



Assessing the influence of entrepreneurial orientation on the performance of South African construction business

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DECLARATION

I, M A Khithika, do hereby declare that this research project is the result of his own inquiry and that it has not been submitted in part or full for any degree or for any other degree to any other University.

Name

Signed on date

ACKNOWLEDGEMENTS

Thank you to the Lord Almighty through whom all things are possible and for giving me the strength, inspiration, and courage to complete this research study through his grace.

Special thanks to my supervisor, Professor SP van der Merwe for his guidance from the start to the end, together with his patience with me when I struggled to follow his lead. Without his patient guidance, teaching, insightful ideas and long hours of work, this dissertation could not have been completed.

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ABSTRACT

Literature is full of studies conducted to unravel the effect of entrepreneurial orientation on organisations' performance, which highlights the importance of entrepreneurial orientation on the way businesses are organised. One sector that is still to be fully explored as far as Entrepreneurial Orientation (EO) and organisational performance are concerned is the construction industry. In this study, we investigate how the entrepreneurial orientation dimensions, namely innovativeness, pro-activeness, risk-taking, competitive aggressiveness, and autonomy, influence the success of South African SMEs in the construction sector, where success is measured through business growth and business development.

A quantitative research methodology was adopted. The empirical research was conducted with the aid of questionnaires addressed to the South African SMEs in the construction sector within the provinces of Gauteng and Mpumalanga. A convenient sample was chosen to engage SMEs in the construction sector and a total of 43 SMEs responded.

The collected data was analysed with the assistance of statistical professionals, utilising multiple regressions and hierarchical multiple regression analysis. The study found some positive links between the business development component of perceived business success and two constructs of entrepreneurial orientation, namely Autonomy and innovation.

Recommendations in line with the results and conclusions were proposed. The objective of the recommendations was to identify constructs that require improvement within both the dependent (perceived business success) and independent (entrepreneurial orientation) variables analysed and discussed in the study. Recommended measures should be implemented for improvement, and to enhance entrepreneurship within SMEs in the construction sector.

KEYWORDS: Entrepreneurial orientation, perceived business success, SMEs, construction sector.

DEDICATION

This dedication is in memory of the following individuals:

1. My beloved mother, Nomvula Maseko (1954 - 1993), the foundation of my early childhood informed the person I have grown to become. I learn from your peers that you inspired the person I have become through the lessons you have imparted on all your children. I shall always cherish the love and memories you shared.
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TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
DEDICATION	iv
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ACRONYMS	xi
LIST OF APPENDICES	xii
CHAPTER 1	1
NATURE AND SCOPE OF THE STUDY	1
1.1 INTRODUCTION	1
1.2 BACKGROUND TO THE STUDY	2
1.3 PROBLEM STATEMENT	4
1.4 RESEARCH OBJECTIVES	6
1.4.1 Primary objective	6
1.4.2 Secondary objectives.....	6
1.5 SCOPE OF THE STUDY	7
1.5.1 Field of study	7
1.5.2 Construction industry	7
1.5.3 Geographical demarcation	7
1.6 RESEARCH METHODOLOGY	8
1.6.1 Literature review	8
1.6.2 Empirical study	9
1.7 SIGNIFICANCE OF THE STUDY	11
1.8 STUDY LAYOUT	11
1.9 CONCLUSION	14

CHAPTER 2.....	15
LITERATURE REVIEW.....	15
2.1 INTRODUCTION	15
2.2 DEFINITIONS	15
2.2.1 SMME.....	16
2.2.2 Entrepreneur/entrepreneurship	16
2.2.3 Entrepreneurial orientation.....	19
2.2.3.1 Innovativeness	22
2.2.3.2 Risk-taking	24
2.2.3.3 Pro-activeness	27
2.2.3.4 Autonomy.....	30
2.2.3.5 Competitive aggressiveness.....	33
2.4 BUSINESSES' PERCEIVED SUCCESS	38
2.4.1 Business growth	40
2.4.2 Business development.....	42
2.5 HYPOTHESIS.....	42
2.6 CONCLUSION.....	44
CHAPTER 3.....	46
RESULTS OF THE EMPIRICAL STUDY	46
3.1 INTRODUCTION	46
3.2 GATHERING OF DATA.....	46
3.2.1 Ethical considerations	46
3.2.2 Reliability and validity.....	46
3.2.3 Analysis of data	48
3.3 RESPONSE RATE	48
3.4 RESULTS.....	48
3.4.1 Demographic results.....	48
3.4.2 Results from entrepreneurial orientation measurement.....	52
3.4.3 Business growth	58

3.4.4	Business development.....	59
3.4.5	Summary of the measured constructs.....	60
3.4.6	Relationship of Perceived Business Success Variables and EO Constructs.....	60
3.5	SUMMARY.....	63
CHAPTER 4.....		65
CONCLUSIONS AND RECOMMENDATIONS.....		65
4.1	INTRODUCTION	65
4.2	CONCLUSIONS	65
4.2.1	Demographics.....	65
4.2.2	Entrepreneurial orientation constructs.....	66
4.2.2.1	Autonomy.....	66
4.2.2.2	Innovativeness	67
4.2.2.3	Risk-taking	67
4.2.2.4	Pro-activeness	68
4.2.2.5	Competitive aggressiveness.....	68
4.2.2.6	Overall entrepreneurial orientation	69
4.2.3	Perceived business success	71
4.2.4.1	Business growth.....	71
4.2.4.2	Business development	72
4.2.4.3	Overall perceived business success.....	72
4.2.4	Multiple regressions analysis.....	74
4.3	RECOMMENDATIONS	74
4.3.1	Recommendations on entrepreneurial orientation constructs	75
4.3.1.1	Pro-activeness	75
4.3.1.2	Risk-taking	76
4.3.1.3	Competitive aggressiveness.....	77
4.3.3	Recommendations on perceived success.....	78
4.3.3.1	Innovative projects / research and development.....	78
4.3.3.2	Business image	79

4.3.3.3	Job satisfaction	79
4.3.3.4	Efficiency.....	80
4.4	ACHIEVEMENT OF OBJECTIVES.....	80
4.5	AREAS FOR FURTHER RESEARCH	81
4.6	STUDY LIMITATIONS.....	81
4.6	SUMMARY	82
	REFERENCES	84

LIST OF TABLES

Table 3.1: Cronbach Alpha coefficients	47
Table 3.2: Data captured.....	48
Table 3.3: Autonomy	53
Table 3.4: Innovativeness	55
Table 3.5: Risk-taking	56
Table 3.6: Pro-activeness	57
Table 3.7: Competitive aggressiveness.....	57
Table 3.8: Business Growth	58
Table 3.9: Business development	59
Table 3.10: Summary of the measured constructs	60
Table 3.11: Multiple Regression Method (EO vs. Business growth)	61
Table 3.12: Multiple Regression Method (EO vs. Business Development)	62

LIST OF FIGURES

FIGURE 1.1: Geographical Map of the study area	8
FIGURE 1.2: Graphical layout of Chapters	12
FIGURE 2.1: Entrepreneurial orientation elements vs perceived success variables	41
FIGURE 3.1: Age analysis	47
FIGURE 3.2: Gender analysis.....	48
FIGURE 3.3: Highest academic qualifications.....	49
FIGURE 3.4: Management level.....	50

LIST OF ACRONYMS

CIDB	Construction Industry Development Board
DSED	Department of Small Enterprise Development
EO	Entrepreneurial Orientation
NSB Act	National Small Business Amendment Acts of 2003 and 2004
SMEs	Small and Medium-Sized Enterprises
SA	South African

LIST OF APPENDICES

APPENDIX A: CONSENT LETTER	89
APPENDIX B: QUESTIONNAIRE	92
APPENDIX C: THE MEASURING STATEMENTS	98

CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

Investment in infrastructure has a positive impact on economic growth by increasing aggregate demand. The first beneficiaries are businesses from various disciplines that enjoy access to greater markets, and secondly, the public benefits through improved access to public services like health care, education, and transportation (Deshpande & Elmendorf, 2008:7).

Southern Africa has the largest number of infrastructure projects in Africa, with South Africa leading the African continent, followed by Nigeria (Deloitte, 2017:5). This presents an opportunity for South African SMEs in the construction sector to take up the challenge and contribute towards the drive for economic growth and job creation.

South African SMEs have the potential to play a pivotal role in resolving the country's social and economic instability. Nieman (2006:5) reflects on some of the contributory factors measured against big corporations, including:

- The capacity of SMEs to absorb more labour.
- Lower capital cost required to create jobs.
- Easily adapt to changing trends.
- Frequent utilisation of local resources.
- They allow for more competitive markets.

Entrepreneurship can thrive in an environment where SMEs are placed at the centre of economic growth.

The business environment across the world is becoming highly competitive (Venter, 2014:11). Innovation represents a vital element of an organisation's success and survival (Omotoyo, 2015:11). The perceived success of an organisation has become related to

entrepreneurial orientation, which has bearing on organisations' performance (Harms, Luck, & Kraus. 2014:110).

Entrepreneurial orientation represents an important ingredient for the emerging market players such as the Small Medium Enterprises (SMEs) in the construction industry (Suddaby, Bruton, & Si, 2015:49). This study, therefore, sought to unravel the influence of entrepreneurial orientation on the performance of SMEs in the construction industry.

This chapter introduces the topic: An analysis of the influence of entrepreneurial orientation on the performance of South African construction companies. It then gives the background to try and explain how the organisation's entrepreneurial orientation can influence an organisation's performance. This leads to the problem statement; where a concise explanation of the problem the researcher has identified to be facing SMEs in the South African construction sector is discussed, together with the proposed solution to the problem. The study further outlines the research objectives that were followed to address the main aim of the study.

The scope of the study follows with the identification of the field, the focus industry and the geography the study intends to cover.

The research methodology is also covered in this chapter where the details on the collection and analysis of data, and literature review are discussed.

The significance of the study is also discussed followed by the study layout which gives a brief of what each chapter of the study entails; and finally, the chapter is summed up with a section on conclusion.

1.2 BACKGROUND TO THE STUDY

Several studies have been conducted to try and explain an organisation's performance by investigating an organisation's entrepreneurial orientation (DeepaBabu, 2016:26). In most of these studies, a positive relationship between entrepreneurial orientation and the

organisation's performance was confirmed, which highlights the importance of entrepreneurial orientation in the way the business is organised (Harms *et al.*, 2014:78).

Entrepreneurship is considered to be linked to entrepreneurial orientation as it involves processes, structures and behaviours that seek autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness within an organisation (DeepaBabu, 2016:25).

Given that the perceived success of an organisation is measured through the organisation's growth and financial performance, entrepreneurial orientation becomes an important factor that contributes to the performance of an entity (Venter, 2014:26).

SMEs in the construction sector contribute significantly to the South African economy and are thus considered a driver for reducing unemployment in the country. Despite this significant contribution SMEs are still faced with the various challenges that impede entrepreneurial growth (Aigbavboa & Thwala, 2014:772). These challenges facing contractors in the South African (SA) construction industry, bring to the fore the need to investigate the influence entrepreneurial orientation has on the performance of the organisations.

Business entities that possess grander innovation will realise enhanced feedback from the market environment, gain capabilities necessary to upsurge the performance of the business and strengthen a balanced competitive advantage (van Brakel, 2005: 3).

Lack of strategic planning, manpower, and cash flow management were identified as part of the challenges facing South African emerging contractors (DeepaBabu, 2016:24). These skills and attributes can be learned and nurtured by entrepreneurs to enable the culture of entrepreneurial orientation to prevail (Moos, 2014:92). In this light, it is important to ensure that SME owners are equipped with skills and attributes that cultivate entrepreneurial orientation.

A higher failure rate amongst the SMEs affects the contribution of SMEs to economic growth and job creation (Harms *et al.*, 2014:83). The lack of functional skills like strategic planning, organising, leading and controlling is part of the internal factors that contribute to the failure of an organisation (Pratono & Mahmood, 2015:89).

The Department of Small Enterprise Development (DSED) has developed a program called “Business Rescue Strategy”, aimed at developing strategies to address the failure rate in the small business sector and saving viable businesses that are about to fail (Harms, Luck & Kraus, 2014:66).

The strategy involves organising training for new SME owners on how to prepare business plans and train them on basic principles of business management. The strategy also involves “learning from peers” or a mentorship approach to help new SMEs develop necessary entrepreneurial skills to enable them to navigate through external environmental factors outside the control of the organisation, through innovation; these are Government policy, the economy (global and local), and the market (DSED, 2017). This is a testament to the struggle small businesses are experiencing to ensure sustenance through revenue growth and profits.

1.3 PROBLEM STATEMENT

The high unemployment rate in South Africa continues to rise, which exacerbates the problem of poverty in the country. It is thus crucial for the country to promote the philosophy of entrepreneurship amongst its citizens (Burger, Mahadea, & O’Neill, 2005:89). Entrepreneurship learning should therefore not exclusively be reserved for tertiary curricula, but rather taught in the home and across society as a crucial part of life. An entrepreneur should possess the skills to identify opportunities in the environment exposed to.

Thornberry (2003:340) confirms the influence entrepreneurial behaviour has on the attitude and financial measures of a business and the positive impact that entrepreneurial climate has on the success of a business.

Entrepreneurial orientation is considered a viable tool to promote innovation and growth; hence businesses tend to adopt entrepreneurial orientation constructs of innovation, risk-taking, competitive aggressiveness, autonomy, and pro-activeness, to survive in dire economic conditions (Van der Merwe & Oosthuizen, 2011: 540).

Businesses are affected and influenced by a variety of factors, both internally and externally. Some of the external factors can be difficult to control and require a sound entrepreneurial

mindset from business leaders to ensure that the business responds objectively. Entrepreneurship should be strengthened to realise this objective response (Van Vuuren, Groenewald, & Gantsho, 2009:325).

Krasniqi and Hashi (2011:456) highlight the development of SMEs as one of the vital organs of economic growth, due to SMEs' capability to adapt to abrupt market changes and create job opportunities. Policymakers in South Africa and Government institutions should recognise the importance of SMEs towards economic growth and poverty alleviation and increase efforts to make entrepreneurship part of everyday life.

The contribution from SMEs to the South African economy can sometimes go unnoticed, given the global competitive environment which can place local SMEs in a compromised position. Previous studies have proved entrepreneurial orientation to be a driving force behind business growth and success (Wiklund & Shepherd, 2005:83).

Business entities that possess higher levels of entrepreneurial orientation tend to outperform businesses with lower levels of entrepreneurial orientation (Rauch, Wiklund, Lumpkin & Frese, 2009:768). Entrepreneurial orientation is seen as a tactic that guides the procedures on which businesses base their decisions and actions, using an entrepreneurial mind-set (Rauch *et al.*, 2009: 772).

Research shows that entrepreneurial orientation and the success of a business have a positive relationship (Pratono & Mahmood, 2015:79). However, the researcher could not find any study on the influence of entrepreneurial orientation on the performance of South African companies in the context of the construction industry.

Entrepreneurial orientation, through its characterisation of autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness, needs to be investigated in terms of South African construction companies. It is important to establish, through entrepreneurial orientation's lens, the reason behind the high failure rate of SMEs and how entrepreneurial orientation can help the entrepreneur to achieve success.

1.4 RESEARCH OBJECTIVES

1.4.1 Primary objective

The primary objective of this study is to investigate the influence of the five dimensions of entrepreneurial orientation on the perceived success of SMEs in the South African construction industry. Recommendations are presented for entrepreneurs, to consider adopting into the culture of entrepreneurial orientation, as one of the cornerstones for their business success.

1.4.2 Secondary objectives

The following are secondary objectives, formulated to help realise the primary objective, namely:

- To define entrepreneurship, corporate entrepreneurship, and entrepreneurial orientation.
- To gather the necessary knowledge into corporate entrepreneurship and entrepreneurial orientation by means of a literature study.
- To assess the entrepreneurial orientation within South African SMEs in the construction industry, by means of a questionnaire.
- To validate the reliability of the questionnaire by means of statistical analysis.
- To determine if any relationship exists between entrepreneurial orientation and the perceived success of the SMEs in the South African construction industry.
- To give suggestions and recommendations to South African SMEs in the construction industry on how to instil the culture of entrepreneurial orientation and innovation within their businesses.

1.5 SCOPE OF THE STUDY

The scope of the study contains an explanation of the field of the study to be covered, the industry and the demarcation area.

1.5.1 Field of study

The field of study is entrepreneurship with a specific focus on entrepreneurial orientation and the perceived success of South African SMEs in the construction industry. The main focus of this study is to investigate the influence of the dimensions of entrepreneurial orientation on the perceived success of South African SMEs in the construction industry.

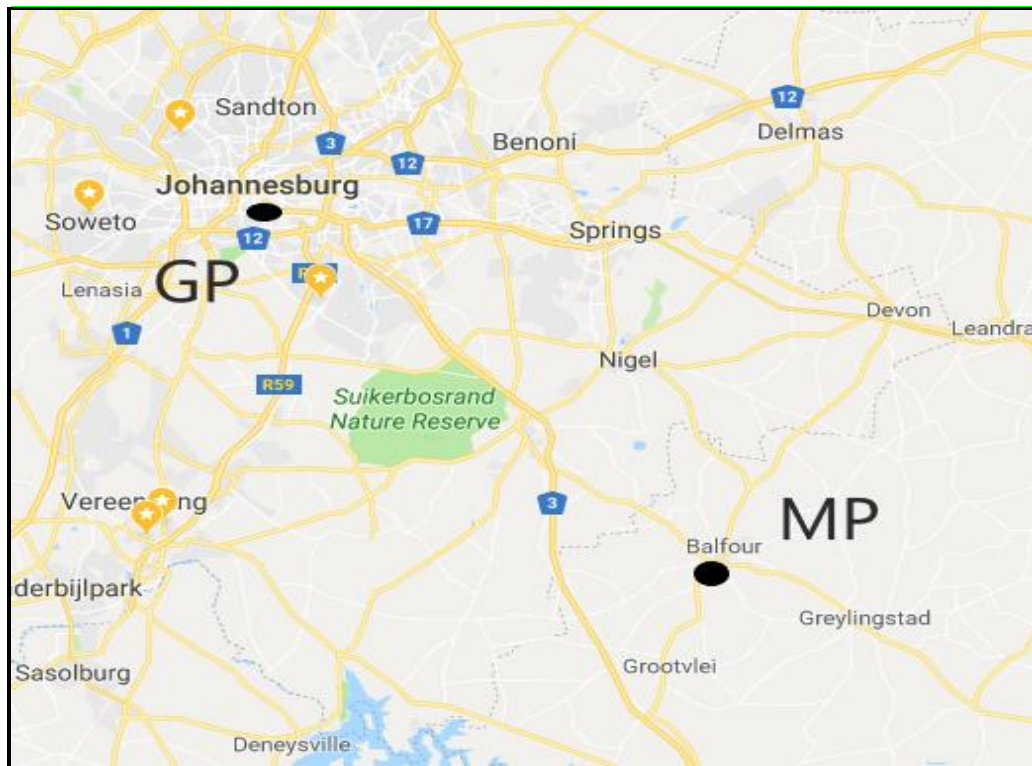
1.5.2 Construction industry

The South African construction industry, with specific focus on Small and Medium-Sized Enterprises in South Africa, formed part of the investigation. SMEs with less than 200 employees were considered for this study, in line with the definition and classification of SMEs within the South African context (NSB Act 29/2004:2). A convenient (convenience?) sampling technique was employed to fully realise the study objectives.

1.5.3 Geographical demarcation

The study was conducted on SMMEs operating in the provinces of Gauteng and Mpumalanga. The map below reflects the towns where the research was carried out within the two South African provinces.

Figure 1.1: Geographical map of the study area



Source: <https://www.google.co.za/maps/@-26.5823798,28.5797556,9.25z?hl=en-GB&authuser=0> ● Towns, MP – Mpumalanga Province, GP – Gauteng Province

1.6 RESEARCH METHODOLOGY

Research is seen as a procedure where methods that are scientific in nature are utilised to modify knowledge in a given field of study (Welman, Kruger & Mitchell, 2005:6). Research is used to find answers to questions that cannot be responded to using conventional methods.

The research was conducted in two phases to address the study objectives, namely a literature study and an empirical study. These were applied to gather data for establishing the relationship between the entrepreneurial orientation and the success of businesses within the construction sector.

1.6.1 Literature review

A literature study was conducted first to achieve an understanding of the field of entrepreneurial orientation and the impact it has on business success. Further, it sought to

identify the relationship that the dimensions of entrepreneurial orientation has on the perceived success of a small or medium-sized business in the construction sector. This was done through the use of sources that include academic textbooks, scientific journal articles, and other credible Internet sources.

The literature review started off with definitions of the terms used in the literature. It then dealt with the dimensions and the main aspects of entrepreneurial orientation and the influence that it has on business success, substantiated with prior research.

The independent variables of the perceived success and growth of a business were explained business development and improvement as the dependent variables discussed. The construct of developing an entrepreneurial mind is also important in order to recognise the different psychological factors that influence an entrepreneur's ability to be entrepreneurially oriented.

1.6.2 Empirical study

The empirical study was aimed at gathering data for establishing the relationship between entrepreneurial orientation and business success, as well as to identify potential weaknesses in construction businesses. The study therefore followed an exploratory research design that was based on the quantitative research approach

The primary objective of this study was to establish whether there is a positive relationship between the five dimensions of entrepreneurial orientation and the perceived success of SMEs in the South African construction industry. This formed the basis of the empirical study, which was carried out by administering the questionnaire to SME owners.

1.6.2.1 Instrument

The empirical study was conducted using a research framework developed by Miller and Covin. Lotz and Van der Merwe (2010:14) designed a questionnaire to measure the same constructs from the point of view of employees in agribusinesses, which proved to be successful.

The questionnaire measured entrepreneurial orientation in the business, with reference to the five dimensions of entrepreneurial orientation that have an influence on the success and sustainability of the business.

The questionnaire comprised of three sections, namely A, B, and C.

Section A measured the entrepreneurial orientation through its five constructs, namely autonomy, pro-activeness, innovation, risk-taking and the competitive aggressiveness of the business entities within the construction sector.

Section B measured the success of the business through the elements of business growth and business development within the companies operating in the construction sector.

Section C related to the demographics of the populace, concerning their age, gender, level of education and the position they occupy in the business.

1.6.2.2 Study population

The target population was made up of SMEs in the construction industry, situated in Gauteng and Mpumalanga. A snowball sampling technique was employed for the study. The study engaged the owners of the SMEs to minimize the possibility of collecting irregular data from non-entrepreneurial managers.

1.6.2.3 Collection of sample data

The study sought to reach 983 companies through Government tender briefings across the two provinces, with the aim of a return of at least 100 responses. Government and private institutions issue construction tender advertisements through the Construction Industry Development Board (CIDB).

The Construction Industry Development Board (CIDB) holds tender briefing meetings with SMMEs in the construction industry on a regular basis. The questionnaires were distributed by hand during these tender meetings. The questionnaires distributed to the study population were collected afterwards. The researcher availed himself to help complete the questionnaire for entrepreneurs who required clarification on questionnaire aspects.

1.6.2.4 Statistical analysis

The data gathered was analysed and interpreted to realise the study objectives. The completed questionnaires were analysed by the Statistical Consultation Services at the North-West University, Potchefstroom Campus. The data analysis was based on descriptive statistics, Cronbach Alfa coefficients and multiple linear regressions. The presentation of the findings was through graphs in the form of histograms and bar charts.

1.7 SIGNIFICANCE OF THE STUDY

The findings of the study give insight into the importance of entrepreneurial orientation to the owners of SMEs within the South African construction industry. The application of the five dimensions of entrepreneurial orientation is important for perceived business success as well as to reduce the high failure rate. This will translate into job creation, economic growth and poverty eradication in South Africa.

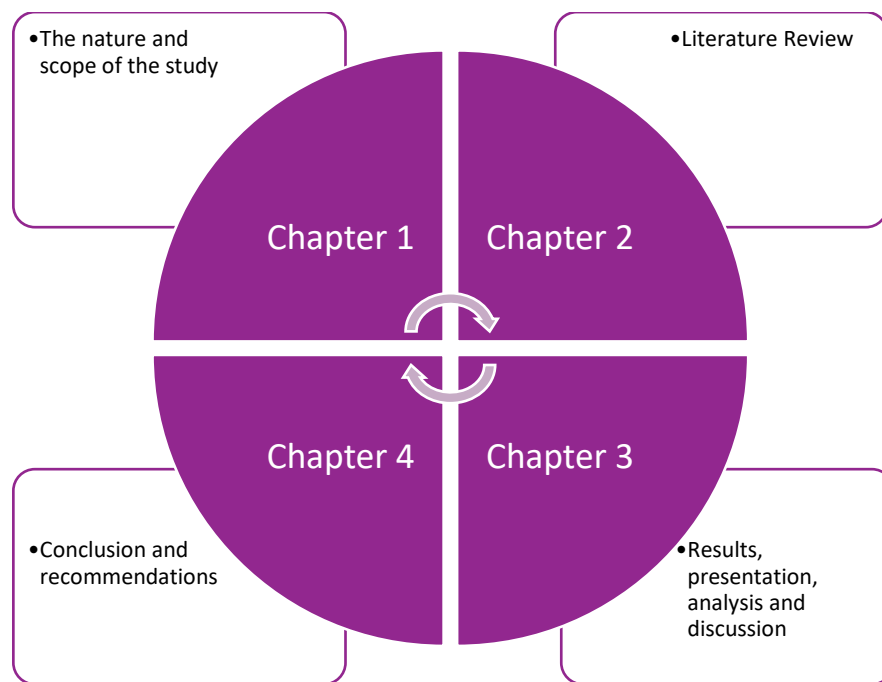
These findings are key information for Government, to aid them in strong policymaking, which will facilitate with the successful operation of SMEs.

Academia can also benefit from the increased knowledge pertaining to the effect of entrepreneurial orientation on organisational performance, which can serve as the basis of future studies.

1.8 STUDY LAYOUT

The research study starts with Chapter 1, which provides the nature and scope of the research. The theoretical framework is covered in Chapter 2 with the focus on the literature review that highlights the relationship between theory and practice. Chapter 3 deals with the empirical study where the data collected through the questionnaire was analysed and discussed, and finally, Chapter 4 concludes with the results from Chapter 3 and provides recommendations. Figure 1.2 below reflects the graphical layout of the chapters contained in the study.

Figure 1.2: Graphical layout of the chapters



Chapter 1: Introduction

The research overview was detailed in Chapter 1. The chapter began with the positives that could be derived from infrastructure, investment, land, and the subsequent opportunities available for SMEs in the construction industry. The contribution of SMEs to economic growth was also emphasized, together with the importance of entrepreneurial orientation on the performance of business entities. Business entities are expected to be flexible in their approach, in order to survive changes that come with market turbulence. Thus, the adoption of entrepreneurial orientation elements is vital for long-term business strategy.

The research questions were developed together with the research objectives. The research objectives were divided into two categories, namely primary and secondary objectives. The primary objective is the main reason why the research was conducted, while the secondary objectives addressed the primary objective. In addition, the hypotheses of the research outcome were proposed.

The scope of the study provided information about the organisation under study, e.g., industry, company, country of operation, and background. Furthermore, a detailed

performance review and the significance of the industry to the South African economy were highlighted.

The research was conducted in two sections, namely a literature review and an empirical study. Information was collected using a questionnaire based on a 5-point Likert scale, ranging from strongly disagree (1) to strongly agree (5) (Van der Merwe & Oosthuizen, 2011:551). The focus of the questions was on the five variables of entrepreneurial orientation. The data was analysed using the SPSS statistical package.

Limitations of the research were highlighted as indicators for future studies to be conducted in the field of entrepreneurial orientation.

Finally, a synopsis of Chapter 1 was provided to navigate the reader through the research.

Chapter 2: Literature review

The literature of the research was covered in Chapter 2. This chapter was compiled using information from entrepreneurship books, articles, journals, publications, the Internet and other entrepreneurship material. Definitions for entrepreneurship, entrepreneur and entrepreneurial orientation, which are the core concepts of the study, were provided. Entrepreneurship, its history, barriers for entrepreneurship, what advances entrepreneurship, and the crucial role entrepreneurship plays towards economic growth were also explained.

The five dimensions of entrepreneurial orientation, i.e., autonomy, risk-taking, innovativeness, pro-activeness and competitive aggressiveness were defined and discussed, together with the benefits to companies in the construction industry. The possible influence the elements of entrepreneurial orientation, has the performance of business entities in the construction sector were also discussed.

Perceived business success was defined, and the focus placed on business development and the growth elements of success. A model (hypothesis) explaining the relationship between the five elements of entrepreneurial orientation, namely autonomy, risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and perceived business success, was demonstrated as well.

The objective of the literature study was to identify the relationship that the dimensions of entrepreneurial orientation has on the perceived success of a small or medium-sized business. How entrepreneurial orientation contributes positively to the business environment was yet another discussion in the literature review.

A thorough literature review provided a detailed background of both entrepreneurship and entrepreneurial orientation, which explained both the barriers to entrepreneurship and the dimensions that encourage entrepreneurial behaviours in an organisation. Lastly, the conclusion and recommendations for creating and enabling an environment that encourages entrepreneurial behaviours in an organisation were provided.

Chapter 3: Results presentation, analysis and discussion

Chapter 3 dealt with two parts, which are the data collection and the results. The first part gave research ethics, reliability and validity issues. The second part presented the results obtained by the empirical study and the analysis. This included the assessment of both the dependent and independent variables and tested the relationships between the dependent and independent variables by means of multiple linear regression analyses.

Chapter 4: Conclusion and recommendations

In chapter four, conclusions and recommendations were made to ensure that management and directors of SMEs in the South African construction industry adopt the culture of entrepreneurial orientation as part of the core principles of the business, to realise success within their businesses. Thereafter, the achievement of the objectives of the study was assessed, and the chapter concluded with suggestions for further research.

1.9 CONCLUSION

This chapter detailed the research background, problem statement, and research objectives. The scope of the study, significance, and layout of the study were discussed. The following chapter focused on the literature review.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The literature study seeks to attain insight into the subject of entrepreneurial orientation and its sub-constructs and investigates related matters of interest linked to entrepreneurial orientation. Further, it tries to identify the effect that the dimensions of entrepreneurial orientation have on the perceived success of a small or medium-sized business. This is through the use of sources that include academic textbooks, scientific journal articles, and other credible Internet sources.

This chapter details the literature review on entrepreneurial orientation and defines the business sector under investigation.

The literature review first explains what entrepreneurial orientation is. The literature review starts off with definitions of the terms used in the literature study. The chapter then deals with the dimensions and the main aspects of entrepreneurial orientation and the influence that it has on business success, substantiated with prior research.

The independent variables of the perceived success and growth of a business, with business development and improvement as the dependent variables, are explained. The construct of developing an entrepreneurial mind is also important in order to recognise the different psychological factors that influence an entrepreneur's ability to be entrepreneurially orientated.

2.2 DEFINITIONS

The definitions of the terminology used in the literature review are important, given the possibility of different meanings and levels of understanding from various readers. It is therefore important to first conceptualise and contextualise the meaning of the key terms,

namely SMME, or SMEs, entrepreneurship, entrepreneurship orientation and business success.

2.2.1 SMME

In South Africa, a “small business” is defined under Section 1 of the National Small Business Act of 1996, and amended by the National Small Business Amendment Acts of 2003 and 2004 as: “a separate and distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy mentioned in Column I of the Schedule.” This definition classifies businesses that employ the equivalent of fewer than 200 employees as micro, small or medium-sized enterprises (NSB Act 29/2004: 2). The study focused mainly on companies with an annual turnover of R6,5 million or less, within the construction sector.

The success of a business is reliant on the effective application of the five elements of entrepreneurial orientation, hence the need for SMEs within the construction sector to familiarize themselves with these elements of entrepreneurial orientation (Neneh, 2011:111).

2.2.2 Entrepreneur/entrepreneurship

Entrepreneurship is widely discussed among scholars and the academic fraternity, yet there is still no unanimity concerning its definition (Williams, Round & Rodgers, 2010:167). Morris, Kuratko and Hoskinson (2008:7) define entrepreneurship as wealth-creation, enterprise creation, innovation creation, change creation, employment creation, value creation, and growth creation. These creation elements, reflected in the above definition, are at the core of economic growth, which confirms the pivotal role entrepreneurship can play to stimulate economic growth.

Cyril Ramaphosa (The South African President) announced a stimulus package in response to the technical recession suffered by the South African economy in the second quarter of 2018. The plan includes the establishment of an “entrepreneurship fund” to provide finance

to either scale up existing projects or start-up capital for new projects. This shows the importance of entrepreneurship in the South African context.

Entrepreneurship can be viewed as a value-creation process, realised by gathering various resources in order to take advantage of opportunities (Stevenson & Jarilo-Mossi, 1986:16). An entrepreneur should possess the skills to identify which ideas can result in profit-making opportunities, to the benefit of the business.

The concept of entrepreneurship has long been receiving attention from scholars, with the focus being on its contribution to global economic growth and development (Urban, 2008:431). It is thus important for SMEs in the construction industry to become familiarized with the history of entrepreneurship, to develop a thorough understanding of what it takes to be an entrepreneur.

The literal meaning of the word “entrepreneurship” is the “creation of organisations” (Gartner & Birley, 2002:389). The resultant suffix “ship” relates to individual behaviour that derives outcomes from particular activities (Huang, Wang, Cheng & Yien, 2011:3051). Entrepreneurs are therefore expected to have a different view towards global economic challenges and create business entities or collaborate with entities of a similar nature, and to invent solutions to address current and future societal problems, like unemployment and economic growth.

Entrepreneurship has evolved over time and derived its meaning and relevance from a variety of fields such as sociology, economics, and psychology; including other divisions of management sciences (Hortovany, 2010:19). This has given meaning to terms such social entrepreneurs, where value creation through gathering resources and identifying opportunities, remains at the core of the principle, with the focus being on overall public or societal good and not for the sole purpose of profit-making.

Entrepreneurship as a concept, including the behaviour of an entrepreneur, is not confined to new venture creation and can be realised and practiced in both big corporations and smaller business entities, including SMEs (Kraus, 2013:439).

Entrepreneurship should be encouraged in a business environment to unleash possible hidden innovation capabilities amongst the business members and employees. Concepts

used to describe entrepreneurial behaviour within established business entities are corporate entrepreneurship, corporate intrapreneurship and entrepreneurial orientation (Antoncic & Hisrich, 2004:532).

Entrepreneurship can be broad and involves new venture creation and what is termed “small business owners” (Davidsson & Wiklund, 2013:113). Some entrepreneurs in small businesses are satisfied with working for themselves and cannot stand a corporate culture where absolute autonomy is not guaranteed (Lum, 2017:119).

Whilst new venture creation is mainly focused on growth and is open to means of raising funding, or investment through both equity and debt, as opposed to small business entrepreneurs where funding is mainly raised through debt. Entrepreneurs are not only profit-driven but are also innovative, tolerate ambiguity, mitigate risk and can marshal various resources necessary to cultivate new markets and confront unavoidable market competition. Small business owners are comfortable with survival and autonomy (Burns, 2017:86).

An entrepreneur is a person who identifies an opportunity and builds a business entity to exploit that opportunity (Burns, 2017:97). Something that is common amongst the different types of entrepreneurs is opportunity recognition and the drive to amass the resources necessary to derive earnings and achieve growth in the context of new venture creation.

Davidsson and Wiklund (2013:101) consider entrepreneurship based on craftsmanship and an opportunistic perspective. The Craftsman-Entrepreneur has a specialized technical education and focuses on both past and present opportunities.

The Opportunistic-Entrepreneur has advanced levels of education, social awareness and a futuristic focus (Lum, 2017:119). The aforesaid added that the antithesis of the Becker-Mickey model is experienced through the rise of college dropouts like Steve Jobs who went on to establish what became, and still is one of the biggest and most profitable brands in the world, namely Apple.

2.2.3 Entrepreneurial orientation

The concept that entrepreneurship involves certain common aspects, such as the ability to identify an opportunity, be creative and innovative, get requisite resources, take risks, and create and grow a start-up, is agreed upon by many scholars (Neneh, 2011:111; Burns, 2017:86; Lum, 2017:119).

The above characterisation of entrepreneurship has a linkage to entrepreneurial orientation which involves processes, structures, and behaviours that seek autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness within an organisation (DeepaBabu, 2016:53).

Entrepreneurial orientation is defined by Davidsson and Wiklund (2013:120) as involving a willingness to innovate, to rejuvenate market offerings, take risks, to try out new and uncertain products, services and markets, and be more proactive than competitors toward new marketplace opportunities.

Entrepreneurial orientation can have an influence on the mindset of an organisation, based on its entrepreneurial attitudes and willingness when engaging in new venture creation (Lurtz & Kreutzer, 2017:121). The culture of an organisation that has adopted entrepreneurial orientation can be visible through its daily operations and decision making (Davidsson & Wiklund, 2013:62).

Entrepreneurial activities are important and could be assumed to inspire a positive relationship between entrepreneurship and performance outcomes (Venter, 2014:31). The term “entrepreneurial orientation” is said to be used as “the strategy-making processes and styles of firms that engage in entrepreneurial activities” (Lurtz & Kreutzer, 2017:101).

A popular model of entrepreneurial orientation, developed by Miller in 1983 and extended by Covin and Slevin Miller (1989), suggests that there are five dimensions of entrepreneurial orientation—autonomy, innovativeness, risk-taking, pro-activeness, and competitive aggressiveness. Thus, the study focused on these five constructs to assess the influence of entrepreneurial orientation on the success of businesses within the construction industry.

Entrepreneurial orientation is largely viewed as the strategic positioning of the business (Lumpkin & Dess, 2014:125). This study therefore refers to entrepreneurial orientation as a strategy to be employed to realise positive results within the business. The assumption, as presented in the hypothesis in Chapter 1, is that entrepreneurial orientation has a positive influence on the success of SMEs in the South African construction sector.

Entrepreneurial behaviour and attitude amongst business entities may demonstrate or possess all or only selected dimensions of entrepreneurial orientation; and this may reflect differences in shape or form, depending on the relationship (Lumpkin & Dess, 2016:139). Entrepreneurial orientation could be considered as a vital organ for the success of SMEs in the South African construction industry.

Arshi (2016:122) confirms that entrepreneurial orientation can show how the intensity and behavioural characteristics of a business' entrepreneurial activities can be witnessed. The enhancement of the contribution of entrepreneurial orientation to business performance should become the focus for researchers and the entrepreneurship society.

Entrepreneurial activities and start-ups can be crucial for economic growth in many countries. Moos (2014:113) asserts that Government policies should be formulated and implemented to encourage new venture creation and the entrepreneurial growth of small and medium enterprises. It has to take into account the diversity in character and content of entrepreneurs, to ensure that such policies do not negatively affect some of the entrepreneurs it is meant to serve.

It is further argued by Moss (2014:69) that there is a strong interest in what entrepreneurial behaviour looks like, especially in the business environment context where the literature and effective application of entrepreneurial orientation is examined. It is therefore crucial that entrepreneurs in the construction industry are educated on entrepreneurial orientation and the benefit it holds for their businesses. Entrepreneurial orientation could be a crucial factor in the success and higher performance of business entities (Venter, 2014:19).

Academics and students of entrepreneurship have studied numerous factors influencing the relationship between entrepreneurial orientation and the success of businesses for over decades (Venter, 2014:42). Organisations that effectively implement entrepreneurial

orientation tend to be successful and experience steady growth in sales and profits, which improves the financial position of the business and its competitiveness (Lurtz & Kreutzer, 2017:121).

It is assumed that the implementation of entrepreneurial orientation can improve the level of innovation and organisational commitment; this allows the business to enjoy sustained levels of development and growth (Nkosi, 2012:118). Entrepreneurial orientation can therefore be considered part of the strategy-making process and that it reflects the foundation upon which entrepreneurship excels (Chere, 2014:123).

There are five dimensions of entrepreneurial orientation. The first three dimensions were initially developed by Miller in 1983 and the model was later extended by Covin and Slevin to a five-dimensional model in 1989 (Miller, 1983; Slevin, 1991). These constructs are innovativeness, risk-taking, pro-activeness, autonomy and competitive aggressiveness.

These entrepreneurial orientation dimensions are independent variables that researchers have found to have an influence on business success (Wiklund and Shepherd, 2015:13). This study looked into the five dimensions of entrepreneurial orientation to get an integrated understanding of the entrepreneurial orientation concept beyond innovation and organisational commitment.

Moreover, the effective application of the dimensions of entrepreneurial orientation along with the essential marketing-related issues, are very important to ensure success in the business environment. Thorough knowledge and proper implementation of the essential elements can yield positive results in a business (Venter, 2014:15).

New venture creations find entrepreneurial orientation necessary, but not enough to create wealth (Ireland, Hitt and Simon, 2003:967). SMEs in the construction industry should interrogate their long-term strategy and be conscious of the possible reality - that the adoption of entrepreneurial orientation dimensions could deliver long-term business success and profitability to sustain their businesses, but not necessarily wealth.

The entrepreneurial orientation's role in the performance of business entities is critical and has a positive influence (Wang, Xu, Ju & Xie, 2008:1951). It is thus crucial for policymakers to interrogate this further and see to it that South African SMEs in the construction industry can benefit from entrepreneurial orientation.

2.2.3.1 Innovativeness

Innovativeness is the ability to engage in and support new ideas, novelty, experimentation, and creative processes, which allows an organisation to shift from old and irrelevant practices and technologies (Wiklund and Shepherd, 2015:13).

Innovativeness is when business entities take advantage of technology and improve their service offering to challenge new opportunities in the market (Nkosi, 2012:118).

Innovative companies are inclined to create and introduce new products and services to the market, which could position such companies to be seen as part of economic drivers and help address challenges such as poverty and unemployment (Dhliwayo, 2008:330).

Businesses need to be innovative to adapt to the current technologically advanced systems in order to stay ahead of their competitors (Wang *et al.*, 2008:1950). It is vital for business entities in any industry to embrace technology by continuously encouraging innovativeness within its ranks, in order to move faster than the competition. Innovativeness enables businesses to navigate through tough global economic times that are outside the businesses' control, like the ongoing United States of America and China trade war.

Nkosi (2012:120) further defines innovation as a pattern that businesses ought to utilise to penetrate pathways into the market and improve their operations in line with global technological advancements. Information sharing both within and outside the organisation is therefore crucial for gaining access to technology that creates opportunities for the business.

Organisations become more effective in value-creation as their business models become more open, without losing their niche; this is called open innovation (Chesbrough, 2007:22).

This means that businesses vociferously engage in technological research to be more innovative and improve the way they service their clients and produce goods.

Drucker (2014:162) confirms the importance of innovativeness as a vital construct of entrepreneurial orientation. Innovativeness is also defined as the tendency of the business to be involved in and encourage new ideas, as well as creative advances to create wealth through producing new services and products to serve the public demand (Atuahene-Gima, 2001:59). Thus, innovation can be considered a threat to stagnant and less creative business entities.

Innovation is also defined by Rogers (2003:12) as “an idea, practice, or object that is perceived as new by an individual or other unit of adoption.” He further suggests that, should a person have no apparent knowledge about an idea and view that idea as new, it could be an innovative idea. This means that innovation could also relate to a “relatively” new idea, as it could be new to an organisation, the market, the industry or the country and at the same time be an old idea elsewhere in the world. This also gives expression to intrapreneurship, where individuals can introduce innovative ways within the organisation learned elsewhere, to the advancement of the organisation.

Innovation should be sustainable and seek to advance solutions for global problems like climate change, diseases, unemployment, and poverty (Hautamäki 2008:18). Sustainability denotes holistic innovative approaches where solutions sought are not only based on profit-making but also have the environment and the people in mind. Sustainable innovation is about enabling a better future for the people through preserving the environment.

Technological research directed towards creating products and services can be considered an innovative practice (Renko, Carsrud & Brannback, 2009:342). This could take the form of new marketing, promotion or advertising of an existing product to increase sales by improving the image and how the product is perceived by the market (Grinstein, 2008:169). Continuous innovation of business processes and service offerings has the potential to position the business to appeal more to the consumers and make the business more competitive.

Renko *et al.*, (2009:345) further argues that since the industrial revolution, innovation was at the centre of competitive advantage; the challenge has always been the management of

innovation, given its importance to companies. Thus, innovation is not an option but a necessity for companies to survive.

Small, Micro and Medium Enterprises are said to stimulate economic growth through innovative ideas and disruptive strategies that are different from the existing norms on how business is conducted (World Bank, 2016). SMEs in the construction industry are constantly faced with the challenge of being innovative through tough economic conditions to sustain their businesses. If the Government does not invest in infrastructure projects the industry suffers.

Kruger (2014:125) argues that an organisation's attitude towards change is the main determinant of entrepreneurship and entrepreneurs on the look-out for change, which translates to innovation. Innovation is said to be at the centre of the increased Chinese trade with the global community. This has also impacted the construction industry where the Chinese are heavily involved in infrastructure projects in Zambia, Kenya, and other African countries (PWC, 2014:12). The construction industry is faced with the challenge to either innovate or be subjected to decline - similar as what transpired in the manufacturing sector in the 1990s owing to Chinese imports (Nkosi, 2012:119).

Innovation could also be disruptive and involve a small enterprise, targeting overlooked customers or markets with ideas that are modern (Dhliwayo, 2008:343). These small enterprises will gradually move up in the market to challenge the industry leaders. This should explain SMMEs' innovative and disruptive strategy in the construction sector in these dire economic conditions. Based on this background, the following hypothesis was formulated:

H1: There is a significant relationship between the implementation of innovativeness in the business environment and the perceived success of the participating businesses.

2.2.3.2 Risk-taking

Risk-taking involves the drive to commit more resources to projects where the cost of failure may be high or outcomes are not transparent to all (Galetic & Milovanovic, 2008:508). This shows the distinctiveness of the organisation that is willing to break away from the known,

tried and tested methods of conducting business, and venture into new and unknown territories.

The argument of Brockhaus (1980:513) strongly linked entrepreneurship with the concept of seeking self-employment, as in those that see income in terms of profit-making rather than receiving a salary from working at a company. This reflected entrepreneurs as those willing to take personal risks, given the uncertainty that comes with self-employment. Hence risk-taking is quite often seen as representing entrepreneurship.

Risk mitigation can involve large amounts of money invested in new ventures to realise a high return on investment by seizing opportunities where others feel unsafe to attempt it (Dhliwayo, 2008:125). Organisations that have risk-taking high on their core functions can implement their strategies of trial and error to exploit opportunities, implement high-return and high-risk projects uncompromisingly to advance and improve business performance (Birech, Karoney & Alang'o, 2018:127).

Previous research confirmed positive relations between risk-taking and other dimensions of entrepreneurial behaviour, and businesses that take risks and perform substantially better compared to their competitors when viewed in the context of innovation and pro-activeness (Rauch *et al.*, 2004:63). Businesses that provide service and create new goods utilising innovative technological advancements usually take risks, given the uncertainty of how the new product will be received by the market and whether the new product will attract higher demand.

Risks in entrepreneurship could be defined as venturing into the unknown, assigning big assets into a business, and lending big amounts of money (Rauch *et al.*, 2004:65). Risk in financial terms is also defined as "the degree to which managers are willing to make large and risky resource commitments, i.e., those which have a reasonable chance of costly failures" (Miller, 1978:923). It could thus be argued that all business ventures have some element of risk hence risk-taking remains one of the core elements of entrepreneurial orientation.

Miller (1983:781) alludes that a business that embody entrepreneurial behaviour "engages in product market innovation, undertakes somewhat risky ventures, and is first to come up with

'proactive' innovations, beating competitors to the punch". He further utilises entrepreneurial dimensions of innovativeness, risk-taking, and pro-activeness to exemplify and test entrepreneurship.

Risk-taking also refers to the attitude of taking bold decisions, such as venturing into unknown new markets and committing a large portion of resources to ventures with uncertain outcomes (Dhliwayo, 2008:101). Risk-taking should form part of decision-making while construction businesses should be acquainted with this reality to encourage braveness, especially when critical resources for new venture creation are time-bound (Wiklund & Shepherd, 2015:14).

Lumpkin and Dess (1996:136) confirm that risk-taking embodies entrepreneurship, entrepreneurial behaviour, and processes such as systems, culture and the decisionmaking styles individuals use to act entrepreneurially. They further argue that these include processes such as testing new technologies in the businesses, the drive to grab new opportunities in the market and being susceptible to undertake risky ventures.

Risk-taking could lead to more differentiated returns when it is well-calculated and the timing is well-informed (Kraus, Rigtering, Hughes & Hosman, 2012:176). A considerable number of SMEs profited handsomely from the 2008 economic crisis, given the calculated risk taken to venture into business deals when the majority of companies were pulling back. This further entrenches the view that risk-taking is one quality that sets apart entrepreneurs from ordinary human beings.

Risk-taking is a business's willingness to venture into product development where there is no guarantee of positive outcomes, dedicate business resources, include large assets and borrowings, and get into markets with the potential of being successful (Antoncic & Hisrich, 2004:53).

Ireland *et al.* (2003: 970) reflect on the need for businesses to encourage entrepreneurial behaviour and instil its culture across the leadership hierarchy with the hope of 100 participants from all the supporting entrepreneurial efforts where "new ideas and creativity are expected, risk-taking is encouraged, failure is tolerated, learning is promoted, product, process, and administrative innovations are championed, and continuous change is viewed as a conveyor of opportunities"

Kruger (2014:76) places risk-taking as an ultimate attribute of entrepreneurship, given the willingness for committing crucial resources to opportunities with no guaranteed success. To further illustrate the importance of risk-taking, former Minister of Public Enterprises Malusi Gigaba unsuccessfully argued in the South African National Assembly during the debate on “Energy Mix” (Birech *et al.*, 2018:63). The underlying notion was that despite the budget concern for launching a nuclear program, the positives could come in the form of job creation and enhanced economic activities, as was experienced during the preparation of the 2010 Soccer World Cup. This was risk-taking gone wrong, given the financial strain the Government of Jacob Zuma faced at the time (Birech *et al.*, 2018:114).

Researchers and the academic fraternity have been struggling to explain why entrepreneurs rush in to take advantage of opportunities that others fail to see or act upon and, to some degree, place risk-taking above other equally important attributes of entrepreneurship (MacCrimmon & Wehrung, 2013:423).

Past research found that most successful executives are risk-takers while the long-time executives are usually risk adverse (MacCrimmon & Wehrung, 2013:429). This is evidence of the hope entrusted to executives of SMEs in the construction industry to drive job creation initiatives. Nel (2018:69) places Government as the top employer in comparison to big businesses and SMEs. Positively SMEs was the only group that showed increased employment numbers compared to the Government and big businesses, which reflected a decline. Against this background, the following hypothesis is subjected to further testing:

H2: There is a significant relationship between the practice of Risk-taking in the business environment and the perceived success of the participating businesses.

2.2.3.3 Pro-activeness

Pro-activeness is the ability to anticipate and act on future market trends and service their wants and needs, positioning the entrepreneur as a first-mover compared to his or her competitors (Madsen & Gitlin, 2017:189). Proactive organisations strive to be pioneers by capitalizing on emerging opportunities. Proactive business entities, with their first-mover advantage, can target premium market segments and be price makers. This allows them to

dictate where the market should go by controlling distribution channels and advance their brands (Sharma & Dave, 2011:8).

Moreover, pro-activeness in a business environment is defined more by how companies react to the changes that take place in the market than the implementation of changes in the services and products that the business provides (Bateman & Crant, 1999:128). Pro-activeness means that the business tends to anticipate possible future changes in the marketplace while implementing decisions on products and service offerings (Birech *et al.*, 2018:136).

Covin and Slevin (1989:79) identified a tendency amongst entrepreneurs to associate pro-activeness with competitive aggressiveness, with these terminologies used interchangeably and they defined them as "characterized by frequent and extensive technological and product innovation, an aggressive competitive orientation, and a strong risk-taking propensity by top management"; the distinction being that pro-activeness is more inclined towards how an organisation responds to market opportunities in the process of new entry. Pro-activeness achieves this by taking the lead and in shaping the environment by influencing trends and creating demand.

Hughes and Morgan (2007:659) reflect that pro-activeness is encouraged through high-performance work structures and processes, given that the new knowledge acquired through such an experience, enables the organisation to remain abreast of prevailing market trends. This allows an organisation to stay ahead of the competition in the market by gaining first-mover advantage.

Venkatraman (1989:957) argues that pro-activeness can actually denote structures and processes by targeting new opportunities, as these may be opportunities within or outside the current business model; different service offerings and products which strategically position the organisation ahead of its competitors.

All entrepreneurial orientation dimensions are evenly balanced and necessary to the success of the business. What sets pro-activeness apart is its futuristic outlook which is vital in predicting effects brought about by technological advances in the market (Venter, 2014:11).

Entrepreneurs are thus given opportunities to plan ahead and secure a greater advantage in the market.

Venkatraman (1989:951) defines pro-activeness as a process steered to influence future demand by creating and producing goods and services to meet future needs. This emphasizes the futuristic outlook proactive organisations possess, which enables them to lead competitors in new entry opportunities.

Anand, Mesquita and Vassolo (2009:811) further echo that the key futuristic outlook of pro-activeness's is through its ability to lead the organisation's strategy to be fast and reactive, to ensure revenue and profit growth for the success of the business.

Organisations ought to be able to predict changes in the market and work towards influencing future demands to remain competitive. This further exposes close ties between pro-activeness and innovativeness. Organisations have to be innovative to respond to complex societal challenges, which may require technologically advanced solutions.

Entrepreneurial behaviour armed with perspective and strategic foresight enables organisations to become first-movers and attain beneficial market positions. This could lead to high levels of brand admiration, sales and profit growth (Messersmith & Wales, 2013:126). These organisations that embrace pro-activeness are prone to build lasting relations with the stakeholders in the market.

The first-mover advantage that characterizes pro-activeness is viewed as a vital component to capitalize on opportunities available in the market as first-mover organisations are capable of seizing extraordinarily high profits through getting a head start by inventing new products (Anand *et al.*, 2009:812). It is in this regard that proactive organisations are viewed as trendsetters and not followers, due to their capability to look into the future for opportunities.

Pro-activeness is closely linked to the concept of reactivity rather than passiveness; this speaks more to the ability or readiness to respond to a continuously changing market environment (Chen & Hambrick, 1995:457). This, however, should not be seen as a deviation from the key quality of pro-activeness as a trendsetter or first-mover, but a complementary and necessary quality that allows entrepreneurially inclined organisations to expeditiously

defend their position in the market, given possible market turmoil. Thus, pro-activeness and responsiveness (reactiveness) are both vital qualities for entrepreneurship.

Pro-activeness can be regarded as the organisation's preference to set the market tone or drive demand by introducing new products or through unique service offerings introduced to the market (Lumpkin & Dess, 1996:156). These organisations tend to have a better foresight and vision for the future through an acquired predictive skill of where the market is going and taking full advantage of the lead position they occupy.

Beyond anticipating future market demands, pro-activeness also speaks to the organisation's future viewpoint and drive through change, as well as by creating new products and services to cement the position that the organisation sees itself attaining in the future (Fuentes-Fuentes, Bojica & Ruiz-Arroyo, 2015:703). Thus, progressive organisations which possess pro-activeness as one of the entrepreneurial behaviours, cannot be seen as bystanders, regardless of possible global influence, but must remain creative and strive to achieve a competitive advantage through anticipating future market demands.

Innovation and risk-taking applied with pro-activeness often result in better outcomes in the overall performance of the business (Bateman & Crant, 1999:124). Against this background, the following relationship is hypothesised:

H3: There is a significant relationship between the existence of pro-activeness in the business environment and the perceived success of the participating businesses.

2.2.3.4 Autonomy

Autonomy is linked to independence, from both the organisation and individuals within the business (Bateman & Crant, 1999:93). Companies who are independent are more inclined to bring forth an idea and carry it through to completion (Birech *et al.*, 2018:116). They are able to steer their ship in the pursuit of opportunities. In an organisational context, it refers to action taken free of stifling organisational constraints (Venter, 2014:13).

Autonomous entrepreneurs and the companies they lead tend to withstand challenges that a business would face, for instance capital shortages and lack of resources, and still realise a success in their business. They remain free to act independently and to make key decisions that will benefit their companies, regardless of the challenges (Lumpkin & Dess, 1996:86).

Autonomy is realised when individuals within the organisation are given the freedom to act independently in pursuit of the organisation's goals and objectives (Lumpkin & Dess, 1996:88). Such organisations give their members and employees space to work effectively and grow through self-correction.

When management provides support to their employees and subordinates, they trigger ideas focussed on the improvement of performance to the benefit of the organisation, through sales growth and profit (Monsen & Boss, 2009:87).

Palich and Bagby (1995:429) prove that it is necessary for organisations to have autonomy as a basic entrepreneurial element to ensure business success. They further reflect that one can distinguish between non-entrepreneurs and entrepreneurs through the level of regard towards autonomy.

Burgelman (1983:231) proves that appreciation of independence and freedom required by the employees within the organisation, to pursue new ideas to the benefit of the organisation, is vital for entrepreneurship. Lumpkin and Dess (1996:140) declare that autonomy offers employees within the organisation the freedom and flexibility to be creative and develop new products. Entrepreneurship can only thrive when organisations give their employees the freedom to shape the future.

Ireland *et al.*, (2003:989) find in their study of strategic entrepreneurship that autonomy empowers entrepreneurs who are looking for opportunities and those who possess advantage-seeking behaviours. Autonomy could, therefore, benefit organisations in various ways when put to better use; when the environment supports independent thinking and freedom to also work on existing ideas and improve them to the organisation's benefit.

A study by Lisboa, Skarmeas and Lages (2011:1277) proves that the performance of entrepreneurial organisations is dependent on new ideas from within the organisation,

through the independence provided to employees to become independent and generate new ideas.

Lumpkin and Dess (1996:97) further define autonomy as an action - independent in nature - by employees, to advance the vision of the organisation. When employees are entrusted and mandated to deliver targets and milestones important to the organisation, and to develop through making mistakes that they are allowed to correct,, these employees will become an asset to the organisation through this autonomous act from the organisation.

Entrepreneurship development flourishes when autonomous, independent thinkers take the lead in implementing innovative business ventures (Basu, Yeung, & Casso, 2008:69). This leads to creativity within the organisation when employees are given the freedom by the organisation to independently think of new ideas.

Autonomy is seen as a self-governing action by a person or a group, to realise a vision and see it through (Van Vuuren, 2014:129). The aforesaid adds that decision-makers are at the core of seeing that the culture of promoting autonomy within the organisations prevails through delegation.

Autonomy promotes the culture of innovation and entrepreneurial behaviour and is defined by Smith (1967:109), as the drive and will to work independently when the opportunity is presented, to help the business achieve its sustainable goals. When employees across the hierarchy in the business are empowered to make decisions the survival of the business is enhanced.

Rauch *et al.* (2006:33) argue that the definition of autonomy, when viewed within the context of entrepreneurship, falls within the traditions of the internal venture of corporate businesses. Thus, it is of great importance for organisations to embrace autonomy in their entrepreneurial outreach to boost the organisation's competitive advantage.

Autonomy is usually delegated to lower levels along the business hierarchy as a means to nurture autonomous leaders and to improve decision making in the business (Van Vuuren, 2014:276). In other countries, delegating authority to blue-collar workers is very common.

This could also help improve relations amongst SMMEs in the construction sector, which gets marred by labour and industrial action, often due to wage increases (Smith, 1967:109).

Autonomy indicates an individual or a group, working to build new ideas and being innovative (Venter, 2014:29). When opportunities are pursued with the resolve to achieve maximum output, it leads to autonomy. There are however factors, including the lack of access to recourses, that may negatively affect businesses. Autonomous organisations however tend to be less affected by such factors (Lumpkin & Dess, 2014:430).

When employees and managers are given more autonomy in their various functions, productivity is enhanced (Dawson, 2012:8). SMMEs in the construction sector should thus consider delegating more authority to junior management with proper guidance from senior management. Employees should be involved in decision making and be delegated functions with power, so they can become autonomous leaders, which lead to overall business success. It is therefore hypothesised that:

H4: There is a significant relationship between autonomy in the business environment and the perceived success of the participating businesses.

2.2.3.5 Competitive aggressiveness

Competitive aggressiveness relates to the organisation's inclination to advance an entrepreneurial culture of being achievement-oriented and challenge their competitors in order to occupy a favourable position in the market (Chen, Yip, Chang, Lin, Lee, Chiu, & Lin, 2015:229). Competitive aggressiveness is a vital element of entrepreneurial orientation, given the high failure rate of start-ups and SMMEs (Lumpkin & Dess, 2014:434).

Companies with competitive aggressiveness are inclined to intensively challenge their competitors to access the market and improve the company's position against their competitors in the market (Van Vuuren, 2014:278).

Competitive aggressiveness involves uniqueness in the way a business operates and differs from competitors in its way of conducting business (Lumpkin & Dess, 1996:149). This could

be used to measure how businesses deal with threats and whether the firm's responsiveness is directed toward achieving a competitive advantage (Lumpkin & Dess, 1996:148).

Lumpkin and Dess (1996:143) define competitive aggressiveness as an operational attempt within an organisation, geared to outshine competitors in the market. These could be informed reactions to neutralize the competitors' moves and strengthen the organisation's position in the market. This can be achieved through continuous assessment of the material conditions possessed by the competitors (Hughes & Morgan, 2007:659).

Competitive aggressiveness informs the organisation's reaction to competitive trends in the industry, including the market's supply and demand factors (Van Vuuren, 2014:269). SMMEs that have established a niche in the marketplace for themselves, tend to employ competitive aggressiveness to ensure that their position is well-protected from possible threats in the marketplace (Chen *et al.*, 2015:229).

There is a similarity between competitive aggressiveness and pro-activeness; competitive aggressiveness entails the way the business relates to competitors and how it responds to the existing demand in the market while pro-activeness refers to the organisation's response to opportunities (Van Vuuren, 2014:271). It points to organisations in the market competing for demand. The reason for competitive aggressiveness is thus to outperform rivals in the market and to be prepared for possible competition. Pro-activeness, on the other hand, focuses on meeting the demand (Chen, Yip, Chang, Lin, Lee, Chiu, & Lin, 2015:233).

Competitiveness in its natural form relates to the competition amongst humans or juristic persons, to be in the lead in whatever ventures they may be involved in. In a business context, these juristic persons can be profitable organisations or companies, fiercely challenging each other to be market leaders. Thus Antonio, Felipe, Roberto and Mauro (2015:62) define competitive aggressiveness as how an organisation relates and responds to the market's competitors in its pursuit to retain its market position.

Competitive aggressiveness could refer to an organisation's technique of partnering with its competitors, recognizing like-minded organisations in relation to their risk appetite and how vigorously they would go for their target markets (Schillo, 2011:33).

Mirza, Bergland and Khatoon (2016:47) argue that organisations that embody competitive aggressiveness, tend to outperform their counterparts, given that competitive aggressiveness could help organisations deal with volatile market conditions. Competitive aggressiveness is also the policy embraced by an organisation through availing the resources necessary to attain and retain its superior position in the market (Venkatrama, 1989:959).

An organisation's competitive position could be improved through innovative ideas that lead to new products and by developing the market of the product through influencing demand (Covin & Wales, 2018:112). Thus, competitive aggressiveness requires innovative and creative thinking to challenge competitors, with an uncompromising belief that the organisation should be the market leader.

Competitive aggressiveness could be viewed as negative and unfriendly and lead to an organisation being alienated by possible valuable stakeholders in the market, including like-minded competitors, due to its confrontational stance on market entry.

Lumpkin and Dess (2014:49) reflect on strategies that could be viewed as negative, namely aggressively low prices, negative advertising and targeting a competitor's weaknesses. Companies that vociferously pursue a better market position through revenue and profit growth, demonstrate a clear strategic focus of replacing the competitors in the market (Osaze, 2013:126).

Chalchissa and Bertrand (2017:73) reflect on competitive aggressiveness in the context of entrepreneurial orientation as a direct concentration needed by an organisation planning to enter the market to compete with market leaders in the space.

Competitive aggressiveness could relate to a variety of normal business practices like aggressive price competitions, introduction of new innovative goods to challenge the competitors, and inventions that keep the competitors worried (Hussain, Ismail, & Akhtar, 2015:10). Competitive aggressiveness complements innovativeness because organisations should be innovative to aggressively challenge and outshine competitors in the market.

Previous studies proved that the organisation's competitive aggressiveness is persuaded by the efficiency with which an organisation's leaders identify opportunities within a volatile market environment (Ferrier, 2001:872).

Moreover, competitive aggressiveness shows preparedness to be exceptional instead of relying on long-established ways of competing (Antonic & Hisrich, 2004:15). The aforesaid add that competitive aggressiveness is vital to facilitate business attainment and retaining its competitive advantage. All five dimensions of entrepreneurial orientation can thus be used to advance company strategies and realise its business goals (Antonic & Hisrich, 2004:15). Based on the literature review, the following hypothesis was formulated:

H5: There is a significant relationship between the competitive aggressiveness of the business and the perceived success of the participating businesses.

2.3 CONSTRUCTION INDUSTRY

The construction industry builds the public and private sector infrastructure upon which other industries depends. The "built environment" forms the core of our way of life. South Africa is currently facing an energy crisis with government owned supplier (Eskom) of electricity struggling to keep lights on and introduced load shedding since 2008. At the centre of the proposed energy-mix intervention by the South African government is the construction industry, which is expected to surge the capacity to build new infrastructure for nuclear, wind, solar energy and maintain old infrastructure. The construction industry is thus essential in a drive to reignite the economy through securing energy supply to the country.

The construction sector also presents a variety of opportunities for innovative ideas to ensure new infrastructure projects are built sustainably by ensuring the environment is not compromised during the construction of these major infrastructure projects. The construction industry is one of the biggest users of energy and materials, and that creates a lot of waste. It is estimated that during the construction of buildings consumes annually 25% of the virgin wood and 40% of the raw stone, gravel and sand is consumed annually (Spence & Mulligan, 2005:16). Buildings consume on average 16% of the water and contribute to the production of almost 70% of all sulphur oxides (Ngowi, 2001:36).

The construction sector does not only contribute to employment figures but also benefits the country, continent and even globally through knowledge and experience gained in the process of addressing current challenges; this knowledge can be sold internationally to strengthen the position of the industry and the image of the host country. The example from the “built environment” is the emergence of drinking water provision technology from Israel which is sold globally to the credit of Israel as a country and its people. Israel struggled for over decades to ensure sustainable water provision to its citizen given its location and prevailing geographical challenges like drought and lack of proximity to rivers to enable the building of dams.

The South African construction industry is of vital significance to the South African economy. As of January 2019, the Construction Industry Development Board (CIDB) which regulates the construction companies in South Africa reported over 50000 companies registered with it as active. Statistics South Africa reported the biggest driver of September 2019 unemployment increase is driven mainly by the job cuts in the construction industry brought about the challenges faced by the construction companies with others filing for liquidation.

South African government policy should stimulate and encourage the number of new businesses opportunities to decrease unemployment specially for the youth, construction industry can help to reduce the unemployment through the entrepreneurial opportunities present within the industry. Entrepreneurship fuels the economic development of countries, however, given some disputes about the exact numbers; empirical work conducted indicates that new small business starts account for a large proportion of job creation, and moreover, entrepreneurs tend to have a history as job hoppers (Astebro and Thompson, 2011:637).

Innovation and entrepreneurship play an important role in the economic growth, as well as in countering unemployment and increasing living standards. While in the past the sources of innovation were often thought to be large companies, in the recent period small and medium enterprises (SMEs) are now considered to be the sources of innovation and growth (Faria, Cuestas, & Mourelle, 2010:27).

Entrepreneurs and innovators are driven by the desire to solve societal problems and in turn make profits to the benefit of the organisation and its employees (Wu, Chang & Chen,

2008:267). Entrepreneurship within the construction industry can therefore be encouraged through the challenges and opportunities that exist within the construction industry.

The construction industry remains at the core of economic development through its ability to absorb and influence other industries, and the ease with which employment opportunities are created to the benefit of the people and South Africa at large.

2.4 BUSINESSES' PERCEIVED SUCCESS

It has been proven through studies that education is crucial for business success (Carter, Brush, Greene, Gatewood & Hart, 2003:27). Thus, the importance of Small-Medium Enterprises within the South African construction industry to educate themselves on the elements of entrepreneurial orientation and how these can influence their success, should not be underestimated.

Previous research on entrepreneurship has focused on the personal level of analysis, although the focus has recently moved to entrepreneurship at the business level of behaviour (Lumpkin & Dess, 2016:151).

The relationship between business performance and the five elements of entrepreneurial orientation has been proven notwithstanding the fact that these five elements may also have an influence on each other (Kaplan & Norton, 2016:132).

The relationship between entrepreneurial orientation and the success of SMMEs becomes even clearer when the basic principles of business such as growth, competitiveness, profitability, and strategic market positioning are considered. All businesses need either one or a combination of these basic principles to be sustainable (Van Vuuren, 2014:273).

The performance of small and medium enterprises could be multi-dimensional; hence the need to unite the several dimensions of business performance in research studies (Wiklund & Shepherd, 2005:82). Rauch *et al.*, (2009:39) also confirm this notion by revealing that the performance of a business is multi-dimensional.

Thompson (2004:249) alludes to successful entrepreneurs as having the capacity to create a valuable tactical position by organising their resources to influence and dictate market demand. This further reinforces links between business success and elements of entrepreneurial orientation; especially competitive aggressiveness, pro-activeness, and innovativeness where deliberate efforts are made to strengthen the position, develop new products and outperform competitors through creative and innovative solutions.

Previous studies on entrepreneurship prove that there are various resources necessary to ensure the success of a business; including capital, business skills and relevant business experience (Pratt, 2001:31). Elements of entrepreneurial orientation could hereby be considered amongst the business skills necessary for the success of a business.

Frese, Brantjes and Hoorn (2002:263) reflect on the characteristics of business success which are linked to entrepreneurial orientation including innovativeness, push for independence (autonomy), and competitive aggressiveness.

Business performance is a multidimensional concept and the tools used to measure such performance must take this into account (Kaplan & Norton, 2016:132). For instance, finance is seen as a suitable measure of business success, despite the fact that some entrepreneurs start businesses inspired by their ways of living and personal reasons (Antonic & Hisrich, 2004:16).

Alternative measures of success within start-up businesses could lead to non-financial goals. Financial performance measures are unique, given their ability to lay a sound base to measure the success of the business (Neneh, 2011:119).

According to Antonic and Hisrich (2004:62), the relationship between entrepreneurial orientation and performance could be influenced by the performance indicators applied to measuring business performance.

The elements of entrepreneurial orientation have been found to be positively related to success and the development of new ideas and products, as well as risk appetite, when compared to others (Neneh, 2011:58). More importantly, entrepreneurial orientation and its five elements need to be clarified and acknowledged because of the influence these elements

have on a the behaviour of a business (Filser & Eggers, 2014:63). This could involve the strategy of the business and the process employed to arrive at decisions. The effectiveness and efficiency of the employees also have an impact on the success of the business.

Businesses with unique value propositions tend to achieve greater performance in comparison to their competitors (Wiklund & Shepherd, 2015:307). These value propositions could be resources in the employ of the business, geographical position or within the distribution channels of the business.

The relationship between entrepreneurial orientation and business success is positive, given that entrepreneurial orientation is dependent on a variety of resources in the same way business success is dependent on a variety of elements (Filser & Eggers, 2014:59).

Entrepreneurial orientation could be used to simplify the management processes that enable a business to be a step ahead of its competitors, through some of the dimensions of entrepreneurial orientation, in particular, innovation (Wiklund & Shepherd, 2015:307).

Burns (2017:71) validates those entrepreneurs who embrace entrepreneurial orientation practices within their organisations by encouraging pro-activeness, taking risks, and being innovative. These entities tend to experience better business performance.

For the purpose of this study, perceived business success was measured through two dependent variables, namely business growth and business development.

2.4.1 Business growth

Organisations operating in the business space where profit margins are crucial for their survival should consider business growth in its entirety as key to business sustenance (Filser & Eggers, 2014:56). Business growth is holistic in nature and goes beyond profit-making to include growth in sales, market share, an improved market position, and employee job satisfaction (Burns, 2017:89).

Mohamed (2019:25) suggests that certain factors that affect the survival of SMEs can also affect their growth, and supports the idea that an organisation 's survival is linked to its growth. Thus, companies that do not grow face the reality to cease to exist, given the constant challenges in the market. However, in certain instances a lack of growth may be influenced by the strategy of the organisation, borne from the founder's intentions when starting the business. Some individuals get into business purely for survival purposes.

Filser and Eggers (2014:64) reiterate that entrepreneurs are said to be more successful when they are aware of the elements of entrepreneurial orientation and when the elements of entrepreneurial orientation are effectively applied to the benefit of the businesses.

Elements of entrepreneurial orientation can be used to measure business growth. It is proven by Mahembe (2011:125) that SMEs in South Africa contribute extensively to the country's GDP, and that business owners should develop from being mere owners into entrepreneurs.

Business growth, be it in Small-Medium Enterprises or big corporations, is important as it contributes to global economic growth. There is still no consensus though in academia on what defines business growth (Boubakri & Saffar, 2016:517). The competition in the market may also influence business growth, hence the need for entrepreneurs in the South African construction industry to educate themselves on the elements of entrepreneurial orientation, like competitive aggressiveness.

Business growth could be measured through using the balance sheet of the business, as it is common case with big corporations, and some Small-Medium Enterprises, who treasure innovation and creativity, to boast the attraction of talented individuals as core assets to the business, with the promise of a brighter and more profitable future for the business (Wu, Chang & Chen, 2008:267).

Accurate conclusions concerning the growth and success of businesses can be derived using financial measures, given that global business goals are naturally aimed at improving financial returns (Filser & Eggers, 2014:65). These financial measures may include sales growth. In the empirical study, the effect of the turnovers of the businesses and the growth in market shares are considered.

2.4.2 Business development

Business development refers to highly committed employees that are regarded as valuable assets of the business, the improvement of job satisfaction, and continued investment in research and development (Freiling & Schelhowe, 2014:19). Business improvement involves continuous change in the way things are done. Burns (2017:86) adds that business development is reflected in organisations by the quality of their products and the level of customer satisfaction.

There are necessary trade-offs between management and employees as well as clients (Mahembe, 2011:128). A positive managerial attitude towards the clients and employees of the business triggers the same response from clients and employees towards the business and helps develop the business to become more sustainable.

Filser and Eggers (2014:61) note that businesses tend to engage the services of trainers to improve employee relations in order to provide quality customer service, but this is only successful if the management shows commitment.

Based on the previous studies, Frank, Kessler and Fink (2010:190) underscore that entrepreneurial orientation positively impacts on business development and improvement. Therefore, this concept deserves more attention from entrepreneurs around the world. It is further necessary to explore the impact of entrepreneurial orientation on a business, when it is not effectively exercised in the business (Freiling & Schelhowe, 2014:34).

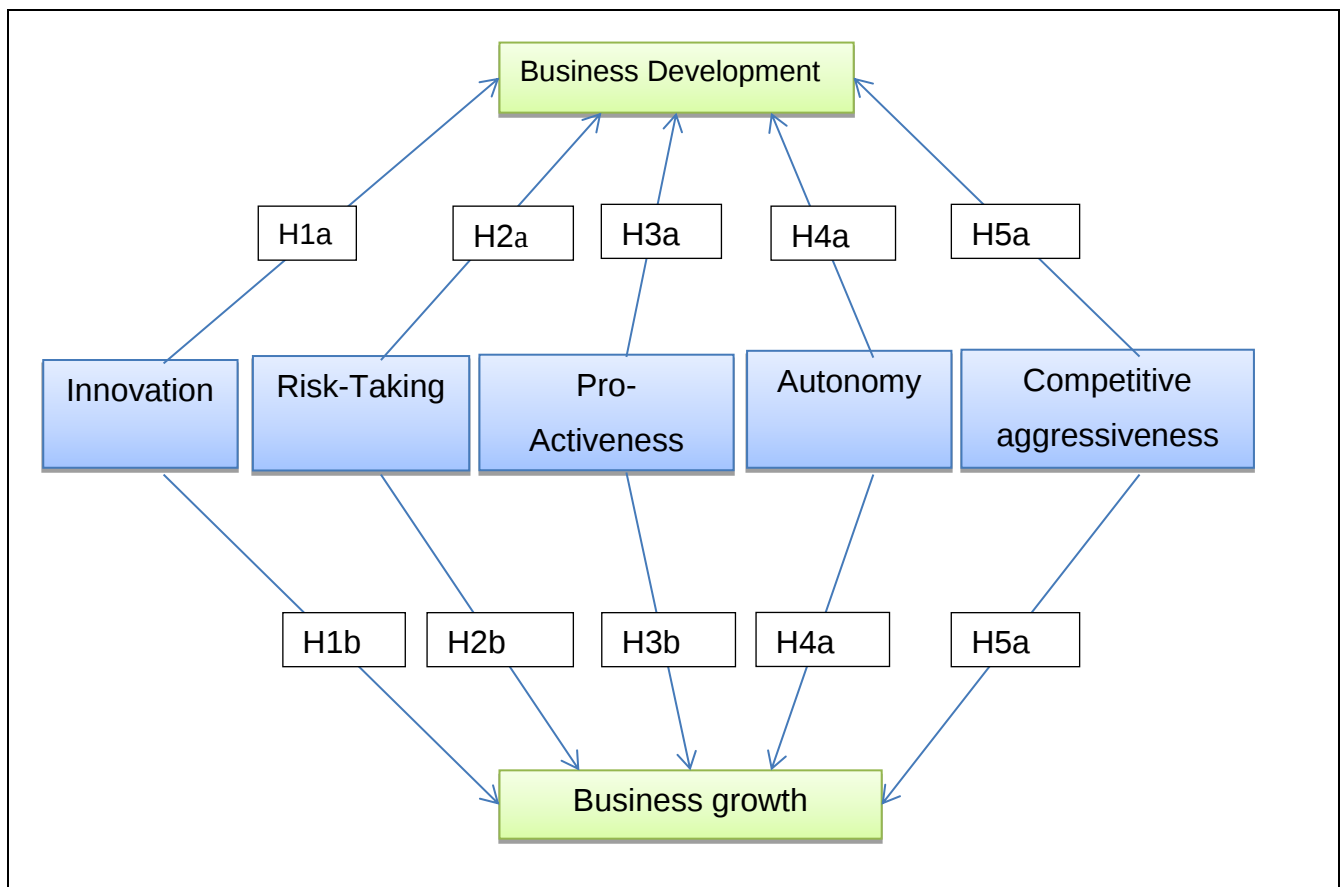
The poor application of entrepreneurial orientation and the lack of management skills clearly explain how the entrepreneurial orientation dimensions can create benefits for the business if applied effectively and set to complement each other.

2.5 HYPOTHESIS

Figure 2.1 below displays the dimensions of entrepreneurial orientation (autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness) hypothesised

as influencing the dependent variable of the perceived success (business development and business growth) of the business.

Figure 2.1: Entrepreneurial orientation elements vs. perceived success variables



The hypotheses are amended to reflect the direct relation between elements of entrepreneurial orientation and the individual variables of business success. The amended hypotheses are:

H1a: There is a positive relationship between innovativeness and business development and improvement in SMMEs.

H1b: There is a positive relationship between innovativeness and business growth in SMMEs.

H2a: There is a positive relationship between risk-taking and business development and improvement in construction SMEs.

H2b: There is a positive relationship between risk-taking and business growth in construction SMEs.

H3a: There is a positive relationship between pro-activeness and business development and improvement in construction SMEs.

H3b: There is a positive relationship between pro-activeness and business growth in construction SMEs.

H4a: There is a positive relationship between autonomy and business development and improvement in construction SMEs.

H4b: There is a positive relationship between autonomy and business growth in construction SMEs.

H5a: There is a positive relationship between competitive aggressiveness and business development and improvement in construction SMEs.

H5b: There is a positive relationship between competitive aggressiveness and business growth in construction SMEs.

2.6 CONCLUSION

SMMEs should be utilised to create wealth for the owner or the entrepreneur and it is mostly seen as favourable when the business also shows rapid growth and development. Research indicates that entrepreneurs are more successful when they are aware of the dimensions of entrepreneurial orientation and when these dimensions are successfully applied in their businesses.

SMMEs are the driving force of economic growth and job creation. Surveys of small business failures show that entrepreneurs often have good ideas and are to some extent competent, but they have no underlying appreciation of business and also lack business management skills. It is therefore clear that being a successful entrepreneur involves knowledge, skill, and determination.

In this chapter the current situation of SMMEs with regard to entrepreneurial orientation can be concluded and the importance of entrepreneurial orientation in the business environment is explained. The lack of skills in South Africa constitutes a major problem for the economy. Many entrepreneurs are survivalists and need to start making a profit in their businesses so that they can better provide for their families and contribute to the South African economy. In order to achieve sustainable growth and to address the economic development challenges, more and more entrepreneurs are needed to enhance the small and medium-sized business sector.

CHAPTER 3

RESULTS OF THE EMPIRICAL STUDY

3.1 INTRODUCTION

The primary objective of this study, as outlined in Chapter 2, is to establish whether there is a positive relationship between the five dimensions of entrepreneurial orientation and the perceived success of SMEs in the South African construction industry. This chapter presents the findings from the questionnaires administered to the participating SMEs.

3.2 GATHERING OF DATA

This section covers the ethical considerations, reliability and validity of the questionnaire used, and the analysis of the data gathered.

3.2.1 Ethical considerations

The research followed an ethical code that includes ensuring participant confidentiality and anonymity, as well as no harm and informed consent. The participants were briefed and issued with consent forms before they were asked to fill in the questionnaire, to ensure informed consent. Confidentiality and anonymity were ensured for every participating business by not requesting their private details. All potential participants were assured of confidentiality through a consent letter (See Annexure D), signed by the researcher and the relevant authorities within the North-West University's Faculty of Management Sciences and specifically the Business School. The study did not cause any harm to any participants.

3.2.2 Reliability and validity

The Cronbach Alfa coefficients were calculated in order to assess the internal consistency and the reliability between the statements in the research instrument. An assessment of internal consistency and reliability amongst statements was conducted from the

questionnaire used to collect data, by calculating the Cronbach Alfa coefficients. These coefficients reflect an index that speaks to the level with which individual statements from the questionnaire are measured and tested; measuring the same attribute (Struwig & Stead, 2014:132). Cronbach Alfa coefficients are a means to test the correlation of the variables under discussion. The greater the value of the coefficient, the higher the consistency and the improved reliability are.

Cronbach Alfa coefficients vary from 0 (zero) to 1 (one), given the fact that the ratio is of 2 (two) variances. Values closer to zero will, therefore, reflect statements that are poorly formulated with weak correlation, or reflect respondents who do not properly understand the statements. This would, therefore, imply that the questionnaire is poor and not reliable. Generally, 0.7 is considered an acceptable value and can be used to test the reliability in a study (Salvucci, Walter, Conley, Fink & Saba, 2015: 115).

The Cronbach Alpha coefficients of the questionnaire are summarized in Table 3.1 below.

Table 3.1: Cronbach Alpha coefficients

<i>Variable</i>	Cronbach Alpha
<i>Autonomy</i>	0.72
<i>Innovativeness</i>	0.81
<i>Risk-taking</i>	0.72
<i>Pro-activeness</i>	0.76
<i>Competitive aggressiveness</i>	0.73
<i>Business growth</i>	0.87
<i>Business development</i>	0.76

The prevailing outcome from the results reflects the acceptability of the constructs measured in terms of the reliability of the instrument used. All the dimensions were above 0.7, thereby reflecting instrument reliability.

3.2.3 Analysis of data

The analysis of the collected data was through the statistical analysis method (Statsoft, 2018:42). The presentation of the findings is done through graphs in the form of histograms and bar charts. Pearson's correlation analysis was used to examine the relationships.

3.3 RESPONSE RATE

The responses obtained from the study are shown in Table 3.2 below:

Table 3.2: Data captured

Response	Number	Percentage
Dispersed questionnaires	983	100%
Returned questionnaires	43	4.37%
Discarded questionnaires	6	0.61%
Analysed questionnaires	37	3.76%

A total number of 983 questionnaires (Table 3.2 above reflects the breakdown of the data gathered through the questionnaires) were handed out during the tender briefings, attended by construction SME owners. A total of 43 questionnaires were returned, with 6 considered not usable. The remaining 37 questionnaires (representing 3.76% of the dispersed questionnaires) were analysed.

3.4 RESULTS

The results are based on two sections which are the demographic results and the results from the questions asked.

3.4.1 Demographic results

The demographical information was collected in Section C of the questionnaire and consisted of age, gender, academics, and management level. A detailed analysis of each construct of the demographical information is addressed below.

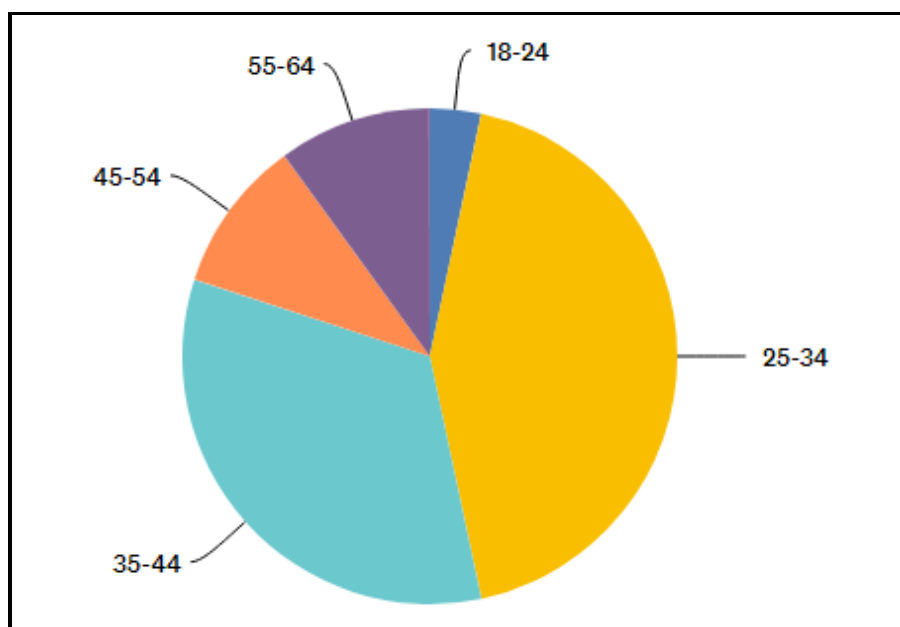
3.4.1.1 Age

There were six categories for age group as per Figure 3.1 below, from which respondents could choose; only 30 of the 37 valid respondents participated in this section of the questionnaire. The leading category (registered 43%) was the upper youth category which consisted of people who are about to enter the adult stage (35 years and above) and have been categorised as youth for over half a decade. This was followed by those in the adult (35-45 years) phase who accounted for 33.33%.

This is a reflection of the dire state of unemployment in South Africa, where StatsSA reported that almost a third of the country's population is unemployed with the majority being the youth.

It is very encouraging that these youths are not despondent, but actively participating in entrepreneurial initiatives, given that some of the respondents were actually owners/directors of the companies they represented.

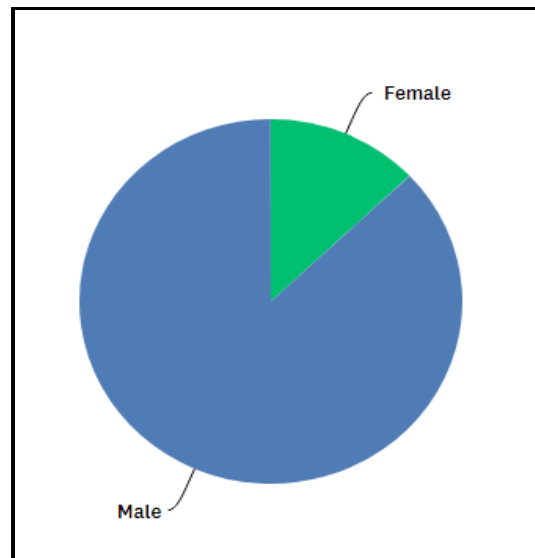
Figure 3.1: Age analysis



3.4.1.2 Gender

The majority of the respondents were male, which accounted for 87.10% of the total, with less than 13% female, as reflected in Figure 3.2 below.

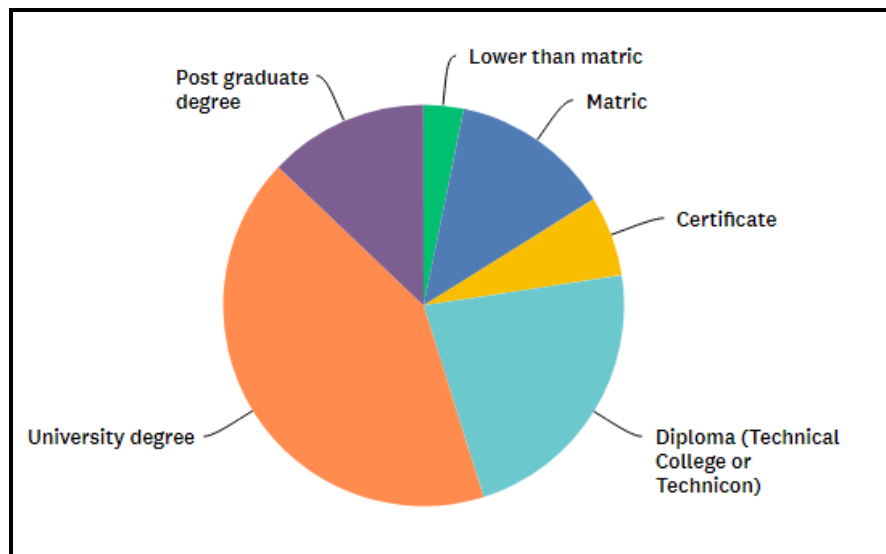
Figure 3.2: Gender analysis



3.4.1.3 Highest academic qualifications

It was interesting to note that over 75% of respondents had formal tertiary education, but on the downside, it also reflected the reality of unemployment in the South African economy where the youth, in particular, are starting up companies and joining in the drive for employment creation.

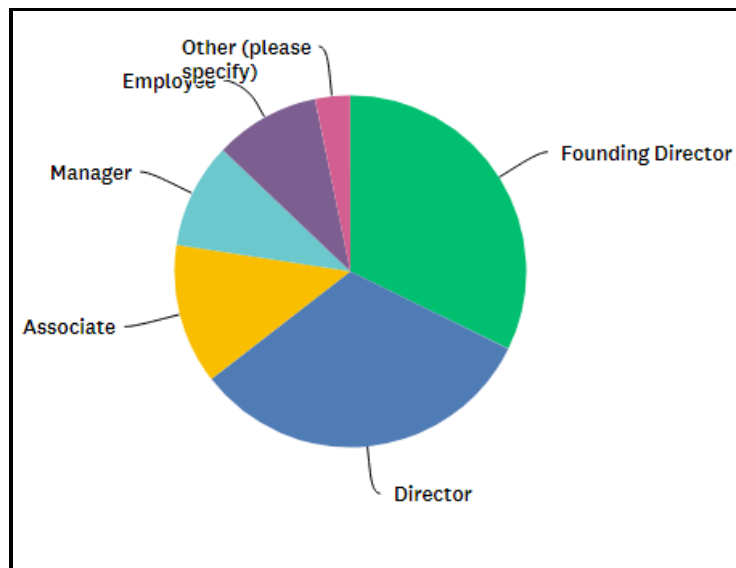
Figure 3.3: Highest academic qualifications



3.4.1.4 Management level

The majority of the respondents were either founding directors (32%) or directors (35%) of the companies they represented, which correlates with the statement made above, that the youth are active participants in new venture creations. A total of almost 13% were associates, which in total accounts for over 80% of the people present being senior management and decision-makers, attending a Government briefing. These briefings tend to get crowded due to many companies searching for opportunities in the Government sector, when the economy has experienced a growth slump in the past decade. Managers accounted for 10%, employees 7%, and others 3%.

Figure 3.4: Management level



3.4.2 Results from entrepreneurial orientation measurement

Data in relation to entrepreneurial orientation dimensions was gathered using Section B of the questionnaire. The five scales of Likert were used with the options of 1 strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Respondents were allowed the opportunity to rate each question as per their understanding of their businesses' attitude towards the constructs of entrepreneurial orientation.

Univariate contingency tables were constructed as per each construct to test what the majority of respondents deemed to be the most important aspect of the five dimensions, and were ranked (with number 1 allocated to the question that received the higher percentage) accordingly.

The scale was reduced to two distinct variables; the positive side consisted of those who agreed and strongly agreed while the negative side consisted of those who disagreed and strongly disagreed. Those who were neutral on any given question were excluded in the construction of the univariate contingency tables detailed below.

3.4.2.1 Autonomy

Table 3.3 below gives a statistical analysis on questions that were used to assess the **autonomy** levels amongst the SMEs in the construction sector.

Table 3.3: Autonomy

Item	n	Mean	Standard Deviation
My employees have enough autonomy in their jobs to do their work without continual supervision.	37	3.8	1.24
My business allows me and my employees to be creative and try different methods to do our jobs.	37	4.2	1.05
Employees in our business are allowed to make decisions without going through elaborate justification and approval procedures.	37	3.5	1.12
Employees in our business are encouraged to manage their own work and have flexibility to resolve problems.	37	4.0	1.02
Employees seldom have to follow the same work methods or steps while performing major tasks from day to day.	37	3.7	1.17
Average		3.84	1.12

The statements within the **autonomy** construct were rated from 1 to 5 and all five statements valued above 3. The highest rating was attained by the statement relating to creativity: **My business allows me and my employees to be creative and try different methods to do our jobs**. The average was calculated at 4.2 and as the top ranking statement it proved the importance with which entities in the construction sector attach to the ability of the business to remain creative as they face tough economic times.

The second highest ranking statement calculated at an average of 4.0 within the autonomy construct related to: **Employees in our business are encouraged to manage their own work and have the flexibility to resolve problems**. This was followed by the third ranked statement which received an average of 3.8: **My employees have enough autonomy in their jobs to do their work without continual supervision**.

The overall average calculated at 3.84 and confirmed the overwhelming support SMEs within the construction sector have for **autonomy**.

3.4.2.2 Innovativeness

Table 3.4 below gives a statistical analysis on questions that were used to assess **innovativeness** amongst the SMEs in the construction sector.

There is a strong belief amongst entrepreneurs in the construction sector in the influence that innovation has on their businesses. This was confirmed by an overall average calculated at 3.35. The top ranked statements on innovativeness were the following:

- Our leaders seek to maximise value from opportunities without the constraint of existing models, structures or resources.
- Our business is continually pursuing new opportunities.
- Our business has a widely held belief that innovation is an absolute necessity for the business's future.

These three statements attained calculated averages of 3.89, 3.82 and 3.79 respectively.

Table 3.4: Innovativeness

Item	n	Mean	Standard Deviation
Our business regularly introduces new services/products/processes.	37	3.12	1.12
Our business places a strong emphasis on new and innovative products/services.	37	3.25	0.95
Our business has increased the number of services/products offered during the past two years.	37	3.04	0.85
Our business is continually pursuing new opportunities.	37	3.82	1.03
Over the past few years, changes in our processes, services and product lines have been quite dramatic.	37	2.54	1.01
In our business there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.	37	2.96	0.92
Our business places a strong emphasis on continuous improvement in products/service delivery.	37	3.77	0.87
Our business has a widely held belief that innovation is an absolute necessity for the business's future.	37	3.78	0.66
Our leaders seek to maximise value from opportunities without constraint of existing models, structures or resources.	37	3.89	0.54
Average		3.35	0.88

3.4.2.3 Risk-taking

Table 3.5 below gives a statistical analysis on questions that were used to assess **risk-taking** amongst the SMEs in the construction sector.

Table 3.5: Risk-taking

Item	n	Mean	Standard Deviation
When confronted with uncertain decisions, our business typically adopts a bold posture in order to maximise the probability of exploiting opportunities.	37	3.71	0.85
In general, our business has a strong inclination towards high-risk projects.	37	3.65	0.45
Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business's objectives.	37	3.86	1.02
Employees are often encouraged to take calculated risks concerning new ideas.	37	4.2	1.05
The term "risk-taker" is considered a positive attribute for employees in our business.	37	3.58	0.65
Average		3.7	2.95

The average mean of 3.7 reflects the willingness of businesses to take risks for the benefit of sustaining their businesses. The statement related to: **Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business's objectives**; fared second highest and dealt specifically with risks in a situation where entrepreneurs face uncertainty. This is a sign of braveness and a fitness test for all entrepreneurs who welcome challenges that come with uncertainty and the ability to exploit opportunities.

The other statements measuring risk-taking, which had a calculated mean above the overall average of 3.7, were the following:

- Employees are often encouraged to take calculated risks concerning new ideas, calculated mean of 4.2.
- When confronted with uncertain decisions, our business typically adopts a bold posture in order to maximise the probability of exploiting opportunities, calculated mean of 3.71.

3.4.2.4 Pro-activeness

Table 3.6 below gives a statistical analysis of questions that were used to assess **pro-activeness** amongst the SMEs in the construction sector.

Table 3.6: Pro-activeness

Item	n	Mean	Standard Deviation
Our business is very often the first to introduce new products/services.	37	3.3	0.69
Our business typically initiates actions that competitors respond to.	37	3.35	0.52
Our business continuously seeks out new products/services.	37	3.5	0.77
Our business continuously monitors market trends and identifies future needs of customers.	37	3.88	0.66
Average		3.51	0.66

Respondents amongst the SMEs in the construction sector overwhelmingly acknowledged the importance of pro-activeness, given the average mean value of 3.51. All questions which measured the construct of **pro-activeness** individually calculated above 3 on the mean value. The statement that ranked top (calculated mean value of 3.88) was: **Our business continuously monitors market trends and identifies future needs of customers.**

3.4.2.5 Competitive aggressiveness

Table 3.7 below gives a statistical analysis of the questions that were used to assess **competitive aggressiveness** amongst the SMEs in the construction sector.

Table 3.7: Competitive aggressiveness

Item	n	Mean	Standard Deviation
In dealing with competitors our business typically adopts a very competitive "undo-the competitor" posture.	37	3.71	0.85
Our business is very aggressive and intensely competitive.	37	4.2	0.45
Our business effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position.	37	3.86	1.02
Our business knows when it is in danger of acting overly aggressive (this could lead to erosion of our business's reputation or to retaliation by our competitors).	37	3.65	1.05
Average		3.3	3.58

The overall average mean of 3.3 reflects the understanding businesses in the construction sector have of competitive aggressiveness. The statement: **Our business effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position**, received the highest mean value (calculated at 4.2) and explicitly deals with the subject matter competition and aggressiveness. The affirmation thereof from respondents is not vague and reflects a solid belief of the highest regard that respondents have in **competitive aggressiveness**.

3.4.2.6 Perceived business success

Perceived business success is covered in Section B of the questionnaire, which covers the growth and development of entrepreneurs within the construction sector. The results coming from the analysis of the respondents are discussed in detail below.

3.4.3 Business growth

Table 3.8 below gives a breakdown of the analysis of the information gathered from the respondents through the questionnaires completed in relation to **business growth**.

Table 3.8: Business Growth

Item	n	Mean	Standard Deviation
Our business has experienced growth in turnover over the past few years.	37	3.9	0.67
Our business has experienced growth in profit over the past few years.	37	3.4	0.85
Our business has experienced growth in market share over the past few years.	37	3.27	0.74
The competitive position of our business has improved over the past few years.	37	3.71	0.69
Average		3.57	0.74

SMEs in the construction sector felt that they have experienced growth in turnover and improvement in their competitive position in the market; this reflected in the calculated mean value of 3.9 on the statement which ranked top amongst the **business growth construct**

statements: Our business has experienced growth in turnover over the past few years. This was followed by the statement: **The competitive position of our business has improved over the past few years**, which recorded a calculated mean value of 3.71. The average mean of 3.57 also reflects a relatively solid business growth recorded from the respondents.

3.4.4 Business development

Business development results from the analysis of the information gathered from SMEs in the construction sector through questionnaires are reflected in the table below.

Table 3.9: Business development

Item	n	Mean	Standard Deviation
The effectiveness (doing the right things) of our business has improved over the past few years.	37	3.71	0.85
The efficiency (doing things right) of our business has improved over the past few years.	37	3.65	0.45
In our business, employees are viewed as the most valuable asset of the business.	37	3.86	1.02
Our employees are highly committed to our business.	37	4.2	1.05
The moral (job satisfaction) of our employees has improved over the past few years.	37	3.58	0.65
The image (stature) of our business, relative to our competitors, has grown over the past few years.	37	2.95	0.78
During difficult economic periods, investments in research and development/innovative projects continue and no significant financial cuts are made.	37	2.84	0.43
Average		3.66	0.80

The commitment of employees in the construction sector reflected on the statement: **Our employees are highly committed to our business**, fared the highest with a calculated mean value of 4.2. This was followed by the statement: **In our business, employees are viewed as the most valuable asset of the business**, with a calculated mean value of 3.86. It is good to witness such results given the threat of mechanization in the construction sector, as companies struggle to stay afloat in tough economic conditions. This shows the confidence that businesses have in their employees. The overall average of 3.66 amongst SMEs in the

construction sector confirms the perceived success measured against the business development variable.

3.4.5 Summary of the measured constructs

The summary of the constructs of entrepreneurial orientation and perceived business success is discussed below in Table 3.10. This comparison between the elements of the dependent (entrepreneurial orientation constructs) and the independent (perceived business success) variables is realised through the table below.

Table 3.10: Summary of the measured constructs

Entrepreneurial orientation			
Variable	n	Mean	Standard deviation
Innovation	37	3.72	0.65
Autonomy	37	3.65	0.54
Pro-Activeness	37	3.48	0.63
Risk-Taking	37	3.39	0.71
Competitive aggressiveness	37	3.51	0.57
Perceived business success			
Variable	n	Mean	Standard deviation
Business growth	37	3.52	0.66
Business development	37	3.29	0.59

Table 3.10 above reflects mean values above 3 for all dependent and independent variables; the standard deviations are all below 0.8, which is a buffer that allows the results to be considered acceptable for the objective of the study.

3.4.6 Relationship of Perceived Business Success Variables and EO Constructs

The study's main objective was to establish the impact the elements of entrepreneurial orientation have on the perceived success of small businesses in the construction sector.

A multiple regression analysis was applied to establish the detailed relationships between individual constructs of entrepreneurial orientation and the elements of perceived business success. This will, therefore, inform the acceptance or rejection of the hypothesis through the results obtained from the multiple regression method.

Anderson and Tushman (2004:646) define multiple regression analysis as a study of how dependent and independent variables influence each other. This study, thus, endeavours to determine the influence of entrepreneurial orientation on the perceived success of SMEs in the construction sector.

Perceived business success is a dependent variable defined in Chapter 2 as encompassing business growth and business development. The independent variables are the constructs of entrepreneurial orientation, namely autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness.

Regression models were used to determine whether independent variables had an influence on dependent variables as reflected on Table 3.11 and Table 3.12 below.

Table 3.11: Multiple Regression Method (EO vs. Business growth)

	Model	Non-Standardized Coefficients		Standardized Coefficients	t-value	p-value	
		B	Std Error	Beta			
	Constant	0,406	0,396		1,039	0,325	
	Autonomy	0,052	0,089	0,087	0,835	0,048	
	Innovativeness	0,532	0,325	0,231	0,369	0,052	
	Risk-taking	0,125	0,325	0,215	0,428	0,742	
	Pro-activeness	0,242	0,478	0,695	0,471	0,211	
	Competitive Aggressiveness	0,236	0,854	0,233	0,285	0,114	

$$R^2 = 0.581$$

Table 3.11 above proves that there is some level of significance (R squared = 58.1%) in the dependent perceived business success, i.e. business growth, which is influenced by the elements of entrepreneurial orientation, which represents the independent variables.

A *p*-value below 0.05 (5%) reflects the significance of the dependent perceived success variables and the individual constructs of entrepreneurial orientation. **Autonomy** and **innovativeness** were closer to the buffer ($p < 0.05$) and accepted to have a positive relationship with business growth. The following hypotheses were therefore accepted:

- H1a: There is a positive relationship between **innovativeness** and **business development** in SMEs within the construction sector.
- H4a: There is a positive relationship between **autonomy and business development** in SMEs within the construction sector.

The remaining hypotheses were not accepted, namely H2a, H3a and H5a. These hypotheses established a positive relationship between dependent variables (**risk-taking, pro-activeness and competitive aggressiveness**) and **business development**.

Table 3.12: Multiple Regression Method (EO vs. Business Development)

Model	Non-Standardized Coefficients		Standardized Coefficients	t-value	p-value	
	B	Std Error	Beta			
Constant	0,406	0,396		1,039	0,325	
Autonomy	0,052	0,089	0,087	0,835	0,572	
Innovativeness	0,532	0,325	0,231	0,369	0,396	
Risk-taking	0,125	0,325	0,215	0,428	0,742	
Pro-activeness	0,242	0,478	0,695	0,471	0,211	
Competitive Aggressiveness	0,236	0,854	0,233	0,285	0,114	

$$R^2 = 0.719$$

The other dependent variable under consideration was business development, which also reflected a significant variation at 72% ($R^2 = 0.719$) against the constructs of entrepreneurial orientation, namely **autonomy, innovativeness, risk-taking, pro-activeness** and **competitive aggressiveness**.

No positive relationship was found amongst any of the five constructs of entrepreneurial orientation and business development; hence the hypotheses H1b, H2b, H3b, H4b and H5b were not accepted. This was confirmed by the failure to pass the test of $p < 0$.

3.5 SUMMARY

This chapter dealt with the information gathered from the respondents through the questionnaires filled in by individuals in Small-Medium Enterprises in the construction sector.

Ethical considerations were confirmed through a confidentiality document signed to commit to ensuring that no harm is caused to any participants of the survey.

The questionnaire used was found to be reliable by using the Cronbach Alfa coefficients to test the internal consistency and reliability of both the dependent and independent variables; this was confirmed by all values calculating above 70% (0.7).

The demographics part of the results was analysed using graphs depicting percentages on age, gender, highest academic levels and the management levels of the respondents within the construction sector.

Individual constructs of entrepreneurial orientation and perceived business success were first analysed using univariate tables. The mean and standard deviation values were calculated including the overall average per individual construct. All dependent and independent variables came out with a calculated average mean of above 3. This only confirmed the positivity or the appreciation of entrepreneurial orientation constructs and the perceived success by the SMEs within the construction sector.

The multiple regression analysis followed to test the hypotheses on the relationship between the independent variables of entrepreneurial orientation (**autonomy, innovativeness, risk-taking, pro-activeness** and **competitive aggressiveness**) and the dependent variables of perceived business success (**business growth** and **business development**).

The variability of 58.1% in the business growth variable was confirmed by the multiple regression equation with the five constructs of entrepreneurial orientation representing the independent variables. Only two hypotheses were accepted using the test of $P < 0.05$, namely H1a and H4a; the remaining hypotheses (H2a, H3a, and H5a) were not accepted due to higher p values. The accepted hypotheses are confirmed below:

- H1a: There is a positive relationship between **innovativeness** and **business development** in SMEs within the construction sector.
- H4a: There is a positive relationship between **autonomy and business development** in SMEs within the construction sector.

The business development variable was also confirmed with the variability of 72% by the multiple regression equation with the five constructs of entrepreneurial orientation representing the independent variables. None of the hypotheses were accepted given that they all resulted in p values above 0.05. Thus, H1a, H1b, H1c, H1d and H1e were not accepted.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

This chapter reflects on the results in relation to the primary and secondary objectives of the study. Conclusions are derived in this chapter based on the empirical study conducted in Chapter three. Recommendations on how Small-Medium Enterprises in the construction sector can benefit from effectively applying all five dimensions of entrepreneurial orientation in their businesses are also given. The primary research findings are analysed as well according to the research objectives.

4.2 CONCLUSIONS

The conclusions follow the structure of the questionnaire, i.e. demographics, entrepreneurial orientation and perceived business success.

4.2.1 Demographics

The demographics of the SMEs in the construction sector confirmed the importance of the youth in the drive to stimulate economic growth, given their overwhelming dominance reflected from the analysis of the age of the respondents. This also reflects positively for the country when the youth are seen to be at the front of employment creation.

Females are still at the bottom of the radar in accordance with the gender analysis from the information gathered on the respondents. This is concerning, given the global efforts to change the ill-informed societal patterns where young girls are groomed not to be active participants in the economy but to focus on raising families.

The majority of respondents were either founding directors or in senior management positions. These are people who inform the direction the business should take, following the

vision of the company. Participation in the study can only bring about positive results for their businesses and raise awareness around entrepreneurial orientation in their businesses.

4.2.2 Entrepreneurial orientation constructs

Section B of the questionnaire measured the variables of entrepreneurial orientation in the construction industry. Responses on the statements presented through this questionnaire were measured on a five-point Likert scale. On the Likert scale, 1 represented strong disagreement, 3 was the mean or average and represented neutrality or uncertainty on the statement presented and 5 indicated strong agreement.

Individual constructs of entrepreneurial orientation were analysed through the statements that received high frequency from the participants; the prevailing themes from each construct were discussed.

4.2.2.1 Autonomy

The statements were rated from 1 to 5 to gauge the appreciation of **autonomy** within the SMEs in the construction sector. The statements within the **autonomy** construct were rated from 1 to 5 and all five statements fared above 3. The highest rating was attained from the statement relating to creativity: **My business allows me and my employees to be creative and try different methods to do our jobs**. The average was calculated at 4.2 and as the top-ranking statement it proved the importance which entities in the construction sector attach to the ability of the business to remain creative as they face tough economic times.

Autonomy is associated with independent behaviours or activities to help realise the vision of the business towards implementation (Lumpkin & Dess, 1996:140). Casillas and Moreno (2010:270) place autonomy at the core of innovation and entrepreneurial behaviour, and businesses that put emphasis on entrepreneurial orientation tend to create new values within their service offerings or product development (Gurbuz & Aykol, 2009:324).

The second highest ranking statement, which calculated at an average of 4.0 within the autonomy construct, was: **Employees in our business are encouraged to manage their own work and have flexibility to resolve problems.** This was followed by the third-ranked statement which received an average of 3.8: **My employees have enough autonomy in their jobs to do their work without continual supervision.**

4.2.2.2 Innovativeness

There is a strong belief amongst entrepreneurs in the construction sector in the influence innovation has on their businesses. This was confirmed by an overall average calculated at 3.35. The top ranked statements on innovativeness were: **Our leaders seek to maximise value from opportunities without constraint to existing models, structures or resources,** with a calculated mean of 3.89; **Our business is continually pursuing new opportunities,** with a calculated mean of 3.82; and **Our business has a widely held belief that innovation is an absolute necessity for the business's future,** which recorded a mean value of 3.79.

Innovativeness reveals the trend of the business to employ and support new ideas, originality, research and creative processes that may yield new products, services or technological advancements (McFadzen, O'Loughlin & Shaw, 2005:353).

4.2.2.3 Risk-taking

Risk-taking registered an average mean of 3.7; this reflected the willingness of SMEs within the construction sector to take risks for the benefit of sustaining their businesses. The statement: **Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business's objectives,** fared second highest and dealt specifically with risks in a situation where entrepreneurs face uncertainty. This is a sign of braveness and a fitness test for all entrepreneurs who welcome the challenges that come with uncertainty and the ability to exploit opportunities.

Business entities involve some level of risk in their strategies in pursuit of new opportunities (Kuratko & Hoskinson, 2014:62). Dewett (2004:258) declares that there are definite risks

involved in any new business venture and that the overwhelming acceptance of risk-taking among SMEs in the construction industry bodes well for the future of the industry.

The other statements which had a calculated mean above the overall average of 3.7, were: **Employees are often encouraged to take calculated risks concerning new ideas**, with a calculated mean of 4.2; and: **When confronted with uncertain decisions, our business typically adopts a bold posture in order to maximise the probability of exploiting opportunities**, with a calculated mean of 3.71.

4.2.2.4 Pro-activeness

The statement that ranked the highest (calculated mean value of 3.88) related to pro-activeness was: **Our business continuously monitors market trends and identifies future needs of customers.**

Lumpkin and Dess (2014:433) define pro-activeness as representing forward-looking and foresight to predict the future and associated market demands that shape the market environment. Pro-activeness can also create a first-mover advantage whereby a business entity is able to obtain a favourable market position (David, 2007:200)

SMEs in the construction sector confirmed the sentiments from the above quoted literature through the overwhelming acknowledgement of the importance of pro-activeness, given the calculated average mean value of 3.51. All individual statements used to measure **pro-activeness** rated above 3 on the calculated mean value.

4.2.2.5 Competitive aggressiveness

The overall average mean of 3.3 reflects the understanding businesses in the construction sector have on competitive aggressiveness. The statement: **Our business effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position**, received the highest mean value (calculated at 4.2) and explicitly deals with the subject matter of competition and aggressiveness.

Lumpkin and Dess (2014:439) define competitive aggressiveness as characterised by a strong offensive posture directed at overcoming competitors and may also be reactive when the business defends its market position or aggressively enters the market identified by a rival.

The affirmation thereof from respondents is not vague and reflects a solid belief of the highest regard respondents have for **competitive aggressiveness**.

4.2.2.6 Overall entrepreneurial orientation

It is worth noting that all five of the constructs of entrepreneurial orientation's calculated averages fell between the ratings of 3 and 4, this range (in accordance with the Likert scale) is on the positive side of uncertain, towards the affirmation of the relevance of entrepreneurial orientation constructs within SMEs in the construction sector.

The affirmation of entrepreneurial orientation amongst SMEs in the construction sector, ranked from highest to lowest, is as follows:

- Innovativeness (Mean = 3.72);
- Autonomy (Mean = 3.65);
- Competitive aggressiveness (Mean = 3.51);
- Pro-activeness (Mean = 3.48); and
- Risk-taking (Mean = 3.39).

All five variables can be used as a basis to improve overall entrepreneurial orientation within the SMEs in the construction sector. This could be in the form of a new start or rejuvenation of SMEs, as Lumpkin and Dess (1996:136) describe entrepreneurial orientation as the processes, practices and decision making activities that lead to new entry.

The top three prevailing themes from the questions dealing with autonomy as a “super” construct were creativity, self-management and autonomy.

Innovation is important in the business world and businesses should strive to remain relevant by continuously changing their service offerings in line with changing customer demands.

Innovation can be seen as a survival concept which should influence the need for businesses to better manage innovation and equip employees to be more innovative.

In a business environment or new venture creation, an entrepreneur is said to possess the rare ability to separate an idea from an opportunity. Creativity should, therefore, be aligned with the objectives of the business of growth, profit and development. Creativity is not a stand-alone concept and must satisfy the test of being original and appropriate (relevant).

Self-management enforces the importance of independence through mastering the art of planning, scheduling, goal setting and objective decision making in a business environment. Self-management puts discipline at the center of individual development, towards the success of the business.

Autonomy is the drive to work independently when an opportunity is presented to help the business achieve its sustainable goals. When employees across the hierarchy in the business are empowered to take decisions the business's survival is enhanced.

The majority of respondents felt that their businesses hold innovation - pursuing new opportunities and continuous product development - very high in the hierarchy of innovativeness, as a sub-construct of entrepreneurial orientation.

Given the dire state of the economy, companies globally are in a continuous drive to find new ways of doing business and looking abroad for partnerships with like-minded businesses, with some venturing into industries they had never dreamed of partaking in before.

SMEs are becoming accustomed to not attaching emotions to business, but instead pursuing business wherever opportunities arise. Continuous product development speaks to product improvement through an iteration process until a quality product is achieved. This process is infinite, given that quality is viewed through the prism of the end-user or "customer", and as customer requirements and preferences change with time, so does the need for continuous improvement to accommodate that change.

The positive reaction of leaders to objective decision making under abnormal business conditions received a positive reception. Respondents felt that their leaders can be bold in going after opportunities when it is not fashionable to do so.

Employees were encouraged to be risk-takers by testing new ideas as and when the opportunity presents itself. This is also congruent with the response to autonomy in the previous section and affirms the appetite amongst SMEs promoting development amongst their employees and the future leaders of the business.

Predicting future needs of customers and monitoring marketing trends is one element of pro-activeness that respondents found more relevant to their businesses in comparison to other elements. This meant that more SMEs tend to anticipate possible future changes in the marketplace while implementing decisions on products and service offerings.

Competitive aggressiveness through its sub-constructs received overwhelming assertions from the respondents in relation to the businesses they work for or lead. Construction SMEs realise the importance of competitive aggressiveness, which reflects their preparedness to be exceptional instead of relying on long-established ways of competing. Competitive aggressiveness is vital for channelling the business to attain and retain its competitive advantage.

4.2.3 Perceived business success

Section C of the questionnaire measured the dependent variables of perceived business success using the statements presented through the questionnaire. These were measured on a five-point Likert scale. On the Likert scale, 1 represented strong disagreement, 3 was the mean or average and represented neutrality or uncertainty on the statement and 5 indicated strong agreement.

4.2.4.1 Business growth

SMEs in the construction sector felt that they have experienced growth in turnover and improvement in their competitive position in the market. This reflected in the calculated mean

value of 3.9 on the statement which ranked top in the **business growth construct**: **Our business has experienced growth in turnover over the past few years**. This was followed by the statement: **The competitive position of our business has improved over the past few years**, which recorded a calculated mean value of 3.71. The average mean of 3.57 also reflects a relatively solid business growth recorded from the respondents.

The affirmation above is validated by Lotz (2009:19), that business growth is represented by growth in profits, turnover, market share and the competitive position the business assumes in the market. Deuning and Sherril (2007:80) further state that turnover is a primary consideration for any business and that without it, there is no business.

4.2.4.2 Business development

Business development relates to highly committed employees who are viewed as the most valuable asset of the business, the improvement of job satisfaction, the image of the business, efficiency, and effectiveness over the years with continued investment in research and development, or investment into innovative projects (Lotz, 2009:19).

The commitment of employees in the construction sector reflected in the statement on business development: **Our employees are highly committed to our business**. This statement fared the highest with a calculated mean value of 4.2.

This was followed by the statement: **In our business, employees are viewed as the most valuable asset of the business**, with a calculated mean value of 3.86. It is good to witness such results, given the threat of mechanization in the construction sector as companies struggle to stay afloat in tough economic conditions. It shows the confidence that businesses have in their employees. The overall average of 3.66 amongst SMEs in the construction sector confirms the perceived success measured against the business development variable.

4.2.4.3 Overall perceived business success

The analysis of independent variables of perceived business success resulted in increased turnover (business growth) and employee commitment (business development) receiving the most frequency from SMEs within the construction industry. Emphasis was put on the efficient

management of businesses in the construction sector to ensure that the increased turnover yields the necessary profits to realise valuable company growth.

Rauch *et al*, (2009:10) argue that the common distinction in business performance is primarily on financial and non-financial measures. Financial measures may include revenue or turnover growth and a return on investment (which is linked to profit) where non-financial measures could be business goals, satisfaction and business ratings.

The respondents from the entities in the construction sector, overwhelmingly confirmed the prominence of the elements of entrepreneurial orientation in their businesses, this is confirmed by the mean values which are above 3. Most of the businesses claimed that they have experienced a growth in market share and that their competitive positions have improved.

The majority of respondents who participated in the study reported that their businesses experienced growth in business turnover; this was followed by an improved competitive position, profit growth, and market share.

Turnover in an environment where SMEs operate is vital for their survival, given the dire state of the South African economy. The study reflected the view held amongst construction SMEs that innovation is critical for smaller business entities to enter and compete with existing companies in the drive to increase revenue, either through providing a unique service or by bringing new products into the market.

Proper management of business finances to convert the turnover into profit is important, but business turnover is more crucial for companies to remain innovative and grow their market share.

Respondents overwhelmingly reinforced the idea that employee commitment is at the centre of their definition of business development and a vital component for business success. This was followed by the belief that employees are an important asset for SMEs who participated in the study, which augers well for the development of SMEs in South Africa.

4.2.4 Multiple regressions analysis

Table 3.11 proved that there is some level of significance ($R^2 = 58.1\%$) in the dependent perceived business success, i.e. business growth, that is influenced by the elements of entrepreneurial orientation, which represents the independent variables.

The p -value below 0.05 (5%) reflected the significance of the dependent perceived success variables and the individual constructs of entrepreneurial orientation. **Autonomy** and **innovativeness** were closer to the buffer ($p < 0.05$) and accepted to have a positive relationship with business growth. The following hypotheses were accepted:

- H1a: There is a positive relationship between **innovativeness** and **business development** in SMEs within the construction sector.
- H4a: There is a positive relationship between **autonomy** and **business development** SMEs within the construction sector.

The remaining hypotheses were not accepted, namely H2a, H3a and H5a. These hypotheses assumed a positive relationship between dependent variables (**risk-taking, pro-activeness and competitive aggressiveness**) and **business development**.

The other dependant variable under consideration was business development which also reflected a significant variation at 72% ($R^2 = 71.965$) against the constructs of entrepreneurial orientation, namely; **autonomy, innovativeness, risk-taking, pro-activeness and competitive aggressiveness**.

No positive relationship was found amongst any of the five constructs of entrepreneurial orientation and business development; hence the hypotheses H1b, H2b, H3b, H4b and H5b were not accepted. This was confirmed by the failure to pass the test of $p < 0$.

4.3 RECOMMENDATIONS

Entrepreneurial orientation is confirmed to be present within the SMEs in the construction sector, together with some level of appreciation for perceived business success, judging from

the empirical study and conclusions in previous sections. Ireland *et al.*, (2003:59) argue that businesses become functional in a dynamic and competitive environment where entrepreneurial behaviour becomes crucial to explore opportunities and to secure a foundation for future success.

4.3.1 Recommendations on entrepreneurial orientation constructs

Regarding entrepreneurial orientation, only two of the constructs (refer to Table 4.1 below) fared above the calculated average mean of 3.55, namely **innovation** and **autonomy**. The remaining constructs fared below average and will be the focus areas for the recommendations to enhance entrepreneurial orientation within the SMEs in the construction sector.

Table 4.1: Entrepreneurial orientation average

Entrepreneurial Orientation	
Variable	Mean
Innovation	3,72
Autonomy	3,65
Pro-Activeness	3,48
Risk-Taking	3,39
Competitive Aggressiveness	3,51
Average	3,55

4.3.1.1 Pro-activeness

Kropp, Lindsay and Shoham (2008:104) link pro-activeness to activities and behaviours that encompass new opportunity identification, evaluation identification, the monitoring of market trends, and new venture creation.

SMEs in the construction sector should encourage a culture of strategic thinking within their businesses. This could include encouraging employees to come up with cost-effective solutions to improve the business's operations. New ideas are born out of thinking of methods to improve the way things are done or the business's operating style.

The overall business pro-activeness should also be encouraged to ensure that the concept is adopted by the business as a structure to improve synergy within the organisation and ensure that common business goals and objectives are achieved.

Management should create platforms where ideas and insights are shared amongst employees, and ensure that the environment is conducive for everyone to make suggestions without feelings of fear of rejection.

4.3.1.2 Risk-taking

Employees within business organisations are prone to fear of failure which leads managers to opt for conventional operating procedures over new innovative ways (Ackoff, 2006:225). SMEs within the construction sector should embrace the possibility of failure as echoed by Timmons and Spinelli (2004:12), since in the process of developing innovative products or services some failures are bound to occur.

SMEs should encourage employees to take more risks by establishing limits for risk-taking to ensure that the company is not exposed to hefty financial losses. These limits should be clearly communicated and have measures for reviewing risks that may infringe on the set limits.

Employees who take risks and fail must be protected and not punished; this would help them learn from their mistakes and encourage them to continuously experiment on possible breakthroughs.

Risk-taking should be encouraged and rewarded through bonus schemes or yearly awards dedicated to those who dare to try. True learning is realised when failed projects are used as case studies to prevent future mistakes (Kuratko, 2006:59).

4.3.1.3 Competitive aggressiveness

Competitive aggressiveness is the tendency to forcefully challenge competitors instead of trying to avoid them; this could include price-cutting, improved quality, and improved production capacity (Lumpkin & Dess, 2016:434).

Competitive advantage could be improved through a detailed SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, which is an examination of both the internal and external environments the business is exposed to.

SMEs in the construction sector could form partnerships with established construction businesses to gain competitive advantage and improve their operations.

Differentiation of service offerings could also set SMEs apart from their competitors. This could involve looking at the unique attributes that the business has that can set them apart from their competitors. Quality service could be a focus area if the business cannot compete on pricing.

Competition should be encouraged amongst entrepreneurs in the construction sector to invoke the spirit of innovation. The current tender system run by the Government on procurement of service/product provision and infrastructure projects in the construction sector, is purely based on price and transformation through Broad-Based Black Economic Empowerment and lacks an element of competition.

Entrepreneurs strive for competition, thus changing these procurement policies and encouraging entrepreneurs to become innovative, environmentally friendly and start incorporating cost-effective measures, could benefit the country. Competition can also be encouraged, not only through new innovations but also by adopting models already working in other countries and businesses across the globe. Competition could be in the form of efficiency or the effectiveness of project implementation.

4.3.3 Recommendations on perceived success

Concerning perceived business success, SMEs in the construction sector fared above average (see Table 4.2 below) on the dependent variable of **business growth**. The recommendation thus focuses on the **business development** variable, given that the calculated mean scoring is below the overall average of 3.4.

Table 4.2: Perceived business success average

Perceived business success	
Variable	Mean
Business growth	3,52
Business development	3,29
Average	3,405

Regarding business development, the three statements that ranked above the average mean of 3.66 were the following:

- Our employees are highly committed to our business (Mean = 4.2)
- The effectiveness (**doing the right things**) of our business has improved over the past few years (Mean = 3.71)
- In our business, employees are viewed as the most valuable asset of the business (Mean = 3.86).

The results from the empirical study therefore prompts that researchers delve into these elements of business development that have fared below the average mean value of 3.66 and make recommendations to improve entrepreneurial behaviour within SMEs in the construction industry, to the benefit of business development.

4.3.3.1 Innovative projects / research and development

SMEs in the construction industry seem not to be keen to invest in research and development when the economy is on the downturn, this is reflected by the below statement which fared below average:

- During difficult economic periods, investments in research and development/innovative projects continue and no significant financial cuts are made = scored below the average mean.

Innovativeness is the most crucial dimension of the entrepreneurial entity and businesses should innovate more due to external environmental pressures influenced by technological advancements (Morris *et al.*, 2008:55).

SMEs in the construction sector should always encourage innovativeness since it is crucial for the survival of the business.

4.3.3.2 Business image

There seem to be a lack of focus on the standing in the society amongst SMEs in the construction sector. The company's image is a crucial attribute and companies should work to retain their competitive position in the market.

- The image (**stature**) of our business, relative to our competitors, has grown over the past few years = scored below the average mean.

Business image could be improved through taking advantage of Internet technology like Google and direct traffic to the company's website. Social media platforms like Facebook, Twitter, WhatsApp and LinkedIn can also be effective.

SMEs should also target influencers in the construction sector like construction publications, outlets selling construction material and tools, and Government infrastructure departments. They should make their presence felt through advertising within those spaces.

4.3.3.3 Job satisfaction

There is an indication that some employees amongst the SMEs in the construction sector are not happy; this may be as a result of the inconsistencies in the economy which have an influence on employee retention by SMEs.

- The moral (**job satisfaction**) of our employees has improved over the past few years = scored below the average mean.

In accordance to Jernigan and Beggs (2010:99) organisational formality, satisfying tasks, and tasks providing direct feedback to employees were all associated with increased job

satisfaction; in contrast, tasks that are unambiguous, routine and repetitive, are all linked to decreased job satisfaction.

Management should delegate duties that will enhance employees' knowledge, send them on training so they can improve in their skills, and expose them to tasks that improve their experience and capacity; this should increase job satisfaction amongst the employees.

4.3.3.4 Efficiency

Efficiency is crucial in the business environment as it may encourage competitiveness in terms of cost reduction; there is some evidence of lack of efficiency amongst the SMEs in the construction sector.

- The efficiency (**doing things right**) of our business has improved over the past few years = scored below the average mean.

Inefficiency leads to waste, therefore Lean methods should be applied to minimize wastage. Womack and Jones (2003:15) define waste as anything that absorbs resources without creating value. Emiliani (2006:169) echoes those exact sentiments by defining Lean methods as those that are based on the concept of the identification and minimization of waste during the start-up process.

Management should therefore apply Lean methods in their operations to help improve the efficiency within their businesses.

4.4 ACHIEVEMENT OF OBJECTIVES

Section 1.3 in Chapter 1 reflects on the objectives of this study as the success of the study relies mainly on the achievement of these objectives.

The first objective was realised through a thorough definition of entrepreneurial orientation and its associated constructs, and the detailed discussion of each element of entrepreneurial orientation.

The second objective was realised in the literature review and the empirical study. The literature review discussed entrepreneurship and entrepreneurial orientation as well as related aspects in relation to the success of business entities.

The third objective was realised through the empirical research and the analysis of the results in Chapter 3.

The fourth objective, where the study had to determine if any relationship existed between entrepreneurial orientation and perceived business success, was realised through the multiple linear regression analysis in Chapter 3.

The fifth objective called for suggestions and recommendations to SMEs and other role players in the construction sector, to foster entrepreneurial orientation and innovation within the business. It was achieved through recommendations in this chapter.

4.5 AREAS FOR FURTHER RESEARCH

This research was conducted on 37 entities based in the provinces of Mpumalanga and Gauteng. It would be ideal for this type of study to capture a broader landscape like South Africa, and use the available national databases from the Department of Trade and Industry (DTI) for sampling. Given the dire need for stimulation in the South African economy, further research into how a business can capacitate SMEs and their employees to effectively manage their businesses through difficult economic times would be worthy.

4.6 STUDY LIMITATIONS

The study investigated the entrepreneurial orientation of business leaders of SMEs within the South African construction industry and the application of the five dimensions of entrepreneurial orientation in relation to perceived business success. Some of the limitations were:

- Sample: 983 Small-Medium Enterprises were contacted, but only 37 were used. The response was poor, thus it can impact negatively on the statistical analyses of the data and the generalisation of the results.
- Generalisation: The uncertainty which the results found in the research can be generalised to other sectors outside the construction sector is prevalent. It could be that the significance of entrepreneurial orientation may be different in other sectors and could be influenced by other factors such as market conditions, among others.
- The study was limited to the two provinces accessible by the researcher, thus, the results are not representative of South Africa as a whole.
- The relatively small sample size may not accurately represent all the SMMEs in the construction industry.

4.6 SUMMARY

The study objectives, as reflected in Chapter 1, were restated and confirmed to have been realised in this chapter. The study achieved its objectives.

The realisation of the above secondary objectives enabled the following conclusions:

H1a: There is a positive relationship between innovativeness and business development and improvement in SMMEs.

H1b: There is no positive relationship between innovativeness and business growth in SMMEs.

H2a: There is no positive relationship between risk-taking and business development and improvement in construction SMEs.

H2b: There is no positive relationship between risk-taking and business growth in construction SMEs.

H3a: There is no positive relationship between pro-activeness and business development and improvement in construction SMEs.

H3b: There is no positive relationship between pro-activeness and business growth in construction SMEs.

H4a: There is a positive relationship between autonomy and business development and improvement in construction SMEs.

H4b: There is no positive relationship between autonomy and business growth in construction SMEs.

H5a: There is no positive relationship between competitive aggressiveness and business development and improvement in construction SMEs.

H5b: There is no positive relationship between competitive aggressiveness and business growth in construction SMEs.

Recommendations and suggestions for further research includes an investigation into how SMEs in the construction sector can capacitate themselves and their employees to effectively manage their businesses by improving on the constructs (pro-activeness, risk-taking and competitive aggressiveness) of entrepreneurial orientation which were identified as lacking, in line with the realisation of perceived business success.

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APPENDIX A: INFORMED CONSENT FORM



BUSINESS SCHOOL
BESIGHEIDSKOOL
SEKOLO SA KGWEBO



Private Bag X05, Noordbrug
South Africa 2522

Tel: 018 299-2000
Fax: 018 299-2999
Web: <http://www.nwu.ac.za>

16 August 2018

To whom it may concern

INFORMED CONSENT TO PARTICIPATE IN A SURVEY

To: Potential survey participant

From: Mr. Abram Khithika

Subject: Informed consent to participate in study

Date: 15 September 2018

Dear: Sir/Madam

My name is Abram Khithika and I am an MBA student at the NWU Business School, North-West University. The aim of this study is to assess the influence of entrepreneurial orientation on the perceived success of the South African businesses in the construction sector.

This study forms part of a mini dissertation to be submitted in partial fulfilment of the requirements for the degree in Master in Business Administration at the North-West University. It is an internationally accredited degree that requires adherence to strict ethical standards as a prerequisite to conduct this research.

Thank you for your willingness to participate in the study. Your participation is voluntary. You do not have to answer any questions you do not want to answer. If at any time you do not want to continue completing the questionnaire, you may stop. Your time and involvement is profoundly appreciated. It will take you 15 minutes to complete the questionnaire.

The questionnaires will either be hand-delivered or emailed to you. The researcher will collect the completed questionnaires in person and no one else will handle or have access to the completed questionnaires. The completed questionnaires will be captured and analysed by the Statistical Consultation Services at the North-West University. The data will be safeguarded with password protection and the hard copies of the questionnaires will be destroyed after three years.

The researcher will ensure that all results will be kept confidential and no ethical guidelines will be breached. Only the researcher, the supervisor, and the statistician will have access to the data being captured. After the specified timeframe the data collection process will end and the statistical analysis will commence, which will take place in a scientific and ethical manner.

Limited biographic information will be collected with the purpose to form a profile of the participants, but will not be used to make comparisons between groups or for further statistical analyses. If, at a subsequent date, biographical data were relevant to a publication, a separate release form would be sent to you.

Your input is of great value to this research and I appreciate your help in providing this information. I would be grateful if you would sign this form on the line provided below to show that you have read and agree with the contents.

Your signature above

The study has been approved by the Scientific Committee of the NWU Business School. The Chair of the Scientific Committee is Prof Joseph Lekunze. He can be reached at 018 389 2235 and his email address is joseph.lekunze@nwu.ac.za.

Ethical clearance has been obtained by the Faculty of Economic and Management Sciences Ethics Committee (FEMSREC). The Chair of the Ethical Committee is Prof Bennie Linde. He can be reached at 018 299 1427 and his e-mail address is bennie.linde@nwu.ac.za.

The supervisor of the dissertation is Prof Stephan van der Merwe. He can be reached at 018 299 1414 (Email address: stephan.vandermerwe@nwu.ac.za) for further questions or concerns about the research project.

Yours sincerely

Abram Khithika

NWU Business School
North-West University, Potchefstroom Campus

APPENDIX B: QUESTIONNAIRE – ENTREPRENEURIAL ORIENTATION

QUESTIONNAIRE

Please complete every question / statement to ensure the validity and reliability of the study.

GENERAL INSTRUCTIONS

Virtually all questions should be answered by ticking (X) or highlighting the relevant block.

Use the following key to indicate your preference:

SCALE	TERM USED
1	Strongly disagree
2	Disagree
3	Neither agree nor disagree (Neutral)
4	Agree
5	Strongly agree

Please select the number which best describes your opinion about a specific question or statement. In the example beneath, the respondent agreed to the statement listed.

I believe that Small, micro and medium sized enterprises in South Africa can be successful	1	2	3	4	5
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SECTION A: ENTREPRENEURIAL ORIENTATION

The following statements concern your attitude towards the entrepreneurial orientation of the business.

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point scale next to the statement.

	STATEMENT	SCALE				
A1	My employees have enough autonomy in their job to do their work without continual supervision.	1	2	3	4	5
A2	My business allows me and my employees to be creative and try different methods to do our job. objectives.	1	2	3	4	5
A3	Employees in our business are allowed to make decisions without going through elaborate justification and approval procedures.	1	2	3	4	5
A4	Employees in our business are encouraged to manage their own work and have flexibility to resolve problems.	1	2	3	4	5
A5	Employees seldom have to follow the same work methods or steps while performing major tasks from day to day.	1	2	3	4	5
A6	Our business regularly introduces new services/products/processes.	1	2	3	4	5
A7	Our business places a strong emphasis on new and innovative products/services.	1	2	3	4	5
A8	Our business has increased the number of services/products offered during the past two years.	1	2	3	4	5
A9	Our business is continually pursuing new opportunities.	1	2	3	4	5
A10	Over the past few years, changes in our processes, services and product lines have been quite dramatic.	1	2	3	4	5
A11	In our business there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.	1	2	3	4	5
A12	Our business places a strong emphasis on continuous improvement in products/service delivery.	1	2	3	4	5
A13	Our business has a widely held belief that innovation is an absolute necessity for the business' future.	1	2	3	4	5

Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
----------------------------------	-------------------------	------------------------	----------------------	-------------------------------

A14	Our leaders seek to maximise value from opportunities without constraint to existing models, structures or resources.	1	2	3	4	5
A15	When confronted with uncertain decisions, our business typically adopts a bold posture in order to maximise the probability of exploiting opportunities.	1	2	3	4	5
A16	In general, our business has a strong inclination towards high-risk projects.	1	2	3	4	5
A17	Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business objectives	1	2	3	4	5
A18	Employees are often encouraged to take calculated risks concerning new ideas.	1	2	3	4	5
A19	The term „risk-taker“ is considered a positive attribute for employees in our business.	1	2	3	4	5
A20	Our business is very often the first to introduce new products/services.	1	2	3	4	5
A21	Our business typically initiates actions that competitors respond to.	1	2	3	4	5
A22	Our business continuously seeks out new products/services.	1	2	3	4	5
A23	Our business continuously monitors market trends and identifies future needs of customers.	1	2	3	4	5
A24	In dealing with competitors our business typically adopts a very competitive “undo-the-competitor” posture.	1	2	3	4	5
A25	Our business is very aggressive and intensely competitive.	1	2	3	4	5
A26	Our business effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position.	1	2	3	4	5
A27	Our business knows when it is in danger of acting overly aggressive (this could lead to erosion of our business's reputation or to retaliation by our competitors).	1	2	3	4	5

SECTION B: PERCEIVED BUSINESS SUCCESS

The following statements concern your attitude towards the success of the business.

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

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
--	-------------------------------	------------------------------	----------------------------	-------------------------------------

	STATEMENT	SCALE				
B1	Our business has experienced growth in turnover over the past few years.	1	2	3	4	5
B2	Our business has experienced growth in profit over the past few years.	1	2	3	4	5
B3	Our business has experienced growth in market share over the past few years.	1	2	3	4	5
B4	The competitive position of our business has improved over the past few years.	1	2	3	4	5
B5	The effectiveness (doing the right things) of our business has improved over the past few years.	1	2	3	4	5
B6	The efficiency (doing things right) of our business has improved over the past few years.	1	2	3	4	5
B7	In our business, employees are viewed as the most valuable asset of the business.	1	2	3	4	5
B8	Our employees are highly committed to our business.	1	2	3	4	5
B9	The moral (job satisfaction) of our employees has improved over the past few years.	1	2	3	4	5
B10	The image (stature) of our business, relative to our competitors, has grown over the past few years.	1	2	3	4	5
B11	During difficult economic periods, investments in research and development/innovative projects continue and no significant financial cuts are made.	1	2	3	4	5

SECTION C: BIOGRAPHICAL INFORMATION

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

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

C1	Indicate your age group.	≤ 29	30 - 39	40 - 49	50 - 59	60+
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C2	Indicate your gender?	Male	Female
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C3	Indicate your race group classification.	Black	White	Coloured	Indian
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C4	Indicate your highest academic qualification.	
	Lower than matric	
	Matric	
	Certificate	
	Diploma (Technical College or Technicon)	
	University degree	
	Post graduate degree	

APPENDIX C: THE MEASURING STATEMENTS

ENTREPRENEURIAL ORIENTATION	
Autonomy	
My employees have enough autonomy in their job to do their work without continual supervision.	
My business allows me and my employees to be creative and try different methods to do our job.	
Employees in our business are allowed to make decisions without going through elaborate justification and approval procedures.	
Employees in our business are encouraged to manage their own work and have flexibility to resolve problems.	
Employees seldom have to follow the same work methods or steps while performing major tasks from day to day.	
Innovativeness	
Our business regularly introduces new services/products/processes.	
Our business places a strong emphasis on new and innovative products/services.	
Our business has increased the number of services/products offered during the past two years.	
Our business is continually pursuing new opportunities.	
Over the past few years, changes in our processes, services and product lines have been quite dramatic.	
In our business there is a strong relationship between the number of new ideas generated and the number of new ideas successfully implemented.	
Our business places a strong emphasis on continuous improvement in products/service delivery.	

Our business has a widely held belief that innovation is an absolute necessity for the business" future.
Our leaders seek to maximise value from opportunities without constraint to existing models, structures or resources.
Risk-taking
When confronted with uncertain decisions, our business typically adopts a bold posture in order to maximise the probability of exploiting opportunities.
In general, our business has a strong inclination towards high-risk projects.
Owing to the environment, our business believes that bold, wide-ranging acts are necessary to achieve the business" objectives.
Employees are often encouraged to take calculated risks concerning new ideas.
The term „risk-taker" is considered a positive attribute for employees in our business.
Pro-activeness
Our business is very often the first to introduce new products/services.
Our business typically initiates actions that competitors respond to.
Our business continuously seeks out new products/services.
Our business continuously monitors market trends and identifies future needs of customers.
Competitive aggressiveness
In dealing with competitors our business typically adopts a very competitive "undo-the competitor" posture.
Our business is very aggressive and intensely competitive.

Our business effectively assumes an aggressive posture to combat trends that may threaten our survival or competitive position.
Our business knows when it is in danger of acting overly aggressive (this could lead to erosion of our business's reputation or to retaliation by our competitors).
PERCEIVED BUSINESS SUCCESS
Business growth
Our business has experienced growth in turnover over the past few years.
Our business has experienced growth in profit over the past few years.
Our business has experienced growth in market share over the past few years.
The competitive position of our business has improved over the past few years.
Development and improvement
The effectiveness (doing the right things) of our business has improved over the past few years.
The efficiency (doing things right) of our business has improved over the past few years.
In our business, employees are viewed as the most valuable asset of the business.
Our employees are highly committed to our business.
The moral (job satisfaction) of our employees has improved over the past few years.
The image (stature) of our business, relative to our competitors, has grown over the past few years.
During difficult economic periods, investments in research and development/innovative projects continue and no significant financial cuts are made.