An assessment of entrepreneurial orientation in selected municipalities in the North West Province

ZS Jack

orcid.org 0000-0003-3104-3698

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Supervisor: Dr HM Lotz

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Student number: 10885145
ABSTRACT

The study is based on the assessment of entrepreneurial orientation on selected municipalities in the North West province. The South African Constitution, 1996, brought into existence the local government as the centre of delivery for basic services to the people. The local government in South Africa is therefore entrusted with meeting the needs of communities. Local government is strategically placed at local level to respond to the needs of local communities.

The current state of local government in South Africa shows some improvements and at the same time some serious deficiencies. The local government is unable to fulfill its constitutional mandate of rendering services to the people. In order for the local government to deliver on the ever increasing demands, it will have to operate in an entrepreneurial way.

Literature review was conducted to interrogate and make an assessment of entrepreneurial orientation on selected municipalities in the North West Province. The five dimensions of entrepreneurial orientation were explored. The purpose was to establish the impact on entrepreneurial orientation on municipalities.

The empirical study was done by using and adjusting the questionnaire that was developed by Nkhumishe (2016: 63), and Vander Merwe (2013: 15). The questionnaires were hand delivered to selected municipalities in the North West. A total of 75 questionnaires were returned but only 69 were deemed usable for the study. Cronbach Alpha coefficient was used to measure reliability.

Conclusions and recommendations were drawn to determine possible actions and steps which will improve entrepreneurial orientation in municipalities based on the empirical data obtained.

Keywords: Entrepreneurship, Entrepreneurial orientation, Local government, Public entrepreneurship, Public sector organization
ACKNOWLEDGEMENT

To God, the Father, Son and Holy Spirit be the glory and honour. "For in Him we live and move and have our being" Acts 17:28

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CHAPTER 1
NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

The advent of new democratic South Africa, since 1994, has brought with plethora of changes. One of the changes that the new dispensation brought with is the introduction of three tiers of government, viz national, provincial and local/municipalities. In the post-apartheid South Africa, access to effective public services, particularly municipalities, is no longer seen as an advantage enjoyed by only a privileged few in the community, but it is now enjoyed by all citizens.

Chapter 7 of the constitution of the Republic of South Africa (constitution of RSA, 1996) makes a provision for the establishment of local government/municipalities. In terms of the constitution, ‘municipalities have the mandate to govern, on its own initiative, the local government affairs of its community, subject to a national and provincial legislation as provided for in the constitution’ As much as municipalities have played a critical role in our new democracy, it must also be stated that the key elements of the local government system are showing signs of distress. (COGTA, 2009). One of the most critical responsibilities and the challenge of municipality is to render service to the citizens of the country.

The purpose of this study was to conduct a study on an assessment of entrepreneurial orientation on selected municipalities, particularly in the North West Province, this will be done by firstly discussing the concept of entrepreneurship, then the substance and the impact entrepreneurial orientation has in municipalities. The bedrock of the discussion will be based on the five dimensions of entrepreneurial orientation.
The research question of the study is stated as follows:

- What are strategies used by municipalities to address non-delivery of services?
- What studies were conducted to enhance municipal strategies?
- What will be the effect of entrepreneurial orientation in municipalities

The theoretical approach to be used in this study was that of entrepreneurship and entrepreneurial orientation (EO) and the five dimensions thereof, which are:

- autonomy,
- innovativeness
- pro-activeness
- risk taking
- competitive aggressiveness

(Lumpkin and Dess, 1996)

1.2 PROBLEM STATEMENT

According to the department of Cooperative Governance and Traditional Affairs (COGTA), there are some areas of concerned in municipalities, one of those areas of concerned is that many municipalities are incapable to deliver basic services or grow their economies (COGTA, 2009: 19). According to Labuschagne & van Vuuren (2012: 29) these realities are now forcing municipalities to come up with or to consider alternative models for management. Therefore, entrepreneurship, particularly entrepreneurial orientation can be considered as an alternative model.

Maynhardt and Diefenbach (2012: 761), state that public servants are expected to act in an entrepreneurial way just like their private sector counterpart. The challenge however, is that current research has not yet addresses the concept of public
entrepreneurship despite its advent as a leading force of public management. (Koch, 1996: 34).

The reason for this, as argued by Labuschagne & van Vuuren (2012: 30) is that the concept of entrepreneurship was and has always been associated with private sector environment. Morris and Jones (1999: 81) further accentuated that some of the issues which have been sparsely explored include the potential role of entrepreneurship in the public sector particularly in South Africa. Morris and Kuratko (2002: 307) reason that in order for the public sector to meet the ever increasing challenges which are facing government institution must become entrepreneurial. These sentiments were further echoed by Morris and Jones (1999: 78) who uphold the fact that there is a serious need for the entrepreneurial approach in public sector because of serious challenges facing public sector managers.

This research will discuss entrepreneurship in municipalities in the frame and dimensions of entrepreneurial orientation by relying on the five dimensions of entrepreneurial orientation. Lumpkin and Des (1996:136) refer to entrepreneurial orientation as a process of decision making that will lead to new entry or an innovative process to introduce new way of doing things.

1.3 RESEARCH OBJECTIVES

The following primary objectives were set for this study:

1.3.1 Primary objective

The primary objective for this study was stated as follows:

- Assess the existence of the entrepreneurial orientation in the identified municipalities
1.3.2 Secondary objectives

In support of the primary objective, the following secondary objectives have been formulated:

- To define public entrepreneurship.
- To define/propose entrepreneurial orientation in the context of public sector
- To provide empirical evidence of the existence of EO within identified municipalities
- To study the concept of entrepreneurial orientation by means of a literature review.

1.4 SCOPE OF THE STUDY

1.4.1 Field of study

The field of study was entrepreneurship with specific emphasis on entrepreneurial orientation on identified municipalities in the North West Province. The main focus of this study was to investigate the influence of the dimensions of entrepreneurial orientation on these municipalities.

1.4.2 The business sector under investigation

The public sector specifically in respect to local government or identified municipalities particularly in the North West Province is under investigation.

The study was conducted within selected municipalities in the North West Province. The targeted population included employees who are currently employed on the respective municipalities.

The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs (Constitution of RSA, 1996). The local government in South Africa is mandated by section 6 of municipal system Act to perform its duties as enshrined in the

The local government of South Africa has a total of 283 municipalities (COGTA, 2009). The constitution categorized municipalities as Metropolitan municipalities, six (6); District municipalities, forty six (46); Local municipalities, two hundred and thirty one (231)

North West Province is divided into four district municipalities, which are further subdivided into 19 local municipalities which make a total of twenty three (23) municipalities. The province covers an area of 104 882 km², given the number of municipalities, it is quite impossible to study the entire population, hence the study was on selected municipalities and hence the recommendation to sample.

Inclusions are all the municipal employees on selected municipalities in the North West province, whereas, municipalities which are not part of the selected will be regarded as exclusive.

1.5. **RESEARCH METHODOLOGY**

1.5.1 Literature review

Literature in this study will be reviewed to obtain in-depth knowledge of the work already done on the subject. Previous studies on performance of municipalities reveal that there is generally non-compliance and lack of service delivery hence the protest by municipalities (COGTA, 2009). However, the subject of entrepreneurial orientation particularly in public sector has not been extensively explored in recent research. Thus the purpose of reviewing the literature will be to elucidate the subject of entrepreneurial orientation with the objective of proposing it as a model to be embraced and applied by the subject of this study.

1.5.2 Empirical research
Empirical research is a research method that is based on experimentation or observation, often conducted to answer a specific question. (Levine et al., 2014)

The empirical research was done by means of a questionnaire targeted at identified municipalities in the North West province. The questionnaire covered the relevant questions to support the study. The questionnaire therefore, was hand delivered personally and by email to the identified municipalities in the North West Province.

1.5.2.1 Construction of the questionnaire

The empirical study was done by using and adjusting the questionnaire that was developed by Nkhumishe (2015: 63) and Lotz and Vander der Merwe (2013:15). The questionnaires were hand delivered with a cover letter detailing the purpose of the study and instructions on completing the questionnaire.

1.5.2.2 The study population

The target population was selected municipalities in the North West province. A snowball sampling technique was used and a convenient sample was taken. The questionnaire was then completed by employees in different identified municipalities in the North West province.

![Figure 1.1 Maps of cities taken into account for investigation](https://images.search.yahoo.com/yhs/search) (Accessed on 21 February 2017)
1.5.2.3 Data gathering

The data was collected through hand delivered ques. The questionnaire distributed to the study population was collected and only completed questionnaires was accepted to be considered as a part of the data to be analysed.

1.5.2.4 Data Analysis

Data collected through questionnaires was processed and statistically analysed by the Statistical Consultation Services of the North-West University (Potchefstroom campus). Data from questionnaires was coded and transformed into useful outputs such as frequency tables. These tables were therefore used to draw conclusions and make recommendations regarding entrepreneurial orientation on selected municipalities in the North West Province.

1.6. DELIMITATIONS

The study focus was limited to the following framework:

- The study tested the following dimensions of entrepreneurial orientation: Autonomy, Innovation, Pro-activeness, Risk taking and Competitiveness aggressiveness

- The study was carried out through the quantitative research approach and therefore, there was no interviews conducted

- The study was conducted on local government structures (municipalities) within the borders of the Republic of South Africa. It excludes national and provincial government as well as all state-owned entities
The level of employees that was targeted by the study is top management, middle managers and supervisors within the municipalities.

The study was focused on selected municipalities in the North West Province, meaning that other Provinces were not covered.

1.7 LAYOUT OF THE STUDY

Chapter 1: Nature and the scope the study

Chapter 2: Literature review of entrepreneurial orientation

Chapter 3: Research methodology and main findings

Chapter 4: Summary, conclusion and recommendations

1.8 SUMMARY

Local government (Municipalities) in South Africa is assigned a critical role of rebuilding communities by providing services. Municipalities serve as a link between national government and the people. They therefore, have a constitutional mandate to provide services to communities in a sustainable manner.

It is against this background that municipalities must therefore operate in an entrepreneurial way in order to be effective and efficient in rendering efficient services to people. The model which was used is entrepreneurial orientation, particularly five dimensions of entrepreneurial orientation. This was done on selected municipalities in the North West Province.
CHAPTER 2

LITERATURE REVIEW ON ENTREPRENEURIAL ORIENTATION

2.1 INTRODUCTION

The South African Constitution state that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs. (Constitution of RSA, 1996). The local government in South Africa, is mandated by section 6 of municipal system Act to perform its duties as enshrined in the Constitutional principle of public administration in section 195 of the Constitution (Local Government: Municipal System Act 2000)

Local government is appropriately defined as a sphere of government located within communities and well-placed to appropriately respond to local needs, interests and expectations of communities. According to Van der Waldt (2006: 1), states that local government is at the heart of public service delivery. This view is supported by Thornhill (2008: 492), who argue that local government is often the first point of contact between an individual and the local government. It is therefore clear that Local government could be described as public organizations sanctioned to manage and govern the affairs of a given territory or area of jurisdiction.

It is also important to note that local government refers to a sphere of government, and not an individual municipality. Roux (2005: 64), is of the opinion that all the individual municipalities in South Africa make up the collective sphere, known as local government. He further pointed out that “being the government closest to the
people, it is to be expected that a core function of municipalities is the rendering of a variety of basic but essential services to the community within its jurisdiction” (Roux, 2005: 69).

2.2 DEFINITIONS

It is significant to define concepts and terms used in a literature review in order to have a common understanding and to avoid giving different meaning to the same concepts.

2.2.1 Defining Local government

Local government/municipality: is defined as a “municipality that has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation” (Constitution of RSA, 1996: 74)

2.2.2 Defining Public entrepreneurship

There is a misconception that public sector organizations are portrayed as bureaucratic, conservative and disingenuous monolith. This misconception has led to the conclusion that that the public sector cannot be entrepreneurial. (Hughes, 1998: 370). This however, is disputed by Moon (1999: 31), who argue that “public entrepreneurship is often hailed in the public sector as a means of achieving more efficient, flexible and adaptable management in a turbulent and competitive environment”

Ramamurti (1986: 143), defined a public entrepreneur as "an individual who undertakes purposeful activity to initiate, maintain or aggrandize one or more public sector organizations." While Morris and Jones, (1999: 74), defined public sector entrepreneurship as a "process of creating value for citizens by bringing together unique combinations of public and/or private resources to exploit social opportunities."
Many researchers believe that the current definitions of entrepreneurship in the public sector are limited and diverse, and remain a subject of debate. (Kearney et al., 2007: 276), this sentiment is attested to by Morris & Jones (1999: 74). See the Table 2.1 for definitions of entrepreneurship within public sector organization. Common keywords on this definition are: “opportunities” “innovation” and “Risk-taking” and they are further divided into two parts, “concept” and “person”

**Table 2.1: Definition of Entrepreneurship within Public Sector Organization**

<table>
<thead>
<tr>
<th>Study</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept</td>
<td></td>
</tr>
<tr>
<td>Shockley et al. (2006:205)</td>
<td>“Public sector entrepreneurship occurs whenever a political actor is alert to and acts on a potential profit opportunities, thus moving the system in which the actor is embedded toward equilibrium”</td>
</tr>
<tr>
<td>Kearney et al. (2007:277)</td>
<td>“Public sector entrepreneurship, which for the purpose of this research refers to state enterprise/ civil service is defined as an individual or group of individuals, who undertakes desired activity to initiate change within the organization, adapt, innovate and facilitate risk. Personal goals and objectives are less important than the generation of a good result for the state enterprise/civil service”</td>
</tr>
<tr>
<td>Holcombe (2002:143)</td>
<td>“Political entrepreneurship occurs when an individual observes and acts on a political profit opportunity”</td>
</tr>
<tr>
<td>Roberts (1992:56)</td>
<td>“Political entrepreneurship is defined as the generation of a novel or innovative idea and the design and implementation of the idea into public sector practice”</td>
</tr>
<tr>
<td>Currie et al. (2008:989)</td>
<td>“[…], entrepreneurship is seen as the process of identifying and pursuing opportunities by individuals and/ or organization, Further, this process is often characterized by innovativeness, risk-taking and pro-active (Miller 1983; Covin and Slevin 1991; Morris and Sexton 1996; Morris and Jones 1999”</td>
</tr>
<tr>
<td>Morris and Jones (1999:74-87)</td>
<td>“Public sector entrepreneurship is the process of creating value for citizens by bringing together unique combinations of public and / or private resources to exploit social opportunities” (based on Bellone &amp; Goerl, 1992, Linden, 1992, Osborne &amp; Gebler, 1992)</td>
</tr>
<tr>
<td>Person</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Osborne and Gaebler (1992:xix)</td>
<td>“[Entrepreneurial institutions/public entrepreneurs] resources in new ways to maximize productivity and effectiveness”</td>
</tr>
<tr>
<td>Bellone and Goerl (1992:131)</td>
<td>“Four important characteristics of public entrepreneurs – autonomy, personal vision of the future, secrecy, and risk-taking – need to be reconciled with the fundamental democratic values of accountability, citizen participation, open policymaking processes, and concern for the long-term public good (stewardship)”</td>
</tr>
<tr>
<td>Ramamurti (1986:143)</td>
<td>“[Public entrepreneur is] is an individual who undertake purposeful activity to initiate, maintain or aggrandize one or more public sector organizations” (based on Cole, 1959:7)</td>
</tr>
<tr>
<td>Schneider et al. 1995:8-147</td>
<td>“In addition to the central feature of alertness to opportunity, we also define entrepreneurs by two other factors: their willingness to take risk action in the pursuit of opportunities they see, and their ability to coordinate the actions of other people to fulfill their goals”</td>
</tr>
<tr>
<td></td>
<td>“Political entrepreneurs – individuals who seek elective office to pursue their vision of change”</td>
</tr>
<tr>
<td>Roberts (1992:56)</td>
<td>“Individuals who generate, design, and implement innovative ideas in the public domain are called public entrepreneurs” (based on Schumpeter, deliberately without risk, which the capitalist bears)</td>
</tr>
<tr>
<td>Currie et al. (2008:989)</td>
<td>“Entrepreneurial [public] leaders expand the goals, mandates, functions and power of their organizations in a way not foreseen by their political masters. They build coalitions that knit together public and private interest to take advantage of opportunities for entrepreneurship”</td>
</tr>
<tr>
<td>Lewis (1980:9)</td>
<td>“[....] a person who create or profoundly elaborates a public organization so as to alter greatly the existing pattern of allocation of scarce public resources”</td>
</tr>
</tbody>
</table>
| Bernier and Hafsi                           | “[....] a public entrepreneur (is an) entrepreneur who contributes to
building a public organization or increasing its ability to deliver services and create value”

“Proactive, innovative behavior and bold risk taking seem to be the hallmarks of entrepreneurial individuals who have emerged in the public sector”

<table>
<thead>
<tr>
<th>(2007:489-492)</th>
<th>2.2.3 Defining Public Sector Organization</th>
</tr>
</thead>
</table>

Public sector organization are institutions which are government owned and government funded (Rainey, 2009: 80). This institutions, by definition they are not profit driven, but renders a service to the communities.

Kim (2010) focused her study on entrepreneurial practices in the public sector and provided this diagram showing the relationship between organizational characteristics and the concept of entrepreneurial orientation

![Diagram](adaptedfromkim2010_793)

Adapted from Kim (2010: 793).
2.3. ENTREPRENEURIAL ORIENTATION

2.3.1 Overview of entrepreneurial orientation

The concept of entrepreneurial orientation (EO) is an old notion its origin credited to Miller & Friesen (1983), according to Lumpkin & Covin (2011: 855), the original term was not referred to as EO. Subsequently, the concept was later modified and redefined by Covin and Slevin (1989) who used the terms “posture” and “style”.

Based on Miller’s conceptualisation, three dimensions of entrepreneurial orientation have been identified and used consistently in the literature, namely innovativeness, risk-taking and pro-activeness (Rauch et al., 2009: 6). Whereas Lumpkin and Dess (1996: 139), identified competitive aggressiveness and autonomy as additional components of the entrepreneurial construct. Although they proposed the inclusion of autonomy as a dimension of EO, but very few studies have researched autonomy as an element of EO (Lumpkin et al., 2009: 48). Many authors use three original dimensions while others opted to use different combinations of the five (Wales, Gupta, et al., 2013) Lumpkin & Dess, (1996: 136), therefore argue that five dimensions – autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness have been used for typifying and distinguishing key entrepreneurial processes, which is a firms’ entrepreneurial orientation. They further reason that these dimensions are independent and collectively define the domain of entrepreneurial orientation (Lumpkin & Dess, 1996: 140).

According to Amin (2015: 217), there has been disagreement in the literature about the dimensionality of EO. Miller (1983) supported by Covin and Slevin (1991), argue
that the EO dimensions are unidimensional construct, meaning that exhibition of only one or two of the dimension would be insufficient to label a business as entrepreneurial (Lumpkin & Dess, 1996: 862).

On the other hand, this is disputed by Lumpkin and Dess (1996), they believe that EO is a multidimensional construct, whereby risk-taking, innovation, pro-activeness, competitive aggressiveness and authority are treated as independent behavioural dimension. However, it must be noted that both unidimensional and multidimensional views of EO represent different construct rather than competing viewpoint on the same construct (Covin and Miller, 2014, Covin and Wales, 2012). Even though all EO dimensions are interrelated, the dimensions of EO may vary independently (Marino, 2011: 100). This therefore, suggest that to become an entrepreneurial firm, it is not necessary for all five dimensions to coexist (Chow, 2006)

For the purpose of this study, these five dimensions will be considered as independent variables influencing the dependent variables and assessment of EO in selected municipalities in the North West Province. Therefore, this study attempts to assess the effects of EO dimensions, to determine if municipalities are entrepreneurially orientated.

Table 2.3 below presents a selection of different definitions of EO from different authors. Definitions are associated with dimensions.

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definition of EO</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mintzberg (1973)</td>
<td>“In the entrepreneurial mode, strategy-making is dominated by the active search for new opportunities as well as dramatic leaps forward in the face of uncertainty”</td>
<td>Risk; Pro-activeness</td>
</tr>
<tr>
<td>Khandwalla (1976/1977)</td>
<td>“The entrepreneurial management style is characterized by bold, risky, aggressive decision-making”</td>
<td>Risk-taking</td>
</tr>
<tr>
<td>Authors</td>
<td>Definition of EO</td>
<td>Dimensions</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Miller &amp; Friesen (1982)</td>
<td>“The entrepreneurial model applies to firms that innovate boldly and regularly while taking considerable risks in their product-market strategies”</td>
<td>Innovation; Risk-taking</td>
</tr>
<tr>
<td>Miller (1983)</td>
<td>“An entrepreneurial firm is the one that engages in product-market innovation, undertakes somewhat risk ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch”</td>
<td>Pro-activeness; Innovation; Risk-taking</td>
</tr>
<tr>
<td>Morris &amp; Paul (1987)</td>
<td>“An entrepreneurial firm is the one with decision-making norms that emphases proactive, innovative strategies that contain an element of risk”</td>
<td>Pro-activeness; Innovation; Risk-taking</td>
</tr>
<tr>
<td>Merz &amp; Sauber (1995)</td>
<td>“……entrepreneurial orientation is defined as the firm’s degree of pro-activeness (aggressiveness) in its chosen product-market unit and its willingness to innovate and create new offerings”</td>
<td>Pro-activeness; Innovation;</td>
</tr>
<tr>
<td>Authors</td>
<td>Definition of EO</td>
<td>Dimensions</td>
</tr>
<tr>
<td>Zahra &amp; Neubaum (1998)</td>
<td>“EO is the sum total of a firm’s radical innovation, proactive strategy action, and risk-taking activities that are manifested in support of projects with uncertain outcomes”</td>
<td>Pro-activeness; Innovation; Risk-taking</td>
</tr>
</tbody>
</table>

Source: Covin & Wales (2011:679)

2.4. The dimensions of entrepreneurial orientation

The following section of this chapter describes the dimensions of entrepreneurial orientation as defined by the literature. Although five dimensions will be discussed, emphasis will be on three dimensions based on the original research of Miller (1983)
According to Morris (Morris & Jones, 1999; Morris et al., 2008), and Currie (Currie et al., 2008), they both conducted studies of the dimensions’ conceptual and empirical applicability. These researchers agreed that the traditional dimensions as advocated by Miller, do apply generally in the public sector, but with different emphases. Therefore, the three dimensions of innovativeness, pro-activeness, and risk-taking (Covin & Slevin, 1991; Miller, 1983) can be applied to the public sector, if adjusted.

This has led to Morris & Jones (1999: 86), concluding that the concept of entrepreneurship is a universal construct, and can therefore be applied in public sector organization (Morris & Jones, 1999: 86). Morris further argues that the definition, process nature, and underlying dimensions of entrepreneurship are fundamentally the same regardless of the context.

2.4.1 Autonomy

Lumpkin and Dess (1996: 140), defined and explained autonomy as “independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion” whereas Cassilas and Morena (2010: 270), argue that autonomy constitutes one of the bases for innovative and entrepreneurial behaviour. Autonomy is therefore, about individuals who think out of the box, who are independent in their thinking, however, this individual must be accountable of their actions. Accordingly, independent thinking results in the need for autonomy which is subsequently related with entrepreneur’s avoidance of restrictive environments, consequently, people with a need for independence and autonomy choose the entrepreneurial role (Rauch & Frese, 2007: 359).

Miller (1983), discovered that the most entrepreneurial firms had the most autonomous leaders. Autonomy may differ from organization to organization depending on the size, management style, or ownership. Typical example is that in a firm in which primary decision maker is the owner or manager, autonomy is therefore implied by the rights of ownership. (Lumpkin and Dess, 1996: 141)
An entrepreneur is characterized by delegating, hence some managers according to Venter (2014: 18), delegate autonomy to a lower level in business. This according to Lumpkin and Dess (1996: 140), will result in producing autonomous leaders and subsequently improved decision making. The level of autonomy is therefore dependent on centralization or the extent of delegation; this therefore, can be associated with organizational size (Lumpkin and Dess, 1996: 141)

Dawson (2012: 7), argue that businesses function more flexible with higher levels of productivity if owners give more autonomy to the managers of the businesses and implements control and formalization. It also reflects the strong desire of a person to have freedom in the development of an idea and in its implementation

2.4.2 Innovativeness

The notion of innovation originates from the theory designed by Schumpeter’s (1934, 1942) which emphasized that wealth creation was preceded by disruptive introduction of new factors in the form of products and services. For Schumpeter (2002: 299), the “purest type of entrepreneur genus” is “the entrepreneur who confines himself most strictly to the characteristic entrepreneurial function, the carrying out of new combinations”, in a word: ‘innovation’. was one of the first to highlight the role of innovation in the entrepreneurial process.

According to Lumpkin and Dess (1996: 142), innovativeness reflects a tendency for an enterprise “to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes”. Innovation therefore, is an important means of pursuing opportunities and so is an important component of an entrepreneurial orientation (Lumpkin & Dess 1996).
Innovation can be identified as something new for a given situation (Spence, 1994). King (1992: 91), argue that "Innovation is the classification of activities by which a new element is introduced into a social unit, with the purpose of benefiting the unit, some part of it, or the wider society. The element need not be entirely new or unfamiliar to members of the unit, but it must involve some discernible change or challenge to the status quo" (King, 1992: 91).

On the other hand, Peled (2001: 189), defines public innovation as, "a political process that propels organizations to launch a significant new public project that alters rules, roles, procedures, and structures that are related to the communication and exchange of information within the organization and between the organization and its surrounding environment." Innovativeness is therefore a readiness to stress new ways of delivering products and services in a more effective, efficient and responsive way (Maas and Fox, 1997: 64)

Innovation therefore, is about being creative, coming up with new ideas and solutions to problems and needs; this must be in regards to new services and ultimately process improvement (Currie et al., 2008: 989). In the public sector, Currie et al., (2008: 989), state that the focus of innovativeness is mostly on new processes, rather than on services or organizational forms. This notion is further supported by Morris & Jones (1999: 86), who also suggested that public sector innovation is incremental, rather than radical.

Johne and Davies (200), suggested three main types of innovation:

1. Product innovation, which refers to new product options and their development. This is commonly conducted in technology-driven firms to facilitate their competitive positioning

2. Process innovation, which refers to the improvement of internal capabilities, including firm’s operation and capabilities
3. Market innovation, which refers to the selection of new market segments that are best served by particular firms.

The second type of innovation is mostly associated with public sector organization, the reason for this is that innovative firms can perform one or more types of innovation as they are not mutually exclusive. (Johne and Davies, 200). Without innovation, new products, new services, and new ways of doing business would never emerge, and most organisations would forever be stuck doing the same old things the same old way.

2.4.3 Risk-taking

The meaning of risk depends on the context in which it is applied, from a strategic point of view, Baird and Thomas (1985), cited in Lumpkin and Dess (1996:144) identified three types of risks:

(a) Venturing into the unknown

(b) Committing relatively large portion of assets

(c) Borrowing heavily

Risk-taking is a concept which is generally related with entrepreneurship because the concept of entrepreneurship in its original form includes the assumption of personal risk-taking. Therefore, when talking business, it is inherent to automatically mention risk, the reason is that the issue of risk is a fundamental element to the study of entrepreneurial behaviour. (Lumpkin and Dess, 1996: 144). Risk-taking is considered as an inherent element in an organization, which is evident in the operations processes, decision-making, but it must be noted that risk-taking propensities does not necessarily results into high returns. (Lotz & van der Merwe, 2014: 19)
According to Currie et al., (2008: 989), the dimension risk-taking “involves the willingness to take moderate risk in committing resources to address opportunities” or “pursuing initiatives that have a calculated likelihood of loss or failure” (Morris et al., 2008: 104). Sanger and Levin (1992: 88), asserted that, "innovative public managers are entrepreneurial: they take risks with an opportunistic bias toward action and a conscious underestimating of bureaucratic and political obstacles their innovations face." Therefore, in the public sector, failure is not always associated with bankruptcy. However, programs or organizational units can be discontinued, budgets can be cut, and services can be delivered poorly or not at all. Regarding personnel, attrition can rise and careers can be hampered (Morris et al., 2008: 104).

According to Dilulio et al., (1993: 76), who argue that it necessary to encourage “prudent risk taking” and “experimenting” by providing an environment which is not afraid to failure, this will subsequently rescue public officials from routines and encourage proactive actions to solve problems.

Bozeman & Kingsley (1998: 106), contend that risk-taking tendency can uninterruptedly contribute to desirable outcomes of performance in responding to citizen demands, not just to satisfy the status quo, and can be a common aspect of daily work life for public managers. It is therefore; clear that risk taking in public entrepreneurship is the willingness to follow risky alternatives and a tolerance for minimal failure on service-based risks.

Bozeman and Kingsley (1998: 110), further emphasized that, “characteristics of high level public sector jobs means that risk taking behavior of public managers may be subject to greater scrutiny.” Risk aversion sometimes impedes entrepreneurial behavior. The fact of the matter is that risk taking decisions are not always desirable in the public sector, however, public organizations need to encourage risk taking behavior because their policy environment in never entirely predictable and stable (Ford Foundation 1996).
Risk-taking is all about taking an opportunity irrespective of whether there is certainty of a positive or intended result. This therefore, is supported by Coulter (2001: 206), who describes risk-taking as relating to those conditions in which the decision-maker estimates the probability of certain outcomes or assigns probabilities to outcomes.

Robbins and DeCenzo (2001: 119), on the other hand argue that risk-taking happens when knowledge about a problem or venture is insufficient and it cannot be determined with certainty what the outcome will be. Risk-taking involves the readiness to commit substantial resources to opportunities having a reasonable chance of financial failure. (Morris and Sexton, 1996: 8)

2.4.4 Pro-activeness

Proativeness can be described as “taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets” (Lumpkin and Dess, 1996: 146). A firm can therefore show awareness and responsiveness by being proactive to the market indicators (Hughes and Morgan, 2007). Whereas, according to Rauch, Wiklund et al., (2009: 763), who hold the view that pro-activeness is "an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand". The two definitions contain the same features in many aspects as they both highlighted two aspects, opportunities and future demand that can be seized by being proactive. It is therefore, clear that the words pro-activeness and competitive aggressiveness are sometimes used interchangeably.

However, Lumpkin and Dess (1996: 147), cautioned that there is a clear difference between them, by suggesting that pro-activeness reflects a firm's reaction to opportunities in the market place whereas competitive aggressiveness refers to a firm's response to a competitor's challenges. Kropp, Lindsay & Shoham, (2008: 104)
suggested that pro-activeness is about the identification and evaluation of new opportunities, and monitoring market trends.

Sharma and Dave (2011: 47), concurs with Gurbuz & Aykol (2009: 323), that a proactive business should therefore be considered as a leader rather than follower as it has the will and the anticipation to seize the novel opportunities, even though it is not often the first to do so. This is also supported by Madsen (2007: 187), who further state that pro-activeness must be considered as a posture of anticipating and moving to the future requirements of the market.

Currie et al., (2008: 989) agrees with Morris et al., (2008: 104), that the dimension pro-activeness is characterized by action orientation, implementation of ideas, adaptability, and the anticipation and prevention of problems, while Morris et al. (2008:104), add interpretation of rules as well as skills at networking and leveraging resources. The latter also highlight that tenacity and patience in implementing change are particularly important in the public sector in order to overcome resistance to innovation. Morris and Jones (1999: 76), further draws attention to the fact that Public sector proactivity is action orientated, with perseverance for change and a focus on anticipating and overcoming potential problems that may affect the public sector.

Pro-activeness in the public sector implies “the active search for creative solutions, service delivery, taking the initiative to introduce change, implementation, and responding rapidly to opportunities and employing the best resources, not passiveness or reactiveness” (Salazar, 1992: 33). Although traditional organizations do not respond quickly to pro-activeness, it must however be noted that proactive public organizations are alert to new opportunities and ultimately embrace them.

2.4.5 Competitive aggressiveness

Competitive aggressiveness according to Lumpkin and Dess (1996: 148), “refers to a firm’s propensity to directly and intensely challenge its competitors to achieve entry
or improve position” and is characterised by responsiveness in terms of confrontation or reactive action. This therefore, according to Chang, Lin & Chen (2007: 100) implies that this is an attempt to improve position in the market place.

Lumpkin and Dess (2001) concurs with Rauch et al., (2009: 7), that competitive aggressiveness is the firm’s determinations to outpace its rivals and is therefore characterized by strong aggressive response to competitive threats. Chang, Lin & Chen (2007: 999) agree with Lumpkin & Dess (1996: 147) that competitive aggressiveness and pro-activeness are similar and closely related, hence there must be a clear distinction between the two terms.

Competitive aggressiveness therefore refers to how business relate to competitors, that is the response of businesses regarding trends and demands that already exists in the market place. Whereas, Pro-activeness can be described as “taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets” (Lumpkin and Dess, 1996: 146).

Competitive aggressiveness also reflects the willingness to be unconventional rather than to rely on traditional methods of competing (Lumpkin and Dess, 1996: 149). They further pointed out that this includes adopting unconventional tactics to challenge industry leaders, analyzing and targeting a competitor’s weakness and focusing on high value-added products (Lumpkin and Dess, 2001: 434). According to Lotz & van der Merwe (2014: 20), cited in Lumpkin and Dess, (2001: 431), competitive aggressiveness has generally been investigated less frequently, the reason been that like Autonomy, it was not included in the “original” dimensions of entrepreneurial orientation.
CHAPTER 3

RESULTS AND DISCUSSION OF THE EMPIRICAL STUDY

3.1 INTRODUCTION

The purpose of this chapter is to provide a detailed description of the research methodology, to present, discuss and therefore interpret the results obtained during the empirical study. An empirical research study was conducted using a two-stage process, which consisted of two steps which is gathering of data from a questionnaire and subsequently the discussion of results from the research. The study attempted to assess entrepreneurial orientation on selected municipalities in the North West Province looking at five dimensions of entrepreneurship, namely, autonomy, innovativeness, pro-activeness, risk-taking and competitive aggressiveness.

3.2 DATA GATHERING

3.2.1 Development and construction of a questionnaire

The empirical study was done by using and adjusting the questionnaire that was developed by Nkhumishe (2015:63) and Lotz and Vander der Merwe (2013:15).
questionnaires were hand delivered with a cover letter detailing the purpose of the study and instructions on completing the questionnaire.

The questionnaire was divided into two sections, namely:

**Section A** was developed to assess entrepreneurial orientation on selected municipalities which consisted of 27 statements which were rated based on a five point Likert scale. The scale is ranging from strongly disagree (1) to strongly agree (5). The Likert scale is considered as one of the most popular type of attitude scale in the social sciences.

**Section B** is about the demographic information, the purpose of this section is about statistical analysis and comparison between various employees. The demographic information consists of the following:

- Age
- Gender
- Race
- Highest academic qualifications
- Length of service with municipality
- Position in the municipality

### 3.2.2 Data collection
The questionnaire was hand delivered to Key personnel in communication department in selected municipalities. After four weeks, questionnaires were collected from different selected municipalities.

### 3.3.3 Sample size

The target population of the empirical study was employees on selected municipalities in the North West Province. In order to ensure representation of the overall population, the sample was divided into their geographical areas. (Lee, 2014).

A total of 100 questionnaires were distributed to selected municipalities in the North West Province (Potchefstroom, Mahikeng and Rustenburg), 75 were collected and only 69 were used.

### 3.2.4 Statistical analysis of data

The statistical analysis of the data was conducted by the Statistical Consultation Services of the North West University. In order to determine the reliability of the questionnaire, the Cronbach alpha coefficients was calculated. According Field (2009) Cronbach alpha determine the extent to which all items in the test are measured to the same concept and therefore, it is connected to the inter-relatedness of the items within the questionnaire with the aim of ensuring reliability of the questionnaire.

### 3.3 RESULTS OF BIOGRAPHICAL INFORMATION

Section B of the questionnaire (see Appendix A) is about the biographical information of employees at selected municipalities in the North West Province regarding respondent’s age, gender, race, academic qualifications and length of service with municipality. The frequency and distribution results will be discussed in this section. Table 3.1 presents the age distribution of the respondents.
3.3.1 Age group classification of respondents

Table 3.1: Age group classification of respondents

<table>
<thead>
<tr>
<th>AGE</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 29</td>
<td>12</td>
<td>17.4%</td>
<td>17.4%</td>
<td>17.4%</td>
</tr>
<tr>
<td>30-39</td>
<td>43</td>
<td>62.3%</td>
<td>62.3%</td>
<td>79.7%</td>
</tr>
<tr>
<td>40-49</td>
<td>8</td>
<td>11.6%</td>
<td>11.6%</td>
<td>91.3%</td>
</tr>
<tr>
<td>50-59</td>
<td>5</td>
<td>7.2%</td>
<td>7.2%</td>
<td>98.6%</td>
</tr>
<tr>
<td>60+</td>
<td>1</td>
<td>1.4%</td>
<td>1.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Analysis of results

The majority of respondents are in the age group 30 to 39 years, with 43 respondents which represent 62.3% of responses. This is followed by the under 29 year age group representing 17.4% of responses. The smallest age group is 60+ years, with only one participant representing 1.4% of the total responses.

3.3.2 Gender of respondents
The purpose of this section in the questionnaire is to determine and differentiate between the number of female and male respondents. It was required respondents to select between male and female in the questionnaire.

Table 3.2: Gender distribution of respondents

<table>
<thead>
<tr>
<th>GENDER</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MALE</td>
<td>49</td>
<td>71,0</td>
<td>71,0</td>
<td>71,0</td>
</tr>
<tr>
<td>FEMALE</td>
<td>20</td>
<td>29,0</td>
<td>29,0</td>
<td>100,0</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100,0</td>
<td>100,0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.2: Gender

Analysis of results

The table above shows that fewer females (29%) participated compared to males (71%).

3.3.3 Race classification of respondents

The purpose of this section in the questionnaire is to determine the race of respondents, as much as race is not an issue, but it is needed for statistical purpose
Table 3.3: Race classification of respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLACK</td>
<td>63</td>
<td>91.3</td>
<td>91.3</td>
<td>91.3</td>
</tr>
<tr>
<td>WHITE</td>
<td>1</td>
<td>1.4</td>
<td>1.4</td>
<td>92.8</td>
</tr>
<tr>
<td>COLOURED</td>
<td>5</td>
<td>7.2</td>
<td>7.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.3: Race

Analysis of the results

The table above shows that 91.3% of participants in this study are Black, 7.2% coloureds, 1.4% white and none of the participants were Indians.

3.3.4 Highest academic qualification of respondents

The purpose of this question was to determine the respondents’ highest qualification in order to check the relationship between the level of education and entrepreneurial orientation
Table 3.4: Highest academic qualifications of respondents

<table>
<thead>
<tr>
<th>QUALIFICATION LEVEL</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOWER THAN MATRIC</td>
<td>2</td>
<td>2.9</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>MATRIC</td>
<td>6</td>
<td>8.7</td>
<td>8.7</td>
<td>11.6</td>
</tr>
<tr>
<td>CERTIFICATE</td>
<td>5</td>
<td>7.2</td>
<td>7.2</td>
<td>18.8</td>
</tr>
<tr>
<td>DIPLOMA (TVET)</td>
<td>24</td>
<td>34.8</td>
<td>34.8</td>
<td>53.6</td>
</tr>
<tr>
<td>UNIVERSITY DEGREE</td>
<td>28</td>
<td>40.6</td>
<td>40.6</td>
<td>94.2</td>
</tr>
<tr>
<td>POST GRADUATE</td>
<td>4</td>
<td>5.8</td>
<td>5.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.4: Highest academic qualification

Analysis of results

The largest portion of respondents has a university degree, namely a total of 28 respondents, representing 40.6% of the total respondents. The second largest group has a diploma (TVET) (34, 8%) and the smallest number of respondents has lower than matric education level (2.63%). Only 5, 8% of respondents have a post graduate qualification.

3.3.5 Length of service of respondents
The purpose of the question is to determine the length of service of employees and check the relationship between length of service and entrepreneurial orientation.

Table 3.5: Length of service of respondents

<table>
<thead>
<tr>
<th>LENGTH OF SERVICE</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>≥1</td>
<td>2</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>2–5</td>
<td>34</td>
<td>49.3</td>
<td>52.2</td>
</tr>
<tr>
<td></td>
<td>6–10</td>
<td>26</td>
<td>37.7</td>
<td>89.9</td>
</tr>
<tr>
<td></td>
<td>≤ 10</td>
<td>7</td>
<td>10.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 3.5: Length of service

Analysis of the results

The largest portion of respondents has 2-5 years of length of service, namely a total of 34 respondents, representing 49.3% of the total respondents. The second largest group has 6-10 years of length of service (37, 3%) and the smallest number of respondents has less than a year of length of service 2.9% representing only 2 respondents.
3.3.6 The level of position of the respondents

The purpose of the question is to determine the level of position of employees and check the relationship between level of position and entrepreneurial orientation

Table 3.6: The level of position of the respondents

<table>
<thead>
<tr>
<th>POSITION</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP MANAGER</td>
<td>43</td>
<td>62.3</td>
<td>62.3</td>
<td>62.3</td>
</tr>
<tr>
<td>MIDDLE MANAGER</td>
<td>25</td>
<td>36.2</td>
<td>36.2</td>
<td>98.6</td>
</tr>
<tr>
<td>FIRST LEVEL SUPERVISOR</td>
<td>1</td>
<td>1.4</td>
<td>1.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.6: The level of position of respondents

Analysis of the results

The largest portion of the respondents are top managers (62.3%), representing 43 participants of the entire sample. The second largest were middle managers (36.2%), representing 25 participants and only 1 respondent was a first level supervisor.

3.4 RELIABILITY OF THE MEASURING INSTRUMENT
To assess the internal consistency between the statements of the measuring instrument, the Cronbach Alpha coefficients were calculated. A Cronbach Alpha coefficient is an indication of the internal consistency of a measure or test. According to Lotz and Van der Merwe (2013: 24), a Cronbach Alpha measures internal consistency by computing the average of all split-half reliabilities for a multiple-item scale. A Cronbach Alpha coefficient is based on the average correlation variables within a test (Struwig & Stead, 2004: 132). For an acceptable reliability the Cronbach Alpha coefficient should be equal or greater than 0.7 (Nunnally & Bernstein, 1994:265). Theoretically Cronbach Alpha varies from zero to one and a greater value for the coefficient indicates that consistency and improved reliability of higher values of Cronbach Alpha are more desirable.

Table below indicates the Cronbach Alpha coefficients of the constructs measuring Entrepreneurial Orientation

**Table 3.7: Cronbach Alpha coefficients of variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach Alpha coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial orientation constructs</td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>0.525</td>
</tr>
<tr>
<td>Innovation</td>
<td>0.828</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>0.685</td>
</tr>
<tr>
<td>Pro-activeness</td>
<td>0.905</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0.837</td>
</tr>
</tbody>
</table>

All 27 responses were used to determine the reliability of the items. The results in Table 3.7 above indicate that the measuring instrument used in this study to analyse the Entrepreneurial Orientation, has an acceptable reliability, since only two of the
variables, namely autonomy (0.692) and risk-taking (0.685) had coefficients of less than 0.7. However these two variables will be included in this study due to the fact that their Cronbach Alpha coefficients are fairly close to 0.7. All four variables had Cronbach Alpha coefficients greater than 0.7.

3.5 ASSESSMENT OF THE ENTREPRENEURIAL ORIENTATION

Section A consisted of 27 statements with the purpose to determine the entrepreneurial orientation of the respondents. The questions were divided into five variables, namely: autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness. The respondents indicated on a five point Likert scale, to what extend they agreed or disagreed with the statements" measuring variables. The value on the scale varied from 1, where the respondent strongly disagreed, up to 5, where the respondent strongly agreed with a specific statement.

3.5.1 Autonomy

Purpose of the question

The purpose of statements A1 to A4 in Section A of the questionnaire was to determine the level of autonomy.

Results obtained

Table 3.8 indicates the results showing the mean and standard deviation for each variable obtained, ranking the means from the largest to the smallest mean value.

Table 3.8: Autonomy of respondents

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 I have enough autonomy in my job without continual supervision to do my work.</td>
<td>69</td>
<td>3.48</td>
<td>0.885</td>
</tr>
<tr>
<td>A2 Municipality allows me to be creative and try different methods to do my job</td>
<td>69</td>
<td>3.35</td>
<td>0.983</td>
</tr>
</tbody>
</table>
Analysis of the results

The average mean of the construct, autonomy, is 3.08 with a standard deviation of 0.875. Statement A1, A2 and A4 has a mean value above the average (=3.08). The results obtained above indicate that on average, the respondents believe that they have autonomy in their businesses. The highest score obtained was for the statement relating to autonomy in work was A4. Statement A3 recorded the lowest average score.

3.5.2 Innovation

Purpose of the question

The purpose of statements A5 to A13 in Section A of the questionnaire was to determine the level of innovativeness.

Results obtained

Table 3.9 indicates the results showing the mean and standard deviation for each variable obtained, ranking the means from the largest to the smallest mean value.

Table 3.9: Innovativeness of respondents

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A5</td>
<td>69</td>
<td>3.45</td>
<td>0.883</td>
</tr>
</tbody>
</table>
Our municipality regularly introduces new services/processes.

Our municipality places a strong emphasis on new and innovative services/processes.

Our municipality has increased the number of services offered during the last two years.

Our municipality is continually pursuing new opportunities.

Over the past few years, changes in our processes, services have been quite dramatic.

In our municipality there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.

Our municipality places a strong emphasis on continuous improvement in service delivery/processes.

Our municipality has a widely held belief that innovation is an absolute necessity for the business’ future.

<table>
<thead>
<tr>
<th>A6</th>
<th>Our municipality regularly introduces new services/processes.</th>
<th>69</th>
<th>3.43</th>
<th>0.977</th>
</tr>
</thead>
<tbody>
<tr>
<td>A7</td>
<td>Our municipality places a strong emphasis on new and innovative services/processes.</td>
<td>69</td>
<td>3.33</td>
<td>0.965</td>
</tr>
<tr>
<td>A8</td>
<td>Our municipality has increased the number of services offered during the last two years.</td>
<td>69</td>
<td>2.90</td>
<td>1.073</td>
</tr>
<tr>
<td>A9</td>
<td>Our municipality is continually pursuing new opportunities.</td>
<td>69</td>
<td>2.91</td>
<td>0.966</td>
</tr>
<tr>
<td>A10</td>
<td>Over the past few years, changes in our processes, services have been quite dramatic.</td>
<td>69</td>
<td>2.65</td>
<td>0.744</td>
</tr>
<tr>
<td>A11</td>
<td>In our municipality there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.</td>
<td>69</td>
<td>2.84</td>
<td>1.080</td>
</tr>
<tr>
<td>A12</td>
<td>Our municipality places a strong emphasis on continuous improvement in service delivery/processes.</td>
<td>69</td>
<td>3.46</td>
<td>0.884</td>
</tr>
<tr>
<td>A13</td>
<td>Our municipality has a widely held belief that innovation is an absolute necessity for the business’ future.</td>
<td>69</td>
<td>3.88</td>
<td>0.925</td>
</tr>
<tr>
<td>AVERAGE</td>
<td></td>
<td>69</td>
<td>3.15</td>
<td>0.944</td>
</tr>
</tbody>
</table>

**Analysis of the results**

The average mean of the construct, innovativeness, is 3.15 with a standard deviation of 0.944. Statement A5, A6, A7, A12 and A13 have a mean value above the average (≈3.15). The results obtained above indicate that on average, the respondents believe that they have innovation in their municipalities. The highest score obtained for innovativeness was A12. Statement A10 recorded the lowest average score.

**3.5.3 Risk-taking**

Purpose of the question
The purpose of statements A14 to A119 in Section A of the questionnaire was to determine the level of risk-taking.

Results obtained

**Table 3.10** indicates the results showing the mean and standard deviation for each variable obtained, ranking the means from the largest to the smallest mean value.

**Table 3.10: Risk-taking of respondents**

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A14 Out leaders seek to maximize value from opportunities without constraint to existing models, structures or resources.</td>
<td>69</td>
<td>3.03</td>
<td>0.641</td>
</tr>
<tr>
<td>A15 When confronted with uncertain decisions, our municipality typically adopts a bold posture in order to maximize the probability of exploiting opportunities.</td>
<td>69</td>
<td>3.23</td>
<td>0.807</td>
</tr>
<tr>
<td>A16 In general, our municipality has a strong inclination towards high-risk projects.</td>
<td>69</td>
<td>3.14</td>
<td>0.772</td>
</tr>
<tr>
<td>A17 Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business” objectives</td>
<td>69</td>
<td>3.46</td>
<td>0.739</td>
</tr>
</tbody>
</table>
A18. Employees are often encouraged to take calculated risks concerning new ideas

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>69</th>
<th>2.77</th>
<th>0.942</th>
</tr>
</thead>
<tbody>
<tr>
<td>A19. The term „risk-taker” is considered a positive attribute for employees in our municipality</td>
<td>69</td>
<td>3.00</td>
<td>0.891</td>
</tr>
</tbody>
</table>

**AVERAGE**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A18</td>
<td>69</td>
<td>2.77</td>
<td>0.942</td>
</tr>
<tr>
<td>A19</td>
<td>69</td>
<td>3.00</td>
<td>0.891</td>
</tr>
</tbody>
</table>

Analysis of the results

The average mean of the construct, risk-taking, is 3.10 with a standard deviation of 0.789. Statement A15, A16 and A17, have a mean value above the average (=3.10). The results obtained above indicate that on average, the respondents believe that they are risk-takers in their municipalities. The highest score obtained for risk-taking was A17. Statement A18 recorded the lowest average score.

3.5.4 Pro-activeness

Purpose of the question

The purpose of statements A20 to A23 in Section A of the questionnaire was to determine the level of pro-activeness.

Results obtained

**Table 3.11** indicates the results showing the mean and standard deviation for each variable obtained, ranking the means from the largest to the smallest mean value.

**Table 3.11: Pro-activeness of respondents**

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A20. Our municipality is very often the first to introduce new services.</td>
<td>69</td>
<td>2.91</td>
<td>1.147</td>
</tr>
<tr>
<td>A21. Our municipality typically initiates actions that competitors respond to.</td>
<td>69</td>
<td>3.13</td>
<td>1.136</td>
</tr>
<tr>
<td>A22. Our municipality continuously seeks out new services.</td>
<td>69</td>
<td>3.04</td>
<td>1.049</td>
</tr>
</tbody>
</table>
Our municipality continuously monitors market trends and identifies future needs of customers

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A23 In dealing with competitors our municipality typically adopts a very competitive “undo-the-competitor” posture.</td>
<td>69</td>
<td>2.96</td>
<td>0.882</td>
</tr>
<tr>
<td>A25 Our municipality is very aggressive and intensely competitive</td>
<td>69</td>
<td>2.99</td>
<td>0.813</td>
</tr>
</tbody>
</table>

Analysis of the results

The average mean of the construct, pro-activeness, is 2.99 with a standard deviation of 1.093. Statement A21 and A22 have a mean value above the average (=2.99). The results obtained above indicate that on average, the respondents believe that they are proactive in their municipalities. The highest score obtained for pro-activeness was A21. Statements A20 and A23 recorded the lowest average score.

3.5.5 Competitiveness aggressiveness

Purpose of the question

The purpose of statements A24 to A27 in Section A of the questionnaire was to determine the level of competitiveness.

Results obtained

Table 3.12 indicates the results showing the mean and standard deviation for each variable obtained, ranking the means from the largest to the smallest mean value.

Table 3.12: Competitiveness of respondents

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A24 In dealing with competitors our municipality typically adopts a very competitive “undo-the-competitor” posture.</td>
<td>69</td>
<td>2.96</td>
<td>0.882</td>
</tr>
<tr>
<td>A25 Our municipality is very aggressive and intensely competitive</td>
<td>69</td>
<td>2.99</td>
<td>0.813</td>
</tr>
</tbody>
</table>
Our municipality effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position.

Our municipality knows when it is in danger of acting overly aggressive (this could lead to erosion of our business's reputation or to retaliation by our competitors).

**AVERAGE**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analysis of the results

The average mean of the construct, competitiveness, is 3.06 with a standard deviation of 0.840. Statement A27 have a mean value above the average (=3.06). The results obtained above indicate that on average, the respondents believe that they have competitiveness in their municipalities. The highest score obtained for competitive aggressiveness was A27. Statement A24 recorded the lowest average score.

### Table 3.13: Summary of the constructs: Entrepreneurial orientation

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>69</td>
<td>3.08</td>
<td>0.875</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>69</td>
<td>3.15</td>
<td>0.944</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>69</td>
<td>3.10</td>
<td>0.789</td>
</tr>
<tr>
<td>Pro-activeness</td>
<td>69</td>
<td>2.99</td>
<td>1.093</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>69</td>
<td>3.06</td>
<td>0.840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>69</td>
<td>3.076</td>
<td>4.541</td>
</tr>
</tbody>
</table>

Analysis of combined results
The results of the survey are graphically represented in a bar chart in Figure 1 that compares the values across the constructs.

**Figure 3.7: Entrepreneurial orientation analysis**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness</td>
<td>3.10</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>3.05</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>3.00</td>
</tr>
<tr>
<td>Autonomy</td>
<td>2.95</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>2.90</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>2.85</td>
</tr>
</tbody>
</table>

Table 3.13 summarises the dimensions of entrepreneurial orientation and the following were the results:

The highest rating for the dimensions of entrepreneurial orientation, was Innovation (x = 3.15), followed by Risk-taking (x = 3.10), Autonomy (3.08), Competitiveness (3.06) while Pro-activeness had the lowest mean value of (2.99). It is clear that further improvement is necessary particularly regarding the lowest dimensions which is Pro-activeness

**CHAPTER 4**

**CONCLUSIONS AND RECOMMENDATIONS**

4.1 **INTRODUCTION**

The purpose of this study is on the assessment of entrepreneurial orientation on selected municipalities in the North West Province and to conclude the empirical study as outlined in chapter 3. This chapter will be based on conclusions, reliability of the questionnaire, conclusion on entrepreneurial orientation and general conclusion on entrepreneurial orientation.

4.2 **CONCLUSIONS**
Empirical study done on chapter 3 was used for draw conclusions. The conclusions entail the biographical data of respondents, entrepreneurial orientation of the participating municipalities. The assessment of the Cronbach Alpha coefficient to establish the reliability of the measuring instrument used for the analysis of entrepreneurial orientation.

4.2.1 Demographic information

The demographic information consists of the following:

- **Age**

  The majority of respondents are between the ages of 30 and 39 years (62.3%). Only 7.2% of respondents are between 50 and 59 years of age, while only 1 respondent (1.4) is over the age of 60 years.

- **Gender**

  Out of 69 respondents taking part in the survey, 49 are males and 20 are females (71.0%) and (29.0%) respectively.

- **Race**

  The largest race group of respondents is back (91.3%) followed by coloured (7.2%) while whites constitute 1.4% of respondents.

- **Highest academic qualifications**

  The majority of respondents are in possession of a university degree (40.6%) followed by 34.8% in possession of a diploma, those in possession of matric is 8.7% and those with postgraduate and lower than matric is 5.8% and 2.9% respectively.

- **Length of service with municipality**

  49.3% of respondent’s length of service is between 2 and 5 years of experience, 37.7% length service and between 6-10 years’ experience, 10.1% length of service
is more than 10 years, while 2.9% length of service have less than 1 year experience.

- Position in the municipality

The largest portion of the respondents are top managers (62.3%), the second largest were middle managers (36.2%) and only 1.4% was a first level supervisor.

4.2.2 Reliability of the questionnaire used

To assess the internal consistency between the statements of the measuring instrument, the Cronbach Alpha coefficients were calculated. A Cronbach Alpha coefficient is an indication of the internal consistency of a measure or test. According to Lotz and Van der Merwe (2013:24), a Cronbach Alpha measures internal consistency by computing the average of all split-half reliabilities for a multiple-item scale. A Cronbach Alpha coefficient is based on the average correlation variables within a test (Struwig & Stead, 2004:132). For an acceptable reliability the Cronbach Alpha coefficient should be equal or greater than 0.7 (Nunnally & Bernstein, 1994:265). Theoretically Cronbach Alpha varies from zero to one and a greater value for the coefficient indicates that consistency and improved reliability of higher values of Cronbach Alpha are more desirable.

4.2.3 Conclusion on entrepreneurial orientation

The purpose of this study was to assess entrepreneurial orientation on selected municipalities. A questionnaire was handed over to respondents consisting 27 statements measuring entrepreneurial orientation. A five point Likert scale was used to measure answers from respondents. A rating of 1 on the scale is when the respondent strongly agrees while 5 indicated that the respondent strongly disagree with the statement.

Conclusions for each individual dimension of entrepreneurial orientation is discussed below.
4.2.3.1 Autonomy

Autonomy received the third highest rating with a mean score of \( x = 3.08 \) and a standard deviation of \( s = 0.875 \). This clearly shows that autonomy had the strongest effect on entrepreneurial orientation on selected municipalities. The highest score obtained was for the statement relating to autonomy in work was A4, whereas, A3 recorded the lowest average score which indicates that employees are encouraged to manage their own work and have flexibility to resolve problems, and employees are allowed to make decisions without going through elaborate justification and approval procedures respectively. Dawson (2012: 7), contends that businesses function more flexible with higher levels of productivity if owners give more autonomy to the managers of the businesses and implements control and formalization.

4.2.3.2 Innovation

The dimension Innovation obtained a mean value of \( x = 3.15 \) and a standard deviation 0.944, Innovation scored the highest value as compared to other dimensions of entrepreneurial orientation. The highest score obtained for Innovation was A12 and the statement A10 recorded the lowest average score, which were municipality places a strong emphasis on continuous improvement in service delivery and over the past few years, changes in processes, services have been quite dramatic respectively. According to Lumpkin and Dess (1996: 142), innovativeness reflects a tendency for an enterprise “to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes”.

4.2.3.3 Risk-taking

The dimension risk-taking obtained a mean value of \( x = 3.10 \) and a standard deviation of 0.789. The highest score obtained for risk-taking was A17. Statement A18 recorded the lowest average score which was that owing to the environment, business believes that bold, wide-ranging acts are necessary to achieve the business objectives and that employees are encouraged to take calculated risks
concerning new ideas respectively. According to Dilulio et al., (1993: 76) who argue that it necessary to encourage “prudent risk taking” and “experimenting” by providing an environment which is not afraid to failure, this will subsequently rescue public officials from routines and encourage proactive actions to solve problems.

4.2.3.4 Pro-activeness

The dimension pro-activeness obtained the lowest mean value of $x = 2.99$ and a standard deviation of 1.093. The highest score obtained for pro-activeness was A21. Statement A20 and A23 recorded the lowest average score. A21 municipality typically initiates actions that competitors respond to. A20 municipality is very often the first to introduce new services and A23 municipality continuously monitor the market trends and identifies future needs of customers. Pro-activeness in the public sector implies “the active search for creative solutions, service delivery, taking the initiative to introduce change, implementation, and responding rapidly to opportunities and employing the best resources, not passiveness or reactiveness” (Salazar, 1992: 33).

4.2.3.5 Competitiveness aggressiveness

The dimension Competitiveness aggressiveness received the second lowest mean value of 3.06 with standard deviation of 0.840. The highest score obtained for Competitiveness aggressiveness was A27. Statement A24 recorded the lowest average score. A27 and A24 statement was municipality knows when is in danger of acting overly aggressive and in dealing with competitor’s municipality typically adopts a very competitive “undo-the competitor” posture respectively. Competitive aggressiveness also reflects the willingness to be unconventional rather than to rely on traditional methods of competing (Lumpkin and Dess, 1996: 149).

4.2.4 General conclusion on entrepreneurial orientation

The mean average of all the independent variables of entrepreneurial orientation is 3.076, indicating a neutral opinion as per the five point Likert scale. Autonomy, innovativeness and risk-taking rank above the 3.076 averages, which indicate a
higher tendency towards agreeing with the statements. The strongest agreement is with **innovativeness** (3.15), followed by **risk-taking** (3.10) and **autonomy** (3.08), all with scores higher than the average mean. **Pro-activeness** (2.99) and **competitiveness** (3.06) have results below the average mean. The average mean score suggests that there is room for improvement for municipalities. The average standard deviation is 4.541.

### 4.3 CRITICAL EVALUATION OF THE STUDY

This section evaluates the success of the study against the research objectives formulated in Section 1.3

#### 4.4.1 Primary objective re-visited

The primary objective for this study was stated as follows:

Assess the existence of the entrepreneurial orientation in the identified municipalities

In support of the primary objective, the following secondary objectives have been formulated:

- To define public entrepreneurship.
- To define/propose entrepreneurial orientation in the context of public sector
- To provide empirical evidence of the existence of EO within identified municipalities
- To study the concept of entrepreneurial orientation by means of a literature review.

Section 2.2.2 defined public entrepreneurship, and the last three objectives were addressed and reached by means of a literature review as presented in chapter 2

### 4.4 RECOMMENDATIONS
From the results obtained in chapter 2 and chapter 3, which addressed literature review and the empirical study respectively, some important recommendations can now be made to selected municipalities in the North West Province.

The recommendations include the following:

- As much as the municipality is hiring younger generation, whereby 62.3% of respondents are between 30 to 39 years, the municipality must come up with a retention strategy of older generation for experience.
- More female must be employed as the selected municipalities are male dominated, 71.0% of respondents are males while women count for only 29.0% are female.
- From the race analysis, it is clear that whites are in minority on this selected municipalities, most of this whites must be retained for experience.
- The largest portion of respondents has a university degree, 40.6% which is good, but are inexperienced as 49.3% their length of service is between 2-5 years. This also boils down to retention strategy of selected municipalities.
- The study must be broaden up to include all municipalities in the North West Province. Out of 23 municipalities in the North West province, only three were surveyed.

4.5 SUMMARY

This chapter provided the conclusions and recommendations of the empirical study for this research. The chapter also concluded this study on the assessment of entrepreneurial orientation on selected municipalities particularly dimensions of entrepreneurial orientation. The basic biographical information and the reliability of the questionnaire was covered using the Cronbach Alpha coefficients.

The primary and secondary objectives of the study is revisited and evaluated to ensure whether or not those objectives have been achieved. Recommendations for further research were proposed with the idea of conducting a detailed study on the same subject matter on the broader scope. The objectives of the study as outlined in chapter 1 were addressed in this chapter.
BIBIOGRAPHY


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**APPENDIX A: QUESTIONNAIRE**

**SECTION A: ENTREPRENEURIAL ORIENTATION**

The following statements concern your attitude towards the entrepreneurial orientation of municipality

Please rate the extent to which you agree or disagree with the following statements by making an “X” over the appropriate number on the 1 to 5 point scale next to the statement.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 = Strongly disagree</td>
<td>2 = Disagree</td>
</tr>
</tbody>
</table>

---

54
| A1 | I have enough autonomy in my job without continual supervision to do my work. | 1 | 2 | 3 | 4 | 5 |
| A2 | Municipality allows me to be creative and try different methods to do my job | 1 | 2 | 3 | 4 | 5 |
| A3 | Employees in our municipality are allowed to make decisions without going through elaborate justification and approval procedures. | 1 | 2 | 3 | 4 | 5 |
| A4 | Employees in our municipality are encouraged to manage their own work and have flexibility to resolve problems. | 1 | 2 | 3 | 4 | 5 |
| A5 | I seldom have to follow the same work methods or steps while performing my major tasks from day to day. | 1 | 2 | 3 | 4 | 5 |
| A6 | Our municipality regularly introduces new services/processes. | 1 | 2 | 3 | 4 | 5 |
| A7 | Our municipality places a strong emphasis on new and innovative services/processes. | 1 | 2 | 3 | 4 | 5 |
| A8 | Our municipality has increased the number of services offered during the last two years. | 1 | 2 | 3 | 4 | 5 |
| A9 | Our municipality is continually pursuing new opportunities. | 1 | 2 | 3 | 4 | 5 |
| A10 | Over the past few years, changes in our processes, services have been quite dramatic. | 1 | 2 | 3 | 4 | 5 |
| A11 | In our municipality there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented. | 1 | 2 | 3 | 4 | 5 |
| A12 | Our municipality places a strong emphasis on continuous improvement in service delivery/processes. | 1 | 2 | 3 | 4 | 5 |
| A13 | Our municipality has a widely held belief that innovation is an absolute necessity for the business’ future. | 1 | 2 | 3 | 4 | 5 |
| A14 | Out leaders seek to maximize value from opportunities without constraint to existing models, structures or resources. | 1 | 2 | 3 | 4 | 5 |
| A15 | When confronted with uncertain decisions, our municipality typically adopts a bold posture in order to maximize the probability of exploiting opportunities. | 1 | 2 | 3 | 4 | 5 |
| A16 | In general, our municipality has a strong inclination towards high-risk projects. | 1 | 2 | 3 | 4 | 5 |
| A17 | Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business” objectives | 1 | 2 | 3 | 4 | 5 |
| A18 | Employees are often encouraged to take calculated risks concerning new ideas | 1 | 2 | 3 | 4 | 5 |
| A19 | The term „risk-taker” is considered a positive attribute for employees in our municipality | 1 | 2 | 3 | 4 | 5 |
| A20 | Our municipality is very often the first to introduce new services. | 1 | 2 | 3 | 4 | 5 |
| A21 | Our municipality typically initiates actions that competitors respond to. | 1 | 2 | 3 | 4 | 5 |
| A22 | Our municipality continuously seeks out new services. | 1 | 2 | 3 | 4 | 5 |
| A23 | Our municipality continuously monitors market trends and identifies future needs of customers | 1 | 2 | 3 | 4 | 5 |
A24 In dealing with competitors our municipality typically adopts a very competitive “undo-the-competitor” posture. 1 2 3 4 5
A25 Our municipality is very aggressive and intensely competitive 1 2 3 4 5
A26 Our municipality effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position. 1 2 3 4 5
A27 Our municipality knows when it is in danger of acting overly aggressive (this could lead to erosion of our business’s reputation or to retaliation by our competitors). 1 2 3 4 5

SECTION B: BIOGRAPHICAL INFORMATION

The following information is needed to help us with the statistical analysis of the data for comparison among different interest groups. We appreciate your help in providing this information.

Mark the applicable block with a cross (x). Complete the applicable information.

<table>
<thead>
<tr>
<th>B1</th>
<th>Indicate your age</th>
<th>≤ 29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60+</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>B2</th>
<th>Indicate your gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>B3</th>
<th>Indicate your race group</th>
<th>Black</th>
<th>White</th>
<th>Coloured</th>
<th>Indian</th>
</tr>
</thead>
</table>
### B4 **Indicate your highest academic qualification**

<table>
<thead>
<tr>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower than matric</td>
</tr>
<tr>
<td>Matric</td>
</tr>
<tr>
<td>Certificate</td>
</tr>
<tr>
<td>Diploma (TVET)</td>
</tr>
<tr>
<td>University degree</td>
</tr>
<tr>
<td>Post graduate</td>
</tr>
</tbody>
</table>

### B5 **Indicate length of service with the municipality**

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>≥1</th>
<th>2-5</th>
<th>6-10</th>
<th>≤10</th>
</tr>
</thead>
</table>

### B6 **Your position in the municipality**

<table>
<thead>
<tr>
<th>Position in Municipality</th>
<th>Top Manager</th>
<th>Middle Manager</th>
<th>First Level Supervisor</th>
</tr>
</thead>
</table>

---

**APPENDIX B **ITEMS MEASURING THE VARIABLES

**ENTREPRENEURIAL ORIENTATION**

<table>
<thead>
<tr>
<th>Autonomy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I have enough autonomy in my job without continual supervision to do my work.</td>
<td>Municipality allows me to be creative and try different methods to do my job</td>
</tr>
<tr>
<td>Municipality allows me to be creative and try different methods to do my job</td>
<td>Employees in our municipality are allowed to make decisions without going through elaborate justification and approval procedures.</td>
</tr>
<tr>
<td>Employees in our municipality are allowed to make decisions without going through elaborate justification and approval procedures.</td>
<td>Employees in our municipality are encouraged to manage their own work and have flexibility to resolve problems.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I seldom have to follow the same work methods or steps while performing my major tasks from day to day.</td>
<td>Our municipality regularly introduces new services/processes.</td>
</tr>
<tr>
<td>Our municipality regularly introduces new services/processes.</td>
<td>Our municipality places a strong emphasis on new and innovative services/processes.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Innovativeness</th>
<th>Our municipality has increased the number of services offered during the last two years.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our municipality is continually pursuing new opportunities.</td>
</tr>
<tr>
<td></td>
<td>Over the past few years, changes in our processes, services have been quite dramatic.</td>
</tr>
<tr>
<td></td>
<td>In our municipality there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.</td>
</tr>
<tr>
<td></td>
<td>Our municipality places a strong emphasis on continuous improvement in service delivery/processes.</td>
</tr>
<tr>
<td></td>
<td>Our municipality has a widely held belief that innovation is an absolute necessity for the business’ future.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk-taking</th>
<th>Out leaders seek to maximize value from opportunities without constraint to existing models, structures or resources.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>When confronted with uncertain decisions, our municipality typically adopts a bold posture in order to maximize the probability of exploiting opportunities.</td>
</tr>
<tr>
<td></td>
<td>In general, our municipality has a strong inclination towards high-risk projects.</td>
</tr>
<tr>
<td></td>
<td>Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business’ objectives</td>
</tr>
<tr>
<td></td>
<td>Employees are often encouraged to take calculated risks concerning new ideas</td>
</tr>
<tr>
<td></td>
<td>The term „risk-taker” is considered a positive attribute for employees in our municipality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pro-activeness</th>
<th>Our municipality is very often the first to introduce new services.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our municipality typically initiates actions that competitors respond to.</td>
</tr>
<tr>
<td></td>
<td>Our municipality continuously seeks out new services.</td>
</tr>
<tr>
<td></td>
<td>Our municipality continuously monitors market trends and identifies future needs of customers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competiveness</th>
<th>In dealing with competitors our municipality typically adopts a very competitive “undo-the-competitor” posture.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our municipality is very aggressive and intensely competitive</td>
</tr>
<tr>
<td></td>
<td>Our municipality effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position.</td>
</tr>
<tr>
<td></td>
<td>Our municipality knows when it is in danger of acting overly aggressive (this could lead to erosion of our business’s reputation or to retaliation by our competitors).</td>
</tr>
</tbody>
</table>