Empowering Rural Women in the Hospitality Industry through Small, Medium and Micro Enterprises

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The purpose of this paper is to examine the strategies used to empower rural women in the hospitality industry through Small, Medium and Micro Enterprises (SMMEs). It focuses on the Eastern Cape province, South Africa. The paper focuses mainly on the Morgans Bay Bed and Breakfast, one of the vibrant SMMEs that employ many rural women. This paper adopts an interpretive paradigm that utilises a qualitative research approach to examine how Small and Medium Enterprises in the hospitality industry empower rural women. Purposive sampling was used to identify fifteen participants working at Morgans Bay Bed and Breakfast in the Eastern Cape province. The participants who responded to the semi-structured interview questions had detailed information on the hospitality industry. The findings of the study highlight various challenges experienced by the owners of Morgans Bay Bed and Breakfast in their effort to empower rural women. The challenges include low levels of education among rural women to venture into more vibrant SMMEs within the hospitality industry, limited financial support for women startups and limited business and managerial knowledge on how to drive SMMEs as part of promoting women empowerment and growth to curb rural poverty and vulnerabilities. The conclusions drawn from the study indicate the importance of rural development, hospitality management and SMMEs development in sustaining the livelihoods of rural people. The paper recommends that the government of South Africa and stakeholders should provide financial support to rural residents, which will enable them to kick start agribusinesses to sustain their families.

**Key words:** Women Empowerment; Rural development; Hospitality management; SMMES,
Introduction

Empowering women in rural areas is one of the aims of the South African government, which seeks to achieve this through the National Development Plan Vision 2030. Rural women present the sad scenario where patriarchy, among other factors, acts against women empowerment, although this trajectory has since changed in South Africa. Rural women in the Eastern Cape province have a chance to contribute meaningfully to household income through various SMMEs that are influential in advancing the hospitality industry. Therefore, women entrepreneurial ventures are the backbone of societal growth, generation of employment and an increase in household income. Studies by Bruton et al. (2013) and Tedmansin et al. (2012) show that entrepreneurial activities are regarded as universal remedies to global socio-economic woes such as poverty and inequalities as well as a springboard for personal empowerment. The dynamic tourism in the hospitality industry in the Eastern Cape province presents an opportunity for rural women to thrive in various sectors such as bed and breakfast and crafting among other SMMEs. Women entrepreneurship is crucial for growing the economy and creation of wealth in developing economies (Chamlou 2008). Alkhaled and Berglund (2018) argue that women empowerment implemented through rural entrepreneurship programs should be regarded as a route for social change. As highlighted by Steyaert and Hjorth (2008), women can transform their impoverished status through entrepreneurship, which is a backbone for generating household income. With the right atmosphere where equal opportunities are rendered despite gender status, women can thrive in rural entrepreneurship, which is a pivotal step towards curbing rural poverty and promoting rural development (Rindova, Barry & Ketchen, 2009). Therefore, rural SMMEs in South Africa should be regarded as drivers of economic growth and social change, especially in communities where patriarchal ‘bondage’ could not afford women such opportunities. The hospitality industry is thus one of the main entrepreneurial ventures that women in the Eastern Cape have embarked on to transform their living standards, create jobs and generate income for their households.

The many socio-economic ills bedeviling communities in rural Eastern Cape presently are attributed to a harsh apartheid legacy. As argued by Chimucheka (2013), the social ills triggered by apartheid demand urgent attention as a way of mitigating the triple challenges of poverty, unemployment, and inequalities. Many of the challenges confronting rural South Africa require large-scale transformation and investment in sectors such as the tourism and hospitality industry given the many attractions in the Eastern Cape province (Nomnga 2017). This paper examines the challenges facing Morgans Bay Bed and Breakfast as a growing SMME that serves a wide range of tourists. Despite being an ideal destination for adventure and family holidays, Morgans Bay Bed and Breakfast has experienced several challenges as an entrepreneurial venture, which adversely affect women empowerment within this hospitality industry. The challenges include low levels of education among rural women to venture into more vibrant SMMEs within the hospitality industry, limited financial support for women startups and limited business and managerial knowledge on how to drive SMMEs as part of
promoting women empowerment and growth to curb rural poverty and vulnerabilities. Jagongo and Kinnyua (2013) argue that inadequate business knowledge on how to connect effectively with the target market constrains rural SMMEs in South Africa. Therefore, the paper seeks to close the gap developed due to the challenges and ensure that rural women get equal access to finance to spearhead their entrepreneurship ventures. The study’s main objectives seek to identify and explain the factors affecting women empowerment using SMMEs in rural Eastern Cape and assess the challenges facing SMMEs owners in their efforts to empower rural women in the hospitality industry.

Methodology

To collect qualitative data on the challenges facing rural women working in the hospitality industry, the research employed an interpretive paradigm based on the use of a qualitative research approach. The approach assisted in examining how Small and Medium Enterprises are used within the hospitality industry to empower rural women. A purposive sampling technique was used to identify fifteen participants working at Morgans Bay Bed and Breakfast in the Eastern Cape province. The participants had detailed information regarding the hospitality industry and they responded to semi-structured interview questions. The semi-structured interviews helped the researcher to gain detailed information on the subject (Roberts, 2020). The researcher strictly selected rural women who were working at Morgans, as these were the focus of the study. The interviews were conducted in isiXhosa and later translated into English. The use of an indigenous language enabled the researcher to obtain in-depth data from the participants, most of whom came from disadvantaged backgrounds. With the consent of each participant, the interview sessions were recorded. Each interview session lasted about 30 minutes, but this depended on the knowledge the participants had on the subject matter. Secondary sources such as peer-reviewed articles were employed to validate the qualitative data obtained from the participants. Cooper and Schindler (2011) argue that the literature from documented material should be viewed on equal terms as field notes.

Theoretical and empirical perspectives

To demonstrate how people can be motivated to improve their lives and contribute to the economy of their countries, the paper draws from McClelland’s (1961) Theory of Motivation. As assumed by this theory, every individual has three driving motivators that include the needs for achievement, affiliation and power. These motivators are developed through culture and life experiences. The theory assumes further that achievers are eager to solve challenges and achieve their goals. McClelland (1961) further assumes that the entrepreneur displays intuition, vigour, energy, persistence and self-esteem, which are natural-born abilities that training cannot influence in any way. Therefore rural women in the Eastern Cape can utilise the McClelland Theory of Motivation to develop their entrepreneurship skills that help them be sustained within the hospitality industry. Their end goals are to generate employment and household income through establishing SMMEs in the hospitality industry which present a
variety of opportunities. Letting go of fear and taking the high risks is what McClelland advocate for to become a high achiever. By taking risks, rural women can look for funding to support their SMMEs which also vital for women’s economic development.

**SMMEs as entrepreneurship strategies in the hospitality industry**

The dynamic tourism and hospitality industry is being championed by various entrepreneurship ventures, such as the hotel and restaurant industry, bed and breakfast, travel, and tourism companies’ car rental services (Rogerson 2005). These entrepreneurial activities provide freedom, autonomy and empowerment to women and allow them to stand a chance to liberate themselves from male domination and to be able to rewrite all the societal ills (Gill and Ganesh, 2007). Entrepreneurship, therefore, assists in empowering women to alleviate poverty in the communities in which they reside, which is crucial for not only embracing women’s talent but also for considering them as human beings capable of spearheading socio-economic development (Scott et al. 2012; Datta and Gailey 2012). Many studies conducted on women’s empowerment have revealed that entrepreneurship has the potential to generate personal gains for women while breaking patriarchal boundaries (Al-Dajani et al. 2015; Goss et al. 2011).

Although SMMEs as entrepreneurship ventures can empower women who are from repressive systems in societies, their effectiveness has often been a subject of debate. Jennings, Jenning and Sharifafian (2016) and Verduijn and Essers (2013) argue that women’s attempts at driving entrepreneurship often subject them to oppression within pervasive systems. They argue that in the process of empowering themselves through SMMEs, women experience the harsh realities of a male dominated sphere in which strict conditions are attached to accessing funding (Verduijn et al. 2014). For example, in South Africa, women can be exposed to sexual harassment when they source funding from the local municipalities or from business organisations. The hospitality industry is therefore not a smooth journey; it demands women of strong calibre to withstand external pressure that may be exerted upon them in their quest to empower themselves using SMMEs.

**Challenges of empowering rural women in the hospitality industry**

Rural women globally contribute to the growth of the economy although their role is not largely recognised by the government. A study by Chinomona and Maziriri (2015) revealed that women entrepreneurs provide a vital contribution to national economies around the world despite the various challenges they encounter. Ntanjana and Mangwane (2020) indicate that in most cases, women often give excuses for not engaging in entrepreneurship ventures due to fear of the unknown. As denoted by Nxopo and Iwu (2015), challenges faced by rural women in entrepreneurship or those who want to start their SMMEs have been examined within the environmental context. This is because few rural SMMEs within the hospitality industry are led by few women which explains the absence of women role models to help boost the confidence and morale of rural women to start their small enterprises (Kyalo and Kiganane, 2014). The significance of role models in rural entrepreneurship should not be underestimated,
as direction and inspiration are often drawn from imitating others. It can be argued that whereas rural entrepreneurship in South Africa seems to be male-dominated, women should challenge themselves since there is still some room to enter the hospitality industry and establish vibrant SMMEs that help to create employment and generate income.

Women attempting to enter the rural hospitality industry through SMMEs have been largely hindered by lack of finance (Chinomona and Maziriri, 2015). Since many rural women in South Africa come from impoverished backgrounds, their lack of quality business education has affected them greatly in establishing SMMEs in the hospitality industry. Although Phillips, Moos & Nieman (2014) claim that women operate in the male-dominated industry, through proper and adequate training in finance, women stand a chance to excel in SMMEs as part of empowering themselves in the hospitality industry. As noted by Bajpai (2014), rural entrepreneurship can spearhead economic growth, in the process empowering women to participate in the development of the nation. A study conducted in South Africa by Nxopo (2014) affirms that the availability of women entrepreneurs can lead to reduction of poverty and unemployment. As alluded in chapter 6 of the National Development Plan (2012-2030), eradicating rural poverty and stimulating the rural economy is on the government agenda; hence, rural SMMEs that are driven by women will help to alleviate poverty and inequalities. Since the hospitality industry is largely untapped, women entrepreneurs can make names for themselves by establishing SMMEs in the various sectors, including restaurants, arts and crafts. The researcher argues that with adequate funding rural women in the Eastern Cape can change their living standards through SMMEs, as these create employment and generate income.

Results and discussion

This section presents the findings of the paper through qualitative thematic analysis.

Enhanced job creation

The World Economic Forum (2018) highlights that in emerging economies such as South Africa, women’s statuses have dramatically changed as countries promote gender equality in economic and political affairs. The tourism and hospitality industry is an important avenue for economic growth, and women have become the centre of driving this industry in many countries (Brida, Gomez & Segarra 2020). The analysis of qualitative data revealed that Morgans Bay Bed and Breakfast enabled job creation, and local people were hired and trained on restaurant management. Many participants interviewed attested to the benefits derived from this development as they acquired skills on how to navigate the hospitality business in the deep remote rural areas of South Africa. As revealed by the participants, they acquired skills such as guest relations, office management, driving, bartending, cooking and good communication skills. The findings further pointed out that many anglers and crafters obtain their livelihood from restaurants and accommodation. In addition, rural people earn their living through cultural
tourism. One of the participants interviewed said, “We aim to please our guests; hence, our slogan is “friendliness and energy”.

The participants revealed further that their purpose was to deliver quality hospitality to guests by even memorising names of guests so that guests feel they are getting a good service. Testimonies of how Morgans Bay Bed and Breakfast treated their guests were seen in the form of huge tips left by guests or signs of appreciation through tears and gifts as a sign of appreciation for the services provided. Furthermore, the participants explained that the hospitality industry also assisted other local schools such as Chintsa Junior School with an opportunity to fundraise and look for scholarships for children to enrol in secondary education. It can be noted from the findings that, despite the challenges that rural women in the hospitality industry face, there were benefits derived in the form of community social responsibility played by Morgans Bay. These results corroborate the submission by Alarcón, and Cole (2019) that women can best drive sustainable entrepreneurship in the hospitality industry, as they have resiliency in the business environment.

Need for women participation in rural SMMEs

Women’s participation in the mainstream economy is one of the crucial issues in achieving a balanced nation with equal opportunities to everyone despite gender status. The Department of Women (2015:3) states that “Ensuring women full participation within the South African economy is essential if ideals of equity, prosperity, shared and inclusive growth are to be achieved”. This assertion provides an analytical lens of how women’s participation can trigger socio-economic development in South African rural communities. The findings of this paper show that women’s participation in SMMEs that are prevalent within the hospitality industry is affected by fear of not attracting potential investors. This contradicts the McClelland Theory of Motivation, which advocates for people to harness their strengths and contribute meaningfully to the economy of the country. One of the participants interviewed said:

I have been working at Morgans Bay for many years, but I am thinking of starting my own business within the hospitality industry. I have tried to approach some women so that we may start our own small food business in any identified location within East London. However, my colleagues feared that we leave our current jobs, and then we may not find anyone willing to invest in our business. The process of applying for government funding for small businesses is associated with corruption, hence we end up staying and earning what we can although it is not enough.

The findings show the need to support tourism and hospitality in rural Eastern Cape. The fear associated with startups relates to lack of funding hence the hesitation to explore the vast hospitality industry with untapped opportunities. The findings of this study paint a promising picture of what the hospitality industry can do to empower the lives of local communities. Therefore, the intervention of stakeholders through resources can help enhance the livelihoods
of rural people by creating projects that generate income for supporting households. These findings augur well with a study of Kabir et al. (2019), which notes that globally, rural women remain trapped in poverty and informal work as they fail to enter the mainstream hospitality industry that demands a lot of skills, business knowledge and adequate funding. This argument is further supported by Vinesh (2014) who states that entrepreneurship has for a long time been male dominated, hence the need for women to change this traditional belief and claim their position in business. Because of these assertions, it can be deduced from the study that, rural women working at Morgans Bay have bright ideas to create employment although they lack the capacity and proper financial support to stand on their own.

Need for entrepreneurship education to enhance rural SMMEs

The missing link indicated by the literate on tourism and hospitality is the low levels of education that act as a barrier to women’s empowerment. For example, in China, Golley, Zhou and Wang (2019) discovered the widening gap between women and men concerning employment and being competitive in the industry. Female employment was found to be low because of little business education women receive, which leads to income inequality. The findings by Golley et al. (2019) are corroborated by the findings of this study as women working in the hospitality industry have low levels of education, which result in them attracting lowly paid jobs. One of the participants admitted thus:

I have never been to a formal school and I do not hold any professional qualification. What I know in this industry is cooking, which I learnt a long time ago when I used to be a maid in one of the white communities. As you can see, I am too old now to return to school and all the money I work for here is to support my children so that they get a better education.

These findings demonstrate the plight of rural women employed in the hospitality industry. Theirs is involuntary exposure to low paying jobs because they could not afford decent education due to poverty and inequalities. These findings are in line with a study by Alkhaled and Berguland (2018) who note that the limited levels of education are detrimental to women’s empowerment within the tourism and hospitality industry. The absence of proper business knowledge triggers inequalities and breeds women’s poverty in societies. This is further reconfirmed by a study of Nkadimene et al. (2019) who notes that rural women reside in absolute poverty, and efforts to address such a plight have been ineffective. Arguably, therefore, the rurality of women in the Eastern Cape hinders them from establishing sound SMMEs that can reduce their poverty and enable them to earn household income.

The need to embrace modern technology in rural SMMEs

Technology use in SMMEs has grown, although many small businesses in South Africa still find it hard to utilise technology fully in their operations. The finding of the study, however,
portrays a positive outlook as Morgans Bay has revamped its systems and has adopted modern technology as it interacts with customers or advertises itself and offers promotions to its clientele in the tourism and hospitality industry. One of the participants from Senior Management at Morgans Bay had the following to say;

*We have listened to the calls to modernise our business to keep up with the changes that always occur in the technology environment. Our business is well-advertised online, and we have a homepage where we advertise our business, what we can offer to guests and tourists who would like to visit the Eastern Cape. It is very easy for our clients to make inquiries and bookings. Therefore, I can safely say we are champions in the use of technology.*

It is evident from the findings that Morgans Bay as both a hotel and a Bed and Breakfast venture utilised modern computer technology to do business with its customers. This is very important for enhancing productivity and ensuring customer relations. This is supported by a study conducted by Deen et al. (2016), which revealed that modern technology enhances marketing and links customers to the services they need.

**Conclusions**

The paper based its argument on the McClelland Theory of Motivation, which helps people to recognise their capabilities and develop them towards contributing to the economy of the country. The findings of this paper portray a glaring scenario of how women entrepreneurs in the hospitality industry experience various challenges that hinder successful growth. The findings reflected that many women employed at Morgans Bay, a thriving hotel and Bed and Breakfast venture in the Eastern Cape, have a desire to explore avenues and become SMMEs owners although many obstacles affect them. The obstacles include limited access to startup finance, lack of business knowledge and fear of change. Hotel owners also have also experienced slow business growth in the past months owing to the COVID-19 pandemic and decline in client base. Nonetheless, success in the use of modern technology was witnessed at Morgans Bay, which indicates the increased level of awareness for rural SMMEs as part of employment creation in South Africa. The limited education and lack of business skills were noted as hindrances for women who intend to establish rural SMMEs; therefore, it is the government’s obligation to support women as part of enhancing socio-economic development.

**Recommendations**

This section provides recommendations to this study. Access to funding is the major constraint affecting rural women entrepreneurs in the hospitality industry. Therefore, the government, well-wishers, the business community, private sector organisations and other multinational corporations need to contribute to the empowerment of rural women, who have the potential to exploit the hospitality industry in the Eastern Cape to their benefit. Funding increases chances
and eagerness of rural women to transform their lives and generate household income from various entrepreneurial programs offered by the hospitality industry.

Further education and training are areas the government can tap from to empower rural women. The literature in this paper and the findings reflect that women in the hospitality industry are afraid of venturing into other attractive entrepreneurship activities due to lack of business knowledge. Therefore, the study recommends that the government of South Africa and stakeholders should offer business knowledge as a way of empowering rural women with adequate skills and knowledge on how to create and sustain their own businesses. This helps mitigate the dependency syndrome and entire reliance on government social grants.

Changing of mindset and dedication are vital aspects required to empower rural women through SMMEs in rural areas. The findings of the study indicated the eagerness of some women to leave the hotel industry, but their fear is marred by an inferiority complex, through which rural women believe they cannot make it in business. Therefore, a change of mindset, coupled with an eagerness to learn about rural entrepreneurship programs within the hospitality industry is vital for developing a strong national base of women entrepreneurs.

Sound collaborations of women and stakeholders are essential for uplifting rural SMMEs for women in the Eastern Cape province. The researcher recommends that, to enhance rural development, a collaborative partnership is needed between provincial and local government to harness resources to support poor rural communities in agribusiness. Provision of loans to rural communities can help stimulate rural economic ventures that create employment and household income. This study is limited in the sense that it focused on Morgans Bay Bed and Breakfast alone. Thus, the findings of the study may not be generalised to other contexts. Therefore, future research should focus on unearthing the hidden skills set of women and determination, which are key tools in navigating the hospitality industry through various entrepreneurship programs. Women in the Eastern Cape should shift the status quo and defy all odds to become champions of rural entrepreneurship by accessing adequate education to drive entrepreneurship within the vast hospitality industry.
REFERENCES


