

UNIVERSITY OF KWAZULU-NATAL

**Strategic Growth Framework for Black Owned Construction Companies of KZN
in South Africa**

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ABSTRACT

This research study uses a mixed method approach to investigate the nature of strategic growth and growth-related challenges faced by Black Owned Construction Companies in KwaZulu-Natal one of the nine provinces in South Africa. The study was based on the industrial organization framework of analysis, which formally proposes that strategy is a function of the internal business environment, the market environmental parameters and the macroeconomic environment. This mixed method study involved a total of 15 black owned construction companies from the greater Durban Metropolitan Area and uMgungundlovu district in KwaZulu-Natal selected using purposive sampling. Data was collected using an interview questionnaire with open ended and closed questions. Descriptive analytical methods using SPSS were used for quantitative data, while thematic analysis was used for qualitative data. Firstly, the results show that black owners of small construction companies view the nature of growth as complex and multi-dimensional, comprising primarily of four dimensions, namely (1) variations in physical assets, employee numbers, expansion into other provinces; (2) organic business growth in terms of size and value of service portfolio; (3) improvement of internal and management processes; and (4) financial growth. Secondly, the nature of strategic growth reflect both internal and external dimensions which interact to shape the strategic fit between the resources and capabilities and the dynamic external environment in which black owned construction companies operate. Thirdly, there are four key challenges to the strategic growth of black owned construction companies which include competitive pressure in the industry, rapid changes in the industry demands and needs, low levels of infrastructure investment, and government regulations in South Africa. Lastly, access to finance and capital, market access strategies, and good management systems to ensure effective internal processes, costing and revenue projection are key to enhance strategic growth of black owned construction companies. A framework for strategic growth, recommendations and areas for future research are all proposed in this exploratory study.

DECLARATION

I, Namelani Celimpilo Mahlangu, declare that:

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I would like to thank the almighty Lord for giving me strength, keeping me safe and helped me see through this journey. Philippians 4:13 “I can do all things through Christ who strengthens me”.

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ACRONYMS AND ABBREVIATIONS

Advanced Industrial Countries	AIC
African National Congress	ANC
Broad Based Black Economic Empowerment	BBBEE
Business Model	BM
Construction Industry Development Board	CIDB
Department of Trade and Industry	DTI
Durban Chamber of Commerce and Industry	DCCI
Framework of Analysis	FoA
Financial Management	FM
Greiner's Growth Model	GGM
Gross Domestic Product	GDP
Global Entrepreneur Monitor	GEM
Industrial Organization Model	IOM
KwaZulu-Natal	KZN
Macroeconomic Environment	ME
Small, Micro and Medium Enterprises	SMME
Strategy formulation	SF
Strengths-Weaknesses-Opportunities-Threats	SWOT
The Balanced Scorecard	BS

CHAPTER 1

INTRODUCTION

1.1 Background

The construction sector in South Africa (SA) is very important and performs an indispensable role in the economy (Rumsey, 2018). For example, the construction sector account for a large employment labour force that assist in alleviating poverty (Rumsey, 2018). A large group of black construction companies falls under Small, Micro and Medium Enterprises (SMME) that provide employment to about 60% of the labour force while accounting for a total economic output accounts for about 34% of the Gross Domestic Product (GDP) in South Africa (Ntuli and Allopi, 2014). Therefore, SMMEs are considered a major contributor to the economy as a driver for reducing unemployment and eradication of poverty. It is also notable that transformation in the South African construction sector remains a challenge since the introduction of democracy in 1994. The vast majority of South Africans remain excluded from financially meaningful ownership, control and management of productive assets for meaningful participation in the construction sector. The South African construction industry and corporate sector continues to be highly dominated, controlled, owned and managed by the white minority. Since the dawn of democracy in 1994, the black majority under the leadership of the African National Congress (ANC), the current government has pursued several important objectives that pays special emphasis on the equity and re-distribution of wealth and lately advocating on the rapid economic transformation and commercial investment (Thwala, W. and Paladi, M., 2009). Critics argue that the Broad-Based Black Economic Empowerment (BBBEE) since its inception has benefited a few and these are mainly politically connected people rather than the masses of the historically disadvantaged black majority of South Africans (Ntuli and Allopi, 2014).

Black businesses have levelled criticism concerning the slow pace of reducing white minority domination of the engineering and corporate space, while labour has often criticized the Black Economic Empowerment (BEE) deals or contracts for enriching a few influential political figures (Rumsey, 2018).

Previously disadvantaged Black owned construction companies face several challenges that impact on their ability to grow their businesses (Rumsey, 2018). These challenges may be viewed in terms of economic factors, strategic management processes, operational management, inadequate experience and skills, lack of capacity to undertake projects, access to finance and strategic financial management. Ntuli and Allopi (2014) alludes, it is noteworthy that access to finance remains one of the major contributing factors in the failure of many construction. To be specific, the lack of finance to contractors is not only retarding their expansion but also the growth of the nation's economy. In conjunction to the lack of access to finance there is also a strong present of substandard project management and lack of organizational structure and management strategy Ntuli and Allopi (2014). An exploratory study carried out by Thwala and Phaladi (2009) on problems facing small emerging contractors in the North West (NW) province of SA added that government administration frustrating contractors by not paying service providers on time, the lack of capital and difficulty in timeously sourcing guarantees, lack of effective technical skills, and the lack of business management skills were also common.

One of the key developments in the post-apartheid construction sector include the establishment of the Construction Industry Development Board (CIDB) in the year 2000 to serve as a statutory body to develop and regulate various stakeholders and stimulate sustainable growth, reform and improvement of the construction industry (Ntuli and Allopi, 2014). This is key for effective infrastructure development and improvement of construction skills through aligned effective transformation (Ntuli and Allopi, 2014).

The construction industry has a number of unique characteristics (Ntuli and Allopi, 2014). These include and not limited to operations being highly mobile and mechanical. Apart from construction materials manufacturing, the bulk of construction work within the civil engineering and the built environment happens on site. It is also notable that most construction contracts are usually on fixed terms, rather than unremitting. The labour force can either move with the construction operations and allocated to another project or be re-employed at each location (Ntuli and Allopi, 2014).

At different stages of large-scale construction projects the employment turnover can vary greatly from averaging around tens to large scale employment of several hundreds of labour force. The mobility of the civil engineering and built environment operations and its unpredictable demand for labour force due to variations within construction projects, has meant that work arrangements

have historically been unwarranted (Ntuli and Allopi, 2014). In this regard, the civil engineering and built environment employees have always been employed on a fixed contract term for the duration of each construction contract rather than on a more permanent basis as in other sectors.

The construction sector comprise of various divisions, but for this this study pays special emphasis on general building (GB) and civil engineering (CE) division of the supply chain and also comprise of materials manufacturers and various suppliers. While the construction industry was buzzing with opportunities in the period between 2008 to 2010, this was when major capital projects were started and these included and not limited to the state-of-the-art stadiums for the 2010 FIFA World Cup, the rail infrastructure project namely the Gautrain passenger train project, South African National Roads Agency Limited (SANRAL) road network up-grade projects and the building of two (2) Eskom's power plants. The very same construction sector which was once a key part of South Africa's economy is now on its knees and has been undergoing a decline over the past ten (10) years (Rumsey, 2018). According to Rumsey (2018) the crumbling of the large established construction companies in SA could possibly result in an exciting future with loads of opportunities for emerging smaller, black-owned construction companies. While the large and established contractors are under pressure and have contracted, a middle tier of majority of them being black-owned construction businesses can progress out of the dis-integration of the older and the larger established construction groups. These emerging smaller companies could play a huge role in improving the country's infrastructural development in the near future (Rumsey, 2018).

The focus of this research is on civil engineering sector, given that it is highly labor-intensive and there is an increasing number of black-owned players operating small and emerging firms (Rumsey, 2018).

The SA government promotes dividing and distributing construction projects into smaller components in support of emerging black empowerment-based small and medium enterprises in the construction sector. The construction sector is also cyclic that there are risks to growth and expansion of the industry (Ntuli and Allopi, 2014; Rumsey, 2018). This study is interested in exploring growth-related challenges faced by black owned construction business.

The term growth relates to the evolvment of companies. It can also have two different meanings (Lewis, 1995). Commonly, growth refer to change in volume or size. It is key to realize that growth may be a result of internal processes which leads to expansion, but also improvement in quality.

In understanding growth, the issue of time is key. This is primarily because of the change or variations in magnitude during a determined period span reflects growth (Dobbs, 2007:296). Janssen (2009:21) suggest that an organization's growth is fundamentally the result of increase of demands for products offered and services in general. Thereafter resulting in growth in the desired sales, increases in company labour force, then increases in the desired turnover of the business and complimented by increased returns, increase in company assets, increase in the company's value and internal planned development (Achtenhagen, 2010:32). This thereafter suggests that growth process may be directly connected to new markets (Davidson, 2010:100). Furthermore, growth can also be linked to the combination of market-product by entering new markets. The notion of markets is not limited to customer preferences but also growth as "geographical expansion" (Nieman and Nieuwenhuizen, 2014).

Growth can however in some cases also refer to quality improvements as a result of process developments (Kemp, 2016). Another developmental view of growth reflects change from a simpler to a more complex stage (Nieman and Nieuwenhuizen, 2014). In this study, the focus of growth is not only in terms of size of the firm but also the nature of growth itself. Growth is manifested as a result of one of the two factors, namely number of employees and/or the financial output (i.e. turnover, increase in assets resources and profits). In a different vein, growth may be planned or not planned. Furthermore, there is also direction taken by growth (e.g. changes in peripheral or core business), geographical growth, financial growth, physical growth and strategic growth (planned with a strategy) (Nieman and Nieuwenhuizen, 2014). The notion of strategic growth brings into mind the idea that some growth may be episodic and not planned for. Despite the type of growth that is referred to, growth itself implies change in some sense.

Furthermore, it is argued that without growth the society will experience inertia, and consequently there will be no company- and economic development and progress (Lewis, 1995). There are many challenges facing contractors which may impact on their growth. These have been extensively researched and the Construction Industry Development Board (CIDB) 2016 report lists the following challenges.

- i. Lack of skills by construction companies – similarly to other small emerging enterprises in other industries of the South African economy.

- ii. Various contractors are lacking financial desired management competency and business skills in general, project management, competitive pricing and estimation, tendering procedures and the technical skills. This is especially pertinent for emerging contractors with the bulk majority of them being black owned.
- iii. Financial constraints that resonate from limited access to funding, lack of trade credit form suppliers, challenges in raising guarantees and high interest rates upon availability of the required finance.
- iv. Dragging late commitment to payments by clients that heavily impacts negatively on contractors limited cash flows and leading to unwanted delays in the completing the works and also leads to penalties and this negatively impacts profit margins and tends to encourage an element of corruption. The lack of cash flow is also deemed the prominent cause of insolvency.
- v. High turnover amongst needed skilled contractors' employees owing to doubts on the future job opportunities.
- vi. The undesired fragmentation of this overall construction process has an adverse effect on the performance of the whole construction sector.
- vii. Short-term durations in the structured contracts make it difficult to develop and make any meaningful implementation of long-term strategies and also put in place plans of growth.
- viii. The complex award of formal contracts and the administration of these procedures.
- ix. Forever increasing competition when sourcing opportunities, especially in the lower CIDB grading and difficulty in competing with more established contractors. Not enough resources to fast track the work.
- x. Lack of professional consultants and mentors aligned to assisting in construction management, and where these are available contractor are reluctant to use them due to perceived expensive fees.
- xi. Lack of capital equipment that can assist with improving efficiency such as earthmoving equipment and light duty vehicles, etc.
- xii. Poor relations with material suppliers resonating from uncertainties in supplies and prices of materials leading to problems in debt settlement and erosion of cash-flows.

One must take note that despite the importance of company growth, it is important to keep in mind that growth is not always good (Spaeth, 2011). It is notable that growth can and will impose a

series of challenges for the company which is experiencing it. Growth of firms often results in more complex organizations that are less flexible than before. Furthermore, growth requires new knowledge, resources and competence to handle and steer (Nieman and Nieuwenhuizen, 2014). Most black owned construction companies struggle to align organizational growth with structure, face the need for different leadership styles and way of coordinating and controlling the business as it moves from a simple to more complex organization.

The growth of an organization attracts competent intellectual professionals that are a challenge to keep and also manage (Kemp, 2016). There is also a need for organizational structure that provides an enabling environment for growth and providing job security and opportunities. As an organization grows, overheads increase (Nieman and Nieuwenhuizen, 2014). Another effect that is related to the growth of firms is the level of innovation and innovation performance, where small firms tend to show a better performance compared to the large firms. A lot of research has been done and consequently there exists a lot of literature about growth challenges that companies face in many different industries, such as e-commerce businesses, car manufacturers and high-tech companies (Chan, 2004); (Kamis, 2010); (Igarashi and Taji, 2010); (Li and Tan, 2004). However, when it comes to the construction industry sector, a lack of relevant theory and literature regarding growth-related challenges can be observed. Many researchers have generally focused on challenges in general rather than those specific challenges related to growth within the small construction sectors. It is important to note that recent studies in the construction sector have focused on a variety of issues such as benchmarking of performance measurement systems (Sabone, 2016); eco-design integration in Small and Medium Enterprises (SMEs) in the construction sector (Care, 2015); implementation of innovative technologies in small construction companies (Shelton et al, 2016), risk management in SMEs in the construction sector (Rostami, 2015). It's also notable that some scholars have focused on sustainability issues within the construction industry (Rostami, 2015, Sabone, 2016). The strategic growth within the construction sector in South Africa especially with the large construction sector has been in distress for over a decade, creating room for SMEs.

1.2 The role of construction companies in the economic development

Field and Ofori, (2012:12) state that the construction sector makes a meaningful impact and contributes toward the desired economic output of the country. This industry creates a lot of opportunities resulting in employment and contributes in stimulating household income for the employees directly and indirectly benefits society and directly improving lives and effecting changes in the industry. It is argued that without growth the society will experience inertia, and consequently there will be no company and economic development and progress (Lewis, 1995). This implies that the construction industry has a strong linkage with many economic activities and anything that affect the industry be that it positive or negative will in some way influence other industries and this will ultimately impact the economy of any country. Thus, the construction industry is said to be a meaningful contributor in the process of strategic growth (Kemp, 2016:35). The connection between the two, the construction sector and the nation's economy has been contended by (Turin, 2011:211) who argued that; there is a positive relationship between the construction sector output and economic growth. Therefore, it's also important to note that the construction sector is quite an important investment-driven sector in which government should pay special attention to at all times and offer support where it needed. The importance of a construction sector as a positive contributor cannot be over emphasized and could be heightened through the adoption of efficient methods of managing resources to achieve company objective and the desired growth.

The industry of construction is one of the key drivers of the desired economic growth especially in a developing economy like South Africa (Dockel and Lighten, 2005). Should the construction industry not be efficient; it will be a major challenge for a country to gain meaningful infrastructural development. The industry has the potential to employ masses and mobilize to effectively utilize local human capital and bulk material resources in the development and maintenance of infrastructure construction projects to promote local employment and directly improve economic growth. The importance of the construction industry is very inimitable regardless of whether the country is under-developed, in the process of developing or already developed (Abdul Lateef; Abdul-Aziz, 2015).

The construction sector is said to have historically been linked with the process of industrialization and urbanization. Railways network and water canals played a remarkable and important role in the connection of different areas of Europe and America (Rostow, 2015:13). Transportation infrastructure of all sectors undertook trade and co-operation between various countries and the dispersion of various technical and management innovations from advanced to less advanced areas of the world. Construction is said to have played a major role in the re-construction of the war-ravaged areas of Europe. The heavy schedule of the construction improvements of housing infrastructure and other areas needed to be developed, beside its contribution to all other infrastructures, it was also had a better re-distributive economic policy in Europe post the stricken World War II (Rostow, 2015:13).

Construction sectors has also played an amicable role in the re-development of countries that have been affected by natural disasters (Amaratunga and Haigh, 2010:44). With regards to the relationship between construction and economic development (Turin, 2011:111) identifies that by making use of cross-country strategic comparison, found that there is a direct relationship between construction and the economic growth. That particular finding was then found to be consistent with da classical approach in growth theory in which physical capital formation is said to be the main engine of economic growth and development. Turin's argument contrasts with the argument advanced by (Bon, 2012:200). In Bon's (2012) paper, it's said that the relation between economic development and construction industry is discussed and Bon then points out the problem with analysis of Turin, which pays more focus on developing economies/countries. As the share of construction output firstly upsurges and thereafter decreases with economic development, the process is called the inverted U-shaped affiliation and following Maddison, who in his comparable study of economic development(Maddison, 2016:112), managed to track a number of key unconventional industrial countries (AICs).

According to the CIDB 2016 report, the South African construction sector consists of different disciplines and performs an indispensable role in the economy of South Africa (SA). The Construction Development Board (CIDB) 2016 report identifies that a large portion of the construction industry comprise of previously disadvantaged contractors. It is also important to indicate that there are different categories of contractors which may be based on qualification for

specific tenders. Irrespective of size, construction companies play an amicable role in contributing to the tremendous growth of South Africa’s economy and they also account for a large employment labour force that assist in alleviating poverty in SA. Table 1.1 below shows the qualification requirements of the contractors from grade 2 -9 as set by the regulatory board (CIDB).

TABLE 1.1: CIDB - QUALIFICATION REQUIREMENTS FOR UPGRADING FROM LEVEL 2 – 9				
Designations (Level)	Upper’ limit of tender value range (R)	Best’ annual turnover	Largest single’ contract	Available’ capital
2.	R650,000,00	0	R130,000,00	0
3.	R2 000,000,00	R1 000,000,00	R450,000,00	R100,000,00
4.	R4 000,000,00	R2 000,000,00	R900,000,00	R200,000,00
5.	R6 500,000,00	R3 250,000,00	R1 500,000,00	R650,000,00
6.	R13 000,000,00	R6 500,000,00	R3 000,000,00	R1 300,000,00
7.	R40 000,000,00	R20 000,000,00	R9 000,000,00	R4 000,000,00
8.	R130 000,000,00	R65 000,000,00	R30 000,000,00	R13 000,000,00
9.	No limit	R200 000,000,00	R90 000,000,00	R40 000,000,00

Source: CIDB (2015)¹

1.3 Focus of the study

This research focuses on strategic growth and growth related challenges faced by black owned construction companies within KwaZulu-Natal (KZN) province of South Africa (SA). In this regard, the focus is not simply on any other black-owned small construction company, but only those that have an interest and orientation towards growth. It is clear that not all small businesses aspire to grow as some are contented to be small and avoid problems that arise from growth.

¹ CIDB application form requirements August 2015 (www.cidb.org.za/Documents/Applications-for-Contractor-Registration.pdf)

1.4 Problem Statement

Without clear understanding of the nature of strategic growth and growth-related challenges which face small business, it is very difficult for black owned construction companies within KZN to grow strategically and survive. The origin of the growth process is in competition to excel in quality, flexibility, delivery, cost and customer service (Rumsey, 2018). The progression involving any growth of any economy is quite complex (Nieman and Nieuwenhuizen, 2014). There is a variety of critical challenges which arise from the internal environment (e.g capital, resources, communication, capabilities, coordination to integrate all of the necessary elements) and external factors (e.g customers, competitors, suppliers, government) which are capable of scuppering a black owned construction companies (Kemp, 2016).

In making growth-related decisions, it is pivotal to make virtuous and logical decisions with the core proficiencies as the foundation, while exploring the unknown where the opportunities lie' and how the external environment affect strategic growth (Rostomi, Sommerville, Wong and Lee, 2015). Thus, dynamics in an external environment or internal environment reflect internal and external perspective regarding the variety of factors which influence business growth (Kemp, 2016). In some cases, success targets may be impractical in such a manor that the company makes decisions like restructuring, project management, etc that move them beyond their core 'abilities'. Quite often, business failures are actually caused by the core (Nieman and Nieuwenhuizen, 2014; Rumsey, 2018).

According to Global Entrepreneur Monitor (GEM) (2016) report, it makes emphasis on the fact that entrepreneurial activities in SA have shown a deterioration over time compared to other similiary developing countries. Due to such failure's by the entrepreneurial activities, it has not been possible to sustain the existing desired level of economic growth and job' opportunities in South Africa (SA)(Mass and Herrington, 2006),(Bradley and Roberts, 2004). What is more concerning is that SA also have one of the lowest established business rates of all the economies that participated in GEM 2016 where it is ranked 61st out of 65 economies.

The construction industry can be instrumental in job creation by encouraging entrepreneurship but the South African government has been struggling to come up with ways to solve the present socio-economic issues of the forever increasing unemployment rate and the poverty reduction mainly due to the constrictions that hampers entrepreneurship (Dockel and Lighten, 2005). Among some of these constraints, lack of desired knowledge and the inadequate business start-up information have been some of the major contributors to the deterioration in entrepreneurship (Nieman and Nieuwenhuizen, 2014). A study by Kemp (2016:35) revealed that company attributes, firm strategies such as market positioning, firm specific resources that are inclusive of human capital and financial resources, organizational structure and that are fundamental in achieving the desired growth.

According to the CIDB's contractors report dated September 2016, there are high volumes (89%) of registering contractors from grade 1 and the numbers depreciate immensely as one transitions toward higher grades from grade 6 to grade 9 making up only 2.6%. This is evident that the growth of contractors is at a very slow pace, if it exist at all. Drawing from the CIDB June 2016 reports, it is important to determine and evaluate some of the critical challenges that limit the growth of these companies from becoming successful and sustainable. Another challenge that must be noted is that black owned construction companies tend to enjoy substantial growth but there are very few that make it to grade 9 which is the highest grading. The criteria for qualifying from grade 7 to 9 becomes more challenging for such companies due to the fact that requirements are aligned with their growth framework ie for grade 7 they must have completed a R9 million project with a turn over of R20 million and available capital of R4 million, for grade 8 they must have completed a R30 million project with a turn over of R65 million and available capital of R13 million and for grade 9 (highest grade) they must have completed a R90 million project with a turn over of R200 million and available capital of R40 million (CIDB 2018). Given the above, there is need for a scholarly study to explore the nature of strategic growth and growth-related challenges not from the industry perspective, but rather the black owners of small construction companies in South Africa. Given the current challenges in the construction sector, particularly for large firms, due to project size limitations giving more scope for participation of SMEs in the sector who can economically serve small construction project needs both by period and size, this study explores into issues that explain participation of SMEs and their performance challenges particularly those owned by Black entrepreneurs (Rumsey, 2018).

1.5 Purpose of the study

The purpose of the study is to explore the nature of strategic growth and growth-related challenges in the construction sector from the viewpoint of black-owned construction companies.

1.5.1 Specific Objectives

The primary objective of this study is to explore the nature of strategic growth and growth-related challenges faced by black owned civil engineering companies in KwaZulu-Natal province of SA.

In an effort to achieve the primary objective, the listed below secondary objectives are formulated:

- Explore the nature of growth and strategic growth in black-owned civil engineering companies according to the views of the owner(s) of KwaZulu-Natal province in South Africa.
- To identify what owners of black-owned civil engineering companies in KwaZulu-Natal province consider as critical strategic growth-related challenges.
- To identify the key issues that can enhance strategic growth of black-owned civil engineering companies of KwaZulu-Natal province?

1.5.2 Research Questions

The key research question was: What is the nature of strategic growth and growth-related challenges faced by black owned civil engineering construction companies in KwaZulu-Natal province of SA? Based on the study objectives, the following specific research questions were formulated:

- In what ways do owners of civil engineering companies in KwaZulu-Natal province view growth in their businesses?
- In what ways do owners of civil engineering companies in KwaZulu-Natal province view strategic growth in their businesses?
- What are the critical challenges related to strategic growth faced by black owners of civil engineering companies in KwaZulu-Natal province?

- What are the key issues that can enhance strategic growth of black-owned civil engineering companies of KwaZulu-Natal province?

1.6 Research Methodology

This study adopts a mixed method approach and seeks to gain an in-depth understanding of strategic growth and its related challenges from the viewpoint of owners of black civil engineering companies in KwaZulu-Natal (KZN) province of South Africa.

The research study acknowledges that different people have different subjective views of reality such that a complete understanding of phenomenon arise from embracing the variety of views rather than seek singular truth. The current study is tolerant of differences as these are seen as key to enrich understanding. Different owners of small construction companies may emphasize different aspects based on their differences which may include experience in the industry, professional reputation and technical expertise. The current study adopted mixed method approach to gain insight into the issues of strategic growth and growth-related challenges faced by black owned construction companies by collecting both quantitative and qualitative data to have a holistic understanding.

Data collection for this study was through questionnaire which contains both structured and semi-structured open-ended qualitative questions, which requires the views and understanding of business owners on a variety of selected issues. The structured questions are designed to map the key aspects of the environments these small businesses operate in, while qualitative responses which are semi-structured gives the idea of how managers and business executives are responding to the internal and external environments, they are confronted with in designing and implementing strategic business decisions related to growth. Furthermore the interview guide was constructed in such a way as to avoid sensitive/classified business information and hence eliminate the presence of missing data in the study.

1.7 Limitations of the study

There are two main limitations of this study. The first limitation centers on the small sample size which makes it difficult to make generalization of the findings in this study. However, the exploratory findings are transferable to similar contexts where they can offer helpful insights.

The second limitation centers around the likelihood that some owners of black owned small construction companies may not be open enough to reveal commercial secrets or exaggerate their position not to be seen as facing extreme challenges or as extremely successful. However, probing questions which were used to triangulate data helped to mitigate this limitation.

1.8 Dissertation Outline

The study was carried out in stages and culminated in the dissertation which comprises the following chapters:

Chapter 1 – Introduction

The first chapter provided an introduction and background of the study. It also outlined the research problem, research questions, objectives, research methodology and limitations of the study.

Chapter 2 – Literature review

This chapter reviews the literature that is relevant to the study topic. The chapter discusses various growth models and growth-related challenges faced by businesses. Thereafter, the chapter proposes a theoretical framework of Industrial Organization model (IOM) with external and internal aspects which influence strategic growth or create growth-related challenges for construction companies.

Chapter 3 – Research Methodology

The research methodology used in this study is presented in chapter 3. And as outlined in the introduction, the study adopts a mixed method approach using both qualitative and quantitative data without giving much weight to any of the two types of data. The question to collect qualitative data and quantitative data were based on the theoretical framework of Industrial Organization which dwells on industrial competition analysis and how firms make strategic choices within an industry. This is used to explore how the nature of strategic growth and growth-related challenges faced by black owned construction companies in KwaZulu-Natal. The population, sampling method and data collecting strategies are also discussed in this chapter. While quantitative data is analyzed through descriptive statistics, it is key to highlight that thematic analysis is used to analyze qualitative data. The qualitative and quantitative aspects of the mixed method in this study are treated equally because of the exploratory nature of the research and limited sample size that is used.

Chapter 4 – Finding and presentation of results

This chapter comprises of the results gathered from the data collected and these are presented in a form of graphs, pie charts and tabular formats. These results are discussed, and their findings are also presented in this chapter.

Chapter 5 – Discussion

This chapter the result of the findings are discussed in great depth.

Chapter 6 – Conclusions and Recommendations

Chapter six is the final chapter of the study. It comprises of the conclusions and recommendations of the study. Future studies are also included as recommendations in this chapter.

1.9 Summary

The chapter provided the introduction and background to the study. The purpose of the study, research problem, research objectives and research questions, research methodology and limitation of the study are all unpacked in this study. The next chapter presents the literature review in line with the key constructs and focus of this study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter aims to review literature relevant to strategic growth and growth-related challenges, business growth models and studies to provide insights into the domain of strategic growth. The structure of the chapter begins by focusing on the concept of growth in a business, types of growth and strategic growth. Thereafter, the chapter discusses a variety of growth models to understand how businesses grow, challenges and opportunities which they face arising from undertaking such growth. Lastly, the chapter dwells on the role of construction companies in an economy before proposing a theoretical framework and presenting a summary of this chapter.

2.2 The meaning of a business strategy

Business strategy is the outcome of the strategic management process organizations utilize to form a vision, study their external and internal environment thereafter selecting one or more decision models to create value for the business, the customers and also their stakeholders, which can be seen either through business growth or its long-term trajectory (Ireland, et al., 2012). The vision contains the mission which describes the firm's internal DNA (it is specifically focused on markets the company services, its competition and its product/service offerings, the firm's core intent and its business) and a picture of how the firm intends to exist in the future (Ireland et al., 2012). Thus, effective vision informs the companies chosen strategy. The business strategy is then seen to be the plan that is designed and planned move the organization towards accomplishing it desired vision. This research study focuses on the growth of the firm as the imperious of the firm's business strategy. The external environment is the set of conditions that are external to the company and that affects it performance such trends as demographic change, national policies --on infrastructure, development policy, unemployment, fiscal policy, monetary policy, exchange rates- - international economic conditions, which presents threats and opportunities to the business (Ireland, et al., 2012). The internal organization defines the set of conditions internal to the firm

and within its influences such as resources, capabilities, skills, core business, strategies, its products and core competencies among other factors (core competencies can be distinctive competencies when they are unique to the firm and differ from those possessed by competitors) (Ireland, et al., 2012). When these core and distinctive competencies enables the firms to create value for its customers exceeding that of its competitors, the firm is said to have competitive advantage(Ireland et al., 2012).

Business strategy is thus the outcome of the analysis of the external and internal environment the business firm is confronted with and designing a plan for achieve the firm's existence within the constraints of its internal strengths and weaknesses (internal environment) and the threats and opportunities presented by the external environment (Ireland, et al., 2012). The tool firms use in undertaking this analysis is called the Industrial Organization Model (IO Model). In this research, the OI model is used to explore the nature of strategic growth and growth-related challenges faced by Black Owned SMEs in the construction sector.

Business model refers to underlying logic of the business firm, the way it operates and how it creates value for its shareholders. Strategy on the other hand refers to the choice of the business model, through which the firm will pursue its vision in the marketplace(Ramon and Joan, 2009). Strategy has its origins in what generals do in the army in the way commanders and general develop a field plan to outwit opposing armies or carrying out operations in different situations. It has evolved overtime and assumed different types of meaning in the business arena. In business management, there are multiple meanings of strategy that have emerged overtime (Ireland, et al., 2012) (Ramon and Joan, 2009). Firms have mastered the art of analyzing their competitive environment, define their position while developing corporate and competitive advantages and understand threats to sustaining competitive advantage in the face of opposing competitive threats(Ireland et al., 2012, Ramon and Joan, 2009). Understanding strategy in academia has taken models ranging from Industrial Organization (which is adopted in this research work), game theory (one period to multi-period games), resource-based perspectives and dynamic capabilities.

Business modelling is typically focused on defining the business customers, the perceived value the customers are looking for, and the ways of creating and delivering this value. Early literature such as Schumpeter theories of value focuses on innovation, value chain analysis, the stated resource-based view of the firm, strategic networks, transactional costs and dynamic

capabilities(Ramon and Joan, 2009). The business model thus influences the way the organization views its operating environmental variables and the extent to which it influences or is influenced by them. And since the business model is a reflection of the underlying business strategy, components of a business model such as resources and competencies of the firm, the internal and external variables and value propositions and choices reveals the execution and implementation of a business strategy(Seddon et al., 2004). A firm’s business strategy can result in a number of business models, with differing parameters. A firm’s strategy is deeply rooted in the particular competitive environment the firm is confronted with, with particular internal and external environmental variables. Thus a model that is designed to harness a firm’s resources in attaining growth, is seen to be in response to the overarching objective of the business strategy, which is concerned with long run competitive position. Thus business models focus on less competitive aspects of the business strategy however they are the frameworks used to understand the strategy of the firm(Seddon et al., 2004, Ramon and Joan, 2009). Academics and practitioners, like Mintzberg (1978) the developer of the 5 Ps of a strategy and these include [1] Pattern; [2] Plan; [3] Position; [4] Ploy; and [5] Perspective. These are highlighted below in figure 2.1:

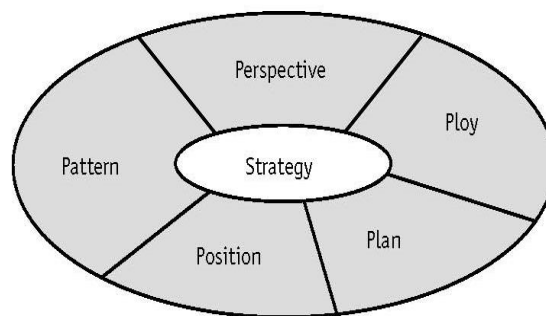


Figure 2.1: 5P’s of Strategy’
 Source: Louw and Venter (2010:16)

First, the strategy as **perspective** refers to an organizational way of undertaking things, the fundamental way in which staff understand the world, identifying the organization they part of from the inside and thereafter seeing themselves as embedded in or guided by the organizational culture and philosophy.

Second, as a **plan** strategy gives, conscious direction and envisioned course of action into the future on how to effectively deal with any situation. It connotes an abstract and future orientation in dealing with an imaginary and expected situation or a future reality.

Third, as a **ploy**, strategy referring to a “narrower plan” (set of synchronized actions to realize intent that is part of the plan) to stay ahead of your opponents or competitors. According to Mintzberg and Quinn (1991:13), strategy as a ploy is explicit with the sole purpose of outwitting a competitor.

Fourthly, when viewed as a **position**, strategy for the company or organization in its environment. In this highly competitive global environment, an organization creates a position for itself’ in relation to its rivalry. On the other hand, the position may emerge through a pattern of behavior or outcome of either a proactive or reactive exertion to create a fit between the company and the environment (Mintzberg, 1985:17-18).

It is also notable to state that other scholars relate this definition of strategy to the outside-in perspective or a market-driven strategy (Thompson and Martin, 2005:112-114).

Fifthly, when strategy is viewed as a **pattern** evident in embryonic decisions, not purposeful, intended outcomes of any predetermined plan (Mintzberg and Waters, 1985:257).

With the above in mind, the question of what business strategy is, becomes relevant. Barney (2001) defines business strategy as the firm's plan for effectively and efficiently achieving its vision by prioritizing its objectives, successfully contending in the volatile environment and optimizing on financial performance with its business model. Strategy building steps are presented in Figure 2.2 below.

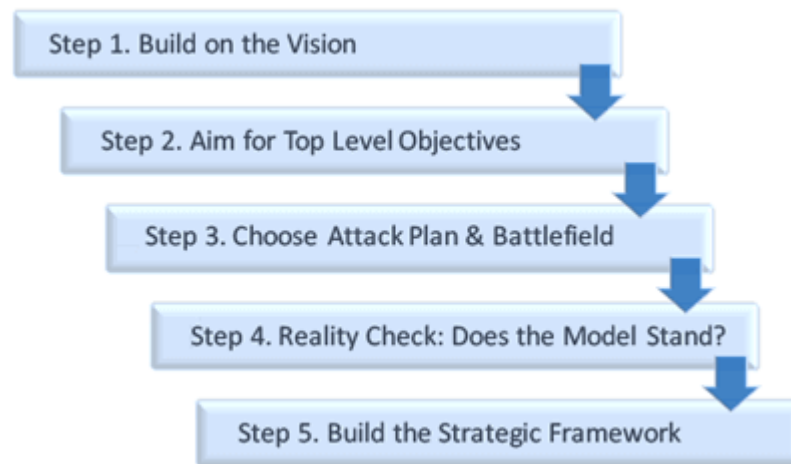


Figure 2.2: Building a competitive strategy

Source: Porter (1985)

2.3 The meaning of growth in a business

As alluded to earlier on, literature reveals a variety of definitions of what is growth in a business. Firstly, growth is defined as the product of an internal process in the development of an enterprise and an increase in quality and/or expansion (Rijskik, 2013:930). Thus, growth is a result of internal processes which leads to expansion, but also improvement in quality. Secondly, others see growth in terms of size-related changes over time. In this regard, “growth is defined as a change in size during a determined time span (Dobbs, 2007:296). Thirdly, while some researchers have focused on the result of growth, Janssen (2009:21) focus on what stimulates growth to suggest that a company’s growth is fundamentally the result of extension of planned demands for products or services. This results in the desired growth in the sales and investments in additional production factors to acclimatizing itself to new **demands** (Janssen, 2009:23). Research of entrepreneur’s

ideas on growth also reveal that an increase the of sales component, complimented by an increase in the number of employees, upsurge in profitability, increase in company current assets, increase in the firm's worth is what growth is essentially all about (Achtenhagen, 2010:32). To be specific, internal environment can encompass a development of competences, internal company practices in improving efficiencies and the establishment of professional sales processes. However, one must note that an increase in employees does not necessarily mean an indication of growth. It could be possible that increase in employees can be as a result of poor planning and inefficiency of available employees. However, growth could be directly related to tapping into new favorable markets, with a strategy of multiple income streams and diversification strategy (Davidson, 2010). It noteworthy that growth may also be related to the combination of internal market-products by entering once again into new markets.

Fourthly, growth can be viewed as geographical expansion, in which there is an increase in the number of branches, inclusion of new markets and clients, increase in the number of products and services, fusions and acquisitions (Brush, 2009). Thus, growth is manifested in many forms such as geographical expansion, new markets and clients, new products offerings, but also mergers and acquisitions can also contribute to growth.

It is argued that growth plans and company intents tend to change due to constant re-evaluation of their strategy and the plans of the entrepreneurs (Penrose, 2006). Growth dilemmas may result in the displacement of the firm to another place and in positioning itself in the same place and deal with associated risks (Davidson, 2010). However, it is difficult to analyze the firm's growth at the precise moment (Wiklund, 2010). Given the above definitions, the term growth is used in this study to explain the various forms of growth that organizations can undergo resulting from different sources that enhance such growth. This is suitable in this study because it presents a holistic view of different growth patterns that organizations can experience.

2.4 Growth determinants in an organization

Growth is the result of effective management and allocation of company resources and the utilization of such complimented by capacities which the companies use to encourage such growth. There is a need for capacities, acquired information, financial counseling and resources for growth to occur (Coad, 2013:616). In other words, the establishment and formation of growth is highly dependent on various issues and these include and not limited to identifying the origin of company resources, capacities, etc. Stigliani (2012) also suggest that, from strategic perspective; it is important to give trust to people who have desire for growth and surround themselves with constant innovative tools to achieve the desired growth. Furthermore, the entrepreneur's desire and passion to constantly get involved in strategic networks is of high importance (Davidsson, 2010). Growth is flexible and can be affected on several levels. For instance, (Witkund, 2009) adopts an integrative approach whereby explaining growth by merely associating the variables of the agent that aligned to human capital, enterprising feature and the industry.

Growth of any organization can be said to be a result of decision made by an individual's vision orientated entrepreneur. Previous research highlight the fact that personal traits of entrepreneurs like motivation, competencies and background are amongst the important determinants of where the growth of the firm is heading (Baum, 2011).

As highlighted earlier on, the growth of any company is directly linked to it increase in the market share, and it increase in assets, sales and also the increase in it human capital and profitability (Kemp, 2016:32). Firm growth can also be pre-determined by the degree of how it utilizes it resource that are to it disposal in the most effective and efficiency manner to gain a greater market share. Therefore, the firm's determinants should always pose direct impacts on firm growth. Various experiential research studies have been undertaken and these speak directly to exploring the growth determinants (Kemp, 2016:35). In a business context, five distinct determinants stand out and these include company traits, the organizations strategies, market orientation, the company's specific resources and these are inclusive of human capital, financial component and the company structure (Kemp, 2016:35).

2.5 Types of growth in organizations

Witkund (2009) highlights that growth occurs in different ways leading to different types and desired levels of growth stemming from strategies adopted and acknowledging the companies grow at different strides since they not the same. For example, organizations considered as “gazelles” firms tend to experience extremely fast growth (Parker, 2010:34), and they then often fail to maintain their fast paced growing rhythm(Head and Kirchhoff, 2009:16). This shows that growth is irregular and discontinuous (Coad, 2013); (Hamilton, 2010).

Delmar (2003) identified seven types of growth in an organization namely;

- The ones that are called super absolute, these are enterprises that we deem having absolute growth in rapid increase in human capital and sales;
- The robust growth in sales, but these tend to have negative employment rate;
- Then are those that grow through acquisition, they poses good sales and have an employment force, but they are just not organic and lack culture;
- The super relative growth, with what we deem greater development in super relative terms;
- Growth that irregular, have negative sales but relatively deemed positive in average;
- Growth in human capital, but have negative sales;
- Lastly the high growth, and these firms demonstrate differences in the desired growth ethics.

Alternatively, Pierre (2004:22) provides a different explanation of growth, comprising of five types of growth and these include the continuous growth; followed by growth that limited to certain years and thirdly growth is discontinuous and tend to be disordered and fourthly growth is robust in the beginning but eventually decreases over a spanning time and lastly growth comprising of companies with intense growth at inception and thereafter declining and then recovery.

In a slightly different vein, Brush (2009:481) presented a classification based on four types of growth trajectories namely;

- Firms experiencing fast growth beyond the expectations of the entrepreneurs,
- Firms with what we deem episodic growth that is associated with internal or external environment.

- Companies with plateau growth, whereby there is first slow growth and followed by constant velocity and complimented by declining profits.

2.6 The strategic growth

Bhattacharya and Block (2004) indicated that strategic growth is the organization’s plan to grow its business by achieving the organization’s business strategy. In a nutshell, strategic growth is consciously planned and occurs at various levels. The business strategy can be categories and perhaps understood in viewing each strategy as one part of a strategic framework this is where the framework is the hierarchy. At the top of the organizational structure at policy level sits the company’s top-level business strategy. Liabotis (2007) identifies growth in terms of (1) changes in segments of customers, (2) growth of the core business, and (3) growth in adjacent opportunities. These views of strategic growth have been adopted in this study to understand the meaning and nature of this concept from black owners of construction companies. Figure 2.3 below presents growth strategies which may be adopted to achieve strategic growth.



Figure 2.3: Growth Strategies

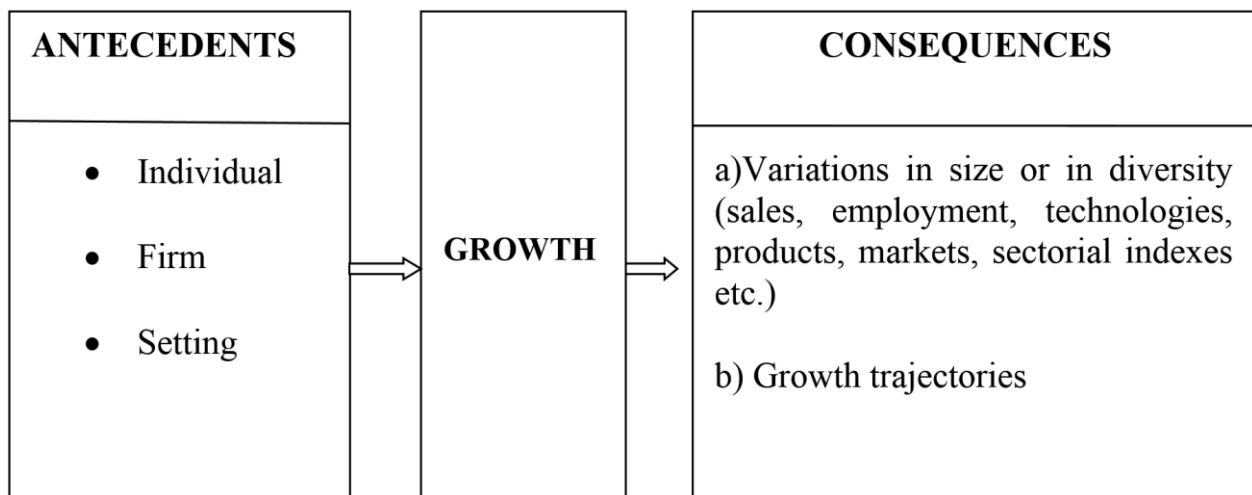
Source: Liabotis (2007)

It is notable that the growth strategy represented above do reveal the discontinuity and perhaps the singularity of growth, but also the direction of growth. Different circumstance and situations may

represent different intermittent. Firms can sometime tend to extend themselves, thereafter, shrinking within their own settings (Brush, 2009:482).

Table 2.1 below reveals that there are antecedent (e.g. individual, firm, setting) but also consequences of growth (e.g. variation or diversity in sales, employment, products, markets and growth trajectory) which are key in understanding growth in general and strategic growth in particular

Table 2.1: The growth process of small businesses



Source: Adapted from (Machado, 2016:419)

2.7 Strategic Growth Models

According to Ross and Robertson (2006:17), it is important for organization to be aware of corporate growth models to develop overarching corporate strategies and understand the impact of change. In this study, four strategic growth models are discussed, and these include, the three horizons model, the Data Envelopment Analysis (DEA) inputs and outputs model, Greiner's model for growth and the organizational life cycle.

2.7.1 The Three Horizons Model

Baghai et al (2000:88) provides the Three Horizons model shown below in figure 2.4 as a framework used by organizations to grow their companies in a form that balances the so-called competing demands by shifting the focus towards the present while investing in the future.

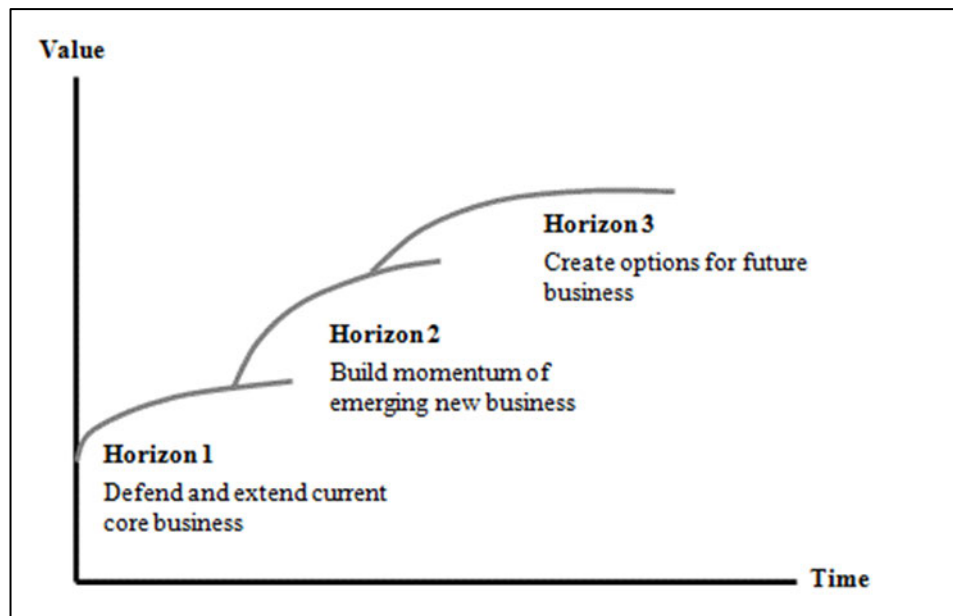


Figure 2.4: The Three Horizons Model

Source: Baghai, Coley, and White, (2000:88).

In the Three Horizon model, there are three-time horizons (Baghai and White, 2000:88) which are discussed in brief below:

Horizon 1 - Extend and also defend core business

As such, Horizon 1 comprises of a business that generates profits today (short term) - that is the organization's day-to-day business activities. This business may have some desired growth potential, it often will flatten out. Horizon 1 includes activities that provide the skills and resources for growth, such as staff training and development. Innovation in a business is about constantly finding better ways to deliver the product. The business aims to position itself to unlock the remaining potential, guided by the notion of defending and extending the core business. In Horizon

1, the business aims to limit spending activities to around 85% of the business budget. This will free up resources to further invest in the near future growth activities.

Horizon 2 - Build momentum of emerging new business

Baghai et al., (2008:88) notes that Horizon 2 contains activities that are designed to enhance or grow the business over the medium term but may or may not generate any revenue in the short term. This horizon includes fast-moving, entrepreneurial ventures that need continuing investment to finance rollouts. In Horizon 2, there is innovation. Businesses bring in new; ideas to execution. Businesses should at all times aim to build capabilities, thereafter, fueling growth in any new business. Businesses spend 12.5% of its resources on Horizon two activities (Baghai, Coley, and White, 2000:88).

Horizon 3 - Create options for future business

Horizon 3 is planting a seed for the future of the business more like long term planning, some of significant profits are anticipated in the long term. This may involve getting into strategic partnering and getting into pilot projects. Innovation in Horizon 3 is about identifying and cultivation options for the future. Businesses; typically spend around 2.5% of resources on Horizon three activities (2000:88).

Criticisms levelled against this model states that the problem becomes when the three horizons is used as a conventional planning tool (**Kastelle, 2009**). Firms constantly need to manage their portfolio of business with the use of organic growth, acquisitions and divestments. The biggest risk is that using the model this way eliminates any consideration of uncertainty. Another shortcoming of the model is that firm's growth is not uni-linear and core competencies take time to become dominant and the development of core competencies might further present options for emerging business, and core competencies can become obsolete with industrial re-organization of economy wide structural change. The static model with highly optimistic assumptions and bounded rationality thus presented does not seem to agree with the dynamic and ever-changing world of business today. Economics activity in the construction sector is highly cyclic, however there are trends to this cyclical nature that are possible indications of the business cycle.

2.7.2 The DEA Inputs and Outputs Model

The Data Envelopment Analysis (DEA) aims to execute the benchmarking of comparable units within a certain industry or similar small emerging businesses that has the same or similar inputs and outputs (Heibum et al, 2011:236). In this case, companies grouped in the same grade according to the Construction Industry Board of South Africa. The open-system to organizations defines them in terms of inputs and outputs and the transformation (Kahn and Katz, 1966) encircling a cycle of interconnecting with the environment.

Baron, (2015:480) states that this approach shows that organizations will only exist in mutual interaction with their current trading environments. The environment will always provide inputs in a form human capital, finance, materials, etc. - produces outputs in a form of products and services for the market environment. This takes into consideration of small construction businesses in particular, inputs and outputs can be defined in various ways. Contemporary research by (Heibum and Vitner, 2015:236) defines four (4) dimensions of input in businesses including labour, finance, marketing and precise management (Honig and Davidson, 2003:51).

Table 2.2: Summarizing the DEA Model in Context

INPUTS	TRASFORMATION	OUTPUTS
Human resources Capital (infrastructure, finance) Entrepreneurial effort	Business Model	Customer value Shareholder value Market Solutions Products/Services Market share growth

Source: Heibum, Rozenes and Vitner (2011:36)

It is also notable that the three (3) dimensions also highlighted output including financial results, potential and existing clients and survival of the business (Abouzeedan and Busler, 2014:1). Figure 2.5 below depicts the research model of the inputs and outputs for small businesses to ensure their success.

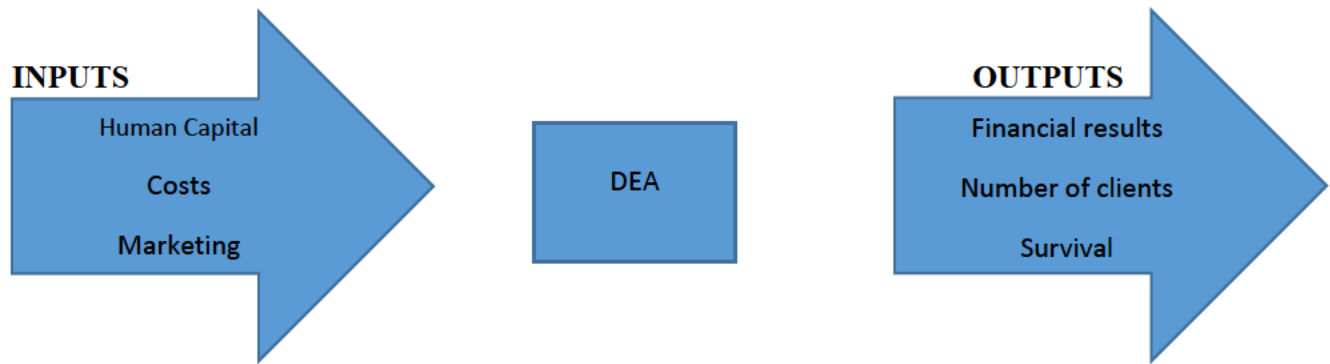


Figure 2.5: The DEA Inputs and Outputs Model

Source: Heiblum, Rozenes and Vitner (2011:36)

A study conducted by Heiblum, Rozenes and Vitner (2011:236) shows that entrepreneurial firms don't pride themselves with taking the long-term planning approach to summit customer's needs. But rather, these types of firms use other related strategies which often rely on crisis current management, emotions and actions designed to deal with that current immediate presented pressures (Tang, 2007). In comparison to large organizations, emerging small businesses face various unique challenges including limited resources and lack of understanding in conducting formal market research and segmentation studies and lack of marketing skills and expertise amongst the owners. This model summaries the business processes combining economic resources, the business firm-level internal processes (the business model) to achieve its outputs (customer value, market share, shareholder's value, firm growth). The outputs are thus an indication of the efficiency of the firm level transformative process that creates value and consequently the firm's competitive positioning in a given industry (Heiblum, Rozenes and Vitner, 2011:236).

2.7.3 Greiner's Growth Model

According to Amit and Zott, (2012:41) Greiner's growth model is essentially a tool that an organization can utilize to understand the principal reasons for problems a growing organization is likely to face. This model is aimed at making it possible to anticipate organizational problems prior to them occurring, therefore, taking initiatives to impede them completely.

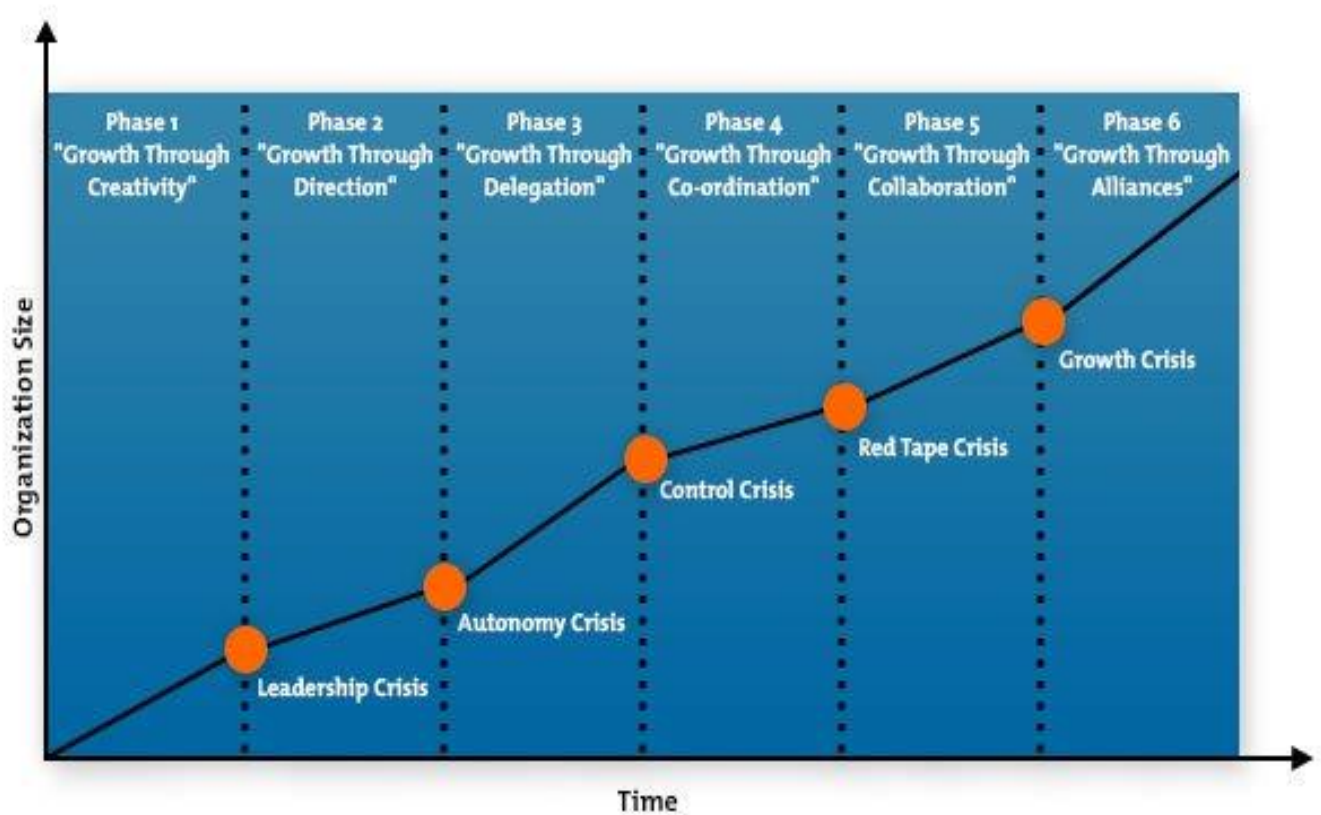


Figure 2.6: Greiner's Growth Model

Source:(Greiner, 1998:15).

Brunch, (2005:97) highlights that Greiner's growth model contains six (6) phases of growth (see Figure 2.6) above. The model tends to also show the complications that are likely to occur at the end of each phase. The catastrophe or problems arise due to changes in organizational structure, management style and leadership and they increase as an organization grows. The six (6) phases are explained below as follows:

Phase 1 – Creativity

In this stage the owners are involved in the day-to-day running of the business. They are entrepreneurial concentrated and mainly absorbed on getting products to the market. As the firm experience growth, they tend to struggle in managing the company (with loads of paperwork and complimenting administration). The founders become stressed, and arguments pursue about key decisions making, leading to the firm having a leadership crisis (Zott and Rafael, 2007:188). Brunch (2007:97) further states that as the organization enjoys growth, new systems are required for instance human resource and accounting. The founders of the business tend not have the expertise and skills to manage this new set of systems nor can do they have the potential to motivate new employees, this scenario is referred to as the Leadership Crisis. The company may bring in management who can manage in this new environment. The key characteristics of the first phase include:

- Long hours and modest salaries
- Founders are technically or entrepreneurially oriented
- Reactive to feedback from the marketplace
- Communication is frequent and informal

Phase 2 – Direction

Watts and Hulme, (2008:101) in the second phase, the business now formally has an organizational structure and communication begins to get more structured/formal. As the company grows ever more complex, the management team are now no longer able to directly cope with managing all ongoing activities, and the organization enters an autonomy crisis. In this phase, the organization grows further, centralized management is inappropriate. Lower level managers have more knowledge of the marketplace but are still unable to respond quickly. The second revolution comes from a demand for superior self-sufficiency. To solve this the company uses delegation to empower lower level managers (Watts et al., 2008:101).

The second phase is characterized by:

- Functional organization structure
- Formal, impersonal communication

- Direction is centralized to the new, top managers
- Accounting systems

Phase 3 – Delegation

The third phase is delegation, the firm leaders are in a position to managing by exception and decision-making is now around periodic reviews (Zott and Raphael, 2007:190). Cost centers are now announced. As growth creeps in, these different cost centers begin to make decisions to meet their own functional or departmental objects, forgetting the greater good of the organization, and the organization enters into what we deem a crisis of control. Field operations become diversified and inefficiencies creep into the system. Top management lose control over planning, money, technology work force. Management should solve it by bringing in coordination practices (Amit and Zott, 2012:41).

This phase is characterized by:

- Use of profit sharing and bonuses for incentives
- Management becomes active in acquisitions
- Greater accountability in the field and plant marketing managers
- Communication from the top is infrequent
- Top managers manage by exception

Phase 4 – Coordination

Schein (2010:222) in the 4th phase of Greiner's growth model, the company moves away from functional units and into product groups. Horizontal support functions are established within the organization. During this phase the company is based around product groups so that the organization can grow once more. A lack of confidence gradually builds between the line management and the work force, and between headquarters and the field. Systems begin to outlive their helpfulness and field managers begin to resent formalized control by staff managers who do not understand the local markets. Staff personnel resent the "uncooperative" grouping to line managers. At this stage, the company become cumbersome and everyone resents the bureaucratic system that have evolved. Greiner (1998:15) further reveals that over time, the company enters a

red tape crisis, whereby the focus on process that allowed the organization to grow now becomes the goal rather than the means to achieve the organizational goals.

The fourth phase is characterized by:

- Regionalized units are merged into product groups
- Capital expenses are reviewed and distributed across the organization
- Return in investment becomes the criteria for measuring field operations
- Formal planning procedures are established and reviewed
- Staff is hired at headquarters to initiate company-wide programs
- Profit sharing and share offers are used to inspire identity with the firm
- Certain technical functions, such as data dispensation, are centralized

Phase 5 – Collaboration

This phase the company starts to become matrix positioned with product-focused teams spread across multiple functions permitting growth to take place once again(Greiner, 1998:20). In this phase Greiner speculates about the solution to this new crisis that come about from employees who are saturated emotionally and who grow emotionally and physically exhausted by the concentration of teamwork and the heavy pressure for state-of-the-art solution. In addition, the company enters what we deem an internal growth crisis – the company becomes slower and more unable to adapt to changing market needs.

The characteristics of the 5th phase include the following:

- Headquarters employees reduced and reassigned to with other field units
- Educational programs are utilized to train managers
- Stems are simplified and combined
- Teams are formed from across functions
- Real-time information are used for decision making
- Rewards are then geared to team performance
- Experiments in new practices are then encouraged
- Focus on solving problems through team action

The model can be used periodically to assist construction companies understand potential growth problems in the organization, it can also be utilized and be a useful tool to be used by black owned construction companies to comprehend growth issues in the company. If used consistently and frequently it can help companies spot these growth problems before they occur and thus take the necessary actions to circumvent them(Churchill and Lewis, 2011:12).

While the model can be adopted and used by construction companies to grow their businesses, several weaknesses have been highlighted. States that the Greiner growth model is criticized for being simplistic. The model does not apply to all businesses, especially those who do not suffer crises as they grow. Furthermore, it is also not correct that all business face crises as some are proactive and adapt easily without enduring any crises.

The model doesn't consider the pace of growth and the increasingly dynamic external environment especially in developing economies where businesses struggle with access to resources, finance, suffer from political influence and other related factors.

2.7.4 Organizational Life Cycle

According to Shulman and Stalkamp (2013:144), organizational life cycle is an important model due to its premise and prescription. The model's premise is that necessities, opportunity, and threats both inside and outside the business will vary depending on the stage of growth in which the company finds itself. For instance, threats in the start-up stage of the business differ from those in the maturity stage. As the company moves through the stages and starting at birth stage, changes in the nature and number of requirements, opportunities, and threats exert pressure for change on the business. This model can be applied to any construction company as they go through various stages of growth.

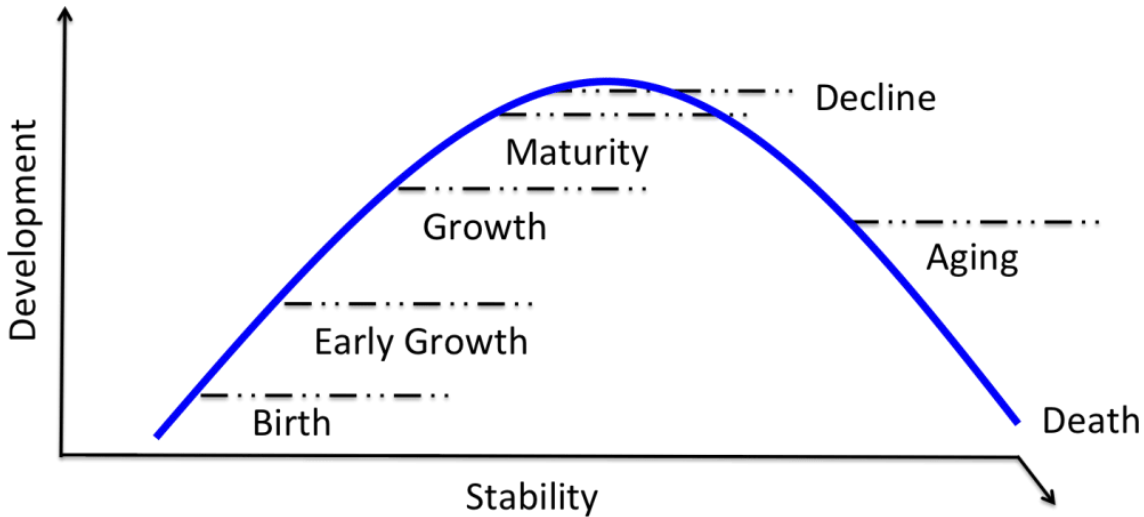


Figure 2.7: Stages in an organizational life cycle

Source: (Chen, 2014:1)

However, this model is seen as not useful in the current study which is not interested in shifts from one stage to another. The current study is specifically interested in the concepts of strategic growth- and growth-related challenges which may not be evident at birth but rather the other stage. The next section focuses on previous studies in the construction industry.

2.8 Previous studies on challenges faced by small construction companies

While the challenges faced by South African black owned companies have been alluded to in the previous sections, it is key to explore finding of research in other countries. For example a study by Makulsawatudom (2004) looked at the challenges faced by small companies in the construction industry in Thailand to conclude that they face a variety of challenges which include: lack of access to construction material; unclear scope of works and drawings that are not complete; incompetent site managers and general supervisors; lacking of timeous access to equipment and hand tools; low turn-out of labour due to high levels of absenteeism; very poor means of communication; high level of re-work, etc. In a research which paid focused on Malaysia, Abdul Kadir (2005) studied that the effects of meaningful productivity factors on Malaysian projects. This study identifies that the following factors are amongst the most important to efficiency and these include shortage of

working material; non-payment to contractors suppliers resulting in stoppage of materials being timeously delivered on sites; In another similar study, Jarkas and Bitar (2012) found; some of the factors affecting construction site labour productivity is clarity of site instruction and specifications, variation orders during the execution phase, and poor design disciplines.

Alinaitwe (2007) conducted a study on the factors affecting labour productivity of construction companies in Uganda. In this study, it was found that the high level of incompetency amongst site supervision and the lack of scarce skills amongst labour were also the most significant of challenges. Durdyev and Mbachu (2011) identified re-work, lack of skills, and the experience of onsite labour force as some of the key challenges.

It is noteworthy that the study by Abor and Quartey (2010:218) which focused on SME development in Ghana and South Africa revealed that insufficient and limited appropriate technologies and also regulatory constraints do contribute towards failures of small construction companies in Ghana and South Africa. Therefore, due to lack of appropriate technologies the black owned construction companies find it difficult to acquire huge projects, as they will be competing with huge international companies.

In a slightly different vein, a study by Loadable and Garwe (2010:729) concluded that lack of managerial skills, poor economic climate, lack of access to strategic meaningful finance, criminal elements coupled with high corruption, supporting infrastructure were obstacles to small emerging contractors in SA. These issues are discussed in greater depth in the following section below to provide a clear understanding of contextual challenges.

2.8.1 Lacking effective managerial skills

Olawale and Garwe (2010:730) identifies that small emerging companies attract motivated managers, but they cannot keep them since they compete with larger organizations and these intellectuals tend to opt for job security. These highly skilled intellectual managers tend to work for larger companies due to higher incomes and job security. Sleight (2013:15) concurs that

developing countries are comprised of talented managerial candidates who often prefer to be employed by larger companies. Numerous service providers provide training and advisory to fill such gaps small companies more especially black owned cannot afford the costs (Olawale and Garwe, 2010:730).

2.8.2 Regulatory constraints

According to Abor and Quartey (2010:219), the costs of licensing, registration and settling legal claims hinder the progress for small businesses in South Africa. The World Bank business report (2006:1) highlight that there are about eighteen procedures that are undergone when registering a business and it takes a lengthy period to finalize licensing procedures in SA. Small and medium businesses especially in the construction sector are exposed to international competition from international established companies that are operating locally. This further pose a challenge since it difficult for the local companies to expand their share in the market. Limited to non-existing access to the competitive foreign partnerships makes it even more difficult for emerging small businesses to gain' access to the foreign markets (Abor and Quartey, 2010:220).

2.8.3 Economic challenges

Lewis (2008:12) posits that economic factors encompasses of fiscal policies, inflation rates, monetary policies, foreign currency exchange rates. These present factors have major influence in consumers' behavior and their demand and choice's for goods and services. This influences growth of emerging small construction companies in SA. Olawale and Garwe (2010:732) identifies that SA's economy is characterized by high interests, forever increasing inflation rates and complimented by the declining growth and exchange rates. It believed that all these affect sales and related revenue for the black owned construction companies. Consumer self-confidence and related consumption is therefore lower in SA and this is hindering growth in small businesses (Olawale and Garwe, 2010:732).

2.8.4 Crime and corruption

The Corruption Perception Index (CPI) (2010:1) ranked SA number 54 out of the 178 countries registered. United Nations (UN) 2007 report from the drug office and crime state that SA falls within the world's 5 most murderous' countries in the world. It important to note that business is the largest group that is affected by violence and crime in SA. The South African Police Service (SAPS) report of (2010:5) indicated that in all the country's provinces, crime was on a steady decline but leaving business-related crime on the gradual increase. Small businesses do also commit crimes due to several reasons. Most of the crimes that are being committed are linked to regulatory compliance and the issue of bribery.

2.8.5 Lack of adequate financial resources

FinScope (2010:1) state that finance is regarded as one of key pillars that holds together all component of running an efficient business; but emerging small businesses have limited if any access to strategic finance and meaningful financial solutions. Studies undertake by the financial resources are important for any organization because it's through them that organizations can reach its operational needs and have the desired investment appetite. Most financial institutions have products that are designed for serving more established organizations. This is mostly because it's perceived that servicing emerging small business is less profitable as compared to more established and larger organizations. (FinScope, 2010:1). Olawale and Garwe (2010:738) argues that the component of access to finance is a main problem for the South African black owned construction companies. The authors further revealed that the lack of financial support encourages the failure of small businesses in South Africa. Deele and Bonsu (2002: 3) concur that access to finance is one of the foremost constrictions for growth of small construction companies tendering for public work contracts in developing economies.

2.8.6 The black economic empowerment

Ndlovu and Thwala (2008:2) note that another problematic area for emerging small (black) construction companies narrates to the policies of affirmative action (AA) and black economic empowerment (BEE). In this case “fronting” is regarded as one of the biggest hindrances. Fronting is when a foreign or non-black-owned firm uses the services of a black person as the owner, director or member of a company in order for that specific company to win tenders. Non-South African nationals are repeatedly using local blacks as heads and directors of their firms with the view to meet the contractual requirements required by those policies. Foreign nationals are even going as far as giving their firms South African names in order to sound local because they know that local firms have a better chance of winning large contracts (Fortuin, 2004:22).

2.8.7 Talent management and staff retention

People are an entity’s most valuable asset, and numerous specialist skills are essential to deliver projects successfully. South Africa’s construction industry has grown suggestively in size over the last decade, resulting in a skills scarcity in the industry at all grades. A strategic remuneration policy focusing on performance management and the retention of main talent is vital for the sustainability of an organization. Consistent succession reviews to identify potential talent retention risks and career planning strategies should be in place, and so should in-house training, promotion from within and development ingenuities. A loss of scarce skills and knowledge affects the ability of companies to efficaciously complete contracts and undermines growth. Growth strategies place high demands on companies to preserve suitable leadership capacity and this has been a continual focus of 2016.

2.9. Theoretical Framework: Industrial – Organization Model (IO)

In the light of the discussion above, this section proposes a theoretical framework of Industrial-Organizational model which assert that it’s the external environment which an organization should take care of before creation of a strategy. In other words, the model clarifies that the industry in which a firm chooses to contend has a stronger influence on the firm’s performance than the

choices management makes in the company. From the internal perspective, the theoretical framework adopted in this study embraces the resource-based model which assumes that each organization is a gathering of exceptional resources and aptitudes that provides the basis for its strategy and that is the primary source of their return. According to this model, changes in firm's performances across time are due primarily to their exceptional resources and capabilities rather than the industry's structural physiognomies. The internal environment outlines the firm's strengths and weaknesses, business goals, business model, assets, liabilities, decision making systems, competencies and so on.

From the external perspective, the assumption upheld in the theoretical framework in this study is that the external environment creates pressures and constrictions for a firm to make its strategy. Industrial Organization model is a model for industrial competition analysis. As such, it provides an opportunity to also understand competitive factors which influences strategic choices such as growth by firms within an industry. The context in which businesses pursue growth is to ensure they maximize profitability of the business either through creating better customer value thus increasing the firm's market share, innovate to create new markets, raise productive efficiency and so on, the context of these choices is to weather competitive pressures from other firms within the industry the incumbent firm operates in (Ireland et al., 2012, Porter, 1981). In Industrial Organization analysis, strategy is viewed as the plans through which the firm attempts to compete in its environment, encompassing key choices about firm's objectives, products, markets, marketing, production etc. The incumbent firm in its strategic formulation must match its internal competencies (core competencies, resources, assets, human capital etc.) and values to its external environment (macroeconomic and market environments).

The market Industry is the realm of competitors, competitor's products and services, suppliers, substitutes, economic and technical opportunities and threats. Finally the macroeconomic environment has elements such as national economic policies (monetary, fiscal, inflation, exchange rates, interest rates), policies, role of pressure groups on the environment (environmental groups, broader social expectations), regulation, taxes and so on which are vital in influencing strategic growth (Porter, 1981, Ramon and Joan, 2009).

Within this theoretical framework it is understood that in making a strategic choice, whether growth or capital investment the firm considers its current organizational system and its

components as well as the various attributes in the market and macroeconomic environment. The strength of influence of the market and macroeconomic environment is determined by the position of the firm within its industry, market and economy, which is determined by its organizational competencies (finance, assets, products etc.). Thus, this theoretic framework of widens attention to not only the internal but also external aspects of the incumbent firm.

In this study, the focus is placed on growth strategies pursued by Black owned Companies in the Construction sector, in which the outcome of their strategies in attaining growth are measured by their performance metrics.

Finally, growth models are incorporated into the analytical framework which embraces the internal and external aspects which influence strategic growth or create challenges for growth of Black Owned Small to Medium Enterprises (SMEs) in the construction sector. In a nutshell, the framework adopted in this study hinge on strategic growth which is a function of the internal business environment (the resources, financials, assets, revenues, human skills etc.); the market environment (competition, customers, industry structure, regulation etc.) and the external environment (Government, national economy, politics etc.).

2.10 Summary

This chapter has discussed business strategy and how the underlying business model of a firm is a reflection of the business strategy. It is notable that the chapter has not only define the concept of growth, but also that of strategic growth and progressed to review a variety of growth models. In this chapter, it has been noted that strategy design is a result of the analysis of the factors which influence the business, and comprise of the vision of the business, its internal environment, the markets and the external environment. It was also seen that the business strategy of a firm has a specific context defined by specific markets, specific competitors, specific sets of scenarios of the macroeconomic environment, and specific stock of internal resources (assets, finances, human capital, skills etc.). In the attempt to understand the nature of strategic growth and also growth-related challenge, this study adopts both the internal (e.g. resource-based model) and external perspectives (macro environment, industry and competition). The next chapter discusses the

methodology used in this study to explore the nature of strategic growth and growth-related challenges faced by black owned construction companies in KZN.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The aim of this chapter is to present the research methodology used in this study to understand strategic growth in black-owned construction companies in KwaZulu-Natal, South Africa. This chapter begins by elaborating on the paradigm of this mixed methods research. It thereafter focuses on the research design and sampling methods and instrument used for collecting data, data collection procedures and interviews. The chapter progresses to focus on data analysis procedures, research quality and ethical considerations in this chapter before a summary.

3.2 Research Paradigm

A paradigm is a set of assumptions about how things work (Van Wyk, 2012). Paradigms are considered as the fundamental tools to the research process, which shouldn't be conceptualized as static perspectives but rather constructed entities (Shannon-Baker, 2015). The paradigm employed in this research is critical realism, which works from a supporting premise that quantitative and qualitative approaches to a study/research can work jointly/together in an effort to address the other's weakness and maximizing each one's strengths. While embodying a constructivist epistemology; critical realism is paradigm that a strong believer of a world that's constructed through individual perception and standpoints (Shannon-Baker, 2015; Sekaran et al., 2013). This paradigm states that theories are partial representations of the reality and goals of critical-realism paradigm being of measuring and verifying the underlying structures in reality. Applying this to the study at hand, it is important to note that many theories and explanations have been brought forward from diverse perspectives, seeking to provide explanations for the success or failure of SMEs in South Africa in diverse sectors. This study pursues an examination of the fortunes of black owned SMEs in the Construction sector from the perspective of the owners themselves, exploring the structures in which they operate and how they design plans, operational strategies in

response to the environment they face. In accomplishing this examination, this research study uses two approaches in mixed methods research which are the;

- Qualitative approach and,
- Quantitative approach.

In the adoption of these two approaches, the key assumption is that of complementarity. The belief is that the two approaches used together provides the basis for a broader understanding of the subject at hand. Thus, they build on their complementary strengths and weaknesses. Also the use of qualitative and quantitative as mixed methods approach specifically refers to data and analytical methods. The paradigm is thus the framework on which the research study is grounded(Shannon-Baker, 2015).

3.3 Research Design

A research design is the logical arrangement of the conditions for collection and analysis of data in a way that aims to achieve the goal of combining the relevance of the research study with economy in the adopted procedures (Kothari, 2004). It is the conceptual structure within which the research is conducted, and contains the blueprint for the collection, measurement and analysis of data (Kothari, 2004). Sekaran et al. (2013) states that research design is a blueprint for the collection, measurement and analysis of data, based on the research questions of the study. This research study is explorative and descriptive and uses a mixed method approach in seeking to understand factors that influence strategic growth of Black owned SMEs in the Construction Sector in KwaZulu-Natal. The exploratory aspect of the research used a very small sample of data to get qualitative data. At best simply, this explores into the vast field of observations without making any representative recommendations beyond the elements in the sample. The descriptive nature alludes to the methods of statistical analysis, where the observations are analyzed through examination of the pattern of observations through tables, frequencies and charts to understand deeper and underlying relationships between variables in the dataset.

The choice of the explorative approach in this research study is to understand three aspects of the framework of analysis developed in section 2.8 which assert that business strategy is a function of the three environments, the internal environment, the market environment and the macroeconomic

environment. According to this framework, an analysis of these three environments give insights into the strategy behind a given business model.

However, a review of literature also brought forward factors which according to previous research have been instrumental in the limited successes experienced by Black Owned SMEs within the sector of construction. Combining various aspects from the internal environment, the market environment and the macroeconomic as developed in section 2.8, and the factors presenting challenges to Black owned SMEs in the Construction Sector helps to explore the critical challenges related to strategic growth faced by Black owned SMEs. In pursuing this focus, the mixed methods approach used in this study collected both quantitative and qualitative data.

Quantitative and the qualitative research approaches are the two types of research philosophies that can be utilized to conduct a research. According to Miriampolski (2001:7); a qualitative study includes a number of approaches, methods and various techniques for understanding and thoroughly documenting attitudes and behavior. This type of study is commonly undertaken through the analysis of unstructured information. The data for a qualitative study can be obtained in various forms and these include interviews, focus groups, feedback sessions and forums, notes and mail. In a qualitative aspect, emerging themes are derived from data through thematic analysis. In accordance with Zikmund and Babin (2007:132), a qualitative research study is more subjective rather than objective. These results are very much determined by the researcher's interpretation of the data that's obtained. A quantitative research study on the other hand in accordance to Ludico and Voegtle (2010:21) summaries the results numerically. Its soul aim is to develop a relationship between an independent variable with a utilization of statistical models. The findings can be accurately projected onto the population. Data is collected through questionnaires.

3.4 Population and Location of the Study

The population of the study or the population of interest, is the entire group with whom the researcher wants information on. Defining the population of interest, is one of the first steps in a sampling process. McGivern (2006:274) is defining a population as a complete group like people, retails stores, organizations sharing a similar set of characteristics. In designing of the research project, it is important to properly define the target population. The population of interest in this

research was 500 black owned civil engineering construction companies in KZN province of the Republic of South Africa from grades 5 (Civil Engineering category) CE to 9CE. According to CIDB's 2018 register of contractors, there are 500 active registered black civil engineering contractors from grade 5CE to 9CE in KZN (2018).

3.5 Sample of the Study

Sampling is the process of selecting the right individuals, events, objects as representatives for the entire population, (Sekaran et al., 2013). Rowley (2014) indicates that some of the major steps in sampling includes the defining of the population size, determination of the sample frame, determination of the sampling design, determination of the appropriate sample size and the execution of the required sampling process. Sekaran et al., (2013) is clear on fact that there's two (2) design sample types and these are probability and non-probability sampling. In probability sampling, elements in the population have a degree of some known, non-zero chance or probability of being selected as subjects of the sample. Whereas for nonprobability sampling, elements don't have a known or pre-determined chance of being selected as the subjects of the sample. The research study employed non-probability sampling method of purposive sampling to select participants for the study.

Purposive sampling techniques are employed when the researcher uses some specific attributes of the population to select participants in a study. In most cases reliance is placed on expert judgement or domain knowledge of the population under consideration (Kothari, 2004). In this research study, the CIDB database which enlisted the grading and addresses of the various companies was an essential component to restrict the sample of participants to only those located with the greater Durban Metropolitan Area. The participants were chosen due to (1) their respective CIDB grading and had already undertaken projects that have seen them grow their grading and are keen to see their companies grow. Another selection criteria was that the construction companies (2) were owned by black people and met the criteria of being a small and medium enterprise. It was also important that (3) the owners were easy to access and readily available to discuss growth related challenges. Lastly, it was required that (4) the construction business had been in operation for more

than five years to have experienced opportunities and challenges for growth in the construction sector.

3.5.1 Sample size

The sample elements were drawn from the CIDB registry with the selected entities being those which are based in the greater Durban Metropolitan area. This choice was based on considerations of time, the need for interview scheduling and costs as the research was also on a very limited internal funding. A total of 15 black owned construction companies were selected using purposive sampling. Table 3.1 below describe in detail the participants of the study.

Table 3.1: Description of participants

Location in KZN	Grading of the Company	Years in existence	Gender of the black owner
Ethekwini Metropolitan	5 CE	11	Female
Ethekwini Metropolitan	5 CE	12	Male+Female
Ethekwini Metropolitan	5 CE	11	Male
Ethekwini Metropolitan	8 CE	16	Male
Ethekwini Metropolitan	6 CE	14	Male
Ethekwini Metropolitan	5 CE	8	Male
Ethekwini Metropolitan	7 CE	16	Male
Pietermaritzburg Region	7 CE	14	Male+Female
Pietermaritzburg Region	6 CE	12	Male
Ixopo	7 CE	14	Male
Pietermaritzburg Region	5 CE	11	Male
Pietermaritzburg Region	6 CE	12	Male
Pietermaritzburg Region	6 CE	12	Male
Howick	5 CE	8	Male
Pietermaritzburg Region	6 CE	16	Male

Source: Own

3.6 Instrument for Collecting Data

This section discusses how data was collected in this study.

3.6.1 Construction of the Instrument

The three main data collection methods in survey research are interviewing, observing people and administering questionnaires (Sekaran et al., 2013). There are three objectives for a research namely: exploring, describing and explaining topics being investigated. A research can then be classified as exploratory, descriptive or explanatory (Saunders et al., 2009).

The data collection method used in this study was based on a questionnaire which had open ended questions to capture qualitative data while close ended/structured questions were used to gather quantitative data. Open ended questions can yield substantive subjective perspectives as they seek to understand the subject under consideration from the worldview of those who are being affected by it. The interviews can be in the form of structured, semi-structured and unstructured. They can be undertaken in person, via telecommunication and via online avenues. Shneiderman and Plaisant (2015) identifies that interviews can be highly fruitful since the interviewer can pursue specific matters of concern that may lead to focused and constructive propositions. The foremost advantages of interview technique for collecting data include:

- (i) Good at obtaining detailed information;
- (ii) Helpful to gather rich and detailed data.

An in-depth interview is described as a qualitative research technique that involves asking rigorous questions of a small number of respondents to discover their views on a particular topic (Boyce and Neal, 2014). In-depth interviews are normally conducted on a one-on one basis with a respondent who is knowledgeable about the topic (Harrel and Bradley, 2009:27). In the study the premise was taken that the business owners are more knowledgeable in the information domain that concerns their businesses and the everyday environment they face in running these businesses.

As the study was exploratory, the questionnaire was administered by the researcher to allow participants to ask questions where they did not understand but also allow the researcher to probe

where clarity was needed. In this way, data was collected through an interactive and personal engagement amongst the researcher and the participants in this study.

As the questionnaire was designed with both structured and semi-structured questions, it is key to highlight that the structured questions formed the basis of the quantitative data for the study. The questions were structured and standardized to ensure integrity of the data collected from different companies.

The questionnaire had a total of 14 main questions, with a number of sub-questions as follow up to the main questions. Drawing from the Industrial Organization, a questionnaire was developed to focus on three sections. The first section had a set of questions directed towards understanding the influence of the external operating environment to strategic growth and growth-related challenges. The second section had questions focusing on internal business process, resources and capabilities which are key in influencing strategic growth and growth-related challenges.

Finally, the last section focused on questions in relation to growth strategy in light of the market and competitive environment. It is in this way that questions were developed to collect quantitative and qualitative data in this study.

3.6.1.1 The Survey Questionnaire (Appendix 1)

As highlighted earlier on, the survey questionnaire was the instrument used to collect data from the selected participants for the study. It is critical to highlight that the instrument composed of structured and semi-structured questions. The structured questions had conditioned responses requiring a defined response, and were coded accordingly for example:

(1) Please indicate the legal status of this business

1	Sole proprietorship	
2	Partnership	
3	Limited Liability Private Company	
4	Limited Liability Public Company	

(2.) What is the number of employees in this company? _____

These structured questions with conditioned responses were used as the basis for the design of the quantitative section of the dataset used in this research study. As stated earlier, that to maintain integrity and quality of the data, the design of the data collection procedure ensured that questions were precise and unambiguous and also given the amount of parameters that needed to be collected, structuring a greater proportion of the questions reduced stress on the participant, which is one of the contributors to compromised data quality (Kothari, 2004). Structured questions also ensured the possibility of collecting complete, comprehensive, consistent and reliable data.

A combination of semi-structured and open-ended questions was to ensure possible avoidance of two problems associated with extended dialogues during data collection, which also tend to be the leading causes of poor quality qualitative data. Primarily, semi-structured questions were designed to provide more information to structured questions, this can be clearly seen in the structure of the survey questionnaire inserted in appendix 1. Essentially, they were designed to collect insights behind responses given to structured questions. Secondly, open ended questions were to collect data on specific aspects the interviewer asked leaving the depth of the information provided in the responses to the interviewee, as these questions were designed to collect data concerning the actual experiences of those in the industry and the environment within which they work. Questions of this form were very few in the overall survey questionnaire by design, and since the questionnaire contained a sizeable number of questions, the strain resultant could potentially compromise data integrity. Thus, there was a balance between structured, unstructured and open-ended questions in the survey questionnaire.

Question 2: What organizational level management processes have you incorporated in the business in past years?

Management improvement strategy	Tick appropriate	Please elaborate with an example
We hired more skilled and qualified personnel		
We changed the legal status of the business		

<p>We established better business information systems to track costs and revenues etc.</p>		
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Question 3: Are there any other ways the business has improved since the business operational years?

The instrument as a result was designed with the need to establish a balance between responses from structured and semi-structured questions and get a holistic picture.

3.6.2 Testing of Interview Method of collecting data

3.6.2.1 Pretesting

A pre-test is where a data collection instrument is tried or tested on a small sample of respondents before a full-scale study to identify any problems associated with questions (Sekaran et al., 2013). According to McDaniel and Gates (2010:235), pre-testing is identified as a trial run procedure that involves a group of respondents to clear up fundamental problems in the research design. For this study, pre-testing helped to rectify any inadequacies before administering the instrument. Pilot testing is helpful to detect any problem with the questionnaire design to eliminate ambiguity of words, misinterpretation of question, inability to answer a question and other problems associated with the instrument as well as the process of administering the questionnaires.

Pre-testing was done on small sample of 2 respondents. The observed pattern of responses led to redesign of the qualitative section as presented in the final survey questionnaire used. The final survey questionnaire is attached in the appendices section. The subjects were from KZN and their

details were gathered from the CIDB register of active black civil engineering contractors between grade 4 and 9. The results of pre-testing presented valuable insights into circumventing ambiguous questions and the instrument was modified accordingly. Pre-testing provides an opportunity to give feedback to the researcher to ensure that there is proper protocol in the data collection procedures.

3.6.3 Collection of data: Qualitative

Data collection process is the precise and organized gathering of information that only important to the study's aim and objectives. As this study had a qualitative aspect, it is vital to understand the principles of preparing for interview to collect data. McNamara's (2009) identifies eight principles of preparing an interview. The eight principles were observed were as follows:

The purpose of the interview needs to be clearly explained to the respondent. At the start of each interview the interviewer explained the purpose of the interview and thanked them for their participation.

The environment where the interview takes place needs to be free of any form of distractions. During the data collection phase, the interviewer met with the participants at their respective offices, where the interview questionnaire were handed and explained to them. The completed surveys were collected after two days, as a three-day window was requested from each participant. Details of the interview period is detailed below in Table 3.2.

Table 3.2: Detailed Interview questionnaires proceeding

Respondent	Grading of the Company	Date of Interview	Date Interview Questionnaire returned	Duration in returning Survey
CC 1	5 CE	22 October 2018	23 October 2018	One day
CC 2	5 CE	22 October 2018	24 October 2018	Two day
CC 3	5 CE	24 October 2018	25 October 2018	One day
CC 4	8 CE	24 October 2018	25 October 2018	One day
CC 5	6 CE	24 October 2018	26 October 2018	Two day
CC 6	5 CE	26 October 2018	29 October 2018	Two day

CC 7	7 CE	26 October 2018	29 October 2018	Two day
CC 8	7 CE	29 October 2018	31 October 2018	Two day
CC 9	6 CE	29 October 2018	31 October 2018	Two day
CC 10	7 CE	30 October 2018	1 November 2018	Two day
CC 11	5 CE	31 October 2018	1 November 2018	One day
CC 13	6 CE	31 October 2018	1 November 2018	One day
CC 14	6 CE	31 October 2018	2 November 2018	Two day
CC 15	5 CE	1 November 2018	2 November 2018	One day

Source: Own

The interview format needs to be clarified. In this study, the interviews started with the explanation of each section's purpose.

The confidentiality of the interview needs to be discussed with the respondent. In this study, confidentiality and anonymity were explained to the participants that their details were confidential. A consent form (inserted in the appendix 2) was read out and signed by the respondents, with the collected data being accessed only by the primary researcher and the project supervisor.

The anticipated duration of the interview needs to be communicated accordingly. The interview duration was communicated prior to the interview through a phone call and via email booking and also emphasized at the start of each interview. The initial meetings during which survey questionnaires were hand out, had an average duration of 60 minutes, in which aspects of the research and the nature of data required were clarified. This was to ensure ease during filling out surveys and eliminate any areas that might potentially be misunderstood.

The researcher should share his contact details with the participants. The details of the researcher were given to the participant and were to contact the researcher if they had questions about the study.

Participants must also be given an opportunity to ask questions. The initial meeting when the survey questionnaires were handed out to participants, provided a platform where information

regarding the survey was made available to the participants as well as all the questions they potentially had were answered. Additionally, further questions were also asked as the primary researcher had given his contacts to the participants for any further queries and information they would have required. All the data collected was through the survey questionnaire, the interviews discussions did not comprise any part of the data, and hence they were not recorded. There were no audio recordings of the interviews which were undertaken, as part of the interviews, which were limited to the dialogue on the basis of the questionnaire. Since the data was to be collected using the instrument, audio recordings were unnecessary and were not resorted to in this study's data collection phase.

Burns and Bush (2014:317) states that there are two types of personally administered interviews, those that are completed in the presence of the researcher and those that are filled in when the primary researcher is not in attendance (also called self-administered). In this study the method was adopted, with the completion of the surveys self-administered, as explained earlier, the primarily researcher only interacted with the selected participants during the meeting where the instrument was explained and questions regarding the survey answered and during which informed consent forms were signed and the survey questionnaires handed out to the participants. Another option was to use the electronic mailing system, however for reasons of data integrity and quality, this option was forgone for the option of personal interview administration (Sekaran et al., 2013).

3.6.4 Data Collection: Quantitative data

Quantitative data in this study was collected through structured questions which also form part of the data collection instrument administered by the researcher. The questionnaire responses were converted into a database, which was titled, Black Owned Construction Companies Sample Dataset (BOCCS Dataset) with an aggregate of 111 variables measuring diverse aspects of business aligned with strategy formulation, growth and direction. The variables are summarized in Table 3.3 below:

Table 3.3: BOCCS Dataset Variables

VARIABLE	EXPLANATION
Name	String variable describing the name of the company for reference
Years in Business	A factor variable with five levels measuring number of years business has been operating, from up to 1 year, 2 -3 years and so on
Employee Number	A numeric variable, stating the absolute number of employees in the company (also a proxy for labour or capital intensity measure)
Legal Status	A six levels factor variable measuring the formal entity type of the business, from sole proprietorship, to cooperatives and limited liability companies
Affiliation	A multilevel factor variable measuring at least one board the incumbent firm is a part of
External Challenges	<p>For reasons that a company can indicate multiple challenges it is facing, this variable was decomposed into twelve Binary variables, each measuring one aspect of the external environment presenting challenges to the business.</p> <p>The variable was also measured as an ordered ordinal variable using a 3-point scale ranging from “Major problem”, to “Not a Problem”.</p>
Growth (1) Physical, (2) Business (3) Financial and (4) Strategic	This is variable with an aggregate of 30 factor levels and decomposed into physical growth (6 aspects measured at the binary level), business growth (comprise of seven aspects measured at binary level), financial growth (nine aspects measured at binary level) and Strategic growth (8 attributes measured at binary level).
Management Strategy	This referred to five binary variables measuring attributes of specific firm such as (1) Level of management, (2) strategies, (3) skills, (4) legal form of business, and (5) budgeting, planning and business systems.
Growth Opportunities	A composite indicator of growth composed of eight binary variables measuring opportunities for growth, possible to be exploited by business. Focus was on measuring the ability of the incumbent firm to scan opportunities within its operating environments

Business Opportunities	A composite indicator composed of nine binary variables measuring opportunities specific to the business, either through improved business resources, better finance avenues, regulation that favors business growth, strategic mergers and so forth.
Strategic Challenges	A composite indicator composed of nine binary variables measuring different aspects of strategy and focusing on challenges that inhibits strategic direction or execution. The levels were made primarily because challenges were multiple and restricting the participant's choice to one response could have limited the range of responses. The nine binaries are all two-factor level yes/no variables.
Strategic growth	Strategic growth was also composed of twelve binary variables measuring attributes of strategic growth the company has experienced since it commenced operations: These are based on the Greiner's Growth Model. The individual variables were all two level (yes/no) factor variables, requiring specific structured responses.
Strategic drivers	An indicator variable composed of seven binary variables, created from the inquiry, "What are the drivers of strategic growth to small businesses in KZN based on your experience in the Industry?"

These variables comprised the quantitative part of the dataset.

3.7 Analysis of Data

In the context of quantitative research, data analysis refers to breaking down and making statistical sense of data. Data analysis is the calculation of certain measures along with looking for patterns of relationships that exists among the data groupings (or variables). In the process of analysis relationships or divergences supporting or disagreeing with original hypotheses of the research are subjected to statistical testing and further analysis, to determine the validity with which the analyzed data can be said to provide any reasonable conclusions (Kothari, 2004).

In this study, quantitative data analysis was through descriptive statistics. Editing was thus the data cleaning and preparation stage of the analysis, in which also measurement errors were eliminated and inconsistencies in the data redressed and corrected. Data coding, the process of assigning numerical codes to the various data variables and their attributes, thus efficiently putting the responses into a limited number of categories or classes. The bulk of the variables were binary coded, as the measurement scales used during data collection, allowed participants to indicate all responses which were necessary and could not be coded as a single variable. The coded data was also assigned three variable types depending on the nature discovered of the underlying questions in the interview instrument. Some variables were reserved as numerical scaled variables, others were given nominal categorical scales, where the numbers were just labels with no particular order of importance and others were assigned, ordinal coding, with the numbering system reflecting the particular order of importance.

Classification techniques were also employed to reduce the volume of data into homogenous groups to make analysis easier and also to ensure analysis yielded more meaningful relationships. The classification was done on the basis of common characteristics, with data having common characteristics placed in one class. The classification system was based on attributes deduced from the questions in the interview instrument. These attributes were descriptive and assigned nominal numeric coding.

Tabulation, the process of arranging the data into a logical order using rows and columns to produce a data frame (Kothari, 2004) was done using SPSS, for ease of analysis. Tabulation methods ensured that the raw data was summarized and displayed in some compact form, statistical tabulation for further analysis.

The data collected was processed into a database called BOCCS Dataset, as outlined above using the SPSS program, for ease and efficiency in software's database construction. The SPSS program was also using in the analysis of the data, using descriptive statistics, for all the coded quantitative data. The computed statistics were presented using tables and charts which were all constructed using the tabulation and graphics methods of the SPSS program. The analyze s conducted were delimited to the particulars of the sample participants with no attempt to generalize the findings to any broader context beyond the sample size and characteristics. Descriptive analysis focused on

the distribution of one variable, to give profiles of companies, names, and attributes of selected classifications.

Descriptive analysis was instrumental in yielding distributions of attributes among variables on interest in light of the research questions and hypotheses.

Furthermore, it is important to highlight that qualitative data collected in this study was analyzed using thematic analysis. The data collected was analyzed using thematic analysis method that made it possible to gain a fuller picture of the impact of challenges related to strategic growth of small construction companies. The researcher employed thematic content analysis to analyze the data.

Braun and Clarke (2006:79) define thematic content analysis as “a method of identifying, analyzing and reporting themes or patterns within data”. The purpose of thematic content analysis is to search through data to identify any recurrent patterns (Bryman, 2012).

Thomas (2008), cited in Royce (2011:165), outlined four steps in qualitative data analysis which are as follows:

1. The conversations, interviews or responses are transcribed and written down.
2. The source material is carefully read, and key segments of text are highlighted.
3. Themes or categories and subcategories are coded (identified).
4. Patterns which make sense of the most important themes or categories are sought.

The results of both quantitative and qualitative analysis are shown in the next chapter.

3.8 Validity and Reliability

The researcher considered reliability and validity as very essential elements for this study. The validity of a study refers to the truthfulness of the findings and the conclusions of the study. Diverse methods of validity testing are prevalent in research methods both qualitative and quantitative. For qualitative research these include, construct validity, internal validity and external validity.

Construct Validity - refers to how well the results obtained from the analysis fit the theories which the test is designed (Sekaran et al., 2013). There are three evident ways in which the instrument can

be proven whether the research has the construct validity or not, these are homogeneity (instrument is indeed measuring only one attribute of the construct/phenomena), convergence (shows similarities with instruments that measure similar constructs), theoretical evidence (relates to already established theories or articulated theoretical positions). Focus in this research was placed on the consistency with which the attributes for the analysis were measured to fit the study's problem domain, such that the results of the analysis provide answers in response to the research problem and associated questions.

Content Validity – guarantees that the measure includes an acceptable and representative set of items that looks into the concept. The more the scale items epitomize the domain, the greater the content validity (Sekaran et al., 2013). Content validity can also be understood as the extent to which the variables, theories and frameworks used in the study contribute to understanding the inquiry at hand. This was ensured through ensuring a comprehensive coverage in the theoretical framework of analysis bringing together diverse aspects of the Industrial Organization model to analyze strategic choices and growth-related challenges faced by small firms within the construction industry. As the sample size was small statistical test of validity such as Alpha Cronbach were not taken in this study which was primarily exploratory in nature.

Face Validity – which refers to the parsimony with which the instruments used in the study, are precise in addressing the inquiry of the study. This has also especial reference to the data collection instrument. In this case, the data collection instrument was comprehensive and comprised information drawn from the diverse aspects of the Industrial Organization model (IO) and growth-related challenges to analyze and understand strategic choices by small firms within the construction industry in this study. When individuals are questioned whether the instrument is measuring the intended parameters or whether it is directly addressing the question at hand (Heale and Twycross, 2015).

The constructs were the strategic growth framework and black owned construction companies of KwaZulu-Natal Province in South Africa. Content validity refers to the items of a research instrument such as the interview questionnaire, which must be comprehensive enough to cover all related content to the subject under study. While the instrument was theoretical sound, the initial

pilot study and redesign ensured that comprehensive quality of the constructs were further improved.

Reliability refers to the consistency with which the results of a given research inquiry can be replicated and yield the same results under similar conditions. There are various aspects to reliability such as credibility, transferability, dependability and confirmability. Credibility (also called internal validity and is concerned with the trustworthiness and believability of the findings), is heavily influenced by the quality of the data used in the analysis (McMillan and Schumacher, 2010). In this study credibility was ensured through designing a comprehensive survey questionnaire based on sound economic theory and accounting for subjective aspects based on participants experience in the industry. This ensured the required depth and richness of the collected data. Furthermore, the interview questionnaire was administered in a pilot sample of participants who were similar to the group that the instrument would be administered to since the interview questionnaire was also verified by experts in the construction industry consulted prior to the administration of the interview questionnaire to the target population. Dependability is the primary measure of reliability and concerns the consistency with which results can be replicated and yield similar results (Kothari, 2004a). The instrument can be deemed reliable if the same measurement scale can be utilized to measure the same entities at two different times, and the results remain the same (Burns and Grove, 2009:377). According to Sekaran et al., (2013), reliability is vital since it aims to test if the research satisfies its predicted aims and hypothesis and guarantees that the results are restricted to the internal investigation. The most commonly used method to test for reliability is the Cronbach's alpha (Burns & Grove, 2009:377; Gliem & Gliem, 2003). As mentioned earlier on, this was not used in this exploratory study as the sample size was very small.

3.9 Ethical Consideration

The ethical application for the purposes of undertaking this study was lodged and approved. It is also attached in the appendix of this booklet. The conditions for approval and for conducting the research were all adhered to, particularly conditions with respect to treatment of data collected, use and disposal. Throughout the study, rights of participants, privacy and confidentiality

information gathered was also upheld. All data collected by the researcher was not used for personal advantage and the data collected in this study is presented in the honest and unbiased manner. No names were used to ensure privacy and confidentiality. Furthermore, data collected was only accessible to researcher and the supervisor.

3.10 Summary

This chapter has discussed the methodology that was employed in undertaking this research work, the assumptions and considerations. The data analysis was designed to be descriptive, while the data collection methods was a triangulation or mixed methods approach combining both quantitative and qualitative data. This mixed methods approach to data collection was discussed with acceptable depth. The premises upon which survey questionnaires were self-administered was discussed and the methods of data preparation for analysis. Quality assurance criteria for the research instrument namely: pretesting, reliability and validity were also discussed. In addition, it is envisaged that the methodology used in this study will assist in contributing to the body of knowledge of construction civil engineering companies of KwaZulu-Natal province in SA for the private and public sector. The next chapter provides the analysis of the results and a discussion of the findings emanating from the empirical fieldwork.

CHAPTER 4

FINDINGS

4.1 Introduction

The aim of this chapter is to present findings from this study. The prime objective of the study was to “explore the *nature* of strategic growth and *growth-related challenges* faced by Black owned construction companies in KZN province of South Africa”. This chapter begins by presenting views of owners of black owned construction companies on the nature of growth and growth-related challenges. In a similar vein, the chapter proceeds to present results on the nature of strategic growth and its related challenges faced by black owned construction companies. Lastly, the findings focus on key issues which can enhance strategic growth of black owned construction companies in KZN.

4.2 Nature of growth according to black owners of construction companies

Results reveal that black owners of construction companies viewed the nature of growth in terms of changes in a variety of four dimensions characterized by (1) variations in physical assets, employee numbers, expansions into other provinces; (2) organic business growth in terms of size and value of service portfolio, and (3) improvement of internal and management processes; and lastly (4) financial growth in terms of improved access to official credits and finance, improved cash flow, working capital and fresh capital injections into the business.

4.2.1 Physical dimension of Growth

Predominantly, black owners of construction companies reported that they viewed growth in terms of growth in stock and expansion into other provinces. In this study, 66 percent of the black owners reported that growth relate to increased stocks of physical assets. In addition, 66.7 % conceived growth in terms of expanded business into other provinces. This connotes growth as having a structural aspect characterized by changes in the internal systems in terms of reporting relationships with new offices, communication links, and resource controls.

Results reveal that the nature of growth as seen by black owner managers did not emphasize much on increase in number of employees which was acknowledged only by 42 percent of the participants. Actually, 58 % of the black owners of construction companies were not in agreement with the assertion of increased number of employees as growth according to their experiences. These views of black owners of construction companies are presented in **Table 4.1** below:

Table 4.1: Physical dimension of growth

Physical Growth: increased business stock of physical assets

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	8	66.7	100.0	100.0
No	4	33.3		
Total	12	100.0		

Physical Growth: Increased employee base

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	5	41.7	100.0	100.0
No	7	58.3		
Total	12	100.0		

Physical Growth: Reduced stock of business assets

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	6	50.0	100.0	100.0
No	6	50.0		
Total	12	100.0		

Physical Growth: Expanded business into other provinces

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	8	66.7	100.0	100.0
No	4	33.3		
Total	12	100.0		

Source: Own calculations from sample data using SPSS

4.2.2 Business dimensions of Growth

Focusing on the nature of growth, it is notable that results reveal how black owners of construction companies view business growth in a variety of ways. Results show that 83 % of the black owners of construction companies view growth as related to increase in government sector contracts awards and market penetration respectively. In a similar vein, 75 % of the black owners of construction companies saw business growth as a steady increase in number of contracts in general and growth in revenue (66%). On the other hand, it is noteworthy that 83.3 % black owners of construction companies reported that improvement in value of contracts was not experienced as an aspect of business growth as illustrated in **Table 4.2** below.

Table 4.2: Variety of components of Business growth

Business Growth: Added service portfolio offerings

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	3	25.0	100.0	100.0
No	9	75.0		
Total	12	100.0		

Business Growth: Improved internal and management processes

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	5	41.7	100.0	100.0
No	7	58.3		
Total	12	100.0		

Business Growth: Contract Database has increased steadily

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	9	75.0	100.0	100.0
No	3	25.0		
Total	12	100.0		

Business Growth: Increased Government sector contracts

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	10	83.3	100.0	100.0
No	2	16.7		
Total	12	100.0		

Business Growth: Value of contracts has improved

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	2	16.7	100.0	100.0
No	10	83.3		
Total	12	100.0		

Business Growth: Revenue Growth

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	8	66.7	100.0	100.0
No	4	33.3		
Total	12	100.0		

Business Growth: Market Penetration

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	10	83.3	100.0	100.0
No	2	16.7		
Total	12	100.0		

Source: Own calculations from sample data using SPSS

4.2.3 Financial dimensions of growth

According to the experiences of black owners of construction companies, it is revealed the financial growth is another perspective of growth. Results show that 67 percent of the participants reported improved working capital as a dimension of financial growth. Generally, it is notable that black owners of construction companies excluded financial growth as part of their experience of growth. Concisely, only 8 percent indicated that black owners of construction companies had improved access to official credit and finance; and 25 percent reported improved cash flows. In other words, the majority experienced difficulty in accessing official credit and finance, but also did not have improved cash flow. Furthermore, 75 percent reported that their business needed fresh capital injection to achieve growth.

Table 4.3: Financial dimensions of Growth

Financial Growth: Easy access to official credit and finance

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	1	8.3	100.0	100.0
No	11	91.7		
Total	12	100.0		

Financial Growth: Improved Cash Flows

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	3	25.0	100.0	100.0
No	9	75.0		
Total	12	100.0		

Financial Growth: Improved Working Capital Profile

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	8	66.7	100.0	100.0
No	4	33.3		
Total	12	100.0		

Financial Growth: Business in need of Fresh Capital Injection

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	9	75.0	100.0	100.0
No	3	25.0		
Total	12	100.0		

Source: Own calculations from sample data using SPSS

Having presented results on the nature of growth and the variety of dimensions according to black owners of construction companies, the next section presents results on challenges of growth.

4.3 Critical growth-related challenges which affect growth of black owned construction companies

Results reveal that growth-related challenges are varied and classified as both major and moderate problems for black owned construction companies. Firstly, results show that five of the most cited challenges which are considered as major in affecting growth of black owned construction companies were (1) government inefficiencies and corruption (100%); (2) limited support platforms such as government support platforms or investment (92%); (3) cost of capital (83%); (4) lack of targeted financial incentives (58%), and (5) access to finance and credit lines (50%).

Secondly, 58 percent of the black owned small construction companies said that regulations regarding expanding current business; change in government policies (75%); and environmental regulations (50%) were considered as “moderate problems”. This is interesting especially that government is increasingly developing environmental policies which may impede business growth in many sectors including small scale construction.

Thirdly, it is notable that the issue of availability of technical or vocational skills was considered as not a problem by 83 % of the black owned construction companies. Only 16 percent pointed out that availability of such skills can be a moderate problem which affect growth of construction business.

Fourthly, tax regulations were not considered as a problem by 75 percent of the black owned construction, while 17 percent considered them as a “moderate problem” and a further 8 percent indicated that such regulations were a major problem.

Lastly, government policies were considered as a moderate problem by 75 percent of the black owned construction companies, while only 8 percent considered these as major problems. The Table identify and also grades the various problems which affect growth of black owned construction companies in KZN.

Table 4.4: Variety and grading of growth-related challenges which affect black owned construction companies

Regulations regarding expanding current business

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MODERATE PROBLEM	7	58.3	58.3	58.3
	NOT A PROBLEM	5	41.7	41.7	100.0
	Total	12	100.0	100.0	

Availability of technical or vocational labour skills

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MODERATE PROBLEM	2	16.7	16.7	16.7
	NOT A PROBLEM	10	83.3	83.3	100.0
	Total	12	100.0	100.0	

Tax regulations

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MAJOR PROBLEM	1	8.3	8.3	8.3
	MODERATE PROBLEM	2	16.7	16.7	25.0
	NOT A PROBLEM	9	75.0	75.0	100.0

Change in government policies

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MAJOR PROBLEM	1	8.3	8.3	8.3
	MODERATE PROBLEM	9	75.0	75.0	83.3
	NOT A PROBLEM	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

Access to finance and lines of credit

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MAJOR PROBLEM	6	50.0	50.0	50.0
	MODERATE PROBLEM	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Cost of capital/credit

		Occurrence	Percent	Valid Percent	Cumulative Percent
Valid	MAJOR PROBLEM	10	83.3	83.3	83.3
	MODERATE PROBLEM	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

		Environmental regulations			Cumulative
		Occurrence	Percent	Valid Percent	Percent
Valid	MAJOR PROBLEM	1	8.3	8.3	8.3
	MODERATE PROBLEM	6	50.0	50.0	58.3
	NOT A PROBLEM	5	41.7	41.7	100.0
Total		12	100.0	100.0	

Source: Own calculations from sample data using SPSS

Having presented views of black owners of construction companies on the nature of growth and growth-related challenges, the next section focuses on views on what is the nature of “strategic” growth, but also its “challenges” faced by black owned construction companies.

4.4. Nature of “strategic” growth according black owners of construction companies

It is interesting that all the 15 black owned construction companies (100%) indicated that, they had experienced strategic growth through improved quality of business services and products overtime. Black owned construction companies revealed that the nature of strategic growth was consistent growth over time through business networks (92%); improved management process (83 %); investments to achieve higher industrial classification (66%) and to reach high value clients (58%). It is noteworthy that strategic growth is not only about focus and increase on high value clients, but also improving ranking in the industrial classification system. The nature of strategic growth reflect both internal and external dimensions. Externally, improved industry classification, value of customers and growth in business network reflect the nature of strategic growth. Internally, results show that strategic growth relates to improved quality of business services and products, improved management processes, and growth in investment.

The results are clear that outsourcing to other businesses and improved business technology were not among the key aspects of strategic growth. Results show that only 25 % of black owned small construction companies experienced strategic growth through outsourcing business or improved business technology.

Table 4.5: Variety of views on the nature of “strategic” growth upheld by black owned construction

Strategic Growth: Improved Quality of Business services and products

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	12	100.0	100.0	100.0

Strategic Growth: Improved Management Processes

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	10	83.3	100.0	100.0
No	2	16.7		
Total	12	100.0		

Strategic Growth: Consistent Growth through Business Network

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	11	91.7	100.0	100.0
No	1	8.3		
Total	12	100.0		

Strategic Growth: Outsourced to other businesses

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	3	25.0	100.0	100.0
No	9	75.0		
Total	12	100.0		

Strategic Growth: Improved business technology

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	3	25.0	100.0	100.0
No	9	75.0		
Total	12	100.0		

Strategic Growth: Investments to achieve higher Industrial classification

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	8	66.7	100.0	100.0
No	4	33.3		
Total	12	100.0		

Strategic Growth: Investments to reach higher clients

	Occurrence	Percent	Valid Percent	Cumulative Percent
YES	7	58.3	100.0	100.0
No	5	41.7		
Total	12	100.0		

Source: Own calculations from sample data using SPSS

4.4.1 Key themes on nature of “strategic growth” as perceived by black owners of construction companies

It is also interesting that five themes that were identified in this study provide different and unique aspects in terms of resources, significant structural and organizational changes and the external environment to depict the nature of strategic growth as perceived by black owners. In particular, the themes reveal that the nature of strategic growth relates to unique resources such as (1) key experience to gain more business; (2) growing effective operations and quality of staff; (3) strategic partnerships within and outside the industry; and (4) various forms of market growth. These reflect that growth is strategic in terms of resources which hinge on asset accumulation but also performance in terms of clarifying business direction. Strategic growth relates to changes taking place in how a black owned construction company interacts with the environment to exploit assets and resources to sustain competitive advantage.

4.4.1.1 Growth in key experience to gain more business

Results reveal that black owners of construction companies conceived strategic growth in terms of experiential growth useful to gain more sustainable competitive advantage. In this vein, one of the black owned small construction companies reflected on how strategic growth was about the powerful and useful experience which provided competitive advantage resulting in getting more jobs.

“We were able to build our company experience and were able to get more projects from the gained experience. There is some experience which is key and helps to open doors not now but in future. We have experience acquired over the years which is strategic in us getting more and high value projects. This experience takes time to grow” (CC 2).

4.4.1.2 Growing effective operations and quality of staff

It is also salient to illuminate that black owned construction companies were mindful that strategic growth was about growing effective operations and being able to afford and retain competent staff to handle big projects currently and in future as well. One of the black owners of the construction company revealed the operational complexity and variety of resource to drive and sustain the competitive advantage for the business to survive the ups and downs, as follows:

“Good people help a company go far. Recruitment of competent qualified staff is part of our growing so that we can handle big and complex projects. We have also improved management process through standardization. Without systems, operations will not be smooth....to deal with projects. We introduced IT solutions to improve efficiency and introduced a divisional structure and improved coordination. These will be there as long as we operate. Effective operation and competent staff means strategic growth.....as business survives ups and downs in the environment” (CC3).

Another black owner of a small construction company focused on a variety of organizational implications in terms of internal organization structure, operational changes and management process to deal with multiple streams of income:

“We introduced new organizational design as a result of growth. we integrated all management processes, standardization of operations, increased our market share by strengthening our marketing division. We introduced a divisional structure for enhancing multiple income streams (CC8).

In terms of human resources, strategic growth meant an imperative to have qualified people in all aspects of the business to deal with key and complex issues.

“We made sure that all the staff are qualified and working in their respective fields. We did not train our people. We actually outsourced the training and development of all staff. We also hired qualified admin, marketing and human resources department personnel; staff are trained as assessors and new technology has been employed to improve our competitive edge” (CC4).

4.4.1.3 Strategic partnership within and outside the industry

The nature of strategic growth is also characterized by being able to form strategic partnerships not only with other small companies, but also well-established institutions within and also outside the construction industry. The partnerships were strategic as they were helping the companies achieve competitive advantage. One of the black owners of small construction companies revealed the variety of strategic partnerships which were fruitful in getting businesses as exemplified below:

“The Company has been able to form strategic partnerships with some well-established institutions, eg. Mangosuthu University of Technology, OVAL International College and a number of Private businesses. This has led it to obtaining some subcontract work from these private businesses. It has also been able to get construction SETA funded internship programme for civil engineering students. My business is in the process of acquiring a number of SETA accreditations. This clearly demonstrates how much the business has grown since it started” (CC8).

4.4.1.4 Various aspects of market growth

The study reveal that strategic growth relates to an increase in the numbers of projects or services provided by a black owned construction company. One participant reflected on how strategic growth was not simply about growth in the core business of executing projects, but also changes in strategic segments of customers, and growth in adjacent opportunities of lending out moving equipment.

“Increasing our operations division by sourcing asphalt and moving equipment shows we are changing and becoming different. We use moving equipment for our project. We also sources these and lend them out to others as another business within a business. We have also increased and broadened our clientele which has led to our increase in revenues over the past three years—2016 to 2018” (CC5)

With an emphasis on the need for more resources, one of the black owned small construction companies revealed how strategic growth was about geographical and structural expansion as illustrated below:

“To us, strategic growth has to be about doing business in different places in KZN...coordinating the activities require coordination, resources and supervision. More offices are important in the areas we operate. We have done this. As we grew, we opened more office...put more money as well” (CC10).

Other black owned small construction companies were clear that market growth was strategic to diversify opportunities by not only focusing on government business, but also the private sector. Growth is strategic when it exploits the current organizational resources to prepare for future direction of business.

“Our strategic partnerships with some well-established institutions help us not to simply rely on government tenders. We diverse our business rather than put eggs in one basket...We have obtained some subcontract work from private businesses we have partnered with such as Mongosuthu university. My business is also acquiring a number of SETA accreditations. This is how my business has grown over the years. The partners also provide some inside knowledge which we use when they give us businesses” (CC8).

4.5 Critical challenges related to “strategic growth” faced by Black Owned Construction Companies

Another research question focused on: “What are the critical challenges related to strategic growth faced by Black Owned Construction Companies in the KwaZulu-Natal Province?” Results indicate that that there were four key challenges which include competitive pressure in the industry which stifle growth, rapid changes in the industry demands and needs, low levels of infrastructure investment, and government regulations. These factors are presented in the **Figure 4.1** below.

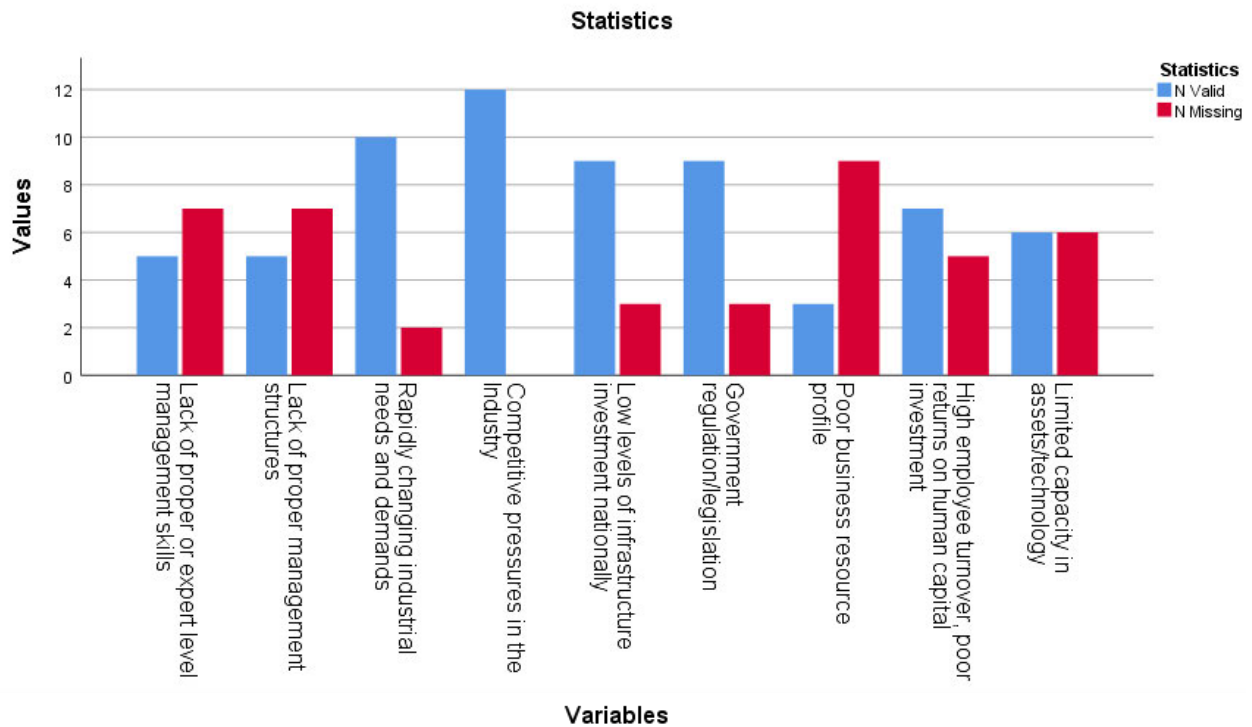


Figure 4.1: Critical challenges related to strategic growth

Source: Own calculations from sample data using SPSS

4.5.1 Key themes on challenges affecting “strategic” growth of black owned construction company

In terms of challenges related to strategic growth of black owned construction companies, three themes of (1) growing industry competition; (2) government inefficiencies and (3) difficulty of accessing credit.

4.5.1.1 Growing industry competition

Black owned construction companies complained of growing competition in a distressed environment where strategic growth was a big challenge. One of the participants had this to say to illustrate how growing competition was an impediment to strategic growth:

“There is an increased number of companies that are in the construction sector now. This has increased competition and hampered growth. It is tough to get

projects now...there is also corruption all over....in the industry...in government. everywhere. More is required to get business” (CC11).

There is limited upward movement of contractors in Grades 1 to 6, demonstrating that they tend to get stuck in the lower grades. Black owned emerging enterprises are failing to move up or to maintain their grades (CC4).

Another participant lamented as follows:

“There is increased competition in the industry, there is quite a number of competitors in the construction industry. There are big.....small...experienced and inexperienced competitors. Some are connected while others are not....but we compete in there. Some go as far as fronting to get business. That’s how tough the industry is these days.... Sometimes we collaborate with others to win projects” (CC3).

4.5.1.2 Government inefficiencies and regulation

Strategic growth of black owned construction companies is affected negatively by inefficiencies in government especially delays in payment process and slow or lack of response to business attempts. One of the black owners of the small construction companies revealed the ripple effects of delays in payment of compliant invoices to a variety of stakeholders such as suppliers, employees, suppliers of equipment and credit, but also future of the entire business.

Poor payment processes leads to delays in paying compliant invoices. This negatively impacts on cash flow and ability of contractors to pay labour and sub-contractors. As a result of the inefficiencies, contractors are sometimes forced to lay-offs people or close. Many suppliers are now requesting up-front payment before delivery of equipment which is a problem for small construction companies” (CC7).

Another participant did not only reflect on this problem and its effects but also potential solution to create strategic growth.

The payment of approved invoices by government is the biggest constraint to expansion and employing more staff. There is need for improvements to staff efficiency including the need for more efficient, well trained, motivated and capable

civil servants to be prompt and efficient in making payments but also generally responding to business' attempts. The red tape is a challenge and often contributes to corruption. This is serious as many blacks rely on municipal projects" (CC11).

4.5.1.3 Difficulty of accessing credit

Strategic growth in the construction sector require a variety of resources (e.g. human, social and financial capital), such that it was difficult for black owned small construction companies to achieve and sustain growth over a period of time. One of the black owners illuminated not only on what caused difficulties in accessing credit, but also the effects on growth over time.

"Difficulties in obtaining credit are sometimes due to impaired credit records. Late client payments on previous projects may mean failure to honor obligations with banks and suppliers of equipment. Late payment of invoices results in contractors receiving bad credit ratings which in turn disqualifies them from receiving bank finance. It would be better that government provide further assistance through the provision of guarantees and other up-front payment arrangements. Credit lines with suppliers are also affected if there is late payment by government" (CC13).

4.6 Key issue which can enhance strategic growth of black owned construction companies

This study has identified a total of seven issues which can enhance strategic growth of black owned construction companies. The results suggest that three of the key drivers which can enhance strategic growth of black owned construction companies are access to finance and capital, market access strategies, and good management systems to ensure effective internal processes costing and revenue projection.

It is notable that achieving a high construction industrial grade was considered less important in influencing strategic growth of black owned construction companies in KZN. These results are presented in **Figure 4.2** below.

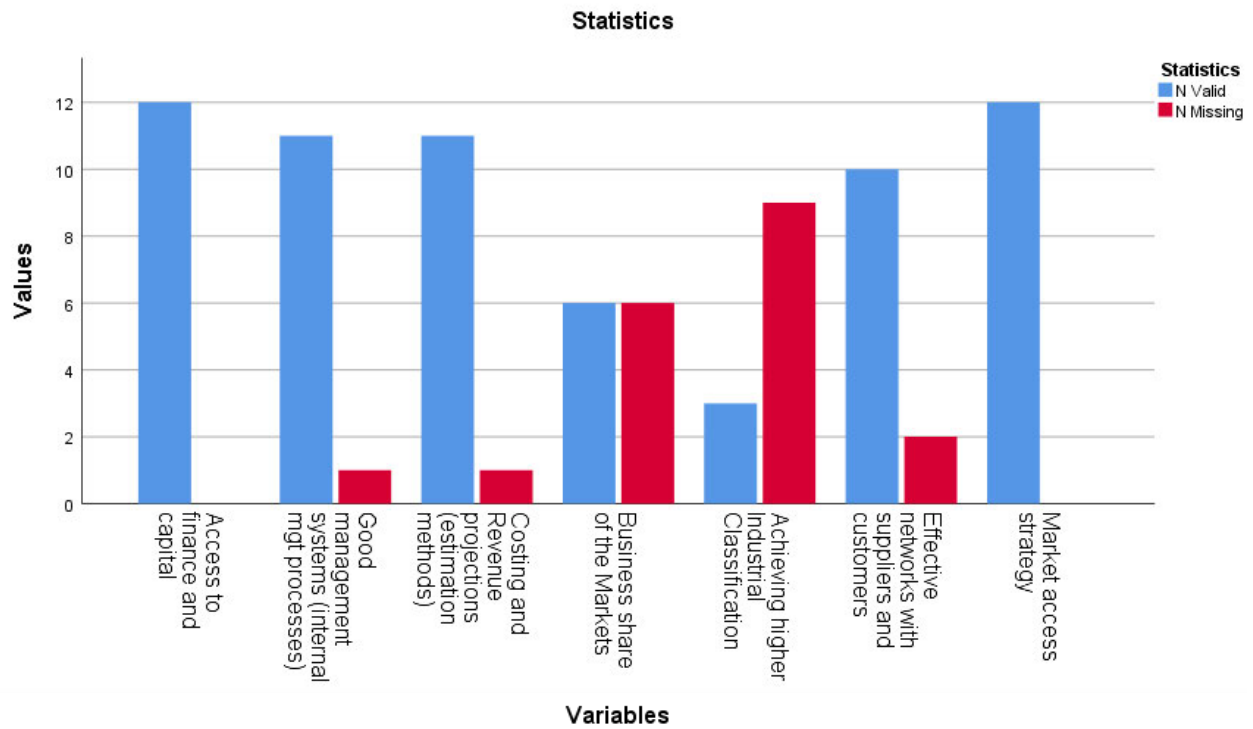


Figure 4.2: Drivers which can enhance strategic growth of black owned construction companies

Source: Own calculations from sample data using SPSS

The strategic drivers reflect that strategic growth relates not only to asset accumulation and internal processes, but also market access strategy to show business direction.

4.7 Summary

Results reflect that the nature of growth and strategic growth is complex and multi-dimensional. Black owners of small to medium construction companies view the nature of growth as comprising a variety of four dimensions, namely (1) variations in physical assets, employee numbers, expansions into other provinces; (2) organic business growth in terms of size and value of service portfolio, and (3) improvement of internal and management processes; and lastly (4) financial growth.

In terms of the nature of strategic growth, it is interesting that black owned construction companies unpack this phenomenon by focusing on consistent growth over time through business networks; improved internal and management process, effective operations and quality staff; investments to achieve higher industrial classification and experience to get high value clients to grow ; key experience to gain more business; strategic partnerships within and outside the industry; and various forms of market growth. In this way, the nature of strategic growth reflect both internal and external dimensions. Externally, improved industry classification, value of customers and growth in business network reflect the nature of strategic growth. Internally, results show that strategic growth relates to improved quality of business services and products, improved management processes, and growth in investment.

The chapter has also presented findings on challenges not only to growth in general but also to strategic growth in particular. Key issues which can enhance strategic growth are also revealed in this chapter. The next chapter discusses the findings of this study.

CHAPTER 5

DISCUSSION

5.1 Introduction

The aim of this chapter is to discuss the key findings drawn from this study. The chapter discuss the findings in relation to existing literature. In pursuit of the aim, the chapter begins by discussing findings related to the nature of growth and strategic growth. Thereafter, the chapter focuses on challenges faced by black owned construction companies in terms of growth and strategic growth. Lastly, the discussion turns to key issues which can enhance strategic growth of this type of small companies.

5.2 The nature of strategic growth in black owned civil engineering companies.

Firstly, results in this study reveal that growth is a multi-dimensional concept which comprise a physical dimension (e.g. assets, equipment), business dimension, financial dimension, organizational dimension(e.g. improvement of internal resources and management processes) and structural dimension which is dependent on organization size, systems and technology and the environment. The notion that growth is dimensional in black owned construction companies resonates with view of other scholars who have focused on the composition and direction of growth which overlooks the temporal dimension of growth. For example, while acknowledging that it is problematic to define growth because of uncertainties, Wickham (1998:223) and Nieman and Nieuwenhuizen (2014) are instructive in highlighting four dimensions of growth. It is notable that Wickham (1998) and Nieman and Nieuwenhuizen (2014) concur that growth has a financial, strategic, structural and organizational dimensions. Firstly, financial growth relates to increases in turnover, costs, and investments needed to achieve turnover, assets and profits (Nieman and Nieuwenhuizen, 2014). Secondly, strategic growth is a result of the internal processes of the business, industry level competition and the market systems, and the external influence on black owned small construction companies which shape growth and strategic growth (Tenkorang and Sabone, 2016). Thirdly, structural growth is strongly related to the changes in the way an

organization organises its internal systems in terms of managerial roles and responsibilities, reporting lines, communication links and resource control systems. Lastly, organizational growth also relates to changes in terms of the processes, culture and attitudes of the organization as it grows and changes from a small to a large organization (Tenkorang and Sabone, 2016). FinScope (2010:1) state that finance is one of the most critically important the pillars that holds an organization and is regarded as the necessary force that holds together all key aspects of an organization; however, small businesses have limited access to sufficient meaningful financial resources. Drawing from the findings in this study, it is prudent to assert that financial growth is foundational for strategic growth to occur (Nieman and Nieuwenhuizen, 2014). Financial capital provides resource relief, allowing for experimentation with new strategies and innovative projects that might not have been possible in a more resource-constrained company, which increases the willingness to be innovative and pursue new opportunities (Tenkorang and Sabone, 2016). In this way, financial growth for black owned small construction companies is key for asset accumulation but also shaping the direction and ways in which these organizations interact with the external environment to exploit opportunities and assets which are key to sustain competitive advantage. It is arguable that the challenges related to access to finance and capital actually affected the interactions of many of the black owned small construction companies which were not able to achieve sustainable competitive advantage through exploitation of opportunities and assets (Isipho, 2016).

While the nature of strategic growth identified in this study reflects interactions with the environment to accumulate assets but also perform in ways that create and sustains competitive advantage, it is prudent to highlight that a combination of internal and external aspects are decipherable. In particular, this study has revealed that internal elements of strategic growth such as improved quality of products and service; growth in high value clients; and improvements in management systems as pivotal to create and sustainable competitive advantage. In the parlance of Wickham (1998), these reflect structural growth (e.g. changes in internal systems). The external aspect of strategic growth relates to expansion into new geographical areas and new market segments (e.g. lending out moving equipment to other contractors) are elements of organizational growth. It is arguably that strategic growth is manifested in not only in financial and structural aspects, but also organizational changes in black owned small construction companies.

Secondly, the study has revealed how strategic growth is complex and demands a variety of significant resources to create impact which affects the entire organization in a lasting ways (Nieman and Nieuwenhuizen, 2014). A study by Kemp (2016) assert that steady growth can be determined by the degree of effectiveness with which firm-specific resources such as capital, labour and knowledge are acquired, organised, and converted into sellable products and services through organizational practices, structure, and routine. This finding resonates with the RBV on small business growth which focuses on the deploments and combination of a firm's resources in order to attain a competitive advantage (Nieman and Nieuwenhuizen, 2014). The basic premise is that heterogeneous resources that are difficult to transfer or copy could be a source of sustainable competitive advantage (Tenkorang and Sabone, 2016). This suggests that the relation between the resources controlled by the firm and its effect on growth and performance is an important area for research (Baron, 2015). However, it is cardinal to clarify that it is the dynamic capabilities of black owned small construction companies which are salient in creating and sustaining strategic growth characterised by sustainable competitive advantage. In this study, black owned small construction companies were using their growing experience as a source of dynamic capabilities to get more business. In this respect, dynamic capabilities refer to the firm's processes that use resources—specifically the processes to assimilate, gain, reconfigure and release resources—to match and even create market change. These processes are important for small firms to create, discover, and successfully exploit new opportunities in a sustainable and competitive way which typifies strategic growth (Tenkorang and Sabone, 2016). Furthermore, it is also notable that internal capabilities used by black owned small companies were varied and included quality of HR capable of dealing with complex challenges in an expanding firm, networking resources and capabilities which resulted in strategic partnerships within and outside the construction industry and improved internal processes and management system.

It is interesting that black owned construction companies relied on human capital growth for the organization to create, reconfigure and intergrate capabilities necessary to interact with the environment, exploit resources and sustain competitive advantage. It can be argued that organizations with more, or higher quality human capital achieve higher performance in implementing and executing relevant tasks (Isipho, 2016). In the growth context, human capital refers to the experience, knowledge, and skills that assist in effectively growing the business. Human capital provides the entrepreneur with resources that assists them in identifying

opportunities and to efficiently and effectively pursue the identified growth opportunities. It is also insightful to note that the resource perspective in this study relates to network resources (Nieman and Nieuwenhuizen, 2014). Entrepreneurial networks can be divided into inter-personal networks, intra-organizational and inter-organizational. First, inter-organizational networks mean the strategic alliances the small firm has with other organizations (Tenkorang and Sabone, 2016). For example, the black owned small construction companies in this study used alliances with universities (e.g., other small firms and also well-established organizations) or to acquire not only important knowledge but also business.

Several available studies do however confirm the notion that inter-organizational alliances can enhance the growth of small businesses (Isipho, 2016). It is notable that internal organizational networks can be understood as the good relationships the owner of the business has with all of the members of the management team within the whole organization. The strength and solidity of these relationships is crucial for the growth of black owned small construction companies expanding to other geographical areas because it determines how the organization handles conflict and politics which can be detrimental to the progressiveness of small construction companies. An important prerequisite to counteract these processes is that the intraorganizational networks in black owned small construction companies need to be characterized by high levels of unity, shared leadership, and a common vision of the management team, which enable the development and sustainance of strategic growth (Rumsey, 2018). Existing literature suggests that shared team-specific experience can support these processes, thereby resulting in higher growth rates (Shelton, Martek and Chen, 2016). In the strategic partnerships, social capital is particularly central for accessing, and reducing the costs of resources essential to achieve and sustain strategic growth (Nieman and Nieuwenhuizen, 2014). For example, social capital can enhance an individual's access to information about new opportunities and the equipment, financial capital, information, assurance, and advice required to exploit growth opportunities. Internal and external dimensions of strategic growth necessitates a *strategic fit* between the environment and resources of a black owned construction company.

5.3 Critical growth and strategic growth-related challenges faced by black-owned civil engineering companies.

Thirdly, this study has found a variety of challenges related to strategic growth of black owned small construction companies. These are predominately related to industry and macro environment. Baron (2015:480) concur that organizations only exist in mutual interaction with their environments. The variety of growth-related challenges embrace (1) growing industry competition; (2) rapid changes in the industry demands and needs, (3) government inefficiencies and regulations (4) difficulty of accessing credit, (5) low levels of infrastructure investment. This resonate with current and existing literature which tend to suggest that the environment in which a small business/firm is based and operates, has a major effect on its growth opportunities (Baron, 2015; Isipho, 2016). Organizations only exist in mutual interaction with their environments. In this respect, Rumsey (2017) underscore that the environment for construction in South Africa has problems of poor or non-payment by government which are enormously hard-hitting, and no longer just on small emerging contractors, but also on medium and larger contractors as well. In the light of the above, it is pivotal that black owned small construction company get skills to understand and analyze economic and industry performance but also contingency planning. While an individual black owned small construction company may adapt to changes in customer and industry needs and demands, there is little that can be done about government corruption and inefficiencies, and the low-level infrastructure investment experienced by an economy. These obstacles to strategic growth needs to be addressed at industry and national levels as they undermine the long-standing tradition that encourages the growth of small firms to their entrepreneurial activities (Isipho, 2016). The long-standing view assert that a smaller organization's degree of entrepreneurial activity, or entrepreneurial orientation (e.g. risk taking, innovation, proactive) is directly linked to it growth and performance (Tenkorang and Sabone, 2016). Entrepreneurial orientation also includes the willingness to be innovative in order to re-stimulate market offerings, also allowing for risk to be taken to try out new and uncertain products and new markets, and to be more proactive than the competition when it comes to new marketplace opportunities (Tenkorang and Sabone, 2016).

5.4 Key issues that can enhance strategic growth of black-owned civil engineering companies

Fifth, it is noteworthy that there are some drivers which are central to create strategic growth through the exploitation of resources and opportunities to earn the sustainable advantage to compete and grow. Three of these key drivers which can enhance strategic growth of black owned small construction companies are access to finance and capital, market access strategies, and good management systems to ensure effective internal processes costing and revenue projection. Without a focus on these three drivers, which illuminate the importance of internal processes of the business, industry level competition and the market systems, and the influence of the external environment on black owned small construction companies, black owned construction companies may not accumulate assets, build dynamic capabilities to create financial growth as the foundation of strategic growth. In any attempt to understand or pursue small firm's growth, it is pivotal to remember that smaller organizations have a tendency to develop profitable and forever expanding market niches (Baron, 2015).

5.5 Proposed framework for strategic growth of black owned construction company in KZN, South Africa

Given the above, it is timely to bring the findings and insights in this study together to suggest a framework for strategic growth of black owned construction companies in KZN as reflected in Figure 5.1 below. In essence, strategic growth of black owned construction companies relates to changes taking place in how the organizations were interacting with the environment to exploit assets and resources to ultimately sustain the competitive advantage for growth. The framework has eight key elements which are discussed below.

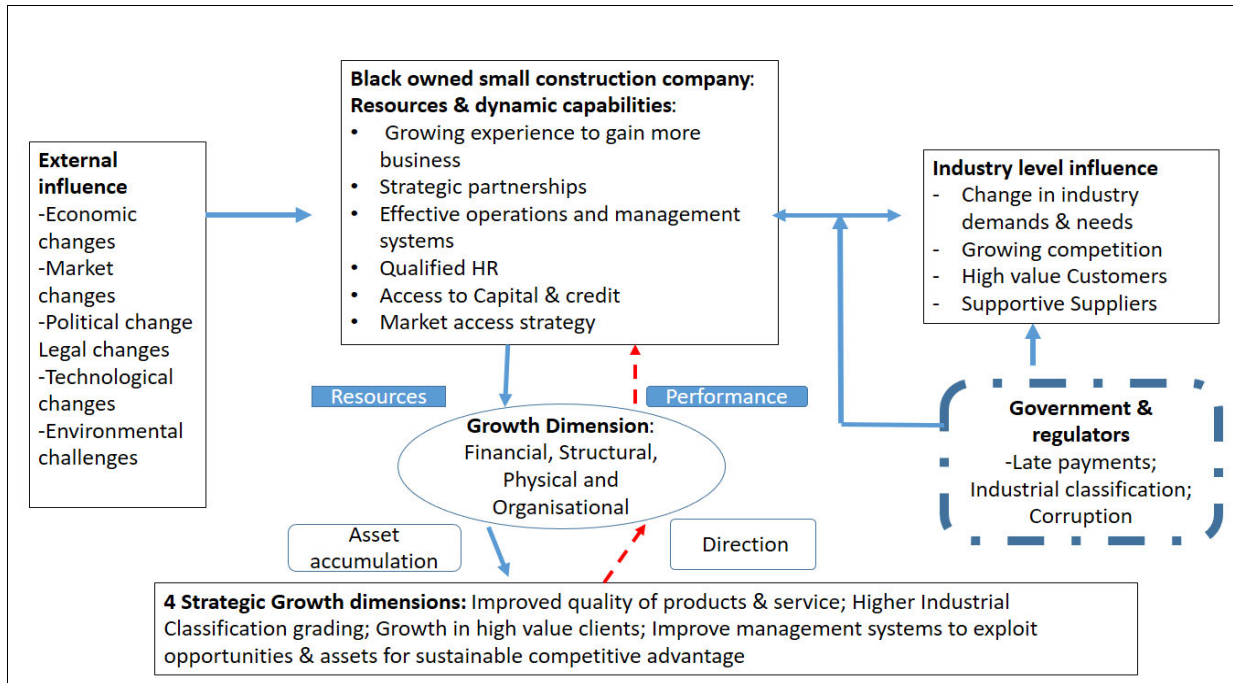


Figure 5.1: Proposed Strategic Growth Framework for Black owned construction companies in KZN

Source: Own construct from sample data analysis

(i) External influence

The external environmental forces manifests themselves in terms of opportunities for and also threats which are beyond the control of black owned small construction companies (Rostomi, Sommerville, Wong and Lee, 2015). Black owned small construction companies need to understand their external environment which may affect their ability to attain their goals. The forces relate to political (e.g. changes in political leadership), legal (e.g. safety laws, taxation) economic (e.g low investment in infrastructure), technological and environmental issues (e.g. pollution, environmental degradation) which create threats or opportunities to construction companies in KZN.

(ii) Industry level influence

The industry has a variety of forces which impact on the competitive advantage and relationships to enhance or reduce costs and profitability of black owned civil engineering construction

companies. Presented in the framework above shows clearly the change in industry demands and needs, growing competition among existing competitors and new entrants, the bargaining power of high value Customers. The bargaining power of suppliers of capital, equipment and labour are pivotal in influencing strategic growth of black owned small construction companies. The framework shows that both macro-level and industry level influences affect the black owned construction companies in how it creates, build and reconfigure its interactions with the external environment in exploiting opportunities while accumulating necessary resources for growth and sustainable competitive advantage.

(iii) Resources and dynamic capabilities

Dynamic capability is the capability of an organization to purposefully adapt an organization's resource base (Baron, 2015). These relate to black owned small construction company`s ability to build, reconfigure, and integrate internal and external competences to address the rapidly changing environments. The framework assert that black owned small construction companies were using growing experience to gain more business, network resources and capability to develop and sustain sstrategic partnerships. The capabilities of internal systems and management systems were key to ensure effective operations. Qualified human capital, financial capital (e.g. access to Capital and credit) and market access strategy are key to respond to a variety of challenges but also exploit growth opportunities.

(iv) Government and Industry regulators

This study has revealed that government and regulatory bodies are key in influencing the activities of small construction companies in South Africa (Tenkorang and Sabone, 2016). While government provides project work to the small construction sector, it also regulates the construction market. Late payments and corruption by government affect the way black owned companies operate and build their dynamic capabilities to achieve their growth ambitions.

It is also apparent that there is an industry body which has industrial classifications for construction companies based on their abilities. These have implications on the growth of small construction

companies in terms of opening up or closing opportunities that they may access. The external, and industry influences coupled by interactions with government are key in how black owned small construction companies accumulate assets to grow within the core business or change direction by exploiting opportunities in related or unrelated market segments

(v) Growth Dimensions

This study has revealed that growth is a multi-dimensional concept which comprise a physical dimension (e.g. assets, equipment), business dimension, financial dimension, organizational dimension(e.g. improvement of internal resources and management processes) and structural dimension which is dependent on organization size, systems and technology and the environment. This type of growth is foundational for strategic growth to occur.

(vi) Strategic Growth dimensions

Finally, strategic growth has a strong external orientation. It is a result of the interaction, and re-configuration of internal processes of the business as they align or respond to industry level competition and the market systems, and the external influence on black owned small construction companies to exploit growth opportunities and accumulate necessary resources to ceate sustainable advantage to compete and grow. Internally, this is manifest by improved quality of products and service; pursuit of higher Industrial Classification grading; growth in high value clients; improvement of management systems to exploit opportunities and assets for sustainable competitive advantage. In the light of this framework, it is palpable that strategic growth of black owned construction companies demands improved, efficient and effective internal processes and system to respond to the variety of challenges while pursuing strategies that are more influenced by external factors. Thus, a predominantly in-ward focused approach may not be appropriate for black owned small construction companies to survive or grow.

5.6 Summary

This chapter has illuminated that strategic growth in black owned construction companies is a multi-dimensional concept built on the foundation of financial growth. In other words, strategic growth which arise from the interaction of the black owned construction companies with its environment require a variety of resources to exploit opportunities, but also create sustainable basis for competing and growth.

The study echoes that strategic growth is complex and demands a variety of significant resources to create impact which affects the entire organization in a lasting ways. This finding resonates with the RBV on small business growth which focuses on the combination and the availability and effective utilisation of a company's resources in an effort to gain or achieve competitive advantage.

However, it is cardinal to clarify that it is the dynamic capabilities of black owned small construction companies which are salient in creating and sustaining strategic growth characterised by sustainable competitive advantage. In this study, black owned construction companies were using their growing experience as a source of dynamic capabilities to get more business. Furthermore, it is also notable that internal capabilities used by black owned construction companies were varied and included quality of HR capable of dealing with complex challenges in an expanding firm, networking resources and capabilities which resulted in strategic partnerships within and outside the construction industry and improved internal processes and management system.

Black owned construction companies relied on human capital and network resources for the organization to create, reconfigure and integrate capabilities necessary to interact with the environment, exploit resources and sustain competitive advantage necessary for strategic growth.

This study is clear that there is a variety of challenges related to strategic growth of black owned small construction companies. These are predominately related to industry and macro environment. This variety of growth-related challenges embrace (1) growing industry competition; (2) rapid changes in the industry demands and needs, (3) government inefficiencies and regulations (4) difficulty of accessing credit, (5) low levels of infrastructure investment. This resonates with the current existing literature which shows that the environment, in which small organizations operate in, do have a significant amount of impact on its potential to grow.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Having presented and discussed the findings of this exploratory study, the aim of this chapter is to tie the objectives of the study to main findings and to conclude the study. The chapter also seeks to provide recommendations and areas for future research. In this respect, the chapter begins by briefly reiterating the overview and summary of the main findings. Thereafter, the chapter presents recommendation, conclusions and other areas for further research.

6.2 Overview of the study and summary of findings

The primary objective of this study was to explore the nature of strategic growth and growth-related challenges faced by black owned civil engineering companies in KwaZulu-Natal(KZN) province of South Africa(SA).

In order to attain the primary objective, the following secondary objectives were formulated:

- **To explore the nature of growth and strategic growth in a black-owned civil engineering companies according to the views of the owner(s) in KZN province of South Africa.**
- **To identify what owners of black-owned civil engineering companies in KZN province consider as critical strategic growth related challenges.**
- **To identify the key issues that can enhance the strategic growth of black-owned civil engineering companies of KZN province.**

This exploratory study used a mixed method approach to investigate the factors that shape strategic decisions for growth of Black Owned Construction Companies in KZN province of South Africa. The study was based on the Industrial organization framework of analysis, which formally proposes that strategy is a function of the internal business environment, the market environmental parameters and the macroeconomic environment.

This mixed method study involved a total of 15 black owned small construction companies from the greater Durban Metropolitan Area in KwaZulu-Natal. These participants were selected using purposive sampling. Data was collected through a questionnaire with open ended and closed questions. Qualitative data was analyzed through descriptive statistics while quantitative data was analyzed through thematic analysis. The quantitative and qualitative aspects were treated equally as this study was primarily exploratory in nature.

Firstly, the results reflect that the nature of growth and strategic growth is complex and multi-dimensional. Black owners of small construction companies view the nature of growth as comprising a variety of four dimensions, namely (1) variations in physical assets, employee numbers, expansions into other provinces; (2) organic business growth in terms of size and value of service portfolio, and (3) improvement of internal and management processes; and lastly (4) financial growth.

In terms of the nature of strategic growth, it is interesting that black owned construction companies unpack this phenomenon by focusing on consistent growth over time through business networks; improved internal and management process, effective operations and quality staff; investments to achieve higher industrial classification and experience to get high value clients to grow; key experience to gain more business; strategic partnerships within and outside the industry; and various forms of market growth. In this way, the nature of strategic growth reflect both internal and external dimensions. Externally, improved industry classification, value of customers and growth in business network reflect the nature of strategic growth. Internally, results show that strategic growth relates to improved quality of business services and products, improved management processes, and growth in investment.

Secondly, the results have revealed that major growth-related challenges include government inefficiencies and corruption, limited support platforms such as government support platforms or investment, high cost of capital, lack of targeted financial incentives, and lack of access to finance and credit lines.

Thirdly, there are four key challenges related to strategic growth which include competitive pressure in the industry which stifle growth, rapid changes in the industry demands and needs, low levels of infrastructure investment, and government regulations. It is interesting that the four major challenges related to growth are all external to the black owned small construction companies.

Lastly, the study has identified a total of seven issues which can enhance strategic growth of black owned construction companies. However, three of the key issues which can enhance strategic growth of black owned small construction companies are access to finance and capital, market access strategies, and good management systems to ensure effective internal processes, costing and revenue projection. It is noteworthy, that black owned small construction companies need to focus and priorities on both the internal (e.g. management systems, internal control and revenue, market strategy) and external issues (interactions with providers of capital, competition and industry environmental changes) which can impact on strategic growth. Overall, strategic growth of black owned construction companies is a complex phenomenon not simply because it is a result of the interaction of (a) internal processes of the business, (b) the industry and market systems and the (c) external environment, but also because it requires an external orientation or posture which is consistently supported by a variety of resources and dynamic capabilities. The study has also proposed a framework for strategic growth of black owned construction companies in KZN.

6.3 Conclusions from the study

Given the above summary of the research, the following conclusions are drawn:

- Black owners of construction companies view the nature of growth as complex and multi-dimensional, comprising a variety of four dimensions, namely (1) variations in physical assets, employee numbers, expansions into other provinces; (2) organic business growth in terms of size and value of service portfolio, and (3) improvement of internal and management processes; and lastly (4) financial growth.
- The nature of strategic growth comprise consistent growth over time through business networks; improved internal and management process, effective operations and quality staff; investments to achieve higher industrial classification and experience to get high value clients to grow; key experience to gain more business; strategic partnerships within and outside the industry; and various forms of market growth.
- The nature of strategic growth reflect both internal and external dimensions which interact to shape the strategic fit between the resources and capabilities and the dynamic external environment in which black owned operate. The external dimensions include improved

industry classification, value of customers and growth in business network which reflect the nature of strategic growth. Internally, improved quality of business services and products, improved management processes, and growth in investment are key in elaborating the nature of strategic growth.

- Five of the major challenges affecting growth of black owned construction include government inefficiencies and corruption; limited support platforms such as government support platforms or investment; high cost of capital; lack of targeted financial incentives, and poor access to finance and credit lines.
- Three of the key issues which can enhance strategic growth of black owned construction companies include access to finance and capital, market access strategies, and good management systems to ensure effective internal processes costing and revenue projection.
- There are four key challenges to the strategic growth of black owned construction companies which include competitive pressure in the industry, rapid changes in the industry demands and needs, low levels of infrastructure investment, and government regulations in South Africa. It is noteworthy that strategic growth requires a predominantly external orientation or posture while developing and sustaining a strategic fit which seeks to address these external challenges.
- Strategic growth of black owned construction companies relates to changes taking place in how the company interacts with the environment to exploit assets and resources to ultimately sustain competitive advantage.

6.4 Recommendations

Drawing from the findings of this study, the following are the recommendations:

- To create and sustain strategic growth, black owned construction companies need to balance their attention and direct resources on the identified bundle of dimensions of growth and strategic growth if they are to succeed in KZN.
- Strategic growth is complex and requires that black owned construction companies continuously create and sustain a strategic fit between the internal resources and the external environment.
- Black Owned Companies need to place more emphasis on internal business processes and dynamic capabilities to create and reconfigure resources key to facilitate and sustain strategic growth. To manage growth strategically, there is need not only to understand the nature of strategic growth, but also build resources and capabilities to focus on the few critical challenges and aspects of growth in order to have greatest impact on business, structural, organizational and financial growth over time.
- Black owned construction companies need to pay particular attention to ways of how access finance and capital, devise better market access strategies, and good management systems to ensure effective internal processes, costing and revenue projection to achieve strategic growth.
- There is a need for a supportive financial system, with affordable interest rates, as the companies indicated that cost of funds were higher, with the needs for extensive funding and working capital affecting the way construction companies run their operations and project scheduling.
- There is a need to develop skills of black owned construction companies to use networking and strategic partnership as a key vehicle for strategic growth.
- Organizational design that clearly outline company objectives and their strategy plan should be in place and is also key for black owned construction companies in order to have a structure and gain competitive advantage.

6.5 Areas of future study

The exploratory study has proposed a framework for strategic growth of black owned construction companies which require further investigation to refine its elements, but also develop testable hypothesis. Besides this suggestion, there are three areas of future studies proposed in this study. First, as this study has adopted a cross sectional view of strategic growth, it is important that future studies adopt a longitudinal approach to research strategic growth mindful that this type of growth occurs over a period of time, requires a variety of significant resources which may change over time. In this way, the study will capture the temporal dimension of strategic growth and its impact on resources as black owned small construction companies responds to changes in the external environment.

Secondly, future research needs to focus on the strategic processes and interactions which create and facilitate strategic growth of black owned construction companies in KZN. This type of study has the potential of not only revealing the processes, but also the complexity of creating and sustaining strategic growth over time in a distressed industry like that of construction. The issue of strategic processes and interactions to achieve competitive advantage and strategic growth are pivotal to inform the black owned small construction companies of the few strategic processes and interaction which have greatest impact on growth so that they operate and manage strategically. It is pivotal that black owned construction companies create and sustain a strategic fit between the internal environment and external environment (macro environment, industry) by focusing and priorities on few aspects of their business and the environment but with the greatest impact on growth. The question of how black owned construction companies create and sustain the strategic fit to achieve strategic growth is a fruitful line for future research.

Lastly, the sample used in this exploratory study was small for an analysis of correlations to develop and test the exploratory conclusions in this study. It is advisable that future research use a large sample size to undertake structural equation modelling and produce a generalizable model of strategic growth for black owned construction companies. This is significant as the current study is exploratory in nature and as it did not test any hypothesis at all.

6.6 Conclusion

This exploratory study has revealed the *nature of growth and strategic growth* experienced in Black owned civil engineering companies based on the views of the owner(s) in the KwaZulu-Natal province of South Africa. Furthermore, the study has identified what owners of black-owned civil engineering companies in KwaZulu-Natal province consider as critical *growth-related challenges* related to growth that is strategic. Lastly, the study has uncovered key issues that can enhance strategic growth of black-owned civil engineering companies of KwaZulu-Natal province. By clarifying the nature of growth and strategic growth, illuminating the challenges faced by black owned construction companies to pursue strategic growth, and what can be done to enhance strategic growth, the study has provided insights into the framework for strategic growth in a competitive context. Recommendations and areas for future studies have all been highlighted in this exploratory study.

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APPENDIX 1:

Questionnaire

DEPARTMENT OF BUSINESS RESEARCH

Towards Development of a strategic growth framework for Black owned
Construction Companies in KwZulu Natal Province, South Africa.

GENERAL COMPANY INFORMATION

1.1. Name of the Company _____

2.1. Number of Years in Business (Please tick appropriate)

Up to 1 year	
1 – 2 years	
2 -3 years	
3 -5 years	
Above 5 years	

3.1. Number of Employees _____

4.1. Describe legal status of this business (please tick appropriate)

Sole Proprietorship	
Partnership	
Closed Corporation	
PTY LTD Company	
Cooperative	
Association	
Other	

4.2 If other, please specify _____

5. Are you affiliated with any of the following?

CIDB	
Chamber of Commerce Durban	
Department of Trade and Industry	
Other	

If other, please specify, _____

DEPARTMENT OF BUSINESS RESEARCH

Towards Development of a strategic growth framework for Black owned
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GENERAL COMPANY INFORMATION

1.1. Name of the Company _____

2.1. Number of Years in Business (Please tick appropriate)

Up to 1 year	
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Above 5 years	

3.1. Number of Employees _____

4.1. Describe legal status of this business (please tick appropriate)

Sole Proprietorship	
Partnership	
Closed Corporation	
PTY LTD Company	
Cooperative	
Association	
Other	

4.2 If other, please specify _____

5. Are you affiliated with any of the following?

CIDB	
Chamber of Commerce Durban	
Department of Trade and Industry	
Other	

If other, please specify, _____

ECONOMIC ENVIRONMENT

1. From a scale ranging from 1=Major problem, 2=Moderate Problem and 3=Not a Problem, how do you rate the following challenges to your business?

CHALLENGES	MAJOR PROBLEM	MODERATE PROBLEM	NOT A PROBLEM
Regulations for expanding your current business and/or starting a new business			
Availability of technical/vocational labour skills			
Tax Regulations			
Change in Government policies			
Access to finance and lines of credit			
Cost of capital/credit			
Environmental Regulations			
Government inefficiencies and corruption			
Limited support platforms such as Government support programs, investment support etc			
Targeted financial incentives			
Other Challenges			

TYPE OF GROWTH	MEASUREMENT	TICK ALL THAT APPLY
PHYSICAL	Increased our stock of physical assets	<input type="checkbox"/>
	Number of employees increased	<input type="checkbox"/>
	Reduced the stock of business assets	<input type="checkbox"/>
	Reduced the Number of employees	<input type="checkbox"/>
	Expanded operations into other provinces	<input type="checkbox"/>
BUSINESS	Opened new offices around KZN	<input type="checkbox"/>
	Added service offerings to our portfolio	<input type="checkbox"/>
	Improved our business processes (Management and Business Development)	<input type="checkbox"/>
	Contract Database has increased steadily	<input type="checkbox"/>
	Increased Government sector contracts	<input type="checkbox"/>
	Increased private sector contracts	<input type="checkbox"/>
	Size of contracts has grown	<input type="checkbox"/>
	Revenue growth	<input type="checkbox"/>
FINANCIAL	Growth in terms of market penetration	<input type="checkbox"/>
	Easy access to Official credit ad finance	<input type="checkbox"/>
	Improved operating profits	<input type="checkbox"/>
	Improved cash flow	<input type="checkbox"/>
	Improved working capital profile	<input type="checkbox"/>
	Increased leverage (debt ratio)	<input type="checkbox"/>
	Weakened cash position, limited access to funds	<input type="checkbox"/>
	Business Needs fresh capital injection	<input type="checkbox"/>
	Increased costs of business	<input type="checkbox"/>
	Reduction in business costs	<input type="checkbox"/>
STRATEGIC	Improved quality of business services and products	<input type="checkbox"/>
	Improved management processes	<input type="checkbox"/>
	Growth in business Network	<input type="checkbox"/>
	Outsourced to other businesses	<input type="checkbox"/>
	Improved our business technology (upgraded machinery, equipment, methods etc to industry standards)	<input type="checkbox"/>
	Investments to achieve higher Industrial Classification	<input type="checkbox"/>
	Investments to reach bigger clients and market	<input type="checkbox"/>

2. What Company management processes have you incorporated in the business in the past years?

MANAGEMENT IMPROVEMENT STRATEGY	TICK APPLICABLE	BRIEF EXPLANATION
We hired more skilled and qualified personnel		
We changed the legal status of the business (for example from sole proprietorship to a Limited Liability Company)		
We upgraded our business processes towards current industrial practices, standard and codes		

We established better business information systems to track revenues, undertake better cost estimation methods and improve business revenues		
We managed to set up training & skills development systems to enable our business to adapt to the changing dynamics of the industry (in terms of practices, technology and otherwise)		

3. STRATEGIC GROWTH AND GROWTH RELATED CHALLENGES

3.1 In what ways have you pursued strategic growth opportunities since the year your firm was established? Please tick all that apply.

STRATEGIC GROWTH OPPORTUNITY	TICK APPLICABLE	BRIEF EXPLANATION (OPTIONAL)
Business Products/services development		

Merged with another firm/or merged with other firms		
Customized service solutions for Clients		
Market specialization/specialization on a limited segment of the market		
Internal strategies—we improved internal business processes for example resource profile		
Innovation—redesigned products/brought in new technology/new ways of doing business		
Expanded our market reach geographically/established new branches elsewhere		
Expanded our network/Strategic partnerships with Suppliers/Clients		

3.2 Opportunities to strategic growth opportunities. Please tick all that apply.

TYPE OF OPPORTUNITY	TICK APPLICABLE	BRIEF EXPLANATION
Improved business resource profile (more access to resources)		

More access to finance at low financial costs		
Access to expanded markets		
Growth of the business Clientele base		
Access to Government and other support services/incentives		
Lack of expert management skills for business		
Better access to industry level incentives (tax breaks, subsidies)		
Improved industry information systems		
Other		

If other, please explain

3.3 Strategic challenges (Please tick all that is applicable to you organization)

TYPE OF CHALLENGES	TICK APPLICABLE	BRIEF EXPLANATION
Lack of proper/expert management skills		
Unstructured management structures		
Rapidly changing Industrial needs and demands		
Competitive pressures in the Industry		
Low level of infrastructure investment nationally, limits market expansion		

Government regulation/legislation		
Poor business resource profile		
High employee turnover—poor returns on human capital investment		
Limited capacity in terms of assets/technology		

3.4 In the years since your firm was established, how have you grown strategically in terms of aspects listed below? Please tick all applicable to your firm.

ASPECT OF STRATEGIC GROWTH	TICK APPLICABLE	BRIEF EXPLANATION
-----------------------------------	------------------------	--------------------------

Industry grade improvement		
Revenue growth (in per annum terms)		
Asset growth		
Market share		
Brand Identity		
Expanded employee base		
Hired more qualified personnel		
Improved stock of technology		
Innovative improvements/Creativity		
Improved Organizational systems & structural changes		
Entry into new business lines		
Scaled our capacity to cater for big business		

3.6 How did you achieve this growth? Please tick all that are applicable to your business and provide us a brief explanation.

GROWTH STRATEGY	TICK	EXPLANATION
Innovation/Creativity— improved product/service offering		
Improved coordination, structure & control tailored to meet the changing market dynamics		
Improved delegation/leadership		
Efficiency in decision making		
Intervention in daily business operations (operational or tactical level		
Standardization of activities and processes		
Increased specialization & batch processes to improve project time scheduling/work methods		
Established better information systems among staff		

Improved Organization information systems		
Better access to Industry Level expert information (Industrial research & analysis)		

3.7 In what ways has business networking improved?

Joined various Industry Professional Boards	
Increased advertising budget	
Marketing through Web based methods	
Serving markets of larger organizations, through servicing their excess capacity (we obtained outsourced contracts)	
We outsourced to smaller organizations	

Other information you might wish to say.

3.8 What are key drivers of strategic growth to small businesses in KwaZulu Natal based on your experience in this Industry?

Access to finance & capital	
-----------------------------	--

Good management systems/internal business processes	
Costing and revenue projection/estimation methods	
Business share of the market	
Achieving higher industrial classification	
Effective networks with suppliers and customers	
Market access strategy	

Informed Consent Form



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15 November 2018

Dear Dr / Madam / Prof. / Sir

Re: Strategic Growth Framework for Black Owned Construction Companies of KZN Province in South Africa

This survey is part of a research project aimed at meeting the requirements for the MBA (Entrepreneurship) degree offered at University of KwaZulu Natal. The study is being undertaken to determine the challenges faced by black owned construction companies, factors that enable these companies to achieve strategic growth and in turn develop a growth model that black owned construction companies may use to achieve the desired growth. Your response would contribute to improving the performance of contractors by creating sustainable businesses that effectively contribute towards the socio-economic development and creating secured employment in the South African construction industry.

Kindly complete the accompanying questionnaire and return through the email recorded below. Consequently, the emergence of a strategic growth model will evolve from your response. Please, read each question carefully and endeavour to objectively answer all of them. Participants should note that the data provided in this questionnaire will be treated in the strictest confidence.

Should you require any clarifications, please do not hesitate to contact Mr Namelani Mahlangu at: 083 868 0711 or per email: namelani@ncmengineering.co.za

Thanking you in anticipation of your response.

Namelani Mahlangu
MBA candidate (Entrepreneurship)

M Kanyangale
Doctor (PhD in Management)

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project
Researcher: Namelani Mahlangu (083-8680711)
Supervisor: Dr M Kanyangale (031-2607934)
Research Office: Ms P Ximba (031-2603587)

CONSENT

I..... (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

.....

.....

This page is to be retained by researcher

APPENDIX NO 2:

Ethical Clearance



21 April 2017

Mr Namelani Celimpilo Shandu (215080903)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Shandu,

Protocol reference number: HSS/0299/017M

Project title: Strategic Growth Framework for Black Owned Construction Companies of KZN Province in South Africa

Full Approval – Expedited Application

In response to your application received on 31 March 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL for the protocol has been granted.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Sheruka Singh (Chair)

/ms

Cc Supervisor: Dr M Kanyangale
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

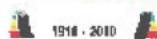
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