

## Chapter 3

### Initiating factors: Why are women involved in construction?

#### 3.1 Introduction

A fundamental question that has received relatively little attention according to Schindehutte, Morris & Kuratko (2000:1) concerns the "initiating factors that get the entrepreneurial process underway." They state: "while much is known about sources and types of opportunities, the criteria for a good concept, ways to leverage resources, and methods of harvesting, much less is understood regarding exactly what leads a person ... to *'make the leap'* and pursue an entrepreneurial activity."

Morris Altman and Zahra (1999:1) argued that linking triggers to entrepreneurial behaviour will enhance the ability of researchers to conceptualize the entrepreneurial process and to understand the motivators behind the process. Linking the triggers to performance measures provides insights regarding the factors contributing to successful entrepreneurship. Managers can gain a better appreciation for kinds of triggers that exist, and can develop keener insights regarding triggers they should seek to facilitate when setting goals, structuring operations, and designing incentives, evaluations, controls, and related systems.

As mentioned in Chapter 2, the GEM 2004 report on Women and Entrepreneurship found that overall opportunity is the dominant motivation for women's entrepreneurship similar to men but even so more women are involved in entrepreneurship because of lack of alternative job opportunities than men (Arenius, Langowitz and Minniti 2005:12).

According to Ntsika (1999:60) 49% of all women in SA indicated that they started their businesses because of their own ideas, with 60% for African women. Overwhelming differences can be seen in the ideas and motivation to start a business. Among Africans, Whites and Coloureds, business start-up is usually self-inspired. The tendency is that Indians are more influenced by family. According to Schindehutte, Morris & Kuratko (2000) analyzing the triggering process is vital for sustaining entrepreneurship. Wickham (2001:63) and Dollinger (1999:43) present a method to analyse the WHY question by means of 'push and pull factors'.

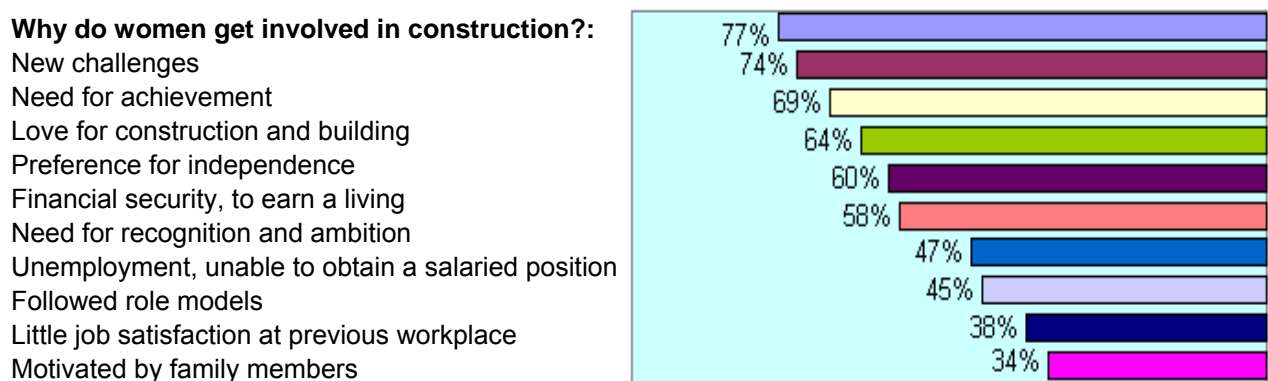
### 3.2 Procurement in South Africa: A window of opportunity

In entrepreneurial theory these gaps are referred to as 'windows of opportunity'. Wickham (2001:211) identifies the "five stages of the strategic window: spotting, locating, measuring, opening and closing." A window of opportunity is defined by Hisrich & Peters (1998:41) as the time period available for creating the new venture. To recognise these opportunities is one of the key elements that "defines entrepreneurship and makes it unique" (Kuratko 2001:157). DFIs do not bring in their own people from their own countries to do the construction, but make use of local construction entrepreneurs that understand development and operate within the legislation and enabling measures of that specific country. Currently legislation and procurement procedures in South Africa benefit women entrepreneurs in construction - in itself an important window of opportunity!

### 3.3 Exploratory research on the question 'why involved in construction?'

Verwey (2003:62) concurs with McClelland, Dollinger, Hisrich & Peters and Wickham indicating that women are in construction mainly because of positive pull factors that includes new challenges, need for achievement as well as love for construction as is indicated in Figure 3.1 below.

**Figure 3.1: Summary of reasons for women being construction entrepreneurs in descending order based on 'strongly agreed' responses**



Those who Strongly agreed, on 4 point Likert scale, N=339

(Verwey 2003:62)

It is interesting to note that the negative and neutral entrepreneurial statements such as: *motivated by family members (34%), little job satisfaction at previous workplace (38%), followed role models (45%) and unemployment, unable to obtain a salaried position (47%)* are low on the list. These observations strengthen the findings of this particular study that presented extremely high means of 3.46 and 3.62 for the positive pull factors and lower means of 3.14 and 3.19 for the negative or push factors.

Men in the sample element do not acknowledge that women are in construction because of entrepreneurial decisions such as positive triggering events and pull factors. This finding confirms the discriminatory behaviour, negative perceptions and attitudes towards women entrepreneurs in construction described in Chapter 4.

### **3.4 Triggering events**

Schindehutte, Morris & Kuratko (2000:6-8) gave a third and slightly different interpretation of 'pull and push' factors and link it to triggering events. "Push versus pull factors or positive versus negative circumstances give rise to entrepreneurial action." Thus one is "pushed" into entrepreneurship by job dissatisfaction, and "pulled" into entrepreneurship by perception of market opportunities. A "positive" trigger might be an invitation from a potential customer, while a "negative" trigger might be divorce. Schindehutte, Morris & Kuratko (2000:6-8) came up with 5 key classification methods that can be applied to corporate triggering events, namely internal/external source, opportunity-driven/threat-driven, technology-push, market-pull, top-down, bottom-up and systematic or deliberate search, chance or opportunism. Morris & Kuratko (2002:338) concurs with this classification, further stating that although there are other ways to classify triggering events, each of the ones identified has potential strategic relevance.

Triggering events in start-ups and in a corporate context have been largely ignored according to Schindehutte, Morris & Kuratko (2000:1). "Start-ups are generally thought to be triggered by individual factors such as survival, job dissatisfaction or lay-off, divorce, death of a family member, desire to improve one's lot, a windfall, deliberate search, and invitation. Corporate triggers are more strategic or operational."

The principal triggers for corporate entrepreneurship are aggressive competitor moves, changes in industry or market structure, regulatory threats as well as external factors according to Morris & Kuratko (2002:336).

Volery, Doss & Mazzaroli (1997:11) quote level of creativity, need for autonomy, achievement of social status, response to market opportunities, the drive for money and redundancy and consequent need for 'turnaround' as reasons. Similarly Mackay (2004:2) list five top factors concurring with Volery et al, but adding networks related to opportunities that were not raised by other sources.

Richards (2000:4,6) adds an enabling environment, entrepreneurial spirit and culture as precipitating elements. Elena Fawkner (2003:2) relates continuous change and opportunities as triggers, while Watkins (2002:1) cites crises as a trigger. All these triggers can be categorised as push and pull factors.

In South Africa the research of Ntsika (1999:60) revealed that nearly 50% of businesses were started by "own idea." Interesting to note the significant difference Ntsika found in the WHY reasons per population group. While 60% of Blacks, 50% of Coloureds and 42% of Whites started their businesses because of "own ideas", 0% of Indians did it because of own ideas. Their reasons were mainly "Advice from family and friends."

### **3.5 Distinguishing between pull and push factors**

According to Dollinger (1999:43): 'Positive Pull' is described as positive influences that lead to the decision to investigate entrepreneurship. These factors can come from "a potential partner, a mentor, a parent, an investor or a customer." The 'Positive Pull' factors include such things as "career path that offers entrepreneurial opportunities or an education that gives the individual the appropriate knowledge and opportunity." A person with a deep knowledge of the industry is in an excellent position to develop a business that fills a niche or gap in the industry.

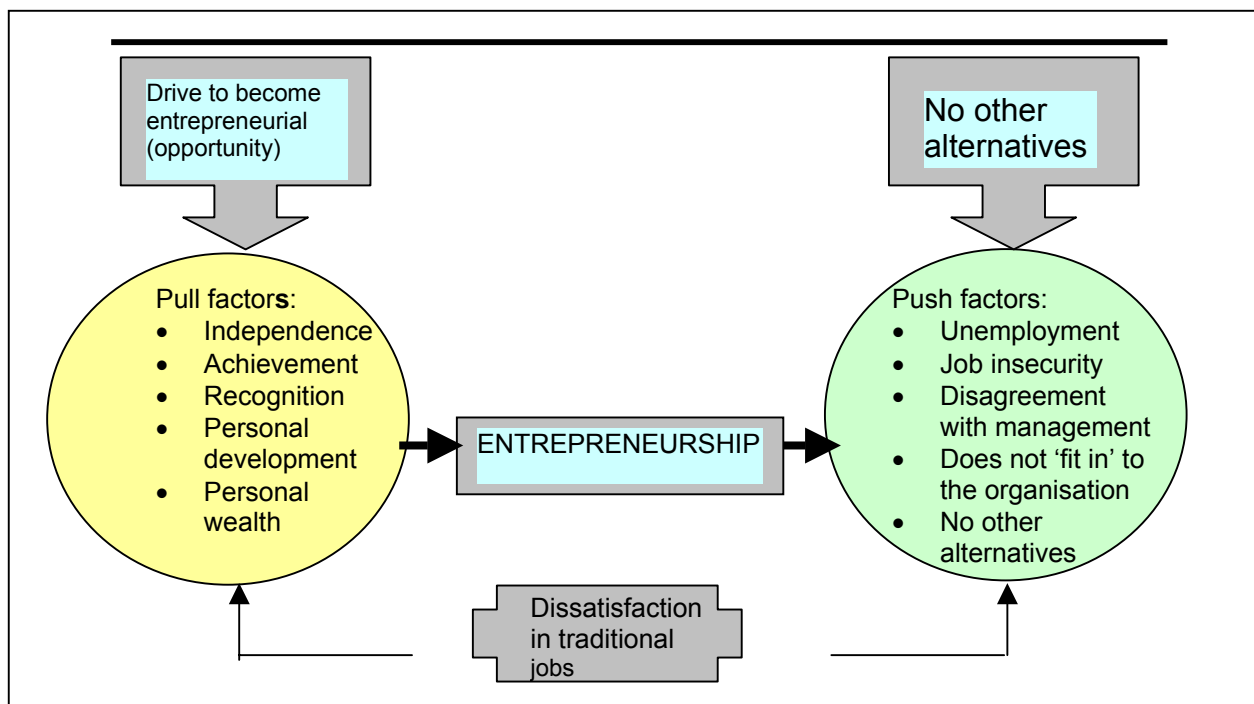
The 'push and pull factors' described by Wickham (2001:63) are slightly different: 'Pull factors' are those, which encourage potential entrepreneurs by "virtue of the *attractiveness* of the option" and include financial rewards, preference for independence, need for achievement, innovation, ambition and new challenges, and to gain social standing and recognition.

In terms of positive pull factors women are motivated more by the need for achievement (nAch), by previous performance and growth (Hisrich & Peters 1998:78).

Van der Merwe 2003 defines a successful woman entrepreneur as one who has been in business for longer than two years, operated an enterprise with more than five employees and made a profit and expanded in terms of infrastructure and growth. It is one who has moved beyond her traditional role of wife, caretaker and mother to enhance her business enterprise, fitting the definition above. Van der Merwe distinguishes between types of women entrepreneurs on a model with four quadrants (Goffee and Scase 1985) referred to in Lynch (1998:324). The quadrants are labelled traditional, domestic, radical and innovative with a sliding scale from high to low on the x- and y axis, attachment to traditional gender role features on the x-axis and attachment to entrepreneurial ideas on the y- axis. She continues to analyse women entrepreneurs through their start-up decisions in figure 3.2.

Women entrepreneurs in construction can be typified according to the above model of Goffee and Scase (1985) as having a high attachment to entrepreneurial ideals and a low attachment to conventional gender roles. The words 'innovative' and 'radical' certainly come to mind.

**Figure 3.2: Reasons for start-up decision:  
The push and pull factors of entrepreneurship**



(Van der Merwe 2003)

In order to learn more about the drivers depicted in figure 3.2 different sources were studied and the findings are recorded in item 3.6 to 3.9 that follows:

### 3.6 Positive pull factors (+)

The GEM 2004 Report on Women and Entrepreneurship reports that 97% of the respondents in their study are involved in entrepreneurial activities for two primary reasons: opportunity and necessity. Opportunity entrepreneurship estimates the number of people who choose to start their business as one of several desirable career options, pointing to reasons that are positive in nature or positive pull factors (Arenius, Langowitz and Minniti 2005:18).

Pull factors include independence, being one's own boss, creative expression, doing enjoyable work and profit motives according to Watson *et al* (1994) as also reflected in Robertson *et al* (2003: 310). Bird (2001:310) pursued process-driven school studying of attitude and external environment that in turn influences thoughts, which shape attitudes and form intention (motivation). If those intentions are strong enough it leads to action.

Hofstede's (1980) conception of socio-cultural dimensions influencing worker's attitudes towards work (motivation) is helpful to explore their implications for entrepreneurship development in developing nations such as in Africa (Themba, Chamme *et al* (1996:2) in an extract from Kinunda-Rutashobya & Olomi (1996:103). Hofstede (Morrison 2000; Robertson 2003:310) defines culture as an interactive aggregate of common characteristics that influence a human group's response to its environment, while Dyer (1994) note that these influences affect the entrepreneurial decision. Volery Doss and Mazzarol (1997:11) in their analysis of why entrepreneurs start business ventures discovered that several triggers - possibly a combination of triggers - appeared to be at the root of start-ups. These triggers were the level of creativity, the need for autonomy, the achievement of social status, the response to a market opportunity, and the drive for money. In addition to these "usual" triggers, the research also highlighted one intriguing trigger: the will to invest savings in a business venture which will provide the investor with a job and the satisfaction of being rewarded on merits. It was suggested that this trigger matched the profile of mid-career professionals - some of whom were made redundant - who wanted to become self-employed. This constitutes an emerging trend in entrepreneurship. Business advisers along with training institutions should better

target these professionals who want to redirect their career toward running their own business and provide them with an ad hoc turnaround strategy.

Wang *et al* (2001) studied student populations and found that the possession of lack of an idea and their socio-economic status influence their entrepreneurial intentions.

All of the above can be true for women as well as men. Langowitz (2004:1) found in her study that in looking beyond the amount of coverage, several themes were apparent in business press stories on women entrepreneurs. First, the media tends to favor what she calls "Cinderella hard-luck stories." Those refer to stories in which a woman faced with some horrible adversity summons the strength and motivation to start a business. These feminized Horatio Alger stories invoke a Cinderella theme in which the woman overcomes hardship, with the benefit of neither fairy godmother nor handsome prince. The circumstance might vary from welfare mother to divorcee, but the frequent underlying message is that something unusual has caused the woman to start her own business. Why else would she do it?

Langowitz further argues that women entrepreneurs are primarily portrayed by the business media as reacting to negative circumstances (necessity entrepreneurship), rather than seizing opportunities. This inherent message is a far cry from the glamorization of Bill Gates in his college dormitory or Steve Jobs in his garage. Moreover, the media likes to focus on women starting businesses in fields that "women would be expected to know about," such as retail, fashion, or food, and the businesses featured tend to be small. Airport manicure shops get attention, industrial technology equipment manufacturers do not.

The problem is that much of business media coverage of women entrepreneurs doesn't fully reflect the facts. An on-going research project Langowitz conducted on more than 200 women business leaders, points to the reality for women entrepreneurs. On the question 'Why do women entrepreneurs start their businesses?' the Langowitz study found that women entrepreneurs are driven to found their firms by a desire for personal autonomy and personal achievement.

### **3.7 Need for achievement (nAch) and motivation as positive pull factors**

McClelland (1976:65) identified 'need for achievement' as the fundamental driving trait in the personality of successful entrepreneurs and stated that need for achievement (nAch) is high in individuals who start their own businesses (also in Wickham 2001:16).

McClelland's hypothesis (in Jennings 1994:148) states that a society with a generally high level of need for Achievement will produce more energetic entrepreneurs who, in turn, produce more economic development.

### **3.7.1 Economic growth, nAch and entrepreneurial behaviour as positive pull factors**

Dyer (1994) in Robertson *et al* (2003:310) notes that although historically entrepreneurship research has attempted to articulate the individual factors that influence the choice to become an entrepreneur, more recent research (Secret 1975; Aldrich *et al* 1986; Kirchoff 1991) has identified the social and economic factors that affect entrepreneurship. Population ecologists believe that environmental forces, the availability of economic resources and quality of life in terms of economics, education and health issues are important influences on entrepreneurial intentions (Pennings 1982).

They all share the view of McClelland (The Achieving Society, 1976) who formulated the hypothesis that need for Achievement (nAch) is associated with economic growth. Although his hypothesis was derived from a particular historical sequence of events in Western Europe – the Protestant Reformation and the rise of capitalism, in its most general form it might be applied to any society at any time or place. There is an empirical method of testing the generality of the hypothesis. Anthropologists have collected enough information on a number of preliterate cultures to see that need for Achievement level is a sufficiently powerful variable to predict economic development in the societies under scrutiny despite major variations in other factors such as type of social organisation, a particular stage in historical sequence, level of technology or type of economy. The method of determining the need for Achievement level of a preliterate culture relies on analysis of the content of folk tales widespread in the culture. The way the tales are told will come to reflect a kind of “averaging level” of motivation among the people of the tribe. The presumed mechanism by which need for Achievement level translates itself into economic growth is the entrepreneurial class. Therefore as stated at the beginning of item 3.5, if the need for Achievement level is high, there will presumably be more people who behave like entrepreneurs, acting to produce more than they consume.



Despite many flaws in the collection of cross-cultural data, McClelland found that they confirm the hypothesis that the need for Achievement level of a society is a variable significantly related to entrepreneurial economic activity in a culture, despite wide variations in social structure, in climate, means of subsistence and level of technological development. The data also hint that tribes with high need for Achievement are readier to adopt more efficient, but also complex and difficult means of earning a living whilst those tribes with lower need for Achievement appear to be more tradition-bound, particularly in the religious sphere. McClelland concluded in this study that it seemed possible that Weber's observation of the connection between Protestantism and the rise of the capitalism may be a special instance of a much more general phenomenon. To date there is no evidence as to which came first, the change in the type of economic activity or in the level of need for Achievement (nAch); nor is there any certainty that the relationship found at such primitive levels will persist among modern complex nations.

In the preliterate cultural study McClelland stated that few individuals of families would be found that got *all* of their income from entrepreneurial activities since raising at least some food for subsistence is very widespread. Therefore a full-time entrepreneur was defined as someone who received 75 percent or more of his income from entrepreneurial activities.

### **3.7.2 The notion of entrepreneurship, nAch and role models as positive pull**

Robertson, Collins, Medeira and Slater (2003:309) are firm believers in the social engineering school of thought where individualism itself is a social phenomenon (Bendix 1956) and that you can understand individuals by studying the situations with which the individual is faced and the social groups to which the individual relates (Gibb and Ritchie 1985). Thus the social engineering view captures all other streams of thought relating to external variables in the study of influences on entrepreneurial intentions, such as family influences, culture, work experiences, ethnic influences and role models. (Bridge *et al* 2003, Boyd and Vozikis 1994, Henderson and Robertson 1999 as well as Gibb and Ritchie 1985).

Along with the authors quoted in Robertson, Collins, Medeira and Slater (2003) David McClelland belonged to the behavioural school of thought regarding the notion of entrepreneurship. Sponsored by the Centre of Entrepreneurial Studies at Harvard

University, linked Protestantism, the need for achievement (nAch), and economic development by hypothesizing that a psychology motive derived from a family socialization intervened between Weber's Protestant work ethic and entrepreneurial behaviour (Jennings, 1993). McClelland argued that family socialization consisting mainly of child-rearing practices that stressed standards of excellence, maternal warmth, self-reliance and low father dominance contributes to the development of nAch. McClelland further concluded that nAch is the key to entrepreneurial success.

### **3.7.3 Thematic Apperception Test (TAT) assessing nAch as a positive drive**

In developing a measure for nAch, McClelland believed that fantasy is the best way to assess motives and used the Thematic Apperception Test (TAT). The TAT requires subjects to write imaginative stories in response to a set of pictures. The stories are then content-analysed for achievement imagery to obtain a nAch score. By performing correlation studies in the laboratory, McClelland concluded that individuals with a high nAch, as determined by the TAT, tend to exhibit the following behavioural traits:

- Personal responsibility is taken for finding solutions to problems.
- Moderate achievement goals are set and calculated risks are taken.
- Concrete feedback regarding performance is desired.

While McClelland's research influenced a large number of subsequent researchers to use nAch as a distinguishing entrepreneurial behavioural characteristic, a definite link between achievement motivation and entrepreneurial success has not been established. Furthermore, McClelland's research has been criticised by psychologists for his measurement of nAch, by economists for his analysis of economic development and by researchers in Entrepreneurship for his definition of entrepreneur.

Barry (1998) and Robertson, Collins, Madeira and Slater (2003:309) agree with McClelland on the trait school of thought initiated by Baudeau (1730-1792). They all focused on certain personality traits such as need for Achievement (nAch) as a key driving factor in an individual's decision to become an entrepreneur.

The case studies that follow in Chapter 5 will attempt to seek clarity from the role models studied to see if any link can be drawn in this research study.

### **3.7.4 Entrepreneurial behaviour and nAch as positive pull factors**

McClelland pointed out that a study of the "behaviour of entrepreneurs" is conceptually

different from a study of “entrepreneurial behaviour.” According to him, entrepreneurs or those occupying entrepreneurial status, need not show entrepreneurial behaviour, just as garbage collectors may not always collect garbage. He argues that it is quite possible for individuals occupying other statuses to behave in an entrepreneurial way, just as a parent may occasionally collect garbage when the regular garbage collector is not available. Thus a politician, a physician, a university professor or a ditch digger may show all of the components of the entrepreneurial behaviour, even though his status is not primarily that of an entrepreneur. Linked to the nAch, optimism and other value attitudes are the following entrepreneurial characteristics:

According to McClelland entrepreneurial role behaviour includes:

- Moderate risk –taking as a function of skill not chance, decisiveness
- Energetic and /or novel instrumental activity
- Individual responsibility
- Knowledge of results of decisions
- Money as a measure of results
- Anticipation of future possibilities
- Organisational skills

Steffen (2004) agrees with McClelland arguing that successful change relies on new ideas, good timing, adequate resources, but absolutely demands effective leadership, "good people doing good things." If you want to change the world, the theory of social entrepreneurship goes, get the right people involved and set them free. They will use less resources.

### **3.7.5 The need to do things better as a positive motivating drive**

McClelland's concept of achievement motivation is also related to Herzberg's motivation-hygiene theory. People with high achievement motivation tend to be interested in the motivators – the job itself. Achievement-motivated people want feedback on how well they are doing the job. The time spent on figuring out how to do things better. That could lead entrepreneurs into new areas of innovation and enterprise, hence the positive pull theory. Companies with such people grow faster and are more profitable. McClelland has extended his analysis to countries where he related the

presence of large percentages of achievement-motivated individuals to the national economic growth.

He further states that while there is an undeniable core of inborn characteristics such as energy and raw intelligence that an entrepreneur does have or not have, it is becoming apparent that possession of these characteristics does not necessarily make an entrepreneur. Timmons (1999:219) to the contrary stated that there is a good deal of evidence that entrepreneurs are born and made better, as certain attitudes and behaviours can be acquired, developed, practised and refined through a combination of experience and study.

Richards (1999:3) elaborated further on McClelland and Timmons's views of positive pull factors by defining an entrepreneur as one possessed of a high capacity for imagination, flexibility, creativity and innovation; as one willing to think conceptually and to see change as opportunity: Pulled by vision so to speak. The entrepreneur has a high tolerance for risk, and a dogged optimism about the world and the eventual right to succeed in it. These are all positive drivers or pull factors that lead entrepreneurs to the decision of entering into entrepreneurial ventures.

### **3.8 Other sources of positive pull factors**

The model of Wickham (2001:65, 377) regarding "the move to entrepreneurship" presents an analysis of personal development, social and economic needs satisfaction and elaborates on the "choice of the entrepreneurial path."

Closely related to nAch is motivation. Langowitz (2004:1) found that "More than 80 percent of women business owners are the founders of their firms. Women entrepreneurs are driven to found their firms by a desire for personal autonomy and personal achievement. They're not down on their luck, as the human interest lens of the media would lead us to believe. Less than a third cited economic hardship as a motivating factor. Instead, the vast majority of women start businesses because they're driven to achieve, and they want control over their achievement. Guess what? This is the same motivation we find for male entrepreneurs!"

As already mentioned in Chapter 1, item 1.10, Van Vuuren (1999) developed an equation to illustrate entrepreneurial performance:

$$E/P = M f[E/S \times B/S];$$

where E/P = Entrepreneurial performance; M = Motivation; E/S = Entrepreneurial skills; B/S = Business skills, based on the work of White (1961) where it has been concluded that:

$$P = f(M \times A)$$

This equation concurs that motivation plays a key role in entrepreneurial performance and can be regarded as a positive driver or pull factor why entrepreneurs take on the challenge of engaging in entrepreneurial enterprises.

Fox (2004:1) defines entrepreneurship as the process of creating value by bringing together a unique package of resources to exploit an opportunity. Moreover it is the pursuit of an opportunity without regard to resources currently controlled. He infers from these definitions that entrepreneurs are opportunity driven and positively pulled into entrepreneurship.

### 3.9 Negative push factors (-)

'Push factors' on the other hand are those which make the existing option *less attractive*, such as financial limitations from existing job, unemployment and unable to obtain a salaried position, job insecurity or insufficiency to earn a living, and career limitations and little job satisfaction at previous workplace according to Wickham (2001:63).

Robertson et al (2003:310) records push factors to include redundancy, blocked promotion, recession, unemployment, frustration with previous employment, the need for a reasonable living and they quote Watson et al (1994); Davies and Gibb (1991) as well as Brockhaus and Horwitz (1986) in support of this view.

Lynch (1998: 333-334) quotes Hakim 1989 and Storey *et al* 1989 defining push factors as referring to events or the threat of events prompting a move to entrepreneurship. In this sense, life cycle events such as bereavement, retirement, employment circumstances are all identified as push factors. Other drivers include social isolation, labour market conditions and reduced income levels.

The GEM 2004 Report on Women and Entrepreneurship talks about 'necessity entrepreneurship' that estimates the number of people who start their business because other employment options are either absent or unsatisfactory. They found that the

number of women who choose entrepreneurship because of necessity is concentrated in low-income countries like South Africa. In recent years self-employment and home-based work has expanded opportunities for women's participation in the labour force, but it is characterised by lack of security, lack of benefits and low-income. Aurenus, Minnity and Langowitz (2005:18) conclude that for women, entrepreneurship may represent an important means to circumvent unemployment and in some countries a way out of poverty, but that the number of women that pursue an entrepreneurial opportunity when other income producing activities are available is still very low compared to that of men.

### 3.10 Conclusion

If the need for Achievement level is high, there will presumably be more people who behave like entrepreneurs, acting to produce more than they consume (McClelland, 1976:65).

This is the case with women entrepreneurs in construction who build and develop the environment and economy, starting at low profit margins that is common for survival at times in the construction industry, but with the drive to meet challenges, overcome barriers and to grow their businesses as a result of positive pull factors. It can therefore from the literature covering previous studies be concluded that women are in construction mainly because of positive pull factors that includes new challenges, need for achievement as well as love for construction as indicated in Figure 3.1 (Verwey 2003:62,63).

According to ISEEK (2003:2) women take great pride in knowing that they have achieved in building or creating something. "As a result, researchers have found that most tradeswomen have a high degree of job satisfaction."

The GEM 2004 report on Women and Entrepreneurship found that in both the USA and SA more women are involved in opportunity entrepreneurship (positive pull) than in necessity entrepreneurship (negative push) although the opportunity prevalence ratio is much higher in the USA at 6.0 than in SA at 1.1

'Motivation' including all the other parameters above are also useful in researching the question: '**How** do we measure success?' and that is what the next chapter will be dealing with.