



# Tourism entrepreneurship: the contours of challenges faced by female-owned BnBs and Guesthouses in Mthatha, South Africa

Tabisa Monalisa Hlanyane\*  
Walter Sisulu University  
Eastern Cape Province  
South Africa  
Email: [tningiza@wsu.ac.za](mailto:tningiza@wsu.ac.za)

and

Dr Kofi Owusu Acheampong  
Walter Sisulu University  
Eastern Cape Province  
South Africa

Corresponding Author\*

## Abstract

The purpose of the study was to investigate and discover the facts about the challenges of female entrepreneurs who are the owners of bed and breakfasts and guesthouses in Mthatha, and to find out whether these challenges have an impact in their business performance. By way of using a semi-structured survey, women who own guesthouses and bed and breakfast establishments were targeted by way of a purposive snowball sampling technique. The primary data collected indicated that female-entrepreneurs in Mthatha face a number of challenges including limited access to finance, seasonality, balancing work and family life, corruption/bribery, poor infrastructure, inability to attend seminars and workshops to network, poor customer service and lack of awareness to the required training/skills to function effectively. However, such women remain resilient to the aforementioned challenges, largely motivated by such factors linked to flexibility, the quest to remain independent and the belief in the opportunity and financial incentives that their operation represents. This study has implications for entrepreneurship and economic growth in South Africa and how vulnerable businesses including women's require continuous support from government and private sector to remain competitive and economically sustainable.

**Keywords:** Female-entrepreneurs, Bed and Breakfast (BnB), guesthouses, Eastern Cape.

## Introduction

According to Acheampong (2015), the importance of tourism to the Eastern Cape Province in South Africa in particular cannot be over-emphasized in view of the fact that it is one of the poorest and least developed provinces in South Africa, with very poor record of delivery of municipal services such as water, sewerage, sanitation, electricity, housing, roads and many others. According to the South African Statistician General, the current unemployment level of the Eastern Cape Province stands at 34.4 per cent, by the middle of 2017, which is higher than the national average of 27.7 per cent (Lehohla, 2017). There is also an intolerable degree of poverty that constitutes one of the biggest problems facing the Eastern Cape government (Acheampong, 2015:744). It is in view of this situation that according to the Eastern Cape Socio-Economic Consultative Council (ECSECC) (2009), tourism, which is relatively underdeveloped in the province, is seen to have the potential to enhance the province's



developmental trajectory due to the natural and man-made attractions it is endowed - scenic natural beauty, climate, events, cultural and heritage attractions, and the rapidly developing tourism infrastructure like accommodation, security and better-trained staff to handle or deliver the product. Considering the huge potential of tourism in the province and the associated enormous spin-offs, the development of the industry is increasingly crucial for the economic transformation of the province (ECSECC, 2009).

Mthatha, the third largest city in the Eastern Cape after Port Elizabeth and East London, is situated in the north-eastern part of the Province and the largest city in the area. It is situated right in the heart of the former Bantustan region of Transkei on the Wild Coast tourism region of the Eastern Cape. Mthatha is the administrative centre for the provincial, district and local governments of Eastern Cape Provincial Government, Oliver Reginald Tambo District and King Sabata Dalindyebo Local Municipalities in the north eastern part of the Eastern Cape (Hlanyane, 2016). The city also boasts of a university and other facilities such as an airport, and road networks that link it to some of the major metropolitan cities of Johannesburg, Cape Town and Durban. Consequent to all these positive factors for development, urbanisation and its concomitant maladies, such as poverty, unemployment, disease, and illiteracy, poor record of municipal services, decay of infrastructure, and other socio-economic ills are endemic (Acheampong, 2011; 2015). Besides tourism, there is a hype of activities, including government-related administrative activities, academic, commerce and business in this region. Mthatha benefits largely from the immense potential of tourism in the Wild Coast region of the Province, because of its relatively acceptable tourism infrastructure that supports the industry. It is about an hour's drive to Port St John's, Coffee Bay, Hole-in-the-Wall, Isilaka and Mkambati Game and Nature Reserves, some of the hot tourism destinations in the Province (Acheampong, 2001). These destinations attract both international and domestic tourists throughout the year, thus supporting the economy of the region. According to the Eastern Cape Socio-Economic Consultative Council (ECSECC) (2017:96), a total of 201,000 made up of 190,000 domestic and 10,600 international tourists visited King Sabata Dalindyebo Local Municipality in 2016. Mthatha is political and socio-economic hub of this local municipality.

However, one of the major problems the tourism industry faces in Mthatha is accommodation in terms quality and quantity. There are only four major hotels that offer accommodation and conference facilities, ranging in quality from three to four stars. These hotels are Garden Court, Savoy Green Park (all three-star), and Mayfair (a four-star) with capacities of only 117, 101, 48 and 96 rooms respectively. The rooms offered by these hotels are woefully inadequate, hence, the growing number of Bed & Breakfast, self-catering and guesthouse establishments in the city.

Previously the entrepreneurship sector was mainly dominated by males, but recent studies show that there is an increase in the number of females who are starting businesses (Forbes 2013). This could be attributed to the fact that days when the "place of woman was in the kitchen" is drawing to a close. Females are striving to become active participants in the world economies and bread winners of their families. Even though the number of female-entrepreneurs is rapidly rising, they are still outnumbered by men, especially in certain fields (Keating, 2012) like tourism and hospitality. Despite the visible participation of women in starting business ventures, they have to face a lot of challenges and overcome a number of barriers to become successful in their ventures. They have to deal with discrimination and bias, social and cultural attitudes and lack of education and training (Chinomona & Maziriri, 2015). According to Chordiya (2013:390), male domination in service sectors, illiteracy among rural women, lack of information, assistance and lack of infrastructure are some of the challenges that are faced by female-entrepreneurs in venturing into business. Nieman and Niewenhuizen (2009:39) identified limited access to financial resources, lack of support structures, balancing business and family responsibilities, negative prevailing socio-cultural



attitudes, gender discrimination and bias, lack of training and education and personal difficulties are some of challenges faced by female-entrepreneurs.

Tourism and hospitality is considered to be one of the largest and fastest growing industry in the world (Raftopoulos, 2010). Tourism and hospitality trends are changing constantly through creation of new products, outside the usual sun, sea and sand (SSS), for example, township tourism, cultural tourism, adventure tourism, and accommodation services, such as bed & breakfasts, self-catering, guesthouses and lodges. As the industry grows, certain challenges threaten its progress. Entrepreneurs who run guesthouses and bed and breakfasts (B&B's) face a daunting challenge of competing with well-resourced big hotel chains (Business Partners, 2009). The industry is facing a supply and demand challenge of staff, as the demand for staff far outstrips supply (South Africa Good News [SAGN], 2007).

Most of the accommodation facilities are owned by male-entrepreneurs. Yet in South Africa women make-up approximately half of the country's workforce and they play crucial role in the development of the economy (EOY, 2012). According to Van der Merwe (2015) and Ofie (2015), in South Africa, women represent 50 percent of the total population and their businesses play specific roles in stimulating economic growth and job creation. Although there is an increase in the number of female-owned businesses in South Africa, Symanowitz (2015) reveals that women entrepreneurs occupy only 38 percent of the entrepreneurship sector in the country. Even though efforts have been made to bridge the gap between male- and female-entrepreneurs, and the gap continues to widen (Tsele, 2015). Tsele (2015) quoting from Entrepreneurship Monitor's Statistics of 2012 shows that only 6.2 percent of South African women are involved in entrepreneurship, dropping by 2.8 percent from the previous year (2013) which was 9 percent. Women often venture into entrepreneurship with little resources available to them and the result is that they are more likely to go into small scale industries such as retail or services sectors, where the cost and the growth potential of entry is low (Mauchi, Mutengezanwa and Damiyano, 2014).

This study was conducted in order to investigate challenges faced by female-entrepreneurs in the tourism and hospitality industry, specifically in the accommodation sector of bed and breakfast and guesthouse operations in Mthatha, and how these challenges are being managed to improve their performance in this industry. The tourism and hospitality industry is one of the biggest economic sectors in the world and an important source of revenue (Chon & Maier, 2009: 9). Hence it is vital to explore the challenges facing female-entrepreneurs in this sector and how these challenges can be addressed in order to improve their business performance, not only in accommodation, but other sectors of the tourism and hospitality industry.

### **Concept of entrepreneurship**

Entrepreneurship is the means of establishing new businesses and bringing new products and services to the market. Different authors interpret entrepreneurship differently, and it will be proper to sample a few of the definitions. Kuratko and Hodgetts (2007:47) define entrepreneurship as "a process of innovation and venture creation through four dimensions, individual, organisation, environment, and process that is aided by collaborating networks in government, education, and institutions". Erasmus, Strydom & Rundansky-Kloppers (2013:43) define entrepreneurship as "the process of mobilising and risking resources to be used in a business opportunity. Chinomona and Maziriri (2015) look at entrepreneurship as the ability to create and build something new and in the process create value by pulling together unique package of resources to exploit opportunity. Entrepreneurship is the process of creating and building something of value from practically nothing in the middle of uncertainty and risk, and having the determination to succeed against all odds (Botha & Musengi, 2012:24). From the above definitions, entrepreneurship can be summarized as the process involving creativity



and innovation, scanning the environment in order to identify opportunities and to co-ordinate resources to be utilised in the new venture, regardless of whether the business fails or succeeds (Hlaunyane, 2017:11).

An entrepreneur, then, can be seen as a person who is creative, motivated and willing to take calculated risks and who sees challenges as opportunity to create a new successful venture. They are thus people who see a gap in a market and make efforts to fill it. Ifeanyi & Ehiabhi (2011:229) quote World Bank definition of entrepreneur as people who perceive profitable opportunities, are willing to take risks in pursuing them and have the ability to organize a business. An entrepreneur is then a person who comes up with a workable concept, and takes often high risks to do whatever is required to turn the idea into a reality by acquiring a needed set of skills in order to be viable in what they envision. An entrepreneur organises, manages and assumes the risks of business (Ifeanyi & Ehiabhi, 2011).

There has been a highly noticeable emergence of female-entrepreneurs and their commitment to the economy lately (Symanowitz, 2015). According to Zulu (2015), there has been 11 percent increase in the number of female-owned businesses in South Africa. Most of the female-owned economic activities are based in the informal sector of the economy both at rural and urban areas. According to Ifeanyi and Ehiabhi (2011: 230), the reasons may be due to the fact that entry to the informal sector is much easier and open to all categories of people. The sector is characterized by reliance on indigenous resources, family ownership, minimal capital, labour-intensity, adapted technology, unregulated and competitive markets, minimum level of education and skills acquired outside the formal educational system (Ifeanyi & Ehiabhi, 2011: 230). The owners can combine their activities with domestic responsibilities to establish most businesses in the informal sector (Ifeanyi & Ehiabhi, 2011: 230). Businesses in this sector includes catering, accommodation, hairdressing, fashion designing, beauty and skin salons, art and craft, and many others.

Although female-entrepreneurs have become important players in the entrepreneurial landscape, it is imperative to clarify who female-entrepreneurs are (Chinomona & Maziriri, 2015). Female-entrepreneurs may be defined as a woman or a group of women who initiates, organises, and operates a business enterprise (Kumar, 2008:48). Anwar & Rashid (2012), define female-entrepreneur as “those women who use their knowledge and resources to develop or create new business opportunities, and are actively involved in managing their businesses and own 50 percent of business and have been in operation for longer than a year”. Female-entrepreneurs start, organise and maintain enterprise under individual ownership and employ workers to carry out entrepreneurial activities (Devi, 2015; Fatoki, 2014:186).

In order investigate the challenges faced by female-entrepreneurs who own bed and breakfasts, it is assumed that there are different motives that drive them. Economic necessities, such as, limited employment options and need for an income can motivate women to start a business. Krishna (2013) puts forward that motivation factors consist of: *internal factors*, such as work experience, desire to exploit opportunity by being innovative, family history and educational experience and *external factors* such as government and financial assistance from institutions. Whereas *internal factors* relate to the personality of an entrepreneur to create a tendency to endorse entrepreneurial activity, *external factors* provide help and give a gleam to entrepreneurship (Krishna, 2013). According to Kirkwood (2008), Charles and Gherman (2013) and Yu and Yan (2015:195), reasons that motivate women to start a business can be categorised under *pull* and *push factors*. *Pull factors* include an entrepreneur spotting an opportunity; motivation for financial power and success, the need for independence, personal growth, status in the community and self-fulfilment. *Push factors* are due to among others, need to generate an income, divorces, economic recession,



redundancy, failure to get employment, support from family with additional income (Charles and Gherman, 2013; Yu and Yan, 2015:195). An increasing number of female-entrepreneurs venturing into the tourism and hospitality sector have been hosting visitors, as tourism grows (SAGN, 2007). Female-entrepreneurs in Hospitality and Tourism industry are performing the following roles among others: running B&B's, working as tour guides, tour operators, providing information centres and supplying products and services to the industry (SAGN, 2007).

According to Kgosiemang (2015), women are starting businesses in record numbers, but they have more obstacles to overcome in their business world than their male counterparts and this can be attributed to certain unique abilities they bring to the business world. The growing number of female-entrepreneurs in businesses, especially in the tourism and hospitality sector, have not been spared the demoralizing structural and other impediments that hinder starting and operating their businesses, especially in Mthatha, hence, this study.

Mwobobia (2012) revealed that access to finance is a problem to women because they need to have collateral. According to (Mwobobia, 2012) in Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Female-entrepreneurs suffer from inadequate financial resources and working capital because they are not able to acquire external financial assistance due to the absence of tangible security and credit in the market (Chinomona & Moziriri (2015). According to (Kgosiemang, 2015) women and rural black women in particular, have difficulties accessing finance for various reasons, including poverty, limited employment in the formal sector, and cultural barriers to land and property ownership. Access to bank funding is also a challenge for women-owned businesses (Kgosiemang, 2015). This view of Kgosiemang (2015) is a common issue in most countries in sub-Saharan Africa.

Mwobobia, (2012:113) revealed that female-entrepreneurs are discriminated against by bank officials who ignore them in meetings and prefer speaking to their husbands or male business partners. According to Mwobobia (2012:113) some women get so discouraged that they do not bother to seek bank financing and opt to turn instead to informal savings groups. For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers (Mwobobia, 2012:115).

According to Mureithi (2012) there are specific laws relating to tourism SMMEs can hinder business growth or prevent new entrants from getting into the sector. These include high costs of zoning or licensing, signage restrictions and labour regulations. International Finance Corporation and the World Bank (IFC, 2014) confirms the above statement by stating that lack of knowledge about the registration process and its requirements is one of the reasons why few women register their business. Women who can afford to register usually hire a lawyer to handle the process for them, but for women without access to financial resources this is not an option (IFC, 2014).

When it comes to female-entrepreneurship, many authorities on entrepreneurship agree that females are more disadvantaged than their male counterparts when it comes to entrepreneurial options and resources. Even though female-entrepreneurs may decide to get involved in the self-employment sector, but then there are barriers that affect the performance of their businesses. Some of the challenges identified include limited access to finance and other financial resources, lack of support structures in business counselling and/or mentoring, balancing business and family responsibilities, legal and regulatory environment, lack of information and assistance negative socio-cultural attitudes, gender discrimination and bias, inadequate training, education and awareness, personal difficulties, access to networks and



lack of infrastructure (Nieman & Niewenhuizen, 2009:37; Kgosiemang, 2015; Fisk, 2015; Keating, 2012; 2015; Saini, 2014:30; Thebaud, 2015; Chinomona & Moziriri, 2015).

### **Research Methodology**

This research followed a mixed method interpretivist philosophy in order to understand the motivations and challenges of bed and breakfast and guesthouse owners who are women, individually and/or as a collective, for which, it is necessary to interpret their social roles. Both deduction and induction research approaches were executed in the study. Existing theory and previous research work were used to help in the planning and designing of the study. The fieldwork was conducted in order to obtain much detailed information about the participants' opinions, understand and explore participant's views and experiences. After analysis of results, the findings of the research were put back into the context of other theories and existing research findings. This research implemented explorative research and qualitative inquiry to explore the different dimensions of the problem, and to develop understanding of the research framework. This study was based on grounded theory a research method in which theory is developed from the data, rather than the other way round (Acheampong, 2011; Davidson, 2002). This makes it an inductive approach, meaning that moves from the specific to the more general. It is a method of using empirical data without pre-conceived theories (Thomas and James, 2006). Hence the research participants were the primary source of data and provided information through interviews. They were chosen on the basis of their involvement in BnB and guesthouse operations

In terms of the empirical level, descriptive information was collected on certain demographic variables of stakeholders involved tourism activities and other information on tourism businesses, in order to examine the theoretical underpinnings in the BnB and guesthouse operations in the tourism industry in Mthatha. From the perspective of the actual level, explanatory-based information was collected from the stakeholders to obtain an understanding of the concrete factors influencing unequal operations in the BnB and guesthouse operations.

### **Population and sampling aspects of the study**

The research instruments used included a mix of semi-structured questionnaires, unstructured interviews and participant observation. The validity and the reliability of any research project depends to a large extent on the appropriateness of the instruments used (Acheampong and Tseane-Gumbi, 2016:4-5). Whatever procedure one uses to collect data, it must be critically examined to check the extent to which it is likely to produce the expected results (Annum, 2015).

According to Aliber, Maharaj, Kirsten, Nhlapo-Hlope, and Nkoane. (2006), the variables that are selected in a study of this nature, in addition to being quantifiable and/or qualitative, should include descriptive and comprehensive performance measurements and sufficient problem indicators to cover the geographical, political, historical, environmental, economic, cultural, and other important dimensions of the issues at stake. Employing several variables or indicators to measure variations in certain social conditions helps to present comprehensive pictures of the situation that can then be subjected to explanation (Acheampong and Tichaawa, 2015). In terms of such a procedure, each of the selected variables is therefore expected to constitute a meaningful indicator of the condition to be analysed. Since the study focused on female-entrepreneurs, purposive snowballing technique was used to target 10 female owners of B&B and Guesthouses in Mthatha in the King Sabata Dalindyebo Local



Municipality (Hlaunyane, 2016). Face-to-face, in-depth and semi-structured survey and interview guide were employed to collect the primary data.

The Interview schedule was developed on the basis of the literature review in order to provide guidance and to ensure consistency throughout the interview process. Data was sought on the following: biographic profile that included age, marital status, educational background and type of establishment; motivation to get into this sector; challenges, including impacts on business and overcoming those challenges; and possible advice to prospective entrepreneurs. Thematic analysis was used to analyse data in order to identify similarities and differences in challenges facing female-entrepreneurs who own B&B and Guesthouses in Mthatha. The data was transcribed manually in order to ensure accurate and relevant analysis. The study used trustworthiness and authenticity as the method of evaluating qualitative data compiled.

## **Findings and discussion**

### **Biographic data obtained from the female-entrepreneurs**

Data collected on the biographic profile of the ten female respondents, in terms of gender, age, marital status, educational level, occupation and type of establishments they operate, found that they ranged in age between 35 and 64 years old. About 40 percent of respondents were between the age group of 55-64; another 40 percent belong to the age group of 45-54; and only two (20%) were below 40 years. The results shows that majority of female participants who are entrepreneurs are above 30 years. This is because these females have been involved in some economic activity before getting involved in this accommodation business. The motivation that drove them into this business and their cumulative experience have made them savvier than younger women.

In response to their marital status, 50 percent indicated they were single; 30 percent were married; and 10 percent each were either divorced or widowed. The reason for this question is to establish the marital status of respondents, in order to find out if there is a connection between the marital status of the women and their decision to be self-employed. The results show that half of the respondents who are entrepreneurs are single and these results contradicts the view of Yusuf, Olagbemi & Atere (2011:8) that married women work harder in managing businesses because of social, financial and psychological support than single, divorced or widowed individuals.

In terms of the level of education, about 40 percent of the respondents were educated up to postgraduate; another 40 percent undergraduate; and only 20 percent are educated up to high school level. However, none of the ten respondents has had education and training in tourism and hospitality. The respondents' educational backgrounds ranged from teacher education, health and general work. In terms of previous work experience, the respondents had been in education, health and general workers. This indicates that educational background in the tourism and hospitality sector does not determine success in running a business in the sector. The study revealed that even though female-entrepreneurs do not have educational background in tourism and hospitality industry, good academic background makes women to be confident when dealing with problems in business is an effective manner (Sharma, 2016).

Information obtained on the type of establishments owned by these female-entrepreneurs revealed that 60 percent of the respondents owned bed and breakfast establishments and the remaining 40 percent owned guesthouses in Mthatha. This means most female-entrepreneurs in Mthatha own bed and breakfast establishments with an average of nine rooms each.



Respondents were asked to indicate what motivated them to start their own businesses as female-entrepreneurs in the tourism and hospitality sector. Different views were mentioned as the motivating factors, namely: better income, independence, job satisfaction, retirement, opportunity in the market, and flexibility. About 100 percent of the respondents interviewed revealed the need for better income in order to provide for their families. They needed to get into this business so that they will be able to supplement their monthly income to meet their economic needs. This confirms the views of Yu & Yan (2015:195) that women start businesses because they have economic necessity. They also believe that economic reasons necessitate women to seek other employment options and they end up being pushed into entrepreneurship ventures which are of course, risky in volatile markets such as those of developing nations. Henning (2007:3) describe economic reasons for going into business as a simple way of earning money and/or additional income.

On the question of independence, 70 percent of the female entrepreneurs revealed that the attempt to become business owners was to be self-employed, have their own businesses, and be independent to make their own decisions and take control of their lives. Akhalwaya & Havenga, (2012:13) believe female-entrepreneurs are motivated to start their businesses because they need to be independent, economically self-sufficient and be successful in their ventures.

About 30 percent of the female entrepreneurs indicated the constant system changes and the uncertainties within the public sector as their reasons for quitting their jobs to venture into their own businesses within the tourism and hospitality sector. About 10 percent of the respondents indicated frustration and demotivation with new operating systems in the government departments as reasons for their resignation. Twenty percent of other respondents with only high school qualification, and were just general workers as clerks and cleaners, quit their jobs to be their own bosses. According to Prathamesh (2013) job dissatisfaction is one of the driving forces for female entrepreneurs to be self-employed. It occurs when there is negative attitude of employees towards their jobs. Thurink & Dejardin (2012:180) highlight that job dissatisfaction is one of the most important predictors of job mobility and that is why various kinds of dissatisfaction are conducive to job mobility and the propensity to become self-employed.

About 40 percent of the respondents revealed that they had retired and could not stay at home and not be economically active when they had the passion to host other people, hence, the desire to start a bed and breakfast business. They, therefore, took their retirement as a great opportunity to venture into business and to supplement their meagre retirement income. The other 60 percent of the respondents saw a real business opportunity to venture into this sector because accommodation was woefully inadequate for the large number of visitors and business people who either come to or pass through Mthatha, a major administrative centre for the northern regions of the Eastern Cape Province. Consequent to limited hotels and other accommodation units, most of the visitors and business people prefer to come for a day's business and go back, and visitors prefer to pass through to East London, a metropolitan city, only 260 kilometres away, with diverse offerings in the hospitality sector. Iwu & Nxopo (2015), and Hlanyane (2012) agree that female-entrepreneurs choose to become entrepreneurs because of the opportunities that are available such as lack of accommodation. According to Nieman & Niewenhuizen (2009:9), an entrepreneur is a person who sees an opportunity in the market, gather resources, creates and grows a business venture. An entrepreneur is responsible for scanning the business environment for unexploited opportunities (Nieman & Niewenhuizen, 2009:20), and takes initiative to exploit them (Barrow, 1993:14).





The findings revealed that respondents with dependents preferred to work in an environment where there is flexibility in working hours and schedules. However, they felt that working for someone in such an environment, whether in the public or private sector was a Shangri-La, except in one's own business. All the respondents were unanimous that running their own businesses offered them flexible and stress-free working hours. Running their own businesses from the comfort of their homes offers them immense opportunity and flexibility to adapt their work schedules to suit their domestic and family responsibilities. Female-entrepreneurs enjoy flexibility in their businesses because it allows them to organise their businesses around their personal obligations of looking after their family (Maas & Herrington, 2007). Achieving a balance between home and work is a strong motivation for female business owners (Kirkwood & Tootell, 2008). Flexibility allows female-entrepreneurs to use their time to see to their businesses as well as to involve themselves in other activities such as networking and leisure (Akhalwaya & Havenga, 2012:13).

### **Challenges facing female-entrepreneurs**

The female-entrepreneurs were asked to identify the challenges they faced in the hospitality industry in Mthatha. Some of the challenges identified included sources of capital and limited access to finance, infrastructure such as electricity water and roads, and balancing work and family life, seasonality, poor customer service, corruption/bribery, inability to network and lack of skills development initiatives and mentorship as some of the challenges they faced. Sources of capital and lack of access to finance, topped the debilitating problems facing female-entrepreneurs, in view of the competitive nature of the industry and the huge cost implications. To start the business, grow and expand that business and maintain the property has huge cost implications in addition to running costs. About 80 percent of the female-entrepreneurs highlighted that they used their personal and family savings, as their sources of capital. All the 80 percent realized that such sources were inadequate and had to approach relatives and friends for financial support. They relied on the personal and family savings, instead of considering the banks for financial assistance because of their stringent loan requirements and interest rates.

Infrastructure challenges such as electricity, water and roads featured prominently in the responses obtained. This is actually a major problem for all businesses and residents of this city. All participants unanimously voiced out the frequency of power outages and water as their biggest challenge in operating their businesses. Mthatha and the surrounding area is notorious for frequent power blackouts and water shortages due to municipal inability to service residents adequately. The city can be without electricity and water for hours and days without any explanation from the municipality. Telephone calls to the Customer Service Department of the Municipality can go on for hours unanswered. This regular power and water outages result in close of business for hours or days creating a negative impact on businesses - low productivity, damage to electrical appliances and drastic increase in operating costs. Another related challenge mentioned by all the female entrepreneurs was poor service from municipality, shockingly high electricity costs and mismanagement of municipal bills by the service provider, UMTIZA, a local private utility company responsible for electricity distribution in Mthatha. This maladministration of utilities is seriously depreciating the meagre investments they are making in their businesses. The state of major roads into the city and conditions of the streets were cited by these female-entrepreneurs as a major challenge to their businesses. They reasoned that poor road conditions make it difficult for clients to reach their businesses. Most of the streets are seriously potholed and thus dangerous and resulting in vehicular and pedestrian hazards. Poor quality of infrastructure development within the small business environment damages the growth and expansion of all business programmes (Agbenyegah, 2013:213).



The respondents unanimously acknowledged their distress of striking a balance between family and business life as their major challenge. They reckon it is very difficult to run their businesses and be involved in family responsibilities since they have had to work on weekends and holidays. This creates conflicts between them and their spouses, especially the married ones, and they are usually seen to be shirking their family responsibilities. About 80 percent of them have had to send their children, some as young as seven years old, to boarding schools because they are unable to help them with their school work, projects and school events, due to time constraints. About 60 percent of the respondents talked of limited time in attending formal business meetings, workshops and trainings, where they could network with their contemporaries because the limited time available has to be shared between family and business. Most female-entrepreneurs operate on a small scale, and are generally not members of any professional organizations or other networks, which makes it difficult for them to access information. Most of the existing networks are exclusively male-dominated and sometimes not particularly welcoming to females. Even when a female does venture into these networks, her task is often more difficult because most network activities take place after regular working hours. Lack of networking deprives women of awareness and exposure to good role models (Wube, 2010:29). They, therefore, believe they are losing out greatly on the benefits that flow from business networking. In response to the situation, Stander (2011:40) defines work-family conflict as a form of inter-role conflict arising because of pressures emanating from one role that was incompatible with those from another role. They are affected by pressures of being perfect mothers and successful female-entrepreneurs at the same time (Keating, 2012).

The respondents complained about the seasonality of the industry as a challenge in their business performances. During the holiday season, the city receives a lot domestic and international visitors who come on vacation to visit friends and relatives and to experience the diverse tourism products the Wild Coast region has to offer. It is during this time that demand for accommodation is at premium. Bowie & Buttle (2011:25) define seasonality as the fluctuations in demand at any given period. They highlighted that seasonality affects them economically, in that they lose profits since tourism and hospitality businesses depend on tourists and visitors into the area. The demand for accommodation in B&Bs or guesthouses is contingent on season, time and the activity. The best period for visitors and business people to the area is in the middle of the week for business activities, and during the peak holiday season of Christmas and New Year in summer, Easter and during local events. Outside these periods, business can be very slow, and they can go for weeks without any bookings and that seriously affects the business revenue.

Poor customer service and bribery and corruption endemic in government institutions was mentioned as a challenge by 60 percent of the respondents. They revealed that they are not satisfied with service from government institutions. They mentioned that dealing with government institutions is very stressful due to poor customer service, the fact that the wheels of government processes turn too slowly for services such as registering a businesses and the fact that bribery and corruption is rife. They complained that unnecessary bottlenecks are placed in their way for very simple service and you need to “do something” to get the service you want. Some respondents, about 30 percent, lamented that they have been made to submit same documents on three occasions because what was initially submitted could not be traced. With reference to bribery and corruption, respondents unanimously recalled that one needed to know people in high places or be known in the right platforms in order to do business with public institutions. In some instances, desperate people have had to compromise on personal principles and yield to certain favours in order to get what they are looking for. Public officials have dealings with certain accommodation establishments and prefer to book accommodation with such establishments for their out-of-town officials, for a cut in the revenue accruing to the



owners. Financial support and grants offered by government to support needy small-scale business owners are given to people who are able to pay bribes or are known in the correct government circles. Poor customer service due to bureaucratic nature of government operations and ignorance on the part of public officials, have been identified by Blem (2009:10) as demotivating factors affecting female-entrepreneurs in starting their own businesses.

Considering skills development and mentorship initiatives, all respondents are educated but do not have any formal qualification in any tourism and hospitality skills development programmes. That has negatively impacted on the management and performance of their businesses. Respondents were asked if workshops, seminars and courses on managing their businesses are currently being offered on tourism and hospitality.

Over 50 percent of the respondents claimed to have attended such programmes and do agree that such remedial programmes are of great assistance to someone operating in this dynamic industry that tries to satisfy the needs and wishes of their clientele. The rest of the respondents were not sure of the benefits of such training programmes because they have never attended such programmes. Even if offered, they could not afford the costs of such training usually provided by the private sector. They could also not afford the time away from their businesses and family responsibilities to attend week-long programmes. On the question of mentorship, 80 percent of respondents had not had any experience, either from the public or the private sector. As a result it is difficult to maintain standard of their businesses performance. Only 20 percent have had some informal engagement with some BnB and guesthouse operators.

All the challenges described above have had debilitating effect on the business operations of over 80 percent of these female-entrepreneurs operating in Mthatha, and as a result some of the businesses are limping. Incidentally, it has never crossed the minds of the respondents to throw in the towel. They seem to enjoy it and are determined to continue with their operations, in the knowledge that with proper support and guidance they believe they can make it. In view of their optimism, they were asked to indicate how they hope to overcome these challenges if they were given an opportunity. A plethora of views were expressed by these female-entrepreneurs in anticipation to building solid empires in the tourism and hospitality industry.

### **Overcoming the challenges**

To overcome some of these challenges the female-entrepreneurs faced in the performance of their businesses, a plethora of ideas were shared. On the chronic electricity supply problem, these female-entrepreneurs have resorted to acquisition of power generators to stabilize electricity supply. This has drastically reduced the frequent power outages, with its concomitant destruction of electrical appliances, to ensure an uninterrupted business operation. Most of the female-entrepreneurs have been dependent on their personal savings to finance their businesses, while others borrowed from friends and relatives. Some even go to the extent of paying bribes in any form to access public funding for their business requirements. In terms of balancing work with family responsibilities, dependence on family and friends, strict time management, delegation of duties, self-discipline, assertiveness, persistence, ambition and determination, were some of the coping mechanism used by most female-entrepreneurs. Most of them found networking as highly beneficial in the overall performance of their businesses. It empowered them on latest information and developments in the industry, as well as marketing their businesses and communicating with their clients.

On the seasonality problem of the industry, some female-entrepreneurs have resorted to keeping a skeletal staff, while using part-time staff. Others even use tourism and hospitality students from the nearby university for experiential and internship training, instead of hiring



full-time employees. This has helped tremendously in stabilising revenue generation and growth in business.

## **Conclusion and recommendations**

The accommodation sector of the tourism and hospitality industry has become a very sore point in the promotion of tourism in Mthatha, the administrative centre of Oliver Reginald Tambo District and King Sabata Dalindyebo Local Municipalities, as alluded to elsewhere in this article. In view of the considerable benefits tourism makes to the economy of Eastern Cape and South Africa, as whole, a lot of work is required in Mthatha, if the city does not want to be player but a spectator. It is for this reason that the two municipalities need to create conducive atmosphere by providing the requisite infrastructure for entrepreneurship within the tourism and hospitality industry. Female-entrepreneurs must be encouraged in the same vein as the male counterparts. Unnecessary bottlenecks that tend to thwart the efforts of these female-entrepreneurs and the hostility they encounter in accessing certain public services must be obliterated in the business landscape.

It is recommended that female-entrepreneurs must have positive attitude for success and should not be intimidated by their male counterparts. With a positive outlook and an appetite for success, there is no way they can give up on their dreams because of some obstacles confronting them. Female-entrepreneurs should be prepared to take calculated risks in order to make use of the opportunities identified in the business environment (Nieman & Niewenhuizen, 2009:15). They should be able to prepare a good business plan to clarify the purpose and direction of the business and to understand what needs to be done and to create future vision. Female-entrepreneur should be innovative and creative in order to increase their chances of success, through market research, to know the needs and requirements of their target market. They should know their competitors and what can be done to outsmart those competitors, by determining the competitive advantage and differentiating it from other businesses (Nieman & Niewenhuizen, 2009:20). An entrepreneur should offer quality products and services, in line with pricing, to be competitive in business.

Financial institutions should offer reasonable interest rates for female-entrepreneurs with the view of broadening their clientele base and developing productivity. Credits should be accessed based on business potential, not past reputation alone. They should allow women to use their movable assets as security for financing. Banks should create partnerships and build better relationships with potential female clients. Government should create awareness of the contribution of female-owned businesses to the national economy. Government must also offer proficiency training programs or other capacity building courses to teach women about financial products and services. Government should strengthen and extend budgetary base with credit departments and insurance bureaus to help women establish their credit worth so that they can reduce the cost of making loans. Government should encourage banks to give loans to women through programmes such as credit subsidies and limited credit guarantee programs (Chinomona & Moziriri (2015). Female-entrepreneurs need to be in the communication loop for training opportunities through seminars and adverts on social media to develop linkages with their counterparts elsewhere. Public officials should be more friendly and available for service to all people and refrain from bribery and corruption. Female-entrepreneurs should be encouraged to be whistle-blowers in event of bribery and corruption.

Female-entrepreneurs should also encourage local tourism stakeholders to broaden off-season markets by providing products and activities such as festivals and conferences during the off-peak season. The problem of physical emotional and psychological issues affecting the well-being of female-entrepreneurs in combining entrepreneurship with family responsibilities, is a thorny one. This can be addressed by capacity developers through



information, preparing and advising on time management and strategies for managing stress. It is recommended that this should be placed on the agenda of capacity development organizations for long-term arrangements that include bringing awareness and engaging men in the discussion on how women's time constraints affect their ability to become successful entrepreneurs.

The purpose of the article was to investigate the challenges faced by female-entrepreneurs in tourism and hospitality industry in Mthatha, in the King Sabata Dalindyebo Local Municipality. From the results discussed above, it can be concluded that female-entrepreneurs face a lot of challenges in the performance of their businesses in the accommodation sector of the tourism and hospitality industry. Recommendations on how to overcome these challenges in order to increase performance of female-entrepreneurs businesses have thus been highlighted.

## References

- Acheampong, K.O. (2015). Tourism policies and the space economy of the Eastern Cape Province of South Africa: A critical realist perspective. *African Journal for Physical, Health Education, Recreation and Dance*, 21(3: 1), 744-754.
- Acheampong, K.O. & Tichaawa, T.M. (2015). Sustainable tourism development challenges in the Eastern Cape Province, South Africa: The informal sector operators' perspectives *African Journal for Physical, Health Education, Recreation and Dance (AJPHERD)* December (Supplement 1), pp. 111-124.
- Acheampong, K.O. (2011). *The tourism sector, development policy and inequalities in the development of the Eastern Cape*. Unpublished PhD thesis. Pretoria: Unisa.
- Acheampong, K.O. & Tseane-Gumbi, L. (2016). Tourism in the SADC region and challenges facing the youth market: the Mozambican experience. *African Journal of Hospitality, Tourism and Leisure Vol. 5 (4)* ISSN: 2223-814X Copyright: © 2014 AJHTL - Open Access- Online @ [http://: www.ajhtl.com](http://www.ajhtl.com)
- Acheampong, K.O. (2001). *The Changing Nature and Potential of the Tourist Industry in the Wild Coast Region of the Eastern Cape Province* Unpublished Thesis submitted to Buckinghamshire Chilterns: BCUC, UK
- Agbenyegah, A.T. (2013). *Challenges facing rural entrepreneurship in selected areas in South Africa*. Potchefstroom: North-West University. Unpublished thesis for the award of Doctor in Business Administration, p1-521
- Akhalwaya, A. & Havenga, W. (2012). The barriers that hinder the success of women entrepreneurs in Gauteng, South Africa. *OIDA International Journal of sustainable development*, 3 (5): 12-28.
- Aliber, M., Maharaj, R., Kirsten, M., Nhlapo-Hlope, J. & Nkoane, O. (2006). Overcoming underdevelopment in South Africa's second economy. *Development Southern Africa*, 23(1), 45-61.
- Annum, G. (2015). *Research instruments for data collection*. Available from: <http://campus.educadium.com/newmediart/file.php/1/giilmadstore/UgradResearch/ThesisWrit4all/files/notes/resInstr.pdf> [Accessed on 20 July, 2016]
- Barrow, C. (1993). *The Essence of Small Business*. Prentice Hall, NY.



- Blem, N. (2009). *Service Please South Africa*. Juta. South Africa
- Botha, S. & Musengi, S. eds. (2012). *Introduction to business management-fresh perspectives*. Pearson Education. South Africa.
- Bowie, D. & Buttle, F. (2011). *Hospitality Marketing: principles and practice*. Routledge, London.
- Business Partners. (2009). *Business Partners Women's Fund*. <http://www.businesspartners.co.za>. Date of access 13 April 2016.
- Charles, V. & Gherman T. (2013). Factors Influencing Peruvian Women to Become Entrepreneurs. *World Applied Sciences Journal*, 27(10): 1345-1354
- Chinomona, E. & Maziriri, E.T. (2015). Women In Action: Challenges facing women entrepreneurs In the Gauteng Province of South Africa. *International Business & Economics Research Journal* 14(6), p 835-850
- Chon, K. & Maier, T.A. (2009). *Welcome to hospitality: An introduction*. Cengage Learning.
- Chordiya, K.D. (2013). *Problems Faced by Women Entrepreneurs in Rural Area (2)*, 1, 389-396.
- Davidson, L. (2002). *Grounded Theory: Techniques for Analyzing Data*
- Devi, C.N. (2015). Women Entrepreneurs in Manipur. *International Journal of Humanities & Social Science Studies*, 2 (2), p. 150-156
- Eastern Cape Economic Socio-Economic Consultative Council (2017). *King Sabata Dalindyebo Local Municipality Socio Economic Review and Outlook*. An ECSECC Publication, ECSECC, Vincent, East London
- Eastern Cape Socio-Economic Consultative Council, (2009). *Human Development Index (HDI) of District Municipalities*. An ECSECC Publication, ECSECC, Vincent, East London
- EOY. (2012). *More female entrepreneurs needed in South Africa*. <http://www.eoy.co.za/post/more-female-entrepreneurs-needed-in-sa-5241>. Date of access 4 June 2016.
- Erasmus, B.J., Strydom, J.W. & Rundansky-Kloppers, S. (2013). *Introduction to business management. 9th ed*. Oxford University Press.
- Fatoki, O. (2014). Factors motivating young South African women to become entrepreneurs. *Journal of Social Science*. 5(16), p184-190
- Fisk, S. (2015). *Gender biases and women-led enterprise*. <http://gender.stanford.edu/news/2015/gender-bias>. Date of access 5 June 2016.
- Forbes. (2013). *Around the World, Women Entrepreneurs are on the Rise*. <http://www.forbes.com/sites/tompost/2013/03/27/around-the-world-women-entrepreneurs-are-on-the-rise>. Date of access 15 June 2016.
- Henning, R. (2007). *Effective guest house management. 3rd edition*. Juta, Cape Town.



Hlanyane, T.M. (2016). *An Investigation into the challenges faced by female entrepreneurs in Tourism and Hospitality Industry in Mthatha*. An Unpublished MBA dissertation submitted to MANCOSA

Hlanyane, T.M. (2012). *Assessing the status of women owning bed and breakfasts*. Unpublished Dissertation in Hospitality and Tourism. Durban University of Technology, p. 1-46

Ifeanyi, U.O. & Ehiabhi, T.A. (2011). Problems, Challenges and Prospects of Female Entrepreneurs in Gwagwalada, Abuja. *International Multi-Disciplinary Journal*, (5), 3, pp.226-246.

International Finance Corporation (IFC) and the World Bank. (2014). *Voices of women entrepreneurs in Kenya*. <http://www.ifc.org/voices+of+Women+Entrepreneurs+In+Kenya.pdf>. Date of access 14 May 2016.

Iwu, C.G. & Nxopo, Z. (2015). Determining specific support services rendered by female entrepreneurs in the South African Tourism Industry. *African Journal of Hospitality, Tourism and Leisure*, 4(2), p.1-13

Keating, K. (2012). *Female entrepreneurs and the challenges they face*. <http://blog.fundinggates.com/2012/11/female-entrepreneurs-and-the-challenges-they-face/>. Date of access 6 June 2016.

Kgosiemang, R. (2015). *The biggest challenges women entrepreneurs need to overcome; expert view on obstacles faced by today's female entrepreneurs*. <http://www.smwsouthafrica.co.za/15915/here-are-biggest-challenges-women-need-to-overcome/>. Date of access 2 June 2016

Kirkwood, J. & Tootell, B. (2008). Is entrepreneurship the answer to achieving work-family balance? *Journal of Management and Organisation*, 14, p 285-302

Krishna, S.M. (2013). Entrepreneurial Motivation: A Case Study of Small Scale entrepreneurs in Mekelle, Ethiopia. *Journal of Business Management & Social Science Research*, 2(1): 1-6.

Kumar, S.A. (2008). *Small business and Entrepreneurship*. I.K. International Publishing House, New Delhi

Kuratko, D.F. & Hodgetts, R.M. (2007). *Entrepreneurship: Theory, Process, Practice*. 7th ed. Thomson, Mason, OH, South-Western.

Lehohla, P. (2017). Stats head reflects on dire numbers in Eastern Cape. *Daily Dispatch*, August 11, 2017, page 4. Daily Dispatch Publishers, East London

Maas, G. & Herrington, M. (2007). Global Entrepreneurship Monitor (GEM), South African Report 2006. University of Cape Town, Graduate School of Business, Cape Town

Mauchi, F.N., Mutengezanwa, M. & Damiyano, D. (2014). "Challenges faced by women entrepreneurs: A case study of Mashonaland Central Province", *International Journal of Development and Sustainability*, (3), 3, pp. 466-480.

Mureithi, M. (2012). *Barriers and facilitators of youth entrepreneurship in the tourism sector in South Africa*. <http://repository.up.ac.za/handle/2263/51280>. Date of access 14 May 2016.



Mwobobia, F.M. (2012). The challenges facing small-scale women entrepreneurs: A case of Kenya. *International Journal of Business Administration*, 3(2), p.1-10.

Nieman, G. & Niewenhuizen, C. (2009). *Entrepreneurship: A South African Perspective*. Van Schaik. Pretoria South Africa

Ofie, S. (2015). Women entrepreneurs-on increase. Financial news24 17November. <http://fin24.com/fin2/entrepreneurs/news/women-entrepreneurs-on-the-increase-2014/17>. Date accessed 05 June 2016.

Prathamesh, R. & Ganesh, V.T. (2013). *Job dissatisfaction*. <http://www.slideshare.net/parabprathamesh/job-dissatisfaction>. Date of access 20 July 2016

Raftopoulos, A. (2010). *Customer satisfaction in the Hospitality Industry: the effect of service quality*. [http://dratte/Acad.conferences\\_files/2ndICTHM-Eb.pdf](http://dratte/Acad.conferences_files/2ndICTHM-Eb.pdf). Date of access 14 May 2016.

Saini, B. (2014). Women Entrepreneurs in India: Emerging Issues and Challenges: *The International Journal of Business and Management*, (2), 2, pp 30-39

Sharma, P. (2016). *Women Entrepreneurs: Challenges & Opportunities*. <http://www.internationalseminar.org>. Date of access 20 June 2016.

South Africa Good News. (2007). *Tourism sector to create 80,000 jobs for 2010*. <http://www.sagoodnews.co.za/tourism>. Date of access 17 April 2016

Stander, C.J. (2011). *Exploring women entrepreneurship in selected areas in South Africa*. Mini-dissertation for the degree Master in Business Administration at the North-West University, Potchefstroom Campus, p 1-114

Symanowitz, C. (2012). Supporting our women entrepreneurs; how does South Africa stack up? *Finweek magazine 29 November*. <https://colettesymanowitz.com/2012/12/13/supporting-our-women-entrepreneurs-how-does-south-africa-stack-up>. Date of access 15 May 2016

Thebaud, S. (2015). *Status beliefs and the spirit of capitalism; accounting for gender biases in entrepreneurship and innovation*. <http://dx.doi.org/10.1093/sf/sov042>. Date of access 5 June 2016.

Thomas, G. & James, D. (2006). Re-inventing Grounded Theory: Some Questions about Theory, Ground and Discovery, *British Educational Research Journal*, 32 (6), 767–795

Thurink, R. & Dejardin, M. (2012). *Entrepreneurship and culture*. Dissertation in entrepreneurship studies. Routledge, pp 175-186

Tsele, L. (2015). *Female entrepreneurship in South Africa*. <http://www.smesouthafrica.co.za/15922/female-entrepreneurship-is-south-africa-winning-the-gender-inequality-struggle>. Date of access 4 June 2016.

Van der Merwe, M. (2015). The entrepreneur and entrepreneurship: A South African Perspective, G.Nieman, J.Hough, & C. Nieuwenhuizen, (Eds.). Van Schaik, Pretoria.

Wube, M.C. (2010). *Factors affecting the performance of women entrepreneurs in micro and small enterprises*. Thesis for Master of Arts in Technical and Vocational Education Management. <http://www.unevoc.unesco.org/e-forum/thesis%20final.pdf>. Date of access 4 June 2016.





Yu, F.T & Yan, H.D. (2015). *Handbook of East Asia: Entrepreneurship Eds.* Routledge.

Yusuf, O.S., Olagbemi, A.A. & Atere, A.A. (2011). *Determinants of small and medium enterprises (SMEs) performance in informal economy in Lagos State.* [http://www.journalsbank.com/ejhss\\_27\\_1.pdf](http://www.journalsbank.com/ejhss_27_1.pdf). Date of access 15 July 2016

Zulu, L. (2015). Conditions for SA's female entrepreneurs are 'criminal'. *Daily Marverick 20 August.* <http://www.dailymarverick.co.za/article/2015-08-20-lindiwe-zulu-conditions-for-sas-female-entrepreneurs-are-criminal>. Date of access 02 June 2016