

**SMALL, MICRO, MEDIUM ENTERPRISE AND BLACK ECONOMIC
EMPOWERMENT IN THE CONSTRUCTION INDUSTRY: A CASE
STUDY OF GAUTENG PROVINCIAL HOUSING DEPARTMENT,
SOUTH AFRICA.**

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ABSTRACT

Purpose – The study explores the practices in the implementation of Black Economic Empowerment (BEE) interventions in the construction industry and the problems facing SMMEs in the industry

Design and Method- a cross-sectional exploratory research design was used in the study. The approach was used to gain insight into the problem under investigation, and because the research question lacked established research findings. Besides, the exploration was necessary because of a need to obtain the contractors' and project manager's perception pertaining to service delivery in the Department. Further, the approach was chosen since it was found to be efficient and a tested means of assessing information about large populations, especially in instances where individual perceptions as for the current investigation were sought. Besides, the variables we were interested in have not been studied before, either independently, or with other variables, so that there is sufficient information to ask a question about the relationship between them. Therefore, the design did not dictate how the variables were to be measured in testing their relationship.

A survey method was used to collect the data in which a carefully planned questionnaire was designed and distributed for completion by the respondents. The respondents were randomly drawn from the following four main regions under the Department of Housing: Ekurhuleni Metropolitan Municipality, Tshwane/Metsweding, Westrand/Sedibeng and Johannesburg. In order to ascertain the reliability of the research instrument, a pilot study was conducted as a pre-test of the instrument.

Findings –Empirical results revealed that government interventions in the promotion of black SMMEs have assisted in creating employment and income redistribution within society. However, there is inadequate commitment to service quality by contractors (inadequate task standardisation),and some of the contractors do not know what quality manuals are and therefore do not have quality manuals to ensure standardisation.

Recommendations – Based on the findings, we recommend that SMME contractors and their employees must have relevant technical skills. They must also have and adhere to quality assurance manuals. It is further recommended that SMME contractors that do not comply with quality assurance nor committed to the provision of the service(s) tendered for should be strike off of the service provider's data base. Nonetheless, further research is required to assess the impact of accidental service providers and quality assurance in the Department of Housing's construction industry.

ACKNOWLEDGEMENTS

“They that wait upon the Lord shall renew their strength, they shall mount up with wings as eagle, they shall run and never be weary, they shall walk and not faint. Teach me Lord, Teach me Lord to wait”

I thank God for granting me wisdom, courage and strength to wait and allow myself to be guided by Him.

- I will like to express my sincere appreciation to my wife Bennita Moloko Sisi for the support she gave me and the care she gave to our two beautiful daughters Oreratile and Rorisang when the head of the household was out on study.
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Colleagues (Project Managers) and the entrepreneurs (Contractors) who supported me by participating on the research questionnaires, your contribution is valued.

DEDICATION

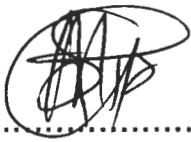
This work is dedicated to my Father: Molimisi Simon Sisi, My Mother: Madipheo Agnes Sisi, siblings Dineo, Mamoeti and Marcia.

My wife Bennita Sisi and our Daughters Oreratile and Rorisang Sisi

To those mentioned above may God richly Bless You.

DECLARATION

I Molebedi Gordon Sisi hereby declare that this mini dissertation for the Degree of Master of Business and Administration, submitted at the Graduate School of Business and Government Leadership in the Faculty of Commerce and Administration at the University of North West: Mafikeng Campus is my own work and it has never been previously submitted for the purpose of a degree at any institution, all the sources quoted herein have been duly acknowledged and indicated by means of references.



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Molebedi Gordon Sisi

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

South Africa is faced with many challenges including poverty, a major problem for people who were previously disadvantaged. While the democratic government of South Africa has established enabling legislation, it must move towards delivery to alleviate and eventually eradicate poverty (National Gender Policy Framework: (iii)). The eradication of poverty and the problem entrenched inequality was a cause for the enactment of the Black Economic Empowerment Act (BEEA). Black Economic Empowerment (BEE) is the South African government's socio-economic transformation strategy that is a major policy thrust aspiring to redress the disparities of the past. The issue of black economic empowerment and a more equal income distribution has been placed high on the agenda of the government of South Africa since the democratic elections in 1994.

BEE is defined in its broadest sense as an integrated and coherent socio-economic process located in the Reconstruction and Development Programme. Its benefits are expected to be shared across society as widely as possible. The indicators for its success are overall equity in incomes, wealth, increased levels of black participation including black women and youth in ownership, and transfer and retention of skills. The BEE strategy was adapted to also address problems and challenges faced by the SMMEs in the country.

To achieve the objectives of economic growth through competitiveness, employment generation and income redistribution, South Africa's small, micro and medium sized enterprise have been actively promoted since 1995 through different measures including BEE interventions.

SMMEs are separate and distinct business entities in the economy. According to the National Small Business Act 102 of 1996 (NSBA), SMMEs' are defined on the basis of various factors namely, ownership, employment size and formality (Government Gazette, 1995: 8).

The study explores the practices in the implementation of Black Economic Empowerment (BEE) interventions in the construction industry and the problems facing SMMEs in the industry. This chapter covers introduction and background to the study, statement of the problem, and justification of the study, aim and objectives of the study, research questions, scope and significance of the study.

1.2 Background

Since 1994, the government of South Africa has put a number of initiatives in place to empower South African citizens who had been historically disadvantaged under apartheid. One such reform was the Black Economic Empowerment (BEE), introduced by the Department of Trade and Industry. The Department wanted a broad range of players, small and medium businesses, rural communities, trade unions and workers to benefit from the empowerment (DTI White Paper, 1995).

The BEE strategy focuses more on the development of SMMEs. This is because SMMEs are crucial to boosting productivity, increasing competition and innovation, creating employment and prosperity, and revitalizing communities (Smallbone and Wier, (2000), Davidsson and Delmar, (1997); Gibb, (2000); Hamilton and Dana, (2003); Reid and Harris, (2004); Robbins et al., (2000); Tonge et al., (2000); Birley and Westhead, (1990).

Therefore, Small, Medium and Micro Enterprises (SMMEs) have been deemed as an important vehicle to address the challenges of job creation, economic growth and equity in South Africa.

It is against this background that Broad -Based Black Economic Empowerment (BBBEE) has been adopted in the country, to promote entrepreneurship and provide market and business opportunities for new black enterprises. By starting new enterprises and creating new wealth, black entrepreneurs will not only become empowered, but will also contribute to the growth of the economy through enhancing greater equality in the society and create new jobs. Therefore, BEE has come to mean the empowerment of blacks within the private sector of the economy.

BEE is a strategy aimed at substantially increasing black participation at all levels in the economy. The strategy tries to redress the disparity of the past by transferring more ownership, management and control of South Africa's financial and economic resources to the majority of its citizens. It also aims at ensuring broader and meaningful participation in the economy by black people in particular through the development of SMMEs.

According to the GEM report (2005), BEE should be seen as a benefit to the economy and business in South Africa. BEE enables economic growth and by bringing on an empowerment partner will give businesses access to new markets, which in turn will lead to business growth. It is an economic imperative – thus by completing a BEE transaction you ensure sustainability for your business. BEE-SMMEs are however, faced with many challenges. Many SMMEs today are awarded contracts, but are unable to access finance due to a lack of security and/or equity. Besides, many SMMEs often have to compete with larger companies and have to comply with the same legislation as these larger companies.

1.3 Statement of the problem

There are several challenges associated with the implementation of the BEE strategy. One of them is the practice where some consortiums dump their BEE partners once the contract has been signed and paying them off.

However, most SMMEs in South Africa fail due to a number of other reasons such as poor financial management, project management, marketing, poor operational management, material management and human resource management, lack of education and lack of experience and entrepreneurial culture.

The study therefore sought to explore SMMEs and BEE in the construction activities of the Housing department, Gauteng Province.

1.4 Justification of the study

There is a need for the redistribution of the wealth of the country to all people and in particular to the previously disadvantaged. Hence, this study sought to provide insight on SMMEs and BEE in the construction industry. To this end, the study sought to investigate some of the problems and challenges faced by the construction SMMEs in the Gauteng Province. Further, the study attempted to reflect on the value-add by the SMMEs on job creation and poverty alleviation in the province as well as gender participation in construction projects. The study therefore, would serve as an informative reference for the province as well as other stakeholders who are interested on gathering information and knowledge on the implementation of BBBEE strategy.

1.5 Research aims and objectives

1.5.1 General aim

The general aim of the study was to explore service delivery in the department of Housing, quality assurance and compliance, and challenges facing SMMEs' and BEE contractors in the Department.

1.5.2 Specific objectives of the study

The broad aim of the study was defined by the following specific objectives:

- 1.5.2.1. To assess the implementation of the Black Economic Empowerment (BEE) interventions in the Gauteng province' Housing Department.
- 1.5.2.2. To assess the impact of service delivery in the Gauteng provinces' Housing Department.
- 1.5.2.3 To identify challenges facing SMMEs in the construction activities of the Gauteng province, Housing department.
- 1.5.2.4 To explore Government interventions in the development of SMMEs in the construction industry.
- 1.5.2.5 To ascertain whether service providers comply with quality assurance regulations.

1.6 Research questions

The following questions guided this study:

- 1.6.1 To what extent are the SMMEs BEE interventions implemented in the Gauteng province's construction industry?
- 1.6.2 What impact does public service delivery have on the performance of the BEE SMMEs in the construction industry?

- 1.6.3 What are the challenges facing SMMEs in the construction industry?
- 1.6.4 What Government interventions have been put in place to promote SMMEs in the construction industry?
- 1.6.5 Do SMME service providers comply with quality assurance Regulations?

1.7 Scope of the study

The study was limited to Gauteng province Government Housing Department. It covered four regions under the department. These were, Ekurhuleni Metropolitan Municipality, Tshwane/Metsweding, Westrand/Sedibeng and Johannesburg.

1.8 Significance of the study

The study is important in that it will assist government and the business communities to overcome the problems and challenges faced by the SMMEs in the construction industry. Furthermore, the study suggests a model to address the shortcomings on the implementation of the BBBEE interventions in the construction industry of the Gauteng province and solutions to the problems identified in as far as Black Economic Empowerment in the construction industry is concerned.



1.9 Definition of concepts

The study makes reference to the following concepts and terminologies which are clarified or defined herein so as to avoid possible confusion.

1.9.1 Entrepreneurship

It is defined as the process of conceptualizing, organizing, launching and through innovation nurturing a business opportunity into a potentially high growth venture in a complex, unstable environment. Entrepreneurship is thus characterized by the following:

- Creativity and innovation;
- Resource gathering and the founding of an economic organization; and
- The chance for gain or increase under risk and uncertainty.

Thus, entrepreneurs spot an opportunity, marshal resources and organize these into a venture that offers something new or improved to the market (Rwigema and Venter, 2004:6).

1.9.2 Small Medium and Micro Enterprises (SMMEs)

SMMEs are defined as separate and distinct business entities in any sector of the economy managed by one owner or more. These include cooperative enterprises and non-governmental organizations, as well as branches or subsidiaries if any (National Small Business Act 102 of 1996).

The South African Government defines SMME sector according to various factors namely, ownership, employment size and formality (Government Gazette, 1995:8).

1.9.3 Broad-Based Black Economic Empowerment

In the Broad-Based Black Economic Empowerment Act (No. 53 of 2003), Black Economic Empowerment is defined as follows:

“Broad-based black economic empowerment (Broad-Based BEE) means the economic empowerment of all black people including women, workers, youth,

people with disabilities and people living in rural areas, through diverse but integrated socioeconomic strategies, that include, but are not limited to:

- a) increasing the number of black people that manage, own and control enterprises and productive assets;
- b) facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises;
- c) human resource and skills development;
- d) achieving equitable representation in all occupational categories and levels in the workforce;
- e) preferential procurement; and
- f) investment in enterprises that are owned or managed by black people.

“Black people” is a generic term which means Africans, coloureds and Indians (BBBEE Act 53 of 2003; Janisch, 2006: 75-76).”

1.10 Structure of the mini dissertation

The mini dissertation is divided into the following five chapters:

Chapter 1: Deals with introduction and the background to the study, statement of the problem, justification of the study, research aims and objectives with both general and specific objectives, research questions, scope and limitation of the study, significance of the study, structure of the study and conclusion.

Chapter 2: Literature review and theoretical foundation of the study. Literature will be sought from textbooks, Government Documents/policies and procedures, internet, newspapers, business magazines, articles and published papers.

Chapter 3: Research design and methodology, the chapter focuses on research design, population and sampling, method, data collection, validity and reliability of data, ethical considerations, data analysis and conclusion.

Chapter 4: Data presentation and interpretation.

Data presentation and interpretation will be sought from the responses received from the project managers and contractors appointed by the Gauteng department of Housing. The data was interpreted in terms of the response from the questionnaires distributed by the researcher.

Chapter 5: Finding, Conclusion and Recommendation.

1.11 Conclusion

This chapter dealt with a brief orientation to the study, the research question, aims and the specific objectives. It also presented the scope of the study and its significance. The next chapter presents a detailed discussion of the literature review relevant to the research question and study objectives.

CHAPTER TWO

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction

This chapter presents a review of literature covering the study objectives and corresponding research questions. The review covers SMMEs and economic development, Black Economic Empowerment (BEE) and interventions in the SMMEs' construction industry; public service delivery; and quality assurance and management.

2.2 SMMEs and economic development

Small, medium and micro enterprises (SMMEs) play an increasingly important role in the modern global economy. SMMEs are considered a backbone of economic growth in different economies. The entrepreneurial activities of SMMEs address concerns related to economic growth, social disparities and employment. They contribute in providing job opportunities and act as suppliers of goods and services to large organizations (Audretsch and Acs, 2003 and Reynolds, 2000). Hence, Governments worldwide have assisted SMMEs for reasons such as job creation, poverty mitigation, local ownership and control, and need to strengthen social systems and cultural traditions.

According to Venesaar and Loomets, (2006), SMMEs contribute to self-sustained growth and development of nations. Furthermore, the development of SMMEs is seen as accelerating the achievement of wider economic and socio-economic objectives, including poverty alleviation in developing

countries. Hence, many countries of the world are actively seeking ways and means to promote entrepreneurial activities (Venesaar and Loomets, 2006). These entrepreneurial activities contribute significantly to job creation, social stability and economic welfare across the globe (Landzani and Van Vuuren, 2002: 2). In the United States of America, for example, the SMMEs as entrepreneurial entities have introduced innovative products and services, created new jobs, opened foreign markets, and in the process ignited the USA's economy into regaining its competitive edge in the global economy. In the UK, SMMEs account for 99.8% of all UK businesses and more than half of the UK's employment and turnover (www.bentley-jennison.co.uk. accessed online 29th Oct. 2008).

Elsewhere, Japan's SMMEs sector accounts for the bulk of the country's business establishment, providing vital support for employment, for regional economies and by extension for the day to day life of the Japanese people (Ministry of International Trade and Industry, 1997:11). In Taiwan, the SMMEs sector generates approximately 98 percent of the economy's GDP. In Latin America SMMEs' contribution to the economies of the respective countries in the region has greatly been recognized. For example, in Costa Rica, 95% of the country's industrial park sites are occupied by SMMEs. They produce almost one third of the nation's GDP and generate more than 50% of the employment in the private sector (Arístides, Michael and Budden, 2007).

Therefore, throughout the world, SMMEs represent an important and sustainable vehicle to address the challenges of job creation and economic growth (Enterprise November, 2007: 42). Hence, given South Africa's legacy of big business domination and unequal distribution of wealth, the SMME sector is seen as an important vehicle to generate employment and enhance equitable income distribution while stimulating economic development. Thus, many initiatives have been implemented in the country with the ultimate goal of developing SMMEs. That notwithstanding, very few of these initiatives have been fully successful in reaching their objectives.

In the pursuit for job creation opportunities and regional development in South Africa, it will be interesting to note that a recent stream of research, actually initiated by Michael Fritsch (2007), to analyze both direct and indirect effects of entrepreneurial activity on employment growth (and other outcomes) revealed that start-ups lead to new business development, whereas incumbent firms might be forced to dissolve by the increased competition of the new firms. More indirectly, the new businesses might lead to improved competitiveness and economic growth. Similarly, the conclusions of the various studies based on regional data for various countries are all similar in showing that higher start-up rates are associated with higher immediate levels of employment (in these new firms themselves). However, after some years the relationship with employment growth is negative due to the competitive pressure that leads incumbents to shed labour or exit the market (Mueller et al., 2006, Fritsch and Mueller, 2007; Baptista et al., 2007; Van Stel and Suddle, 2007 and Carree and Thurik, 2007).

That notwithstanding, according to Rwigema and Venter (2004: 393), it is estimated that the SMME sector contributes approximately 40% of South Africa's GDP and accounts for 3.5 million jobs. The sustained growth over the last 10 years in the South African economy could be attributed to the government's good macroeconomic policies which are favourably designed to support the Small, Medium and Micro Enterprise (SMMEs) sector. Thus, the South African government supports the development of SMMEs as a strategy to develop entrepreneurship and accelerate economic development in the country. However, countries vary markedly in the way they regulate and provide an environment for SMME development.

Lack of entrepreneurship development in a country slows economic development. For example, existing literature indicates that lack of entrepreneurship has been the main cause for Indonesia's slow economic development compared with other Asian countries such as Malaysia, Thailand, China, South Korea, and Singapore.

2.3 Challenges facing SMME development

SMMEs in both developed and less developed countries face severe and numerous challenges. Extant researchers such as UPS survey, (2005); Stuti, (2005); Ting, (2004); Wan, (2003); and Hall, (2002) have identified the following as barriers facing SMEs in the business environment: lack of financing, limited adoption of technology, low productivity, lack of managerial capabilities, competition from large enterprises, low quality products and a heavy regulatory burden.

The above challenges have equally been identified in South Africa. In South Africa, SMMEs' constraints relate, among others, to the legal and regulatory environment, access to markets, finance and business premises (at affordable rentals), the acquisition of skills and managerial expertise, access to appropriate technology, the quality of the business infrastructure, culture, entrepreneurial capacity and government policies amongst others (Orford et al; 2003:11).

Kroon (1998: 191) argues that one of the weaknesses with small businesses is poor financial control. Thus the South African Government on its attempt to assist SMMEs access finance and other services established Khula Finance Limited and Ntsika Enterprise Promotion Agency and SEDA through the Department of Trade and Industry to address SMME's constraint to finance and information. The centre for Small Business Promotion is responsible for SMMEs policy related matters and support programmes, whereas Small Enterprise Development Agency (SEDA) is responsible for non-financial services like marketing, training programmes, procurement advice, technology assistance and business mentoring (Janisch, 2006: 39).

2.3.1 Khula Enterprise Finance Limited was established in 1996 with a mandate to improve access to finance for the country's SMME's sector, with special emphasis on the previously disadvantaged population. Since its establishment, a number of loan schemes to increase access to finance through Retail Financial Institutions were introduced. Khula Enterprise Finance Limited offers business loan schemes, equity funds and guarantee schemes.

2.3.2 Ntsika Enterprise Promotion Agency was given the mandate to provide a wide range of non-financial services to local service delivery groups on a delivery of resources to local providers that work directly with the SMME's. These services include among others, institution building of these organisations, training programmes for entrepreneurs, mentoring of individual firms, marketing and procurement advices and technology assistance.

Research conducted by KPMG: The firm of forensic auditors KPMG conducted a survey on business performance services known as monitoring the changing of the guard. Respondents were asked questions and one of the three most challenging elements for respondents in the Construction industry to implement was management control, with 27% of the sector citing this as a key challenge. The survey however reflect that the finding is slightly lower than the previous year, when 33% of the sector cited management control as one of the top three most challenging elements.

In the Finance and Business Services industry, 44% of the sector cited preferential procurement as one of the top three most challenging elements, followed closely by skills development at 43% and employment equity at 30%. In 2007, 26% of the sector stated that employment equity was a challenge to implement. Within the Manufacturing industry, 25% of respondents cited ownership as one of the three primary challenges, which remains unchanged from 2007. Management control within the Manufacturing sector also proved a challenging element to implement, at 18% of respondents (Hlophe and Nzamo: 2008).

2.4 Black Economic Empowerment and SMME development in South Africa.

Under apartheid, the economy of South Africa was dependent on foreign investment and technology. The government imposed inward-looking economic policies including protectionist policies aimed at limiting the impact of sanctions and promoting white business. Blacks were denied basic economic rights as they could not own land, accumulate wealth or conduct business in “white” areas. The apartheid economy was one of white wealth and black poverty. Since the early days of colonial rule, poverty and unemployment have been much higher for South Africans of colour (Richard Knight: 2004).

During apartheid era, the SMME economy was either largely neglected by policy makers or, in case of black-owned enterprises, actively discouraged by repressive measures.

2.4.1 Economic transformation and Black Economic Empowerment

The ANC led government inherited an economy that was massively distorted by apartheid's political and economic policies. Inequalities of income, wealth and skills existed between racial groups, men and women and between rural and urban areas. Studies at the time showed that South Africa had the most unequal economy in the world because the black majority had effectively been excluded from economic ownership and control, deliberately undermining black people's ability to accumulate capital.

When the new government took over the South African economy, various policies had to be put in place to make the economy work. These included cross-cutting policies, sector specific policies addressing the macroeconomic position of the country as well as microeconomic constraints to growth.

These policies included a wide range of national programmes designed to assist entrepreneurship development and upgrading of the Small, Medium and Micro-Enterprise Economy (DTI, 2004). One such programme was the Black Economic Empowerment introduced through the Black Economic Empowerment Act of 2003. Black Economic Empowerment is defined as: “an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the number of black people that manage, own and control the country’s economy, as well as significant decreases in income inequalities”(DTI, 2003) . The Act defines Broad-Based Black Economic Empowerment (BBBEE) as; “ the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socioeconomic strategies, that include, but are not limited to increasing the number of black people that manage, own and control enterprises and productive assets but facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises; human resource and skills development; achieving equitable representation in all occupational categories and levels in the workforce; preferential procurement; and investment in enterprises that are owned or managed by black people.

The economic transformation is deemed a necessary and natural extension of the achievement of socio-economic justice. It has received attention in the government’s macroeconomic policy programmes including the Reconstruction and Development Programme (RDP), The Growth, Employment and Redistribution Programme (GEAR) and The Accelerated and Shared Growth Initiative of South Africa (ASGISA) (<http://www.dti.gov.za>).

The term transformation implies fundamental change. In South Africa, transformation has become synonymous with the process of political, socio-economic and cultural change associated with the end of apartheid and the concomitant realignment of various societal sectors to make it inclusive of all South Africans (Price: 1991).

2.4.2 BBBEE and SMME Development

The Gauteng provincial government launched the BBBEE in 2006 to address the marginalisation and exclusion from the economy of black people, women and people with disabilities. The launch was as a result of a commitment the Government made in 2004, as part of its five year programme. Hence, Broad Based Black Economic Empowerment (BBBEE) and Small Medium and Micro Enterprises (SMMEs) over the last three years have been given business worth more than R7 billion.

The Gauteng Department of Housing and Public Transport, Roads and Works gave these enterprises the funds, including procurement of services and subcontracting, to help support emerging contractors in the province. This is in line with the government policy of supporting business through more access to socioeconomic opportunities.

The department is running a support programme for emerging contractors who have been awarded construction contracts, under the auspices of a trading entity known as Impophoma Infrastructure Support Entity. Impophoma leases fleet and plant equipment at reasonable prices to SMMEs, thus ensuring that they become sustainable concerns. Construction contractors also receive assistance with Construction Industry Development Board (CIDB) Registration which provides free training on business planning, modelling and marketing. This takes place at three dedicated Construction Contact Centres in Johannesburg and Pretoria (Jacobs, 2008).

With regards to SMME Development, a total 1 687 BBBEE companies and 1 139 SMMEs were awarded contracts by the department in the fiscal period 2007/2008. The value of these contracts amounted to about R4 billion for BBBEE and R2 billion in the case of SMMEs. On the other hand, the construction of the Gautrain Rapid Rail Link had, in the 2007/2008 fiscal year alone, spent R1.89 billion in procurement and sub-contracting to BBBEE's and SMME's (Jacobs, 2008).

That notwithstanding, the province continues to bear apartheid's legacy of unacceptably high levels of inequality, poverty and unemployment. That has been so because of the past deliberate policies of exclusion of black people from access to ownership, management and control of the economy. Black people were condemned to be, as illustrated by the words of apartheid architect Hendrik Verwoerd, "hewers of wood and drawers of water" (Shilowa, 2006).

According to Shilowa (2006),

"The objective of BBBEE is to effect transformation and ensure the redistribution of the country's wealth, as well as address the inequalities and distortions caused by years of apartheid thereby stimulating development and shared growth. The state has a responsibility to promote growth in the economy and reduce poverty and unemployment, in this particular case through the mechanism of BBBEE".

As indicated by the Government strategy, BBBEE is an integrated coherent socio-economic strategy that directly contributes to South Africa's economic transformation and brings about significant increases in the number of black people that manage, own and control the country's economy and significant decreases in income inequalities. BBBEE includes:

- Facilitation of ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- Human resources and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.



2.5 Public service delivery and performance of SMMEs' in the construction industry

Pelser and Louw (2002: 3) state that the challenge of service delivery in government is an aspect that most governments throughout the world must overcome. In South Africa the transformation of the state and governance started on the first years of the democratic state wherein the introduction of a new Constitution was adopted in 1996 and a legislative framework was made. The legislation is informed by the Constitution as the supreme law of the country. The legislation includes the following Acts, Regulations, White Papers and Bargaining Council's Resolutions:

- Public Service Act 103 of 1994.
- Public Service Commission Act 46 of 1997.
- Public Service Laws Amendment Act 93 of 1998.
- Public Service Amendment Act 5 of 1999.
- Promotion of Administrative Justice Act 3 of 2000.
- Public Finance Management Act 1 of 1999.
- Labour Relations Act 66 of 1995.
- Basic Conditions of Service Act 75 of 1997.
- Employment Equity Act 55 of 1998.
- Skills Development Act 97 of 1999.
- Public Service Regulation.
- The White Paper on Transformation of the Public Services, 1997.
- The White Paper on Human Resource and Management in Public Service.

- Affirmative Action in Public Service, 1998.
- Public Service Training and Education, 1998.
- Collective Agreement and Management Guide.

The government has also been able to successfully integrate the public services of the various Bantustans and central government departments into a coherent single public service. The democratic government has since been able to transform the public service to reflect the will of the people of South Africa (Umrabulo: April 2004:13).

Like the profit making enterprises, the South African Government puts people (customers) first in the delivery of public services (Hackl and Westlund, 2000: 84). To achieve the customer satisfaction objective, the government has adopted the Batho Pele principles as a deliberate strategy to instil a culture of accountability and caring by public servants. Through this strategy, public servants are expected to be service orientated, strive for service excellence and commit to continuous service delivery improvement.

The eight Batho Pele principles that guide public servants in this regard include:

- **Consultation:** which states that citizens should be consulted about the level and quality of public services they receive, and wherever possible, should be given the choice about the services that are offered.

- **Service standards:** citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.
- **Access:** all citizens should have equal access to the services to which they are entitled.
- **Courtesy:** citizens should be treated with courtesy and consideration.
- **Information:** citizens should be given full, accurate information about the public services they are entitled to receive.
- **Openness and transparency:** citizens should be told how national and provincial departments are run, how much they cost and who is in charge.
- **Redress:** if the promise standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.
- **Value for money:** public services should be provided economically and efficiently

To enhance the government's commitment to citizen-centered approach to service delivery, the Public Finance Management Act (PFMA) took effect in the year 2000 after the recognition of the importance of an efficient and effective public resource management in achieving the social and economic objectives of the government.

This Act was expected to facilitate multiple dimensions of government funding and expenditure management with strong emphasis on transparency, accountability, managerial flexibility, financial discipline, political oversight and broad public participation (Public Finance Management Act 1 of 1999).

2.6 Quality assurance and management

Quality is the ability of a product or service to consistently meet or exceed customer expectations. Quality assurance emphasises on finding and correcting defects in services or products before reaching customers (Stevenson, 2007).

Quality is widely recognized as one of the most important strategies for the competitiveness of organizations. In this era of global competition a company needs to apply quality among others, management; quality systems; quality assurance; and quality control. In other words, business organizations have to implement the concept of total quality management (TQM) in order to survive. To this end, the construction industry has to be able to deliver projects that are predictable on cost, time and quality, through an understanding of customer requirements (Egan, 1998; DTI, 2002).

Quality is not about Government telling service providers what to do, nor about SMME contractors deciding what they wish to do. Instead, as Ash has pointed out "...quality can be best assured by collaboration" (Ash, 1992). This means that the stakeholders must be central to the quality process. There are various types of stakeholder such as: the statutory, accountable stakeholder (e.g. governors/premiers); the employed stakeholder (e.g. Project managers in government departments); and others (e.g. citizens as beneficiaries) (Ribbins and Burrridge, (1992).

Quality starts by establishing stakeholders' needs. This means that the quality group needs to ask stakeholders a range of questions which might help the stakeholders to articulate their needs. Quality assurance thus has to be a public process – especially in Government funded projects. If stakeholders wish to be assured of the quality of their projects, then they must wrestle with the problems of identifying what constitutes quality, how that quality is demonstrated and how it might be measured. As Loder puts it, quality assurance mechanisms must be explicit rather than implicit ... institutions should be able to demonstrate their commitment to maintaining and raising the quality of their work in a manner consistent with their recognized objectives (Loder, 1990: 5).

Government policies for quality assurance systems in different forms and with different names for different activities are functioning in several countries. At the policy level, quality assurance is about control of standards measured in terms of accountability. At the operational level they are about the quality of the services experienced and achieved (Kistan, 1996).

Critical to both quality assurance systems and quality improvement in organisations is the relationship between suppliers of goods and services and consumers. Suppliers determine the quality of the products and services they sell to customers. However, powerful customers can impose systems on their suppliers having the purpose of controlling the quality of the products and services they receive from their suppliers. This latter case applies to the government as a large customer for services and goods and large-scale business entities (Grocock, 2000).

Organizations as customers require assurance that products /services conform to the specifications. To do this, appointed employees perform functional tests of specified functional performance of the products or use attribute sampling of the products to assure quality.

Thus, quality assurance has a strong emphasis on inspection and conformance to specification and following strict procedures. In many industrialized countries, ISO 9000 remains rooted in the philosophy of inspection, as an aspect of Total Quality Management (TQM).

TQM - has been defined as a management philosophy embracing all activities through which the needs and expectations of the customer and the community, and the objectives of the organisation are satisfied in the most efficient and cost effective way by maximizing the potential of all employees in a continuing drive for improvement (Dale, 1994). The total quality concept considers the organisation as a system that stresses the involvement of all persons in the organisation working towards getting things "right first time", designing in quality rather than inspecting out defects and developing a continuing process of continuous improvement (Imai, 1986).

According to McAdams (2000), the principles of TQM should be strategically linked to the organisational goals, customer satisfaction; employee participation in continuous improvement; and management commitment and constancy of purpose. However, Total Quality Management has been adopted unevenly in countries, sectors and product areas. It has occurred alongside, as well as independently of, quality-based standards like ISO 9000.

2.7 Conclusion

Chapter two reviewed literature relevant to the study objectives and propositions/questions. The next chapter presents the research design and data collection methods adopted to achieve the stated objectives of the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODS

3.1 Introduction

Research is a systematic way of asking questions. It is a systematic process of collecting, analysing, and interpreting data in order to increase our understanding of the phenomenon about which we are interested or concerned (Leedy and Ormrod, 2005:2). Any research process involves the application of various objective methods and techniques in order to scientifically obtain knowledge (Welman, Kruger and Mitchel: 2005:2). The purpose of this chapter is to present the design, methods and techniques applied to obtain the results presented in Chapter 4.

3.2 Research design

Research design is the way that the researcher proposes to go about testing the hypotheses or answering the research questions. Research design provides the glue that holds all of the elements in a research project together. It is used to show how all of the major parts of the research project – the research question, sampling procedures (where and who are the subjects of the study), research variables, measurement of variables, data collection, validity and reliability of the design, data collection, data analysis and interpretation work together to address the central research question(s).

Research design lies in between research questions and the data, showing how the research questions will be connected to the data, and what tools and procedures to use in answering them. Research design is the blue print for the collection, measurement, and analysis of data. It is a set of logical steps taken by the researcher to answer the research question.

The design of a research project ensures that the evidence obtained enables the researcher to answer the research question as unambiguously as possible (Hilla, 2006:92).

To quote Webb and Auriacombe (2006), what is important in a research design is:

“To select those methods and techniques which are appropriate to the research goal. Thus, different studies use different methods and a particular method, appropriate for the task at hand should be used. The researcher not only selects the methods and techniques, but also the methodological paradigm: quantitative or qualitative, or even a combination of both “.

A cross-sectional exploratory research design was used in the study. Exploratory research is one of the Quasi-experimental research designs that are often called *ex post facto* research designs. In a Quasi-experimental research design the researcher does not employ experimental manipulation nor random assignment of subjects to conditions because events have already occurred or they are inherently not manipulable (Kerlinger, 1979).

Cross-Sectional survey research design is the most commonly used in the social sciences. Here data on a sample or cross-section of respondents chosen to represent a particular target population are gathered at essentially one point in time. Data is collected in as short a time period as is feasible (Bless and Higson-Smith, 2000:42 and Creswell, 2003: 40).

The approach was used to gain insight into the problem under investigation, and because the research question lacks established research findings. Besides, the exploration was necessary because of a need to obtain the contractors' and project manager's perception pertaining to service delivery in the Department. Further, the approach was chosen since it was found to be efficient and a tested means of assessing information about large populations,

especially in instances where individual perceptions like in the current investigation were sought.

The variables of interest had not been studied before, either independently, or with other variables, so that there is sufficient information to ask a question about the relationship between them. Therefore, the design did not dictate how the variables were to be measured in testing their relationship.

3.3 Population and sample size

A population in research refers to the universe of individuals/items having common observable characteristics that a researcher wants to study. It refers to individuals in the universe who possess specific characteristics. Therefore, in a research project, a researcher has to specify the unit being sampled, the geographical location and boundaries (Neuman, 2003:216). The population from which the sample was drawn comprised of project managers and SMME contractors in the Gauteng Province, Housing Department.

Sampling may be operationalised as the process of selecting a sample from the population to conduct the study upon. The ultimate goal of any sampling procedure is to ensure that the sample is the best representation of the population therefore avoiding any bias or negative influence on the findings of the research. The selected sample was representative of the population in that the department has appointed sixty project managers and 123 contractors. 44 out of the 60 project managers were available and willing to participate in the study, the rest were on leave then. The project managers are deployed to regional offices to provide project management related advisory services to service providers.

All the 123 contractors were also purposefully drawn from the following four main regions/municipalities of the Gauteng Province because of their accessibility and willingness to participate:

- Ekurhuleni Metropolitan Municipality.
- Tshwane/Metsweding Region.
- West Rand/Sedibeng
- Johannesburg Region.

3.4 Methods

According to Babbie and Mouton (2005:104), research design is different from research methodology. Research methodology refers to methods, techniques, and procedures that are employed in the process of implementing the research design or research plan. Thus, a research design consists of a clear statement of the research problem, as well as plans for collecting, processing, and interpreting the observations intended to provide answers to the research question or to test the hypothesis (Singleton and Straits, 2004). While the details would vary, based on what the researcher wishes to study, s/he faces two major tasks in a research design, firstly, specifying as clearly as possible what it is s/he wants to find out, and secondly, determining the best way to do it (Babbie, 2001). This study employed the quantitative approach of research.

3.4.1 Data collection

Research method is a means by which a research project is implemented. The selection of a research method is crucial as it influences and sets out expected research outcomes. In this study, the selection of data collection method(s) was guided by the research objectives and corresponding questions. These also guided the decision on how the data would be collected. Thus, a survey method was used to collect the data where a carefully planned questionnaire was designed and distributed for completion by the respondents.

3.4.2 Validity and Reliability

The researcher sought to obtain valid knowledge, that is, results that are true on the investigation on SMME contractors and Black Economic Empowerment in the Housing Department, Gauteng Province.

Validity refers to how accurately a research is conducted. To achieve this goal, the researcher must ensure that the research instrument actually measures the constructs or concepts intended to be measured (Ghauri and Gronhaug, 2005:65). This is referred to as internal validity. Also, a study would be valid if it has enough responses to justify the findings finally claimed. Reliability on the other hand means that the researcher or somebody else would get the same findings if the study is repeated. Thus, reliability is repeatability.

In order to ascertain the internal validity and reliability of the research instrument, a pilot study was conducted as a pre-test of the instrument (Baker, 1994:182-3). The test of the research instrument was conducted among five project managers and five contractors to help gauge content validity (Carmines and Zeller, 1979 and Morton-Williams and Young, 1987).

The goals of the pre-test were to assess the clarity of the questions, to determine the length of time required for their completion and to examine the appropriateness of the subject matter for the population under study. Based on this feedback, final changes were made in the questionnaire. The questionnaire (after pre-testing) was accompanied by a cover letter explaining objectives, relevance of the study as well as a guarantee of confidentiality to encourage participation

The survey instrument contained variables relating to the following constructs: demographic profile of the respondents; contribution of BEE interventions in the construction industry; service delivery in the housing department; challenges facing SMMEs in the construction Industry; Government Interventions in the development of SMMEs in the construction Industry; quality assurance and compliance; and quality assurance management techniques.

The variables in the two questionnaires were measured using a likert scale having five categories of responses scored as (5=strongly agree, 4=Agree, 3= Neutral 2=Disagree and 1= strongly disagree). Since the constructs of interest were varied, a vast number of items were used for each target construct. Cronbach's alpha was used to test the reliability of the measurement scales as suggested by Hair et al (1989). The internal consistency of the construct, "service delivery, using Cronbach's alpha measurement for the responses from the contractors and project managers was 0.70 and .586 respectively.

The cronbach's alpha coefficients for the individual items in the construct varied between 0.675-0.783 for the contractors' instrument and 0.475 - 0.634 for the managers' instrument. As it could be observed from the table below, there was high reliability as the alpha coefficients were consistent in the two instruments used to measure the construct.

Table 3.1: Cronbach's alpha values for the items measured in the service delivery construct:

STATEMENTS		CRONBACH'S ALPHA (PROJECT MANAGERS)	CRONBACH'S ALPHA (CONTRACTORS)
Q3.1	Managers in the Housing Department make an effort to know customers and their needs.	.493	.688
Q3.2	Managers in the Housing Department are always willing to help customers and provide prompt service.	.596	.693
Q3.3	I am happy with the services offered by the Department of Housing	.475	.680
Q3.4	Improvements are needed in service delivery.	.539	.713
Q3.5	My payments for services rendered are processed in time.	.634	.757
Q3.6	Payment certificates are delayed.	.598	.783
Q3.7	Turn around time on payment for services rendered should be improved	.534	.735
Q3.8	Contact staff in the Department is friendly, polite, respectful and considerate.	.530	.683
Q3.9	The services offered by the Department of	.493	.681

	Housing are reliable.		
Q3.10	The Department of Housing complies with the procurement regulations.	.596	.675
Q3.11	Departmental employees are readily available to provide information on contracts and on other services.	.475	.664
Average cronbach's alpha		.586	.70

Table 3.2: Challenges facing SMME contractors: This construct was measured through the following statements:

STATEMENTS		CRONBACH'S ALPHA (MANAGERS)	CRONBACH'S ALPHA (CONTRACTORS)
Q4.1	There is an exaggerated risk perception of SMMEs on the part of bankers.	.724	.855
Q4.2	SMME contractors have poor project management skills	.753	.860
Q4.3	SMME contractors have inadequate skills and capacity (depend on outsourced personnel).	.733	.855
Q4.4	Competition from large contractors.	.760	.861
Q4.5	Excessive regulatory burden.	.724	.855
Q4.6	Inability to provide securities, raise insurance and obtain professional indemnity.	.730	.854
Q4.7	The contracts are inevitably packaged in such a way as to exclude small contractors.	.713	.860
Q4.8	Inadequate technical and managerial skills required in project implementation.	.736	.861
Q4.9	Inadequate approach, knowledge, and experience required for the whole process of finding work	.745	.859
Q4.10	Insufficient understanding of the contract documentation and the preparation and submission of tenders.	.724	.860
Q4.11	Lack of information to BEE SMME.	.728	.853
Q4.12	Programmes aimed at supporting BEE SMME are not effective.	.728	.862
Q4.13	Low quality products.	.753	.864
Q4.14	Slow payment by government after completing projects.	.736	.868
Q4.15	Capital to buy Equipment	.751	.858

Q4.16	Inappropriate procurement procedures and processes with inefficient systems.	.721	.858
Q4.17	Financial Constraints	.746	.860
Q4.18	Relationships between emerging contractors and Suppliers	.740	.856
Average cronbach's alpha		.747	.866

The internal consistency of this measurement scale (measured through Cronbach's alpha) was 0.87 for the contractors' questionnaire and 0.75 for project managers.

Table 3.3 Government Interventions:

STATEMENTS		CRONBACH'S ALPHA (PROJECT MANAGERS)	CRONBACH'S ALPHA (CONTRACTORS)
Q5.1	There are sufficient government subsidies available for BBBEE enterprises	.594	.800
Q5.2	Support of new and growing enterprise is a high priority for Gauteng Provincial Government	.581	.795
Q5.3	BEE SMME entities that need assistance from government find what they need.	.576	.797
Q5.4	There are agencies formed by Government to assist BEE SMME	.620	.811
Q5.5	The government has a dedicated SMME contractor support programme.	.558	.795
Q5.6	SMEs in the construction industry are provided with technical assistance.	.615	.798
Q5.7	There is partnership between Government and Financial Institutions to support SMEs' in the construction industry access project finance.	.576	.823
Average cronbach's alpha		.626	.826

Table 3.4 Quality Assurance and Compliance: This construct was measured through the following nineteen statements:

STATEMENTS		CRONBACH'S ALPHA (PROJECT MANAGERS)	CRONBACH'S ALPHA (CONTRACTORS)
Q6.1	My business entity is registered with the CIDB	.563	.866
Q6.2	My business entity is registered with the NHBRC.	.576	.862
Q6.3	My business entity is registered with the SARS	.576	.860
Q6.4	My entity constantly strives to improve service levels to the customers.	.509	.851
Q6.5	Have you ever been questioned on the quality of your work.	.553	.855
Q6.6	Contractors deliver services timeously- perform the promised service (s) dependably, accurately and timely.	.535	.851
Q6.7	Contractors comply with project specifications.	.526	.846
Q6.8	Contractors are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered.	.504	.851
Q6.9	Customers complain about the products of some contractors.	.614	.860
Q6.10	Contractors maintain high service standards to survive and remain competitive in the construction environment.	.534	.853
Q6.11	Customers are provided with services that adds value.	.507	.859
Q6.12	Contractors possess the required skills and knowledge to perform the Services tendered.	.490	.848
Q6.13	Government employees in the Housing Department are credible– trustworthy, believable and honest.	.516	.849
Q6.14	Existence of conflict in service specifications versus service delivery resulting from the quality of employees hired by contractors.	.528	.850
Q6.15	There is compulsory competitive tendering.	.540	.851
Q6.16	Inadequate commitment to service quality by contractors (poor project feasibility hence inadequate task standardisation).	.591	.853
Q6.17	Existence of discrepancies between customer expectations (influenced by the extent of personal needs, word of mouth recommendation and past service experiences) and their perceptions of the service delivered.	.555	.853
Q6.18	Inadequate horizontal communication in the Department and external to the users of service	.566	.846

	providers.		
Q6.19	The Department has established benchmarks, tracking, monitoring & accounting measures to assure quality.	.517	.855
Average cronbach's alpha		.558	.860

These statements were measured on a five-point Likert scale (ranging from 1 strongly disagree - 5 strongly agree). The internal consistency of this measurement scale (measured through Cronbach's alpha) was 0.558 for managers and 0.860 for contractors respectively.

Table 3.5 Usage of quality assurance management techniques: This construct was measured through the following statements:

STATEMENTS		CRONBACH H'S ALPHA (PROJECT MANAGER S)	CRONBACH H'S ALPHA (CONTRACT ORS)
Q7.1	Customer satisfaction surveys are conducted.	.493	.817
Q7.2	Customer awareness through beneficiaries' education /road shows is conducted by the Department.	.596	.809
Q7.3	The Department has a quality steering group/committee.	.475	.819
Q7.4	Quality improvement on service delivery has been evolving over time.	.539	.821
Q7.5	Quality awards or prizes are given to best service providers.	.634	.801
Q7.6	Customer needs surveys are conducted before initiation of new Housing projects.	.598	.814
Q7.7	Just in time approach is applied to service providers.	.534	.815
Q7.8	The Department uses its vision and mission statement to provide quality public services.	.530	.814
Average cronbach's alpha		.586	.833

These statements were measured on a five-point Likert scale (ranging from 1 strongly disagree to 5 strongly agree). The internal consistency of this measurement scale (measured through Cronbach's alpha) was **0.586** and **0.833**.

How did we improve external validity? External validity refers to the question of whether the findings can be generalised to the entire population, or settings beyond the study period. This was ensured by drawing a representative sample from the population of the Housing department's project managers and SMME contractors in the Department's data base. From the sampling frame, a random sample was selected. It was then ensured that the respondents participated in the study and that few dropped out as respondents.

This was done by informing participants of all aspects of the research that would have reasonably been expected to influence their willingness to participate, and by clarifying the purpose of the research and requesting them to participate voluntarily.

3.5 Ethical considerations

Research ethics is the ethics of how a researcher carries out his work. It concerns the moral principles that determine how a researcher thinks and acts in particular situations (Maylor and Blackmon, 2005:280). The researcher observed research ethics by;

- Not coercing respondents to complete the questionnaire, but clarifying the purpose of the research and requesting them to participate voluntarily.
- Informing participants of all aspects of the research that would have reasonably been expected to influence their willingness to participate and explained all other aspects of the research about which the participants required (explained the importance of the research and the benefits to be derived from the study).
- Appropriately acknowledging the work of other researchers.
- Obtaining permission from the concerned authority (gatekeepers) to get access to the respondent's, especially the project managers in the Housing Department.

- Providing an accurate account of the empirical data. The researcher avoided misrepresentation of data. Empirical data was reported and analyzed honestly, regardless of whether the results questioned the practices of the department.
- Taking responsibility for the findings. A good study will make somebody angry (Becker in Maylor and Blackmon, 2005: 285). The study was carried out diligently and reported faithfully in a pragmatic manner.
- Maintaining privacy- making sure that the confidentiality of all the individuals who participated was preserved in reporting the research.

3.6 Data analysis

The survey data was analysed by SPSS software and resulting descriptive statistics interpreted.

3.7 Conclusion

The chapter covered the research design, population and sample size, data collection, ethical considerations and data analysis. The next chapter presents the presentation and interpretation of data.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

4.1 Introduction

The chapter presents data obtained by two questionnaires administered to the project managers and SMME contractors in the Housing Department of the Gauteng Province. Two questionnaires were used for purposes of triangulation of the results and generalisability. The data from the instruments is presented and analyzed in the order of the research objectives presented earlier in chapter one.

4.2 Project Managers' responses

4.2.1 Respondents profile

The first group of respondents comprised of 44 project managers working in the Department of Housing, Gauteng Province. Table 4.1 presents information on the respondents' profile: age group, gender, race, educational qualification and length of service in the Department. The Majority of the respondents fell in the age group 25-34 (43.2%), while (9.1%) were above 45 years old. The number of male managers was (64%) and females were (36%). As for educational qualifications, the majority had a bachelor's degree (36.2%) followed by national Diploma (34.3%). The results further revealed that the majority of the project managers were black (63.6%), followed by whites and coloureds (15.9%) respectively. Table 4.1 provides a summary of the respondent's profile, all presented in percentages.

Table 4.1: Distribution of demographic profile in percentages

	Sample size (44)	Age	Gender	Race	Qualifications	Length of service
Total number of questionnaires	44					
Spoiled questionnaires	0					
Age						
18-24	8	18.2				
25-34	19	43.2				
35-44	13	29.5				
45-54	4	9.1				
Gender						

Male	28		64			
Female	16		36			
Race						
Black	28			63.6		
White	7			15.9		
Coloureds	7			15.9		
Indians	2			4.6		
Qualifications						
Post school certificate	7				15.9	
National Diploma	15				34.3	
Honours	6				13.6	
Bachelors	16				36.2	
Length of service						
<1year	8					18.1
1-2 yrs	9					20.5
3- 5 years	18					40.9
6 -10 years	8					18.2
10years & above	1					2.3
Total (in %)	44 =100%	100	100	100	100	100

Besides the general information on the respondent's highest level of academic qualification, the study also sought information on their professional profile. Table 4.2 provides the diverse professions of the managers and proportion in the department.

Table 4.2 Professional profile of the project managers N=44

Profession and number of respondents expressed as a % of the total sample	No	%
Civil	17	39
Structural	5	11
Electrical	12	27
Quantity surveyor	9	20
Architect	10	23
Supply Chain and Operations management	11	25
Legal studies	4	9
Project Management	22	50
Other (Specify)	3	7

The total percentage exceeds 100% as some managers possessed more than one qualification, and therefore provided more than one response.

4.2.2 CONTRIBUTION OF BLACK ECONOMIC EMPOWERMENT (BEE) INTERVENTIONS

The respondents were provided with two statements on what is perceived as contributions of BEE interventions and required to rate those on a scale of 1-5, where 5 stood for strongly agree and 1 strongly disagrees. These statements were:

"Preferential procurement policy has assisted in creating employment and income redistribution within the society".

"Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society".

Figure 4.1 shows that 93.2% (50% and 43.2%) of the respondents agreed that preferential procurement policy had assisted in creating employment and income redistribution within the society, while figure 4.2 shows that 75% (59.1% and 15.9) of the respondents agreed that redistribution of income and wealth within the society is (was) a way to create employment and reduce crime in society.

Fig 4.1: Preferential procurement

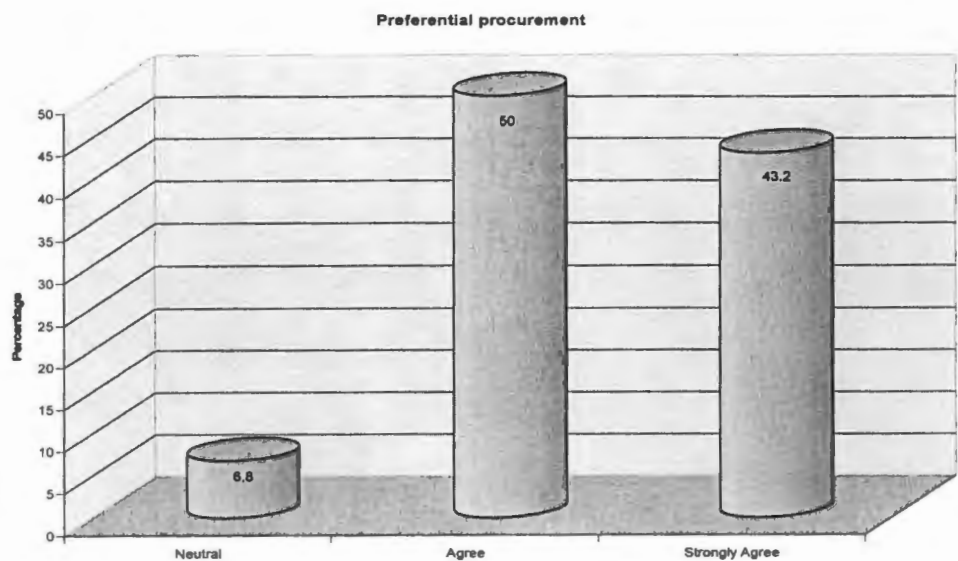
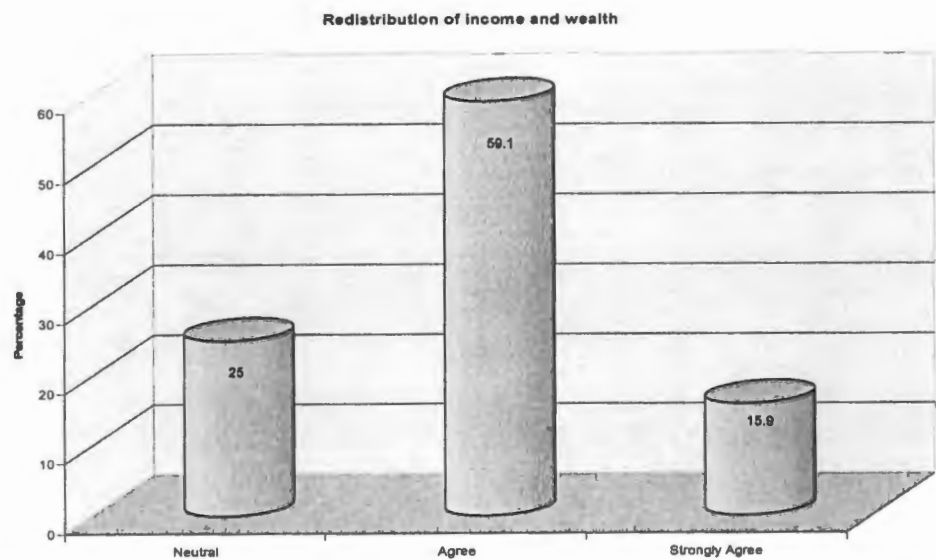


Figure 4.2: Redistribution of income and wealth



4.2.3 PUBLIC SECTOR SERVICE DELIVERY

According to the project managers in the Housing Department in the study, SMME contractors are faced with a host of challenges. A summary of their responses on these challenges is presented below in table 4.3.

SMME contractors have the following unique challenges: inability to provide securities, raise insurance and obtain professional indemnity (82%); inadequate business management skills and capacity (80%); competition from large contractors (75%); financial constraints (75%); inadequate technical and managerial skills required in project implementation (66%); slow payment by government upon completion of projects (63%) and excessive regulatory burden (60%). Other challenges included a surprising revelation that, the majority of the SMME contractors lack BEE information (52%); contracts are packaged in such a way as to exclude small contractors (51%); and that SMME contractor's products are of a low quality (48%). Despite these challenges, the majority of the respondents indicated that Bankers have an exaggerated perception of SMMEs' risk (90.9%).

Table 4.3: SERVICE DELIVERY N=44

STATEMENTS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE	TOTAL
	5	4	3	2	1	
Managers in the Housing Department make an effort to know customers and their Needs	25.0% (11)	59.1% (26)	9.1% (4)	6.8% (3)	-	100
Managers in the Housing Department are always willing to help customers and provide prompt service.	15.9% (7)	52.3% (23)	25% (11)	6.8% (3)	-	100
I am happy with the services offered by the Department of Housing	34.1% (15)	43.2% (19)	20.5% (9)	2.3% (1)	-	100
Improvements are needed in service delivery.	27.3% (12)	43.2% (19)	29.5% (13)	-	-	100
My payments for services rendered are processed in time.	11.6% (5)	41.9% (18)	23.3% (10)	18.6% (8)	4.7% (2)	100
Payment certificates are delayed.	27.3% (12)	38.6% (17)	18.2% (8)	15.9% (7)	-	100

Turn around time on payment for services rendered should be improved	56.8% (25)	40.9% (18)	2.3% (1)	-	-	100
Contact staff in the Department is friendly, polite, respectful and considerate.	14.0% (6)	55.8% (24)	20.9% (9)	7.0% (3)	2.3% (1)	100
The services offered by the Department of Housing are reliable.	27.3% (12)	45.5% (20)	15.9% (7)	11.4% (5)	-	100
The Department of Housing complies with the procurement regulations	25.0% (11)	54.5% (24)	20.5% (9)	-	-	100
Department employees are readily available to provide information on contracts and other services.	20.5% (9)	45.5% (20)	27.3% (12)	6.8% (3)	-	100

4.2.4 GOVERNMENT INTERVENTIONS IN THE DEVELOPMENT OF SMMEs IN THE CONSTRUCTION INDUSTRY.

Table 4.4 presents the responses to the questions relating to government interventions in the development of SMMEs in the construction industry. The respondents were requested to respond to seven statements thereof. They were asked to rate each item on a scale of 5 to 1 (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Accordingly, 54.6% of the respondents indicated that, there are sufficient government subsidies available for BBBEE enterprises, 84% indicated that support of new and growing enterprise is a high priority for Gauteng Provincial Government, and 54% indicated that there are agencies formed by Government to assist BEE SMME, and that the government has a dedicated SMME contractor support programme (59%) including provision of technical assistance (70.5%). Lastly, 50% of the respondents indicated that, there is partnership between Government and Financial Institutions to support SMMEs' in the construction industry access project finance.

Table 4.4: Interventions in the Development of SMME's N=60

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	5	4	3	2	1	
There are sufficient government subsidies available for BBBEE enterprises	27.3% (12)	27.3% (12)	22.7% (10)	20.5% (9)	2.3% (1)	100
Support of new and growing enterprise is a high priority for Gauteng Provincial Government	31.8% (14)	52.3% (23)	13.6% (6)	2.3% (1)	-	100
BEE SMME entities that need assistance from government find what they need.	9.1% (4)	36.4% (16)	47.7% (21)	6.8% (3)	-	100
There are agencies formed by Government to assist BEE SMME	13.6% (6)	40.9% (18)	34.1% (15)	11.4% (5)	-	100
The government has a dedicated SMME contractor support programme.	25.0% (11)	34.1% (15)	34.1% (15)	6.8% (3)	-	100
SMEs in the construction industry are provided with technical assistance.	11.4% (5)	59.1% (26)	25.0% (11)	4.5% (2)	-	100
There is partnership between Government and Financial Institutions to support SMEs' in the construction industry access project finance.	6.8% (3)	43.2% (19)	43.2% (19)	6.8% (3)	-	100

4.2.5 QUALITY ASSURANCE AND COMPLIANCE

Table 4.6 presents the responses to the questions relating to quality assurance and compliance in the Housing Department, Gauteng province's construction industry. The interviewees were asked to respond to 14 statements relating to quality assurance in the construction activities of the department. They were asked to rate each item on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Accordingly, 63.6 per cent of the respondents indicated that contractors delivered services timeously- performed the promised service (s) dependably, accurately and timely. However, 9.3% indicated that contractors did not comply with project specifications and were not flexible in handling multi-task projects by sub-contracting to assure quality of services rendered (11.3%); customers complained about the products of SMME contractors (63.6%), and that customers were not provided with services that added value (9.1%).

Hence, 31.8% of the managers are not sure whether contractors possess the required skills and knowledge to perform the services rendered. The survey further revealed that, existence of conflict in service specifications versus service delivery resulted from the quality of employees hired by the SMME contractors (75%). Nonetheless, contractors maintain high service standards to survive and remain competitive in the construction environment (75%). The study also revealed that government employees in the Housing Department are credible– trustworthy, and honest, with a mere 11.3% saying that they are not. Further, it was found out that, there is inadequate commitment to service quality by contractors (poor project feasibility hence inadequate task standardisation). That notwithstanding, the department has established benchmarks, tracking, monitoring and accounting measures to assure quality (75%).

Table 4.5: Compliance N=44

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Contractors deliver services timeously- perform the promised service (s) dependably, accurately and timely.	15.9% (7)	47.7% (21)	31.8% (14)	4.5% (2)	
Contractors comply with project specifications.	16.3% (7)	48.8% (21)	25.6% (11)	9.3% (4)	
Contractors are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered.	18.2% (8)	50.0% (22)	20.5% (9)	6.8% (3)	4.5% (2)
Customers complain about the products of some contractors.	15.9% (7)	47.7% (21)	29.5% (13)	6.8% (3)	
Contractors maintain high service standards to survive and remain competitive in the construction environment.	11.4% (5)	63.6% (28)	25.0% (11)		
Customers are provided with services that adds value.	18.2% (8)	50.0% (22)	22.7% (10)	9.1% (4)	
Contractors possess the required skills and knowledge to perform the Services tendered.	15.9% (7)	50.0% (22)	31.8% (14)	2.3% (1)	
Government employees in the Housing Department are credible– trustworthy, believable and honest.	18.2% (8)	40.9% (18)	29.5% (13)	6.8% (3)	4.5% (2)

Existence of conflict in service specifications versus service delivery resulting from the quality of employees hired by contractors.	20.5% (9)	54.5% (24)	22.7% (10)	2.3% (1)	
There is compulsory competitive tendering.	15.9% (7)	59.1% (26)	20.5% (9)	4.5% (2)	
Inadequate commitment to service quality by contractors (poor project feasibility hence inadequate task standardisation).	9.1% (4)	34.1% (15)	43.2% (19)	13.6% (6)	
Existence of discrepancies between customer expectations (influenced by the extent of personal needs, word of mouth recommendation and past service experiences) and their perceptions of the service delivered.	9.1% (4)	43.2% (19)	40.9% (18)	6.8% (3)	
Inadequate horizontal communication in the Department and external to the users of service providers.	11.4% (5)	45.5% (20)	27.3% (12)	13.6% (6)	2.3% (1)
The Department has established benchmarks, tracking, monitoring & accounting measures to assure quality.	18.2% (8)	56.8% (25)	18.2% (8)	6.8% (3)	

4.2.6 USAGE OF QUALITY MANAGEMENT TECHNIQUES

Table 4.6 presents the responses to the questions relating to quality management techniques used to assure quality in the construction activities of the Housing Department in Gauteng Province. The respondents were asked to respond to 8 statements by rating each one of them on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Accordingly 75% of the respondents indicated that customer satisfaction surveys are conducted after the delivery of the services. The others, 61% indicated that customer awareness through beneficiaries' education /road shows is conducted by the department. Besides, customer needs surveys are conducted before initiation of new housing projects (63.6%). However, quality improvement on service delivery has been evolving over time (63.6%), and just in time approach is applied in the appointment of service providers.

Table 4.6: Quality management techniques N=44

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Customer satisfaction surveys are conducted.	22.7% (10)	52.3% (23)	18.2% (8)	6.8% (3)	-
Customer awareness through beneficiaries' education /road shows is conducted by the department.	15.9% (7)	45.5% (20)	36.4% (16)	2.3% (1)	-
The Department has a quality steering group/committee.	25.0% (11)	59.1% (26)	13.6% (6)		2.3% (1)
Quality improvement on service delivery has been evolving over time.	13.6% (6)	50.0% (22)	29.5% (13)	6.8% (3)	-
Quality awards or prizes are given to best service providers.	27.3% (12)	22.7% (10)	29.5% (13)	20.5% (9)	-
Customer needs surveys are conducted before initiation of new Housing projects.	9.1% (4)	54.5% (24)	31.8% (14)	4.5% (2)	-
Just in time approach is applied to service providers.	20.5% (9)	36.4% (16)	34.1% (15)	9.1% (4)	-
The Department uses its vision and mission statement to provide quality public services.	14.0% (6)	61.4% (27)	18.2% (8)	4.5% (2)	-

4.2.7 MEASURES TAKEN TO PROMOTE SMME'S AND BEE.

The interviewees were asked to provide their opinion on three statements relating to measures taken to promote SMME's and BEE in the construction industry by rating each on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Of all the respondents, 88.6% agreed that preferential procurement policy has assisted in creating employment and income redistribution within the industry and that redistribution of income and wealth within the society was a way to create employment and reduce crime (70.5%). However, 77.3% felt that BEE SMMEs in the construction industry need more assistance to become sustainable and competitive.

Table 4.7: Measures taken to promote SMME's and BEE N=44

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Preferential procurement policy has assisted in creating employment and income redistribution within the SA society.	38.6% (17)	50.0% (22)	9.1% (4)	2.3% (1)	-
Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society.	20.5% (9)	50.0% (22)	29.5% (13)	-	-
BEE SMMEs need assistance to become sustainable and competitive	25.0% (11)	52.3% (23)	18.2% (8)	4.5% (2)	-

4.3 Contractors

The respondents were provided with two statements on what is perceived as contributions of BEE interventions and required to rate those on a scale of 1-5, where 5 stood for strongly agree and 1 strongly disagrees. These statements were:

"Preferential procurement policy has assisted in creating employment and income redistribution within the society".

"Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society".

Figure 4.3 shows that 82.1% (43.9% and 38.2%) of the SMME contractors agreed that preferential procurement policy had assisted in creating employment and income redistribution within the society, while figure 4.4 shows that 83.8% (47.2% and 36.6%) of these respondents agreed that redistribution of income and wealth within the society is (was) a way to create employment and reduce crime in society.

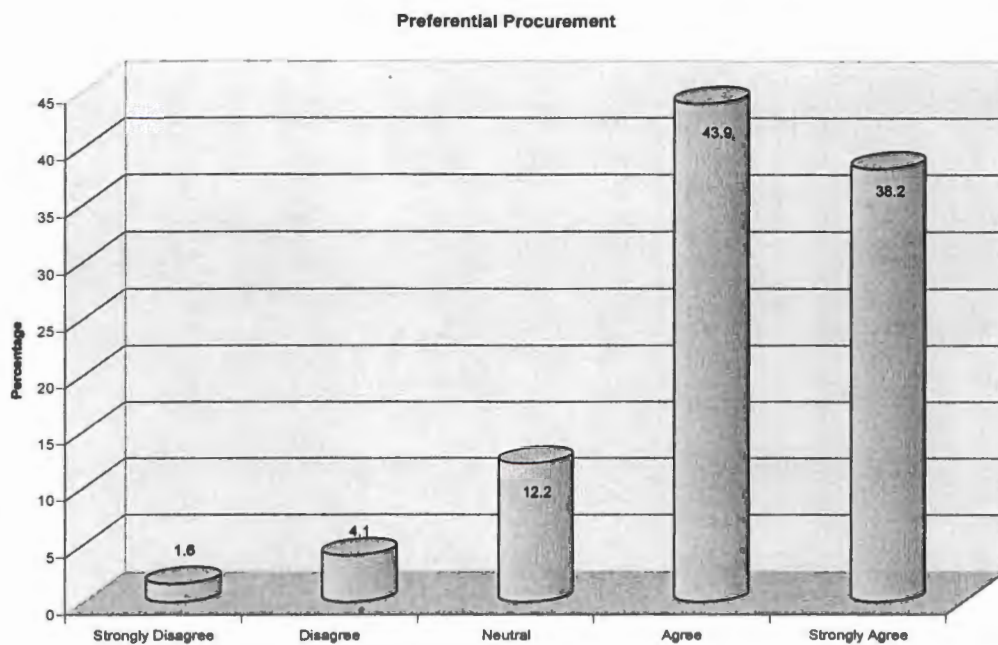


Figure 4.3 Preferential procurement

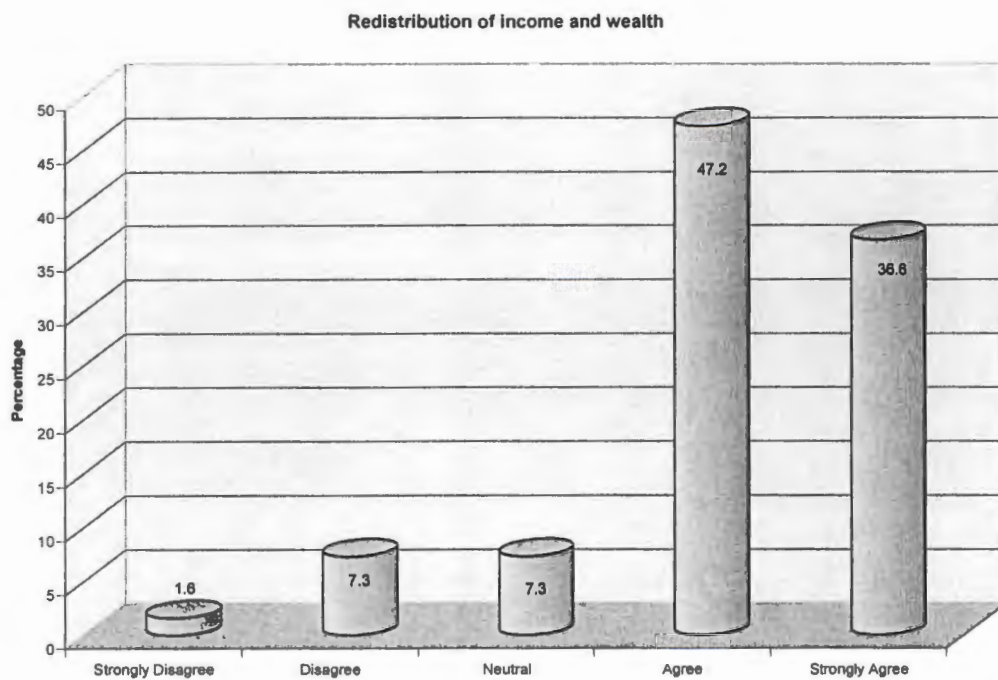


Figure 4.4: Redistribution of income and wealth

4.3.1 PUBLIC SECTOR SERVICE DELIVERY

Table 4.9 shows the responses to the questions relating to the second objective of the study. The interviewees were provided with 11 statements relating to service delivery by employees in the Housing Department. They were asked to rate each one of them on a scale of 5 to 1 depending on how it was perceived individually (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Accordingly, 77% of the respondents indicated that managers in the Housing Department make an effort to know customers and their needs, but 4.9% disagreed with the response.

With regard to prompt provision of service by the Housing department, 77% of the respondents strongly agreed that there was prompt provision of service while 11% of the rest of the respondents had an opposite view, with 12% remaining neutral. The table shows that 65% of the respondents were happy with the services offered by the Department of Housing. That notwithstanding, some SMME contractors still provided contradictory responses. For example, 85% felt strongly that improvements were needed in service delivery; payments for services rendered are not processed in time (30%); payment certificates are delayed (24%); turnaround time on payment for services rendered needs improvement (79%); and that services offered by the Department of Housing are not reliable (9%). However, as for compliance with the procurement regulations, 69% of the respondents expressed satisfaction.

Table 4.8: SERVICE DELIVERY N=123

STATEMENTS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE	TOTAL
	5	4	3	2	1	
Managers in the Housing Department make an effort to know customers and their Needs	30.9% (38)	46.3% (57)	17.9% (22)	4.9% (6)		100
Managers in the Housing Department are always willing to help customers and provide prompt service.	20.3% (25)	56.9% (70)	12.2% (15)	8.1% (10)	2.4% (3)	100
I am happy with the services offered by the Department of Housing	22.0% (27)	43.1% (53)	23.6% (29)	8.9% (11)	2.4% (3)	100
Improvements are needed in service delivery.	22.0% (27)	63.4% (78)	8.1% (10)	4.1% (5)	2.4% (3)	100
My payments for services rendered are processed in time.	11.4% (14)	27.6% (34)	30.9% (38)	17.9% (22)	12.2% (15)	100
Payment certificates are delayed.	17.1% (21)	32.5% (40)	26.8% (33)	16.3% (20)	7.3% (9)	100
Turn around time on payment for services rendered should be improved	37.4% (46)	41.5% (51)	17.9% (22)	3.3% (4)		100
Contact staff in the Department is friendly, polite, respectful and considerate.	13.0% (16)	46.3% (57)	17.9% (22)	22.0% (27)	0.8% (1)	100
The services offered by the Department of Housing are reliable.	21.1% (26)	52.0% (64)	17.9% (22)	8.1% (10)	0.8% (1)	100
The Department of Housing complies with the procurement regulations	30.9% (38)	38.2% (47)	24.4% (30)	3.3% (4)	3.3% (4)	100
Department employees are readily available to provide information on contracts and on other services.	30.1% (37)	37.4% (46)	20.3% (25)	9.8% (12)	2.4% (3)	100

4.3.2 CHALLENGES FACING SMMEs IN THE CONSTRUCTION INDUSTRY

Table 4.10 shows the responses to the questions relating to the objective of the study. 11 statements relating to challenges encountered by SMME contractors were provided the interviewees and asked to rate each on a scale of 5 to 1 depending on how it was perceived individually (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree).

Accordingly, 57% of the respondents indicated that there was an exaggerated risk perception of SMMEs by bankers; SMMEs had poor project management skill (67.5%); experienced competition from large contractors (66%) ; had inability to provide securities, raise insurance and obtain professional indemnity (66%); have inadequate technical and managerial skills required in project implementation (67.5%); insufficient understanding of the contract documentation and the preparation and submission of tenders (63.4%).

Table 4.9: challenges facing SMMEs N=123 =100%

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total %
	5	4	3	2	1	
An exaggerated risk perception of SMMEs on the part of bankers.	19.5% (24)	35.8% (44)	39.8% (49)	3.3% (4)	1.6% (2)	100
Poor project Management skills (business failure).	26.0% (32)	41.5% (51)	18.7% (23)	13.0% (16)	0.8% (1)	100
Inadequate skills and capacity (depend on outsourced personnel).	23.6% (29)	42.3% (52)	18.7% (23)	13.0% (16)	2.4% (3)	100
Competition from large contractors.	34.1% (42)	31.7% (39)	26.8% (33)	7.3% (9)		100
Excessive regulatory burden.	19.5% (24)	26.0% (32)	41.5% (51)	9.8% (12)	3.3% (4)	100
Inability to provide securities, raise insurance and obtain professional indemnity.	27.6% (34)	38.2% (47)	22.0% (27)	10.6% (13)	1.6% (2)	100
The contracts are inevitably packaged in such a way as to exclude small contractors.	27.6% (34)	30.1% (37)	23.6% (29)	13.8% (17)	4.9% (6)	100
Inadequate technical and managerial skills required in project implementation.	22.8% (28)	44.7% (55)	22.0% (27)	8.9% (11)	1.6% (2)	100
Inadequate approach, knowledge, and experience required for the whole process of finding work	27.6% (34)	33.3% (41)	26.8% (33)	8.9% (11)	3.3% (4)	100
Insufficient understanding of the contract documentation and the preparation and submission of tenders.	23.6% (29)	39.8% (49)	17.9% (22)	13.8% (17)	4.9% (6)	100
Lack of information to BEE SMME.	22.8% (28)	26.0% (32)	34.1% (42)	13.8% (17)	3.3% (4)	100
Programmes aimed at supporting BEE SMME are not effective.	26.8% (33)	37.4% (46)	20.3% (25)	13.0% (16)	2.4% (3)	100

Low quality products.	9.8% (12)	39.8% (49)	30.1% (37)	8.9% (11)	11.4% (14)	100
Slow payment by government after completing projects.	28.5% (35)	28.5% (35)	16.3% (20)	14.6% (18)	12.2% (15)	100
Capital to buy Equipment	24.4% (30)	32.5% (40)	27.6% (34)	10.6% (13)	4.9% (6)	100
Inappropriate procurement procedures and processes with inefficient systems.	17.9% (22)	34.1% (42)	34.1% (42)	10.6% (13)	3.3% (4)	100
Financial Constraints	24.4% (30)	32.5% (40)	28.5% (35)	10.6% (13)	4.1% (5)	100
Relationships between emerging contractors and Suppliers	24.4% (30)	32.5% (40)	26.8% (33)	10.6% (13)	5.7% (7)	100

Programmes aimed at supporting BEE SMME are ineffective (64%); there is slow payment by government after completing projects (57%); and that there is lack of relationship between emerging contractors and Suppliers (57%).

4.3.3 GOVERNMENT INTERVENTIONS IN THE DEVELOPMENT OF SMMES IN THE CONSTRUCTION INDUSTRY.

The empirical results on government interventions revealed the following: There are sufficient government subsidies available for BBBEE enterprises (57.7%); support of new and growing enterprise is a high priority for Gauteng Provincial Government (73.9%); there are agencies formed by Government to assist BEE SMME (67.5%); the government has a dedicated SMME contractor support programme (61%); SMEs in the construction industry are provided with technical assistance (61.8%), and that there is partnership between Government and Financial Institutions to support SMEs' in the construction industry access project finance (53.2%).

Table 4.10: Interventions in the Development of SMME's N=123

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	5	4	3	2	1	
There are sufficient government subsidies available for BBBEE enterprises	19.5% (24)	38.2% (47)	26.0% (32)	10.6% (13)	5.7% (7)	100
Support of new and growing enterprise is a high priority for Gauteng Provincial Government	21.1% (26)	52.8% (65)	17.9% (22)	4.9% (6)	3.3% (4)	100
BEE SMME entities that need assistance from government find what they need.	17.1% (21)	46.3% (57)	23.6% (29)	10.6% (13)	2.4% (3)	100
There are agencies formed by Government to assist BEE SMME	23.6% (29)	43.9% (54)	27.6% (34)	3.3% (4)	1.6% (2)	100
The government has a dedicated SMME contractor support programme.	20.3% (25)	40.7% (50)	31.7% (39)	5.7% (7)	1.6% (2)	100
SMEs in the construction industry are provided with technical assistance.	19.5% (24)	42.3% (52)	19.5% (24)	13.0% (16)	5.7% (7)	100
There is partnership between Government and Financial Institutions to support SMEs' in the construction industry access project finance.	25.6%	27.6% (34)	27.6% (34)	10.6% (13)	8.1% (10)	100

4.3.4 QUALITY ASSURANCES AND COMPLIANCE

Table 4.11: Compliance N=123

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	5	4	3	2	1	
My business entity is registered with the CIDB	32.5% (40)	44.7% (55)	9.8% (12)	11.4% (14)	1.6% (2)	100
My business entity is registered with the NHBRC.	28.5% (35)	38.2% (47)	24.4% (30)	4.1% (5)	4.9% (6)	100
My business entity is registered with the SARS	44.7% (55)	39.8% (49)	12.2% (15)	2.4% (3)	0.8% (1)	100
My entity constantly strives to improve service levels to the customers.	34.1% (42)	48.0% (59)	12.2% (15)	5.7% (7)		100
Have you ever been questioned on the quality of your work.	25.2% (31)	51.2% (63)	9.8% (12)	6.5% (8)	7.3% (9)	100
Contractors deliver services timeously- perform the promised service (s) dependably, accurately and timely.	28.5% (35)	42.3% (52)	15.4% (19)	7.3% (9)	6.5% (8)	100

Contractors comply with project specifications.	32.5% (40)	40.7% (50)	18.7% (23)	7.3% (9)	0.8% (1)	100
Contractors are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered.	30.1% (37)	46.3% (57)	18.7% (23)	3.3% (4)	1.6% (2)	100
Customers complain about the products of some contractors.	33.3% (41)	35.0% (43)	17.1% (21)	12.2% (15)	2.4% (3)	100
Contractors maintain high service standards to survive and remain competitive in the construction environment.	19.5% (24)	50.4% (62)	22.0% (27)	7.3% (9)	0.8% (1)	100
Customers are provided with services that adds value.	23.6% (29)	41.5% (51)	27.6% (34)	7.3% (9)		100
Contractors possess the required skills and knowledge to perform the Services tendered.	21.1% (26)	43.9% (54)	22.0% (27)	12.2% (15)	0.8% (1)	100
Government employees in the Housing Department are credible-trustworthy, believable and honest.	38.2% (47)	32.5% (40)	11.4% (14)	11.4% (14)	6.5% (8)	100
Existence of conflict in service specifications versus service delivery resulting from the quality of employees hired by contractors.	11.4% (14)	36.6% (45)	32.5% (40)	15.4% (19)	4.1% (5)	100
There is compulsory competitive tendering.	23.6% (29)	43.9% (54)	20.3% (25)	6.5% (8)	5.7% (7)	100
Inadequate commitment to service quality by contractors (poor project feasibility hence inadequate task standardisation).	18.7% (23)	38.2% (47)	34.1% (42)	8.9% (11)		100
Existence of discrepancies between customer expectations (influenced by the extent of personal needs, word of mouth recommendation and past service experiences) and their perceptions of the service delivered.	16.3% (20)	52.8% (65)	23.6% (29)	6.5% (8)	0.8% (1)	100
Inadequate horizontal communication in the Department and external to the users of service providers.	21.1% (26)	48.8% (60)	18.7% (23)	5.7% (7)	5.7% (7)	100
The Department has established benchmarks, tracking, monitoring & accounting measures to assure quality.	27.6% (34)	39.8% (49)	25.2% (31)	4.1% (5)	3.3% (4)	100

Table 4.11 presents the responses to the questions relating to quality assurance and compliance in the construction activities of the Housing Department, Gauteng Province. The interviewees were requested to respond to 14 statements relating to quality assurance.

They were asked to rate each item on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). Accordingly, 56 per cent of the respondents indicated that they had been questioned on the quality of their work. Again, 70% indicated that they delivered services timeously-performed the promised service (s) dependably, accurately and timely, however, 13% said they do not. The majority at 73% indicated that they comply with project specifications and are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered (76%); customers complain about the products of some SMME contractors (68%), and that customers are provided with services that add value (65%). The survey further revealed that, existence of conflict in service specifications versus service delivery resulted from the quality of employees hired by the SMME contractors (48%). Nonetheless, contractors maintain high service standards to survive and remain competitive in the construction environment (70%). The study also revealed that government employees in the Housing Department are credible– trustworthy, and honest, with a mere 18% saying that they are not. Further, it was found out that, there is inadequate commitment to service quality by contractors (inadequate task standardisation) (57%). That notwithstanding, the Department has established benchmarks, tracking, monitoring and accounting measures to assure quality (66%).

4.3.5 USAGE OF QUALITY MANAGEMENT TECHNIQUES

Table 4.12 presents the responses to the questions relating to quality management techniques used to assure quality in the construction activities of the Housing Department in Gauteng Province. The respondents were asked to respond to 8 statements by rating each one of them on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree).

Of all respondents, 69% of the respondents indicated that customer satisfaction surveys are conducted after the delivery of the services.

Table 4.12: Quality management techniques N=123

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	5	4	3	2	1	
Customer satisfaction surveys are conducted.	31.7% (39)	37.4% (46)	20.3% (25)	5.7% (7)	4.9% (6)	100
Customer awareness through beneficiaries' education /road shows is conducted by the department.	28.5% (35)	53.7% (66)	14.6% (18)	1.6% (2)	1.6% (2)	100
The Department has a quality steering group/committee.	23.6% (29)	40.7% (50)	28.5% (35)	4.9% (6)	2.4% (3)	100
Quality improvement on service delivery has been evolving over time.	21.1% (26)	56.1% (69)	17.1% (21)	4.9% (6)	0.8% (1)	100
Quality awards or prizes are given to best service providers.	24.4% (30)	39.0% (48)	22.0% (27)	12.2% (15)	2.4% (3)	100
Customer needs surveys are conducted before initiation of new Housing projects.	21.1% (26)	41.5% (51)	25.2% (31)	11.4% (14)	0.8% (1)	100
Just in time approach is applied to service providers.	23.6% (29)	43.9% (54)	22.8% (28)	8.1% (10)	1.6% (2)	100
The Department uses its vision and mission statement to provide quality public services.	16.3% (20)	61.0% (75)	17.1% (21)	4.1% (5)	1.6% (2)	100

Again, 82% indicated that customer awareness through beneficiaries' education /road shows is conducted by the department. Besides, customer needs surveys are conducted before initiation of new Housing projects (62.6%). However, quality improvement on service delivery has been evolving over time (77%), and Just in time approach is applied in the appointment of service providers (66%).

4.3.6 MEASURES TAKEN TO PROMOTE SMME'S AND BEE.

The interviewees were asked to provide their opinion on three statements relating to measures taken to promote SMME's and BEE in the construction

industry by rating each one of them on a scale of 5 to 1 depending on how it was perceived by the individual respondent (5=strongly agree; 4=agree; 3=neutral; 2=disagree and 1=strongly disagree). The table shows that 82% agreed that preferential procurement policy has assisted in creating employment and income redistribution within the industry and that redistribution of income and wealth within the society was a way to create employment and reduce crime (72%). However, 74% felt that BEE SMMEs in the construction industry need assistance to become sustainable and competitive.

Table 4.13: Measures taken to promote SMME's and BEE N=60

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	5	4	3	2	1	
Preferential procurement policy has assisted in creating employment and income redistribution within the SA society.	35.0% (43)	47.2% (58)	8.9% (11)	7.3% (9)	1.6% (2)	100
Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society.	32.5% (40)	49.6% (61)	11.4% (14)	6.5% (8)		100
BEE SMMEs need assistance to become sustainable and competitive	26.8% (1)	47.2% (58)	24.4% (30)	0.8% (1)	0.8% (1)	100

4.4 Conclusion

Chapter 3 presented empirical data. The data was cross-tabulated for ease of presentation and interpretation. However, the raw data had been processed through the SPSS system, and the SPSS output was input into the tables. The next chapter discusses the results and concludes with recommendations.

CHAPTER FIVE

DISCUSSIONS OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Chapter five presents and discusses findings from the study. The discussion is based on the results obtained on each of the research objectives. Based on the discussions, conclusions and recommendations are made. Finally, areas that need further research are proposed.

5.1 Objective 1: To assess the perception of SMME contractors of the Black Economic Empowerment (BEE) interventions in the Gauteng province, Housing Department.

The small business sector in South Africa is highly diverse in terms of structure, problems, growth potential and access to support. This diversity applies not only to the different economic sectors but also to the various stages of growth of these enterprises. Support of SMMEs has been adopted as a strategy to develop entrepreneurship and accelerate economic development in the country. These enterprises play a critical role in the economy as demonstrated by the number of people they employ and their overall contribution. For example, according to Rwigema and Venter (2004: 393), it is estimated that the SMME sector accounts for 3.5 million jobs in South Africa. Hence, the South African government has put interventions in place that support the development of BEE SMEs. For example, 93.2% of the respondents agree that the preferential procurement intervention in the promotion of black SMMEs has assisted in creating employment and income redistribution within society.

5.2 Objectives 2: To assess the impact of service delivery in the Gauteng provinces', Housing Department.

Service quality is known to contribute to customer satisfaction (Arawati, Sunita and Kandampully, 2007). Achieving a higher level of customer satisfaction (CS) involves real resources in terms of money, managerial time, and focus. Thus, to achieve the customer satisfaction objective, the government has adopted the Batho Pele principles as a deliberate strategy to instil a culture of accountability and caring by public servants. Through this strategy public servants are expected to be service orientated, strive for service excellence and commit to continuous service delivery improvement. (Pelser and Louw, 2002: 3).

With regard to promptness in the provision of service by the Housing department, the majority of the SMME contractors (77%) agree that there is prompt provision of service while 65% of the respondents are generally happy with the services offered by the Department. That notwithstanding, 85% of the SMME contractors feel strongly that improvements are needed in service delivery and turnaround time on payment for services rendered needs improvement (79%). However, the challenge of service delivery in government is an aspect that most governments throughout the world must overcome (Pelser and Louw, 2002: 3). Nonetheless, as for compliance with the procurement regulations, 69% of the respondents expressed satisfaction.

5.3 Objectives 3: To identify challenges facing SMMEs in the construction activities of the Housing Department.

Accordingly, 66% indicated that there was competition from large contractors and a similar percentage had inability to provide securities, raise insurance and obtain professional indemnity. Of all respondents, 67.5% indicated inadequacy in technical and managerial skills in project implementation as one other challenge.

Other challenges included insufficient understanding of the contract and tender documentation (63.4%); inefficiency in programmes aimed at supporting BEE SMME (64%); slow payment by government after project completion (57%); and that there is lack of relationship between emerging contractors and suppliers (57%). These findings were consistent with previous results by other researchers on challenges facing SMMEs. For example, extant researchers such as (UPS survey, 2005; Stuti, 2005; Ting, 2004; Wan, 2003; and Hall, 2002) have identified the following as barriers facing SMEs in the business environment: lack of financing, limited adoption of technology; low productivity, lack of managerial capabilities, competition from large enterprises, low quality products and a heavy regulatory burden.

5.4. Objectives 4: To explore Government interventions in the development of SMMEs in the construction industry.

The Accelerated and Shared Growth Initiative (2006) in South Africa has outlined the need to eradicate poverty in the second economy through the development of small businesses as a strategy to address the challenges of poverty in the country. On the other hand provincial governments have developed Growth and Development Plans whose central pillar is economic growth in different sectors. At the Local Government sphere the idea of a 'developmental local government' outlined in the White Paper on Local Government of 1998 outlines the need for economic growth that will translate into social development. The local government therefore will have to drive processes of transformation through initiatives such as Local Economic Development (LED). This again is an opportunity for small businesses to grow. The National White Paper on Small Business Development of 1995 stated the role of SMMEs as:

- creating more employment;
- contributing to the dynamisation of the economy;
- empowering previously disadvantaged segments of society; and
- providing a basic social net for the unemployed, poor and destitute.

The existence of this paper means that the three spheres of government are bound by legislation to commit towards the development of small businesses for the sake of social transformation.

Thus, the SMME sector is regarded as the driving force in economic growth and job creation in all countries. According to the South African Department of Trade and Industry (DTI), small businesses employ almost half of formally employed persons, and contribute 42% of the country's gross domestic product (Levin, 1998:79; Sunter, 2000:3). Hence, the role of government in South Africa is of critical importance in shaping the present and future of the SMME sector. As a result, a watershed shift has taken place since 1994 in the national policy environment surrounding small enterprises in South Africa.

The current study's results on government interventions on the development of SMMEs in the construction industry by both the department's project managers and SMME contractors revealed that there are sufficient government subsidies available for BBBEE enterprises (Project managers 54.6% and contractors 57.7%); there are agencies formed by Government to assist BEE SMME (54% and 67.5%); the government has a dedicated SMME contractor support programme (59% and 61%); SMEs in the construction industry are provided with technical assistance(70.5% and 61.8%), and that there is partnership between Government and Financial Institutions to support SMEs' in the construction industry access project finance (50% and 53.2% respectively).

5.5 Objectives 5: To ascertain whether service providers comply with quality assurance regulations.

The construction industry has been struggling with quality issues for many years, and the cost to the South African economy is dramatic. The cost could potentially be reduced significantly if the industry were to embrace the concept of quality assurance that has been used with great success by many

other sectors of the economy. Quality assurance reduces variation, which improves quality.

Control” and “variation reduction is accomplished through various methods such quality assurance procedures also referred to as “systematizing”, “standardizing”, or “proceduralizing” project activities; non-conformance tracking- to monitor and track quality issues to ensure that defects are kept from the customers; corrective action and preventative action-to correct flawed processes (i.e. quality procedures) when detected via audits and non-conformance tracking to prevent defects from reoccurring, and management review- reviewing quality systems data (performance) or (quality metrics) to determine if the quality system is working and if it is not, in order to take appropriate action to improve the system (Harrison, 2005).

Hence, to that end, both the department of Housing project managers and the SMME contractors were served with a questionnaire and required to respond to a set of items under the quality assurance construct.

Accordingly, 63.6 per cent of the project managers indicated that project contractors delivered services timeously- performed the promised service (s) dependably, accurately and timely. Similarly, customers complained about the products of SMME contractors (63.6%). Hence, 31.8% of the managers are not sure whether contractors possess the required skills and knowledge to perform the services rendered. The survey further revealed that, existence of conflict in service specifications versus service delivery resulted from the quality of employees hired by the SMME contractors (75%). Nonetheless, contractors maintain high service standards to survive and remain competitive in the construction environment (75%). The study also revealed that government employees in the Housing Department are credible– trustworthy, and honest, with a mere 11.3% saying that they are not.

While the results reported above originated from the project managers, 56 per cent of the SMMEs' contractors indicated that they had been questioned on the quality of their work, thus supporting the fears expressed by the managers that they were not sure whether contractors possessed the required skills and knowledge to perform the services required of them.

Again, 70% concurred with the managers that they delivered services timeously- performed the promised service (s) dependably, accurately and timely. To the contrary, 76% indicated that they are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered. The survey further revealed that, existence of conflict in service specifications versus service delivery resulted from the quality of employees hired by the SMME contractors (48%).

In this instance, the contractors rated themselves favourably well compared to the rating awarded by the managers on this item. 69% of the respondents indicated that customer satisfaction surveys are conducted after the delivery of the services and, 82% indicated that customer awareness through beneficiaries' education /road shows is conducted by the department. Besides, customer needs surveys are conducted before initiation of new Housing projects (62.6%). That notwithstanding, the study also revealed that there is inadequate commitment to service quality by contractors (inadequate task standardisation) (57%). Approximately 53% of the contractors talked to did not know what a Quality Manual was and therefore did not have Quality Manuals to ensure standardisation.

In general, most construction SMME contractors did not know what was expected in a quality programme. Some quality plans and/or quality manuals were merely window dressing and were not implemented at all, while others indeed were adhering to the quality assurance manuals.

According to Bailey(1996), 'Quality' is the sum of: knowing the customers' needs; fitness for purpose; designing to meet them; availability; exceeding customer expectations; safety; faultless construction; consistency; degree of excellence; value for money; reliable equipment and materials; good management co-ordination; reliability; getting it right first time; marketability; and conformance to requirements. The aim of a QA system is getting things right the first time and, by so doing, preventing errors. There is a growing realisation by some construction companies that a quality management system, when fully implemented, will not only raise their standards but also reduce their costs and hence increase their profits (Cornick, 1991).

In common with other developing countries, the SMME construction industry in South Africa faces a major challenge in improving the quality of its output. The Quality Assurance (QA) framework, provided by the ISO 9000 standards, could be a driver and an agent for change of the current quality culture. Existing problems such as inconsistent technology, lack of commitment and cultural resistance present barriers to quality assurance implementation. ISO 9000 is the international standard for quality management. It is used by many organizations in many countries around the world (Ashford, 1990).

5.6. Conclusion

In conclusion, government interventions in the promotion of black SMMEs have assisted in creating employment and income redistribution within society. However, there is inadequate commitment to service quality by contractors (inadequate task standardisation), and some of the contractors do not know what quality manuals are and therefore do not have quality manuals to ensure standardisation.

5.7 Recommendations

Based on the findings it is recommended that SMME contractors and their employees must have relevant technical skills. They must also have and adhere to quality assurance manuals. It is further recommended that SMME contractors that do not comply with quality assurance nor committed to the provision of the service(s) tendered for should be strike off of the service provider's data base. Further research is required to assess the impact of accidental service providers and quality assurance in the Department of Housing's construction industry.

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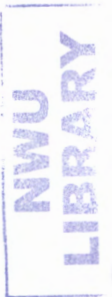
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RESEARCH QUESTIONNAIRE: CONTRACTOR: APPENDIX A

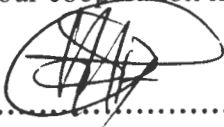
Dear Respondent

I Molebedi Gordon Sisi currently registered for Master in Business Administration Degree (MBA) with the University of North West, Mafikeng Campus (Student Number: 16248007), as part of the requirement for this Degree a student must conduct a research/mini dissertation. My topic is about **Black Economic Empowerment in the Construction Sector: A case study of Gauteng Provincial Government**.

The objective of the study is to identify challenges encountered by Small Medium and Micro Enterprises in the construction sector.

I therefore, request your participation in filling the research questionnaire on **Black Economic Empowerment in the Construction Sector**. I assure you of confidentiality on any information provided. I further assure you that the responses to the questionnaire will be used strictly for research purposes. I believe the outcome of the research as an academic exercise will benefit the construction industry as well as the Department of Housing at large.

Your cooperation is relied upon.



.....
Molebedi Gordon Sisi

Date: 04 November 2008

QUESTIONNAIRE

SECTION 1

Please answer the questions below by placing an **X** across a number in the adjacent box for the answer you consider most appropriate or by writing your answer in the adjacent space provided. Please answer all questions.

1.1. Gender

Please indicate your gender by crossing the relevant box

Male		Female	
------	--	--------	--

1.2. Please specify as to how long you have been working in the construction industry

0 - 6 months	1
6 months – 2 Years	2
3 – 5 Years	3
6 – 10 Years	4
11 – 15 Years	5
16 – 20 Years	6
21 – 25 Years	7
26 – 45 Years	8

1.3. Academic Qualification

Please indicate your highest academic qualification

Secondary school	1
Standard 10 or Equivalent	2
Post school Certificate or diploma	3
National Diploma or National Higher Diploma	4
Bachelor's degree or equivalent	5

Honours degree or equivalent	6
Master's degree	7
Doctoral degree or equivalent	8

1.4. Ethnic Group.

Please indicate your ethnic group.

African	1
White	2
Coloured	3
Indian	4

1.5. Age

Please mark your age in the appropriate box.

18 – 24	1
25 – 34	2
35 – 44	3
45 – 54	4
55 – 64	5

1.6. How many employees are there in your enterprise?

0 – 50	1
51 – 100	2
101 – 150	3
151 – 200	4
201 – 250	5
251 – 500	6
501 – 1000	7

1.7. Do you think you can improve your business by using professional employees?

Yes

No

1.8. How many professional employees are there in your organization?

0 - 3	1
4 - 6	2
7 -10	3

1.9. What qualifications do they have and how many are they?

Civil	
Structural	
Electrical	
Quantity surveyor	
Architect	
Project Management	

1.10. Do you provide your staff with skills training?

Yes

No

1.11. Do you allow the beneficiary/clients to evaluate your services?

YES

NO

1.12. Have you received training on how to run/manage business?

YES

NO

1.13. Are you currently undergoing any formal training or skills development?

YES

NO

SECTION 2: BLACK ECONOMIC EMPOWERMENT (BEE) INTERVENTIONS

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Preferential procurement policy has assisted in creating employment and income redistribution within the society.					
Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society.					

SECTION 3 PUBLIC SECTOR SERVICE DELIVERY

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Managers in the Housing Department make an effort to know customers and their needs.					
Managers in the Housing Department are always willing to help customers and provide prompt service.					
I am happy with the services offered by the Department of Housing					
Improvements are needed in service delivery.					
My payments for services rendered are processed in time.					
Payment certificates are delayed.					
Turn around time on payment for services rendered should be improved					
Contact staff in the Department is friendly, polite, respectful and considerate.					
The services offered by the Department of Housing are reliable.					

The Department of Housing complies with the procurement regulations.					
Departmental employees are readily available to provide information on contracts and on other services.					

SECTION 4: CHALLENGES FACING SMMEs IN THE CONSTRUCTION INDUSTRY

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
An exaggerated risk perception of SMMEs on the part of bankers.					
Poor project Management skills (business failure).					
Inadequate skills and capacity (depend on outsourced personnel).					
Competition from large contractors.					
Excessive regulatory burden.					
Inability to provide securities, raise insurance and obtain professional indemnity.					
The contracts are inevitably packaged in such a way as to exclude small contractors.					
Inadequate technical and managerial skills required in project implementation.					
Inadequate approach, knowledge, and experience required for the whole process of finding work					
Insufficient understanding of the contract documentation and the preparation and submission of tenders.					
Lack of information to BEE SMME.					

Programmes aimed at supporting BEE SMME are not effective.					
Low quality products.					
Slow payment by government after completing projects.					
Capital to buy Equipment					
Inappropriate procurement procedures and processes with inefficient systems.					
Financial Constraints					
Relationships between emerging contractors and Suppliers					

**SECTION 5: GOVERNMENT INTERVENTIONS IN THE DEVELOPMENT OF
SMMES IN THE CONSTRUCTION INDUSTRY.**

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
There are sufficient government subsidies available for BBBEE enterprises					
Support of new and growing enterprise is a high priority for Gauteng Provincial Government					
BEE SMME entities that need assistance from government find what they need.					
There are agencies formed by Government to assist BEE SMME					
The government has a dedicated SMME contractor support programme.					
SMEs in the construction industry are provided with technical assistance.					
There is partnership between Government and Financial Institutions to support SMEs' in the					

construction industry access project finance.					
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SECTION 6: QUALITY ASSURANCES AND COMPLIANCE TO REGULATIONS.

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
My business entity is registered with the CIDB					
My business entity is registered with the NHBRC.					
My business entity is registered with the SARS					
My entity constantly strives to improve service levels to the customers.					
Have you ever been questioned on the quality of your work.					
Contractors deliver services timeously- perform the promised service (s) dependably, accurately and timely.					
Contractors comply with project specifications.					
Contractors are flexible in handling multi-task projects by sub-contracting to assure quality of services rendered.					
Customers complain about the products of some contractors.					
Contractors maintain high service standards to survive and remain competitive in the construction environment.					
Customers are provided with services that adds value.					
Contractors possess the required skills and knowledge to perform the Services tendered.					

Government employees in the Housing Department are credible– trustworthy, believable and honest.					
Existence of conflict in service specifications versus service delivery resulting from the quality of employees hired by contractors.					
There is compulsory competitive tendering.					
Inadequate commitment to service quality by contractors (poor project feasibility hence inadequate task standardisation).					
Existence of discrepancies between customer expectations (influenced by the extent of personal needs, word of mouth recommendation and past service experiences) and their perceptions of the service delivered.					
Inadequate horizontal communication in the Department and external to the users of service providers.					
The Department has established benchmarks, tracking, monitoring & accounting measures to assure quality.					

SECTION 7: USAGE OF QUALITY MANAGEMENT TECHNIQUES

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Customer satisfaction surveys are conducted.					

Customer awareness through beneficiaries' education /road shows is conducted by the Department.					
The Department has a quality steering group/committee.					
Quality improvement on service delivery has been evolving over time.					
Quality awards or prizes are given to best service providers.					
Customer needs surveys are conducted before initiation of new Housing projects.					
Just in time approach is applied to service providers.					
The Department uses its vision and mission statement to provide quality public services.					

SECTION 8: MEASURES TAKEN TO PROMOTE SMME'S AND BEE.

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1
Preferential procurement policy has assisted in creating employment and income redistribution within the SA society.					
Redistribution of income and wealth within the society is a way to create employment and reduce crime in the society.					
BEE SMMEs need assistance to become sustainable and competitive					

Contractor

RESEARCH QUESTIONNAIRE: PROJECT MANAGER: APPENDIX B

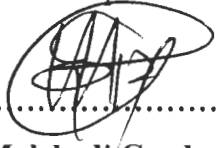
Dear Respondent

I Molebedi Gordon Sisi currently registered for Master in Business Administration Degree (MBA) with the University of North West, Mafikeng Campus (Student Number: 16248007), as part of the requirement for this Degree, a student must conduct a research/mini dissertation. My topic is about **Black Economic Empowerment in the Construction Sector: A case study of Gauteng Provincial Government.**

The objective of the study is to identify challenges encountered by Small, Medium and Micro Enterprises in the construction sector.

I therefore, request your participation in filling the research questionnaire on **Black Economic Empowerment in the Construction Sector.** I assure you of confidentiality on any information provided. I further assure you that the responses to the questionnaire will be used strictly for research purposes. I believe the outcome of the research as an academic exercise will benefit the construction industry as well as the Department of Housing at large.

Your cooperation is relied upon.



.....

Molebedi Gordon Sisi

Date: 04 November 2008

QUESTIONNAIRE

SECTION 1

Please answer the questions below by placing an X across a number in the adjacent box for the answer you consider most appropriate or by writing your answer in the adjacent space provided. Please answer all questions.

1.1. Gender

Please indicate your gender by crossing the relevant box

Male		Female	
------	--	--------	--

1.2. Please specify as to how long you have been working in the Housing Department.

0 – 1 year	1
1-2 yrs	2
3 – 5 Years	3
6 – 10 Years	4
11 – 15 Years	5
16 – 20 Years	6
21 – 25 Years	7
26 – 45 Years	8

1.3. Academic Qualification

Please indicate your **highest academic** qualification

Post school Certificate or diploma	1
National Diploma or National Higher Diploma	2
Bachelor's degree or equivalent	3
Honours degree or equivalent	4
Master's degree	5

Doctoral degree or equivalent	6
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1.4. Ethnic Group.

Please indicate your ethnic group.

African	1
White	2
Coloured	3
Indian	4

1.5. Age

Please mark your age in the appropriate box.

18 – 24	1
25 – 34	2
35 – 44	3
45 – 54	4
55 – 64	5

1.6 What professional qualification (s) do you have?

Civil	
Structural	
Electrical	
Quantity surveyor	
Architect	
Supply Chain and Operations management	
Legal studies	
Project Management	
Other (Specify)	

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Project Manager