*., 2009) and those that have established a competitive advantage through differentiation and continuous innovation in their respective sectors – whether through the creation of new products and services, production, organisational processes or business models were believed to have had combated industry trends that threaten their survival or market position.

For women-owned enterprises, adopting an EO enhances competitiveness and growth, particularly in resource-constrained environments where access to capital is limited (Kreiser *et al.,* 2002; Poon *et al*., 2006). EO functions as a strategic resource that confers a competitive advantage, enabling firms to navigate market uncertainties and capitalize on emerging opportunities (Barney, 1991; Jiang *et al.,* 2018).

Despites the wealth of empirical evidence linking EO to performance, the mediating role of access to finance in the EO-performance relationship remains underexplored, especially in the context of DFIs such as Sefa, which seeks to empower female entrepreneurs through targeted funding

mechanisms, especially where scholarly evidence indicate that entrepreneurial finance drives the performance of women-owned enterprises as discussed below.

2.4 Entrepreneurial Finance and the Growth of Women-owned Enterprises

Entrepreneurial finance is the lifeblood of entrepreneurial enterprises' growth and sustainability, acting as the critical driver that transforms innovative ideas from innovative, risk averse, proactive, autonomous, and competitive firms and managers into marketable ventures. A robust body of evidence posits a positive correlation between access to entrepreneurial finance and the success of MSME (e.g DTI, 2008; Finscope, 2010; Makina, Fanta, Mutsonziwa, Khumalo & Maposa, 2015). Key financial resources such as start-up capital, working capital and growth capital enable enterprises to scale operations, innovate, and navigate market uncertainties effectively (Beck & Demirguc-Kunt, 2006; Fatoki & Odeyemi, 2010), especially in challenging markets such as South Africa. Conversely, the absence of sufficient financial backing significantly increases enterprise failure rates as seen in South Africa's alarming 75% start-up failure rate (Olawale & Garwe, 2010; Chimucheka & Mandipaka, 2014).

Several determinants influence access to entrepreneurial finance, including the entrepreneur's education, skills and experience (Bates, 1990; Fatoki & Odeyemi, 2010), as well as intrinsic factors such as passion and perseverance, which drive sustained motivation through challenging times (Msimango-Galawe, 2017*;* Cardon, Sudek & Mitteness, 2009). In emerging economies such as South Africa, where limited internal resources constrain enterprises, securing external financing from government programs, DFIs and technical support systems is critical to enhancing performance and competitiveness (Alejandro *et al*., 2011; Mokaya, 2012; Caglayan & Demir, 2014). Despite the pivotal role of finance in enterprise performance and growth, there remains limited empirical evidence on the mediating effect between EO and enterprise performance. Therefore, this study draws motivation on the lack of empirical evidence to investigate the influence of Sefa funding in mediating the relationship between EO/entrepreneurial finance on enterprises sustained growth and performance.

2.5 Entrepreneurship Theoretical Foundation

This study draws on the entrepreneurship theories of EO and firm performance, entrepreneurial finance (financial capital), resource-based theory (RBT) and pecking order theory to propose the hypothesis and develop a conceptual framework that subsequently guide the study design and methodology as well as data analysis and presentation.

2.5.1 Entrepreneurial Orientation and Firm Performance

EO is a foundational theoretical construct that informs the strategic behaviours of firms and significantly influences performance outcomes. Characterized by five core dimensions of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness, this (EO) phenomenon refers to the processes, practices and decision-making styles at company level and is of vital importance for organisational success and a key driver of increased performance. Extensive empirical research posits a strong relationship between EO and firm performance. For example, Rauch *et al*., (2009) highlights that EO explains a significant proportion of variance in performance across different contexts, demonstrating its impact on both financial metrics (e.g., profitability, revenue growth) and non-financial outcomes (e.g., market share, customer satisfaction). For women-owned enterprises, EO offers strategic advantages, enabling firms to overcome resource constraints and gender-specific challenges. By adopting proactive and innovative approaches, female entrepreneurs can enhance competitiveness and resilience in dynamic markets (Poon *et al*., 2006; Kreiser *et al*., 2002). Therefore, EO as a theoretical framework for this study provides a foundation upon which the performance of Sefa funded women-owned enterprises between 2012-2022 is assessed.

2.5.2 Entrepreneurial Finance

Access to finance plays a pivotal role in transforming entrepreneurial potential into sustainable enterprise performance. Female entrepreneurs in South Africa face systemic barriers to funding, including stringent lending criteria and limited collateral, which constrain their ability to pursue growth-oriented strategies (Fatoki, 2012; Aminu & Sharif, 2015). The DFIs such as Sefa are mandated to bridge this gap by providing tailored financial products and services. However, the

effectiveness of these interventions depends on how well they align with entrepreneurial behaviours characterized by EO dimensions. In an attempt to provide evidence on how well Sefa funding mechanisms align with EO dimensions, this study leverages the empirical evidence to propose financial capital as a theoretical underpinning that facilitates enterprise performance, especially where external funding supplements internal resources - leading to firms experiencing enhanced performance outcomes (Caglayan & Demir, 2014).

2.5.3 Resource-Based Theory (RBT)

Resource-Based Theory (RBT) posits that sustainable competitive advantage arises from managing valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). This study assumes that access to entrepreneurial finance, considered an external resource, is necessary for achieving sustained performance in the market, especially for women-owned enterprises which play a crucial role in socio-economic development (GEM, 2024; Friedson-Ridenour & Pierotti, 2019; Scott *et al*., 2012; Malaza, 2010; BER, 2016). Additionally, the study assumes that the EO dimensions of innovativeness, risk-taking and proactiveness (Miller 1983; Covin & Slevin 1986, 1989, 1991) are integral internal resources and capabilities among women-owned enterprises which can be utilised to achieve competitive advantage. Therefore, both EO and access to entrepreneurial finance are integrated to align with RBT which highlights the importance of resource allocation to optimize value, suggesting that women-owned enterprises with limited funding should focus on developing hard-to-imitate competencies (EO dimensions) and prioritise investments where they have a comparative advantage.

2.5.4 Pecking Order Theory

The pecking order theory (Donaldson, 196; Myers & Majluf, 1984) explains financing preferences, including direct loans, asset finance, bridging loans, revolving loans and tourism equity fund available to sefa funded female entrepreneurs to explain female enterprises that prioritize internal financing, followed by debt and lastly equity (Myers & Majluf, 1984) is due to the costs associated with the adverse selection presented by Sefa. According to Vaznyte and Andries (2019), enterprises with low EO adhere more to external funding such as grants while those with higher levels of EO might opt for internal funding due to their proactive and risk-taking nature (Vaznyte & Andries, 2019). In this vein, female entrepreneurs, supported by Sefa, might

alter traditional financing hierarchies if external debt or grants become more accessible. Due to the variation in funding preference, this study draws on the pecking order theory to explore how female entrepreneurs supported by sefa agencies manage their financing strategies, examining whether they rely more on internal or external financing. Through these theoretical lenses, the study aims to investigate the influence of EO on access to entrepreneurial finance, particularly in the context of Sefa funded female entrepreneurs in South Africa.

2.6 Hypothesis Development

Hypothesis development for the study is based on the scholarly gaps, empirical literature reviewed and theoretical underpinnings. The study hypothesise that development focuses on the dimensions of EO; namely, innovativeness, risk-taking, proactiveness, competitive aggressiveness and autonomy and their hypothesized influence on access to funding from the Sefa, particularly for women-owned enterprises. The proposed framework examines sefa funding as a mediating variable that influences the relationship between EO dimensions and enterprise performance.

2.6.1 EO Innovativeness Influences on Access to Funding

According to Li *et al*. (2008), innovativeness as a dimension of EO measures a company's propensity to break away from the status quo and create new goods, services, or procedures (Lumpkin & Dess, 1996: Baker & Sinkula, 2009; Linton, 2019). In some firms, higher levels of innovativeness have been linked to superior profitability and firm performance (Li *et al*., 2008; Lumpkin & Dess, 1996), especially in firms that are prone to adopting unique concepts, inventive ideas and experimental methods to create new technologies, out of the box administrative systems and solutions (Lumpkin & Dess, 1996).

For Kropp, Lindsay and Shoham (2006), innovativeness as an EO dimension is an important success factor for new enterprises as enterprises' emphasis on innovation can enable women entrepreneurs to create new products and to take advantage of business opportunities in the market (Galindo & Mendez-Picasso, 2013). Innovation is probably the most important part of a firm's strategy because it contributes to business performance and the firm's quest for wealth creation (Gupta, MacMillan & Surie, 2004; Hamel, 2000; Hitt *et. al*., 2001; Kluge, Meffert & Stein, 2000;

Lumpkin & Dess, 1996). Empirical evidence shows a relationship between the high rates of innovation and superior profitability (Roberts, 1999).

Despite the proposition of innovativeness as a driver of superior profitability and firm performance (Li *et al*., 2008; Lumpkin & Dess, 1996; Roberts, 1999) and a success factor for new enterprises (Kropp *et al*., 2006) that facilitates them to take advantage of business opportunities in the market (Galindo & Mendez-Picasso, 2013) and spur wealth creation (Gupta, MacMillan & Surie, 2004; Hamel, 2000; Hitt *et al*., 2001; Kluge, Meffert and Stein, 2000; Lumpkin & Dess, 1996), the high rates of MSMEs failure, especially in advanced economies such as South Africa as compared to other global markets where development finance such as sefa invest billions of rands towards women and youth-owned enterprises, the extent to which innovativeness influences access to Sefa funding remains largely undocumented. In an attempt to provide scholarly and statistical evidence, this study, therefore, seeks to test the hypothesis that EO dimension of innovativeness positively influences access to Sefa funding among women-owned enterprises.

H1 EO innovativeness positively influences access to sefa funding

2.6.2 EO Risk Taking Influences on Access to Funding

The proponents of the RBT (Barney, 1991) and scholars of EO (Miller, 1983; Covin & Slevin, 1986, 1989, 1991) posits that risk taking as an integral internal resource and capabilities among women-owned enterprises which can be utilized to achieve competitive advantage and drive performance, including finance performance (Hughes & Morgan; 2007; Rauch *et al*., 2009), especially in dynamic markets (Poon *et al*., 2006; Kreiser *et al*., 2002) such as South Africa where female entrepreneurship is in a conundrum as discussed above. As internal resources and capabilities that drive enterprises performance and potential access to sefa funding, risk-taking in firms' level, including women enterprises refers to the allocation of entrepreneurial resources to pursue potential profits with uncertain outcomes and undertakings (Miller & Friesen, 1982; Lumpkin & Dess, 1996; Pratono, 2018). For Huang *et al.* (2011), the dimension refers to enterprises' tendency to invest large sums of money to take advantage of market changes and guarantee high and unpredictable future returns. According to Boso *et al*. (2013); and Leutner *et*

al. (2014), the higher the levels of entrepreneurial undertakings, the higher the firm's EO, which may, in turn, translate to higher levels of performance. This is echoed by Hughes and Morgan (2007) who have observed that risk-taking firms typically seize opportunities and allocate resources before fully understanding what action needs to be undertaken.

Despite driving superior competitive advantage (Miller 1983; Covin & Slevin 1986, 1989, 1991; Boso *et al*., 2013; Leutner *et al.,* 2014) financial performance (Hughes & Morgan; 2007) Rauch *et al*., 2009), the extent to which the tendency of women-owned enterprises supported by DFI such as sefa to commit and allocate entrepreneurial resources to pursue potentially profitable ventures with uncertain outcomes and undertakings (Miller & Friesen, 1982; Lumpkin & Dess, 1996; Pratono, 2018) through personal risk taking (Voss, Voss & Moorman, 2006; Zahra & Dess, 2001), financial risk-taking and business risk-taking (Chow, 2006) is undocumented, especially where evidence overly pivot on risk taking to facilitate access to entrepreneurial finance. In light of this evidence, therefore, this study hypothesized higher levels of risk taking among women-owned enterprises funded by Sefa between 2012-2022 have been able to access the various form of Sefa funding.

H2 EO Risk taking positively influences access to sefa funding

2.6.3 EO Proactiveness Influences on Access to Funding

Within the DFI institutional level, limited evidence advance understanding on the extent to which proactiveness as a dimension of EO influences access to funding have been statistically tested and scholarly documented. This is despite the proactiveness for women-owned enterprises reflecting an opportunity-seeking strategic posture that result in pursuing attractive initiatives (Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Kropp, Lindsay & Shoham, 2004), including accessing entrepreneurial finance and as a behaviour relating to the quest for pursuing and exploiting new business opportunities such as introducing new products/services before competitors (Martin & Javalgi, 2013). According to Jalali, Jaafar and Ramayah (2014), proactive firms are innovative and thus can achieve a highly competitive advantage whereas Craig *et al.* (2014) observed that proactive enterprises are usually far ahead of their competitors in identifying profitable opportunities and taking initiatives that enhance the performance of their businesses. Additionally,

Masona *et al*. (2015); Lumpkin and Dess (2001) revealed a positive relationship between proactiveness and firm financial and non-financial performance. For women enterprises' performance, Tan (2008) established that women entrepreneurs are more proactive as they are more willing to make bolder decisions to move into risky and untried ventures. In this vein, this study, therefore, hypothesized that the proactiveness of women enterprises currently being supported by sefa has enabled them to access entrepreneurial finance.

H3 EO proactiveness positively influences access to sefa funding

2.6.4 EO Competitive Aggressiveness Influences on Access to Funding

Competitive aggressiveness as a dimension of EO is hypothesized to facilitate access to funding among women-owned enterprises as aggressive market positioning can signify growth potential to financiers. This dimension which refers to a firm's tendency to outperform competitors to expand market share (Lumpkin & Dess, 1996:2001; Hughes & Morgan, 2007) and enterprise's engagement and competition with its competitors for available resources (Schillo, 2011) such as sefa funding is often implemented through the deployment of resources to launch an uninterrupted attack on competitors to overwhelm them in their marketing efforts and steadily building on their strengths and weaknesses and thus establishing a competitive advantage through continuous offensive tactics (Griffith *et al*., 2006; Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Mason *et al*., 2015).

As a critical driver of enterprise performance (Lumpkin & Dess, 2001; Masona *et al*., 2015; Le Roux & Bengesi, 2014), competitive aggressiveness tends to favour women-owned enterprises where Shurchkov (2011) observed that women are significantly more likely to compete when task stereotypes and time constraints are absent. With its strong evidence on enterprise performance, especially its capability to enable firms out-manoeuvre and out-do competitors in competitive markets such as South Africa where women entrepreneurship is in a decline (GEM, 2024) to the myriad of challenges facing women entrepreneurs (Halkias *et al.,*2011; Itani *et al*., 201; Tambunan, 2009; Dempsey & Jennings, 2014; Nowiński *et al*., 2019; Wilson *et al*., 2007;

Msimango-Galawe & Mazonde, 2024), competitive aggressive among women-owned enterprises is therefore hypothesized to facilitate access to finance.

H4 EO competitive aggressiveness positively influences access to sefa funding

2.6.5 EO Autonomy Influences on Access to Funding

Funding preference within sefa, including the organizations long term loan, asset finance, bridging loans, revolving loan and tourism equity funds are believed to require higher levels of autonomy from beneficiaries to be able to access them for sustained growth. Such argument is in line with the Pecking Order Theory (Donaldson, 196; Myers & Majluf, 1984) which posits that enterprises with lower levels of EO tend to adhere more to external funding while those with higher levels of EO tend to favour internal funding (Vaznyte & Andries, 2019). In light of this theoretical and empirical evidence, this study hypothesized that higher levels of autonomy among women-owned enterprises that benefited from sefa funding between 2012-2022 have been able to constantly access the DFI funding. By embodying independent aptitude to bring forth an idea or a vision and see it through to its completion (Callaghan & Venter, 2011), women-owned enterprises with Sefa funding are believed to have achieved superior performance as echoed by Awang *et al's.* (2009) study which found a positive relationship between autonomy and performance.

H5 EO autonomy positively influences access to sefa funding

2.6.6 Mediating role of sefa Funding

The mediating role of finance in the EO-performance relationship is underexplored, particularly in the context of DFIs that continue to disburse millions and billions of government funding to MSMEs each year. For example, in the 2021/22 financial year alone, Sefa approved R2.494 billion in funding to MSMEs and cooperatives, disbursed R2.322 billion to 76,129 enterprises which the institution report facilitated the creation or preservation of 96,589 jobs, a lifeline performance measured by the South African government (Sefa, 2022). This lack of evidence inspite of the large spending warrants an investigation into the mediating role of access to funding for enterprises

whose entrepreneurially oriented behaviours – a critical driver of performance is often not assessed in the application for funding.

This is so in light of available evidence pointing to financial access as an enabler of enterprises to enhance risk-taking and innovativeness by providing the capital required for market expansion, product development and technology adoption (Alejandro *et al*., 2011). Additionally, empirical studies by Caglayan and Demir (2014); the DTI (2008); Finscope (2010); Makina, Fanta, Mutsonziwa, Khumalo and Maposa (2015) suggests that external funding supplements internal resources, firms experience enhanced performance outcomes, an argument that is cemented by the mechanism – pecking order theory by which firms often leverage both internal and external funding to achieve competitive advantage and sustain growth. In this study, Sefa funding is hypothesized to strengthen the positive effects of EO dimensions by alleviating financial constraints and enabling entrepreneurial initiatives.

H6 Sefa funding mediates the relationship between EO, and the performance of sefa funded women-owned enterprises in South Africa

2.7 Research Conceptual Framework

The conceptual framework for this study centres on examining the interplay between EO and firm performance, with a particular focus on women-owned enterprises in South Africa. This investigation incorporates the mediating role of access to funding provided by Sefa. To test the hypothesized relationships, the study identified three variables; namely, EO operationalized by the dimension of innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness as independent variables, sefa funding as both the independent and dependent variable that is largely influenced by the EO dimensions and enterprise performance as an independent variable that is influenced by EO dimensions with evidence from studies by Frank, Kessler and Fink (2010); Dess and Lumpkin (2005); Rauch *et al*. (2009) and such a relationship is mediated by access to Sefa funding. The below conceptual framework Figure 5 present these hypothesized relationships.

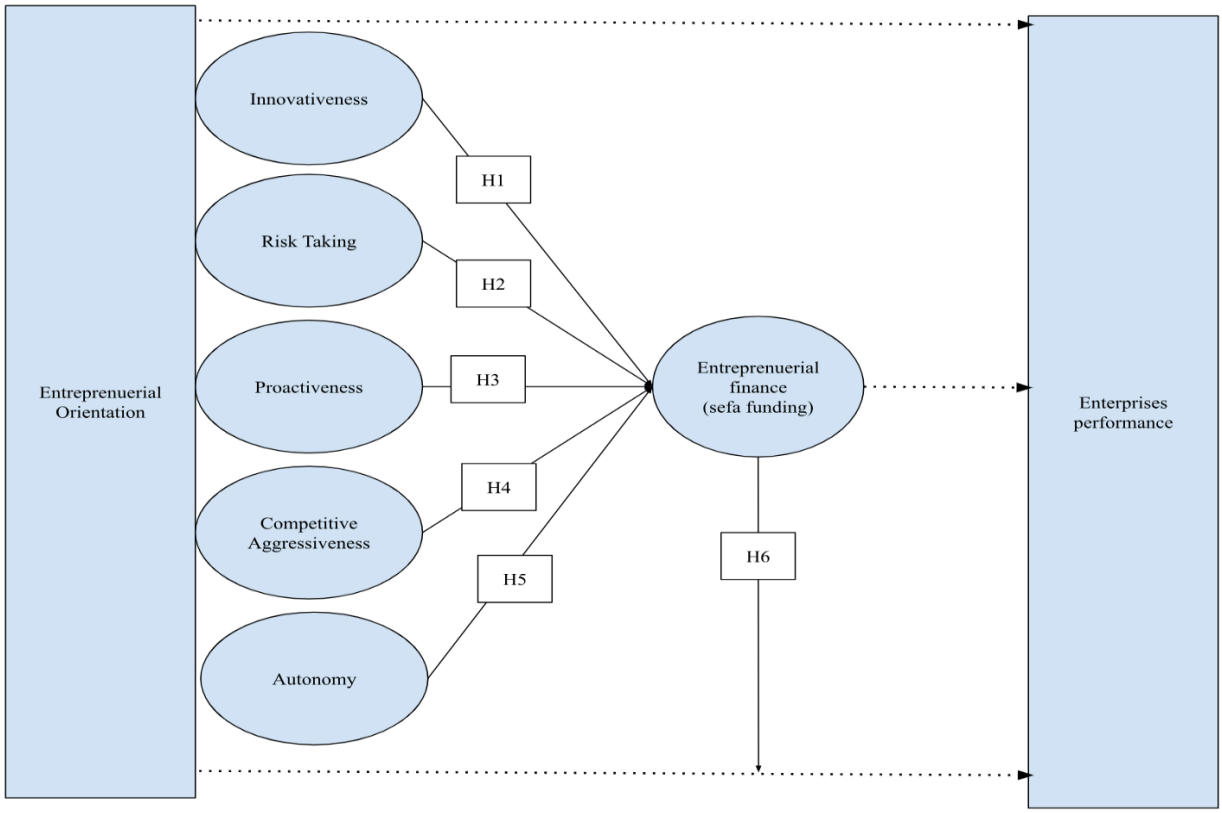

Figure 5: Propose Conceptual framework.

Source: Author's construction

2.8 Research Hypothesis

Based on the theoretical foundation and the literature review and the above conceptual framework, this study proposed and set out to test the following hypotheses:

1. **H1** – EO dimension of innovativeness positively influences access to sefa funding.
2. **H2** – EO dimension of risk-taking positively influences access to sefa funding.
3. **H3** – EO dimension of proactiveness positively influences access to sefa funding.
4. **H4** – EO dimension of autonomy positively influences access to sefa funding.
5. **H5** – EO dimension of competitive aggressiveness positively influences access to sefa funding.
6. **H6** – Sefa funding mediates the relationship between EO, and the performance of sefa funded women-owned enterprises in South Africa.

2.9 Conclusion

This chapter reviews empirical literature on female entrepreneurship in South Africa, focusing on its socio-economic impact, key challenges, and emerging opportunities. It first addresses the challenges that women entrepreneurs are facing and further explores how women entrepreneurs contribute to development while facing structural and operational barriers.

In addition, the chapter highlights the importance of entrepreneurial finance in guaranteeing the survival and expansion of businesses, the chapter also looks at entrepreneurial orientation (OE) as theoretical concept that informs the strategic behaviour that can improve corporate performance. There is detailed analysis of the five core dimensions of EO and how they influence the female enterprise performance.

It acknowledges the role of the government in its attempt to bolster women entrepreneurship through various policies like the National Development Plan (NDP). This also accompanied by establishment of Development Financial Institutions (DFI's) one of these being Sefa.

The study is conducted under the lenses of two theories that find expression in how the female entrepreneurship sector. These are the Resource base theory, the Perking Order Theory. The relevant entrepreneurship theoretical foundations are interrogated in line with the objective of the study. Lastly, the conceptual framework is developed to guide the study, and it centres on examining the interplay between EO and firm performance, with a particular focus on women-owned enterprises in South Africa.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter will focus on the methodology that was followed to test the hypotheses that were put forward to answer the selected research questions. The discussion covers the research paradigm, research design, sampling method, the design of the research instrument, the procedure for data collection as well as the techniques that were employed in the analysis and interpretation of the data.

3.2 Research Paradigm

This study adopts a post-positivist paradigm, which is suitable for quantitative research aimed at hypothesis testing. The post-positivism acknowledges that no single reality or theory fully explains a phenomenon. Therefore, the research predefined methodology where observations on sefa as a DFI informed the purpose, research questions and objectives of the study. With a clear purpose, objectives and central research question, extensive empirical literature review and theoretical underpinnings, this research subsequently informed the development a conceptual framework and hypothesis. The post-positivism nature of this research is in line with Creswell and Creswell (2018) which suggest that post-positivist paradigm supports the use of structured instruments and statistical methods to explore cause-effect relationships.

While positivism emphasizes objective truth, post-positivism allows for nuanced interpretations influenced by context and multiple perspectives (O'Leary, 2004), such as in the context of South Africa. The observations made in sefa that informed this study assumes EO dimensions are not explicitly recognized in sefa's funding evaluation process. Additionally, the mediating role of DFI finance in EO enterprise performance is not established and documented hence exploring this alignment contribute to understanding how EO behaviours influence financial access in a DFI level.

3.3 Research Approach

In line with the post-positivism nature of the study, a quantitative approach was employed. Quantitative approach according to Field (2013) emphasize on measurable, empirical data collection through structured surveys where online questionnaires were distributed to reach a geographically dispersed sample of female entrepreneurs funded by sefa between 2012-2022. This method is cost-effective, scalable, and suitable for generating statistically significant results (Hasan, 2023) and is favourable for its generalizability and objectivity, though it may overlook subjective insights inherent in qualitative approaches (Gall, Gall & Borg, 2003).

3.4 Population and Sampling Techniques

3.4.1 Research Population

The study targeted female entrepreneurs funded by sefa from its inception in 2012-2022. These women-owned enterprises represent various sectors, including mining, services and manufacturing and benefits from direct loans, asset finance, bridging loans, revolving loans and tourism equity fund offered by sefa. Sefa's focus on disadvantaged groups as stipulated by the South African government's entrepreneurship support frameworks such as the country's NDP 2030 (Herrington *et al*., 2017; Seed Academy, 2019), the infamous BBBE and the Strategic framework on gender and women's economic empowerment makes it a relevant case for studying gendered access to entrepreneurial finance.

3.4.2 Sampling Method

To garner a substantial sample size for testing the hypothesis, a probability sampling method which ensures participants has an equal chance of selection was used. Additionally, randomized distribution which minimize bias and enhance generalizability (Schindler, 2018) was employed where a survey was randomly emailed to potential respondents in the Sefa database. The sample size was initially calculated to be 330, based on a 95% confidence level and a 5% margin of error. The full population of 2 192 women entrepreneurs in the sefa database between 2012-2022 forms the sampling frame, from which the sample was drawn.

3.4.3 Sample Frame

The sample frame consists of the database of all female entrepreneurs funded by sefa's direct lending mechanism between 2012-2022. These female entrepreneurs were categorized into various racial categorization, age distribution, level of education, provincial context, and years of experience. Since the study targeted female entrepreneurs who were funded by sefa between 2012-2022, only enterprises with approved and disbursed funds were considered.

3.5 The Research Instrument Design

The research survey measured EO dimensions of innovativeness, proactiveness, risk-taking, autonomy and aggressiveness using a 7-point Likert scale. This scale was suitable for capturing the levels of agreement with statements related to EO behaviours, access to funding and enterprises. The survey also collected demographic data to control external variables. The survey was designed using Qualtrics, facilitating efficient data collection, while Sefa's engagement ensures compliance with privacy laws.

The study utilised 15 items on EO as operationalized by Miller, Covin and Slevin (1989); Hughes and Morgan (2007); and Lumpkin and Dess (2001). To fit the study context, the questionnaires were slightly modified and adjusted to receive better assessment of the influence of EO on access to entrepreneurial finance in a DFI institutional context, that is, the sefa. The items were assessed on a seven-point Likert scale, using statements ranging from strongly disagree (1) to strongly agree (7). The table below summarises the scale measurement for the five EO dimensions of innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness in relation to access to Sefa finance and enterprise performance.

Table 2: Summary of Research Scales, Measurements and Supporting Literature.

Constructs	Scales	Scales Measurement	Literature Support
Entrepreneurial Orientation	Innovativeness	Assessed the ability of sefa funded women-owned enterprises to develop new products and services to be able to access entrepreneurial finance; measures sefa funded female enterprises' propensity to break away from the status quo and create new goods, services or procedures; measures sefa funded women-owned enterprises' ability to adopt unique concepts, inventive ideas and experimental methods to create new practices and solutions leading to sefa funding access; measures sefa funded women-owned enterprises' ability to through sefa funding create new products and take advantage of business opportunities in the market.	(Baker & Sinkula, 2009; Linton, 2019; Lee *et al*., 2015; Li *et al.,* 2008; Lumpkin & Dess, 1996: Baker & Sinkula, 2009; Linton, 2019; Kropp, Lindsay & Shoham, 2006; Galindo & Mendez-Picaco, 2013).

	Risk-Taking	Measured female enterprises' readiness to allocate entrepreneurial resources to pursue potentially profitable enterprises with uncertain outcomes and undertakings; the tendency to take advantage of market changes and invest financial resources despite high and unpredictable future returns to access more financial resources and sefa funded female enterprises' ability to seize opportunities and allocate resources before fully understanding what action needs to be undertaken.	(Miller & Friesen, 1982; Lumpkin & Dess, 1996; Pratono, 2018; Huang *et al*., 2011; Boso *et al*., 2013; Leutner *et al*., 2014; Morgan, 2007).
	Proactiveness	Measured sefa funded women-owned enterprises' opportunity-seeking posture that leads to a persuasion of attractive initiatives; behaviours leading to the quest for pursuing and exploiting new business opportunities such as introducing new products/services before competitors and willingness to take bolder decisions to move into risky and untried ventures.	(Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Kropp, Lindsay & Shoham, 2004; Martin & Javalgi, 2013; Craig *et al*.,2014; Masona *et al*., 2015; Lumpkin & Dess, 2001; Tan, 2008).
	Autonomy	Measured sefa funded women-owned enterprises' independent aptitude to bring forth ideas or	(Callaghan & Venter, 2011; Lumpkin & Dess, 1996; Awang *et*

		visions and see them through completion; autonomy to convey freedom to employees to encourage them to be self-directed and championing innovative ideas that are vital for productive entrepreneurial activity and ready to react promptly to environmental changes and market signals by swiftly countering and adopting immediate actions.	*al*., 2009; Hughes & Morgan, 2007; Grewal & Tansuhaj, 2001).
	Competitive Aggressiveness	Measured women-owned enterprises' tendency to outperform competitors to expand market share; engagement and competition with its competitors for available resources; deployment of resources to launch an uninterrupted attack on competitors and the ability to outmanoeuvre and out-doing competitors.	(Lumpkin & Dess, 1996:2001; Hughes & Morgan, 2007; Schillo, 2011; Griffith *et al*., 2006; Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Mason *et al.,* 2015; Masona *et al*., 2015; Le Roux & Bengesi, 2014).
Enterprises Performance		Measured the performance of sefa funded women-owned enterprises in terms of profitability (return on sales, profit margin, net profit margin), jobs creation and customers performance to measure sefa funded enterprises products to satisfy	(Chow, 2006; Covin *et al*., 2006; Hughes & Morgan, 2007; Jantunen *et al*., 2005).

	markets.	
Sefa Funding	Measured sefa funded women-owned enterprises' capacity to use financial resources, including loans under direct lending funding channels from sefa in order to drive performance.	(Chatterjee & Wernerfelt, 1991; Stevenson & Jarillo, 1990. Robinson *et al*., 1991; Cooper *et al*., 1994; Wiklund & Shepherd, 2005).

3.6 Pilot Testing

To identify the potential flaws in the research instruments, a pilot test involving 15-20 female entrepreneurs was conducted. This helped to refine the set questions and improve the response rates. The feedback from the pilot test was used to optimize clarity and the structure of items and scales.

3.7 Data Collection Process

This study made use of self-reported online surveys designed using the Wits Business School (WBS) approved Qualtrics to collect primary data from female entrepreneurs in the sefa database, especially female entrepreneurs funded by sefa between 2012-2022. The structured, self-administered approach allows efficient data collection over a three-month data collection period. The survey was designed to ensure both participant anonymity and the privacy of participants, adhering to Wits University's Ethical Research standards.

Upon ethics clearance from Wits University, an approval request (see sefa approval letter attached in Appendix B) was obtained from the relevant gatekeepers. Upon approval from sefa, the survey was disseminated through sefa's strategy department that maintain the database of beneficiaries. The survey was emailed to the sefa's strategy department, and they were subsequently disseminated via the online survey link via email to the female entrepreneurs in the sefa database across all provinces in South Africa. The centralized distribution through Sefa enhances the reach and legitimacy, increasing the likelihood of participation.

After distribution, the completed surveys were submitted directly through the Qualtrics, bypassing sefa to maintain respondent privacy. To boost the response rate, the sefa strategy department was asked to send follow-up reminders every two weeks. This structured follow-up strategy mitigates non-response bias.

3.8 Data analysis Strategies and Interpretation

To test the hypothesized relationship and to interpret the findings, Confirmatory Factor Analysis (CFA) using AMOS was deemed the most appropriate method for this study since the study

utilized established scales and a hypothesised model. CFA allows for a more rigorous evaluation of the validity and reliability of the study scales within the specified theoretical framework. In that same light, Sequential Equation Modelling (SEM) was deemed the correct approach for examining mediation and the complex relationships as it accounts for measurement error and provides a comprehensive assessment of the relationships between the constructs and items within the constructs.

3.9 Scales Validity and Reliability

Factor loading was employed to assess the internal validity of scales, ensuring the causal inferences between EO and financial access. The factors that did not load were excluded from the analysis. To ensure the reliability of the scales, a Cronbach's alpha co-efficient was conducted. High alpha values (>0.7) were observed, indicating robust reliability (Cronbach, 1970) of the items and scales.

3.10 Ethical Considerations

Several ethical considerations (Bell & Bryman, 2011) were observed throughout this study. These included:

1. Informed consent through which the study ensured that the respondents provided informed consent (see informed consent form in Appendix B) to conduct the research by including a consent segment on the questionnaires used for the study. This principle requires that the researcher provide sufficient information so that the respondents understand the practical implications of participating in the study (Field, 2017).
2. Secondly, this study maintained the confidentiality of the respondents' information and ensured no harm arise to those who chose to participate in the study, adhering to the Protection of Personal Information Act (POPIA Act) (2013).
3. Thirdly, the researcher obtained an ethical clearance certificate (WBS/EN766104/523) from the WBS Research Ethics Committee, indicating that all ethical considerations were followed throughout the study.
4. Lastly, sefa's Institutional Approval was obtained, ensuring procedural compliance (See attached Sefa provided approval letter).

3.11 Conclusion

This chapter covered the research philosophy and paradigms and concentrated on the research methods. The research paradigm used for this study was post-positivist which acknowledges the limitations of absolute certainty while promoting objective measurement. Following that line of thought, a quantitative research approach was used to investigate if sefa considers EO into account when assessing female entrepreneurs for funding.

The target population was the female entrepreneurs who obtained funding from Sefa between 2012-2022. Data on EO aspect such as proactiveness, innovativeness, risk-taking, autonomy and competitive aggressiveness was gathered and analysed using descriptive and explanatory survey approach. To ensure that the sample was representative of sefa database, a simple random sampling technique was used.

Self-administered questionnaires were designed and utilised to collect demographic data, evaluate EO traits using established measurement scales. Furthermore, opinions were investigated regarding Sefa's funding requirement. A total of 1120 respondents were targeted to ensure statistical significance and generalisability. Strict procedures were followed to guarantee anonymity informed permission, and voluntary participation, and ethical approval was acquired.

To ascertain the association between EO attributes and funding outcomes, the gathered data was examined using descriptive and inferential statistical techniques such as regression analysis and correlation.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents the research demographic characteristics - providing the foundation for data analysis and procedures used to extract the research results. The chapter will also focus on research reliability analysis, factor analysis and clustering the research results, as well as analysing the research hypothesis results.

4.2 Data Screening

A total of 181 responses were downloaded from the Qualtrics data collection portal. Of these, 80 responses were excluded due to substantial incompleteness; in most cases, respondents dropped off before reaching halfway through the questionnaire, resulting in unusable data for key variables. An additional 8 responses were excluded because the respondents identified as male, while this study specifically targeted women. After these exclusions, 93 valid responses remained for analysis.

The exclusion of 88 responses (approximately 49% of the original sample) could potentially limit the generalisability of the findings. High non-response or dropout rates may introduce non-response bias, particularly if the excluded respondents differ systematically from those who completed the survey. However, since demographic and early-item response patterns of the incomplete cases could not be fully assessed due to their brevity, it is difficult to determine the direction or magnitude of such bias. Measures such as forced responses were in place to minimise dropout, but time constraints or survey fatigue might have contributed to the attrition rate.

4.2.1 Model Fit

The weaker fit observed in some of the indices could be attributed to several factors. First, the relatively small sample size (n = 93) may limit the model's statistical power and its ability to achieve an optimal fit. Structural equation modeling (SEM) techniques are sensitive to sample size, and small samples can inflate RMSEA and reduce GFI and NFI values. Secondly, the model complexity involved 7 latent constructs and indicators, which may have led to estimation challenges since the sample size was small. Third, the use of adapted or self-developed survey items might introduce measurement inconsistencies if the constructions are not sufficiently validated in the study context.

To improve model fit in future research, the sample size may have to be improved to enhance estimation precision and model stability. Future studies can also refine measurement instruments through pilot testing and exploratory/confirmatory factor analysis prior to SEM, ensuring that items load cleanly onto their intended constructs. There may also be a need to simplify the model structure where appropriate, avoiding over-parameterization relative to sample size.

Despite some indices indicating a weaker fit, the combination of acceptable CFI and CMIN/DF values provides confidence that the model offers a reasonable approximation of the underlying data structure.

4.2.2 Missing Value Analysis

A few cases had missing values, and Little's Missing Completely at Random (MCAR) test was conducted to determine whether these missing values occurred in a random pattern. The test produced a Chi-square value of 236.956 with 265 degrees of freedom and a p-value of 0.892. In simpler terms, this high p-value (greater than 0.05) indicates that the missing data did not follow any specific pattern and were likely due to random factors, such as respondents skipping a question unintentionally. This is important because it means the missing data are unlikely to bias the results. Furthermore, none of the variables used for hypothesis testing had missing values.

4.3 Sample Characteristics/Demographic

4.3.1 Age

The age distribution of the respondents reveals that the largest proportion, 37.6% falls within the 35-44 age group, indicating that women in this age group are the most represented in the study. This is followed by the 55-64 age group, which accounts for 24.8% of the sample and the 45-54 age group, which makes up 21.8%. Younger entrepreneurs aged 25-34 constitute only 8.9% of the sample, while the 65+ age group are the smallest, at 6.9%. These findings suggests that women-owned enterprises funded by Sefa are predominantly owned by women in their mid to late career stages. The results are presented in Figure 6.

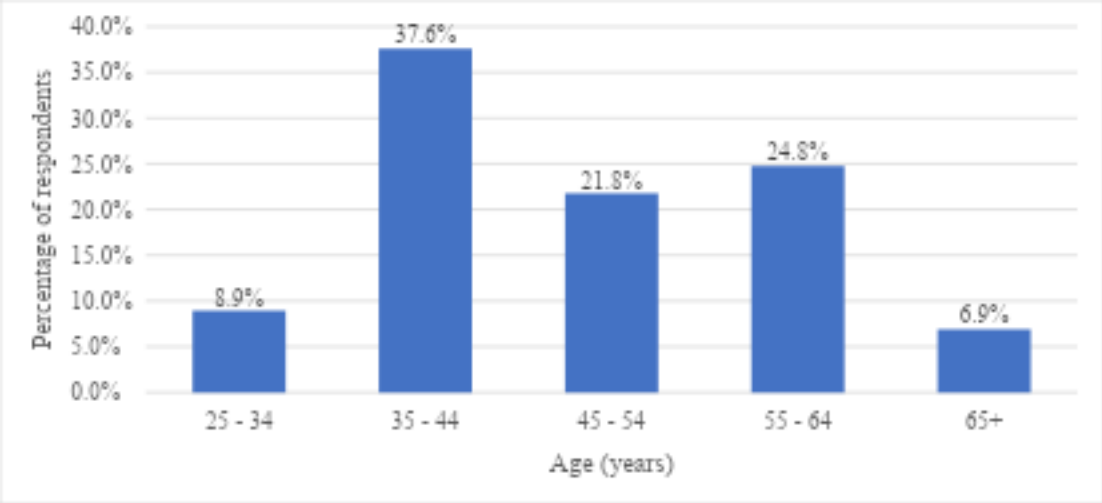

Figure 6: Age of the respondents.

4.3.2 Racial Group

The racial distribution of the respondents indicates that the majority, 80.2% identify as black, reflecting a significant representation from this group. Both Coloured and Indian respondents each account for 7.9% of the sample. Meanwhile, the white respondents make up the smallest proportion, at 4.0%. The results are presented in Figure 7.

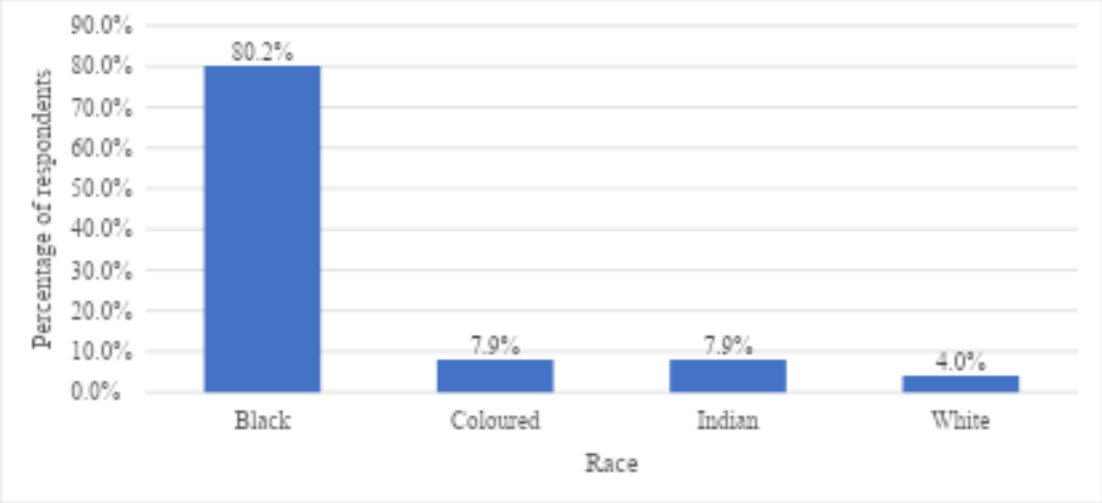

Figure 7: Racial group.

4.3.3 Education Level

The educational distribution of the respondents indicates that the largest proportion, 32.7%, are high school graduates. Those with a diploma represent 21.8%, making it the second-largest group, followed by 14.9% of the respondents who hold a degree. A smaller proportion has advanced qualifications, with 6.9% holding an honours degree, 10.9% a master's degree and 1.0% a doctorate. Meanwhile, 11.9% of the respondents have less than a high school education.

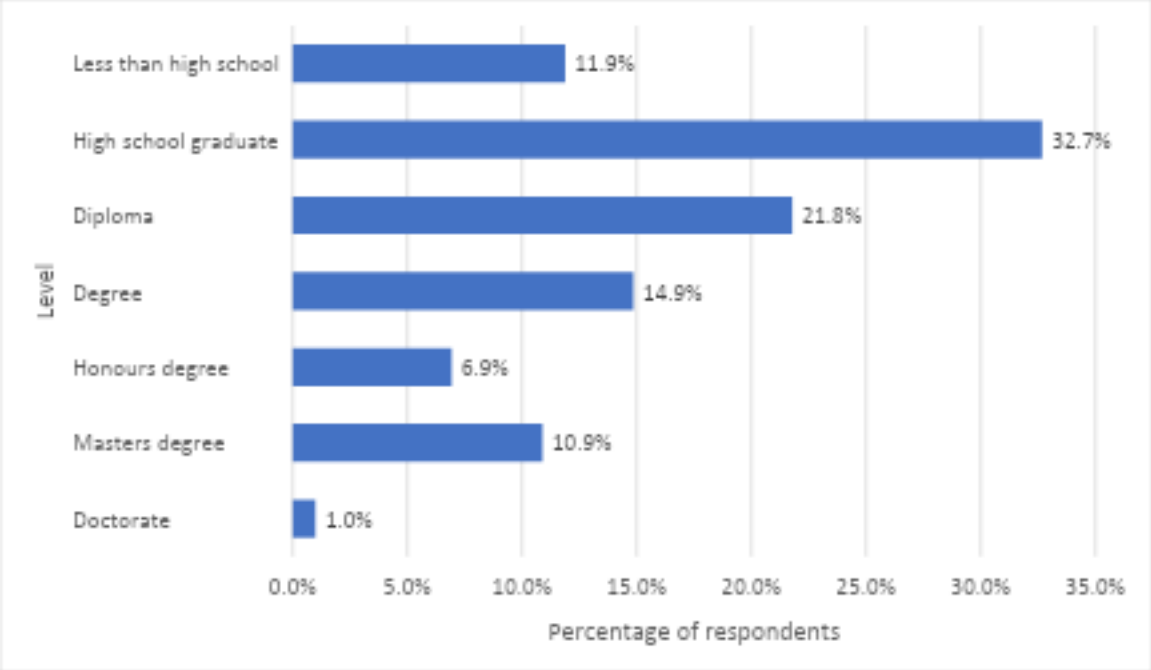

Figure 8: Education Levels

4.3.4 Sector Distribution

The largest proportion of enterprises operate in the services sector (37.6%), followed by manufacturing (31.7%), indicating a concentration in these two sectors. Other sectors include construction (10.9%), while transport and mining each represent only 1.0%. Additionally, 17.8% of the respondents indicated "other," suggesting some diversification outside the main sectors.

4.3.5 Enterprise Age

The largest proportion of enterprises have been in existence for 7-10 years (36.6%), followed by those that have been operating for 4-6 years (26.7%). Enterprises with longer histories, such as 16-19 years and 20+ years, account for 16.8% and 9.9%, respectively. Only 8.9% have been in operation for 1-3 years and just 1.0% are under a year old.

4.3.6 Duration as a sefa Client

The majority of enterprises have been clients of sefa for 1-3 years (54.5%), followed by 4-5 years (26.7%). Only 5.9% have been clients for less than six months and 6.9% for 6-8 years. Long-term relationships (9-10 years) are rare, accounting for only 4.0%, while 2.0% of the respondents did not indicate the duration.

4.3.7 Provincial Distribution

Enterprises are predominantly located in Gauteng (23.8%), followed by KwaZulu-Natal (KZN) (19.8%) and the Northern Cape (18.8%). Other provinces, such as Limpopo (10.9%), Mpumalanga, Eastern Cape, and Free State (all at 5.9%), had lower representation. The Northwest and the Western Cape have the smallest representation at 5.0% and 4.0%, respectively.

4.3.8 Year of Receiving sefa Funding

The majority of enterprises received sefa funding between 2020-2021 (53.5%), with 24.8% accessing funding in 2022. Earlier funding years, such as 2018-2019 (12.9%), were less common and funding during the 2012-2017 was rare, accounting for a combined 8.9%.

4.3.9 Sefa Products Accessed

Close to half of the respondents indicated that they accessed the term loan (45.5%) sefa product, followed by asset finance (24.8%) and bridging loans (19.8%). Less common products include the revolving loan (6.9%) and the tourism equity fund (1.0%). A small proportion (2.0%) did not indicate which product they accessed.

Table 3: Summary of Sample Characteristics

Variable	Option	Frequency	Percent
Age	25 - 34	9	8.9%
	35 - 44	38	37.6%
	45 - 54	22	21.8%
	55 - 64	25	24.8%
	65+	7	6.9%
Racial group	Black	81	80.2%
	Coloured	8	7.9%
	Indian	8	7.9%
	White	4	4.0%
What is your level of education?	Less than high school	12	11.9%
	High school graduate	33	32.7%
	Diploma	22	21.8%
	Degree	15	14.9%
	Honours degree	7	6.9%
	Master's degree	11	10.9%
	Doctorate	1	1.0%
Sector	Services	38	37.6%
	Manufacturing	32	31.7%
	Construction	11	10.9%
	Transport	1	1.0%
	Mining	1	1.0%
	Other	18	17.8%
How long has the enterprise been in existence for?	Under 1 year	1	1.0%
	1 yr - 3yrs	9	8.9%
	4yrs -6yrs	27	26.7%

	7yrs-10yrs	37	36.6%
	16-19yrs	17	16.8%
	20yrs+	10	9.9%
For how long your enterprise has been a client of sefa?	1 -6 Months	6	5.9%
	1 -3 Years	55	54.5%
	4-5 Years	27	26.7%
	6- 8 Years	7	6.9%
	9 -10 Years	4	4.0%
	Not Indicated	2	2.0%
In which province is your enterprise operating from?	Gauteng	24	23.8%
	KZN	20	19.8%
	Northern Cape	19	18.8%
	Limpopo	11	10.9%
	Mpumalanga	6	5.9%
	Eastern Cape	6	5.9%
	Free State	6	5.9%
	Northwest	5	5.0%
	Western Cape	4	4.0%
In which year did you receive sefa funding?	2012 - 2013	1	1.0%
	2014 - 2015	6	5.9%
	2016- 2017	2	2.0%
	2018 - 2019	13	12.9%
	2020 -2021	54	53.5%
	2022	25	24.8%
My enterprise accessed the following sefa product/s.	Term loan	46	45.5%
	Asset finance	25	24.8%
	Bridging loan	20	19.8%
	Revolving loan	7	6.9%
	Tourism equity fund	1	1.0%
	Not Indicated	2	2.0%

Total		101	100.0%

4.4 Descriptive Statistics

4.4.1 EO Innovativeness - Descriptive Statistics

The highest-rated item for EO innovativeness was the ability of the organization to create new products and capitalize on business opportunities in the market (mean = 5.21 ± 1.87). This was closely followed by the adoption of unique concepts, inventive ideas, and experimental methods to create new practices and solutions (mean = 5.20 ± 1.91). Lastly, the encouragement of employees to break away from the status quo and innovate (mean = 5.19 ± 1.89). These results indicate a consistently positive perception of innovativeness across all items, reflecting that the respondents generally agree that their enterprises are highly innovative and capable of embracing new ideas to enhance performance.

Table 4: EO Innovativeness - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
INNO1 In our organisation, we encourage our employees to break away from the status quo and create new goods, services, or procedures	101	1	7	5.19	1.891	-1.146	.133
INNO2 Our organisation is able to adopt unique concepts, inventive ideas, and experimental methods to create new practices and solutions	101	1	7	5.20	1.908	-1.338	.452
INNO3 Our organisation has been able to create new products and take advantage of business opportunities in the market	101	1	7	5.21	1.867	-1.024	-.166

4.4.2 EO Risk-Taking - Descriptive Statistics

The highest-rated item for EO risk-taking was the bold posture adopted by enterprises to maximize the probability of seizing financial opportunities, even when faced with uncertainty (mean = 5.01 ± 1.75). This was followed by the tendency to take advantage of market changes and invest financial resources despite high and unpredictable future returns (mean = 4.74 ± 1.67). Lastly, the predisposition for high-risk projects with the potential for very high returns was rated lower but still positive (mean = 4.52 ± 1.87). These results indicate that the respondents generally perceive their enterprises as willing to engage in calculated risk-taking to enhance performance, with particular strength in seizing financial opportunities amid uncertainty.

Table 5: EO Risk-Taking - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
RT1 Our enterprise's predisposition for high-risk projects with chances of very high returns have been beneficial	101	1	8	4.52	1.867	-.378	-.893
RT2 Our tendency to take advantage of market changes and invest financial resources has been beneficial despite high and unpredictable future returns	101	1	7	4.74	1.665	-.760	-.343
RT3 Despite being confronted with decisions involving uncertainty, our enterprises have always adopted a bold posture to maximise the probability of seizing financial opportunities	101	1	7	5.01	1.752	-.960	-.087

4.4.3 EO Proactiveness - Descriptive Statistics

The highest-rated item for EO proactiveness was the ability of the enterprise to introduce new products, services, administrative techniques, and operating techniques, which were perceived as highly beneficial (mean = 5.47 ± 1.51). This was followed by the proactive actions taken by the enterprise ahead of competitors (mean = 5.24 ± 1.65). Lastly, the bold and proactive decisions to

move into untried business lines were also positively rated (mean = 5.08 ± 1.70). These results reflect a consistently positive perception of proactiveness, highlighting that the respondents view their enterprises as forward-thinking and capable of taking initiative to maintain a competitive edge.

Table 6: EO Proactiveness - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
PRO1 Our ability to introduce new products/services, administrative techniques and operating techniques benefited our enterprise	101	1	7	5.47	1.514	-1.291	1.175
PRO2 Our enterprise takes bold and proactive decisions to move into untried business lines	101	1	7	5.08	1.695	-.893	-.201
PRO3 Our company takes initiated action ahead of our competitors	101	1	7	5.24	1.650	-1.043	.514

4.4.4 EO Autonomy - Descriptive Statistics

The highest-rated item for EO autonomy was the enterprise's independent aptitude to bring forth ideas and visions and see them through to completion (mean = 5.35 ± 1.52). This was closely followed by the positive impact of giving employees freedom and self-direction, which led to productive entrepreneurial activity (mean = 5.29 ± 1.53). Lastly, the organization's ability to promptly react to environmental changes and market signals by swiftly adopting immediate actions and tasks was also positively rated (mean = 5.21 ± 1.56). These results suggest that the respondents perceive their enterprises as fostering autonomy, enabling both independent innovation and agile responses to market dynamics.

Table 7:: EO Autonomy - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
AUTO1 Our enterprise has independent aptitude to bring forth our ideas and visions and see them through to completion	101	1	7	5.35	1.519	-1.306	1.358
AUTO2 Giving our employees freedom and self-direction has led to productive entrepreneurial activity in our enterprises	101	1	7	5.29	1.532	-1.128	.692
AUTO3 Our organisation always reacts promptly to environmental changes and market signals by swiftly countering and adopting immediate actions and tasks	101	1	7	5.21	1.558	-1.116	.738

4.4.5 EO Competitive Aggressiveness - Descriptive Statistics

The highest-rated item for EO competitive aggressiveness was the ability of firms to outperform their competitors by being intensely competitive (mean = 5.07 ± 1.69). This was followed by the readiness to deploy resources to launch uninterrupted attacks on competitors through marketing tactics, which the respondents felt positioned their enterprises ahead of competitors (mean = 4.61 ± 1.83). Lastly, engaging with competitors to access financial resources received the lowest rating (mean = 4.34 ± 2.06). These results indicate that the respondents generally view their enterprises as moderately competitive, with a particular emphasis on outperforming rivals and leveraging marketing tactics to gain a competitive edge, though engagement with competitors for financial access is less prominent.

Table 8: EO Competitive Aggressiveness - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
CAGR1 By being intensely competitive, our firms have been able to outperform competitors	101	1	7	5.07	1.693	-.906	-.047
CAGR2 By engaging with competitors, our enterprises have been able to access financial resources	101	1	7	4.34	2.056	-.240	-1.486
CAGR3 Our readiness to deploy resources to launch an uninterrupted attack on our competitors through marketing tactics has put us ahead of our competitors	101	1	7	4.61	1.833	-.384	-1.103

4.4.6 Enterprises Performance - Descriptive Statistics

The highest-rated item for enterprise performance was the ability of enterprises to attract totally new customers this year (mean = 5.35 ± 1.70), reflecting a strong perception of growth in reaching new markets. This was followed by expanding the existing customer base (mean = 5.02 ± 1.80) and sustaining customer bases while achieving repeat orders (mean = 5.16 ± 1.80), which highlights consistent customer retention efforts. Satisfaction with return on sales (mean = 4.70 ± 1.96) and net profit margin (mean = 4.42 ± 1.94) received moderate ratings, indicating room for improvement in financial outcomes. The lowest-rated items were satisfaction with gross profit margin (mean = 4.39 ± 1.98) and net profit margin repeated in another context (mean = 4.41 ± 1.87). Job-related metrics, such as creating new job opportunities (mean = 4.88 ± 1.94) and sustaining existing jobs (mean = 4.74 ± 2.00), were rated moderately positively, indicating some success in employment generation and retention.

Table 9: Enterprises Performance - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
EP1 Our enterprise has been able to attract totally new customers this year	101	1	7	5.35	1.700	-1.183	.441
EP2 Our enterprise has been able to expand our existing customer base this year	101	1	7	5.02	1.800	-.870	-.467
EP3 Our enterprise has succeeded in sustaining our customer base and achieving repeat orders	101	1	7	5.16	1.804	-.951	-.324
EP4 Our enterprises are usually satisfied with return on sales	101	1	7	4.70	1.962	-.602	-.922
EP5 Our enterprise is usually satisfied with net profit margins	101	1	7	4.42	1.935	-.448	-.956
EP6 Our enterprise is usually satisfied with net profit margins	101	1	7	4.41	1.872	-.470	-.856
EP7 Our enterprise is usually satisfied with gross profit margins	101	1	7	4.39	1.980	-.419	-1.113
EP8 Our enterprise has created new job opportunities	101	1	7	4.88	1.941	-.826	-.626
EP9 Our enterprise has been able to sustain existing jobs	101	1	7	4.74	2.003	-.719	-.908

4.4.7 Sefa Funding - Descriptive Statistics

The highest-rated item for accessing sefa funding was the perception that *"*sefa *funding is accessible to all women enterprises that qualify"* (mean = 5.29 ± 1.81). This was followed by the belief that *"the information regarding access to funding from* sefa *is easily accessible"* (mean = 4.95 ± 1.93) and *"* sefa *funding prioritizes women-owned enterprises"* (mean = 4.90 ± 1.80),

Moderate ratings were observed for *"the eligibility criteria for* sefa *funding are easy to understand"* (mean = 4.79 ± 1.95), indicating some challenges in comprehending the criteria. The lowest-rated item was *"accessing* sefa *funding is effortless"* (mean = 4.08 ± 2.11), which reflects a relatively lower level of agreement and suggests that enterprises may face difficulties in navigating the funding process.

Table 10: Sefa Funding - Descriptive Statistics

Items	N	Min	Max	Mean	SD	Skewness	Kurtosis
ATSF1 Accessing sefa funding is effortless	101	1	7	4.08	2.110	-.289	-1.365
ATSF2 The information regarding access to funding from sefa is easily accessible	101	1	7	4.95	1.931	-.932	-.416
ATSF3 The eligibility criteria for S sefa funding are easy to understand	101	1	7	4.79	1.946	-.797	-.747
ATSF4 S sefa funding is accessible to all women enterprises that qualify	101	1	7	5.29	1.813	-1.199	.441
ATSF5 S sefa funding prioritises women-owned enterprises	101	1	7	4.90	1.797	-.819	-.209

4.5 Validity and Reliability

CFA was conducted using Amos version 25 to assess the validity and reliability of the constructs.

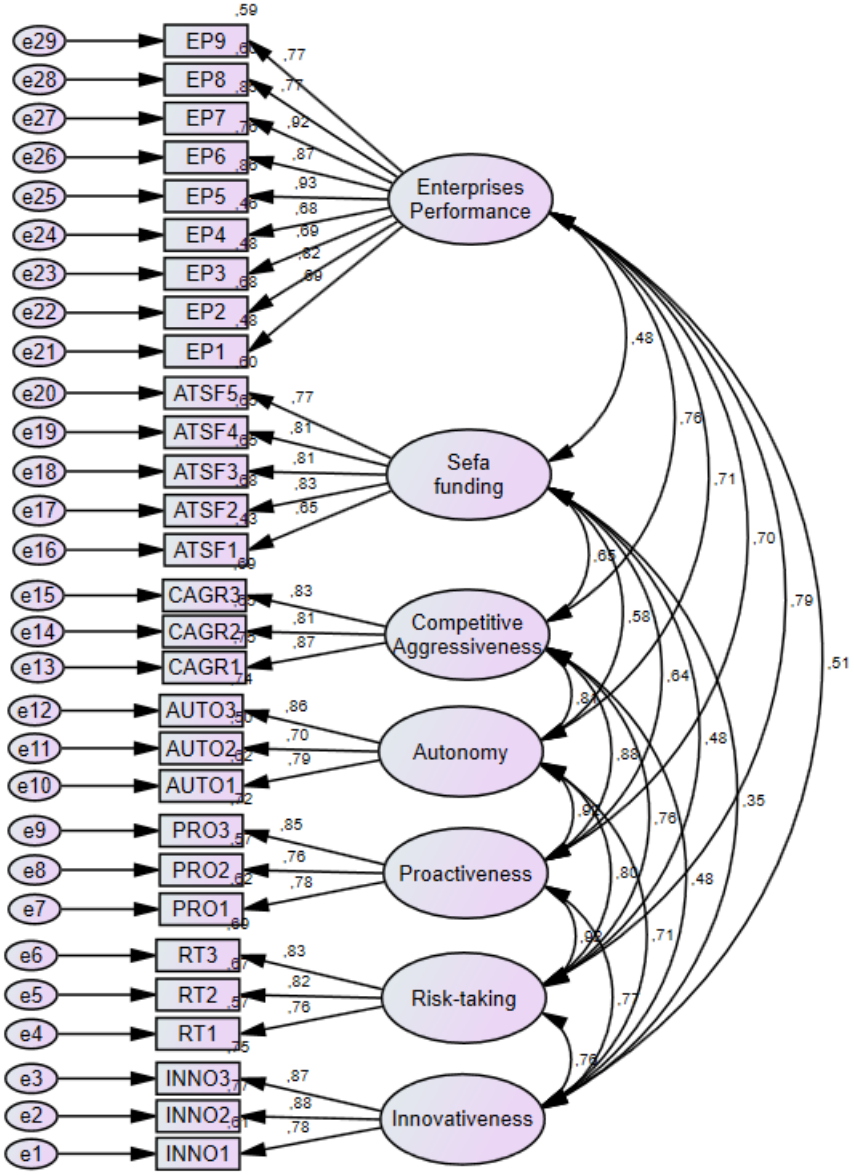

Figure 9: Hypothesised CFA model.

The hypothesised model factor loadings and model fit indices are presented below.

Table 11: Factor Loadings - Hypothesised Model

		Esti mate
Innovativeness		
INNO1	In our organisation, we encourage our employees to break away from the status quo and create new goods, services, or procedures	,783
INNO2	Our organisation is able to adopt unique concepts, inventive ideas, and experimental methods to create new practices and solutions	,878
INNO3	Our organisation has been able to create new products and take advantage of business opportunities in the market	,867
Risk taking		
RT1	Our enterprise's predisposition for high-risk projects with chances of very high returns have been beneficial	,757
RT2	Our tendency to take advantage of market changes and invest financial resources has been beneficial despite high and unpredictable future returns	,821
RT3	Despite being confronted with decisions involving uncertainty, our enterprises have always adopted bold posture to maximise the probability of seizing financial opportunities	,830
Proactiveness		
PRO1	Our ability to introduce new products/services, administrative techniques and operating techniques benefited our enterprise	,785
PRO2	Our enterprise takes bold and proactive decisions to move into untried business lines	,755
PRO3	Our company takes initiated action ahead of our competitors	,850
Autonomy		
AUTO1	Our enterprise has independent aptitude to bring forth our ideas and visions and see them through to completion	,789
AUTO2	Giving our employees freedom and self-direction has led to productive entrepreneurial activity in our enterprise	,704

AUTO3	Our organisation always reacts promptly to environmental change and market signals by swiftly countering and adopting immediate actions and tasks	,859
Competitive Aggressiveness		
CAGR1	By being intensely competitive, our firm has been able to outperform competitors	,867
CAGR2	By engaging with competitors, our enterprises have been able to access financial resources	,808
CAGR3	Our readiness to deploy resources to launch an uninterrupted attack on our competitors through marketing tactics has put us ahead of our competitors	,830
Sefa funding		
ATSF1	Accessing sefa funding is effortless	,654
ATSF2	The information regarding access to funding from sefa is easily accessible	,826
ATSF3	The eligibility criteria for sefa funding are easy to understand	,807
ATSF4	Sefa funding is accessible to all women enterprises that qualify	,808
ATSF5	Sefa funding prioritises women-owned enterprises	,772
Enterprises Performance		
EP1	Our enterprise has been able to attract totally new customers this year	,693
EP2	Our enterprise has been able to expand our existing customer base this year	,823
EP3	Our enterprise has succeeded in sustaining our customer base and achieving repeat orders	,690
EP4	Our enterprise is usually satisfied with return on sales	,679
EP5	Our enterprise is usually satisfied with net profit margins	,927
EP6	Our enterprise is usually satisfied with net profit margins	,873
EP7	Our enterprise is usually satisfied with gross profit margins	,924
EP8	Our enterprise has created new job opportunities	,772
EP9	Our enterprise has been able to sustain existing jobs	,766

Table 12: Fit Model - Hypothesised Model

Absolute Fit Indexes	Acceptable Value	Value	Outcome
GFI	>0.9	0.625	Outside acceptable range
AGFI	>0.9	0.542	Outside acceptable range
RSMEA	<0.08	0.111	Outside acceptable range
NFI	>0.9	0.728	Outside acceptable range
NNFI (TLI)	>0.9	0.801	Outside acceptable range
CFI	>0.9	0.826	Outside acceptable range
CMIN/DF	< 5	2.232	Acceptable

The factor loadings and the model fit indices suggested that the model could be enhanced by further pruning. The following items were pruned from the model due to either cross loading or low factor loadings.

Table 13: Items removed during CFA Model Pruning.

ATSF1	Accessing Sefa funding is effortless
EP1	Our enterprise has been able to attract new customers this year
EP3	Our enterprise has succeeded in sustaining our customer base and achieving repeat orders
EP 4	Our enterprise is usually satisfied with return on sales
EP8	Our enterprise has created new job opportunities
EP9	Our enterprise has been able to sustain existing jobs

The Pruned Model is presented below.

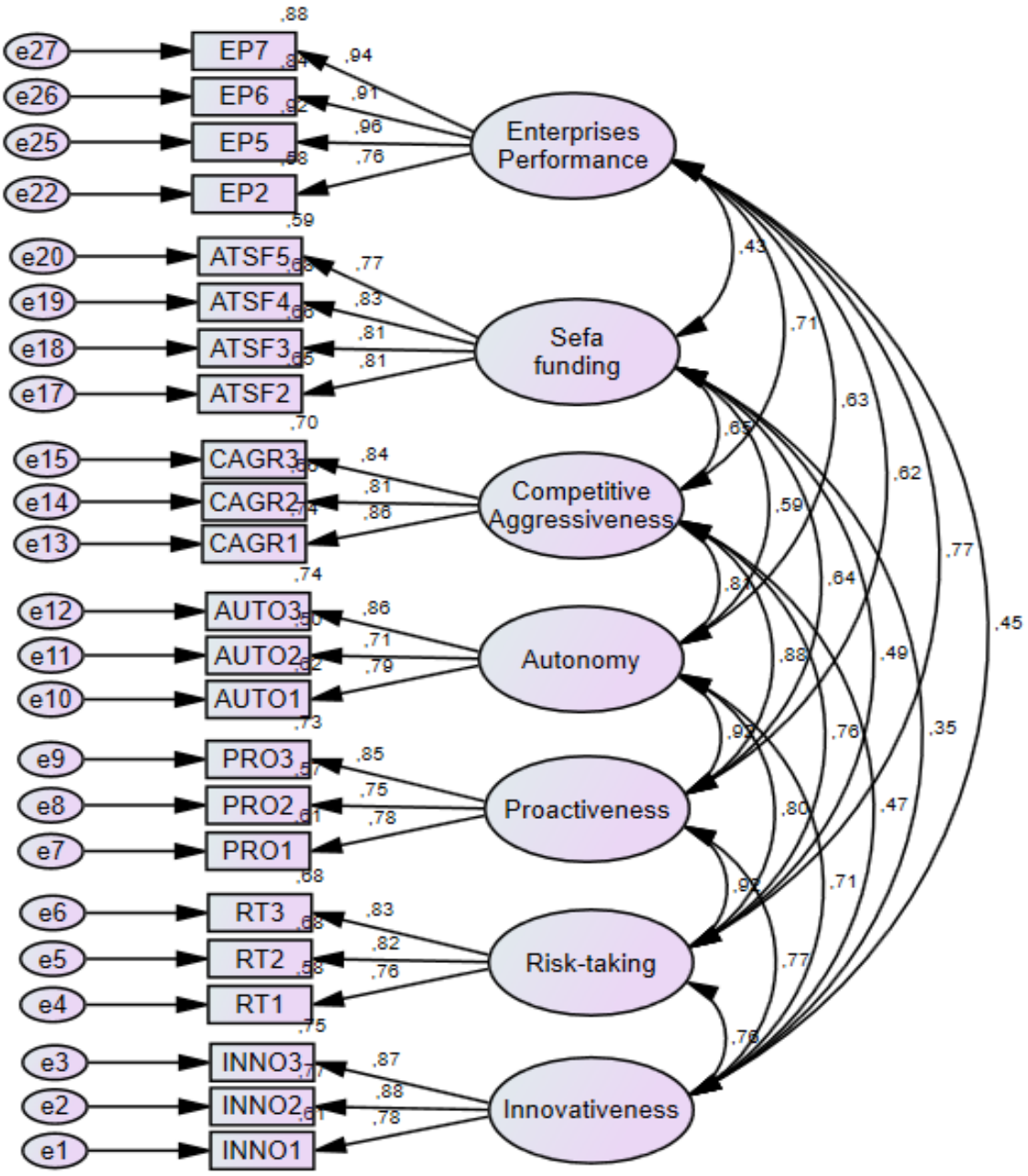

Figure 10: Pruned Model

The results presented in Table 14 show that all the constructs demonstrated good internal consistency, with Cronbach's Alpha values exceeding 0.8 for Innovativeness, Risk-taking, Proactiveness, Competitive Aggressiveness, Sefa funding and Enterprise Performance, indicating reliable measurement. The Composite Reliability (CR) values were also high, ranging from 0.711

to 0.942, confirming that the items consistently measure the intended constructs. Factor loadings for individual items across all constructs were high, ranging from 0.706 to 0.961, indicating that the items effectively represent their respective constructs. The Average Variance Extracted (AVE) values for some constructs, such as Risk-taking, Proactiveness, Autonomy and sefa funding fell slightly below the ideal threshold of 0.7, suggesting room for improvement in convergent validity in future studies. No further pruning could improve the current model. Notably, Enterprise Performance exhibits excellent convergent validity with an AVE of 0.803, indicating that it was the strongest construct in terms of how well its items captured the underlying factor. Overall, the constructs were well-defined and reliable.

Table 14: Final construct composition, Cronbach's Alpha, CR and AVE

		Factor Loading	**Cronbach's Alpha**	**CR**	**AVE**
Innovativeness			**.880**	**.880**	**.711**
INNO1	In our organisation, we encourage our employees to break away from the status quo and create new goods, services, or procedures	,781			
INNO2	Our organisation is able to adopt unique concepts, inventive ideas, and experimental methods to create new practices and solutions	,878			
INNO3	Our organisation has been able to create new products and take advantage of business opportunities in the market	,867			
Risk-taking			**.845**	**.846**	**.646**
RT1	Our enterprise's predisposition for high-risk projects with chances of very high returns have been beneficial	,760			
RT2	Our tendency to take advantage of market changes and invest financial resources has been beneficial despite high and unpredictable future returns	,824			

RT3	Despite being confronted with decisions involving uncertainty, our enterprise has always adopted bold posture to maximise the probability of seizing financial opportunities	,826			
Proactiveness			**.835**	**.840**	**.637**
PRO1	Our ability to introduce new products/services, administrative techniques and operating techniques benefited our enterprise	,784			
PRO2	Our enterprise takes bold and proactive decisions to move into untried business lines	,755			
PRO3	Our company takes initiated action ahead of our competitors	,852			
Autonomy			**.826**	**.829**	**.619**
AUTO 1	Our enterprise has independent aptitude to bring forth our ideas and visions and see them through to completion	,787			
AUTO 2	Giving our employees freedom and self-direction has led to productive entrepreneurial activity in our enterprises	,706			
AUTO 3	Our organisation always reacts promptly to environmental change and market signals by swiftly countering and adopting immediate actions and tasks	,859			
Competitive Aggressiveness			**.872**	**.875**	**.699**
CAGR 1	By being intensely competitive, our firm has been able to outperform competitors	,859			
CAGR 2	By engaging with competitors, our enterprise has been able to access financial resources	,814			
CAGR 3	Our readiness to deploy resources to launch an uninterrupted attack on our competitors through marketing tactics has put us ahead of our competitors	,835			

Sefa funding			**.880**	**.880**	**.646**
ATSF2	The information regarding access to funding from sefa is easily accessible	,809			
ATSF3	The eligibility criteria for sefa funding are easy to understand	,811			
ATSF4	sefa funding is accessible to all women enterprises that qualify	,825			
ATSF5	Sefa funding prioritises women-owned enterprises	,770			
Enterprises Performance			**.939**	**.942**	**.803**
EP2	Our enterprise has been able to expand our existing customer base this year	,759			
EP5	Our enterprise is usually satisfied with net profit margins	,961			
EP6	Our enterprise is usually satisfied with net profit margins	,915			
EP7	Our enterprise is usually satisfied with gross profit margins	,936			

The results of the absolute fit indexes indicate that the model's fit is generally marginally acceptable. The Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) were slightly below the ideal threshold of 0.9, with values of 0.759 and 0.682, respectively, suggesting the model's fit is not optimal. Similarly, the Root Mean Square Error of Approximation (RMSEA) value of 0.089 is slightly above the acceptable threshold of 0.08, indicating a marginally acceptable fit. The Normed Fit Index (NFI) and Tucker-Lewis Index (NNFI), with values of 0.826 and 0.895 are also below the ideal 0.9 cutoff, reflecting a somewhat weaker fit. However, the Comparative Fit Index (CFI), with a value of 0.913, is within the acceptable range, indicating a good fit for this index. The Chi-Square/Degrees of Freedom (CMIN/DF) ratio of 1.790 is well below the threshold of 5, indicating an acceptable fit. Overall, while most indexes show marginally acceptable results, the model's fit could be improved, but the CFI and CMIN/DF values suggest it is still relatively good.

Table 15: Pruned Model - Model Fit Indices

Absolute Fit Indexes	Acceptable Value	Value	Outcome
GFI	>0.9	0.759	Marginally Acceptable
AGFI	>0.9	0.682	Marginally Acceptable
RSMEA	<0.08	0.089	Marginally Acceptable
NFI	>0.9	0.826	Marginally Acceptable
NNFI (TLI)	>0.9	0.895	Marginally Acceptable
CFI	>0.9	0.913	Acceptable
CMIN/DF	< 5	1.790	Acceptable

4.6 Structural equation Modelling Results

Structural equation modelling (SEM) was conducted to assess the hypotheses. It was fitted from the pruned model. The model is presented in Figure 11.

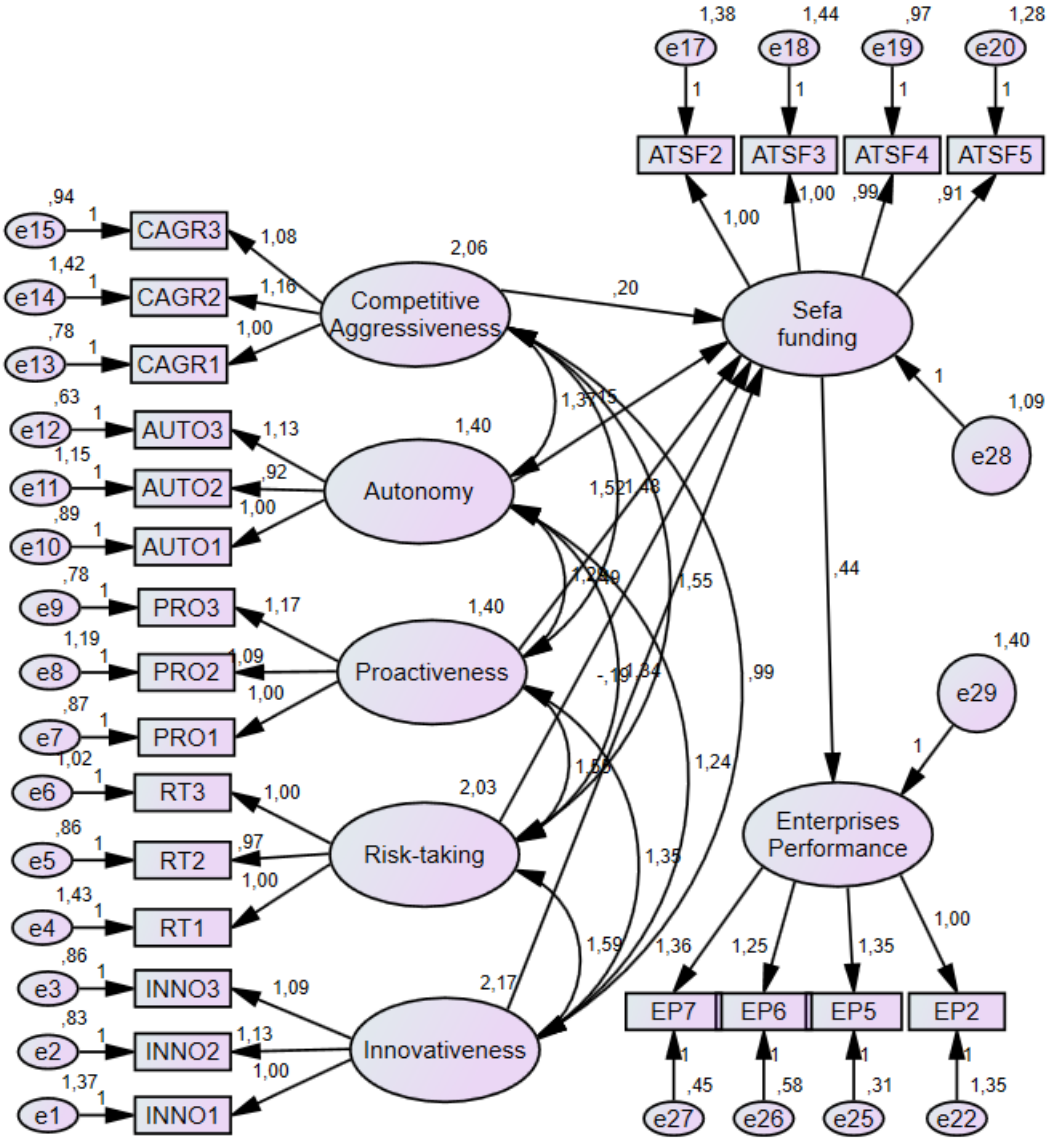

Figure 11: SEM Model

Table 16: Path Regression weights

Hypotheses / Path Analysis		Weights		T-value	P-Value	R-Square
		Unstandardised	Standardised			
Competitive Aggressiveness	→ sefa funding	,200	,189	,268	,789	,531
Autonomy	→ sefa funding	-,153	-,119	-,171	,864	
Proactiveness	→ sefa funding	1,517	1,180	,565	,572	
Risk taking	→ sefa funding	-,485	-,454	-,622	,534	
Innovativeness	→ sefa funding	-,193	-,187	-,418	,676	
sefa funding	→ Enterprises Performance	,444	,495	4,430	***	,245

4.7 Hypothesis testing Results.

4.7.1 H1: Innovativeness influences access to sefa funding

The results presented in Table 9 show that the direct effect of Innovativeness (β = -0.187, t-value = -0.418, p-value = 0.676) on sefa funding was negative. The p-value of 0.676 is greater than the 0.05 significance threshold, suggesting that this direct effect is not statistically significant. Therefore, Hypothesis H1 was not supported as innovativeness does not positively influence access to Sefa funding.

4.7.2 H2: Risk-taking influences access to sefa funding

The effect of Risk-taking (β = -0.454, t-value = -0.622, p-value = 0.534) on Sefa funding was negative since the coefficient was less than zero. The p-value of 0.534 was greater than the 0.05 significance threshold, suggesting that this direct effect was not statistically significant. Therefore, Hypothesis H2 was not supported as risk-taking does not positively influence access to sefa funding.

4.7.3 H3: Proactiveness influences access to sefa funding.

For Proactiveness (PRO), the direct effect on Sefa funding (β = 1.180, t-value = 0.565, p-value = 0.572) was positive. However, the p-value of 0.572 is above the significance threshold of 0.05, indicating that the relationship was not statistically significant. Therefore, Hypothesis H3 was not supported as proactiveness does not positively influence access to sefa funding.

4.7.4 H4: Autonomy influences access to sefa funding

For Autonomy (AUT), the direct effect on Sefa funding (β = -0.119, t-value = -0.171, p-value = 0.864) was negative with a p-value of 0.864, which is well above the 0.05 threshold and the effect is therefore not statistically significant. Therefore, Hypothesis H4 was not supported as autonomy does not positively influence access to sefa funding.

4.7.5 H5: Competitive Aggressiveness influences access to sefa funding

The effect of Competitive Aggressiveness (CA) (β = 0.189, t-value = 0.268, p-value = 0.789) on Sefa funding was positive since the coefficient was greater than zero. The p-value of 0.789 was greater than the 0.05 significance threshold, suggesting that this direct effect was not statistically

significant. Therefore, Hypothesis H5 was not supported as competitive aggressiveness does not positively influence access to sefa funding.

4.7.6 H6: Access to sefa funding mediates EO- Enterprises performance.

The results showed that sefa funding (β = 0.495, t-value = 4.430, p-value =< 0.001) had a positive and significant effect on Enterprise Performance (EP). The effect was positive since the coefficient for Sefa funding (β = 0.495) was greater than zero. It was also significant since the p-value was less than 0.001, which is statistically significant. This indicates that access to Sefa funding positively influence enterprise performance. Therefore, the hypothesis that Sefa funding positively influence enterprise performance is supported.

Table 17: Direct and Indirect Effects for Mediation Testing

Hypotheses / Path Analysis	Direct Effect	Indirect Effect	Result	Hypothesis Supported
CAGR → sefa funding → EP	0.200 (0.789)	-0.086 (0.320)	No Mediation	Not Supported
AUTO → sefa funding → EP	-0.153 (0.864)	-0.216 (0.178)	No Mediation	Not supported
PRO → sefa funding → EP	1.5170 (0.572)	0.673 (0.040)	No Mediation	Not supported
RT → sefa funding → EP	-0.485 (0.534)	-0.068 (0.571)	No Mediation	Not Supported
INNO → sefa funding → EP	-0.193 (0.676)	0.089 (0.962)	No Mediation	Not Supported

Notes: Estimate (p-value)

The results presented in Table 10 show that neither the direct nor the indirect effects were statistically significant enough to support mediation. Therefore, none of the hypotheses were supported and there is no evidence to suggest that sefa funding mediates the relationship between EO dimensions (competitive aggressiveness, autonomy, proactiveness, risk-taking, innovativeness) and enterprise performance.

The results indicate that the five EO dimensions of innovativeness (β = -0.187, t-value = -0.418, p-value = 0.676), risk-taking (β = -0.454, t-value = -0.622, p-value = 0.534), proactiveness (β = 1.180, t-value = 0.565, p-value = 0.572), autonomy (β = -0.119, t-value = -0.171, p-value = 0.864) and competitive aggressiveness (β = 0.189, t-value = 0.268, p-value = 0.789) do not have a direct impact on access to sefa funding. However, Sefa funding (β = 0.495, t-value = 4.430, p-value =< 0.001) plays a significant mediating role, linking EO dimensions to improved enterprise performance.

4.8 Chapter Conclusion

In this chapter the results of the research were explained in terms of findings, either parallels or contrasting to the existing literature. EO is well explored however, not in the context of looking at how it influences sefa which is a DFI.

Only hypothesis 6, which states that access to Sefa funding mediates EO- Enterprises performance was positive and significant. Hypothesis 1, namely that innovativeness influences access to Sefa funding was not supported as innovativeness does not positively influence access to sefa funding. This included hypothesis 2, risk-taking influences access to Sefa funding. The two could pose a question of how risk averse is sefa? Hypothesis 3, proactiveness influences access to sefa funding, was not supported together with hypothesis 4, autonomy influences access to sefa funding. Hypothesis 5, competitive aggressiveness influences access to sefa funding was also negative.

These findings can further illustrate the weakness of the sefa funding model as the DFI does not have a women specific product. Sefa funds treat previously disadvantaged people as a homogenous market.

CHAPTER 5: DISCUSSIONS

This chapter reflects on the study findings presented in Chapter 4 and link them to the study purpose, background, objectives, rationale and the empirical literature review and theoretical frameworks discussed in Chapters 2. It further integrates the results of hypothesis testing using the SEM to assess how EO dimensions of innovativeness, risk taking, proactiveness, competitive aggressiveness and autonomy influence access to Sefa funding and the mediating role of Sefa funding on EO enterprise performance.

5.1 Summary of Demographics Characteristics

The study findings indicate that women-owned enterprises funded by Sefa in South Africa are predominantly led by women between the ages of 35-44, representing 37.6% of the respondents. This suggests that women entrepreneurs in this age range are most actively engaged in entrepreneurial activities. These insights coincide with the GEM 2024 special report on *Women Entrepreneurship in South Africa: What does the future hold*? findings where the GEM report states that the highest percentage of female entrepreneurs (15.9%) of the 1 580 women who were interviewed in South Africa falls within the 35-44 age group, indicating women entrepreneurs favour starting entrepreneurial enterprises at an advantaged age. A significant portion of entrepreneurs, 24.8%, are between 55-64 years, further emphasizing the prevalence of mature women in business. Younger women (ages 25-34) are underrepresented at only 8.9%, reflecting broader national trends where younger women face barriers to entrepreneurship as highlighted by the high youth unemployment rate (50.47%) mentioned in the GEM 2024 Report.

In terms of education, most respondents are high school graduates (32.7%), with a notable representation of women holding diplomas (21.8%) and degrees (14.9%). Advanced degrees are relatively uncommon, with 10.9% holding master's degrees and only 1.0% having a doctorate. This pattern aligns with the GEM data, showing that women entrepreneurs often possess higher qualifications than non-businesswomen. Geographically, the highest concentration of women-owned enterprises is in Gauteng (23.8%), followed by KwaZulu-Natal (19.8%) and the Northern Cape (18.8%). The services sector dominates, comprising 37.6% of enterprises, followed by manufacturing (31.7%), indicating a focus on these industries among women entrepreneurs.

5.2 Summary of Hypothesized Relationship and the Results

The results of hypothesis testing presented challenges to the assumptions underlying the research model. A wealth of scholarly studies, including Frank, Kessler, and Fink (2010); Dess and Lumpkin (2005); Rauch *et al*. (2009); Justin *et al*. (2010); Hughes and Morgan (2007); Jantunen *et al*. (2005) posits that EO dimensions influences enterprises performance. Furthermore, Zampetakis *et al*. (2011); Fatoki (2012); Sidek *et al*. (2016); Potgieter and Rungani (2018); DTI (2008); Finscope (2010); Makina, Fanta, Mutsonziwa, Khumalo and Maposa (2015) posits that EO is associated with access to entrepreneurial finance, especially where EO dimensions are considered internal resources and capabilities that can be utilized to achieve competitive advantage. Contrary to these empirical and theoretical underpinnings, this study findings suggest that EO dimensions have no direct effect on access to DFI such as sefa funding and such underlying EO-enterprise performance is not mediated by funds provided to MSMEs by sefa. The details of the hypothesized relationships are discussed below.

5.3 DH1: Innovativeness and Access to sefa Funding

Innovativeness was hypothesized to positively influence access to sefa funding. Despite the theoretical framework such as the resource-based view (RBV) positing that the various types of innovation, including technological innovation, product innovation and process innovation serves as a strategic resource for securing competitive advantage (Barney, 1991), the study's findings indicate a disconnect between Sefa's funding criteria and enterprises' innovative capacities ($\beta = -0.187$, $p = 0.676$). This misalignment underscores the need for DFIs to revise funding evaluation frameworks to better recognize innovation-driven strategies as pivotal for sustainable entrepreneurship.

5.3.1 DH2: Risk-Taking and Access to sefa Funding

Risk-taking, a fundamental EO trait associated with pursuing uncertain opportunities (Lumpkin & Dess, 1996), did not show a significant impact on funding outcomes in this study. This result highlights potential inadequacies in sefa's risk assessment models, which may prioritize conservative financial metrics over entrepreneurial behaviours. By contrast, prior studies link risk tolerance to enhanced access to capital (Kraus *et al*., 2012). This discrepancy calls for further

research on balancing risk and affordability in financing models, aligning with national development goals outlined in South Africa's NDP 2030.

5.3.2 DH3: Proactiveness and Access to sefa Funding

H3 posited that proactiveness would positively affect funding, yet the results were **not significant** ($\beta = 1.180$, $p = 0.572$). The findings contrast with the dynamic capability's framework (Teece *et al*., 1997) and proposition of the dimension a determinant of market leadership (Covin & Slevin, 1989). Sefa's funding mechanisms may inadequately capture forward-thinking entrepreneurial actions, reflecting gaps in the evaluative processes that fail to reward market adaptability.

5.3.3 DH4: Autonomy and Access to sefa Funding

Autonomy had a negative and non-significant effect ($\beta = -0.119$, $p = 0.864$). Autonomy's conceptual link to strategic responsiveness (Stevenson & Jarillo, 1990) appears to be weakly reflected in the sefa funding model. The negative and non-significant relationship between autonomy and funding access also suggests that self-reported autonomy data may be prone to bias as acknowledged in Chapter 3.

5.3.4 DH5: Competitive aggressiveness and Access to sefa Funding

While positive, competitive aggressiveness showed a non-significant relationship ($\beta = 0.189$, $p = 0.789$), Chapter 1's market disruptiveness argument (Porter, 1980) suggests that more comprehensive assessment tools are needed to measure competitive strategies effectively.

5.3.5 Mediating role of sefa Finance

The sefa financing was confirmed as a strong mediator for enterprise performance but did not mediate EO's influence on funding access. This highlights operational gaps within sefa's framework, emphasizing the need to align funding mechanisms with EO dimensions to fully leverage entrepreneurial capabilities in driving firm growth and economic development.

5.4 Conclusion

The study stress four general conclusions; first, the EO dimensions of innovativeness, risk taking, proactiveness, competitive aggressiveness and autonomy influence firm performance. Secondly, entrepreneurial finance influences enterprises performance. Within the DFI level, EO dimensions do not influence access to finance partly because DFI such as sefa do not consider entrepreneurial behaviours in their funding criteria. Lastly, access to sefa finance does not mediate the relationship between EO and enterprise performance partly due to the negative relationship between EO and access to funding and the no consideration of EO by DFI.

CHAPTER 6: CONCLUSION

6.1. Introduction

This is the final chapter concludes the study. It gives an empirical understand of the study and its implications. It gives at reality of DFI funding at a practical level and in attempt to match the findings to reality. This becomes evident that there are policy gaps that require attention hence the recommendations. It then further looks at the limitations and future research.

6.2. Research Implications

The study offers several theoretical, practical, managerial and policy implications. The study contributes to the field of female entrepreneurships, including and broaden understanding on the theoretical framework of EO and entrepreneurial finance. The study recognized several studies that have theorized EO as a strategic posture for achieving competitive advantage and sustained growth among firms. Although the antecedents of EO have been examined in previous studies, this is the first time that the perceived influence of EO on access has been analysed in this manner. The study also advances the understanding and contributes to empirical evidence on the impact of EO and female enterprises, especially in emerging markets such as South Africa. The study offers practical and managerial implications, especially for DFI such as sefa. The fact that the findings contradict the theoretical model and empirical studies is an indication that sefa does not consider entrepreneurial behaviour in its funding mechanisms. Therefore, sefa management should consider EO dimensions in dispensing funds to female-owned enterprises under their support as this will drive performance, including profitability, job creation, wealth creation and gender equality. For female-owned enterprises, practical implications indicate the need for bolstering higher levels of EO dimensions to drive their enterprises performance.

For policy makers, there is a need to advise the DFI to integrate EO in their mandate as this is crucial in driving the set performance metrics, including government priorities such as job creation, wealth creation and sustained growth by MSMEs. Additionally, the strong evidence linking access to entrepreneurial finance call for policy formulation and implementation of directives that increase funds allocated to DFI and subsequently disbursed to MSMEs. Furthermore, policy makers should formulate policies that encourage innovative funding mechanisms.

6.3. Study Limitations

Examining the influence of EO on access to sefa funding and the mediating role of sefa funding on EO enterprise performance presented several limitations that open up areas for future research. The study's focus on sefa-funded enterprises limits generalizability across broader contexts. Out of a national population of 2 192 female-owned enterprises funded by Sefa from 2012 to 2022 from all nine provinces in South Africa, only 181 responded. Another limitation relates to the predictor variables used in this research. Although the results demonstrated associations between EO dimensions and enterprise performance, the direct impact of EO on firm performance was not measured in detail. Subsequent research should aim to gather explicit performance data and validate the causal mechanisms between EO and enterprise outcomes.

Access to entrepreneurial finance was only limited to direct loans, asset finance, bridging loans, revolving loan and tourism equity fund currently being offered by sefa. Such financing mechanism might have limited the preference of entrepreneurially oriented female entrepreneurs to be autonomously and proactively take risks and to be innovative with the funding options, therefore, forcing them to be content with the available resources. This is so in the juxtaposition of the pecking order theory that argues that entrepreneurs tend to prioritize due to the costs associated with adverse selection presented by such options (Myers & Majluf, 1984; Vaznyte & Andries, 2019).

6.4. Future Research

Future research should incorporate larger sample sizes, cross-sector comparisons, and the influence of external moderators such as economic policies and technological change. The study relies on perceptual data provided by one to three people from each organisation, typically the executive manager, general manager, middle and low management of the business. Individual managers have their perceptual biases and cognitive limitations in viewing their organisation and environment. Though objective data were difficult to obtain from business (Covin & Slevin, 1989), future research efforts may want to design or use objectives to encourage confidence in the reported analysis.

To address this limitation and further validate or invalidate the study findings, future studies could explore the mediating role of alternative financing models such as venture capital and equity in mediating EO and enterprise performance. Future studies could further focus on other DFI's the relationship between EO and access to development finance. Such studies could prove significant alternative finance tend to encourage higher levels of EO among firms and managers to drive performance.

6.5. Conclusion

The study concludes that sefa does not consider EO dimensions when approving for women - owned enterprises. Furthermore, empirical evidence is provided to support this notion that sefa funding criteria does not factor EO dimensions.

The purpose of the study was to test the mediating role of Sefa funding among female owned enterprises in South Africa. All the five hypothesis that were based on the EO dimensions were not supported except for hypothesis 6 that stated that access to sefa funding mediates EO-Enterprises performance which was positive and supported.

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8. APPENDICES

8.1 Appendix A: Approval Documents

Ethics Clearance Certificate

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School

Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number: WBS/EN766104/523
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	Entrepreneurship Orientation and Enterprises Performance : The Mediating Role of sefa funding among female owned enterprises in South Africa.
Investigator / Researcher	Ms Nothemba Phylie-lue Gqiba
Nature of Project	MM in Entrepr & New Venture Creation
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	26/08/2024
Expiry date	Date of submission of the project / research report
Chairperson	Dr Ayanda Magida +27 11 717 3953 ayanda.magida@wits.ac.za

Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

27/08/24
Date:

Participants Consent Form

Start of Block: Introduction and Participants Invite

Dear Participants,

I am Nothemba Gqiba, a Master of Management in Entrepreneurship and New Venture Creation student at Wits Business School (Ethics Protocol Number: WBS/EN766104/523), under the supervision of Dr. Jabulile Msingango Galawe.

I am conducting research on the topic: **"Entrepreneurial Orientation and Enterprise Performance: The Mediating Role of SEFA Funding Among Female-Owned Enterprises in South Africa."** This study aims to enhance understanding of female entrepreneurship, particularly the factors that influence growth and performance within the South African context and development finance institutions (DFIs).

Your participation in this research will involve completing a 15-minute questionnaire. Please note that all information provided will remain confidential and anonymous. Participation is entirely voluntary, and there are no associated costs or compensation. You may withdraw from the study at any point, should you wish to do so. The results of the study will be made available on the university library website upon completion.

If you have any questions or need further information, feel free to contact me at **776104@students.wits.ac.za** or **072 625 5553** or my supervisor at jabulile.msimango-galawe@wits.ac.za

Thank you in advance for your participation.
Sincerely,
Nothemba Gqiba

Sefa Research Approval Letter

Small Enterprise Finance Agency

Bylsbridge Office Park
Building 14| Block D | 11 Bylsbridge Boulevard
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02 July 2024

The Research Committee
Wits Business School
University of Witwatersrand

Dear Sir/Madam

On behalf of the Small Enterprise Finance Agency (sefa), I am writing to formally indicate our awareness of the research proposed by Nothemba Gqiba, a student at the Wits Business School. We are aware that Nothemba Gqiba intends to conduct her research titled "The influence of Entrepreneurial Orientation on access to sefa funding by female entrepreneurs in SA".

We would like to confirm that we will provide Nothemba Gqiba with permission to access sefa's funded SMMEs for the purpose of her research. That is, we will assist and share the link to her research survey to the women-owned SMMEs that received funding support.
We believe the above assertion will be sufficient to satisfy your requirements.

Kind regards
Boitumelo Nkaelang
Research Analyst
Tel: 012 748 9783

8.2 Appendix B: Research Instruments

Research Questionnaires

Table 18: Research Survey

Questionnaires on the mediating role of Sefa funding on the entrepreneurial orientation and enterprises performance among Sefa funded female own enterprises									
Q1	**Demographic Questions**	What is your gender	Male	Female	non-binary	Others			
Q2		What is your age category	17 years or less	18 – 25 years	26 – 35 years	36 - 45 years	46 - 55 years	56 years upwards	
Q3		Sector	Services	Mining	Manufacturing	Transport	Green energy	Construction	Transport

Q4		Racial Group	African	Coloured	Indian	Asian	White		
Q5		What is your level of education?	Primary school	High School	Diploma	Degree	Post Grad	Other (Specify)	
Q6		How long has your enterprise been in existence?	1 year or less	1 – 2 years	3 – 5 years	6 - 10 years	11 - 15 years	16 years upwards	
Q7		For how your enterprise has been a client of Sefa?	1 year or less	1 – 2 years	3 – 5 years	6 - 10 years	11 - 15 years	16 years upwards	
Q8		In which Province is your enterprise operating from?	Gauteng	Western Cape	Eastern Cape	Mpumalanga	Free State	Limpopo	North west
		Indicate your level of agreement with the following sentences from 1	Strongly disagree						Strongly agree

			(Strongly disagree) to 7 (Strongly agree)							
Q9	**Entrepreneurial Orientation**	**EO Innovativeness**	***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)*** Within our organisation, we encourage our employees to break away from the status quo and create new goods, services, or procedures	1	2	3	4	5	6	7

Q10			Our ability to adopt unique concepts, inventive ideas, and experimental methods to create new practices and solutions has led to us accessing funding from Sefa.							
Q11			Through Sefa funding, our organisation has been able to create new products and take advantage of business opportunities in the market							

			Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)	Strongly disagree						Strongly agree
Q12		**EO Risk-taking**	***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)*** Our enterprise's predisposition for high-risk projects with chances of very high returns has resulted in us	1	2	3	4	5	6	

			benefiting financially from Sefa.							
Q13			Our tendency to take advantage of market changes and invest financial resources despite high and unpredictable future returns has granted us access to more financial resources.							
Q14			Despite being confronted with decisions involving uncertainty, our enterprises have always adopted bold posture to							

			maximise the probability of seizing financial opportunities from Sefa.							
15			***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)***	Strongly disagree						Strongly agree
		EO Proactiveness	***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)***	1	2	3	4	5	6	7

			Our ability to introduce new products/services, administrative techniques, and operating techniques before competitors have enabled us to benefit from Sefa-funding.							
Q16			By taking bold decisions to move into risky and untried business lines, our enterprises have been able to access more funding from Sefa.							

Q17			By taking initiates action ahead of our competitors, our firms have been able to access more financial resources							
Q18			***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)***	Strongly disagree						Strongly agree
		EO Autonomy	***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)***	1	2	3	4	5	6	7

			Our enterprise-independent aptitude to bring forth our ideas and visions and see them through to completion has enabled us to access funding from Sefa.							
Q19			Giving our employees the freedom and self-direction has led to productive entrepreneurial activity with our enterprises which has in turn enabled them to access funding from Sefa.							

Q20			Our ability to react promptly to environmental change and market signals by swiftly countering and adopting immediate actions and tasks has been crucial for us accessing constant financial support from Sefa							
21		**EO Competitive**	***Indicate your level of agreement with the following sentences from 1 (Strongly disagree) to 7 (Strongly agree)***	1	2	3	4	5	6	7

		Aggressiveness	By being intensely competitive, our firms have been able to outperform competitors in accessing a larger share of Sefa funding							
Q22			By engaging with competitors, our enterprises have been able to access financial resources from Sefa							
Q23			Our readiness to deployment resources to launch an uninterrupted attack on our competitors through							

			marketing tactics has put us ahead of accessing Sefa funding							
	Enterprises Performance		Customers Performance							
Q 24			Our enterprise has been able to attract totally new customers this year							
Q 25			Our enterprise has been able to expand our existing customer base this year							
Q 26			Our enterprise has succeeded in sustaining our customer base and							

		achieving repeat orders							
Q 27		Profitability							
Q 28		Our enterprises are usually satisfied with return on sales							
Q 29		Our enterprise is usually satisfied with net profit margin							
Q 30		Our enterprise is usually satisfied with gross profit margin							
		Job Creations							
Q 31		Since receiving Sefa funding, our enterprise has							

		created new job opportunities							
Q 32		Through Sefa funding, our enterprise has been able to be sustained existing jobs							
Q 33	**Sefa Funding**	Our enterprise has effectively utilised the Sefa loans to support critical business operations and projects.							
Q 34		The loans from Sefa have directly contributed to an increase in our sales, revenue, and							

		overall business performance.							
Q 35		The financial resources provided by Sefa have significantly improved our overall financial management and stability.							
Q36		Sefa funding has enabled us to invest in key areas of growth, such as technology, infrastructure, and market expansion.							

Q37		We have strategically allocated Sefa funding to optimize our business operations and achieve our performance goals.							

Research Survey

Table 18: Research Survey

Research Problem: Lack of evidence that links the mediating role of development finance institutions funding (Sefa)with the level of entrepreneurial orientation and performance among female owned enterprises in South Africa. **Research Question**: To what extent does the access to Sefa funding mediates the relationship between entrepreneurial orientation and enterprises performance among Sefa funded female owned enterprises?

Research Objective: To investigate the mediating role of Sefa funding on the relationship between entrepreneurial orientation on enterprises performance among Sefa-funded female enterprises in South Africa							
Sub-objective	**Literature Review**	**Hypotheses**	**Research questions**	**Variables**	**Source of data**	**Type of data**	**Analysis**
To investigate the influence of the entrepreneurial orientation dimension of innovativeness on access to Sefa funding.	(Baker and Sinkula, 2009; Linton, 2019; Lee et al., 2015; Li et al., 2008; Lumpkin and Dess, 1996: Baker and Sinkula, 2009; Linton, 2019; Kropp, Lindsay and Shoham, 2006; Galindo and Mendez-Picaco, 2013	Entrepreneurial orientation dimension of innovativeness positively influences access to Sefa funding.	To what extent does the level of innovativeness influence access to Sefa funding?	**IV1** - EO innovativeness **DV** - access to Sefa funding	Q9-Q11	Ordinal data	Regression analysis

To investigate the influence of the entrepreneurial orientation dimension of risk-taking on access to access to Sefa funding.	(Lumpkin, and Dess, 2001; Mathew Hughes & Morgan, 2006; Miller, D. 1983)	Entrepreneurial orientation dimension of risk-taking positively influences access to Sefa funding.	To what extent does the level of risk-taking influence access to Sefa funding?	**IV2** - Risk-taking **DV** - access to Sefa funding	Q12-Q14		
To investigate the influence of the entrepreneurial orientation dimension of proactiveness on access to Sefa funding.	(Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Kropp, Lindsay, & Shoham, 2004; Martin and Javalgi, 2013; Jalali, Jaafar and Ramayah, 2014; Craig et al.,2014;	Entrepreneurial orientation dimension of proactiveness positively influences the Sefa funding.	To what extent does the level of proactiveness influence the access to Sefa funding?	**IV3** - Proactiveness **DV** - access to Sefa funding	Q15-Q17		

	Masona et al., 2015; Lumpkin and Dess, 2001; Tan, 2008)						
To investigate the influence of the entrepreneurial orientation dimension of autonomy on access to Sefa funding.	(Callaghan and Venter, 2011; Lumpkin & Dess, 1996; Awang et al., 2009; Hughes & Morgan, 2007; Grewal & Tansuhaj, 2001)	Entrepreneurial orientation dimension of autonomy positively influences access to Sefa funding.	To what extent does the level of autonomy influence the access to Sefa funding?	**IV4** - Autonomy **DV** - access to Sefa funding	Q18-Q20		

To investigate the influence of the entrepreneurial orientation dimension of competitive aggressiveness on the access to Sefa funding.	(Lumpkin & Dess, 1996:2001; Hughes & Morgan, 2007; Schillo, 2011; Griffith et al., 2006; Hughes & Morgan, 2007; Lumpkin & Dess, 2001; Mason et al., 2015; (Masona et al., 2015; Le Roux and Bengesi, 2014)	The entrepreneurial orientation dimension of competitiveness aggressiveness positively influences the access to Sefa funding.	To what extent does the level of competitive aggressiveness influence the access to Sefa funding?	**IV5** - Competitive Aggressiveness **DV** - access to Sefa funding	Q21-Q23		
To investigate the mediating role of Sefa funding on the relationship between	Hudson et al., 2001; Naidoo et al., 2006; Hamdana1 et al., 2021; Rogerson, 2008a; Discala,	Sefa funding mediates the relationship between entrepreneurial orientation and	To what extend does Sefa funding mediates the relationship between entrepreneurial	**IV** - Entrepreneurial Orientation **Mediator** -	EO (Q9- - Q23) Sefa funding (Q33-Q37)		

entrepreneurial orientation and enterprises performance	2016; Indarti & Langenberg, 2005; Eriksson et al., 2009; Hussain et al., 2007; Gedajlovic et al., 2013; Fatoki, 2012; Fowowe, 2017; Song et al., 2018; Wiklund & Shepherd, 2011; Caglayan & Demir, 2014; Masa'deh et al., 2018; Kamal et., 2009; Malaza, 2010)	performance of Sefa funded female owned enterprises in South Africa	orientation and performance of Sefa funded female owned enterprises in South Africa	Sefa funding **DV** - Enterprises performance	Business Performance (Q24-Q32)		