

## Chapter 4

### Factors that influence performance

#### Barriers(-) and success (+)

##### 4.1 Introduction

Robertson, Collins, Medeira and Slater 2003:308 state that the identification of barriers to entry is important together with strategies to minimise their impact. While this is true for all entrepreneurs in start up and in reaching success, it is even more crucial for women who are more sensitive to what happens in the environment around them according to the GEM 2004 Report on Women and entrepreneurship (Arenius, Langowitz and Minniti 2005:13). Themba, Chamme *et al* (1996:2) as well as Kinunda-Rutashobya & Olomi (1996:103) agree that political, legal, economic and technological factors have a big influence on the success of any business operation. The political environment of a country, for instance, acts like a cushion of air within which business organisations and other institutions float and breath. Whereas a stable political environment provides “a coat of protection to businesses allowing them to swim, breath and grow”, an unstable political environment batters businesses, shaking the life out of them and suffocating most of them to death. Women entrepreneurs in South Africa historically come from an unstable situation that left some barriers behind, while the USA does not go free from clock-stoppers such as September 11<sup>th</sup> 2001.

The identification and removal of such barriers is key to furthering entrepreneurship and to stimulate the economy. SA lags behind the USA in its levels of entrepreneurship and this chapter can give some indications of how to rectify the situation.

##### 4.2 Barriers (-) and discrimination against women defined

The SA Constitution, Act 108 Chapter 1, stipulates that "non-sexism" as one of the "founding provisions" (South Africa, 1996:3). The Oxford dictionary defines discrimination as 'distinguish unfavourably' with synonyms: oppression, domination, and tyranny. According to the First South African Convention for the Elimination of All Forms of Discrimination Against Women (Convention report, 1997), the term discrimination against women means "any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women" (Convention report, 1997: 2-1). For the purpose of this paper

blatant discrimination is defined as obvious discrimination, easily detected and proven, while subtle and sophisticated discrimination is not easily identified or proven.

The Concise Oxford Dictionary defines barriers as barring advance or preventing access. The barriers that women entrepreneurs experience are defined as follows:

Entrepreneurial access barriers

Entrepreneurial survival barriers

The poverty trap as a barrier

Van der Merwe (2003:7) identifies barriers to women entrepreneurs as traditionally male-dominated environments, lack of access to financial resources, lack of support, negative prevailing socio-cultural attitudes, gender discrimination, personal difficulties, lack of basic life skills such as self-confidence, self-motivation and communication skills. In her study 32,2% of women in the random sample suffered gender discrimination with finance, opportunities and skills as the major limitations. Access to capital markets have been regarded as among the most important resources denied to women, whereas 44,1% of the respondents reported no gender discrimination. Reasons why women are disadvantaged in capital markets were cited as less experience and equity in business, out-moded gender role beliefs and women themselves believe that they will receive differential treatment when applying for finance. Furthermore financial institutions require middle management experience, start-up experience and technical backgrounds, whilst ironically women have had limited access to higher levels of education and training in general as well as to mentors.

In addition to those barriers, the Department of Trade and Industry (the dti) 2003:29 highlighted the importance of environmental factors in accounting for enterprise success or failure. In the case of the three most important of these factors – the macro-economy, the institutional and the regulatory environment, much needs to be done to create an enabling environment for entrepreneurs, especially for women entrepreneurs who are more sensitive to the impact of these factors. They stress the importance and success of incubators to overcome some if not most of these barriers that are within the domain of local government and can reach to remote rural areas.

Not everybody thinks that women can fulfil entrepreneurial roles. The SA Isu Group, in sharing its entrepreneurial story, reported that “their husbands could not understand

why their wives wanted to become involved in business problems instead of attending to home chores while their men brought in a living" (Bagshaw 1995:275).

The effects of customary law on the social status of women ensure that they are further marginalised. It is common practice for women to have to produce marriage certificates when signing contracts regarding ownership of property (CGE Mpumalanga 1998:6).

The media often "portray women in domestic roles or as sex objects" (CGE Annual Report 1999:9). "It is therefore essential that women begin to insist on defining themselves, instead of being defined by men" (CGE Northwest 1998:24). Women's sexual stereotypes are reflected in the media and advertising, which "deny them their democratic rights" (CGE Annual Report 1999:9).

Because of the "gender gap" in tertiary enrolments in sub-Saharan Africa, women are worse off educationally (Subbarao 1994: ix). In the course of motivating for women's economic empowerment "we also have to deal with men's perceptions that a woman's economic independence means that she is growing away from him" (CGE Northern Province 1997:29).

Entrepreneurial survival barriers are common in South Africa although not so in the USA where women are more affluent and generally better educated. In African tradition it is expected that successful women help others. It is therefore difficult for them to grow their own businesses by ploughing profits back into their businesses. The primary problem is that women suffer oppression and discriminatory burdens in all walks of life. These burdens must be identified before they can be rooted out. Phosa (CGE Mpumalanga 1998:29) said: "The majority of women continue to be denied their economic citizenship...They find themselves against a multitude of barriers when they want to enter mainstream economic activity." Mandela (CGE Northern Province 1997:23), the former President, said: "It is vitally important that ... freedom cannot be achieved unless women have been emancipated from all forms of oppressions".

In the 20th Century, industrialisation and urbanisation were two major factors in changing the position of women in society. Women's empowerment is not solely dependent upon their involvement in production. The discrimination is of a more subtle nature, imbedded in psychological and ideological barriers. This can be observed from sex-typing particular industries such as textiles and food processing as women's work, which is lower paid, less skilled and lower in status (Walker 1991:4).

Unfortunately HIV/AIDS statistics worldwide suggests that women are bearing an increasingly large burden of the disease (United Nations 2000:67). This poses a severe *entrepreneurial survival barrier* that has to be addressed by stakeholders in the industry. The definitions above form the point of departure for a more in-depth discussion that follows elaborating on the impact of individual barriers on women entrepreneurs.

#### **4.2.1 The ‘glass ceiling’ as an entrepreneurial barrier for women**

In the year 2004, the 10<sup>th</sup> anniversary of democracy in South Africa, the Business Women’s Association (BWA) as the largest association in SA representing women, examined the degree that women have made strides in all of South Africa’s major corporate companies and state-owned enterprises. BWA entered into a partnership with Catalyst, the leading business women’s organization in the United States to conduct a South African Census that will be updated annually. The first results for South Africa were released on 29 April 2004. The key census findings were that women:

- whilst making up 52% of the adult population in South Africa, they make up only 41% of the working South African population
- constitute only 14,7% of all executive managers
- make up only 7,1% of all directors
- hold only 221 of the 3125 directorship positions
- hold only 11 chairs out of a total 364
- in CEO positions make up only 7 compared to 357 male CEOs

In the USA, women make up 46,1% of the workforce, 13,6% of directors and 15,7% of executive managers (BWA 2004:1,2). Even for USA, similar to SA it is clear that there still is a ‘glass ceiling’ for women in the corporate companies and state-owned enterprises.

According to the GEM 2004 Report on Women and entrepreneurship, women’s employment choices are more sensitive to the local environment than those for men. They report that recent studies have shown that the choice to start a new business is far more complex for women than for men and women tend to be more sensitive than men to a variety of non-monetary incentives. Women’s choice is often linked to necessity or to time and location flexibility to accommodate the independence that can accommodate family needs and child rearing. There can be construed as constraints and even as

barriers for women. To overcome these specific constraints and barriers universal best practices are key to address the need of reforming the social entrepreneurial environment. Eliminating barriers to competition, reducing regulatory burdens, and providing more efficient services for new and developing firms will benefit all individuals interested in starting a business. Support policies by themselves are not sufficient to increase women's involvement in entrepreneurship. Mentoring and network support, especially at the local level, are at least as crucial in boosting women's attitudes with respect to business leadership and new venture creation. Regardless of per capita income, some of the most successful policies and programs world wide are those able to increase women's awareness about entrepreneurship and provide them with role models and networking possibilities (Arenius, Langowitz and Minniti 2005:13).

#### **4.2.2 Discrimination, gender neutrality and democracy**

'Gender blind' or to be 'gender neutral' is a smokescreen and against the sense of the law (Evers 1993:2). The Employment Equity (EE) Gender legislation prescribes proactive sensitivity for women's needs in the workplace. Discriminatory practices need to be identified, and barriers removed (Beijing Conference 1995:25). Women have to be proactively empowered in order to gain gender equality in future and to develop their entrepreneurial potential.

For Phumele Nzimande "Many women who participate in the struggle for democracies in these countries found that in the end democracy really did not mean much for women..." She stated that the new South Africa would not be complete "without a firm commitment and a firm framework to bring about effective gender equality" (CGE Eastern Cape 1998:15). According to African tradition, women were inferior in status and this was "entrenched by tribal law" (Lazar 1993:12). Women need to take up their democratic rights and her story as opposed to his story still has to be told (CGE Northwest 1998:24). Most issues concerning women "cannot be well presented by men" (ILO 1995:9). Women's sexual stereotypes are reflected in the media and advertising, which "deny them their democratic rights" (CGE Annual Report 1999:9).

#### **4.2.3 Women, gender, sex, breadwinners and human rights**

The term 'gender' was originally developed by 'feminists' (Moser 1987:6) who were concerned about the "biological overtones" of terms such as 'sex'. 'Gender' is not a

biological but a social concept (Brydon and Chant 1989:2). It refers to the way gender differences and needs are shaped and "socially constructed" through ideological, historical, religious, cultural, economic and business determinants (Moser 1987:6). The media often "portray women in domestic roles or as sex objects" (CGE Annual Report 1999:9). "It is therefore essential that women begin to insist on defining themselves, instead of being defined by men" (CGE Northwest, 1998:24).

The father as the "bread winner" concept should be done away with (ILO, 1995:8). In the rural areas today women are ploughing the lands and place food on the table (Lazar 1993:6). Whether literate or illiterate, urban or rural, women are always deeply hurt by discrimination (Walker, 1991:3). In Japan men became workaholics after World War 2. To their dismay their wives who controlled the family budget "are growing more independent with their own separate bank accounts." (Jennings 1994:126).

According to The Women's Watch "Women are people too". "Every woman is a citizen of some country, an individual whose human rights and potential are as important as those of her brother, her father or her husband" (Women's Watch, 1993: 1). Discrimination against women is thus a violation of their basic human rights.

#### **4.2.4 Uniqueness of women vs. business barriers**

Women are unique. They have a "different touch", a "different point of departure" and a different "view of affairs" (CGE Mpumalanga 1998:53). "Because we are different yet striving for the same ideals ... we must play a decisive role on constitutional, political and community levels" (CGE Mpumalanga 1998:53). Women do not want to become like men as "...we need to liberate ourselves but without losing our gentle touch and femininity" (CGE Northern Province 1997:26,27). "We already have everything by just being women" (CGE Mpumalanga 1998:54). A successful women professor of Business Ethics at Auckland's Unitec said: "Passion is what gets you up in the morning" (Smith 2000: 97). Entrepreneurial ventures stem more from prior job with men, as compared to women where her's stems more from hobby or interest (Kuratko 2001:152). "... patience and attention to detail, says the U.S. Small Business Administration, also contribute to the high success rate of women-owned businesses" (Davis & Long 1999:26).

Baroness Jay highlighted that "... access to capital is one of the main stumbling blocks preventing women from starting their own businesses in greater numbers" (Wickham

2001:71). According to this source Hillary Clinton mentioned that women lead half of all new businesses in the US, whilst in Britain it is only 30%. A serious handicap for women to realise their entrepreneurial potential, is reliable, affordable and conveniently situated daycare facilities operating on flexi hours to suit their entrepreneurial work situation. According to Marguerite Berger (Berger and Buvinic 1989:1), "Women entrepreneurs seem to be invisible in Latin America". Their specific characteristics and needs are often overlooked and only "passing reference" is given to the importance of women's contribution.

Women's involvement in the construction industry in a leading role dates back as far as 1315, when "a road-building project through the mountains of Fujian province was directed by a women engineer" (Lumsdaine & Lumsdaine 1995:409). "Women entrepreneurs tend to be more motivated by the need for achievement" (Hisrich & Peters,1998:78). Aida Geffen of Aida Holdings reported that she had thought of making Law her career. However, when realizing that women in those days were not regarded as capable professionals, she decided against it (Bagshaw 1995: 143). In 1970 women-owned US businesses employed less than one million persons, and increased in 1991 to 12 million (Timmons 1999:5). The proportion of women board directors to male board directors is, however, very low: Only 4,6% of all directors are women. Not a single company in the SA Top 50 listings has more than 3 women directorships (Corporate women directors report 2000:11). Unfortunately the women entrepreneur must "already be rich or have the ability to borrow capital based on connections" (Jennings 1994:45).

"Women may be in the labour force but they are certainly not achieving their full potential" (Wickham 2001:71). High numbers of educated women are found in part-time jobs. A UK survey revealed that 18% of British mothers with a tertiary education work less than 20 hours a week. "There is a widespread general mismatch between women's skills and what they are actually doing, which means that, for the government, there is a serious issue about skilled, highly educated women dropping out of the labour force completely or working in jobs where their talents cannot be used to the full" (Wickham 2001:71).

The author infers from this section that women have entrepreneurial development potential that should be encouraged. This is contrary to the misconception that women

have to become like men to act in an entrepreneurial way and to be able to play their legitimate role in the economically active society.

#### **4.2.5 Historical discrimination, trends and challenges over millennia**

Gender discrimination has been present for millennia. In the Bible (Genesis 21:14) Abraham disregarded human rights by sending his wife and son, Hagar and Ishmael, from home into the desert. The Queen of Sheba astonished Solomon, with his harem of hundreds of wives. That a woman could be a king, be so clever, and rich as well as entrepreneurial to travel so far! On her business trip she gave him gifts, four metric tons of gold, spoke to him on an equal footing and she tested him "with hard questions" (1 Kings 10:1).

The first discrimination against South African women documented was in 1843 when a group of Afrikaner women demanded a political voice from the British Commissioner Cloete. He reported that "I endeavoured (but in vain) to impress upon them that such a liberty as they seemed to dream of had never been recognised in any civil society and that however much I sympathised in their feelings, I considered it a disgrace on their husbands to allow such a state of freedom" (Walker 1991:10). A few decades later in 1883 Olive Schreiner, one of South Africa's most famous feminists coined the phrase "to be born branded" (Walker 1991:1) for the subordinate position of women in South Africa.

During the Anglo-Boer War of 1899/1902 the fiercest oppression occurred against women entrepreneurs on South African farms when they were removed to concentration camps while their houses and crops were burnt down and their cattle were confiscated by British troops. Up to 1930 no woman in South Africa was allowed to vote and from 1954 it was compulsory for all Blacks, including black women to carry passes (Walker 1991:25). South African women are until 1991 "distributed throughout the class spectrum" (Walker 1991:1), determining standing in society and hampering entrepreneurial confidence.

#### **4.2.6 Violence against women limiting their entrepreneurial performance**

Women who were conscripted by the Japanese during World War II to provide sexual services to soldiers were called "comfort women". This was cruel, ruthless violent rape



of women, "forced prostitution" and "sexual slavery" (Women's Watch 1993: 9). Even today "The majority of Afghan men do not believe women should have rights. Taliban or Northern Alliance, there are fanatics everywhere" (Beach 2001:52). South Africa has a high incidence of all forms of violent crime, including gender violence, which affects women of all races, classes, and ages, in rural and urban areas (Convention report 1997:17-1). In his opening Address to the Commission for Gender Equality's meeting in North West, the Premier Popo Molefe said: "The exclusion of the contribution of women ... in itself constitutes an act of violence against women." (CGE Northwest 1998:24). Violence and psychological torture against women is rampant. (United Nations 1991:19). The recent launching of the multi million rand Maputo Corridor project linking South Africa's industrial heartland with the port of Maputo has been accompanied by a sharp rise in rape, prostitution and AIDS (CGE Mpumalanga 1998:6).

In a strong attack on patriarchy the Convention Report (1997:5-1) states: "Men are exhorted to express their manhood as powerfully as possible, which some do by joining the police or the army or vigilante groups and seeing how many youths they can shoot, whip, teargas, club or knife, or how many houses they can burn down or bulldoze, or how many people they can torture into helplessness. Patriarchy brutalises men and neutralises women...". Many women said that lobola should be abolished as it sometimes results in violent treatment. "Women are constantly harassed at home because men feel they have bought them to be their slaves." (WNC 1994 case 059).

Research undertaken on gender and the media has revealed that reporting on issues concerning women "remains limited to issues around crime, violence against women and gender equality" (CGE Directory 1999:V). A number of violent practices, such as witch hunting, female circumcision and virginity testing, are proof of the inferior status of women in Africa (CGE Annual Report 1999:9). Since women became aware of their rights during the development of the Constitution in 1992/93, the rape reported cases in South Africa increased from 4 349 in 1992 to 28 318 in 1993 (Beijing Conference 1995:44). In Gauteng alone the rapes reported for 2000 was 12 380 (SAPD 2002).

Violence is a severe form of oppression and discrimination "We have to address the iceberg ... we are addressing the tip. We have to understand that gender inequalities represent a bigger world of injustice and violation of human rights" (Motsei 1997:35).

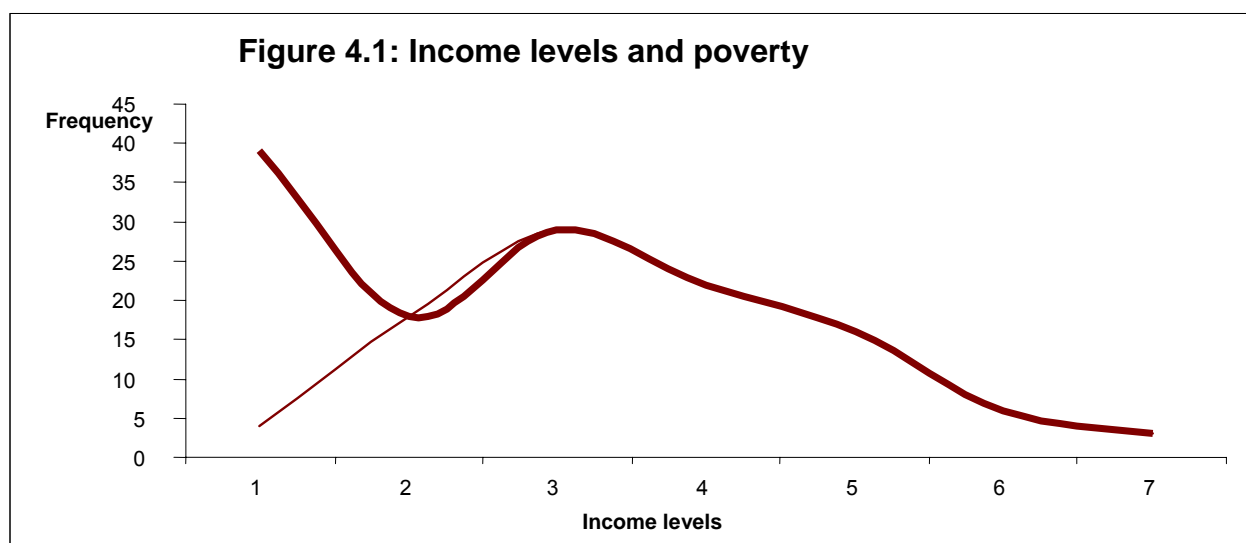
#### 4.2.7 Women entrepreneurs and the poverty trap

In terms of the poverty trap as a barrier in South Africa the Commission for Gender Equality (CGE Western Cape, 1998:58,59) found that:

- female headed household are poorer than where there is a resident male;
- a 70% poverty rate exist amongst female headed households, whilst
- only 43,6% poverty exists amongst families where there is a resident male
- women suffer a 36% unemployment rate compared to only 26% among men;
- unemployment in rural areas is nearly twice as high as in metropolitan areas;
- Old age pensions are the main sources of income for over 40% of the poor.

In rural areas women have to carry water and wood over long distances. In a submission to the Commission for Gender Equality made by women from North KwaZulu Natal, they reported that crocodiles in the Nyalazi River are killing many women and children when fetching water (CGE Annual Report 1999:38). {Male Crocodiles?} “The image of my mother weeping as she gave me a sixpence as her fare to set me on the road to school.... She knew it was not enough, but, for all her love, that was all she could offer. I think that should not happen to any mother.” (Kibirity 2001:36).

Nearly 50% of the respondents in a study of Verwey (2003) are single parents or single, and 63% had four or more people depending on their income. Some 30% of the sample of 133 falls within the interval R0 to R500 per month, below the poverty income line of R600 for households. Figure 4.1 presents the results of a SAWiC survey on poverty amongst women entrepreneurs in construction (Verwey & van Vuuren 2002:11).



Unfortunately social injustices flourish in a state of poverty because women and children experience the harshest deprivation. According to Todaro (2000:172) women make up “a substantial majority of the worlds poor.” Social justice is absent in many cases as “everywhere, women and children experience the harshest deprivation. They are most likely to be poor and malnourished and less likely to receive medical services clean water, sanitation, and other benefits.” The World Bank (2002d) asks the question “Who are the Poor?” and answers as follows: The poor include people in remote and impoverished areas. Women and children make up a large proportion of the very poor, which also includes people marginalized by virtue of their race and ethnicity as well as those disadvantaged by circumstances beyond their control, such as disabilities and natural or man-made disasters.

Regarding negative factors influencing women’s empowerment, in a wider comparative literature review this thesis will point out that women’s empowerment is not appreciated everywhere. Cultures exist in which there are very strong limits to this issue. There may be prohibitions against interactions between genders and even between population groups. For example, in some parts of the world there are caste or religious systems which place limits on dialogue between men and women and on some topics of discussion even between members of the same sex (Patel & Russon 2000:125).

Regrettably this thesis will also have to deal with the gender mismatches in the two countries under scrutiny. “There is a widespread general mismatch between women's skills and what they are actually doing, which means that, for the government, there is a serious issue about skilled, highly educated women dropping out of the labour force completely or working in jobs where their talents cannot be used to the full” cautions Wickham (2001:71).

Greater equality in education between women and men means healthier families. If African women and men had more equal schooling, child mortality would have been 25% lower than it was in 1990 (World Bank 2001b). “Women may be in the labour force but they are certainly not achieving their full potential,” warns Wickham (2001:71). “It is cheaper to hire or fire a woman.” In Japan's recession, women employees were “the first to go.” According to Women's Watch (1993:4) “Women have the lowest paid and least skilled jobs. Women are more likely to be “employed in temporary, casual or part-time positions which are less well-paid, less secure and enjoy fewer benefits” according to the Beijing Conference (1995:24).

Women are vulnerable as their support groups are a spouse, family, women's professional groups and trade associations, as opposed to men who lean on friends, professional acquaintances and business associates, note Hisrich & Peters (1998:78).

For Dollinger (1999:217) women have difficulties getting financing "partly because of discrimination"... Hisrich & Peters (1998:78) states that "Women usually rely solely on personal assets or savings". Formal financiers are in any case not always good for new ideas, and "Banks are sometimes passion killers" warns Crijns (2002). According to Wickham (2001:71) "...access to capital is one of the main stumbling blocks preventing women from starting their own businesses in greater numbers." For finances women entrepreneurs also make use of four Fs: "Family, fools, friends and formal financiers" (Crijns, 2002). "Clawing your way to the top without nails" is the phrase Sharon McCollick used to describe the scratching at the doors of banks to secure financing for her now successful business (Dollinger, 1999: 205).

As far as positive factors influencing women's empowerment are concerned, fortunately women are nowadays regarded as the hidden resource of construction entrepreneurial potential and development. Research on gender is one of the "enduring entrepreneurship research topics" for Crijns (2002). Women should be active participants in economic development. Makhubela (2001:1) agrees with this and warns against traditional accounting and organisational models that only regard revenue and physical assets as 'valuable', and that regard women as liabilities rather than important resources and investments. This is now recognised as essential to ensure that the needs and interest of women are identified and met, and that women are "active participants rather than passive beneficiaries" notes Moser (1993:130). In this development environment, the empowerment of women has become a central element in the World Bank's strategy for poverty reduction (Valdivieso 2002). Todaro (2000:301) agrees that the provision of affordable health, child-care and family planning services would lighten the burden of women's reproductive roles and permit them a greater degree of economic participation. Entire societies can only develop if they bring the fruits of economic progress to the broadest segments of their populations. By engaging women early on, everyone will have a better understanding. Nowadays women also have a productive role, as well as their "reproductive role."

#### **4.2.8 The misuse of religion in discriminating against women**

Although some would argue that religious discrimination are misinterpretations of religious texts "women traditionally occupy an inferior status in all South Africa's religions" (CGE Annual Report 1999:9). Gender stereotypes are common in Christianity, Judaism, Islam and Hinduism. Where women's presence is acknowledged it is often hidden behind "abstractions such as reproduction" (Walker 1991:2) so that the full significance of their lives become obscured.

In China, the education level of women entrepreneurs is lower than their counterparts in other countries (Hisrich & Peters 1998:109). In Muslim countries two classes of citizens were created under Islamic Law. The female is formally recognised as second-class citizen with no place in the public arena and no security in the domestic sphere. Men are first class citizens and absolute rulers in their homes with the "power to decide over life and death" (Brydon and Chant 1989:32). Akhter Hameed Khan, a scholar, poet and organizer of development projects for poor women are accused of blasphemy as he helped women in Pakistan. He faced the death sentence under Pakistan's Penal Code, Section 195-C (Women's Watch 1993: 3). Israel has no civil law governing marriage and divorce; religious law governs. Divorce under Jewish law results when a man gives his wife a "get" and she accepts it. If she refuses the divorce, he can obtain permission to take another wife (Women's Watch 1993: 5). Towers had to fall before Time Magazine reported, "Women suffer severe discrimination" in Afghanistan (Beach 2001:52).

Women are also drawing distinctions between religious ideals and anachronisms, which have been used to subordinate women. Churches question the patriarchal foundations of the Christian religion (Convention report 1997:5-4). The gender desk of the Islamic Youth Movement reported on how it has launched an information and education campaign to emphasise the egalitarian aspects of the religion, which override its patriarchal practices (Convention report 1997:5-4). "Worldwide, women are held at varying levels of recognition. This can fluctuate from being accepted as a professional equal, to being considered slightly less than equal, to no recognition at all!" (Davis & Long 1999:26). The slogan of the South African Indian Congress since 1913 was that "No nation can be free when one half of it is enslaved in the kitchen" (Walker, 1991:105). This attitude is one of the reasons why Indian women are such successful entrepreneurs today.

#### 4.2.9 Marital practices inhibiting women's entrepreneurial performance

"How many wives is enough to a man?" asks Dr Manto Tshabalala-Msimang, Minister of Health (CGE Eastern Cape, 1998:46). "The continued application of customary law in Lobola, Polygamy, Traditional and Civil Marriage, Co-habitation, Ukuthwala is yet raising a very heated debate in the country, therefore while we appreciate traditional values we should also move and recognise new developments".

According to Cheryl Walker, (1991:2) the male rights over women and their unborn children was that of "bridewealth, which most characteristically took the form of cattle" in Africa. Although females in Africa have great pride in their ability to produce and to reproduce especially in rural agriculture, this pride diminished with urbanisation.

The SA Isu Group, in sharing their entrepreneurial story, reported that "Their husbands could not understand why their wives wanted to become involved in business problems instead of attending to home chores while their men brought in a living" (Bagshaw, 1995:275).

According to the Women National Coalition (WNC, 1994) women from the Northern Cape said that men "use the fact that they have paid lobola for their wives as justification for treating them as slaves" (Case 058). Furthermore, the practice of lobola is applied to deny women and girls equal access to educational opportunity. In Kwa-Sokhulu, rural women reported that parents in that area remove "girl children" from school as early as Standard 1 to be married to "bring cows for parents" (WNC, 1994; Case 150). Only 13% of black groups believe that the practice of lobola has value and should be retained as "lobola was initially used to unite the two families" mainly in rural areas (WNC, 1994).

The effects of customary law in the social status of women ensure that they are further marginalized. It is common practice for women to have to produce marriage certificates when signing contracts regarding ownership of property (CGE Mpumalanga, 1998:6). Also in other societies, according to Brydon and Chant (1989:182) "male control of women's activities" after marriage often has its origin in male pride. Despite the need for extra income men often prevent their wives and daughters from taking jobs.

The unpaid work that married women perform in households are often not seen as entrepreneurial or as a matter of "boosting household welfare" but rather as the "margin allowing for survival" (Goldschmidt-Clermont 1987:v). Margaret Logan confessed that "marriage and motherhood shelved her ambitions temporarily, but not for long." (Bagshaw 1995:275). Women tend to start their entrepreneurial careers later than men (Hisrich & Peters 1998: 78). This is probably because of marriage and raising children.

#### **4.2.10 Traditional and ethnical related discriminatory practices inhibiting women's entrepreneurial performance**

"Even chaos is a gift!" This exclamation resulted in an article called: "Hello, sunshine" remarking on a young woman in Kabul, Afghanistan, taking advantage of the sudden opportunity presented by the US falling tower disaster, and military action, to move about unveiled. (Gibbs 2001:36). Cheryl Walker (1991:1) refers to "Various forms of patriarchy" and of Indigenous gender systems of Blacks versus the European "settler sex-gender systems". Apart from the roles of wife and mother millions of females in Africa and the Middle East also have to account to their mothers-in-law (Brydon and Chant 1989:32). This is contrary to the fact that "...female executives tend to lead in non-traditional ways, by sharing information and power (Lumsdaine & Lumsdaine 1995:104).

Across all of South Africa's eleven ethnic groups, men are regarded as heads of the household with women expected to be subordinate (CGE Annual Report 1999:9). Men working in the cities start new families. "How can we prevent population growth whilst we allow polygamy ...with this question answered we can be able to prevent the escalating number of street children ... to be in line with population" (CGE Eastern Cape 1998:46). Many black women feel that the extended family, particularly "mother-in-laws puts a burden on the marriage". Women feel angry that they "do not have control of the household's money - even the money they have earned" (WNC 1994).

Forced to become the heads of their families when their men left to work as migrant labourers in the cities for months on end, women assumed the responsibilities of their absent men. They built their dwellings, supported their families, and farmed the lands.

"Whole communities became matriarchal, with the exception of the brief periods when the men folk temporarily returned" (Lazar 1993:12).

Fortunately, the traditional attitude towards entrepreneurship is changing as described by Inkosi Khumalo (CGE Mpumalanga, 1998:4) "We must accept the change which is taking place, but it must not make us lose our roots. The manner in which we are brought up in our families contributed much to the discrimination of women. Boys are assigned to perform certain duties and girls are assigned to perform certain duties. That is why I find it very strange when I learned that our duties at home should be fifty-fifty. I cannot make a bed, cook, and do the washing and ironing, not because I do not wish to. Circumstances and the condition under which I grew led to this. However, I now admire women who are bricklayers, truck drivers and doing all the tough jobs which were strictly for men."

#### **4.2.11 Social and societal discrimination against women and women entrepreneurs**

More than a century ago, in 1883, sub-ordination of women was regarded by Olive Schreiner as complex, and attributed to a sex-based division as a dominant determinant of a woman's place in society (Walker 1990:4). For too long women's route to social status and economic security was "through childbearing" (Women's Watch 1993: 7). "Her story as opposed to his story still has to be told" (CGE Northwest 1998:24).

For Marguerite Berger (Berger and Buvinic 1989:1) the activities undertaken by women in society are not always "considered to be entrepreneurial despite the fact that they risk their own capital, create jobs and an income". However their male counterparts are "considered to be micro-entrepreneurs" by society. Walker (1991:1) states that "...everywhere women were subordinate to men but there were important contrasts in the operation of gender between different social systems". In many countries the unpaid work of women is not taken up in the national income accounts, and therefore give a misrepresentation of the value of married women in the socio-economic cycle (Goldschmidt-Clermont 1987:v). Women inspire good work by "interacting with others, by encouraging employee participation, and by showing how employees' personal goals can be reached as they meet organizational goals" (Lumsdaine & Lumsdaine 1995:104).



This social leadership style is particularly relevant for sectors like the building industry where teamwork is important.

The direct participation of women in the wider non-domestic economy is thus an important precondition to "destroy the inferior position of women in society" (Walker 1991:4). Women are vulnerable as their support groups are a spouse, family, women's professional groups and trade associations, as opposed to men who lean on friends, professional acquaintances and business associates (Hisrich & Peters 1998:78). Because of the "gender gap" in tertiary enrolments in Sub-Saharan Africa women are worse off educationally (Subbarao 1994:ix). Socially women are more "whole-brain oriented, more intuitive, more open to ideas and more people-oriented than thing-oriented." (Lumsdaine & Lumsdaine 1995:79).

In the course of motivating for women's economic empowerment "we also have to deal with men's perceptions that a woman's economic independence means that she is growing away from him" (CGE Northern Province 1997:29).

#### **4.2.12 The economics of gender discrimination and oppression**

Men sometimes benefit economically from gender discrimination. "On development, men design customary and traditional rules especially in rural areas even when they affect women; in other words they are based on what men perceive to be the best for women" (CGE Eastern Cape 1998:46). Some men are very entrepreneurial when dealing with and dealing for women: "when a man marries you, he pays lobola, and because of that he considers you his toy-thing" (WNC 1994 case 036).

It is cheaper to hire a woman. "Women have the lowest paid and least skilled jobs. Women are more likely to be employed in temporary, casual or part-time positions which are less well-paid, less secure and enjoy fewer benefits" (Beijing conference, 1995:24). Indeed, 84% of the WNC sample acknowledged "women's double load at work and at home" (WNC, 1994). Women in the rural areas are easy targets for economic oppression as they are prepared to work for low wages as compared to men because women are "concerned with the provision of food for their children" (CGE Mpumalanga, 1998:65,66).

In Japan's recession, women employees were "the first to go", according to a Tokyo newspaper. The seven-year-old equal opportunities in employment law "doesn't mean anything in an economic recession" (Women's Watch 1993:4). Women are drawn out of their homes into wage employment in times of economic expansion. In times of recession they are phased out of employment, without fear of industrial action that would have taken place if it happened to men. Women are also regarded as "objects of consumption ... as sex objects ... by which commodities ... are promoted for sale" (Walker 1991:2).

Women have difficulties getting financing "partly because of discrimination" (Dollinger 1999: 217). "Clawing your way to the top without nails" is the phrase Sharon McCollick used to describe the scratching at the doors of banks to secure financing for her now successful business (Dollinger 1999: 205). "Women usually rely solely on personal assets or savings" (Hisrich & Peters, 1998:78).

In the 20th century industrialisation and urbanisation were two major factors in changing the position of women in society. Women's empowerment is not solely dependent upon their involvement in production. The discrimination is of a more subtle nature imbedded in psychological and ideological barriers. This can be observed from sex-typing particular industries such as textiles and food processing as women's work, which is lower paid, less skilled and lower in status (Walker 1991:4).

Despite all the above barriers, women entrepreneurs in construction strive to be successful. Construction is a harsh industry and yet many women choose it as a career. There are even associations like SAWiC and NAWiC initiated because of the numbers of women in construction and to look into their empowerment needs, helping them to survive and thrive in this previously male-dominated field.

#### **4.3 Success (+) of women entrepreneurs in construction**

The research questions are: Why do women choose to be construction entrepreneurs? How do they view success and how successful are they? Is there a link between the 'why' and the 'how' questions? In an attempt to address these questions success was viewed and measured through the use of a number of models that will be discussed below.

#### 4.3.1 Defining and measuring success

The Concise Oxford Dictionary defines success as accomplishment or end aimed at or the attainment of wealth, fame or position. According to Hupalo (2003:1) the most common method people use to measure business success is financial worth, mostly through listing on the Stock Exchange. The more the entrepreneur in person and the business are worth, the more successful the entrepreneur is considered to be. This measure of worth is given great weight by society. But Hupalo argues that a more reliable measure is steady business growth and profit over the years and customer satisfaction. Many of these listed companies are 'fly by nights' and after some time fold, never to be heard of again. Improving your product or service, customer satisfaction, employee relations, and internal operating improvements are often things the entrepreneur can directly focus upon. Further, they are often the key to business success, measured in financial terms.

"Any way you look at it, financial worth alone is by no means an adequate measure of entrepreneurial success... One of the best measures of success is the quality of the products (or service) you provide. Being proud of your products (or service), sincerely feeling their usefulness, and making meaningful improvements in your company's products or services are big factors making many entrepreneurs feel truly successful... success is measured by what you do within your company" (Hupalo 2003:1). Hupalo (2003a:1) in his "Seven Things You Need to Have a Successful Business" article quotes the following:

- Maintain reasonable profit margins
- Good Revenue per sale (scale of economies)
- Proprietary product and demand
- Love for what you are doing
- Good cash flow
- Good growth prospects
- The business must be something you are psychologically suited to do

Probst & Raisch (2005:91) remark that it has scarcely been possible to read a book on management without encountering four key factors of success: a high growth rate, the ability of change continuously; a highly visionary company leadership and a success-

oriented company culture. They caution companies that in order to sustain success they need to keep a balance as there is a fine line between success and failure. The great majority of companies that failed possessed these factors in abundance. In fact that is exactly where they failed.

Companies that classify as 'burnouts', owe their failure to excessive growth, uncontrolled change, autocratic leadership and an excessive success culture. Remedies they suggest to stabilise growth, the organisation and leadership are opening up the system to 'new blood', to invest in growth and change and to promote an innovative and achievement-oriented culture (Probst & Raisch 2005:101).

Cornwall and Naughton (2003:62) define the measure of success as the actions and behaviours of the entrepreneur as it relates to financial growth, growth in total employment and profits, the terms of survival of the business enterprise as well as customer and employee satisfaction. They go further to say that the moral purpose of the enterprise and the spiritual meaning of the work are equally important to define success in entrepreneurship. They conclude by saying that the proper ordering of three distinct kinds of goods are necessary for the entrepreneur to define her activity as the basis of authentic success: the good of being technically competent, the good of the individual subjective dimension of the work and the good of community or social order of the work (Cornwall and Naughton 2003:71)

The SA Micro-MBA course developed by Cedric Buffler of the Trident Institute, a course accredited by SAQA and SETA cites the key success factors for entrepreneurs as personal motivation and need for Achievement, spotting the gap (opportunity) in the market for your product or service, knowing who will use your product or service, the best location for your business and to know how best to sell your product or service that includes market research, money management and stock control (Buffler 2005).

Bridges (2002:3) stresses the importance of case studies in measuring success, to find out what works and what does not. Also the extent to which an enterprise or set concrete goals and achieve it, evaluate efforts and give feedback to clients and supporters, creating new business, building skills and impart it locally, best impact for least cost and efficient use of technology.

David McClelland looked at entrepreneurial success from a different angle honing in on the entrepreneur in person. He found that it is not a person's position in life, or initial advantage they have that contributes to their success in business, but rather certain personality characteristics or competencies, namely need for Achievement, initiative, assertiveness, efficiency orientation, systematic planning and commitment to work.

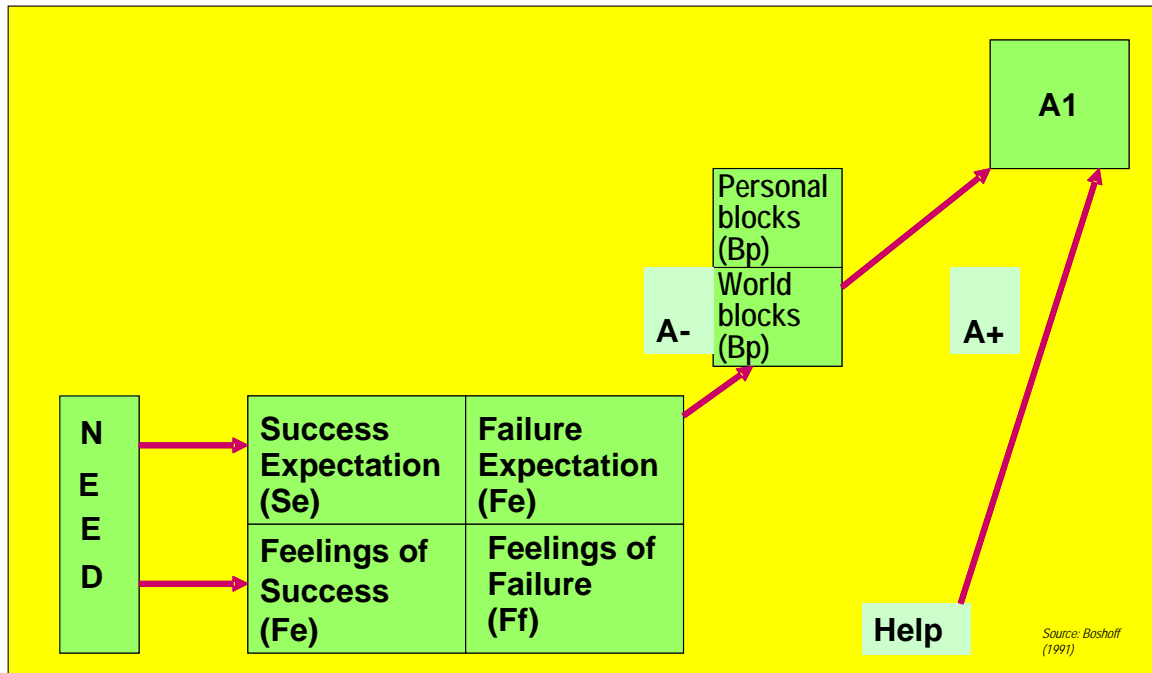
Moreover he concluded that for promoting economic development and promoting success one should start with people rather than resources, making sure there is a critical mass of competent, highly motivated entrepreneurs who will on own initiative develop an area or business. They will find the resources needed and will need fewer resources than those without the personality characteristics which are crucial for entrepreneurial success (McClelland 1986:229).

Robertson, Collins, Medeira and Slater (2003:313) agree with McClelland that an enterprise will neither start up nor succeed without motivation. They also quote the Global Entrepreneurship Monitor (2000-2002) that found on national and international levels, social and cultural attitudes in the United Kingdom cause business failure and pose the strongest barrier to the growth of entrepreneurship due to negative attitudes towards wealth creation and self-employment.

#### **4.3.2 Model of achievement behaviour**

According to Boshoff (1991) the model of achievement behaviour centers on the way a person thinks and that the thoughts can be analysed in order to determine the individual's predominant motive. This in turn relates to the person's behaviour patterns. People who think a certain way tend to behave accordingly. Like Boshoff, Hofstede's (1980) conception of socio-cultural dimensions influencing worker's attitudes towards work (motivation) is helpful to explore their implications for entrepreneurship development.

Figure 4.2: Model of Achievement Behaviour



Boshoff (1991)

Moreover, persons with a strong need for achievement react to failure and success. The feeling of failure is a negative reaction associated with failure to reach an achievement goal. There may, however, be a positive aspect to this feeling, because it is usually associated with disgust and despondency. If the entrepreneurial performance of a person needs to be improved, they must be taught to handle this feeling of failure. They must be taught to be angry with themselves and the failure must be seen as a reason for trying again. It must be noted that the feeling of failure, just as the feeling of success, differs from the expectation of failure or success in that these feelings are experienced after an action has been completed, whereas expectations are experienced before the result of an action is known.

Fox (2004:1) quotes Winston Churchill in this regard saying: “Success is the ability to go from failure to failure with no loss of enthusiasm”. Churchill continues to say that the entrepreneur should see failure as a temporary set-back, an investment in education and most importantly an opportunity to learn and do better next time.

### 4.3.3 Five Key Successneur™ Model of Business Success

According to Pretorius (1999) success can be defined as the achievement of goals. So once one has set a goal or series of goals and you achieve them, a person can be regarded to be successful. Failure being the opposite of success, one can deduce that non-achievement of realistic goals can be regarded as failure. What complicates the picture is that some goals may be achieved and others not which could be perceived as partial failure or marginal success.

Business ventures are complex and have various goals whereby success or failure can be determined. Many authors report different factors that determine the success of a business. A lack of attention and focus on these factors in a venture will contribute to its failure. The more they are lacking the further the venture will slide down the failure scale. The following five key factors are interrelated and once the entrepreneur masters the concepts behind them, it will halt the failure slide and help the entrepreneur to measure success:

#### •Attitude and motivation

The starting point is a positive outlook and feeling about being successful in business. It is your choice to have a positive outlook – it goes hand in hand with ‘locus of control’. An attitude of success refers to the frame of mind in approaching challenges and tasks. Perseverance is another element that makes entrepreneurs succeed as they never give up. Low levels of achievement motivation leads to higher chances of failure.

#### •Positioning

Positioning largely takes place in the minds of consumers confirming how they view their products. For example KFC food-franchises are positioned as a ‘convenience’ product that is also fun and its marketing promotions are aimed at toys for children. Nando’s on the other hand concentrates on giving people a “memorable experience” and Chicken Licken is positioned to provide a fair-sized meal at a cheap price.

### •Economic model

The economic model describes the relationship between selling price, cost, volume and fixed expenses. If the economic model is not sound, there is no basis for the business venture to exist. There are three questions that should be asked:

- Is the business model economically sound?
- How many concept offerings (products or services) can be sold in the market?
- How much fixed expenses are required to produce the required number of products or services?

Combining all the above gives the **profit** formula

$$P = \Sigma N [S - C] - F$$

P = Profit

N = Number of products

S = Sales

C = Cost

F = Fixed expenses

From the above Pretorius (1999) concludes that economic viability indicates that the venture can be profitable and can be meaningfully pursued.

### •Sales forecast and market share

Incorrect sales forecasting is reported as the second most important reason for business failure according to Pretorius. It is best to be on the conservative side when estimating the sales forecast. To do that one could do market research by way of a simple questionnaire, observe and count customers or do a desk research by phoning the local chamber of business office to give you the specialists in your type of business or consult the yellow pages. Other than that the role of mentors should not be underestimated and women entrepreneurs in construction can turn to SAWiC and NAWiC for this information.

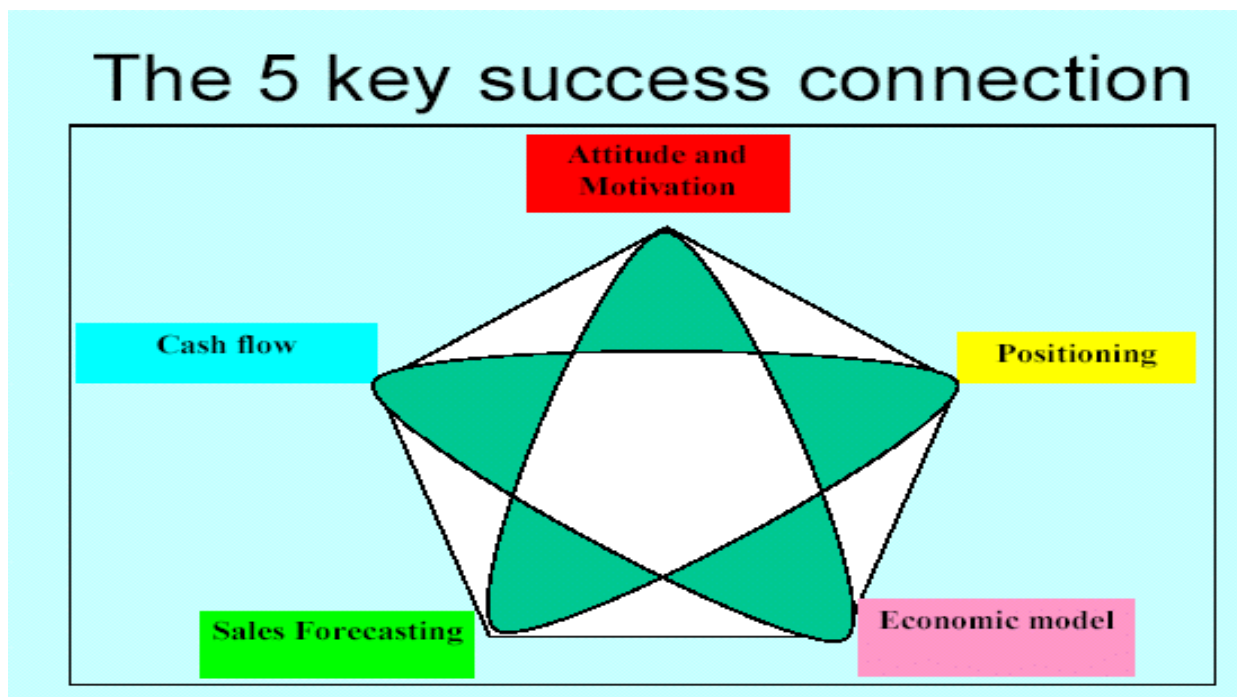
### •Cash flow

“Cash is the lifeblood of the small business” (Nieman & Bennett 2002:65) and Pretorius (1999) agrees with them that to understand the venture’s cash flow situation is the final key to success. The two important issues about cash flow are ‘flow’ and ‘timing’. There are two kinds of flow, inflow and outflow. Inflow comes into the enterprise primarily from payments received from customers but also capital from other sources at start-up.



Outflows are moneys paid for stock and fixed expenses. Typically an enterprise must buy the inventory before it can sell. It means that the money must be paid before selling can start. In construction materials must be bought, built in and only then can it be claimed back. The inflow of money follows long after the outflow, particularly in construction. If this time cap is too wide, a cash flow problem may arise unless provision is made for obtaining bridging finance. If the timing is not right a situation may arise where there is no cash to pay for goods and expenses. Negative cash flows make financiers edgy and the entrepreneur must show a proper plan for a smooth cash level and flow. So cash flow projections must be in place to enable the venture to operate and make a profit.

**Figure 4.3: The 5 key Successneur™ Model of Business Success**



(Pretorius 1999:15)

#### **4.3.4 Networking for success: The dynamic model of relationship building**

The relationship between networks and entrepreneurship has received increasing attention in recent years. Not only are networks important for entrepreneurship, but the entrepreneur has to engage in networking to ensure survival of her/his venture (Jack & Robson 2002:1). Research by these authors indicates that formal and informal networks

provide a resource base that is crucial to starting and developing a business because by supplementing the entrepreneurs' own business resources, the network improves the likelihood of success.

According to Jack & Robson (2002:1) informal sources of advice include friends, family members, business associates, social groups and associations. The formal sources of advice range across the private sector from professional and technical specialists to more generalised consultants, supply chain, client and customer links. In addition there is a wide range of sector-based trade and professional associations as well as chambers of commerce. Most entrepreneurs belong to at least one of the aforementioned.

Antoncic (2002:1) agrees with Jack & Robson that the entrepreneur's network is important for acquisition of resources and business venture performance. He argues that ties forming an entrepreneur's network may consist not only of separate exchanges of goods, services, information, ideas, influence and effect, but also some combination of different ways of connection referred to as multiplexity. He proved in his study that the formation of multiplex social network structure can be beneficial for the entrepreneur's venture growth.

Zhao and Aram (1995:349) while they agree with the authors above, add another dimension to networking in their research. They propose that networking can be understood in terms of range, the number of external relationships to obtain resources and of intensity, the frequency of contact and amount of resources obtained from these relationships. They concluded that where networking range and intensity are deemed important in the growth process, new venture success may call for entrepreneurs to reach out deliberately to external organisations to capture needed resources. To a certain extent such networking activities run counter to important entrepreneurial motivations of independency and autonomy. The results of their study imply that entrepreneurs need to combine the spirit of independence with the reality of resource dependence and balance personal autonomy with strategic business relationships. Zhao and Aram further established that high-growth firms reported a greater range and intensity of entrepreneurial networking than did low-growth firms. In terms of global networking the study found that many foreign businesses seek license agreements, joint venture partners, equity participation or channel relationships with young developing

ventures. This is of particular interest to SAWiC where not only globally but within SA established firms are interested in such relationships to comply with procurement policy and procedures. Zhao and Aram (1995:350) concluded that although networking activities may have different cultural roots, firm success appeared influenced by the same principles of networking.

Nhlengethwa (2003:1) defines a network as a specific type of relation linking a defined set of persons, objects or events or a set within which certain types of relationships exist and finally social relationships among individuals and organisations. She distinguishes between network and entrepreneurial networks, defining the latter as the active process of setting up and maintaining mutually rewarding and co-operative relationships with other persons or businesses that can offer critical support to or for the growth and development of a business. Personal networks indicate a direct relationship and business activities, face to face interaction, focusing on the individual, friends and family members of the entrepreneurs. When the entrepreneur makes contacts through direct interaction it is called direct ties, as opposed to indirect ties where contacts are made through a relationship gained through personal networking. Role set includes networking contact such as with partners, customers, suppliers, bankers, distributors, professional associations, friends, family members, colleagues and people from business organisations. Social networks are formed by social bonds, based on community ties and conformity to collective culturally induced values, attitudes and behaviours, while extended networks comprises of a formal network where relationships are formed that are patterned and beneficial to the entrepreneur and her business enterprise. It requires a pledge to formal membership like with SAWiC and NAWIC. Constituents tend to be colleagues and/or people from business organisations with similar goals and interests. SAWiC and NAWIC are good examples of combined extended and social networks. They are termed dense ties where there are high levels of association between the network ties and where members know one another well and interact frequently. Reciprocity within networks are linked to equity, stability and maintenance of the networks as well as the tangible or intangible outcomes yielding positive results to networking parties.

Entrepreneurship has embraced networking theory as a mechanism for exploring the creation and development of new ventures. Drakopoulou Dodd and Patra (2002:1)

define entrepreneurial networks as the sum total of relationships in which an entrepreneur participates and which provide an important resource for their activities. These relationships may be articulated through the mechanism of membership in formal organisations (such as SAWiC and NAWIC) through the links an entrepreneur develops with suppliers, distributors and customers, or through the utilization of social contacts, including acquaintances, friends, family and kin. Kodithuwakku and Rosa (2002: 431) concur with Drakopoulou Dodd and Patra that successful entrepreneurs have the ability to extract value from their social networks and contacts, thus being creative in finding ways to mobilise scarce resources and market access. Networks are also useful in ensuring that goals and visions are realistic, as it increases the entrepreneurs' level of aspirations, expertise, identifies opportunities, provides practical assistance and information, emotional support and act as a sound board for ideas.

The competencies that entrepreneurs pool in bringing together appropriate individuals and organisations around a project or a goal through networking can lead to competitive advantage (Miller & Shamsie 1996, as quoted by Senjem & Reed 2002:1) Networks allow the entrepreneur to take advantage of the diversity of information and to develop opportunities for future projects and to reduce the risk in new ventures through networking and tapping into expertise and experience (Senjem & Reed 2002:1, quoting Coleman 1988 & 1990).

Harris and Wheeler (2005:204) conclude that for some entrepreneurs relationships formed through networking do not just fulfil a marketing function, give information or yield access to more networks, but they direct strategy and can transform an entrepreneurial enterprise. They found that the relationships rarely originate from clients or suppliers; they come from any where in work or social settings. These relationships need to mature and develop into trusted inter-personal relationships developed through social interaction, an issue previously neglected in research. South African Women in Construction like their American sisters in NAWIC, acknowledge this important aspect of networking, providing a range and combination of opportunities to network formally in workshops, task teams, joint venture projects, trade shows and socially oriented fundraising events like golf, gala evenings and fun runs. Their annual general meetings are rotated between provinces and even conventions of their affiliates abroad where

organising and travelling to these events result in social interaction, team and relationship building.

Linking to the global networking agenda of Zhao and Aram, Kovalainen, Arenius and Galloway (2002:1) argue that while the changes in the economy and restructuring of the labour markets in terms of employee qualifications, the nature of work contents and contracts are changing, these changes have also raised the profile and importance of entrepreneurship within the global network economy. As women researchers they discovered that the gap between the genders in entrepreneurship has remained almost unchanged over time. It is true that women's position in entrepreneurship has become of interest as female unemployment is growing in many countries and the changes that are taking place in the ways large corporations develop some key functions (outsourcing and subcontracting).

Despite the rapid growth of women in professional and managerial jobs in the global and local economies, the breakthrough of the glass-ceiling for women in large corporations, the changes in women's entrepreneurship seem to take place at a somewhat slower pace. Kovalainen, Arenius and Galloway (2002) conclude that the promotion of women's participation in entrepreneurial activities and networking is related to long-term economic prosperity across the globe.

South African Women in Construction has affiliated with the South African women's entrepreneurial networks (SAWEN) and actively follows the dynamic model of relationship building embraced by them. Bennett (2004:1) developed this dynamic model of relationship building (networking) for developing women's enterprise and cites the ingredients for a successful business as an idea with a market, motivation and determination, abilities, skills and experience, planning and management and finally resources, both financial and non-financial in relation to the individual entrepreneur.

Bennett further elaborates that successful entrepreneurship is about managing relationships with a range of stakeholders. Women entrepreneurs should make it a point of knowing who are critical stakeholders in their network and why, also what type of relationship they are entering into and how to maintain it. She stresses that building on trust is central, balancing place and pace.

Bennett (2004) summarises successful networking principles as follows:

- First impressions count - it takes only 90 seconds to make up one's mind about a person
- Preparation is key. Who are you seeing and why? Maximise your networking opportunity
- Establish an effective system for organising and retrieving your network
- A positive, polite attitude is the lubricant to a successful process
- Be a good listener and when you talk, talk about your client's situation not your own. Make notes and summarise to show you understand your client's needs
- Treat your client as you would your dearest friend
- Focus on people as they are introduced so you remember their names
- Reintroduce yourself to people rather than waiting for them to remember you
- Present yourself the way your client wishes to see you
- Have sufficient business cards that are attractive and representative of who you are and what you are doing
- Make notes on business cards that serve as a memory jog and follow-up reminders
- Become committed to the success of the people in your network
- Operate with integrity and professionalism
- Approach each contact with an open mind
- Nurture your networks with calls, notes and gifts in a timely and appropriate manner

In addition to these principles Bennett offers some practical networking tips:

### **Planning**

Choose carefully the events you go to. If possible obtain a guest list in advance. Determine why you are attending the event. Is it for information purposes and networking or specifically for networking? Prepare a 'what do you do' answer that's short, snappy and memorable.

### **Arriving**

Arrive on time for the event – it always seems a lot easier to introduce yourself to someone when you are one of the first arrivals. Wear your name badge on the right. It's

where your eye goes to when you shake hands. Use 'hosts' & organisers to introduce you to people, they are generally well connected and it's in their interest to do so.

### **Connecting and respecting**

Treat everyone the same and never make assumptions about the people you meet. Mix not Magnet! If you are not very confident try not to attach yourself (like glue) to the first person you get speaking to. Remember the person you are talking to, whilst they might be enjoying your company, probably wants to chat to one or two other people as well.

### **Listen up**

Listen to what other people do first and (everyone is interested if you're interested in them) and listen for link words that connect with who you are and what you do.

### **Talking**

Keep conversation to neutral topics, avoid monopolising the conversation. Ask questions that require more than yes/no answers. You will create a better first impression if you copy the pace and volume of the person you are speaking to.

### **Abundance**

Don't ask, offer! Offer information and contacts to match the links. It provides a reason for follow-up and staying in contact. To drink or not to drink? Generally you need a clear head so moderation is the key. Yes it can help confidence but can give others a negative impression. Get out of your comfort zone. For every person you meet and every hour you spend with them, they will be an ambassador for you and make another 10 recommendations on your behalf. Often the crucial moment is when to offer the business card. If people are interested in what you do generally they will ask for a card – don't offer your card right at the outset.

### **Taking notes**

As a memory aid it can often be useful to make notes about a person on the back of their business card.

### **Follow up**

Try to follow up with people you have met (recap on your notes on business cards and add useful contacts to your database).

### **Finally:**

If you have tried all the tips and you still don't feel comfortable "try" again! Practice makes perfect.

Bennett further quotes various writers in defining networks, such as giving without hooks; it is not 'selling'. It is about promoting the company through goodwill; developing and maintaining relationships with people who can affect and impact directly on your business. Networking is the process of gathering, collecting and distributing information for the mutual benefit to you and the people in your network. It is people connecting people, linking ideas and resources and finally networking to establish connections that are mutually satisfying, helpful and uplifting. It is give and take, being clear about your expertise and the resource you can be for others. Quit being a 'Lone-ranger' and have a network diagram that represents the magnitude and diversity of your network.

Another source confirming success through network support is Brüderl and Preisendörfer (1998:213) who empirically proved that the network approach to entrepreneurship' is a prominent theoretical perspective within the literature on entrepreneurship. This literature states that network resources, networking activities and network support are heavily used to establish new firms (network founding hypothesis). Furthermore those entrepreneurs who can refer to a broad and diverse social network and who receive much support from their network are more successful (network success hypothesis) and they concluded that network support increases the probability of survival and growth of newly found businesses. They also found that support from strong ties seems to be more important than support from weak ties.

Similar to Brüderl and Preisendörfer, Steffen (2004) believes that "changing the world today is all about the network". It's about playing well with others. Certainly one needs boldness and inspired leadership to undertake any world-changing mission. Over and above that there is a need for new models, new visions, willing allies and ready resources. Steffen is convinced that these things far more often emerge from collaboration and networks "...than they spring from the foreheads of Fountainhead-



style visionaries”. When doing social change work, the strength and quality of the connections matter at least as much as the leadership zeal of any particular node.

That being the case, business as it functioned in the 20th century, is in fact exactly the wrong model for leadership development according to Steffen. The aim is not to train a whole mess of egotists who excel at making funding pitches to boards. Contrary to that the goal is to “...train people to collaborate effectively, to build networks of innovation and communication, to spread tools, address problems and maximize the impact of available resources. Nourish the network! “ (Steffen 2004).

#### **4.3.5 Mentoring as a success factor**

The NAWIC ‘Mentor a member’ programme was initiated as a strategy to increase membership and membership benefits as well as to ensure the success of members running business enterprises.

According to NAWIC 2004 mentoring is an age-old tradition that frequently involves someone more senior who provides support, encouragement and guidance to the learner. Mentors are often experienced individuals who go out of their way to help a mentee reach important goals, understand the structure and membership requirements of an association and become comfortable in participation. An informal mentor provides coaching, listening, advice, sound-board reactions or other help in an unstructured, casual manner.

Effective mentoring does not require large amounts of time. It does require the dedication of both parties. The nature of mentoring relationships varies with the level and activities of both the mentor and mentee and develops over an extended period. The NAWIC mentoring motto is “We make a living by what we get; but we make a life by what we give.”

A mentor is defined by NAWIC as someone who has the desire to share knowledge and experiences with others. A mentee is a person who openly seeks guidance and advice from peers. Both mentor and mentee have the obligation to ensure their relationship is successful and beneficial. The mentoring process is started with a voluntary pledge from a member to share her knowledge and experiences with others.

The mentee is engaged in networking before association meetings. The mentor finds out as much as possible about the mentee and sits with her at meetings. They

exchange contact details. The mentor briefs the mentee about the basic principles and core values of NAWIC as an association that enhances the success of women in the construction industry.

A follow-up is made after the meeting to encourage attendance. Encourage the mentee to participate on a committee. Ask if she has any questions about the association. Discuss her personal goals, educational opportunities and career options and provide assistance to help her meet her goals. Keep all information between the mentor and the mentee confidential. Maintain mentor duties until the new member is comfortable with the association and her branch or chapter.

SAWiC is affiliated to NAWIC and has adopted this programme of mentoring to enhance the success of women entrepreneurs in construction.

#### **4.4 Conclusion**

The Department of Trade and Industry (the dti) 2003:29 concludes that SMME development in SA is not the panacea for the underdevelopment and poverty characteristic of the Second Economy; however, it is an important part of the SA government's directed and active strategy to ensure mobility between the First and Second economies, create conditions for sustainable livelihoods and eliminate conditions of extreme poverty. The USA does not face this problem, but closing the gap may be the result of targeted programmes, cultural changes and more stress on entrepreneurial education to more equal opportunities for women.

The models reviewed in this chapter were useful in coming up with appropriate indicators to measure success and test opinions around the success of women entrepreneurs in construction.

Lynch (1998:320) after studying motivators to women entrepreneurs concluded that one way of studying entrepreneurship is to explore the motivations of the entrepreneur on the premise that motivations towards business will determine business performance. The indicators were reflected in the questions of the research questionnaire included as Annexure 2 at the back of this dissertation.

To summarize the models contain the following elements:

**Table 4.1 Key indicators of the five models being considered to measure success**

Model 1	Model 2	Model 3	Model 4	Model 5
Achievement Behaviour	The 5 key Successneur™ Model	Hupalo	Micro MBA Model	GEM 2004 Report on Women Entrepreneurship
nAch		Psychologically suited, need for Achievement		nAch
Goal or vision Motivation	Attitude and motivation	Love for what you are doing; Proprietary product and demand	Motivation; Opportunity: Taking the gap	Opportunity
Dealing with Feeling of Failure			Dealing with Feeling of Failure	Dealing with Feeling of Failure
Innovation				Innovation
Risk taking	Economic model	Scale of economies	Scale of economies	
Role models Networking & mentoring			Role Models Networking & mentoring	Role models Networking & mentoring
Business plan	Positioning Sales Forecast		Business plan	
Money Management (cash flow)	Cash flow	Maintaining Profit Margins	Money management (cash flow)	
Growth Prospects		Growth Prospects	Growth Prospects	Growth Prospects

Organisations like SAWiC and NAWIC are acutely aware of barriers faced by women entrepreneurs in construction. Raising awareness of women entrepreneurs in construction about the indicators above and actively promoting perpetual learning will go a long way to enhance success in their construction enterprises. In fact, the model of need for achievement stresses the importance of empowering SMMEs to deal with the feeling of failure and to overcome barriers by:

- Motivating yourself by out performing internal standards
- Use your fear for failure to improve performance
- Use your experience of failure to improve your performance
- Create new achievement imagery
- Overcome personal and environmental stumbling blocks

In conclusion it is evident from the GEM 2004 Report on Women and entrepreneurship that mentoring and network support, such as is done by SAWiC and NAWIC, especially at the local level, is at least as crucial in boosting women's attitudes with respect to business leadership and new venture creation. Regardless of per capita income, some of the most successful policies and programmes world wide are those able to increase women's awareness about entrepreneurship and provide them with role models and networking possibilities (Arenius, Langowitz and Minniti 2005:13).

McCLelland (1986:229) concurs with Robertson, Collins, Medeira and Slater 2003:313 that an enterprise will neither start up nor succeed without motivation. If motivation is not a barrier, other factors such as finance, education and idea generation come to the fore. A highly motivated entrepreneur is likely to overcome such barriers, especially where the Government programmes are directed at an enabling environment and entrepreneurial networks and mentoring are available from associations like SAWiC and NAWIC.

Having reviewed the literature on the research questions 'Why do women choose to be construction entrepreneurs? How do they view success and how successful are they? Is there a link between the 'why' and the 'how' questions in Chapters 1 to 4? Chapter 5 now follows with another useful and reliable tool in the format of case studies as suggested by Bridges in item 4.3.1.