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Entrepreneurial mindsets of youth from a previously disadvantaged area in Mafikeng, South Africa

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2022

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Entrepreneurial mindsets of youth from a previously disadvantaged area in Mafikeng, South Africa

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Entrepreneurship and New Venture Creation

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March 2022

ABSTRACT

High entrepreneurship intention but low entrepreneurial activity by the youth, is one of the conversations highlighted in literature as a challenge in South Africa. With the high unemployment rate in South Africa, the question asked is why is the youth scared of exploring entrepreneurship as a solution to unemployment? Is it the fear of failure? fear of rejection? fear of being judged? The theory of mindset was developed to understand why some people care more about proving their abilities while others care more about improving their abilities

The purpose of this study was to investigate the extent that an entrepreneurial mindset has an influence on the success of SME's that are operated by the youth from the previously disadvantaged areas of Mafikeng. Entrepreneurial mindset was theorized as defined by Carol Dwerk – Fixed mindset and Growth mindset.

The study employed an experimental quantitative methodology which followed the post-positivist approach. Primary data with a sample size of 75 respondents was collected from SME owners residing in Mafikeng through a self-administered survey. Data analysis included descriptive analysis, factor analysis, correlation, multiple regression tests. SME success was the dependent variable, with 2 independent variables – fixed mindset and growth mindset.

The results of the study revealed that there was no significant relationship between the fixed mindset and SME success, and the relationship between the growth mindset and SME success was found to be significant.

Key words: SME success, Fixed mindset, Growth mindset, Entrepreneurship mindset, previously disadvantaged areas

DECLARATION

I, **Otlotleng Momphi** declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the Field of Entrepreneurship at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

(Type your name in full here, and sign in the space above)

Signed at ……

On the ……. day of ……..…… 2022.

DEDICATIONS

I would first like to start by thanking God for guiding me through my research process, during times when I did not have the motivation to work on it and he answered my prayers when I asked him to be with me.

To my mother, Olebogeng Momphi – my cheerleader, my support system, thank you for always being there for me. Pushing me when I wanted to give up and cheering me up when I was doing good.

To my father, Lesang Montsho – my superhero, thank you for always encouraging me through this journey. Thank you for working so hard to make sure I can achieve my dreams.

To my little sisters, Rebaone Momphi and Gofaone Momphi – thank you for always making sure that I either have an energy drink or a cup of coffee on hand during the long nights I had to work on this research. Thank you for cheering me on when I lost my motivation. I hope this journey shows you that you can also achieve anything you put your minds to.

To my little brothers – Modisaotsile Montsho and Tshegofatso Montsho, your presence in my life has always made me want to be a better person, a good big sister, and a pillar to you both. I hope one day when you can understand this you are motivated to know that you can also achieve anything you put your minds to.

To my extended family and friends who were so kind to proofread my research repeatedly without complaints, who sent me food when I forgot to eat, who called me to remind me that I can do it.

I love you all and I am dedicating this to you.

ACKNOWLEDGEMENTS

To my supervisor, Dr Jabulile Msimango-Galawe - I wish we had more personal time to get to know each other, but the virtual times we had have been nothing short of inspiring. Thank you for always being available to go through my work and give me guidance, positive criticism in making sure that we meet the deadlines and produce a top-class report.

To everyone in Mafikeng who took time to complete my survey.

To everyone who took the time to share my survey link.

Dr K Mpeta for his academic mentorship and guidance to me during this journey.

THANK YOU ALL

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CHAPTER 1 – INTRODUCTION

This chapter will begin with the context of the study, which will then be followed by a section that will detail the motivation and problem statement of the study then the research questions and objectives of the study. The chapter will then be concluded by a section that will define the concepts used and the contribution and significance of the study.

1.1 CONTEXT OF THE STUDY

This section will give the context of the study which provides an overview of why this study is important. South Africa recorded a 32,6% of unemployment rate in the fourth quarter of 2020, this depicts that an estimated 7,2 million people are unemployed in the country (Omarjee, 2021). In the first quarter of 2020, the stats showed that the youth of South Africa are the most vulnerable age group in the labour market because they accounted for 59% of the unemployment rate (Stats SA, 2020). The highest unemployment rate reported for the youth in South Africa was 64,4% in July 2021 (Stats SA, 2021). As a developing country, unemployment in South Africa can be described as a wicked problem (Van der Westhuizen, Marichen, & Swart, Ignatius, 2015). Through economic declines, high poverty levels and high levels of crime, unemployment remains high and the population that gets affected the most is the youth of the country (Schachatebeck and Hughes, 2017).

Small and Medium Entreprises (SME's) are an imperative source of discovering innovative technologies and development of new products and services to any economy, therefore it is important to encourage the growth of SME's, especially in the youth age groups as this will help with reducing the unemployment rate of the country (Leboea, 2017). SME success in South Africa can assist with reducing the unemployment rate because the small businesses usually use more labor-intensive methods of production compared to the large businesses (Leboea, 2017), and they employ the youth because they are the most affected age group by unemployment (Stats SA, 2021).

The youth from previously disadvantaged backgrounds in South Africa are subjected to poor education quality, limited information and resources which affects the way they view and participate in the world (Mathebula, 2019). The 2011 census survey according to StatsSA (2011) conducted in Mafikeng revealed that 47,1% of the youth in Mafikeng is unemployed, more than 26% of the youth have their basic education while only 12,4% have higher education this survey was done on an estimated population of 291 521 people. Mafikeng is the capital city of the North West Province in South Africa which is dominated by rural areas and can be described as a previously disadvantaged area. Its growth rate is captured at 1,16% between 2001-2011 (StatsSA, 2011).

Attitudes concerning a certain behavior are influenced by subjective norms about that behavior (Ajzen, 1991). Oni and Mavuyangwa (2019) stated that entrepreneurial education, demographic factors, attitude, and skills are some of the various factors that influence entrepreneurial mindsets of people's entrepreneurial intentions.

A few of the prominent questions that this study will ask are, what influences the entrepreneurial mindsets of the youth from a previously disadvantaged area in South Africa? Are they inclined to seek entrepreneurial opportunities once they leave school or, do they seek for employment through the traditional ways (corporate or state employment), and do they believe that their beliefs and perceptions can change through their efforts in wanting to be more successful (Dwerk, 2015).

1.2 MOTIVATION AND PROBLEM STATEMENT

This section of the research report will describe the details of what the problem is, why it is considered a problem and how the study will address the problems in the context of this study's research objectives.

In the GEM report (2018), the authors noted that the poor quality of education in the South African public schools is the main contributor to the low entrepreneurial activity numbers and for that to improve the government must have a closer look at the entrepreneurship ecosystem and develop a strong course of action.

Further to that point, according to the GEM report (2020), 90% South Africans get into entrepreneurship because of lack of jobs and money.

This leads to an entrepreneurial activity that is accounted for by businesses that are a replica of others and non-productive entrepreneurship venture in respect of the bigger economic picture (job creation). Non-productive entrepreneurship refers to business ventures that have no real contribution to the economy and can in some instances be disruptive (Sauka, 2008).

Neneh (2011) discusses the importance of the relationship between education and business creation. It fosters skills and qualities that will enable people to be more successful in entrepreneurship.

Research of entrepreneurship is growing because researchers and policy makers have recognised it for the value it has on the economic growth of a county (Kloepfer and Castrogivovanni, 2018). Entrepreneurial activities are a direct influence of a country's level of innovation, economic growth, and competition (Oni & Mavuyangwa, 2019).

This study will investigate the extent an entrepreneurial mindset has on the success of small and medium businesses in a previously disadvantaged area in South Africa, Mafikeng. It will explore the fixed mindset and the growth mindset as entrepreneurial mindsets which will be adopted as the independent variables of the study and SME success as the dependent variable.

1.3 RESEARCH QUESTIONS AND OBJECTIVES OF THE STUDY

The table below will describe in detail the research questions, objectives, and variables of this study.

Research objective:
To investigate the influence an entrepreneurial mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Objective #1 To investigate the influence a fixed mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.	**Objective #2** To investigate the influence a growth mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.
Research question #1 What extent does a fixed mindset have on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.	**Research Question #2** What extent does a growth mindset have on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.
Variables Independent variable **(IV)**: Fixed mindset Dependent variable **(DV)**: SME success	**Variables** Independent variable **(IV)**: Growth Mindset Dependent variable **(DV)**: SME success

Table 1.3.1 Research questions, objectives, and variables

1.4 CONCEPTUAL DEFINITIONS

- **Entrepreneurial mindset** - Refers to the propensity to learn, discover, evaluate, and exploit entrepreneurial opportunities (Kouakou et al, 2019)
- **Growth Mindset -** is described as that of a person whose beliefs and perceptions can change through their efforts in wanting to be more successful (Dwerk, 2015).
- **Fixed Mindset -** is described as that of a person who believes that their beliefs or perceptions cannot change, they are set on stone (Dwerk, 2015).

- **Previously disadvantages areas** - A group of people who live in areas that have bad conditions tend to not get good quality education and have a reasonable standard of living (Collins, 2021)
- **Youth** - South African citizens of the age group between 18-35 years old (Stats SA ,2021)
- **SME Success –** Small and medium enterprises that survive their infancy stage without shutting down (Kunene, 2008)

1.5 CONTRIBUTION OF THE STUDY

The study will contribute to the existing pool of knowledge about entrepreneurial mindsets. The theory of mindset has been studied extensively by researchers from different parts of the world (Holm, Belousova, Groen, 2018 see also; Lechman and Kazmierska, 2014; Corbett and Lynch, 2021; Brocher, 2010; Lindh, 2017; and Dwerk, 2015. This study is unique from previous studies because of its approach to study entrepreneurial mindset of the youth from a previously disadvantaged area in South Africa, Mafikeng. This study would be the first to undergo such analysis/research about the city.

In an article by Kouakou, et al, (2019), a recommendation made for further study was to investigate what can be done to improve the entrepreneurial mindset of people in previously disadvantaged areas. These areas include people who contribute to the economic growth of the county and ask what mechanism can be used to introduce entrepreneurial education. Schachatebeck and Hughes (2017) call for the promotion of youth entrepreneurship in South Africa to help address the challenging socio-economic realities the country is facing. Burgoyne, Hambrick and Macnamara (2020) noted a call to do research about entrepreneurial mindset a “national education priority” by other contributors to the topic. Research from other scholars have indicated the importance of more focus to be placed on the future and younger generation to be more entrepreneurial and this includes being innovative and creative with the ability to recognise and act on opportunities (Neneh, 2011).

Furthermore, it will provide useful recommendations from the data and literature discussions to public authorities, economic leaders, entrepreneurship training programs and education institutions located in the rural parts of South Africa on the entrepreneur spirits that exists in the youth residing there, so they are prepared when going in to teach about entrepreneurship.

Mago and Ngorora (2018) stated in an article that rural entrepreneurship is a tool that can be used to boost rural development through income generation and job creation, it also improves the standard of living of the people residing in rural areas.

The study will also benefit the government/Non-profit organizations in their efforts to increase rural entrepreneurship by guiding them on the mindsets that exist about entrepreneurship, so they know where to focus their investments.

1.6 DELIMITATIONS OF THE STUDY

This study was limited to businesses that are run/operated in the rural parts of Mafikeng, since the objective of the study was to investigate the influence, an entrepreneurial mindset has on the success of SMEs in previously disadvantaged area in South Africa, Mafikeng. The study was focused on the youth of Mafikeng who own and run small businesses. It did not cover anyone who is a business owner but falls outside of the youth age group as defined by StatsSA (2021) 18-35 years. The study had no restrictions of the industry/sector the businesses should be operating in or how old the businesses should have been operating for. There were also no restrictions on the financial performance of the businesses either, but the data was collected to allow the researcher to test the influence an entrepreneurial mindset has on the success or failure of the SME.

1.7 STRUCTURE OF THE REPORT

This report begins with chapter 1 which gives the context of the study, motivation and problem statement followed by a table that depicts the research objective and problems of the study, the concepts used are then defined, the contribution and delimitations of the study are also discussed in this chapter.

The next section of the report – Chapter 2, is where the researcher reviewed the relevant literature for this study and used it to operationalise the variables as per the research objectives. The important variables in this study are discussed and they include: entrepreneurial mindset, Carol Dwerk's theory of mindset and SME success in South Africa.

Chapter 3 details the methodological approach used in this study. It begins with the research paradigm followed by the research design; population definitions and the sample method and size are also discussed.

The research instrument description, procedure the research followed to collect data and the approach used to analyze that data is then discussed. Finally, the reliability and validity of the data is discussed.

Chapter 4 presents the reader with the results of the study. The respondents' demographics profiles are presented followed by the financial performance indicator data presentation which will then be followed by the entrepreneurial mindset results.

Chapter 5 discusses the results presented in chapter 4 to show the similarities, differences, or alternatives in comparison to the literature.

The report is concluded with chapter 6 which will discuss the findings of the study and make conclusions and closing arguments regarding the research questions of this study.

CHAPTER 2 – LITERATURE REVIEW

2.1 INTRODUCTION

The purpose of this chapter is to review literature that is relevant to the research study, that can be used to address the research objectives. The chapter will begin by providing a comprehensive literature background of the constructs of the study; Entrepreneurial mindset, Carol Dweck's theory of the fixed and growth mindset and Small and Medium Enterprises (SME's). The chapter will then be followed by a discussion of the first and second research questions and the hypothesis developed for both, which will be followed by the conclusion of the chapter.

2.2 ENTREPRENEURIAL MINDSET

An Entrepreneurial mindset is recognized as a vital role player in the process of becoming a successful entrepreneur (Kouakou, Li, Akolgo, Tchamekwen, 2019).

An entrepreneurial mindset can be defined under the presence of these three factors as discussed by Kouakou, et al (2019), the ability to mobilize under difficult situations, the ability to sense and the ability to act fast. Neneh (2011) discusses that the ability to sense and adapt to uncertainty can be considered the critical factors when adopting an entrepreneurial mindset to either individuals or SME owners. An entrepreneurial mindset is at the core of what separates a successful entrepreneur to a not successful one (Lynch and Corbett, 2021).

It is also recognised as a first step in gaining attention when introducing entrepreneurship to individuals (Kouakou et al, 2019). At the crossroads of entrepreneurship and cognition the researched work has paved a clear way for the concept of entrepreneurial mindset to be developed (Lynch and Corbett, 2021). It is necessary to recognize an entrepreneurial mindset as a factor that fosters the success of SMEs in South Africa (Ngek, 2012), because without it the business venture will fail (Dhliwayo and Vuuren, 2007).

Research about entrepreneurship has revealed that there is a difference between how entrepreneurs and non-entrepreneurs think and understanding the difference will assist in building a well-grounded theoretical foundation in understanding the concept of entrepreneurial mindset (Lynch and Corbett, 2021).

More research has revealed that the difference between a managerial mindset and an entrepreneurial mindset is the link to creating a sustained competitive advantage in businesses (Joshua, Corey, and Findley, 2021). Although there is no single characteristic that can be used to suggest success from the psychology of entrepreneurship perspective, InvestSW (2021) identified 8 characteristics that are common amongst the successful entrepreneurs they surveyed. They are as follows:

- Curiosity - An entrepreneur should have an inquisitive mind. They are interested in finding out how the world thinks and how things come together. A curious mind is a great attribute to have as an entrepreneur as it will allow you to always see things from a fresh perspective.
- Commitment - When the excitement of starting a new venture has died down, being committed to the journey will be a characteristic that will get you through the tough times.
- Optimism - The ability to see a problem as a learning opportunity instead of a barrier to achieving your goals is an important characteristic to being a successful entrepreneur.
- Flexibility - Entrepreneurship in its nature is a challenging space to be in, it is important that as an entrepreneur you are flexible in your way of thinking so that you can adapt to challenges you come across in the entrepreneurship journey.
- Ownership - Refers to the ability to trust in your abilities as an entrepreneur to achieve success (locus of control).
- Leadership - Being an effective leader as an entrepreneur involves sharing your vision to your team in a way that inspires and empowers them and being able to lean on them for support.
- Connection - Investing in relationships/networks is linked to what makes a successful entrepreneur. As the famous saying goes, “no man is an island.”
- Self-respect - It is important to take care of your body as much as you take care of your business, your body is your bigger investment as it allows you to be the best entrepreneur/leader for your business.

An economy that seeks to grow and be sustainable requires an active youth who is willing and able to participate in entrepreneurial ventures (Kouakou, et al, 2019).

Being an entrepreneur involves identifying opportunities that other people cannot see and exploiting them for economic and monetary gains (Venter and Urban, 2015). This means that an entrepreneur requires to have a particular mindset, that will enable them to be innovative, proactive and risk inclined. Joshua, Corey, and Findley (2021) note that even with the fast-growing interest in entrepreneurship around the world, there is no "magic recipe" for entrepreneurship success, however, it is important that business owners invest in themselves so that they can cultivate the mindset that is associated with being a successful entrepreneur.

Table 2.2.1 explores the different definitions that have been used to define entrepreneurial mindset in previous literature offerings.

Author(s)	**Definitions**
Kouakou, Li, Akolgo, Tchamekwen. (2019)	The propensity to learn, discover, evaluate, and exploit entrepreneurial opportunities
Reed and Stoltz (2011)	A state of mind that an individual has, that allows him to identify, develop and exploit opportunities where other people do not see
Haynie, Shepard, Mosakowski and Earley, (2010)	An individual's ability to predict, act and respond rapidly under unpredictable conditions can be referred to as an entrepreneurial mindset
Borchers and Park. (2010)	An entrepreneurial mindset can be defined by focusing on two factors, self-efficiency which details the perception one has on his strengths to complete a task and locus of control which details the perception one's internal or external forces has on their success
Neneh (2011)	An entrepreneurial mindset refers to a way of thinking about business opportunities capturing the benefits of uncertainty

Table 2.2.1 - Prior definition(s) of entrepreneurial mindset

Fernhaber and Bosman (2018) discuss a “habitual entrepreneur”. The authors note that a way to recognize that someone has embraced the entrepreneurial mindset is when they start acting and thinking like a habitual entrepreneur. A habitual entrepreneur is someone who makes a career out of starting businesses (Fernhaber and Bosman, 2018). Lindah (2017) interestingly notes that for a person to have an entrepreneurial mindset, they do not have to own a business and Fernhaber and Bosman (2018) agree with these sentiments by reiterating that the conversation about entrepreneurial mindset is not only about starting businesses or to start behaving or thinking like entrepreneurs, but to adopt the mindset so often that it becomes a norm in one's life.

Dweck’s theory of mindset is built under making the distinction of a fixed and growth mindset, which further suggests that an entrepreneur should have a growth orientated mindset (Kouakou et al, 2019).

2.3 THEORY OF MINDSET

In understanding what the mindset means, Dwerk (2019) proposes two types of mindsets. The growth/incremental mindset or the fixed/entity mindset. In the framework of the distinction of the types of mindsets, Dweck (2019) states that an individual cannot adopt both the fixed and growth mindset, it is either one of the other (Kouakou, et al, 2019). The mindset theory was developed to understand why some people care more about proving their ability (fixed mindset) while others care more about improving their abilities (growth mindset) (Burgoyne et al., 2020).

2.3.1 FIXED MINDSET

A fixed mindset is described as that of a person who believes that their beliefs or perceptions cannot change, they are set in stone (Dwerk, 2015) and this mindset creates an urgency in people to want to prove their abilities repeatedly (Burgoyne et al., 2020).

Having a fixed mindset makes people afraid of dealing with challenges that might eventually reveal their deficiencies (Dwerk, 2015). Individuals who believe that intelligence and talent are predetermined, and permanent traits are classified as custodians of the fixed mindset (Hammond,2021), this means that people with this mindset believe that a person's abilities are based on their talents and not the effort of investing in skills developments programs through learning (Neneh, 2011).

Neneh (2011) further explains that the consequence of being a custodian of this mindset is that in the face of setback and challenges these individuals are most likely to give up.

A person with a fixed mindset is one that is afraid of criticism from others and exposing their ideas because other people might think they are not smart enough (Dwerk, 2015). Kouakou, et al, (2019) note that it is imperative to instill an entrepreneurial mindset to people in their youthful age, this gives them an opportunity to develop skills that will equip them on how to overcome entrepreneurial challenges when they get into it. Individuals with a fixed mindset tend to set for themselves low performance goals because of the low confidence they have in themselves which is caused by believing that talents and intelligence cannot be changed or influenced to grow (Neneh, 2012). The mindset is at the core of people's decision making and beliefs, it is therefore important to acknowledge how one views themselves impacts how they decide to lead their lives (Burgoyne et al., 2020)

People with a fixed mindset believe that if you work hard, it means you are not capable of the task at hand, they believe that things should come naturally, this proves how talented and intelligent you are (Dwerk, 2008). Dwerk (2008) further explains the setbacks of this mindset as a crippling belief because this means that they believe that if something requires effort and looks challenging, they will perceive it as a threat and a bind.

A person who is praised for how smart they are is being groomed to be a fixed mindset custodian (Dwerk, 2008), because when they face challenges, and their results are not good they lose their confidence and will give up because they are not smart enough and they cannot influence how talented or intelligent they are (Dwerk, 2008).



Figure 2.3.1 depicts the differences between the mindsets (Dwerk, 2015)

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2.3.2 GROWTH MINDSET

Contrary to the fixed mindset, the growth mindset, is described as that of a person who believes that their beliefs and perceptions can change through their efforts in wanting to be more successful (Dwerk, 2015). An individual with a growth mindset is a person who is confident in their ideas and looks at failure as an opportunity to learn rather than an end to a journey (Dwerk, 2015) they pursue challenges and do not give up when faced with setbacks (Burgoyne et al,. 2020).

They believe that intelligence is a trait that can grow and be taught (Hammond, 2021). The intelligence mindset refers to one's beliefs that intelligence is either can improve with effort (growth mindset) or is a stable trait (fixed mindset) (Dwerk, 2015).

Individuals with this mindset embody perseverance and resilience as characteristics (Burgoyne et al,. 2020). They are not embarrassed about asking for help when they need it (Neneh, 2012). Studies have confirmed a positive relationship between education and business success (Neneh, 2012), these results confirm the importance of SME owners or individuals to have growth mindsets because prioritizing skills development and goal achievement will maximize their profits and business owners and their cognitive abilities as individuals.

Neneh (2012) states an interesting argument that since researchers about entrepreneurship have established it as a discipline that is important because of its contributions to the overall country's success (job creation, poverty alleviation etc.) and that it can be taught and people with a growth mindset can be identified by their inclination to prioritize learning and having learning goals (Burgoyne et al,. 2020) (Neneh, 2012).

They embrace the journey of learning and failure as an opportunity to become better (Dwerk, 2015). If sustainable entrepreneurship educational programs are developed and taught to people at their early stages of life, a country can cultivate a generation with more of a growth mindset than a fixed mindset (Neneh, 2012).

No two people are the same and no mindset is more correct than the other (Dwerk, 2015) but for an entrepreneur to be successful it is important to adopt a growth mindset which means they are more open to learning and are not discouraged by failure (Kouakou et al,. 2019).

Neneh (2012) reiterates this point by explaining that this can be seen from the successful entrepreneurs who have built their businesses through all the challenges and that constant changes they faced without giving up.

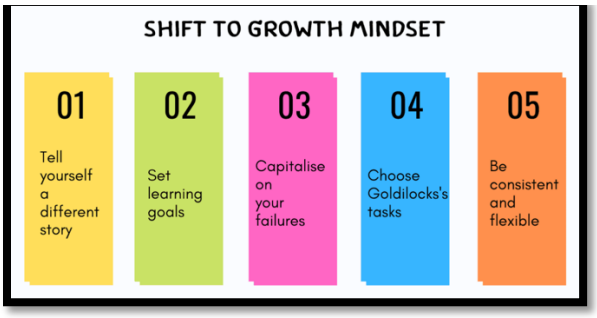


Figure 2.3.2 - 5 strategies to shift from fixed mindset to growth mindset

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Bansal (2020) discusses 5 effective strategies to help entrepreneurs shit from the fixed mindset to the growth mindset as depicted in figure 2.3.2 above.

Choose to tell yourself a different story – Actions are manifestations of what beliefs people hold. It is important that when an entrepreneur encounters a difficult situation change the mindset from "I am not good at this" to "I can do it."

Set learning goals as opposed to performance goals – Entrepreneurs should commit their efforts to continuous learning rather than seeking to prove to their competitors who is better. Kunene (2008) reiterates this by pointing out that entrepreneurs who have a growth mindset will want to continuously learn and improve, they embrace challenges and preserve in the face of adversity.

Capitalize on your failures – Entrepreneurs should embrace failures as an opportunity to learn rather than a setback. Dwerk (2019) characterises custodians of the growth mindset as those who learn from negative feedback to improve their products and services.

Choose goldilocks tasks for continuous improvement – Goldilocks tasks are tasks that are neither too easy nor too difficult, they are they right amount of "out of your comfort zone" to push an individual to continuous improvement.

Be consistent and flexible – With the absence of consistency and flexibility in an entrepreneurial journey, an entrepreneur will find it difficult to develop a growth mindset. A growth mindset is something that develops overtime through effort and learning (Dwerk, 2015).

2.4 SMALL AND MEDIUM ENTERPRISES SUCCESS

According to the National Small Enteprises act 102 of 1996, an SME in South Africa is defined under 4 categories which are the annual turnover of the business, the number of full-time employees, the sector the business operates in and the total gross asset value. A business that has less than 250 permanent employees and has an annual turnover of less than 220 million can be classified as an SME in South Africa, considering they operate in one of the following sectors: agriculture, mining, manufacturing, electricity/gas and water, construction, retail, wholesale, catering/accommodation, transport/storage, finance/business service and community, social/ personal services (Republic of South Africa, 1996).

Kunene (2008) differentiates between exogeneous factors and endogenous factors when discussing factors that influence SME success. Exogenous factors refer to the external influences that may pose as restrictions or accelerators of businesses more especially in their infancy stage, some examples include socio-demographic factors, political factors, technological factors, and economic factors (Kunene, 2008). Economic factors such as inflation, interest rates and bureaucracy have an external influence on the success of an SME (OECD, 2017). It affects the performance of the businesses through its net profits/turnovers and even their return on investments (Kunene, 2008).

In a report from OECD (2021) the authors narrate about how the global pandemic that happened in 2020 (Covid-19) affected everyone but had a longer lasting impact on the SMEs as they had experienced significant declines in revenue due to the restrictions the pandemic required. This is an example of the external factors influencing the success/failure of SMEs.

Endogenous factors are the internal factors that may pose as barriers or facilitators of growth for the businesses, some examples include availability of resources, the entrepreneurs' skills, and abilities (Kunene, 2008). An entrepreneur's ability to recognise opportunities where others cannot is a skill set that can set a business apart from its competitors (Venter and Urban, 2015). An entrepreneur's values, attitudes and traits can be classified as the most influential or crucial factors that contribute to SME performance and its competitiveness (Kunene, 2008).

Dwerk (2015) advocates for entrepreneurs to adopt or develop a growth mindset as it will cultivate the love for learning and at attitude of resilience to achieve remarkable results.

There are groups of people that see entrepreneurship negatively and do not strive to be entrepreneurs, they can even go as far as classifying entrepreneurship as the cause of everything that is going wrong in society (Taatila and Down, 2012). To separate entrepreneurs from non-entrepreneurs based on the different mindsets it is important to have a good understanding of the entrepreneurial orientation of the study population. This will help in understanding whether they have the mindset and intentions that favour a successful entrepreneurial career (Taatila and Down, 2012). Dwerk (2008) developed a mindset quiz that is used to understand what influences the mindset of people and where they can be classified (growth of fixed mindset), this mindset quiz was adopted as part of the research instrument for this research study.

SME success in South Africa can be measured with some of these factors as discussed by Rodrigues, Franco, Silva and Oliveira (2021) namely; strategic planning which will lead to an increased competitive advantage for the business, Competent management capacity, Entrepreneurial and an innovation spirit which will help the entrepreneur be proactive and have a visionary attitude, Forms of finance, networks and partnerships which will increase the foot print of the business from a more local one to an international one. Research shows that SME's that that geared towards success need to embody the above-mentioned factors as they are drivers to sustainable growth and competitive advantage (Rodrigues et al, 2021), (Kunene, 2008), (Neneh, 2012).

2.5 THE EXTENT A FIXED MINDSET HAS ON THE SUCCESS OF SMEs

Dwerk (2006) makes an illustration to explain the mindset theory and uses the mindset of a baby. The resilience and perseverance they exhibit when they are learning how to walk and talk, they never quit and say this is just not for me. As children grow older and can evaluate themselves, they can start being self-cautious and become afraid of challenges and Dwerk (2006) describes this mindset as the fixed mindset.

Part of Kunene's (2008) work describes the importance of having strong characteristics as an entrepreneur to set your business up for success, as they have a direct influence. People with a fixed mindset achieve limited or no success because of their approach to challenges (Limeri, Carter, Choe, Harper, Martin, Benton, and Dolan, 2020)

Managerial skills, limited financial knowledge and technology capabilities are some of the internal factors that can affect the success of an SME in South Africa (Sitharam and Hoque, 2016). An entrepreneur with limited managerial experience, education, and start-up experience can negatively affect the success of the SME (Sitharam and Hoque, 2016). Intelligence and talent are things that you must continually work on, it is not given to you (Dwerk, 2006). An entrepreneur with limited financial knowledge (Sitharam and Hoque, 2016) and is afraid of criticism, failure and of exposing their ideas to others (Kouakou, et al, 2019) poses as a threat to the success of the SME's because they will fail to recognise the entrepreneurial opportunities that will make their business a success compared to their competitors (Venter and Urban 2015).

An entrepreneur who does not want to try new and innovative ways of doing things, refuses to take up new challenges in spaces they are not familiar with and does not dream big about how to grow the businesses is a custodian of a fixed mindset (Bansal, 2020).

In an article by (Limeri, et al, 2020) the factors influencing the mindset are researched and the results show that from as early as primary school teacher and parents set the tone for a specific mindset based on how they communicate with the children. A person that is praised for their intelligence capacity is being groomed to be a holder of the fixed mindset because they will believe that success is limited to what they should know naturally unlike a person who is praised for their efforts who is then being groomed for a growth mindset as they will understand that more effort/hard work implies success.

Bansal (2020) summarised the characteristics of a fixed mindset custodian:

- Avoids challenges.
- Runs from error.
- Gives up easily.
- Feels threatened by the success of others.

- Avoids new experiences with the fear of failure.
- Ignores negative feedback.

Hypothesis 1: A fixed mindset has a negative influence on the success of SME's run by the youth from a previously disadvantaged area, Mafikeng

2.5 THE EXTENT A GROWTH MINDSET HAVE ON THE SUCCESS OF SMEs

Organisations that grow compared to the ones that remain steady at being simply good/average are attributed to leaders that are curious, leaders that confront failure head-on while hoping that they will succeed in the end (Dwerk, 2016). These types of leaders are described as the ones that have the growth mindset (Dwerk, 2016). They believe in human growth (Dwerk, 2016). They do not take pleasure in making other people feel less powerful or constantly trying to prove that they are better than other people (Dwerk, 2016).

Like the fixed mindset, strong internal entrepreneurial characteristics have a direct influence on the success of the SME. With the growth mindset they will have a positive influence.

Education, skills training, good leadership, and managerial skills are some of the factors identified that have an internal influence on the success of the SMEs in South Africa (Lekhyana, 2015). Every business is made up of functional departments and it is critical for an entrepreneur to have the skills necessary for these functions to operate (Lekhyana, 2015).

Entrepreneurs from previously disadvantaged areas with poor education quality will often see this challenge as an opportunity to upskill (Dwerk, 2016) instead of thinking that they already know enough about running a business or outsourcing the skills (Lekhyana, 2015). Being smart is not about being perfect, it is about learning something overtime and making progress at it (Dwerk, 2016).

A person's mindset can predict performance after a setback, such that a person with a growth mindset will perform better after failure compared to a person with a fixed mindset (Burgoyne,. 2020).

Entrepreneurs who have a growth mindset will want to continuously learn and improve, they embrace challenges and preserve in the face of adversity, learn from negative feedback, and improve their products or services from them (Kunene, 2008).

In contrast, an entrepreneur with a fixed mindset will avoid challenges and give up easily when they are faced with challenges in their businesses, they have a negative reaction to criticism about their work and will consider efforts as not important (Dwerk, 2015). Entrepreneur's motivation and desire to learn are affected by their attitudes and effort (Dwerk, 2015). The attitude of an entrepreneur towards a difficult and challenging business deal can explain the belief the entrepreneur has about the nature of intelligence (propositions) (Kunene, 2008).

People with a growth mindset think of their talents and intelligence as things that can develop over time through effort, consistency, learning, risk-taking etc. (Dwerk, 2015). Every successful entrepreneur has a story of how they could not just rely on their talents to succeed in their businesses – Theo Baloyi, a young South African entrepreneur who grew up in a previously disadvantaged area launched a successful sneaker brand (BATHU) in 2015, has been admired for his perseverance, hard work and willingness to always learn (Oberholzer, 2020). It is true that no one has the same potential as the next person, there could be only one Steve Jobs, but Steve Jobs would not be who he was if he believed that his intelligence and talents are set on stone and cannot change (Dwerk, 2015). Vukuzenzele (2019) writes about Portia Mngomezulu who is a South African business owner of a brand called Portia M cosmetics, she is characterised as an entrepreneur who has a high inclination of risk and is not afraid of change or failure and this shows in her owning successful a multi-million-rand business.

Hypothesis 2: A growth mindset has a positive influence on the success of SMEs run by the youth from a previously disadvantaged area, Mafikeng.

2.6 SUMMARY OF CHAPTER

This chapter explored the key constructs of the study which are Entrepreneurial mindset and SME success. Entrepreneurial mindset was discussed under the theory of mindset developed by Carol Dwerk where she talks about the two types of mindsets that people can have, the fixed and growth mindset. SMEs were defined according to the South African definitions and SME success was distinguished by two that that can influence the success of the business, either endogenous (internal) or exogeneous (external) factors.

The chapter then discussed the research questions, and the hypothesis were developed for both. It was important for the research to discuss the research questions to give context on how the key constructs support the research objectives for this study.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter will discuss the methodological approach that was taken in this research process. The chapter will begin by detailing the research approach and design, then discuss the population and sample used of study. The data collection and analysis process, the research instruments will then be discussed as they form part of the key methodological concepts. To end the chapter the validity and reliability of the research instrument will be discussed.

3.2 RESEARCH PARADIGM

A research worldview can be defined as a set of common beliefs and agreements between researchers about how they believe problems should be addressed or understood (Kuhn, 1970). This research study will adopt the positivism research worldview. It is suitable because the studies done through this approach are governed by research questions and hypothesis to be able to test a theory based on the variables of the study (Grover, 2015). It is popular with quantitative studies (Galawe-Msimango, 2017). One the principles that guide this worldview is the research objectivity, the researcher intervention should be objective, from data collection to data analysis (Grover, 2015).

3.3 RESEARCH APPROACH

Methodology refers to the methods, processes, designs, and approaches that will be used to find out something in an organized and formal research/investigation (Kivunja and Kuyini, 2017). A research approach in a research paper addresses the questions of how the researcher will systematically design their study to provide valid and reliable results that address the research questions and objectives (Jansen and Waren, 2020).

A research approach will include hypothesis made about the investigation, the challenges encountered and how the researcher addressed them or minimized them (Kivunja and Kuyini, 2017).

There are different approaches a researcher can adopt to articulate the logic and flow followed in addressing the research questions and objectives.

Quantitative, qualitative, and mixed methods are the different types as discussed by Jansen and Waren (2020). This study will be guided by the quantitative research methodology approach.

This approach is the appropriate fit for the study because it assumes that the variables of the study can be known and measured, the researcher is detached from the variables of study (Perera, 2018), which means they are low changes of influencing the research results.

3.4 RESEARCH DESIGN

According to Akhtar (2016) a research design is the "glue" that holds the elements of the research project together through a structure. A research design structure should highlight the blueprint of the data collection process, the measurement instrument, and the analysis of the data (Akhtar, 2016). Brou (2018) also defines a research design as an overall plan that connects the research questions and problems to the research project. A poorly executed research design compromises the entire research project (Pawar, 2020).

A quantitative research method was used to investigate the research objectives of this study. A quantitative approach is used for studies that have measurable variables, want to test hypothesis or the effectiveness of a program or product (Scibbr, 2021). A quantitative study is one that refers to an empirical investigation of data and their relationship (Pawar, 2020). Therefore, primary data was used on this research project. Pawar (2020) identifies 4 types of research designs a researcher can choose from based on the objectives of the research study: experimental, exploratory, descriptive design and cross-sectional design.

A cross sectional research design was adopted for this study, it is an observational research design that analyses data that was collected during a given period of time across a defined sample population (Bell, 2009). Cross sectional designs are generally quick to conduct, all variables of the study can be researched at the same time, and it is suitable for descriptive studies (Bell, 2009).

A self-administered online survey was used to collect data for this research study. Online surveys are commonly used by researchers to collect data they allow data to be collected over short spaces on time and they are low costs to manage (Mudavath and Narayan, 2019). However, the challenges of using an online survey include poor responses rates, maintenance of respondent's confidentiality and ethical issues (Mudavath and Narayan, 2019).

To manage the response of the survey the researcher was able to continually monitor the responses through the online software program – Qualtrics by checking the response rate. Online surveys give the researcher flexibility in terms of pausing, starting, and ending the survey when they want (Mudavath and Narayan, 2019). To address the ethical concerns that come along with using an online survey the researcher ensured that all respondents give consent before proceeding with the survey and the ethical certificate was issued to the researcher by the Wits ethics committee before the data collection process commenced.

Finally, the researcher assured the respondents that all their information will be kept confidential and only used for the purposes of this research.

3.5 POPULATION

A population is defined as the group of all the units on which the findings of the research are applied (Shukla, 2020).

There are 4 types of population groups highlighted by Shukla (2020), the first group is finite and infinite population which includes numbers that can be counted (number of people) and numbers that cannot be counted (number of stars in the sky) respectively. The second group is homogeneous and heterogeneous population they are classified when the units of the population are similar in characteristics, they are considered homogeneous and when the units of the population are completely different, they are classified as heterogeneous.

The third group is an existent and hypothetical population, a population that has a physical existence is the existent population and on the other hand the population that does not have a physical existence is considered a hypothetical population. The last group is called the known and unknown population, which is classified under the parameters of the population being known of now. Parameters refer to the statistical measurement taken from the data from the entire population.

In the classifications for the different types of population groups by Shukla (2020), the population group that will be adopted for this research study is the existent population because the age group, location and gender of the respondents was part of the data that was collected in the data collection process. This data was important to the study because it helped the researcher produce data analysis of characteristics of the respondents.

The research population included South African youth who are owners of SMEs located in the previously disadvantaged areas of Mafikeng. According to Stats SA (2021), the youth in South Africa includes people between the age group of 18-35 years. SMEs in South Africa comprises of informal and informal businesses, businesses that operate from home-based offices and from office-based offices (Ramukumba,2014). This research included all types of SMEs in South Africa.

3.6 SAMPLING METHOD AND SAMPLE SIZE

Sampling is known as the process of measuring the characteristics of the study population by analyzing a portion or part of the population group (Bhatt, 2020). The number of people in a sample is called the sample size (Bhatt, 2020).

3.6.1 SAMPLING METHOD

The sample for this study was drawn from the youth that resides in the previously disadvantaged areas of Mafikeng, as it was the location of study for this study. The respondents were reached through social media platforms (WhatsApp, LinkedIn, Facebook groups) and word of mouth. This selection criteria were effective because the study was focused on the youth and the youth spend most of their time on social media or on their phones.

For the study, the respondents can be established entrepreneurs or start-up entrepreneurs to participate in the study. The respondents need to be residing in Mafikeng falling within the youth age group as defined by Stats SA. Convenience sampling was used for this study because of its uncomplicated, inexpensive, and non-time-consuming nature. Convenience sampling is a data sampling method that researchers use to collect data from a pool of “conveniently” available participants (Lavrakas, 2008).

3.6.2 SAMPLE SIZE

Sample size is term in research used to describe the number of individuals included in the study to represent the population (Kibuacha, 2021). Quantitative studies require numerical data to be collected so that the researcher can be able to perform statistical tests to provide an analysis about the relationship between the variables of the study (Casteel and Bridier, 2021), therefore sufficient data should be collected for the analysis to be considered good.

It is important to collect an adequate sample size because if the sample is too small the study will not yield valid results because it is not an accurate reflection of the populations realities while to a sample size that is too big may cater for representation it however increases the time and cost taken to conduct a study (Kibuacha, 2021).

A total of 145 responses were received and 52 of those responses were viable for statistical analysis. Other responses were excluded due to missing data from the survey, respondents not being SME owners and not residing in Mafikeng. To test if the sample size for the study was adequate the sampling adequacy analysis (Barlett and KMO) was done, which revealed that the KMO range of the sample size was between 0,7 and 0,8 of which according to Fields (2013) is considered good on the KMO Measure of sampling adequacy.

3.7 RESEARCH INSTRUMENT

This section describes the measuring instruments that were used in the study based on the way in which the theoretical constructs were operationalised.

The research instrument of this research was adopted from the Mindset quiz by Carol Dwerk. It was then designed and distributed through an online software application – Qualtrics to suit the objectives of this study. The research instrument that was used in this study was a self-administered online survey. This type of survey is one that allows respondents to complete the survey in the absence of the researcher (Formplus, 2021). It eliminates the respondents' answers being biased/influenced by the presence of the researcher and it is simple to administer it also allows for a wider geographical reach (Formplus, 2021). A 7-point Likert scale will be used to measure the variables from total strongly disagree to strongly agree.

For online distributed and unsupervised surveys, a 7-point Likert scale survey is to be used because it provides a more accurate measure of the response's evaluation of the questions (Finstad, 2010).

The survey was designed with 6 blocks. The blocks made the survey appear neat and easy to follow. Block A was the introduction where the researcher introduced themselves, stated the purpose of the survey and assured the respondents of the confidentiality of the survey. Lastly the researcher requested the respondents to give consent to continue with the survey.

Block B was the demographics section where the researcher got to know respondents with some open-ended questions. Block C and D was the business characteristics and business growth and performance section where the researcher got an understanding of the business profiles of the respondents. These blocks were used to operationalize the SME success variable of the study. Block E and F was the entrepreneurial mindset section where the researcher got an understanding of the type of mindset the respondents have. These blocks were used to operationalize the entrepreneurial mindset variable of the study. Dwerk (2006) in her mindset quiz divided the sections into talent and intelligence covering both types of mindsets (growth and fixed) which is how the researcher divided them for this study. The table below depicts the research instrument in a tabular format.

High level factors	**Constructs**	**Block**	**Question number**	**Variables**
Introduction		A	Q1.1	
Demographics	Individual and business	B	Q2.1 - Q2.4	
SME Success	Business Characteristics Business growth and performance	C D	Q3.1 Q4.1	Dependent variable
Entrepreneurial mindset	Intelligence - Fixed mindset and growth Talent - Fixed mindset and growth	E F	Q5.1 Q6.1	Independent variable

Table 3.7.1: Research Instrument

3.8 PROCEDURE FOR DATA COLLECTION

Surveys are an ideal method of data collection when the researcher wants quick feedback that is easy to understand and analyse (Chipeta, 2020). This research study used quantitative research methodology. Qualtrics – an online software program was used to design, distribute, and summarize the survey.

The data collection process ran from the 19th of December 2021 until the 11th of February 2022. Online surveys are most effective when the researcher wants to reach a wide range of people in a short period of time (Chipeta, 2020).

The survey link was distributed on social media platforms including WhatsApp, Facebook, and LinkedIn. However, the method that contributed to the most responses was word of mouth – when a friend recommended someone who can complete the survey there was more chances of the respondent completing the survey. A total of 145 responses were completed and 1 response remained incomplete at the time the survey was closed.

Chipeta (2020), noted that a survey that is not designed effectively will have an impact on the quality of the responses. The researcher experienced this when the survey had incomplete responses and the error messages received from the survey was that some questions could not be displayed to the respondents.

3.9 DATA ANALYSIS AND INTERPRETATION APPROACH

This section will focus on the data cleaning process and statistical tests the researcher took in preparing the data to be analysed.

3.9.1 DATA CLEANING PROCESS

Data cleaning is defined by Chapman (2005) as a process used to determine inaccuracies, incompleteness, and inconsistencies, then improving through correction of error and omissions. The process of data cleaning can be considered an important part of preparing data for analysis (Salkind, 2010). When the data collection process was concluded, the raw data was exported from SPSS and then the data analysis process could begin. It began by removing all the unwanted or unnecessary columns and lines from the data set, changed the measure type for the variables to make them measurable and removing incomplete responses.

Incomplete responses are a common problem with using surveys as respondents could find the survey too long, or not even consent to participate or not understanding the survey at all (Fields, 2013).

The survey had reverse questions (mentioned below) and the researcher reversed the coding to suit the other questions.

Questions that were reverse coded:	Q5.1_3, Q5.1_5, Q5.1_7, Q5.1_8, Q6.1_3, Q6.1_5, Q6.1_7 and Q6.1_8

Table 3.9.1: Reverse questions

After all the responses of participants who did not meet the study's criteria was removed, a total of 75 responses remained which was used for further analysis.

3.9.2 DATA ANALYSIS

To analyse the data collected for this study, there are 2 methods available for quantitative studies – descriptive and inferential statistics.

Descriptive statistics – is used to give the details of the sample of the study (Jasen and Warren, 2020). They form part of the first critical test in analysing data for research (Vikas, 2018). The statistical tests that are done in this type of tests include: mean, mode, standard deviation, skewness etc. They are important because they can provide the bigger picture and the finer details of the sample data (Jasen and Warren, 2020). Descriptive statistics needs to happen first before inferential statistic (Vikas, 2018) because they help to inform which inferential statistical tests can be used (Jasen and Warren, 2020).

Inferential statistics – is used to give predictions about the populations of the study (Jasen and Warren, 2020). The main objective of this study is to make predictions on the extent an entrepreneurial mindset has on the success of SMEs from Mafikeng. Inferential statistics is commonly used for research studies that have a hypothesis to test (Vikas, 2018). The results of the tests allow the researcher to link the objectives of the study to what the data collected predicted about the real-world population (Jasen and Warren, 2020). Correlation analysis assess the relationship between the two variables and lastly the regression analysis which assess the cause and effect between the variables (Jasen and Warren, 2020).

3.10 VALIDITY AND RELIABILITY OF RESEARCH

When evaluating a research instrument, validity and reliability testing are the two most fundamental features a researcher can use (Mohajan, 2017). Validity testing is about what the research instrument measures and how well it can do that while reliability testing is concerned about the extent to which a research instrument controls for random error (Mohajan, 2017). In this section the validity, reliability, and threats to them are reviewed.

3.10.1 VALIDITY TESTING

Validity refers to the level in which the results of the instrument are truthful, the degree to which an instrument measures what it was set out to measure (Mohajan, 2017). Appropriate interpretation of the data obtained from the analysis is how validity can be determined (Sürücü & Maşlakçı, 2020). An instrument needs to be reliable to be valid, but it can fail the validity test while being reliable (Mohajan, 2017). It is, therefore, imperative that the research instrument measures the constructs of the study correctly.

For this study, the Exploratory Factor Analysis (EFA) was used to test for validity. The main objective of the EFA test is to examine how the data is distributed (Matthieu, Dominic, Justin, Crutain, Yves, 2016).

3.10.2 RELIABILITY TESTING

Reliability is when a research instrument can be depended on to product consistent results after being used repeatedly in different circumstances but identical situations (Galawe-Msimango, 2017). According to Mohajan (2017), reliability refers to the trustworthiness, the consistency and precision a of a research instrument. The above definition(s) of reliability fits this study's methodology as Mohajan (2017) stated, in a quantitative study reliability refers to the stability and repeatability of the results obtained from the instrument.

There are elements in a research instrument dataset that can pose as threats to the reliability. In the below section the research discusses how these threats were addressed for this study.

Treats to reliability

There are many components that can pose as threats to the reliability of a study, as a result researchers should take measures to reduce impact they can have on the study. Reliability threats can never be completely eliminated, in the below section the different threats are discussed and how the researcher minimized their impact.

Conceptual/theoretical bias

It is a threat that arises when the researchers do not align the theoretical framework with the hypothesis of the study (Sürücü & Maşlakçı, 2020). In this study theoretical bias was minimized because the researcher thoroughly analyzed the literature and developed the hypothesis of the study that complimented the research instrument and literature obtained.

Sample bias

Can be a threat to the reliability of the study when the sample group in the research is not a representative of the population (Sürücü & Maşlakçı, 2020). In this study the sample bias threat was avoided because the researcher clearly defined the parameters the sample and population groups therefore responses not falling within those parameters were not included in the data analyses process.

Data processing threat

Refers to the way the researcher handled the data set from data collection to data analyses (Galawe-Msimango, 2017). The was a low chance of this being a reliability threat to this study because the data was administered through online software's. Data collection was done through Qualtrics, and data analysis was done through SPSS and Excel. Therefore, there was minimal chances of human error due to the lack of direct handling of the data (Galawe-Msimango, 2017).

Reverse questions

Refers to when some of the questions on the instrument have a positive expressions and others have a negative expression. These kinds of questions can be used to increase the reliability of the instrument because of the idea that they test the engagement of the respondents (Sürücü & Maşlakçı, 2020). In this study the instrument had reserve questions to aid with making the results more reliable.

Types of reliability

Reliability testing can be done in different ways, this section discusses the types of reliability testing, but will describe internal consistency reliability as this was the method used to test the reliability of this study.

Internal consistency reliability

Mohajan (2017) describes this test as an examination of whether the items within a scale are homogeneous or not. The most common way to test for internal consistency is using the Cronbach alpha (α) method because of its ease to interpret (Fields, 2009). It is interpreted as the mean of all possible spilt half coefficients (Mohajan, 2017).

3.10.3 THE CRONBACH ALPHA

The Cronbach alpha was named by Lee Joseph Cronbach in 1951 (Mohajan, 2017). The alpha value usually ranges between 0 and 1, and as the number approaches 1 it is assumed that the internal consistency high. The Cronbach alpha tests the extent to which the items from the research instrument have high commonalities.

Below is a tabulation of the classifications of the Cronbach alpha as generally accepted in literature as depicted by Mohajan (2017)

Cronbach's Alpha coefficient	**Interpretation of Cronbach's Alpha coefficient**
> 0,9	The internal consistency of the scale is high
$0,7 < \alpha < 0,9$	The scale has internal consistency
$0,6 < \alpha < 0,7$	The internal consistency of the scale is acceptable
$0,5 < \alpha < 0,6$	The internal consistency of the scale is weak
$\alpha < 0,5$	The scale has no internal consistency

Table 3.10.3: The classification of Cronbach's alpha coefficient

Despite the common literature classifications and interpretations of the Cronbach's Alpha coefficient Sürücü & Maşlakçı (2020) express that a research instrument that shows an alpha of 0,95 and above is not always the correct approach to assuming data reliability.

They state that this high value shows that some of the expressions in the instrument could be measuring the same thing. They conclude their argument by stating that a Cronbach's Alpha value of 0,7 and above is a good indicator of the internal consistency of the scale.

3.11 CORRELATION ANALYSIS

Correlation analysis is a common measure in quantitative studies that measures the movement between 2 variables. It will measure, if one variable increase does the other one increase as well or if as one variable increases, does the other one decrease (Patrick, Christa and Lothar, 2018). Correlation coefficients are scales between –1 and +1, as the value approaches –1 it indicates perfect negative relationship between the variables, and as the value approaches +1 is it showing a positive relationship while the value 0 shows no linear relationship.

3.12 REGRESSION ANALYSIS

The regression analysis is one of the most important statistical methods as described by Skiera and Albers (2018), its main objective is to test the influence/extent the independent variables (Fixed mindset and Growth Mindset) of the study have on the dependent variable (SME success) to make predictions. The study had one dependent variable and 2 independent variables; therefore, the multiple linear regression model was used to predict the value of the dependent variable.

3.13 ETHICAL CONSIDERATIONS

Research studies that involve human respondents is more likely to encounter ethical dilemma's including power differential and forming relationships with respondents, it is important that the researcher considers these dilemma's before conducting the study.

Participation

The researcher did not engage with the respondents, and this ensured that there were no relationships formed that could have implicated the responses to be bias.

In the introduction letter of the research instrument, the researcher detailed out that completing the survey is completely voluntary and respondents can choose to stop at any point in the survey. Each respondent had to give consent for their data to be used for the purposes of the study.

Ethical Clearance

The researcher applied for ethical clearance from the University of the Witwatersrand, through the Ethics Committee. Only after the ethical clearance was granted in November 2021, the researcher embarked on the data collection process.

Confidentiality

In the cover letter of the research instrument, the respondents were ensured that the data will be used for the purposes of this study only and this information will be accessible to the researcher and their supervisor only. To ensure that the confidentiality of the data is kept, the researcher dealt with the data in average form (percentage, tables) and did not personalize the entries.

3.14 CHAPTER SUMMARY

This chapter discussed the research methodology adopted. The study was guided by the quantitative methodology with cross-sectional research design. The population group of the study was limited to the ages ranging from 18- 35 years. The sample of the study was open to both start-up and established entrepreneurs who reside in Mafikeng.

A total of 145 responses were received and 75 of those were viable for statistical analysis which was done through an online software, SPSS. The research instrument adopted was the mindset quiz by Carol Dwerk which was a self-administered online survey measured through a 7-point Likert scale. The data was collected from 19 December 2021 until 11 February 2022.

The data screening process included removing of unnecessary data, re-coding reverse questions, cleaning up incomplete responses and doing a missing value analysis. The reliability the validity of the research instrument was tested and were found reliable and valid. Correlation and regression analysis were also done for this study, the results are presented in the next chapter.

CHAPTER 4 - PRESENTATION OF RESULTS

4.1 INTRODUCTION

The objective of this chapter is to present and describe the results obtained from this study. The chapter will start by presenting the demographic profiles of the respondents. These will be followed by the descriptive analysis of the data, exploratory factor analysis, reliability, validity, and correlations results. Finally, the hypotheses of the study will be tested, which will either be accepted or rejected as the researcher presented the results for the research questions of the study.

4.2 RESPONDENTS CHARATERISTICS

A total of 145 people responded to the survey. Due to some respondents not meeting the criteria of targeted respondents (e.g., not residing or from Mafikeng, not entrepreneurs and being out of the youth age group) as well as having a high proportion (> 10%) of missing data, they were excluded from further analysis. This resulted in a total sample of 75 respondents which the researcher proceeded with for further statistical testing for the study.

4.3 DEMOGRAPHICS PROFILES OF RESPONDENTS

In the section below the demographics results of the sample of the study will be presented. Included are gender, level of education, age distribution, business exposure and business experience.

4.3.1 DISTRIBUTION BY GENDER

The data collected presented that of the 75 respondents that responded to the survey, 53% indicated that they were male while 45% indicated that they were female, 1% preferred not to classify their what gender. Figure 4.3.1 below presents these results in a pie chart.

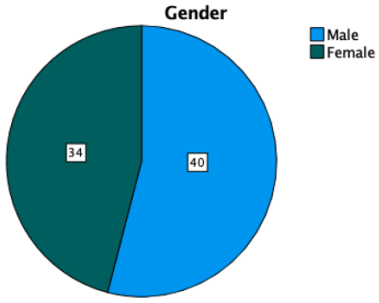


Figure 4.3.1 Respondents gender distribution

Source: Primary data

4.3.2 LEVEL OF EDUCATION

Figure 4.3.2 below, displays the respondents' distribution with respect to their highest level of education. The majority 33,3% (25) of the respondents indicated that they had acquired a degree. Those with diplomas and honors constituted 22,7% and 24,0% respectively. Just over thirteen percent indicated that they had completed high school while 4% percent had acquired a masters' degree.

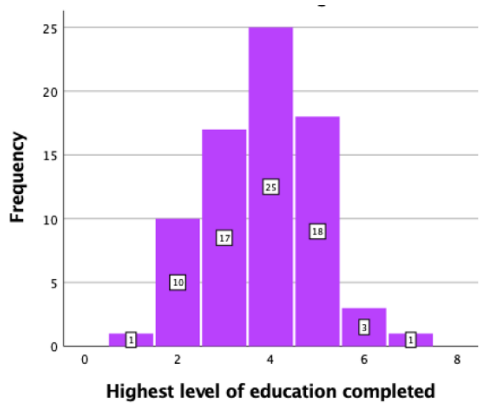


Figure 4.3.2 Respondents highest level of education

Source: Primary data

4.3.3 AGE DISTRIBUTION

The modal age group for this survey was the 25 – 34 age group. Almost 80% of the respondents were in this age group. The 18-24 age group had 20% of the respondents. This data is presented in a bar chart below in figure 4.3.3

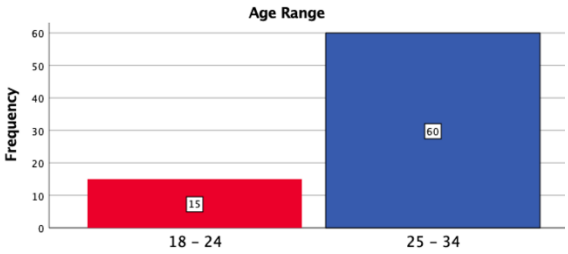


Figure 4.3.3 Respondents age distribution

Source: Primary data

4.3.4 OTHER DEMOGRAPHICS

The majority (73,3%) of the respondents indicated that they had started 1 or 2 businesses before. The remainder (19%) had started 3 – 5 businesses before, this is presented in a pie chart below in figure 4.3.4.

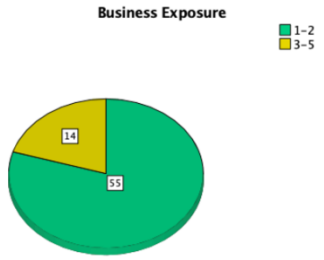


Figure 4.3.4 Respondents business exposure distribution

Source: Primary data

In addition, the majority (30,7%) of the respondents had been in business for 4 – 5 years. Approximately 24% of the respondents were new (0 – 1 year) in business while about 6,7% each had been in business for 8 – 10 years and more than 10 years, respectively this data is presented in a bar graph below in figure 4.3.5.

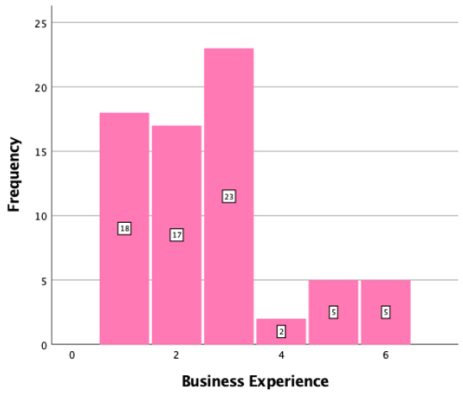


Figure 4.3.5 Respondents business experience distribution

Source: Primary data

4.4 DESCRIPTIVE ANALYSIS

In the section below the descriptive data results of the study will be presented. Included is the descriptive analysis of the sample, and of the constructs.

4.4.1 DESCRIPTIVE ANALYSIS OF SAMPLE

To scale the age group, 1 was coded for the everyone under 18 years while 5 was coded for 45 – years and older. The sample of the study only included respondents aged between 18-35 years as they fall under the youth age group as defined by StatsSA, all respondents falling outside this range were not included in the data analysis. The business location variable was used for this descriptive analysis because location of the business was one of the important elements in the study, entrepreneurs had to be operating from the previously disadvantaged areas of Mafikeng. From the table below, the results present the mean for age group 2,80 and for business location 4,25.

The majority of the respondents were based in Motlhabeng and fell under the age group 24-35 years. The standard deviation of age is 0,403 while for business location is 2,563.

Descriptive Statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
What is your age group?	75	2	3	2.80	.403
In which area is your business located? (choose the closest area)	75	1	7	4.25	2.563

Figure 4.4.1 Descriptive statistics

Source: Primary data

4.4.2 DESCRIPTIVE ANALYSIS OF CONSTRUCTS

The section below shows the results of the analysis of the constructs to better understand the consistencies or inconsistencies of the respondents to the research questions. This study had 3 constructs: SME success, Fixed mindset, and Growth Mindset. SME success was the dependent variable while the other two were the independent variables.

4.4.2.1 SME SUCCESS

This construct had 6 questions that aimed to establish the respondents' level of satisfaction on their businesses financial performance the results are presented below per question asked:

Annual turnover

The results revealed that the majority (28%) of the respondents were neither satisfied nor dissatisfied with their annual turnover or revenue. Twenty-five percent of the respondents were somewhat satisfied while a low 2% of them indicated being very satisfied and 5% were very dissatisfied with their annual turnover. The results are presented in table 4.4.2.1

Level of agreement	Frequency (n)	Percentage (%)
Strongly dissatisfied	4	5.3
Dissatisfied	7	9.3
Somewhat dissatisfied	10	13.3
Neither satisfied nor dissatisfied	21	28
Somewhat satisfied	19	25.3
Satisfied	12	16
Strongly satisfied	2	2.7

Table 4.4.2.1: Annual Turnover/Revenue Satisfaction Distribution (n=75)

Source: Primary data

Gross profit

Table 4.4.2.2 shows that the majority 30% of the respondents were satisfied with their gross profit in the last 3 years. Just over 14% of the respondents indicated that they were somewhat satisfied while equal proportions of 13% were indifferent. Slightly below 10% of the respondents were somewhat dissatisfied with their gross profit while approximately 4% each were very dissatisfied.

Level of agreement	Frequency (n)	Percentage (%)
Strongly dissatisfied	3	4
Dissatisfied	6	8
Somewhat dissatisfied	10	9.3
Neither satisfied nor dissatisfied	11	13.3
Somewhat satisfied	23	14.7
Satisfied	13	30.7
Strongly satisfied	2	2.7

Table 4.4.2.2: Gross Profit Satisfaction Distribution (n=75)

Source: Primary data

Net profit margin

Table 4.4.2.3 shows the distribution of the respondents' level of satisfaction with respect to the net profit margin. Out of seventy-five respondents who indicated their levels of satisfaction, 25% were somewhat satisfied. 34% percent indicated that they were neither satisfied nor dissatisfied with their net profit margin while 12% were somewhat dissatisfied. Just over 13% indicated that they were satisfied. Six percent were dissatisfied while proportions of 5% and 2% were very dissatisfied or very satisfied, respectively.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly dissatisfied	4	5.3
Dissatisfied	5	6.7
Somewhat dissatisfied	9	12.0
Neither satisfied nor dissatisfied	26	34.7
Somewhat satisfied	19	25.3
Satisfied	10	13.3
Strongly satisfied	2	2.7

Table 4.4.2.3: Net Profit Margin Satisfaction Distribution (n=75)

Source: Primary data

Return on assets

Table 4.4.2.4 shows the distribution of the respondents' level of satisfaction with respect to the return on assets. Twenty-four percent (18) were somewhat satisfied. Forty percent indicated that they were neither satisfied nor dissatisfied with their return on assets equal proportions of, 8% each were somewhat dissatisfied and dissatisfied. The least proportion (2%) indicated that they were very satisfied while 6,7% were very dissatisfied.

Level of agreement	Frequency (n)	Percentage (%)
Strongly dissatisfied	5	6.7
Dissatisfied	6	8.0
Somewhat dissatisfied	6	8.0
Neither satisfied nor dissatisfied	30	40.0
Somewhat satisfied	18	24.0
Satisfied	8	10.7
Strongly satisfied	2	2.7

Table 4.4.2.4: Return on assets satisfaction distribution (n=75)

Source: Primary data

Return on investment

Level of agreement	Frequency (n)	Percentage (%)
Strongly dissatisfied	6	4.0
Dissatisfied	5	6.7
Somewhat dissatisfied	5	6.7
Neither satisfied nor dissatisfied	26	34.7
Somewhat satisfied	15	20.0
Satisfied	15	20.0
Strongly satisfied	3	4.0

Table 4.4.2.5: Return on investment distribution (n=75)

Source: Primary data

The above table 4.4.2.5 shows the distribution of the respondents' level of satisfaction with respect to the return on investment. An equal proportion of the respondents indicated that they were somewhat satisfied and satisfied with their return on investment in the past 3 years.

A majority of the respondents (34%) indicated that they were neither satisfied nor dissatisfied. Equal proportions of 20% each were either somewhat satisfied or satisfied, respectively. The least proportion (4%) indicated that they were very satisfied while 4% were very dissatisfied.

Return on equity

Level of agreement	Frequency (n)	Percentage (%)
Strongly dissatisfied	4	5.3
Dissatisfied	5	6.7
Somewhat dissatisfied	7	9.3
Neither satisfied nor dissatisfied	31	41.3
Somewhat satisfied	15	20.0
Satisfied	10	13.3
Strongly satisfied	3	4.0

Table 4.4.2.6: Return on equity distribution (n=75)

Source: Primary data

Table 4.4.2.6 above shows the distribution of the respondents' level of satisfaction with respect to the return on equity. 41% were neither satisfied nor dissatisfied. Twenty percent indicated that they were somewhat satisfied while 13% were satisfied and 9% somewhat dissatisfied. Six percent indicated that they were dissatisfied. The least proportion (4%) indicated that they were very satisfied while 5% were very dissatisfied.

4.4.2.2 ENTREPRENEURIAL MINDSET

The second and third constructs of this study were fixed and growth mindset which are the two types of mindsets as introduced by Dwerk (2008) in literature. The research instrument adopted the mindset quiz from (Dwerk, 2008) to measure the constructs, the mindsets were divided into intelligence and talent. Below is the analysis of the results from the fixed mindset construct.

4.4.2.2.1 FIXED MINDSET

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	10	13.3
Disagree	21	28.0
Somewhat disagree	3	4.0
Neither agree nor disagree	7	9.3
Somewhat agree	9	12.0
Agree	15	20.0
Strongly Agree	10	13.3

Table 4.4.2.2.1: You have a certain amount of intelligence, and you cannot really do much to change it (n=75)

Source: Primary data

Table 4.4.2.2.1 shows that a combined majority 45% of the respondents somewhat agreed, agreed, or strongly agreed with the statement "You have a certain amount of intelligence, and you can't really do much to change it".

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	11	14.7
Disagree	17	22.7
Somewhat disagree	4	5.3
Neither agree nor disagree	10	13.3
Somewhat agree	6	8
Agree	20	26.7
Strongly Agree	7	9.3

Table 4.4.2.2.2.: Your intelligence is something about you that you cannot change much (n=75)

Source: Primary data

Table 4.4.2.2.2 above shows that a combined majority of 44% somewhat agreed, agreed or strongly agreed with the statement “Your intelligence is something about you that you can’t change much”.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	10	13.3
Disagree	15	20
Somewhat disagree	8	10.6
Neither agree nor disagree	10	13.3
Somewhat agree	13	17.3
Agree	10	13.3
Strongly Agree	9	12.0

Table 4.4.2.2.3: You can learn new things, but you cannot really change your basic intelligence (n=75)

Source: Primary data

Table 4.4.2.2.3 shows that a combined majority of 42,6% of the respondents strongly agreed, agreed or somewhat agreed with the statement “You can learn new things, but you can’t really change your basic intelligence”.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	18	24.0
Disagree	22	29.3
Somewhat disagree	9	12.0
Neither agree nor disagree	5	6.7
Somewhat agree	4	5.3
Agree	9	12.0
Strongly Agree	8	10.7

Table 4.4.2.2.4: To be honest, you cannot really change how intelligent you are (n=75)

Source: Primary data

Table 4.4.2.2.4 shows that a combined majority of 65,3% of the respondents strongly disagreed, disagreed, or somewhat disagreed with the statement "To be honest, you can't really change how intelligent you are".

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	11	14.7
Disagree	18	24.0
Somewhat disagree	16	21.3
Neither agree nor disagree	4	5.3
Somewhat agree	13	17.3
Agree	10	13.3
Strongly Agree	3	4.0

Table 4.4.2.2.5: To be honest, you cannot really change how much talent you have (n=75)

Source: Primary data

Table 4.4.2.2.5 shows that a combined majority of 60% of the respondents strongly disagreed, disagreed, or somewhat disagreed with the statement "To be honest, you can't really change how much talent you have".

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	9	12.0
Disagree	24	32.0
Somewhat disagree	12	16.0
Neither agree nor disagree	8	10.7
Somewhat agree	8	10.7
Agree	8	10.7
Strongly Agree	6	8.0

Table 4.4.2.2.6: Your talent in an area is something about you that you cannot change very much (n=75)

Source: Primary data

Table 4.4.2.2.6 shows that a combined majority of 60% of the respondents strongly disagreed, disagreed, or somewhat disagreed with the statement "Your talent in an area is something about you that you can't change very much".

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	9	12.0
Disagree	18	24.0
Somewhat disagree	23	30.7
Neither agree nor disagree	5	6.7
Somewhat agree	6	8.0
Agree	9	12.0
Strongly Agree	5	6.7

Table 4.4.2.2.7: To be honest, you cannot really change how much talent you have (n=75)

Source: Primary data

Table 4.4.2.2.7 shows that a combined majority (66.7%) of the respondents strongly disagreed, disagreed, or somewhat disagreed with the statement "To be honest, you can't really change how much talent you have."

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	5	6.7
Disagree	16	21.3
Somewhat disagree	12	16.0
Neither agree nor disagree	12	16.0
Somewhat agree	14	18.7
Agree	10	13.3
Strongly Agree	6	8.0

Table 4.4.2.2.8: You can learn new things, but you cannot really change your basic level of talent (n=75)

Source: Primary data

Table 4.4.2.2.8 shows that 40% of the respondents either strongly agreed, agreed and somewhat agreed with the statement "You can learn new things, but you can't really change your basic level of talent". Six respondents neither agreed nor disagreed with the statement.

4.4.2.2.2 GROWTH MINDSET

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	5	6.7
Disagree	4	5.3
Somewhat disagree	3	4.0
Neither agree nor disagree	6	8.0
Somewhat agree	21	28.0
Agree	26	34.7
Strongly Agree	10	13.3

Table 4.4.2.2.9: You can change even your basic level of talent considerably (n=75)

Source: Primary data

Table 4.4.2.2.9 shows that a combined majority of 76% of the respondents strongly agreed, agreed or somewhat agreed with the statement "You can change even your basic level of talent considerably". This item was reverse coded

Level of agreement	Frequency (n)	Percentage (%)
Strongly disagree	3	4
Disagree	9	12
Somewhat disagree	5	6.7
Neither agree nor disagree	7	9.3
Somewhat agree	20	26.7
Agree	23	30.7
Strongly Agree	8	10.7

Table 4.4.2.2.10: No matter how much talent you have, you can always change if quite a bit (n=75)

Source: Primary data

Table 4.4.2.2.10 shows that a combined majority of 68,1% of the respondents strongly agreed, agreed or somewhat agreed with the statement “You can always substantially change how much talent you have”. This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	2	2.7
Disagree	10	13.3
Somewhat disagree	8	10.7
Neither agree nor disagree	7	9.3
Somewhat agree	21	28.0
Agree	17	22.7
Strongly Agree	10	13.3

Table 4.4.2.2.11: You can always substantially change how much talent you have (n=75)

Source: Primary data

Table 4.4.2.2.11 shows that a combined majority 64% of the respondents strongly agreed, agreed or somewhat agreed with the statement “You can always substantially change how much talent you have”. This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	3	4.0
Disagree	5	6.7
Somewhat disagree	8	10.7
Neither agree nor disagree	5	6.7
Somewhat agree	13	17.3
Agree	25	33.3
Strongly Agree	16	21.3

Table 4.4.2.2.12: No matter who you are, you can significantly change your level of talent (n=75)

Source: Primary data

Table 4.4.2.2.12 shows that a combined majority of 71,9% of the respondents strongly agreed, agreed or somewhat agreed with the statement "No matter who you are, you can significantly change your level of talent". This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	1	1.3
Disagree	6	8.0
Somewhat disagree	3	4.0
Neither agree nor disagree	3	4.0
Somewhat agree	15	20.0
Agree	28	37.3
Strongly Agree	19	25.3

Table 4.4.2.2.13: You can change even your basic intelligence level considerably (n=75)

Source: Primary data

Table 4.4.2.2.13 below shows that a combined majority of 82,6% of the respondents strongly agreed, agreed or somewhat agreed with the statement "You can change even your basic intelligence level considerably". This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	2	2.7
Disagree	3	4.0
Somewhat disagree	3	4.0
Neither agree nor disagree	6	8.0
Somewhat agree	16	21.3
Agree	29	38.7
Strongly Agree	16	21.3

Table 4.4.2.2.14: You can always substantially change how intelligent you are (n=75)

Source: Primary data

Table 4.4.2.2.14 above shows that a combined majority of 10,7% of the respondents strongly disagreed, disagreed, or somewhat disagreed with the statement "You can always substantially change how intelligent you are". This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	1	1.3
Disagree	3	4.0
Somewhat disagree	7	9.3
Neither agree nor disagree	3	4.0
Somewhat agree	16	21.3
Agree	26	34.7
Strongly Agree	19	25.3

Table 4.4.2.2.15: You can always substantially change how intelligent you are (n=75)

Source: Primary data

Table 4.4.2.2.15 shows that a combined majority of 81,3% of the respondents strongly agreed, agreed or somewhat agreed with the statement "No matter how much intelligence you have, you can always change it quite a bit". This item was reverse coded.

Level of agreement	**Frequency (n)**	**Percentage (%)**
Strongly disagree	1	1.3
Disagree	2	2.7
Somewhat disagree	1	1.3
Neither agree nor disagree	1	1.3
Somewhat agree	10	13.3
Agree	31	41.3
Strongly Agree	29	38.7

Table 4.4.2.2.16: No matter who you are, you can significantly change your intelligence level (n=75)

Source: Primary data

Table 4.4.2.2.16 shows that an overwhelming combined majority of 93,3% of the respondents strongly agreed, agreed or somewhat agreed with the statement "No matter who you are, you can significantly change your intelligence level." This item was reverse coded.

4.5 VALIDITY TESTING RESULTS

Validity refers to the level in which the results of the instrument are truthful, the degree to which an instrument measures what it was set out to measure (Mohajan, 2017). The study's main objective was to test the influence an entrepreneurial mindset has on the success of SMEs that are run by the youth residing in the previously disadvantaged areas of Mafikeng, SME success was the dependent variable while fixed and growth mindset were the independent variables. Exploratory factor analysis applied as a variable reduction technique to determine the grouping of the constructs.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.809
Bartlett's Test of Sphericity	Approx. Chi-Square	512.823
	df	66
	Sig.	<.001

Table 4.5.1: KMO and Bartlett's test

Source: Primary data

It was important to confirm that the sample of the study was adequate for EFA analysis, therefore the KMO test was used for such. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.809 which is higher than the recommended 0.5 by Fields (2013), as such the sample was confirmed adequate for further analysis. Bartlett's test of sphericity is significant at $p<0,05$, the p-value for this study was <0.001 which is considered significant. Table 4.5.1 depicts the KMO and Bartlett's test.

The EFA tests revealed that from the 22 questions of the research instrument, other questions had to be removed from the analysis due to at least one of the variables being constant, leaving the analysis to be run by 12 items. The study was able to explain 70% of the total variance, which is above the 60% that is recommended in social science literature (Fields, 2009). The total variance explained table below (Table 4.5.2) shows that the variance was distributed amongst 12 factors, and that 3 factors were loaded that had eigenvalues of >1.0 which is the minimum accepted value.

Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.776	39.800	39.800	4.486	37.382	37.382	4.427
2	2.443	20.362	60.162	2.027	16.896	54.278	1.921
3	1.234	10.284	70.447	.784	6.536	60.813	2.069
4	.973	8.111	78.558				
5	.572	4.770	83.328				
6	.510	4.249	87.577				
7	.368	3.067	90.644				
8	.338	2.813	93.457				
9	.303	2.522	95.979				
10	.193	1.611	97.590				
11	.170	1.417	99.007				
12	.119	.993	100.000				

Extraction Method: Principal Axis Factoring.

a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.

Table 4.5.2.: Total variance explained

Source: Primary data

The below scree plot depicts (figure 4.5.3) the number of factors that loaded with an eigenvalue of more than 1. To graphically represent the factors that have been selected for the constructs a scree plot is commonly used (Frey, 2018).

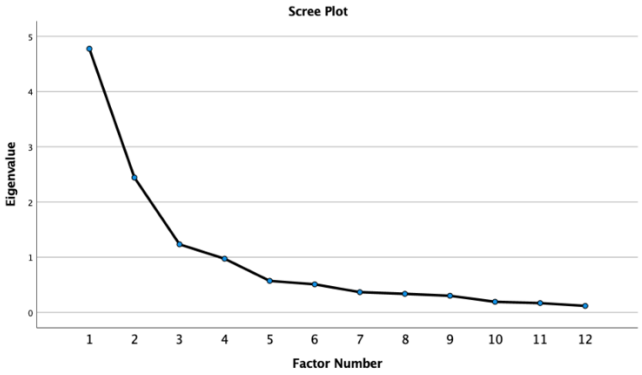


Figure 4.5.3: Scree plot

Source: Primary data

Pattern Matrix[a]			
	Factors		
	1	2	3
Annual turnover	.809		
Gross profit	.831		
Net profit margin	.759		
Return on Asset	.860		
Return on Investment	.845		
Return on Equity	.871		
You have a certain amount of intelligence, and you cannot really do much to change it			.540
Your intelligence is something about you that you cannot change very much			.758
No matter who you are, you can significantly change your intelligence level		.335	
You can always substantially change how intelligent you are		.486	
No matter how much intelligence you have, you can always change it quite a bit		.586	
You can change even your basic intelligence level considerably		.971	
Extraction Method: Principal Axis Factoring. Rotation Method: Promax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Table 4.5.4: Pattern matrix

Source: Primary data

The above pattern matrix depicts the factors as they were loaded. SME success show the strongest loading of all the 3 (> 0.7) with fixed mindset being the lowest.

The factors were loaded using the principal axis factoring and the Promax rotation method in SPSS. Factors that were below 0.3 were left out of the analysis. After extraction, all values were > 0 and < 1 which means that some variances were shared.

4.6 RELIABILITY TESTS RESULTS

All factors had an alpha of > 0.6 which is acceptable as per Mohajan (2017) alpha classifications in the previous chapter. These results revealed that the research instrument was reliable, and the research could proceed with further statistical tests. The results are described below:

Factor 1

Table 4.6.1 show the Cronbach alpha of 0.933 which had 6 items. This shows that the internal consistency of the scale is high.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.933	.933	6

Table 4.6.1: Cronbach alpha of the SME Success construct

Source: Primary data

Factor 2

Table 4.6.2 show the Cronbach alpha of 0.691 which had 2 items. This shows that the internal consistency of the scale is acceptable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.691	.691	2

Table 4.6.2: Cronbach alpha of the Growth mindset construct

Source: Primary data

Factor 3

Table 4.6.3 show the Cronbach alpha of 0.691 which had 2 items. This shows that the scale has internal consistency.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.731	.728	4

Table 4.6.3: Cronbach alpha of the fixed mindset construct

Source: Primary data

4.7 CORRELATIONS

Pearson correlation tests require that the sample data for the study be normally distributed, therefore because this study adopted the Pearson correlation test to measure the extent to which the variables are related the researcher tested the sample for normality to ensure that, that assumption is not violated – and it was not violated, as it will be shown below (regression).

Table 4.7.1 shows the correlation results as can be interpreted below:

- SME success and Growth mindset constructs are positively correlated at .315
- SME success and Fixed mindset constructs are positively correlated at .075
- Growth Mindset and Fixed mindset constructs are negatively correlated at -.222

Based on these results, it was viable for the research to proceed with further statistical tests for the study as the correlations between the variables are supporting the hypothesis of this study.

Correlations				
		SME_Success	Growth_mindset	Fixed_mindset
SME_Success	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	75		
Growth_mindset	Pearson Correlation	.315**	1	
	Sig. (2-tailed)	.006		
	N	75	75	
Fixed_mindset	Pearson Correlation	.075	-.222	1
	Sig. (2-tailed)	.521	.055	
	N	75	75	75
**. Correlation is significant at the 0.01 level (2-tailed).				

Table 4.7.1: Correlation table

Source: Primary data

4.8 MULTIPLE REGRESSION ASSUMPTIONS

Sample data for parametric testing assume certain characteristics, therefore it is important that these assumptions are not violated because if violated the conclusions and interpretations of the research will be affected (Fields, 2009). As a result of this the researcher tested the data for the most common assumptions according to the statistics literature and they include normality, linearity, and multicollinearity.

Assumption 1: Normality

The skewness and kurtosis measure were used to test for normality for this study because the Kolmogorov-Simirnov (K-S) and Shapiro-Wilke (S-W) tests require a large sample to test. Statistics solutions (2022) defined the cutoff for skewness at -/+2 and kurtosis cutoff at -/+7, table 4.8.1 below shows the skewness and kurtosis summary per constructs and this shows that there was no violation with the skewness and kurtosis since the results fall within the ranges.

Construct	Skewness	Kurtosis
SME_Success	-716	.780
Growth mindset	-.055	-1.298
Fixed mindset	-.893	.591

Table 4.8.1: Summary of skewness and Kurtosis

Source: Primary data

The graphically represent the above the Q-Q plot was used with the dependent variable (SME success), which is showing a fairly normal and moderately skewed distribution as the data is not too far from the regression line and the histogram showing the bell curve fitting the data. This is visible in figure 4.8.2 and 4.8.3, respectively.

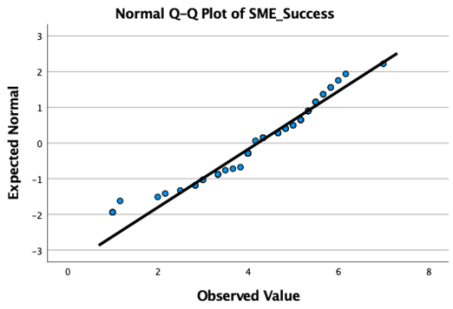


Figure 4.8.2: Normal Q-Q Plot

Source: Primary data

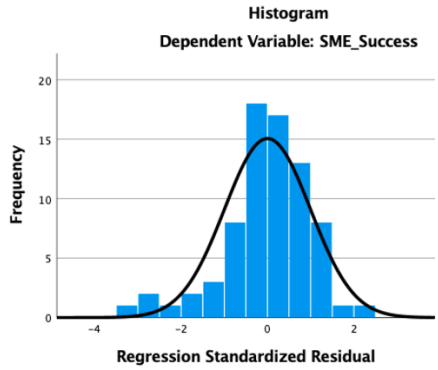


Figure 4.8.3: Histogram

Source: Primary data

Assumption 2: Linearity

Linearity – In multiple regression analysis, is it also assumed that there is a linear relationship between the dependent variable with each of the independent variables. Variables with a non-linear relationship to the dependent variable causes the results of the regression analysis to underestimate the true relationship of the variables. The researcher tested for the linearity of the variables using the scatterplot depicted in figure 4.8.4. According to Grande (2015) if the data scatters within the ranges of -/+ 3 on the scatterplot the variables can be considered to have linear relationship. Figure 4.3 shows the data of the variables are scattered between -/+2; therefore, we can conclude that the variables have a linear relationship, and the researcher can proceed with further statistical testings.

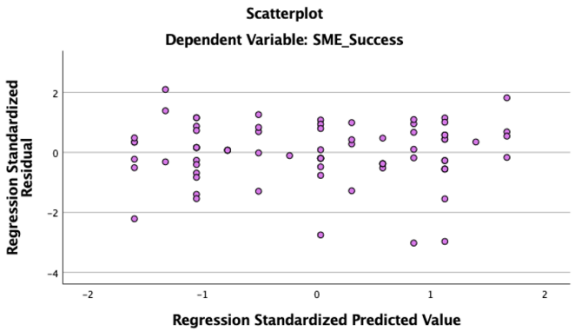


Figure 4.8.4: Scatterplot

Source: Primary data

Assumption 3: Multicollinearity

Multicollinearity was assessed using tolerance and VIF values, which were obtained as collinearity diagnostic results when using SPSS. A VIF value that is greater than 10 indicates that the assumption was violated and a tolerance value less than 0.1 indicates a serious problem (Fields, 2009). As shown in the table 4.8.5 below both tolerance values > 0.2 while VIF values are both below 10, therefore indicating that there were no multicollinearity issues among the variables. Furthermore, the correlation matrix displayed in table 4.8.5 confirmed the absence of multicollinearity among the variables. The zero-order correlations were both below 0.85.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.303	.863		2.669	.009					
	Fixed_mindset	.178	.131	.153	1.351	.181	.075	.157	.149	.951	1.052
	Growth_mindset	.234	.076	.349	3.085	.003	.315	.342	.341	.951	1.052

a. Dependent Variable: SME_Success

Table 4.8.5: Collinearity Statistics

Source: Primary data

4.9 HYPOTHESES TESTING

A multiple regression model was used to investigate the extent to which a fixed mindset and growth mindset has an influence of the success of SMEs operated by the youth from the previously disadvantaged areas in Mafikeng. The multiple regression model is used when the study has one dependent variable and 2 independent variables which is how this study was carried out. SME success was the dependent variable while fixed mindset and growth mindset were the independent variables. the study had two hypotheses developed:

H1: A Fixed mindset has a negative influence on the success of SMEs that are run by the youth from a previously disadvantaged area in South Africa, Mafikeng.

H2: A growth mindset has a positive influence on the success of SMEs that are run by the youth from a previously disadvantaged area in South Africa, Mafikeng.

The model summary table is used to display information about how the independent variables of the study relate to one another (Fields, 2009). R-Squared = 0.122 and this means that 12% of the variance in the data can be explained by the independent variables. This is displayed below in table 4.9.1.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.349[a]	.122	.097	1.16759	.122	4.992	2	72	.009

a. Predictors: (Constant), Growth_mindset, Fixed_mindset

b. Dependent Variable: SME_Success

Table 4.9.1.: The model summary

Source: Primary data

To reveal whether the model was a significant contributor of the dependent variable or not, the ANOVA table was used. The significance value should be less than 0.005 to confirm significance (p-value). In table 4.9.2 the significance value is 0.009 which more than the recommended value. This means that the model was not a significant contributor to the dependent variable.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.610	2	6.805	4.992	.009[b]
	Residual	98.155	72	1.363		
	Total	111.765	74			

a. Dependent Variable: SME_Success

b. Predictors: (Constant), Growth_mindset, Fixed_mindset

Table 4.9.2: ANOVA table

Source: Primary data

To establish the extent to which the independent variables contribute to the model, the coefficient table was used. The fixed mindset p=0.181>0.05 insignificant and growth mindset p=0.03 which means p<0.05 thus significant. These results reveal that the fixed mindset does not significantly contribute to the model because p>0.05, while the growth mindset is a significant contributor. The unstandardized beta coefficients tell us about the relationship between the dependent variable and each independent variable. A positive value of the beta suggests that the relationship is also positive. Fixed mindset B= 0.178 and growth mindset B = 0.234.

Therefore, these results shows that H1 of the study is not supported, while H2 is supported by the results and is significant. These results are depicted below in table 4.9.3.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	2.303	.863		2.669	.009			
	Fixed_mindset	.178	.131	.153	1.351	.181	.075	.157	.149
	Growth_mindset	.234	.076	.349	3.085	.003	.315	.342	.341

a. Dependent Variable: SME_Success

Table 4.9.3: Coefficient table

Source: Primary data

4.10 CHAPTER SUMMARY

In this chapter, the data was collected from the sample of the study was presented and described. The validity and reliability of the research instrument was tested using statistical tests from SPSS, of which the criteria for both were met which allowed the researcher to proceed with further analysis and tests.

From the demographic data, it was revealed that an almost equal distribution between the genders participated in the study (40=males and 34=females), majority of the participants furthered their studies beyond matric completion and the 25–34-year-old age group was the majority of the respondents.

The EFA results revealed that from the 21 questions of the research instrument, 12 could explain the data. Three factors were loaded that had an eigenvalue of >1. Correlation analysis further revealed that the independent variables are positively correlated to each other, while the independent variables are negatively correlated to each other

Finally, A multiple regression was carried out to investigate whether a fixed mindset and growth mindset has an influence of the SME success of businesses operated by the youth from the previously disadvantaged areas in Mafikeng. The results of the regression indicated that the model explained 12% of the variance and that the model was not a significant predictor of SME success at p = .009. Growth mindset contributed B = .234, p<.05, fixed mindset B = .178, p=.1.81. The H1 was rejected while H2 was accepted.

CHAPTER 5 – DISCUSSION OF RESULTS

The objective of this chapter is to discuss and explain the results of this study with an integration of the literature reviewed in chapter 2. The chapter will begin by detailing the research objectives, questions and hypothesis in the introduction which will then be followed by a discussion of the results of the demographic profiles of the respondents. After which a section detailing the results of the hypotheses that were developed for this study.

5.1 INTRODUCTION

The main objective of this study was to investigate the influence an entrepreneurial mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng. The main objective was then broken down into two sub-objectives with each having a research question and a hypothesis developed as detailed below.

Research Sub-Objective 1 – To investigate the influence a fixed mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Research Question 1 - What influence does a growth mindset have on the success of the SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Hypothesis 1 – A fixed mindset has a negative influence on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Research Sub-Objective 2 - To investigate the influence a growth mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Research Question 2 - What influence does a growth mindset have on the success of the SMEs in a previously disadvantaged area in South Africa, Mafikeng.

Hypothesis 2 - A growth mindset has a positive influence on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.

A quantitative methodology was used in this study, the researcher used an online software program called Qualtrics to collect data through a survey.

5.2 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

In the section below the data from the demographic profiles of the respondent's is interpreted regarding to how they contribute to the research questions and objectives of the study.

5.2.1 GENDER

The results of this study found that there is a fairly proportional distribution of the genders in the participation of entrepreneurship (53% = males and 45% = females). A study by OECD (2019) concluded that women are not well represented in entrepreneurship but there has been since, many programs launched that support and encourage women to be more involved in the entrepreneurship space Neneh (2012) acclaimed. These programs include coaching, mentoring, financial investment etc. (Neneh, 2012). The GEM report (2021) highlighted the significant growth of women in the entrepreneurship space stating that woman represent one in three of growth-orientated entrepreneurs in South Africa.

These findings suggest that the programs that have been put in place by the state and private sectors to support and encourage women to participate more in entrepreneurship are helping, hence we see a proportional distribution in the participation of entrepreneurship in this study.

5.2.2 LEVEL OF EDUCATION

More than 84% of the respondents pursued higher education after they completed their high school education with the most common being a degree. Even with the consistently high unemployment rate in SA over the years (StatsSA, 2021) the youth of the country continue to pursue higher education, and this could be in the hopes of securing better paying jobs or becoming more attractive to the job market. Education institutions in South Africa have a limited exposure to entrepreneurial skills training (Neneh, 2012). Entrepreneurship education programs that are relevant to preparing people to be entrepreneurial in their future includes a transfer of skills like, critical thinking skills, problem solving skills, negotiation skills, leadership skills and time management skills (Mani, 2017).

Emphasis was made by Neneh (2011) that South African higher education cannot completely prepare entrepreneurs to be successful business owners, but it can increase the chances of business creation. This was further asserted when more research revealed a positive relationship between entrepreneurial education and business creation, as it revealed the importance of entrepreneurial education to grow SMEs especially in the previously disadvantaged areas of SA (Neneh, 2011). Entrepreneurial education can be defined as the skills transfers of concepts of entrepreneurship, training of entrepreneurship capabilities and motivation of entrepreneurship resilience for individuals to participate in entrepreneurial activities in the futures (Mani, 2017).

This was interesting to see as it builds on what Neneh (2011) revealed that an educated population is one that can positively and productively contribute to the challenges of a developing country like SA (i.e., unemployment, poverty etc.).

This analysis paints a picture of the importance of entrepreneurial education as a means to cultivate mindsets that are entrepreneurial and will contribute positively to the economic activities of a country through productive entrepreneurship. Neneh (2011) reckons it is advisable to introduce this kind of education to people in their childhood stages as this is where lessons about attitude, behavior and values have a more lasting impact over the rest of their lives.

5.2.3 AGE OF THE RESPONDENTS

The analysis of the age of the respondents revealed that the 25 – 34 years age group is more active in entrepreneurship than others, they accounted for 80% of the total respondents in this study. This study was only limited to the youth and the ranges were as defined by StatsSA (2021) 18-35 years. The youth accounts for 59% of the unemployment rate in South Africa (StatsSA, 2021).

The findings agree with the statistics recorded by StatsSA, the youth is the most vulnerable age group in the labor market, and they end up resorting to entrepreneurship as a means to get a source of income. The reason the 18-24 years recorded low levels of participation in entrepreneurial activities will be because some of them are furthering their studies as explained in the level of education descriptive stats above.

5.2.4 BUSINESS EXPERIENCE/EXPOSURE

Business experience is an important factor when measuring the success of businesses (Neneh ,2011). Approximately 68% of the respondents to this study indicated that they have more than 4 years of business exposure/experience. Because research has revealed a positive relationship between an entrepreneur's prior business experience and the growth and survival of businesses, business experience can be used as a reliable forecaster of entrepreneurial performance (Neneh ,2011). A successful entrepreneur is one that possesses characteristics of a curious mind, strong leadership qualities, resilience, perseverance etc. and one that contributes to the country's entrepreneurial activity, and all these are acquired through experience and exposure to business operations (Joshua, Corey, and Findley, 2021).

The results from a study conducted by Neneh (2011) revealed that running a real business enables people to recognize business opportunities better, they get a better sense of the level of responsibilities required to operate a successful business and the planning that is required in managing business functions. This exposure cultivates a mindset that is resilient and can preserve during challenges (growth mindset) which is one that is needed for an entrepreneur to be successful. Ngek (2012) validates the above statement by mentioning that an entrepreneurial mindset should be recognized as an important factor that contributes to the success of SMEs in SA because without it the business venture will die.

South Africa has been struggling with getting a grip on challenges like low entrepreneurial activity and high unemployment to mention a few especially with the age range of the youth. In an article, Musara, Mabila, Gwaindepi and Netsai (2020) suggested that projects that promote the development of entrepreneurial skills and increase entrepreneurship activity could be the answer to South Africa addressing these challenges. Small and medium sized businesses are the biggest contributors to the job creation wealth in countries (Dempsey, Gore and Fal, 2020).

At the heart of the entrepreneurial activity conversation lies words such as expansion, creation, opportunity recognition and emergence (Seymour and Ahmad, 2006).

Entrepreneurial activity is defined by Seymour and Ahmad (2006) as the expansion or creation of economic activity through opportunity identification and exploiting new processes, products, and markets by human activity in pursuit of generation value.

Entrepreneurship plays a vital role in creating growth and economic activity in rural settings, therefore rural entrepreneurship is a strategy that can be adopted by developing countries to boost entrepreneurial activity of the country (Kaseorg, 2008).

5.3 DISCUSSION PERTAINING TO HYPOTHESIS 1

An entrepreneurial mindset that fosters open thinking and opportunity recognition should be recognized as one of the most important elements that cultivates an SME into success (Neneh, 2011) because without it the business ventures will fail (Dhliwayo and Vuuren, 2007).

Hypotheses 1: A Fixed mindset has a negative influence on the success of SMEs that are run by the youth from a previously disadvantaged area in South Africa, Mafikeng.

The above hypothesis suggests that an entrepreneur with a fixed mindset has little or low chances of running/operating a successful business. The result from this study shows that there is a significant number of SME owners who are custodians of the fixed mindset and as the mindset literature states custodians of the fixed mindset are not risk takers, they believe that talent and intelligence are predetermined traits that cannot be changed or influenced (Dwerk, 2015). Neneh (2011) stated in an article that risk taking has a direct influence on the success of businesses. A fixed mindset is evident in people who are more concerned about proving their abilities to other people (Burgoyne, et al, 2020), people who are afraid of dealing with challenges and are not risk inclined (Dwerk, 2015).

An entrepreneur's mindset can predict the success or failure of a business, if an entrepreneur faces a setback while embodying the characteristics of a growth mindset, they are most likely to perform better after that setback, compared to the one with a fixed mindset (Burgoyne, et al, 2020).

An entrepreneur with a growth mindset is one that believes that perceptions and beliefs can change through learning and efforts in wanting to be more successful (Dwerk, 2015). Entrepreneurs with a growth mindset believe that talents and intelligence are things that can be developed and influenced (Dwerk, 2015).

Although literature supports this hypothesis, the results of the study revealed that the relationship between SME success and the fixed mindset is not significant enough to make this conclusion.

5.4 DISCUSSION PERTAINING TO HYPOTHESIS 2

Hypotheses 2: A growth mindset has a positive influence on the success of SMEs that are run by the youth from a previously disadvantaged area in South Africa, Mafikeng.

The above hypothesis suggests that an entrepreneur with a growth mindset will have high chances of being successful in the businesses they operate than one with a fixed mindset. Entrepreneurs with a growth mindset commit their efforts to improving their abilities (Burgoyne, et al, 2020). They have characteristics of perseverance and resilience (Burgoyne, et al, 2020), they embrace change, learning and failure as an opportunity to be better (Dwerk, 2015).

Bansal (2020) describes a person with a growth mindset as a person who is liberated by the freedom of their thoughts and beliefs. These people understand that some people have special talents and intelligence varies from one person to the next, but it is something that can be developed and cultivated through the commitment of wanting to be more successful (Bansal, 2020). Entrepreneurs with. growth mindsets prioritize learning and development as investments into growth their businesses beyond being sustainable (Kouakou, et al, 2019).

This hypothesis was supported by the results of the study, although the significance was low, but they reveal that the is an influence that a fixed mindset has on the success of SMEs operated in previously disadvantaged areas of Mafikeng.

5.5 CHAPTER SUMMARY

This chapter was focused on interpreting the results that were presented in the previous chapter, while linking the findings to the literature discussed in chapter 2 of the study regarding the research questions and objectives of the study. It was concluded that hypothesis 1 of the study was not supported, while hypothesis 2 was supported.

CHAPTER 6 – CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

In this chapter, the researcher provides the conclusions that can be drawn from this study. It will start by reiterating the purpose and objectives of the study followed by a discussion of the findings based on the research questions of the study, the implications and limitations of the study are also discussed. Lastly, the researcher will make recommendations for future studies

6.2 CONCLUSIONS OF STUDY

The main purpose of the study was to investigate the extent that an entrepreneurial mindset has on the success of SMEs that are operated by the youth from the previously disadvantaged areas of Mafikeng. The research used the youth as the sample because they are the most vulnerable age group to unemployment, and previously disadvantaged areas as the location of interest because studies have shown that these areas have limited access to education and when they have it, it is of poor quality. Their surroundings usually shape their mindsets and therefore their future. Entrepreneurial mindset as a vital role player in the process of becoming a successful entrepreneur was what prompted the researcher to study it.

From the results of the study, we see the financial performance indicators averagely skewed between the “somewhat satisfied” and “neither satisfied nor dissatisfied” levels of the scale. This suggests that the entrepreneurs are comfortable with the average performance their businesses. In one of Dwerk’s (2016) writings, she explained that the main difference between organisations that grows and ones that do not grow or remain at being average is the type of leader/entrepreneur that is running that organisation.

Kouakou, et al (2019) also states that people with a fixed mindset are afraid of criticism, failure and exposing their ideas, they would rather play it safe. Limeri, et al (2020) also built on this point by stating that they have a limited chance of success because of their thinking.

Even though the majority of the respondents from this study were formally educated, it is clear that the education did not influence their mindsets. It is for this reason that Neneh (2011) recommended more entrepreneurial education and training programs especially ones that encourage a strong risk tolerance in entrepreneurs in previously disadvantaged areas. Mathebula (2019) had stated that the youth from previously disadvantaged areas in South Africa are usually subjected to poor education quality and the access thereof, however, interestingly, the results from this study show most of the respondents being educated and some even pursue higher education. This suggests that even though they are getting education, they are not getting entrepreneurial education that would encourage them to seek and take advantage of entrepreneurial opportunities.

Financial knowledge, start-up experience and managerial experiences were some of the endogenous factors listed by Sitharam and Hoque (2016) that can influence the success of SMEs in South Africa. From the results of this study 73% of the sample size had 1-2 years of business exposure in their entrepreneurial journey while majority of them have been entrepreneurs for 4-5 years. This suggests a lack of the "habitual entrepreneur" mindset as defined by Fernhaber and Bosman (2018). A habitual entrepreneur is someone who makes a career out of starting businesses. A habitual entrepreneur fosters an entrepreneurial mindset (Fernhaber and Bosma, 2018) because it suggests that the entrepreneur has a high-risk appetite (Neneh, 2011) and is not afraid of failure (Dwerk, 2019).

Considering the above findings, the study can be concluded by stating that a growth mindset is an influential role player in directing young SME owners to entrepreneurial success. The literature and statistical tests run for this study supports this hypothesis. The fixed mindset, although the statistical tests revealed that there is no significant evidence that it has a negative influence on SME success the literature about the variables supports the hypotheses. The tests could have not supported the hypotheses due to a low sample size of the study.

6.3 IMPLICATIONS OF THE STUDY

In the first chapter of this study, the researcher stated how the study intended to contribute to the existing knowledge of entrepreneurship and entrepreneurial mindset. In this section, the implications of the study are discussed.

Entrepreneurial mindset education has been called by Hambrick and Macnamara (2020) to be made a "national education priority". This study contributes to this call by its extensive review of literature regarding the variables.

Neneh (2011) recommended that studies that are inclusive of the younger generations as the sample be prioritized, and this study contributes to that recommendation as the sample was the aged 18-35 years. The implication of this is that more researchers can be able to use this study as a reference when they are working on studies relating to this as a benchmark and a better understanding of the younger generation can be brought.

The study contributes to the existing theoretical framework that can be used by future researchers that are looking at assessing the role an entrepreneurial mindset plays in other previously disadvantaged areas of South Africa. The results of this study can be used as a benchmark for other studies with the related objectives

The objective of the study was to investigate the extent that an entrepreneurial mindset has on the SME success of businesses that are operated by young people residing in the rural parts of Mafikeng, using the theory of mindset by Carol Dwerk (2015), the implications of the findings is that it gives an understanding of the rural entrepreneurship as it has been recognized as the a tool that can be used to boost rural development through income generation and job creation by Ngorora (2018).

It provides a theoretical understanding of what can be done to improve the entrepreneurial mindsets of people in previously disadvantaged areas as recommended by (Kouakou, et al, 2019) when they discussed the important role they play in the economic growth of the country.

6.4 LIMITATIONS OF THE STUDY

Even with the theoretical and practical contributions that this study made into the field of entrepreneurship and entrepreneurial mindset, it is not without limitations, they are discussed below.

Due to limited time constraints, the study had a limited study sample and Mafikeng is a small town which had a limited number of entrepreneurs who were willing to be part of the study. A larger geographic location could have improved the sample and therefore generated more accurate results.

Due to limited time and resource constraints, the study was limited to only two types of mindsets – fixed mindset and growth mindset. Even with the worldwide extensive literature about entrepreneurial mindset. This poses as a limitation because the scope and discussions of this study is theoretically limited compared to studies that have cover more literature.

The study did not focus on businesses that are registered only. It sampled all entrepreneurs (formal and informal) that were within the criteria of the study.

Limited previous studies in this research topics was limited in that there was not a lot of academic literature about the theory of mindset

6.5 RECOMMENDATIONS FOR FUTURE RESEARCH

Following the above limitations of the study, the research note the below as recommendations for future research.

For a more holistic understanding of the theory mindset in previously disadvantaged areas, future research should consider including a larger geographical area e.g. per province (North West).

Future research should also consider expanding their theoretical literature of entrepreneurial mindset. This will be useful in better understanding the impact that an entrepreneurial mindset has on the SMEs operated in previously disadvantaged areas

Future research could also consider diversifying their respondents to include more of 18-24 age group for a better analysis of the influential extent of entrepreneurial mindset.

6.6 CHAPTER SUMMARY

The purpose of the study was to investigate the influence an entrepreneurial mindset has on the success of SMEs in the previously disadvantaged areas of Mafikeng, South Africa.

The conclusions of the study were also discussed, they add value to a better understanding of extent an entrepreneurial mindset influences success in an SME and these findings can be used by training institutions when developing entrepreneurship programs in similar areas.

Following the contributions of the study promised in chapter 1 of the study, the researcher stated the implications of the study and one of the major implications was the theoretical contribution to the rural entrepreneurship as it is one of the fast-growing forms of entrepreneurships in South Africa which contributes largely to the economic growth.

The chapter was concluded by recommendations for future studies, the researcher was looking at ways that could contribute to the study and one of the main recommendations listed was for the study to include a larger geographical area.

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APPENDIX LIST

APPENDIX 1 - CONSISTENCY MATRIX

Title: Entrepreneurial mindsets of the youth from a previously disadvantaged area in Mafikeng, South Africa							
Problem: Entrepreneurial activity is low in the previously disadvantaged areas of South Africa.							
Main Objective: To investigate the influence an entrepreneurial mindset has on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.							
Sub-Objectives	**Literature Review**	**Research questions**	**Hypotheses /Propositions**	**Variables**	**Source of data**	**Type of data**	**Analysis**
To investigate the influence a fixed mindset has on the SME success of business operated in Mafikeng	(Dwerk and Legget, 1988) (Lynch and Corbett, 2021) (Lindah ,2017)	What influential extent does a fixed mindset have on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.	A fixed mindset has a negative influence on the SME success of business operated in Mafikeng	IV1 = Fixed mindset	Questionnaire	Ordinal Data (7 Likert Scale)	1. Descriptive 2. Correlation 3. Multiple Regression
				DV1= SME Success	Q3 to Q6		

To investigate the influence a growth mindset has on the SME success of business operated in Mafikeng	(Seymour and Ahmad, 2006) (Kaseorg, 2008) (Musara, Mabi- la, Gwaindepi and Netsai, 2020)	What influential extent does a growth mindset have on the success of SMEs in a previously disadvantaged area in South Africa, Mafikeng.	A growth mindset has a negative influence on the SME success of business operated in Mafikeng	IV2= Growth Mindset	Question naire	Ordinal Data (7 Likert Scale)	
				DV2 = SME Success	Q3 to Q6		

APPENDIX 2 - RESEARCH INSTRUMENT

Entrepreneurial Mindset Research Instrument

Survey Flow

Block: INTRODUCTION (1 Question)

Standard: DEMOGRAPHICS (4 Questions)

Standard: BUSINESS CHARATERISTICS (5 Questions)

Standard: BUSINESS GROWTH AND PERFOMANCE (1 Question)

Standard: ENTREPRENEURIAL MINDSET A (1 Question)

Standard: ENTREPRENEURIAL MINDSET - B (1 Question)

Page Break	

Start of Block: INTRODUCTION

Q1.1 Thanks for taking time to go through my questionnaire. To get started, please carefully read and follow the instructions below.

My name is Otlotleng Momphi, I am a master's in management of Entrepreneurship and New Venture Creation student at the Wits Business School and as part of my research assignment I am required to collect data about the influence an entrepreneurial mindset has on the county's entrepreneurship activity.

I will appreciate it if you can spare me approximately 5-10 minutes of your time and complete the questionnaire below. Please be assured that your responses will be kept completely confidential. Your participation in this assignment is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice. If you would like to contact the supervisor/lecturer in the study to discuss this research, please e-mail Dr Jabulile at jabulile.galawe@wits.ac.za or myself Otlotleng Momphi at 1875280@students.wits.ac.za By clicking the button below, you acknowledge that your participation in the study is voluntary and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

O I Consent (1)

End of Block: INTRODUCTION

Start of Block: DEMOGRAPHICS

Q2.1 What is your gender?

- O Male (1)
- O Female (2)
- O non-binary / third gender (3)
- O Prefer not to say (4)

Q2.2 What is the highest level of education you have completed?

- O Less than high school (1)
- O High school (2)
- O Diploma (3)
- O Degree (4)
- O Honors (5)
- O Masters (6)
- O Doctorate (7)

Q2.3 What is your age group?

- O under 18 (1)
- O 18 - 24 (2)
- O 25 - 34 (3)
- O 35 - 44 (4)

O 45 or older (5)

Q2.4 Are you from Mafikeng? or do you currently reside in Mafikeng?

O Yes (1)

O No (2)

Page Break	

End of Block: DEMOGRAPHICS

Start of Block: BUSINESS CHARATERISTICS

Q3.1 Are you an entrepreneur?

- O Yes (1)
- O No (2)

Q3.2 In which area is your business located? (Choose the closest area)

- O Montshioa (1)
- O Town (2)
- O Units (3)
- O Motlhabeng (4)
- O Leopard Park (5)
- O Magogoe (6)
- O Other (7)

Q3.3 How many businesses have you started before?

- O 1-2 (1)
- O 3-5 (2)
- O 6-10 (3)
- O 11-15 (4)

O More than 15 (5)

Q3.4 How long have you been in business?

O 0-1 years (1)

O 2-3 years (2)

O 4-5 years (3)

O 6-7 years (4)

O 8-10 years (5)

O more than 10 years (6)

Q3.5 I have previously worked in a small business or a newly founded business before starting my own business?

O Yes (1)

O No (2)

End of Block: BUSINESS CHARATERISTICS

Start of Block: BUSINESS GROWTH AND PERFOMANCE

Q4.1 Please indicate your level of satisfaction with your business financial performance in the last 3 years

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree not disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Annual Turnover/ Revenue (1)	O	O	O	O	O	O	O
Gross Profit (2)	O	O	O	O	O	O	O
Net profit margin (3)	O	O	O	O	O	O	O
Return on assets (4)	O	O	O	O	O	O	O
Return on investment (5)	O	O	O	O	O	O	O
Return on equity (6)	O	O	O	O	O	O	O

End of Block: BUSINESS GROWTH AND PERFOMANCE

Start of Block: ENTREPRENEURIAL MINDSET A

Q5.1 Indicate your level of agreement with the following statements

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
You have a certain amount of intelligence, and you can't really do much to change it (1)	O	O	O	O	O	O	O
Your intelligence is something about you that you can't change very much (2)	O	O	O	O	O	O	O
No matter who you are, you can significantly change your intelligence level (3)	O	O	O	O	O	O	O
To be honest, you can't really change how intelligent you are (4)	O	O	O	O	O	O	O

You can always substantially change how intelligent you are (5)	O	O	O	O	O	O	O
You can learn new things, but you can't really change your basic intelligence (6)	O	O	O	O	O	O	O
No matter how much intelligence you have, you can always change it quite a bit (7)	O	O	O	O	O	O	O
You can change even your basic intelligence level considerably (8)	O	O	O	O	O	O	O

End of Block: ENTREPRENEURIAL MINDSET A

Start of Block: ENTREPRENEURIAL MINDSET - B

Q6.1 Indicate your level of agreement with the following statements

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly Agree (7)
You have a certain amount of talent, and you can't really do much to change it (1)	O	O	O	O	O	O	O
Your talent in an area is something about you that you can't change very much (2)	O	O	O	O	O	O	O

No matter who you are, you can significantly change your level of talent (3)	O	O	O	O	O	O	O
To be honest, you can't really change how much talent you have (4)	O	O	O	O	O	O	O
You can always substantially change how much talent you have (5)	O	O	O	O	O	O	O
You can learn new things, but you can't really change your basic level of talent (6)	O	O	O	O	O	O	O
No matter how much talent you have, you can always change it quite a bit (7)	O	O	O	O	O	O	O
You can change even your basic level of talent considerably (8)	O	O	O	O	O	O	O

End of Block: ENTREPRENEURIAL MINDSET – B

APPENDIX 3 – ETHICS CLEARANCE CERTIFICATE

Graduate School of Business Administration University of the Witwatersrand, Johannesburg

Wits Business School Ethics Committee

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

Ethics Clearance Certificate Ethics protocol number: WBS/EN1875280/737

This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title

Investigator / Researcher Nature of Project
Decision of the Committee

Issue Date of Certificate

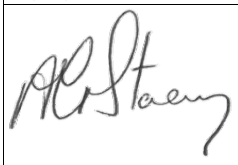
Entrepreneurial mindsets of the youth from a previously disadvantaged area Mahikeng, South Africa

Ms Otlotleng Momphi
MM (Entrepr & New Venture Creation)

Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.

2021-11-26

Expiry date	Date of submission of the project report



Chairperson Prof Anthony Stacey ☎ +27 11 717 3587 📱 +27 82 880 4531

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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.