

## Chapter 1: Introduction

### 1.1 Research orientation

Through the millenniums collapsing structures left their marks on societies and business: "...when the people gave a loud shout, the wall collapsed..." (Joshua 6:20). The collapsing walls of Jericho brought an end to this wealthy trade city, and hampered trade between the east and the west in those days. During the last decades of the previous millennium the collapse of the Berlin Wall and the crumble of the 'iron curtain' indicated the disintegration of communism. Their fall brought new heights to entrepreneurship development and small business management.

After the attack on the World Trade Centre and the collapsing twin towers in New York on 11 September 2001, questions are now being asked about the hatred of those opposing western business ways. Entrepreneurship, business management and global capitalism will never be the same again. Despite political rhetoric and power shows of western leaders, evaluation, ethics, reappraisal, responsibility, outcomes, impact and accountability of business will be research topics for the future. These are all evaluation concepts and constructs that business management and entrepreneurs need to be acquainted with in a new century where social responsibility, ethical standards, and environmentally sustainable development will be the triple bottom line of non-financial accountability.

In retrospect Zadek (2002:1) states "the ghastly destruction on the World Trade Centre, the quintessential symbol of global capitalism, will bring with it a realization that *'business as usual'* is both morally bankrupt and, critically, no longer feasible."

The 1990s were known for the empowerment of minorities worldwide, and enabling measures, Affirmative Action (AA) and for gender legislation in South Africa (South Africa 2002). Women hoped that this would bring about the collapse of the tower of chauvinism. But since 2000 the success of externally enforced Affirmative Action is questioned worldwide. National and international funders now require accountability. Empowerment from within, i.e. training, skills, know-how, liability, responsibility and accountability, seems more suitable. A new kind of "Evaluating Affirmative Action AA" in the form of AccountAbility (AA) is being introduced with the establishment of AccountAbility Institutes and Corporate Citizenship Centres worldwide.

Evaluation principles and practices are not new, but just under-utilised by management and entrepreneurs. The first recorded scientific evaluation through

experimental research using control groups (O X O) was done nearly three thousand years ago on Daniel by the king of Babylon, Nebuchadnezzar (Daniel 1:8-21).

The dilemma of evaluation as science is that for many years it was associated with an inspector and a police function. This is no more the case as evaluation itself becomes a democratic and useful process. Although processes and outputs are important, evaluation is shifting its emphasis to outcomes and impact, thus from efficiency measurement to effectiveness measurement. The application field of evaluation concepts is widening, and can include management and entrepreneurship. In today's competitive business world both the following questions are important:

- Are we doing the things right? (Evaluating efficiency)
- Are we doing the right things? (Evaluating effectiveness)

Outcomes evaluation becomes a central focus, if not the central focus, of accountability-driven evaluation (Patton 2002:151; AA 2002).

## **1.2 Background to thesis theme and author's related experience**

The thesis will include the author's prime interests namely Evaluation, Entrepreneurship, Economics and Development. As masters and doctoral student of Economics, as researcher and lecturer in Economics and Education for a decade (1975 to 1985), and as Manager, Policy and Information Analyst, Economist and Education Specialist at the Development Bank of Southern Africa for more than a decade (1985 to 1997) the author was involved in development projects worth several hundred millions of Rand. As Evaluation Specialist at the Development Bank of Southern Africa since 1998, the author had the opportunity to obtain an intensive understanding of projects and programmes and what could go wrong. These lessons learned together with evaluation concepts, methodologies and prescribed procedures will be propagated for business management and entrepreneurship and will be utilised to empower women for entrepreneurial endeavours on national and international financed construction projects and business opportunities. Many women construction entrepreneurs do not succeed in obtaining or keeping business opportunities or large construction projects because they do not meet the basic requirements of Development Finance Institutions (DFIs).

This research presents a window of opportunity and a challenge to promote evaluation as science during a time when learning and 'knowledge management' is the flavour of the decade.

### **1.3 Problem statement and research questions**

#### **1.3.1 Problem statement**

The construction sector is familiar with planning models and techniques like PERT (Program Evaluation & Review Technique) and CPM (Critical Path Method) to produce their output in time. Quality control and quantity surveying are well-known concepts for construction SMMEs. Women construction entrepreneurs are anyway aware of quality assurance of their work by building inspectors, quantity surveyors, architects and engineers. But evaluation aspects such as outcomes and impact are not so frequently used, because in the past once the project is completed, the responsibility of the construction SMME ended. This is no longer the case as construction SMMEs are held accountable for various aspects including outcomes and impact. Non-financial accountability and evaluation results require SMMEs, especially in the development fraternity, to take responsibility for their actions.

#### **1.3.2 Research questions**

The following research questions will be dealt with per chapter:

What is evaluation?

Where can evaluation constructs and concepts have an impact?

Why should managers and entrepreneurs take note of evaluation concepts?

When can women construction SMMEs benefit from evaluation concepts?

How many tools of the evaluation trade are available to SMMEs?

What are outcomes, logical frameworks and where are they being used?

How can the outcomes aspect be used empirically to benefit SMMEs?

Where and how can the Logframe aspect be used to benefit SMMEs?

### **1.4 Research objectives**

#### **1.4.1 Aim and purpose of this study**

The aim and purpose of this study is to deal with the above problem statement and research questions. It will investigate women construction entrepreneur's existence, involvement, barriers and empowerment problems relating to their supply qualities. It will enable women SMMEs to utilize national and international funding especially earmarked to address gender inequalities, to establish networks and to provide suitable and appropriate training. In line with new Non-financial Accountability practice, aspects of an evaluation will be illustrated. To achieve this Empowerment Design Tools, Planning, Monitoring and Evaluation Models (PM&E), Outcomes Mapping and Logframes will be illustrated and used.

## 1.4.2 Hypotheses methodology

**1H<sub>0</sub>: Evaluation as science and enterprise are contributing to positive changes in the development fraternity.**

1H<sub>a</sub>: Evaluation as science and enterprise are not contributing to positive changes in the development fraternity.

**2H<sub>0</sub>: Evaluation concepts can be successfully used in SMMEs.**

2H<sub>a</sub>: Evaluation concepts cannot be used in SMMEs.

**3H<sub>0</sub>: Evaluation concepts, theory and practice can be successfully used in women construction SMMEs.**

3H<sub>a</sub>: Evaluation concepts, theory and practice have no use in women construction SMMEs.

**4H<sub>0</sub>: Logic modelling and outcome constructs can be successfully used to empower women construction entrepreneurs.**

4H<sub>a</sub>: Logic modelling and outcome constructs have no use to empower women construction entrepreneurs.

**5H<sub>0</sub>: Logframes can be successfully used to empower women construction entrepreneurs.**

5H<sub>a</sub>: Logframes have no use to empower women construction entrepreneurs.

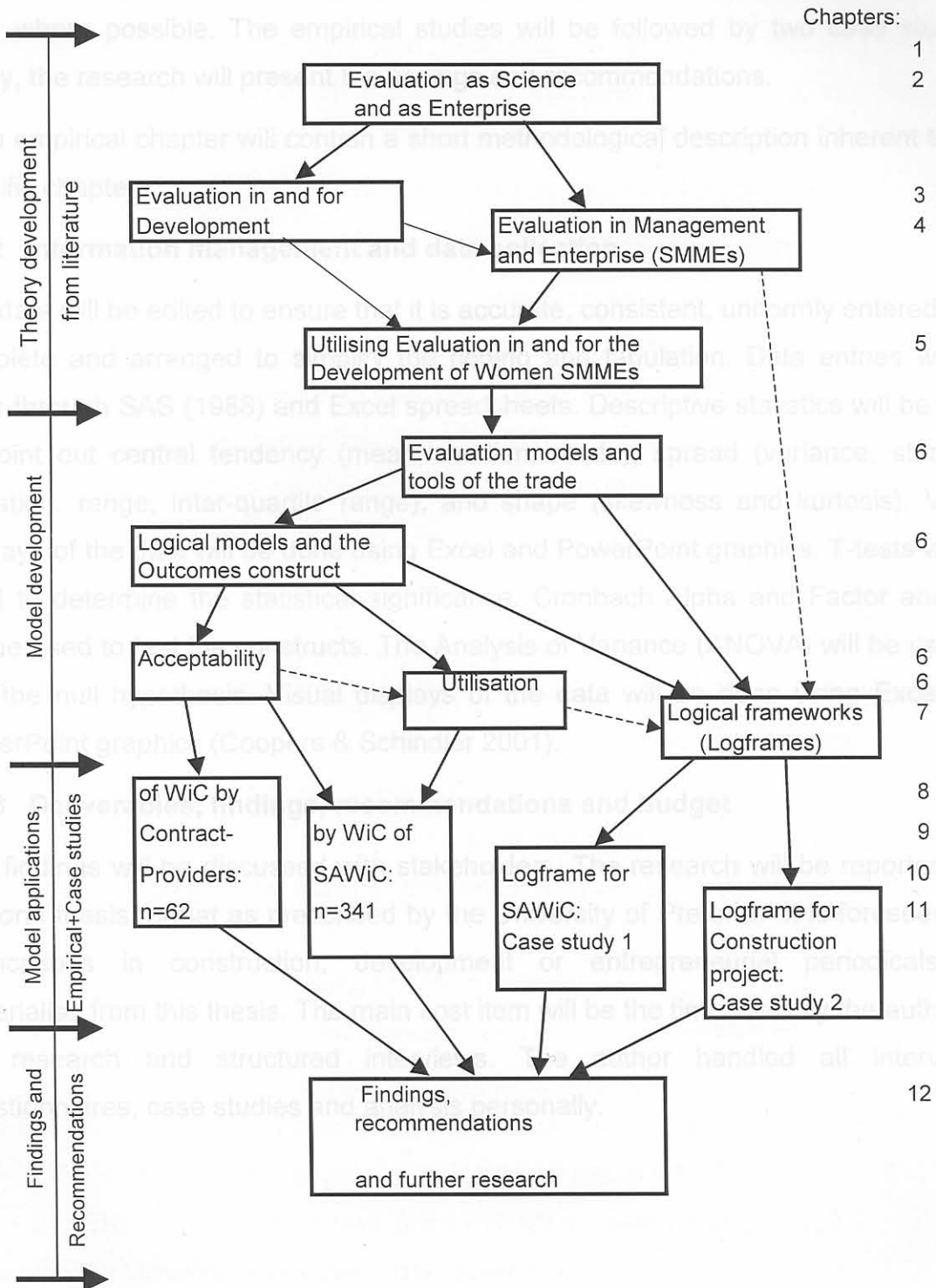
The above hypotheses are a broad indication of the research. The empirical chapters each have detailed descriptions of the methodology used and hypotheses tested.

### 1.4.3. Beneficiaries and benefits

The main beneficiaries of the research will be business managers and entrepreneurs in construction SMMEs including SAWiC (South African Women in Construction Association) and members of gender empowerment associations. They need to maximise their empowering role and function by capitalising on private, national and international funding. The national and international development fraternity will benefit in the sense that it will guide their investments to promote economic development. The research introduces ways and means how entrepreneurship could benefit from accountability, evaluation, outcome and impact concepts and models. For this research to have a development impact on the lives of women, it is important that the outcome of the research (thesis) will be *accepted and utilised* by gender organisations and their members (What is preached will be practiced!).

## 1.5 Design and methodology

### 1.5.1 Research design and schematic outlay



The literature study part will mainly entail theory development and information management. Secondly, the model development part will handle evaluation models and the tools of the trade. Thirdly the models will be applied by means of two comprehensive Research Programme Questionnaires. Four point Likert scales will be used where possible. The empirical studies will be followed by two case studies. Lastly, the research will present the findings and recommendations.

Each empirical chapter will contain a short methodological description inherent to the specific chapter.

### **1.5.2 Information management and data collection**

The data will be edited to ensure that it is accurate, consistent, uniformly entered, and complete and arranged to simplify the coding and tabulation. Data entries will be done through SAS (1988) and Excel spreadsheets. Descriptive statistics will be used to point out central tendency (mean, median, mode), spread (variance, standard deviation, range, inter-quartile range), and shape (skewness and kurtosis). Visual displays of the data will be done using Excel and PowerPoint graphics. T-tests will be used to determine the statistical significance. Cronbach Alpha and Factor analysis will be used to test the constructs. The Analysis of Variance (ANOVA) will be used to test the null hypothesis. Visual displays of the data will be done using Excel and PowerPoint graphics (Coopers & Schindler 2001).

### **1.5.3 Deliverables, findings, recommendations and budget**

The findings will be discussed with stakeholders. The research will be reported in a doctoral thesis format as prescribed by the University of Pretoria. It is foreseen that publications in construction, development or entrepreneurial periodicals will materialise from this thesis. The main cost item will be the time used by the author for the research and structured interviews. The author handled all interviews, questionnaires, case studies and analysis personally.