RE-IMAGINING MANAGEMENT RESEARCH:
PAST INSIGHTS FOR FUTURE FORESIGHTS

SAIMS

The Southern Africa Institute
for Management Scientists

Conference Proceedings of the 32nd Annual Conference of the Southern Africa Institute for Management Scientists

Hosted virtually by the North-West University, Potchefstroom

13 & 14 September 2021

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SAIMS

RE-IMAGINING MANAGEMENT RESEARCH:
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This work represents the proceedings of the 32nd SAIMS conference, presented online and virtually on 13 and 14 September 2021.

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NWU ®

SoTM
School of Tourism Management

SoMS
School of Management Sciences

TREES
Tourism Research in Economics, Environs, and Society

Prof Elmarie Slabbert

CONFERENCE CHAIR: SAIMS 2021
PRESIDENT: SAIMS
RESEARCH DIRECTOR: TREES

Message from the Conference Chair and SAIMS President

Dear conference delegates

On behalf of the SAIMS board and the organising committee, we warmly welcome you to the 32nd conference of the Southern Africa Institute of Management Scientists. This virtual conference is organised by TREES, the Schools of Tourism Management and Management Sciences in the Faculty of Economic and Management Sciences, at the North-West University from 13 to 14 September 2021. It is the first virtual conference for SAIMS, and we hope it will be two days devoted to sharing knowledge and ideas.

Over the last 32 years, SAIMS members have made tremendous contributions to research, teaching and practice, impacting many sectors of society. Let us celebrate what we, as a professional community, have achieved. The conference theme, Re-Imagining Management Research: Past insights for Future Foresights, has been carefully chosen to reflect on what we did as researchers and how that will change in the future.

It is now more than ever important to be relevant in the research that we do. Life, as we know it, has changed; our students have changed, our way of teaching and conducting research has changed, consumers have changed, and ultimately, we have changed. We have entered unchartered waters, which create uncertainty, but more opportunities.

We have an exciting programme at this conference that will allow members time to present their research and extend networks and jointly explore current and future research directions. We are incredibly excited to listen to our keynote speakers from different countries sharing their knowledge on current issues of importance. The programme is filled with exciting moments, and we hope the virtual goodie bag will put a smile on each delegate's face.

On behalf of the board, I would like to take this opportunity to express our sincere gratitude to the organising team from the North-West University. We are grateful that we have a chance this year to come together and share. As the conference organiser, I am indebted to each person who has worked tirelessly to create this opportunity for all of us. We are also grateful to our valued sponsors – thank you for your generosity and participation. Thank you for taking this virtual step with us! We would also like to thank all the conference delegates for their contributions, which are the foundation of this conference.

The board of directors of SAIMS is honoured and delighted to personally welcome you all to the SAIMS 2021 Conference. May you experience the richness of skills and knowledge related to research during this time! You are SAIMS, and this conference is the flagship of our organisation. I wish you a successful and inspiring conference.

Prof Elmarie Slabbert
Chairperson of the board of directors
Conference organiser
2021

SAIMS 2021 ORGANISING COMMITTEE

Prof E Slabbert

Prof L Du Plessis

Dr M Bothma

Dr E Myburgh

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Prof M Kruger

Dr S Lucrezi

Dr T Matiza

Dr H Spies

Prof K Botha

Dr M Huyser

Prof P v/d Merwe

Mrs H Borstlap

Mrs M Richards

Review Process

20 September 2021

To whom it may concern,

SAIMS 2021 ONLINE CONFERENCE: REVIEW PROCESS

The North-West University hosted the 32nd annual conference of the South African Institute of Management Scientists on 13 and 14 September 2021. This conference was hosted virtually and online due to Covid-19 restrictions.

The following review process was followed:

1) The first call for papers was distributed on 11 March 2021, followed by a final call for papers on 14 June 2021.

2) Full paper and work-in-progress contributions were submitted on the ConfTool website and system. The final date for submission was 2 July 2021.

3) A total of 79 papers were received, which included 56 full papers and 23 work-in-progress papers.

4) All submitted papers were double-blind reviewed. The authors' identity was not provided to the reviewers and was only known to the administrator and organising committee of the conference.

5) All reviewers were assigned, distributed and recorded on the ConfTool system. The reviewers were assigned based on their priority topic and received the assigned reviews on their ConfTool profile. The reviewers also completed the reviewers and entered the scores for the papers on the ConfTool system.

6) Reviewers were asked to give a score out of 10 for the following elements of the full paper they reviewed:

    • Relevance of topic

    • Author understanding of own topic

    • A thorough analysis of current literature on the topic

    • Discussion of methods used and reporting on empirical results

    • Discussion/managerial implications / limitations / future research / conclusions

    • Contribution of paper

    • Technical care of the paper

    Reviewers were also able to make in-text comments and upload the file for the authors.

7) The review committee of the conference reviewed all the scores and feedback provided, and where there were significant differences between the scores of the two reviewers, a third reviewer was assigned.

8) Of the 56 full papers received, 48 were accepted as full papers (2 withdrawn from conference), one was accepted as a work-in-progress, and seven were rejected. The acceptance rate was therefore 85.71%.

9) Of the 23 Work-in-progress papers received, 23 work-in-progress papers were accepted (2 withdrawn from the conference).

10) The authors were informed of the review outcome through the ConfTool system, where they could also access the comments and feedback from the reviewers. Authors were informed to incorporate the reviewer comments and upload the final version of the full paper on the ConfTool system.

An example of the full reference for the proceedings (ISBN number: 978-1-928472-48-3):

Bothma, M. & Van Tonder, E. 2021. A mediated model for normative commitment and helping behaviour in Facebook residential communities. Proceedings of the 32nd Annual Conference of the South African Institute of Management Scientists, Online: North-West University.

Dr Mia Bothma and Prof. Martinette Kruger of the School of Management Sciences and TREES at the North-West University managed the review process and ensured that a rigorous and unbiased process was followed.

I trust that you find this information in order.

Yours sincerely

SLABBERT

Prof. Elmarie Slabbert
Chairperson: SAIMS conference

Contribution of Institutions

Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: http://www.nwu.ac.za

Tel: 0182994140
Email: mariza.richards@nwu.ac.za
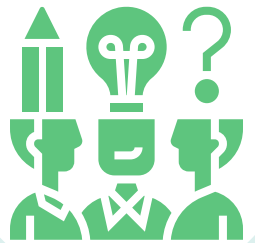
20 September 2021

To whom it may concern,

SAIMS 2021 ONLINE CONFERENCE: CONTRIBUTION OF INSTITUTIONS

After the double-blind review, a total of 46 papers were accepted and included in the SAIMS 2021 Conference Proceedings.

Table 1 provides the institutions' contributions in alphabetic order. It is evident from Table 1 that the North-West University (Conference host) contributed 22.94% of the full papers, which means that 77.06% of the full papers accepted at the SAIMS conference were contributions from other institutions. This indicates that the DHET 60% rule was met.

TABLE 1:
Institutions contributions – Alphabetic order

Institution	Abbreviation	Weighted author contribution	Institutional percentage
Boston City Campus	BCC	0.50	0.92%
Central University of Technology	CUT	1.00	0.92%
Lincoln University	LU	0.50	0.92%
Makerere University Business School	MUBS	0.33	0.92%
National University of Lesotho	NUL	1.00	1.83%
Nelson Mandela University	NMU	0.33	6.42%
North-West University	NWU	10.00	22.94%
Rhodes University	RU	1.33	3.67%
Rijks University of Groningen	UG	0.33	0.92%
Stellenbosch University	US	3.00	5.50%
Tshwane University of Technology	TUT	1.00	0.92%
University of Cape Town	UCT	1.00	1.83%
University of Johannesburg	UJ	11.16	27.52%
University of KwaZulu-Natal	UKZN	1.00	1.83%
University of New England	UNE	0.50	0.92%
University of Pretoria	UP	3.00	7.34%
University of the Free State	UFS	2.00	3.67%
University of the Witwatersrand	WITS	2.75	6.42%
Vaal University of Technology	VUT	1.25	3.67%
Walter Sisulu University	WSU	1.00	0.92%

		42.00	100%
TOTAL			

Table 2 provides the author affiliation of the full papers in the book of SAIMS 2021 proceedings.

TABLE 2:
Author affiliation of full papers

Title	Author(s)	Institution(s)
Track: Accounting, Banking and Insurance		
Analysis of sustainability disclosures in integrated reports of consumer service companies	1) Herbert, S 2) Arendse, C	UCT
Influence of gender and age on the perceived quality of private banking products in a South African bank	1) Muofhe, NJ 2) Vilakazi, ZS 3) Dhliwayo, S	UJ
Track: Finance and Investment		
Proposed instrument to assess director independence in South Africa	1) Van Heusden, M 2) Mans-Kemp, N 3) Viviers, S	US
Director pay disclosure: Assessing the application of the King guidelines	1) Van Zyl, M 2) Mans-Kemp, N	US
Track: Entrepreneurship and Small Business Management		
Customer centric goal setting for small business competitiveness in the digital era: The case of an entrepreneur in the transport sector in the Eastern Cape	1) Lose, T	WSU
Task-shifting as a response to human resource crisis facing the Ngwelezana Tertiary Hospital in KwaZulu-Natal	1) Ndebele, NC 2) Ndlovu, J	UKZN
Track: General and Strategic Management		
An exploration of strategic management practices at a South African World Heritage Site Management Authority	1) Boikanyo, DH 2) Shotholo, M	UJ
Strategic management process review of revised BBBEE requirements	1) Boikanyo, DH 2) Lelala, R	UJ
The importance of strategy formulation and implementation at a private college	1) Mushore, T 2) Rossouw, D 3) Bounds, MM	UJ
Beneficiary perceptions regarding farm worker equity share schemes in South Africa	1) Xolo, SN 2) Smith, EE 3) Mazibuko, NE	NMU
Perceptions on customer relationship management (CRM) and its possible influence on revenue management (RM) at a selected water board in South Africa	1) Manyonganise, JA 2) Louw, M 3) Oosthuizen, N	RU
Track: Marketing (Excluding Digital Marketing)		
Developing loyalty through customer rewards and satisfaction: The special case of Generation Z	1) Theron, E	US
The impact of customer attachment on consumption emotions in South African private hospitals	1) Spies, H	NWU

	2) Mackay, N	

Track: Digital Marketing		
Motivational factors, privacy concerns and intention to use mobile dating apps	1) Cant, B 2) Jordaan, Y 3) Frost, B	UP
An exploratory investigation of excellence in social media management in South Africa	1) Jani, K 2) Akibate, V 3) Leonard, A	UP
A mediated model for normative commitment and helping behaviour in Facebook residential communities	1) Bothma, M 2) Van Tonder, E	NWU

Track: Consumer Behaviour		
Explaining e-banking trust and continuance of use intentions of customers in a rural context	1) Nkoyi, A	CUT
AirBnB customers' contribution to value co-creation and customer satisfaction	1) Struweg, I 2) Mashaba, L 3) Mokhesi, N 4) Nhlapo, D	UJ

Track: Logistics and Supply Chain Management		
Exploring inclusive and responsible business approaches in South Africa: A public procurement perspective	1) Mashele, F 2) Chuchu, T 3) Chinomona, R 4) Mafini, C	CUT
The underlying factors of supply chain risk management in the food retail industry in Harare, Zimbabwe	1) Mutekwe, L 2) Mafini, C 3) Chinomona, E	VUT
A framework of enabling factors for contract compliance in procuring and disposing entities (PDES) in Uganda	1) Babirye, H 2) Oosthuizen, N 3) Tait, M	1) MUBS 2) RU 3) NMU

Track: Human Resource Management		
The influence of diversity climate on employee outputs: A South African exploratory study	1) McCallaghan, S 2) Heyns, M 3) Jackson, L	NWU
Essential future developmental areas for human resource managers post-Covid-19	1) Schultz, CM	TUT
The Relationship between High-Performance Work Practices and Work Engagement: An Importance Performance Map Analysis (IPMA) Test	1) Kibatta, JN 2) Olorunjuwon, MS	WITS
The influence of engagement on employees in a post-restructuring mining organisation: A dominance analysis	1) McCallaghan, S 2) Heyns, M 3) Senne, OW	NWU
Intricacies of HRM as a Managerial Profession of South Africa: A conceptual analyses	1) Schutte, N 2) Barkhuizen, EN	1) NWU 2) UJ

Keeping faith through Covid-19 A conceptual overview of the role of leadership religiosity on sustainable employee excellence	1) Bleeker, M 2) Barkhuizen, EN 3) De Braine, R	UJ
Investigating job characteristics and employee attitudes in a manufacturing concern	1) Jackson, Leon TB 2) Beyer, Strydom J	NWU
Stressing about work: How are academics doing?	1) Isaacs, T 2) Massyn, L	UFS
Corporate bullying in the banking sector in Gauteng: Myth or reality?	1) Pelonolo, M 2) Massyn, L	UFS
Visually impaired students' perception of career success	1) O'Neil, S 2) Bredell, C	UP
Perceptions of intrinsic and extrinsic rewards as a motivator amongst managers at a furniture retail organisation	1) Mlilo, T 2) Bussin, M 3) Bounds, MM	UJ
A risk analysis tool for accountants in the small business sector: Lessons from the South African reserve force	1) Cloete, C 2) Schutte, D	NWU
Implementation of sustainability in human resource management: A literature review	1) Banga, CM 2) Gobind, J	WITS
The potential use of labour brokers in an engineering company in Gauteng: A case study	1) Mara, CC 2) Lebelo, J 3) Swagerman, D	1) UJ 2) UG
Investigating the relationships between job embeddedness, work engagement, burnout and turnover intention within the South African logistics industry	1) Engelbrecht, J 2) De Beer, L 3) Jonker, CS	NWU
Track: Management Education		
The relevance of National University of Lesotho Programmes of study to employment	1) Thetsane, R 2) Mokhethi, M	NUL
Track: Tourism, Event and Hospitality Management		
Libreville residents' perspective on tourism at Akanda National Park	1) Thomas, P 2) Beyeme, R	UJ
Factors encompassing a marine wildlife tourism experience	1) Geldenhuys, LL 2) Van der Merwe, P	1) BCC 2) NWU
The influencing role of willingness to pay and habit in travellers' choice of green hotels: Using the theory of planned behaviour	1) Mosoane, I 2) Mdluli, J 3) Maile, D 4) Mkhize, N	UJ
Successful visitor market transition for the hospitality industry. A case study of Christchurch, New Zealand	1) Dyason, D 2) Fieger, P	1) LU 2) UNE
Determining the attributes trail runners seek when choosing an event	1) Jordaan, T 2) Myburgh, E 3) Kruger, M	NWU

Identifying and grouping the experience dimensions that will lead to a satisfying guesthouse stay	1) Amoah, F	NMU
A product diversification framework assessing potential of expanding ecotourism products in Botswana	1) Vumbunu, T 2) Viviers, PA 3) Du Plessis, E	NWU
Track: Family Business		
Entrepreneurial orientation as a source of heterogeneity in African family businesses	1) Venter, E 2) Farrington, S	NMU
Track: Specialised Topics		
Challenging mainstream management scholarship in South Africa: a provocation using Plato's cave as running metaphor	1) Goldman, GA	UJ

I trust that you find this information in order.

Yours sincerely

LABBERT

Prof. Elmarie Slabbert
Chairperson: SAIMS conference

SAIMS 2021 Online Conference

List of Reviewers

20 September 2021

To whom it may concern,

SAIMS 2021 ONLINE CONFERENCE: LIST OF REVIEWERS

The SAIMS Conference organising committee would like to thank each reviewer that assisted us with the reviews of the papers.

Table 3 presents the list of reviewers of the 32nd SAIMS Conference

TABLE 3:
List of reviewers

Surname and Initials	Institution	Surname and Initials	Institution
Banga, CM	WITS	Mathu, K	NWU
Barkhuizen, EN	UJ	Matiza, T	NWU
Berman, GK	NMU	McCallaghan, S	NWU
Boshoff, S	Akademia	Mkhize, N	UJ
Botha, K	NWU	Molefi, MA	NWU
Bothma, M	NWU	Moodley, P	UJ
Bounds, MM	UJ	Mukonza, C	TUT
Callaghan, CW	WITS	Muller, C	NWU
Chikwanda, HK	UP	Munyeka, W	UV
Chinomona, E	VUT	Muofhe, NJ	UJ
Chodokufa, K	UNISA	Mutekwe, L	VUT
Chuchu, T	WITS	Myburgh, E	NWU
Cupido, A	US	Ndlovu, J	UKZN
Du Preez, EA	UP	Nkoyi, A	CUT
Dyason, D	LU	Nwosu, LI	NWU
Faku, EM	TUT	O'Neil, S	UP
Ferreira, D	NMU	Pentz, C	US
Fields, Z	UJ	Pike-bowles, AP	UFH
Geldenhuys, LL	BCC	Schultz, CM	TUT
Goldberg, R	NWU	Schutte, D	NWU
Goldman, GA	UJ	Shabalala, LP	UM
Gouws, J	NWU	Shabane, TS	RU
Govender, K	RBS	Slabbert, E	NWU
Hamilton, L	NWU	Spies, H	NWU
Herbert, S	UCT	Storm, A	NWU
Hermann, UP	TUT	Struweg, I	UJ
Jackson, LTB	NWU	Synodinos, C	NWU
Jonker, C	NWU	Thasi, M	CUT
Jordaan, Y	UP	Theron, E	US
Kasimu, S	UNISA	Thomas, P	UJ

Kibatta, JN	WITS	Van der Merwe, P	NWU
Klinck, K	NWU	Van Deventer, M	NWU
Kruger, M	NWU	Van Staden, L	NWU
Lennox, A	NWU	Van Wyk, I	UNISA
Lodewyk, RB	NWU	Van Zyl, CC	NWU
Lose, T	WU	Venter, E	NMU
Lucrezi, S	NWU	Viljoen, A	NWU
Mackay, N	NWU	Viviers, PA	NWU
Maisela, S	WITS	Viviers, S	US
Manners, B	NWU	Ward, C	UFS
Mans-Kemp, N	US	Wessels, WJ	NWU
Manyonganise, JA	RU	Xolo, SN	NMU
Massyn, L	UFS		

I trust that you find this information in order.

Yours sincerely

Slabbert

Prof. Elmarie Slabbert
Chairperson: SAIMS conference

SAIMS 2021 Online Conference

Best Paper Awards

SAIMS

The Southern Africa Institute for Management Scientists

BEST PAPER AWARD

The award is hereby certified to

Engelbrecht, J., De Beer, L. and Jonker, C.S.

For the contribution titled

INVESTIGATING THE RELATIONSHIPS BETWEEN JOB EMBEDDEDNESS, WORK ENGAGEMENT, BURNOUT AND TURNOVER INTENTION WITHIN THE SOUTH AFRICAN LOGISTICS INDUSTRY

Prof. Elmarie Slabbert
Chairperson: SAIMS

2021

SAIMS

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Management *Dynamics*

RUNNER-UP AWARD

The award is hereby certified to

Van Zyl, M. and Mans-Kemp, N.

For the contribution titled

DIRECTOR PAY DISCLOSURE: ASSESSING THE APPLICATION OF THE KING GUIDELINES

Prof. J Nel
Editor:
Management Dynamics

2021

KEYNOTE SPEAKERS

The Importance of Cross Media Measurement (XMM) in Marketing and Advertising Procurement

Mr. Gordon Muller
GSM Quadrant

Customer Privacy as Competitive Advantage: Implications for Marketing Strategy and Public Policy

Prof. Kelly Martin
Colorado State University

Field Experiments in Tourism: The Most Reliable Basis for Evidence-based Industry Recommendations

Prof. Sara Dolnicar
University of Queensland

Prof Sara Dolnicar

UNIVERSITY OF QUEENSLAND, BRISBANE, AUSTRALIA

Field Experiments in Tourism: The Most Reliable Basis for Evidence-based Industry Recommendations

Abstract: The insights tourism scholars gain can be invaluable in informing the design of tourism-related regulations by policymakers and the design of business operations by the tourism industry. The quality of recommendations tourism scholars can offer depends on the types of research designs they use in their work. The most valid and reliable recommendations are based on field experimentation, where scholars prove in real tourism settings that the proposed changed have the intended effect. Professor Dolnicar will discuss what it entails to conduct field experimentation in tourism and will provide examples of field experiments conducted in tourism in the past resulting in valuable evidence-based industry and policy advice.

Prof Kelly Martin

COLORADO STATE UNIVERSITY,
FORT COLLINS, USA

Customer Privacy as Competitive Advantage: Implications for Marketing Strategy and Public Policy

Abstract: Product and service offerings of today's firms are powered by data, and new technologies facilitate widespread customer data sharing throughout the firms' networks. Yet reliance on customer data and data transmission also poses fundamental risks to firms. Privacy implications are perhaps some of the most focal risks to modern firms and their use of novel technologies, as such risks can affect customers, networked partner firms, and regulators; each of whom has different and often competing interests regarding how data is shared and privacy, protected. Programmatic research findings suggest a set of critical tensions that exist between customers, firms, and regulatory interests, which pose unique challenges for understanding and protecting customer privacy. This research talk overviews these tensions and offers implications that optimize benefits for customers and for firms in ways that can create competitive advantage and suggest practical and public policy implications.

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Mr Gordon Muller

INDEPENDENT MEDIA CONSULTANT
GSM QUADRANT

How to stop being a Librarian and become an Explorer: The Importance of Cross Media Measurement (XMM) in Marketing and Advertising Procurement

Abstract: In 2019 the World Federation of Advertisers (WFA) outlined its mission to define world-class marketing procurement by collating and formalising standards of marketing procurement. Much of this is outlined in the WFA Project Spring initiative which motivates a shift in marketing procurement from a "cost out" to a "value in" proposition. A shift to procurement with purpose. From an advertising perspective what is central to this procurement with purpose proposition, is the holistic measurement of media audiences. Increasingly advertisers are demanding globally consistent measurement solutions which are future-proofed to accommodate holistic planning and benchmarking. Not just for procurement efficiency but for marketing effectiveness. They want what is being referred to as the North Star solution. Are we ready in South Africa to deliver on that expectation? Are we ready to stop being Librarians and become insights Explorers?

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T WEGNER (EDITOR)

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eBook	5th Edition	9781485131465	ZAR R880.00

ENTREPRENEURSHIP

And How to Establish Your Own Business

T BOTHA (EDITOR)

Did you know that in South Africa 70% to 80% of small businesses fail within the first five years of their establishment? Research indicates that this failure is often due to entrepreneurs not understanding basic business concepts. In the competitive South African business environment, it is essential that aspiring entrepreneurs and new business owners have a solid foundation of knowledge on which to build sustainable businesses.

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eBook	1st Edition	9781485131489	ZAR R880.00

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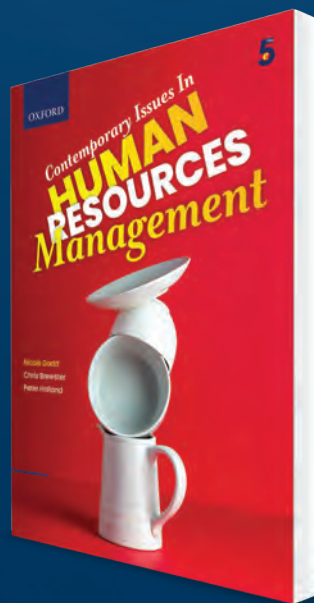
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Director: Prof. L. de Beer
Email: Debeer.leon@nwu.ac.za

WorkWell Research Unit

WorkWell is a Multidisciplinary research unit of the North-West University, founded in 1998. In WorkWell, the emphasis is on Research and Postgraduate education in the context of the Economic and Management challenges facing Africa and the globe.

The focus is on the identification and development of policies, measures and decision-support methodology to ultimately optimise the utilisation of organisational resources like information, people, finances and management while maintaining a focus on issues of diversity and a developing economy.

WorkWell draws on the expertise of researchers from all schools within the Faculty

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OUR THEMES

Accounting, Banking and Insurance

Finance and Investment

Tourism, Event and Hospitality Management

Entrepreneurship and Small Business Management

General and Strategic Management

Non-digital Marketing

Digital Marketing

Consumer Behaviour

Corporate Citizenship and Business Ethics

Logistics and Supply Chain Management

Human Resource Management

Family Business

Management Education

Specialised Topics

Track:

Accounting, Banking, and Insurance

Analysis of sustainability disclosures in integrated reports of consumer service companies

Shelly Herbert[a]* and Caitlin Arendse[b]

[a,b]*College of Accounting, University of Cape Town, Cape Town, South Africa*

*Corresponding author, Email: shelly.herbert@uct.ac.za

ABSTRACT

Sustainability reporting and integrated reporting are two independent types of reporting. Sustainability reporting aims to communicate an organisation"s economic, social and environmental impacts. In contrast, an integrated report uses aspects from various reports, including sustainability reports, to provide information on how an organisation creates value and is useful to various stakeholders. This study uses content analysis to analyse sustainability disclosures within integrated reports of six South African companies in the consumer service sector in 2011, 2015 and 2018. It shows that South African consumer services companies have improved the integration of sustainability disclosures throughout the report, the inclusion of material matters and positive and negative disclosures. This aligns with the International <IR> Framework, which gives guidance on the materiality of disclosures, the balance of good and bad aspects and how various information should be integrated through reports. The study contributes hand-picked data to assess current reporting trends by consumer services companies. It is recommended that report preparers continue to implement the current reporting guidance, observe the reporting behaviour of leaders in the field, and implement similar practices themselves.

Keywords: Global Reporting Initiative (GRI); integrated reporting; International <IR> Framework; sustainability; sustainability reporting

INTRODUCTION

Mankind depends on natural resources and are consuming resources much faster than these resources can be replenished, whether we live deep in a forest or in the centre of the city. Over the last several decades the wildlife populations have declined by over one third (World Wildlife Fund, 2008). Along with environmental degradation, countries worldwide are experiencing environmental depletion and an increase in social issues (Wu *et al.*, 2017).

In order to meet the needs of a diverse range of stakeholders beyond the information provided in financial reports alone, there are several different reports that are useful to stakeholders of an organisation, including sustainability reports and integrated reports. Sustainability reports include

environmental, social and economic information and integrated reports use financial and non-financial information to show how an organisation is creating value (de Villiers and Sharma, 2016). This study will look specifically at sustainability disclosures within integrated reporting. Integrated reporting builds on the foundation and disclosures of sustainability reporting as well as other reports to communicate how value is created over time (International Integrated Reporting Council (IIRC), 2013). The importance of inclusion of material sustainability disclosures within integrated reports is that they provide a holistic picture of the organisation"s impacts and address a wider range of stakeholder interests (Atkins and Maroun, 2015).

In order to examine the current reporting trends the present study extends a study previously published by Herbert and Graham (2019, 2020) that examined the extent of sustainability disclosures in South African listed companies in 2011 and 2015, as well as the application of principles from the International <IR> Framework (the Framework) in presenting the sustainability disclosures within the integrated reports. This study expands on the previous studies by extending the period to include 2018 and focuses specifically on companies listed in the consumer service sector.

It is shown that South African listed companies have continued to improve their manner of reporting by integrating sustainability disclosures throughout the report more effectively, only including material matters and improving on the inclusion of both positive and negative disclosures in terms of the Framework. This is in line with the Framework, which gives guidance on the materiality of disclosures, balance of good and bad aspects and how various information should be integrated through reports (IIRC, 2013).

LITERATURE REVIEW

The literature review will look at literature on sustainability, sustainability reporting and integrated reporting. Finally, the integration between sustainability and integrated reporting will be examined.

Sustainability

In 1713, the term „sustainability" was first coined in forestry, meaning to never harvest more than what the forest is able to grow in a period of time (Kuhlman and Farrington, 2010). The concept of scarcity of environment has been around for a long time, and for earlier generations that concern was centred around prey becoming extinct and for farmers, having doubts about maintaining fertility of soil (Kuhlman and Farrington, 2010).

More recently, sustainability has been defined as economic development that satisfies the needs of the present generation without compromising the needs of future generations (Breu, Guggenbichler and Wollmann, 2008). This is especially relevant to natural resources that are

irreplaceable, that are being used up at the expense of future generations. However, these resources are also being used to generate capital that benefits the well-being of future generations (Kreisel, 2018).

The three pillars of sustainability are environmental integrity, economic prosperity and social equity (Wu *et al.*, 2017). To be truly sustainable an organisation is expected to address all three dimensions of economic, environmental and social simultaneously while managing to survive in the short term and create long term sustainable value (Wu *et al.*, 2017).

Organisation have become more aware of social issues and stakeholders are increasingly putting pressure on them to become better corporate citizens (Breu, Guggenbichler and Wollmann, 2008). This brought about the introduction of sustainability reporting to address these concerns.

Sustainability reporting

In the world today, there are increasing environmental concerns. Given that the largest economies in the world are made up of companies, the role of these organisations in promoting sustainability is of increasing importance (Bellucci, Manetti and Thorne, 2018). Thus, sustainability management within organisations is becoming an integral part of management decision making, accounting practices and reporting. The objective of sustainability management is to integrate environmental and social considerations into the organisation"s strategy and to combine economic information with sustainability reporting (Dienes, Sassen and Fischer, 2016).

A sustainability report aims to communicate an organisation"s economic, environmental and social impact. Organisations are required to integrate these elements into their business strategy to be successful in the long term (GRI, 2013a). Sustainability reporting provides information to stakeholders on the organisation"s impact (social, economic and environment) while holding the organisation accountable for those impacts (Bellucci, Manetti and Thorne, 2018). These imperatives of sustainability reporting brought about the need for formalised sustainability reporting guidelines (Lampinen and Prahl, 2018).

The GRI guidelines are the most commonly used for sustainability reporting practices (Institute of Directors of Southern Africa, 2009). The GRI first released a set of guidelines in 2000 followed by a second edition two years later and the third edition in 2006 (Lampinen and Prahl, 2018). In 2013 the GRI released the G4 Sustainability Reporting Guidelines (G4) (GRI, 2013a). The G4 contained principles, standard disclosures and implementation guidance applicable to any industry (Lampinen and Prahl, 2018). G4 aided organisations with providing sustainability reporting by outlining the principles of balance, comparability, accuracy, timeliness, clarity and reliability (Bellucci, Manetti and Thorne, 2018). In 2016 the GRI introduced the GRI standards which

replaced the G4 guidelines. These were the first global standards for sustainability reporting. Although the content in G4 and the GRI standards are essentially the same, the standards provide more flexibility and clarity (Lampinen and Prahl, 2018).

The GRI standards encourage managers to take a long term perspective and provide insight into the organisations sustainability performance to a range of stakeholders, not only to those interested in financial information (de Villiers and Sharma, 2016). Sustainability reporting assists organisations in setting goals, measuring performance and managing change towards a sustainable global economy, that combines long term profitability with social responsibility and environmental care (GRI, 2013a). It is voluntary in nature and goes beyond legal, contractual and regulatory requirements. It is therefore up to the organisation as to how and whether, or not, to provide sustainability reporting (Christensen, Hail and Leuz, 2019).

However, pressure from stakeholders is a major driver for corporate sustainability (Wu *et al.*, 2017). Poor sustainability practices can not only cost the organisation in terms of fines but might cause reputational damage that could be irreversible (Breu, Guggenbichler and Wollmann, 2008).

In addition to sustainability reporting holding management accountable for their impacts (Bellucci, Manetti and Thorne, 2018), it also helps the organisation better understand its various risks and opportunities (GRI, 2018) which will enable the management of an organisation to make more informed decisions about its vision and strategy (Bellucci, Manetti and Thorne, 2018).

Sustainability reporting does not necessarily mean that organisations are acting in a sustainable manner (Christensen, Hail and Leuz, 2019) and sometimes managers use sustainability to enhance an organisation‟s image instead of using it as a tool to assess accountability of their impact (Bellucci, Manetti and Thorne, 2018). However, literature suggests that sustainability reporting enhances changes in behaviour of an organisation‟s activities and policies (Christensen, Hail and Leuz, 2019).

Integrated reporting

There is criticism of financial reporting in that it does not adequately provide information to satisfy the needs of all stakeholders who wish to analyse organisational performance (Bernardi and Stark, 2018). There is an increasing demand for organisations to provide additional information above and beyond the financial statements, such as sustainability reporting, as well as information on how organisations create and destroy value (Haji *et al.*, 2016). However, for sustainability reporting to be useful to stakeholders it is required to go beyond the reporting practices previously discussed, and needs to be linked to the business performance, strategy and value creation (Bernardi and Stark, 2018). Organisations were dissatisfied with the way information was being

reported (Haji *et al.*, 2016) which led to formation of the International Integrated Reporting Council (IIRC) which promotes integrated reporting as a means of thinking in an integrated manner within mainstream business practices (IIRC, 2013).

The King Code is a code specific to South Africa which encourages organisations to include economic, social and environmental into an organisation‟s reporting strategy to communicate how value is created (Atkins and Maroun, 2015). Following the introduction of the King III in 2009, (Atkins and Maroun, 2015) organisations in South Africa are required to provide integrated reports along with their financial reports for every financial year from 2011 onwards (Bernardi and Stark, 2018).

According to Bellucci, Manetti and Thorne (2018) an integrated report aims to give a holistic understanding of the organisation by using its strategy, performance and value creation in the environmental and social context. The objective of integrated reporting is to explain to all stakeholders, but with a specific focus on providers of financial capital, how the organisation interacts with its external environment and the six capitals to create value over the short, medium and long term (IIRC, 2013).

An integrated report aims to connect information from a variety of reports to create a holistic view of the organisation‟s value creation process. It aims to provide insight into the relationships of each stakeholders, taking into account each stakeholder‟s specific needs and interests. An important element of integrated reports is the element of materiality, as integrated reports should contain only information that is relevant to that organisation‟s ability to create value including both positive and negative material matters. An integrated report should be concise in that it should sufficiently include information relating to an organisation‟s strategy, performance, governance and prospects while avoiding providing less relevant information (IIRC, 2013).

The integration of sustainability disclosures within integrated reports

Sustainability information is usually voluntary in nature and can be presented in many different forms through integrated reports, annual reports, as well as a stand-alone sustainability report (Bellucci, Manetti and Thorne, 2018). Integrated reporting, however, provides an organisation‟s providers of capitals with material factors in their value creation process (GRI, 2013a). Although the objectives of integrated reporting and sustainability reporting differ, sustainability reporting is a fundamental element within an integrated report (de Villiers and Sharma, 2016) and both seek to create value over time (GRI, 2013a). Integrated reports alone are unlikely to provide all the information currently reported in sustainability reports given the vast amount of information from different sources included within an integrated report and the differences in objectives (de Villiers and Sharma, 2016).

Sustainability reports and integrated reports provide information of a higher quality than that in financial reports alone as these reports provide non-financial as well as financial information for various stakeholders (Bellucci, Manetti and Thorne, 2018). Sustainability reporting exhibits sustainability matters within an organisation as well as addresses the effect of risk, opportunities and trends that impact an organisation"s performance and long-term prospects. It helps an organisation identify material issues and objectives and evaluate its ability to achieve these objectives in order to create value over time. It is therefore evident that sustainability reporting and disclosures are a fundamental element within an integrated report (GRI, 2013a). Combining financial and sustainability information into one report allows investors to think in an integrated manner as envisioned by the IIRC (Reimsbach, Hahn and Gürtürk, 2018).

Reimsbach *et al.* (2018) found that combining sustainability information within integrated reports increased the potential access to sustainability information and that a number of investors had no particular interest in the stand-alone sustainability report. This is particularly relevant to South African listed companies as it is mandatory to produce an integrated reports (Bernardi and Stark, 2018) thus sustainability disclosures within the integrated report will reach a greater number of investors as opposed to the information in the stand-alone sustainability report (Reimsbach, Hahn and Gürtürk, 2018).

This study will seek to expand on literature on the integration of sustainability disclosures in integrated reports. In particular, it will expand on previous studies published that examined the sustainability disclosures provided in the integrated reports of South African listed companies in 2011 and 2015 (Herbert and Graham, 2019, 2020). The results of the previous studies showed that the sustainability disclosures became more integrated in 2015 and materiality was applied more effectively, although the extent and nature of the disclosures did not change significantly, nor was the reporting more balanced. This study enhances the body of literature on sustainability reporting and integrated reporting by further investigating the topic by including the 2018 reporting period, looking specifically at the consumer services sector.

METHODOLOGY

The aim of this study is to analyse the sustainability disclosures in integrated reports of South African listed companies in the consumer service sector in the years 2011, 2015 and 2018. These integrated reports will be used to analyse the sustainability disclosures of the companies using the guidelines set out by the GRI (GRI, 2013a) in combination with the IIRC"s Framework (IIRC, 2013). A qualitative research design is used, in the form of a content analysis.

Sample selection

The chosen years were selected for the reasons described below. Following on from Herbert & Graham (2019, 2020) 2011 was chosen as this was the year that integrated reporting became mandatory in South Africa (Bernardi and Stark, 2018). The 2015 year was chosen because this was when the Framework (IIRC, 2013) and the G4 GRI guidelines (GRI, 2013a) were first incorporated into the integrated reports of South African listed companies (Herbert & Graham, 2019, 2020). 2018 was included, in addition to the prior year"s already presented, as it was most the recent financial year-end at the time the data was collected for this study, thus it will give more up to date information.

The six companies in the consumer service sector were chosen from the total sample of 45 companies spanning all of the JSE sectors used in the previous studies. This study will focus on the consumer service sector as it has a large contribution to GDP, provides jobs, input and public service for the South African economy. Many consumer services are inputs into other business such as transportation, health and legal services. These companies form part of the basis of growth in the economy. The consumer service is therefore an important element of growth in the economy which leads to value creation for organisations (Cali, Ellis and te Velde, 2008).

Disclosure checklist

This study will use the same sustainability disclosure checklist as Herbert and Graham (2019, 2020) which uses a combination of the GRI guidelines (GRI, 2013a) and JSE Socially Responsible Investment Index criteria (JSE, 2014) to analyse the trends in sustainability disclosures within the integrated reports. The checklist will show three main categories: economic, environmental performance and social sustainability, which includes human rights, labour practices and decent work, product responsibility and society, as seen in Table 1 below. These categories are linked to the specific recommendation disclosures in the GRI guidelines (GRI, 2013a). Within these categories there are a further 53 sub-categories of disclosures: being 5 for economic sustainability, 12 for environmental disclosures and 36 for social disclosures (across the areas of human rights, labour practices and decent work, product responsibility, and society).

TABLE 1:

Breakdown of the disclosures in each category (gri, 2013a)

Economic		Environmental
● Economic Performance ● Market Presence ● Indirect Economic Impacts ● Procurement Practices	● Materials ● Energy ● Water ● Biodiversity ● Emissions ● Effluents and Waste	● Products and Services ● Compliance ● Transport ● Overall ● Supplier Environmental Assessment ● Environmental Grievance Mechanisms

Social			
Labour Practices and Decent Work	Human Rights	Society	Product Responsibility
● Employment ● Labour/Management Relations ● Occupational Health and Safety ● Training and Education ● Diversity and Equal Opportunity ● Equal Remuneration for Women and Men ● Supplier Assessment for Labour Practices ● Labour Practices Grievance Mechanisms	● Investment ● Non-discrimination ● Freedom of Association and Collective Bargaining ● Child Labour ● Forced or Compulsory Labour ● Supplier Human Rights Assessment ● Human Rights Grievance Mechanism ● Security Practices ● Indigenous Rights ● Assessment	● Local Communities ● Anti-competitive Behaviour ● Public Policy ● Anti-corruption ● Compliance ● Supplier Assessment for Impact on Society ● Grievance Mechanisms for Impact on Society	● Customer Health and Safety ● Product and Service Labelling ● Marketing Communications ● Customer Privacy ● Compliance

Collection of data

This study will evaluate how companies are including sustainability disclosures within their integrated reports based on the Framework (IIRC, 2013) and GRI guidelines (GRI, 2013a). Criteria assessed will include the extent and integration of sustainability disclosures throughout the integrated report, the materiality of sustainability disclosures and the balance of good and bad news relating to sustainability disclosures, which will each be discussed further in detail. Integrated reports are publicly available, and the relevant reports were accessed from the individual company websites. Each integrated report was read thoroughly, and the sustainability disclosures observed were measured against the above-mentioned disclosure checklist. Each disclosure identified was recorded. A word search using key words for each category is also used to mitigate for the potential of disclosures not being identified.

Integration of sustainability disclosures throughout the integrated report

Sustainability-related information is becoming increasingly more integrated with other financial information, with sustainability being a crucial reason for organisations, markets and society to adapt to change. Sustainability information relevant to an organisation"s value creation process is thus a fundamental element of an integrated report (GRI, 2013a).

Each report will be assessed on the extent that sustainability disclosures have been included in the integrated report. On a scale of 0 to 2: a score of 0 will be awarded where the company has not disclosed sustainability information, 1 where there is separate section for sustainability disclosures. A score of 2 will be awarded where a company"s sustainability disclosures are integrated throughout various sections of the report.

Materiality of sustainability disclosures

The Framework (IIRC, 2013) suggests that integrated reports should disclose only material information relating to matters that affect an organisations ability to create value. Material aspects include those that reflect an organisation"s significant economic, environmental and social impact or influence stakeholder"s decision making and will differ across organisations and industries. Materiality is a threshold of importance to the organisation and only those of significant importance should be reported (GRI, 2013a).

Each integrated report will thus be assessed on the relevance or materiality of the disclosures provided. A company will receive 0 if disclosures are provided that are not relevant to the company or if material disclosures are omitted and will be awarded a 1 if only material disclosures are adequately provided. The reports will be analysed relative to what is known by the Herbert and Graham (2019, 2020) to be material to the industry, as well as the content of the individual reports.

Balance of positive and negative aspects

To create an unbiased representation of the organisation"s overall performance, reports should reflect both positive and negative aspects of an organisation"s performance in a balanced way (GRI, 2013a). An integrated report is considered balanced when it has no bias in the presentation or selection of information (IIRC, 2013).

Each report will be assessed on the inclusion of both positive and negative aspects of their operations without bias. A company will be awarded a 0 if only positive aspects have been mentioned and will be awarded 1 if both positive and negative aspects have been mentioned.

Limitations

It is important to note that evaluation of integrated reports is a form of qualitative research method which is subjective in its nature. The risk of inconsistency was eliminated by using the same disclosure checklist that is outlined by the GRI in the G4 guidelines for all of the reports sampled (GRI, 2013a) which includes descriptions of each disclosure. In 2016 the GRI introduced the GRI standards which replaced the G4 guidelines. The content in G4 and the GRI standards are essentially the same, with no significant changes to the disclosure categories (Lampinen & Prahl,

2018) therefore it is still appropriate to use the same disclosure checklist for all of the sampled years.

Furthermore, the assessment of the level of integration, balance and materiality of disclosures is subjective. Detailed discussions were held between the researchers who collected the data to ensure that there was consistency in the categorisation of the integrated reports.

Furthermore, the quantity of disclosures that were recorded do not necessarily represent the quality of the disclosures. Therefore, as with all research on disclosures, one cannot infer that the disclosures reflect actual performance. Lastly, this study assesses a sample of six companies in the consumer service sector over three years and cannot generalised for the entire population.

RESULTS

In this section the sustainability disclosures in integrated reports of each company are analysed by comparing the years 2011, 2015 and 2018. The total number of disclosures identified by using the disclosure checklist set out in the GRI guidelines (GRI, 2013a) will first be discussed. Thereafter, there will be a discussion on whether the sustainability disclosures were integrated throughout the report, if only material disclosures were included, as well as whether both positive and negative news had been mentioned in the disclosures.

Number of Disclosures

The number of disclosures were recorded using the disclosure checklist set out by the GRI (GRI, 2013a) as a guideline. The disclosure checklist includes three main categories namely; economic, environmental and society. Figure 1 below represents the number of disclosures for each company for the years 2011, 2015 and 2018.

FIGURE 1:

The total number of sustainability disclosures

As seen in Figure 1 above, there is no defining trend that is consistent throughout all six of the companies. Woolworths, Shoprite and Spar increased their number of disclosures, while Naspers and Mr Price have decreased in the number of disclosures recorded. Whereas Truworths has seen

45

a reduction and subsequent increase in the number of sustainability disclosures mentioned. A possible reason why Naspers and Mr Price have decreased their number of disclosures could be in line with the decreased number of total pages in the integrated report which will be analysed further under materiality.

The number of disclosures for each category of economic, environment and social was examined. The overall disclosures for each category have increased from the years 2011 to 2018 with the most notable changes in social and environmental as seen in Figure 2.

FIGURE 2:

Total number of disclosures per category
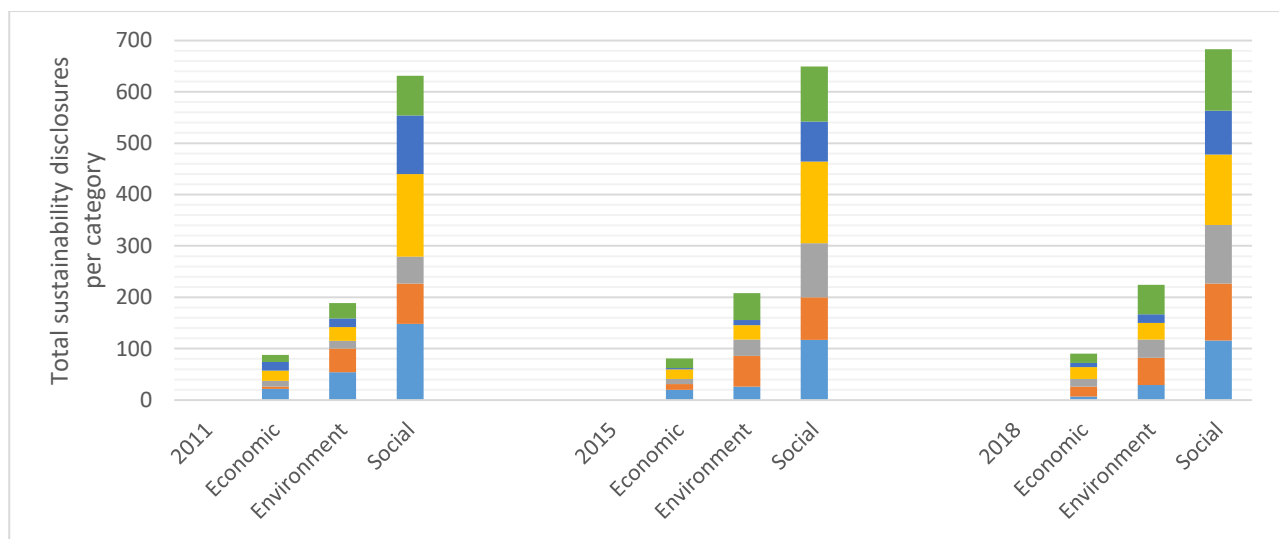
The category that had the greatest number of disclosures over all three years is social. Although this is notable, it should also be kept in mind that this category had the largest number of areas that could have been reported on. The specific categories within social with the greatest number of disclosures include diversity and equal opportunity, Broad Based Black Economic Empowerment (BBBEE), employment, training and education and local communities. A possible reason for the high number of disclosures in these categories could be because of South Africa's history. Irene (2017:145) stated that in 1994: "South Africa inherited an economic system that was characterised by low growth, high government debt, mass unemployment, poverty and inequality with little worker protection especially of African (Black) workers." It is further noted that in order to address these socio-economic issues economic growth is important to foster job creation with a focus on restructuring of the labour market with emphasis on the previously disadvantaged (Irene, 2017). This brought about the introduction of a BBBEE policy aimed to increase black participation in economic activities, increase black ownership in business and create employment for the black population (Irene, 2017).

As large listed companies in South Africa, and given the importance of the consumer service sector in driving economic growth and providing jobs (Cali, Ellis and te Velde, 2008), it would make sense that the focus of these companies are related to the above-mentioned social issues. By providing employment and training the companies are making efforts in addressing the issue of unemployment in South Africa. The unemployment rate has increased over last ten years from about 23% in 2009 to 30.8% in 2020 (Statistics South Africa, 2020), compared to 29.1% in 2019, prior to the COVID-19 pandemic (Statistics South Africa, 2019). By promoting diversity and applying the BBBEE policy the companies are addressing the issue of inequality and by giving back to local communities the companies are helping to reduce poverty.

In 2018 there is also a notable increase in the disclosure for water. In 2017-2018 Cape Town, South Africa faced severe water shortages that left the city with almost no remaining running water (Parks and Mclaren, 2019). This is the reason that each of the six companies have specifically addressed the matter of water in their integrated reports and have put procedures in place to mitigate the risk of water shortages and save water. This is one of the factors that might have contributed towards to the increase in the environmental disclosures as seen in the Figure 2 above.

Integration of sustainability disclosures

Integrated reporting builds on the foundation of sustainability reports, along with other reports such as financial information and governance, to communicate how value is created over time (IIRC, 2013). The importance of inclusion of sustainability disclosures within integrated reports is that sustainability disclosures provide a holistic picture of the organisation‟s impacts and address a wider range of stakeholder interests (Atkins and Maroun, 2015).

In this section the study assesses how well the companies have integrated sustainability information throughout the integrated reported. The companies were assessed on a criterion of 0 to 2, as presented in Figure 3.

FIGURE 3:

Integration of sustainability disclosures through the integrated report
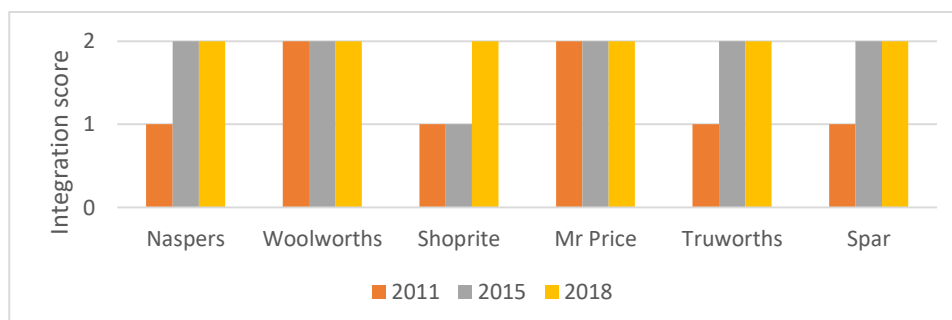
As seen from the Figure 3 above in 2011 only Woolworths and Mr Price have adequately integrated sustainability disclosures throughout their integrated reports. Shoprite and Spar had been awarded a 1 because they had a separate section for sustainability disclosures. Whereas Truworths and Naspers were awarded a 1 because the sustainability disclosures had been fragmented in the integrated reports.

In 2015 the only company to have been awarded lower than a 2 was Shoprite. In 2018 Shoprite still had sustainability disclosures predominantly in a separate section of the report however also included disclosures in other sectors such as in the chairman"s report, the CEO"s report and incorporated into the strategy and performance.

As seen from the Figure 3 above, all companies in 2018 have been awarded a 2. This indicates that given the experience gained by 2018, as well as due to observing what competitors were reporting, each company has adequately integrated sustainability disclosures throughout the integrated report.

Materiality of disclosures

The Framework (IIRC, 2013) suggests that integrated reports should contain only disclosures that are relevant to the organisation. Material aspects are only those that reflect an organisation"s significant economic, social and environmental impact (GRI, 2013a). Each integrated report was allocated a score of 0 or 1, as shown in Figure 4.

According to the GRI (2013b), material disclosures specific to the consumer service sector include environmental disclosures relating to plastic use and management policy, whereas social disclosures typically include migrant workers and customer data protection. However, this is not standard to all companies in the consumer service sector as there are disclosures that are specific to a company itself and South African economy-related disclosures depending on the operating environment of the companies.

FIGURE 4:

Materiality of sustainability disclosures
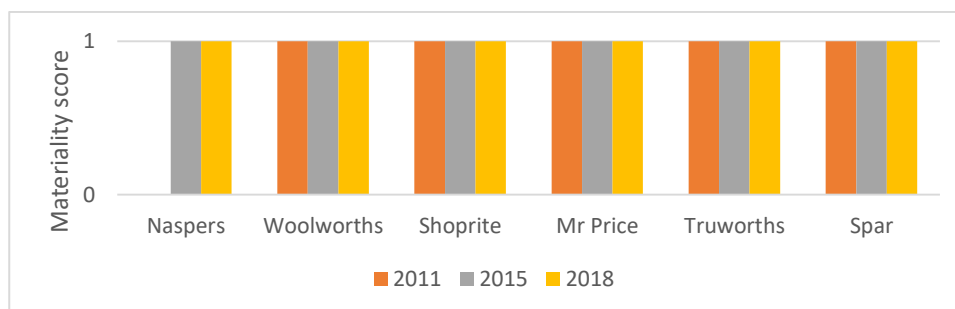
As seen from Figure 4 above, beside Naspers in 2011, all the other companies in all years had only included disclosures material to them. In 2011 Naspers had included disclosures over multiple different disclosure categories. Thus, Naspers was unable to identify which disclosures were material and as a result provided multiple disclosure that were not all material.

The 2018 financial year was the eighth year since the introduction of integrating reporting became mandatory for listed companies in South Africa (Bernardi & Stark, 2018) by which time one would expect companies to have mastered their ability to produce reports that include only material disclosures. The introduction of GRI guidelines (GRI, 2013a) and the Framework (IIRC, 2013) in 2013 provided additional guidance for companies on how integrated reporting and sustainability disclosures should be reported on. Due to the enhanced experience of providing integrated reports for eight years and the additional guidance provided could be the reason that only materiality disclosures being reported on in the 2015 and 2018 years.

In each of the 2018 integrated reports, each of the six companies had included a section specifically relating to materiality, which further stresses the importance of only including material disclosures, not only for sustainability disclosures but for the integrated report as a whole.

As companies focus on material disclosures it is expected that the length of the reports will be affected. The total number of pages per report was collected and is shown in Figure 5 below.

FIGURE 5:

Total number of pages in integrated reports in each year

	2011	2015	2018
Naspers	169	168	122
Woolworths	124	136	85
Shoprite	116	80	108
Mr Price	191	128	144
Truworths	146	116	71
Spar	116	164	266
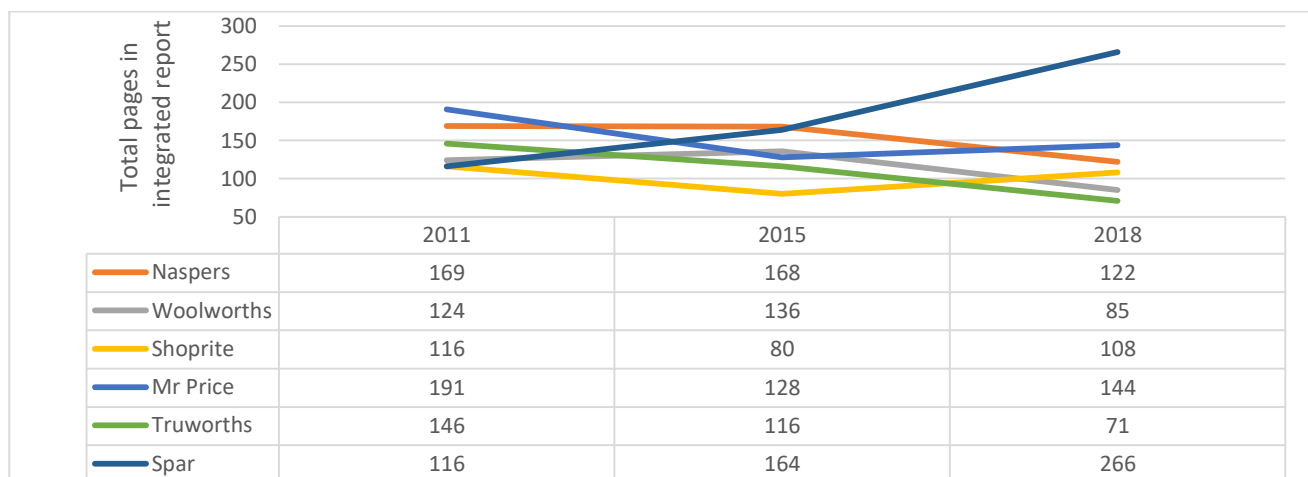
Apart from Spar that increased the total number of pages from 2011 to 2018, each of the other companies had decreased in the number of pages while managing to improve the materiality of disclosures provided. A particular mention must be made to Naspers who improved their materiality rating together with decreasing the number of pages from 2011 to 2015 to 2018. This is aligned with the guiding principles of the Framework which says that reports should be concise, in

that an integrated report should provide relevant information about the organisation while avoiding over saturating the report with less relevant information (IIRC, 2013). This could be a possible reason for the increase in materiality as companies have become more experienced and gained additional insight on reporting thus only reporting on the material disclosures.

Balance of positive and negative aspects

To create an unbiased representation of an organisation"s overall performance, both positive and negative aspects of an organisations performance should be reported on (GRI, 2013a). Each report was allocated a score of 0 or 1, as reflected in Figure 6.

FIGURE 6:

Balance of positive and negative aspects
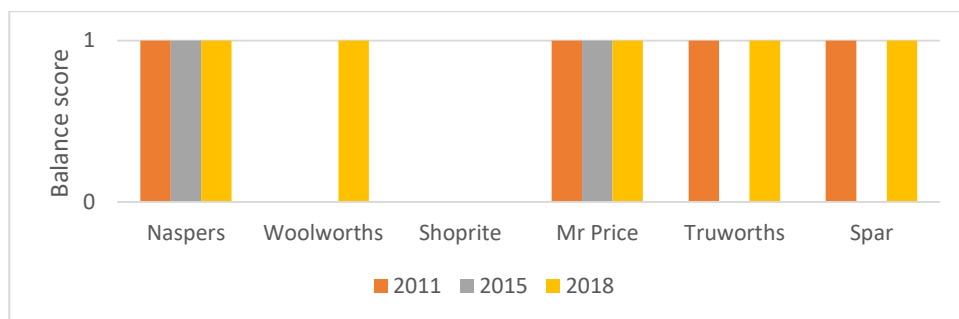
In 2011, 2015 and 2018, Naspers and Mr Price have adequately reported on both positive and negative aspects. Both Spar and Truworths have reported both positive and negative aspects in 2011 and 2018 however have seemed to omit negative aspects in 2015. Shoprite has failed to incorporate any negative aspects in their sustainability disclosures in 2011, 2015 and 2018. Woolworths has improved on their rating by including negative aspects in their disclosures for 2018, however, it must be noted that only one negative disclosure had been mentioned.

The term "greenwashing" is used when organisations do not provide full disclosure of environmental information relating to a particular issue in aim of enhancing greater public image or reputation (Laufer, 2012). This could be a reason why some companies have failed to mention negative news in their disclosures.

CONCLUSION

The purpose of this study was to assess the sustainability disclosures in integrated reports of South African listed companies in the consumer service sector in the years 2011, 2015 and 2018. This was done to assess the total number of sustainability disclosures, as well as the materiality, integration and balance of the sustainability disclosures provided. This study contributes to the current body of research by examining recent reporting trends in a specific industry.

What was found is that the total number of sustainability disclosures by the companies increased in half and decreased in the other half from 2011 to 2018. The total number of pages of integrated reports decreased considerably from 2011 to 2018 along with an increase in the materiality of disclosures over the same period as companies are now reporting on only material disclosures. Given the increase in the number of years of providing integrated reports and the introduction of various guidelines and frameworks, companies are becoming more familiar with what is expected to be reported on and improving on their reporting as a whole. These improvements include all six companies reporting on only material disclosures in 2018, all companies adequately integrating the disclosures throughout the integrated report and only one company that did not give a balance of disclosures by only reporting on positive news.

Progress has been made in implementing the reporting guidance of the Framework and other reporting guidelines. It is recommended that report preparers continue to improve their reporting practices, and particularly adopt the reporting behaviour of leaders in the field.

Possible areas for further research could include the quality of disclosures that are being reporting on and an expansion of the sample size to include various other industries to gain a holistic picture of sustainable disclosures for listed companies in South Africa. The study can also be extended to include reports prepared that cover reporting periods affected by the COVID-19 pandemic, to assess the impact of the pandemic on the sustainability reporting practices of companies.

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Influence of gender and age on the perceived quality of private banking products in a South African bank

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ABSTRACT

The study aims to determine if the gender and age of customers influence perceptions of the quality of private banking products and services offered by X Private Bank (XPB). Private banking clients have attained a certain level of wealth and definitive, uncompromising perceptions of service quality. In this study, the private banking clients are retail banking customers at XPB. The decline in retail banking customers at XPB has prompted the need to determine the customers" gender and age"s influence on the perceptions of service quality. Customer attrition suggests that customers may embrace specific negative perceptions of the service quality of the institution based on their gender or age. The research method adopted in this study is quantitative, of which data was collected to prove or disapprove the set propositions. SERVQUAL instrument was used to gather insights into customers" perceptions. The study found that customers" perceptions of the quality of private banking services were neither based on gender nor age. It is therefore recommended that although interventions to improve service quality may be based on gender or age, and it is noted that they are not significant differentiating factors.

Keywords: gender; age; customer perceptions; service quality; customer satisfaction

INTRODUCTION

A bank needs to compete successfully by satisfying customers" needs in an environment of increased competition. One challenge of meeting these needs is understanding and helping these varied needs based on different characteristics such as age, gender, income, and education. The service sector has now become a backbone for the economy of any country, as the service organisations contribute significantly to gross domestic product (GDP) and employment generation (Bhat and Darzi, 2016). Most of the studies have been done regarding customer satisfaction and the role of demographic characteristics when it concerns online banking. This study focuses on the impact of demographic factors, gender and age, on customers" perceptions of private banking

products in a South African bank, XPB. Although much empirical indication could be found in the literature global investigating the relationship between service quality and customer loyalty, the domain that touches on private banking products has not been much considered in a South African context.

According to Yaya, Marimon and Casadius (2014), managers who aim at merely satisfying rather than completely satisfying customers run the risk of discouragement in customer retention. Outstanding service is a strategy for making profits (Hakim and Maamari, 2017). The reason is that exceptional service brings in more customers and results in repeat business with current customers. With outstanding service, fewer customers are lost to competition. Such kind of service delivery can be a reflection of happy customers. Consequently, customers develop expectations that drive their perceptions of the quality of products and services offered by banking institutions.

Demographic factors are usually considered when targeted strategies for service quality improvements or when service satisfaction surveys are conducted. In line with this, the study aimed to find significant differences in the perception of service quality by XPB"s male and female customers and its customers in different age groups.

LITERATURE REVIEW

The review will briefly analyse service quality, customer perception, then the different bank"s products under study.

Service Quality

In every field, quality is a crucial requirement. Priyanga and Negapattinam (2021) define quality as "the inclusion of all specified features and characteristics as defined for product or service and its ability to satisfy the given needs as per the user"s requirement". These authors went further to explain that customer perception relates to customer satisfaction and service quality. They concluded that service quality is affected by attributes like reliability, tangibility, assurance, responsiveness, and empathy. Priyanga and Negapattinam (2021) also opined that customer satisfaction is measured by expectation and perception, which may change from person to person.

Customer perceptions

Customer perceptions can be well-defined as the attitudes that customers formulate based on their decision of the superiority of the service quality (Grigoroudis et al., 2002). Customer perceptions of service quality are essential to customer retention or attrition. A customer who

holds constructive perceptions of an organisation‟s service quality is expected to remain a customer and endorse that organisation through word of mouth (Zeithaml, Rust, and Lemon, 2001). Adverse perceptions of service quality are informed by customers‟ expectations that have not been met or exceeded, leading to a lack of customer satisfaction and subsequent attrition (Siddiqui and Sharma, 2010).

The recorded loss of customers at XPB, published in company annual reports, suggests that XPB customers might hold negative perceptions of service quality. Indeed, Zeithaml et al. (2001) argue that the attraction and retention of private banking customers should result from customers‟ perception that their prospects of service quality have been met. The assessment of customers‟ perceptions thus enables XPB to take counteractive action, align service delivery with customers‟ expectations to advance customers‟ perceptions, and subsequently stem the loss of customers. Grigoroudis et al. (2002) contend that the key differentiator between service quality and customers‟ satisfaction is that service quality relays to the managerial delivery of the service, while satisfaction replicates customers‟ expectations of that service. Customer satisfaction occurs when customers‟ observation of the service meets their expectations. Thus, expectation and optimistic perception of service quality are both critical to customer satisfaction.

Customer satisfaction and centricity

Pattanayaka, Koilakuntla and Punyatoya (2017) state that customer satisfaction is vital for organisational success. Customer satisfaction is accomplished by organisations when customer-centricity is central to the provision of customer service. There is a positive correlation between customer satisfaction and customer-centricity; an organisational philosophy of excellent customer service surpasses customer expectations (Gebauer, Anders and Witell, 2011). Customers‟ satisfaction relays to the successful delivery of excellent customer service (Clemes *et al*., 2011); it centres on the value generated for the customer, thereby creating customer-centricity.

Customer service and competitive advantage

Customer service is described as the activities, processes and interactions with customers undertaken by an organisation to meet customers‟ expectations, thereby forming customer perceptions (Rouholamini and Venkatesh, 2011). The customer‟s propensity to switch to another organisation, and the retention of any customer, is dependent on the service quality difference provided by the organisation. Anderson *et al*. (2006) have determined that the service quality relative difference is the difference of the service offered by the organisation compared to the next best alternative service as perceived by the customer. The competitive advantage of any

organisation depends on the quality of customer service. The competitiveness of any organisation in the 21st century is determined by its ability to deliver superior customer service. The ability to gain competitive advantages could result from enhancing the quality of the service offering to exceed the desired service level (Ananth *et al*., 2011).

Private banking

Private banking is a unit of retail banking within financial institutions that delivers banking services for a niche market of people with determined earnings levels. Private banking offers wealth management services exclusively to high-net-worth people (HNWIs) who have achieved a certain level of earnings and wealth (Hens and Bachmann, 2011). Private banks offer financial services to banking customers and are therefore seen as services companies. The banking industry uses banking „products" and „services" interchangeably to refer to all their financial services. The definition of banking products and services is therefore critical to this study.

Private banking products and services

Edvardsson, Gustafsson and Roos (2005) outline services as activities, deeds or processes, and customer interactions to create valuable offerings. Service is considered a function of performance rather than an object; therefore, a service is not tangible that can be realised, touched, tasted, and physically felt (Edvardsson *et al*., 2005; Lovelock, 1991). On the other hand, products are tangible objects, and tangibility is thus the vital distinction between products and services. However, Edvardsson *et al.* (2005) challenge this distinction, based on tangibility, between products and services, arguing that it is not essential to distinguish between products and services because customers are buying an offering, not merely a service, which may include both goods and services.

As stated above, the terms" banking products" and „banking services" are used interchangeably to mean private banking services. Examples of private banking products are home loans, vehicle finance, personal loans, investment accounts, and share trading accounts. Private banking services are related to account opening, account enquiries, balance enquiries, withdrawals, deposits, mobile banking, telephone banking, digital banking, branch transactions, and customer queries. It must, however, be acknowledged that given several developments since the 1990s, the entire banking products structure has undergone a significant change. As a result of economic reforms, the banking industry is deregulated and more competitive (Harshita, 2015). The author further explained that it was all due to the more discriminating nature of the users of banking services and that existing products need to be delivered innovatively and cost-effectively by taking

full advantage of emerging technologies.

XPB"s customers have been switching to competitor banks, evident in its loss of customers. This loss has been attributed to customers" perceptions of XPB products and services not meeting their expectations. Customer attrition suggests that XPB is failing to determine its customers" perceptions that would, in turn, influence the banks" offerings of products and services.

Service quality dimensions

According to Munawar and Fasih (2014), the SERVQUAL scale has been the most widely used measure of service quality. The scale measures the breach between customers" perceptions of the service transaction and their expectations of how the service transaction should have been performed. The SERVQUAL tool identifies five dimensions of service quality which are as follows:

Tangibility

Tangibility refers to those things which have a physical existence and can be seen and touched (Khan and Fasih, 2014). In the banking sector, tangibility can be referred to as information and communications technology (ICT) equipment, physical facilities, appearance (ambience, lighting, air-conditioning, seating arrangement), and services providing the organisation"s personnel.

Reliability

According to Khan and Fasih (2014), reliability means the ability of a service provider to provide the committed services truthfully and consistently. It is generally believed that customers want trustable services on which they can rely. Reliability must happen continuously.

Responsiveness

Responsiveness is the inclination of employees and promptness of the customer service that they provide (Parasuraman *et al*., 2002). The speed at which the service is provided and the attitude of employees in providing such service is a critical dimension of the quality service. Private banking services are providing a prompt service with a helpful attitude that delights customers. Private bank employees who are well mannered communicate with a friendly attitude and revert to customers timely with precise responses to requests, showing good responsiveness traits (Bick *et al*., 2010).

Assurance

According to Khan and Fasih (2014), assurance is developed by the employees" level of knowledge and courtesy in rendering the services and their ability to instil trust and confidence in customers.

Customers want to engage with polite and friendly employees, knowledgeable and well informed, and who know the customer, all of which contribute to service quality, customer loyalty, and customer satisfaction.

Therefore, private banking employees should use their expertise to tailor-make products and services to suit customers and their needs.

Empathy

Empathy is the due care shown by the organisation and its employees in providing services to customers (Parasuraman *et al*., 2002). The waiting times of customers at private banking suites or on the phone, for example, before they are ushered into the service process, should be considered by the organisation, as well as the clarity, relevance and implied care of the information provided (Grigoroudis *et al*., 2002).

The role of demographic traits

According to Perez and Bosque (2016), numerous studies have shown the moderating role of demographic traits in customer responses in different commercial contexts. The authors opined that among these traits, customer gender, age and education level have been reported to be the most significant characteristics influencing perceptions and subsequent responses to companies" products and services. Literature has already indicated the potential of gender to predict customer social orientation, CSR perceptions and reactions to socially responsible products. Specifically, women are believed to have better CSR perceptions than men. That gender is directly related to socially responsible purchase behaviour, with women showing a more ethical and accountable profile than men. That is why this study is focussing on the impact of demographic factors, which are age and gender, on customer perceptions of private banking products in a South African bank.

AIMS

1) To find out if there is a significant difference in perception between male and female customers on the bank"s SERVQUAL.

2) To determine if there is a significant difference in perception among customers of different age groups in the bank"s SERVQUAL.

PROBLEM STATEMENT

XPB has lost quite a significant number of customers to its competitors in the recent past. The continuing loss of customers at XPB may propose that the customers" insights of the service

quality do not meet their expectations after customer dissatisfaction. The loss of customers may further suggest that the bank, recently, has not focused its attention on the relationship between customer perception and customer expectations. Focus on SERVQUAL was not put on the perception of the different genders and different age groups.

RESEARCH METHODOLOGY

This research followed a positivist research model, thereby employing a quantitative research method. The collection of quantitative data on the perceptions of XPB customers thus formed the basis of this research study. Data was collected using a structured adapted SERVQUAL as the research instrument.

Research Instrument

In their research, Parasuraman et al. (2002) establish that customers consider five dimensions in their service assessment and thus developed SERVQUAL to determine customers" perceptions and expectations by using these five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. The five SERVQUAL dimensions were relevant to the research measuring customer perceptions of service quality in financial services. Customers were requested to rate the quality of private banking services that they experienced at XPB. Their feedback was on a five-point Likert scale, enabling them to rate their perception of service quality on the scales of one for strongly disagree, two for moderately disagree, three for neutral, four for moderately agree and five for strongly agree.

Validity and Reliability

TABLE 1:

Cronbach's alpha coefficient

Dimension	Cronbach's Alpha	No. of items
Tangibility	0.683	6
Reliability	0.643	8
Responsiveness	0.438	6
Assurance	0.610	6
Empathy	0.660	5
Service Quality	0.724	5
Overall	0.818	36

Table 1 represents the individual Cronbach"s Alpha coefficients for each service quality dimension.

Cronbach's Alpha coefficient measures the consistency and reliability of the data collected. This also determines the validity of the data. The Cronbach's Alpha coefficients for individual dimension ranged from the lowest, which was 0,438, to the highest being 0.660. 0.7 is the preferred score to prove validity, but any score above 0.5 is considered reliable.

Population and Sampling

The population used in this study was the XPB private banking customers in Johannesburg. The questionnaires were randomly distributed to 207 respondents. Johannesburg is the wealthiest city in Africa, and private banking customers in the town are, therefore, among the most affluent. Each respondent in this survey was chosen randomly and entirely by chance. Age is the demographic of the respondent that reflected 47 (22.7%) respondents with the age of 18-35 years, 102(49.3%) respondents with the age of 36-45 and 58 (28%) respondents with the age of 46 and above.

The sample indicates that the largest age group, almost half at a percentage of 49.3% of private banking clients, is between 36-45 years. The smallest group is at 22.7%, being the youth aged 18-35 years. The older-aged group of private banking clients at the age above 46 years is 28%.

The gender split of the respondents is 135 (65.2%) male respondents and 72 (34.8%) female respondents. There are 135 males, and 72 females participated in the study. The gender split of this sample suggests that XPB customers are mainly male. The higher number of male respondents in the study may indicate that approximately 2:1 ratio of male to female affluent private banking customers.

RESEARCH FINDINGS

The research findings report on private banking clients' perceptions of service quality was based on the data compiled. The data were analysed through various steps of validity and proposition testing. The demographic information and service dimensions data allowed for analysis of the groupings of service quality perceptions. The study findings reflect customers' perceptions of the service quality dimensions of private banking. Results on gender are discussed first, and age groups after that.

Gender

The study intended to determine if gender influenced the perception of service quality of private banking services at XPB.

Proposition 1: states that there is no significant statistical difference in the perceptions of service

quality between gender groups.

The study applied a t-test analysis to test the statistical significance of the differences in perceptions of the different genders on the different SERVQUAL attributes. The results are presented in Table 2.

TABLE 2:

T-test results; gender comparison of service quality

	Levene's Test for Equality of Variances			t-test for Equality of Means		
	F		Sig.	T	df	Sig. (2-tailed)
TANGIBILITY	Equal variances assumed	3.529	.062	.351	205	.726
	Equal variances not assumed			.371	170.341	.711
RELIABILITY	Equal variances assumed	1.451	.230	-1.113	205	.267
	Equal variances not assumed			-1.153	160.112	.251
RESPONSIVENESS	Equal variances assumed	.150	.699	.474	205	.636
	Equal variances not assumed			.479	149.472	.633
ASSURANCE	Equal variances assumed	.101	.751	-.149	205	.882
	Equal variances not assumed			-.150	146.024	.881
EMPATHY	Equal variances assumed	.034	.853	.228	205	.820
	Equal variances not assumed			.230	148.106	.819
SERVICE QUALITY	Equal variances assumed	.378	.539	-.994	205	.321
	Equal variances not assumed			-1.023	157.308	.308

Significance=0.05

The results of the t-test in Table 2 show that the p-values are all above 0.05 (tested at a significance level of 0.05), indicating that there was no significant statistical difference in the perceptions of service quality of the different gender groups. Proposition 1 was therefore accepted. Therefore, there are no differences between males and females in their perceptions of service quality, which meant males and females have similar expectations of service quality.

Gender cannot differentiate the private banking client regarding the service quality perceptions and expectations. The private bank needs to note that the results indicate that males and females should be provided with a similar quality of service that meets and exceeds their expectations. There should not be differentiation of service offerings based on gender.

Some studies have been conducted globally to determine demographic differences in service quality perceptions. Sharma, Chen, and Luk (2012) and Lal Vij (2015) found no significant difference in perceptions of service quality between the genders in most of the dimensions of service quality. However, Gupta and Bansal (2011) found mixed results that indicated specific service quality dimensions where significantly different perceptions between males and females were recorded.

This study"s findings align with Lal et al. (2015) and Sharma et al. (2012). These studies corroborate the findings of this study that there were no significant statistical differences between males and females in the perceptions of service quality. XPB should note these results and tailor its services to meet the customer"s needs regardless of their gender.

Age

The study also wanted to find out whether there were statistically significant differences in the perceptions of service quality by the different age groups in private banking at XPB. The study proposes no significant statistical difference in the perceptions of service quality between age groups.

Proposition 2: There are no significant statistical differences in the age groups regarding perceptions of service quality at XPB.

The statistical significance of the perceptions of the different age groups was tested using Analysis of Variance (ANOVA). The results are all above 0.05 (Table 2), which indicates no significant statistical difference in the perceptions of service quality among the different age groups.

TABLE 3:

Anova; age group comparison of service quality

		Sum of Squares	df	Mean Square	F	Sig.
TANGIBILITY	Between Groups	.259	2	.129	.377	.686
	Within Groups	70.003	204	.343		
	Total	70.262	206			
RELIABILITY	Between Groups	.207	2	.103	.189	.828
	Within Groups	111.247	204	.545		
	Total	111.454	206			
RESPONSIVENESS	Between Groups	1.006	2	.503	1.127	.326
	Within Groups	91.088	204	.447		
	Total	92.094	206			
ASSURANCE	Between Groups	1.969	2	.985	1.910	.151
	Within Groups	105.182	204	.516		
	Total	107.151	206			
EMPATHY	Between Groups	.604	2	.302	.536	.586
	Within Groups	114.972	204	.564		
	Total	115.576	206			

Significance = 0.050

The ANOVA analysis proves no difference in perception between the different age groups since there was no significant difference between the means of the age groups. All the p-values are significantly above the significance level of 0.05. The age groups in the study were divided into youth, middle-aged and older. The findings demonstrate that private banking clients had fundamentally similar perceptions and expectations (uniformity) of service quality.

Similar studies of customer perceptions came to different conclusions on service quality perceptions of varying age groups. Lal *et al*. (2015), in the study of customers" perceptions of service quality, came to the same conclusion in their research at a bank in India. Bishnoi (2013), in the study of different age groups perceptions of ATM services, found that there was no significant difference between the different age groups. Liang and Pei-Ching (2015) conducted a similar survey in Taiwan and found the contrary: a significant difference in perceptions of internet banking service quality among age groups. Therefore, the study by Bishnoi (2013) supports the findings of this survey that there is no significant statistical difference between the different age groups on the perceptions of service quality.

DISCUSSION

The study found no significant differences in the perceptions of customers in the different gender and age groups. Therefore, other demographic groups held broadly similar perceptions and

expectations of the service quality of private banking services. The respondents in this survey had very positive perceptions of all the SERVQUAL attributes. The positive perceptions held by customers propose that the private banking suites replicate the service culture, brand, and image of the bank with which private banking customers are prepared to associate. These customers have attained a certain standing in society that BPB needs to replicate in the facilities representation of the brand and offer convenience. Coetzee"s (2009) study concludes that the private banking suites reflect the brand, image, and service culture, as reflected in this study"s findings.

Most of the respondents held positive perceptions of customer service quality in most of the dimensions of the research instrument; thus, customers in general held positive perceptions of service quality at the private bank. The gaps were in responsiveness and empathy. The digital channels performed better than the physical channels. The challenges in the physical channels, where interaction between clients and employees takes place, suggest that managerial strategies and operations are not geared towards quality customer service. Customer centricity is the ability of the private bank to provide customer services that are of a high standard to influence the perceptions of customers positively (Cohen, Krishnamoorthy, Peytcheva and Wright, 2013). This is achieved through organisational operations and culture that are geared towards excellent customer service.

The study showed that gender and age groups did not hold significantly different perceptions of service quality. That demonstrated that the other groups have similar expectations and perceptions of service quality. Therefore, there should be no differentiation in the service offering to the different age and gender groups. The results show that excellence in customer service has become the differentiator in the private banking industry where products and services are homogeneous, making private banks highly competitive and exposed to sensitive customers and their switching behaviour. The competitive advantage of any organisation is dependent on the quality of customer service as measured by customer perceptions.

Customers choose to stay with an organisation because they derive value from the customer service received and it meets or exceeds their expectations. The success of any customer retention strategy should be geared towards breeding customer loyalty by creating customer value and meeting customer expectations. Customer loyalty is the choice made by the customer to stay with a service provider, while there are choices of alternative service providers when they experience poor customer service. The propensity of the customer to switch and the retention of any customer is dependent on the service quality difference that the organisation provides.

Organisational strategies and operational models achieve customer attraction and retention aimed at customer service quality, thereby influencing customer perceptions. The perception of customers of a company"s products and services has become a priority for top management because it determines customer satisfaction. Higher customer satisfaction increases the willingness to pay price premiums, provide referrals through word of mouth, and increase the utilisation of the product or service, resulting in higher levels of customer retention and loyalty. Increasing loyalty further increases future revenue and reduces the cost of future transactions, thereby increasing profitability.

Customer perceived service is a function of managerial strategy formulations and operations execution design that create private banking operations that deliver quality customer service. The effectiveness of such operational execution is displayed in the perceptions held by customers.

Customer centricity emphasises capturing and using customer needs information to promote a culture and processes that yield superior customer service. Creating a customer-centric organisation, which highlights the understanding of customer perceptions of quality service, promotes organisational culture and operational processes, thus producing exceptional customer service.

MANAGEMENT RECOMMENDATIONS

Management needs to note that the respondents essentially held positive perceptions of the different SERVQUAL attributes. Therefore, the current approaches/ strategies need to be supported or improved to maintain satisfaction levels.

It should be noted that differences in perception do exist between the genders and the different age groups. The differences are, however, not significant. It is therefore recommended that both results be considered in the strategic interventions the company will take. Specifically, we recommend that feedback surveys continue to have a gender and age bias to track the possible perceptive differences that arise.

The management must translate strategy into customer service into specific measures that reflect the factors that matter to customers. As per the conclusions of this study, the responsiveness and empathy of customers seem to be the challenges at XPB.

To improve customer perceptions, the private bank needs to adopt organisational strategies and operational designs that concentrate on the weak areas of customer service quality. Customers" perceptions of products and services quality are a yardstick of the effectiveness of organisational strategies and operations.

The innovation of the equipment represented by statement T1 in the research instrument has 15.9% on the disagree scale, being the weakest score should be of concern to management. Management needs to note that the respondents primarily hold positive perceptions of the modernity of the equipment used but comparatively lower than the rest of the statements within tangibility.

Customer perceptions of the digital channels in ATMs, internet banking and mobile banking are very positive. Customers believe that digital channels are safe, dependable, and easy to use. Management needs to take advantage of the positive perceptions of the digital networks by improving the security, usability, and reliability of these channels. Management needs to enhance its focus on migrating customers to digital channels to improve overall customer service quality.

In their views of service quality, the neutral customers need to be moved to the positive perception of customer service by analysing the aspects that scored high on neutrality. Migrating customers from detachment to positive perceptions can be achieved through improved service delivery in the front and back offices. The operational performance of the physical service delivery channels should be monitored through key performance indicators that measure service quality.

LIMITATIONS

The study focused on customers" perceptions of products and services at XPB bank only. Therefore, the findings of this study may not reflect the perceptions of other private banks customers. The study did not investigate customers"perceptions of retail banking in general but was specific to private banking clients.

The reported decline in XPB customers was the catalyst for this research because it suggested that customers in general and specifically XPB customers may hold negative perceptions of the quality of products and services. The population sample was private banking customers of XPB in Johannesburg, which excludes clients from different locations in South Africa. Johannesburg is the wealthiest city in Africa; therefore, private banking customers in this city are among the most affluent; consequently, they may hold local perceptions of private banking services.

RECOMMENDED FUTURE RESEARCH

The study had a narrow focus on one private bank‟s Johannesburg customers, limiting its general application. Further studies need to be conducted involving the major private banks‟ customers to establish the comparative service quality perceptions of private banking customers. A study can still be carried out at XPB but covering the other branches nationwide to widen the coverage and solicit more comprehensive feedback.

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Track:

Finance and Investment

Director pay disclosure: Assessing the application of the King guidelines

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ABSTRACT

The compilation and disclosure of director pay packages are evergreen governance considerations. The King IV Report offers more definitive remuneration guidelines than prior versions. The authors developed a template to compare firms' application of selected King III and IV director pay recommendations. The template was then applied to conduct content analysis on the integrated reports of selected listed banks over the period 2015 to 2018. The financial services sector was chosen given its prominence in the local economy. The results revealed that King IV's suggested three-part remuneration report noticeably standardised pay disclosure. Most banks improved their disclosures on say-on-pay voting, but limited instances of notable voting dissent were mentioned. Remuneration committees should hence ensure that remuneration reports provide concise information in a user-friendly format to enable shareholders to make informed voting decisions. More guidance is required in the King V Report on how to link sustainability performance metrics to pay.

Keywords: Director remuneration; pay; three-part remuneration report; King III Report; King IV Report; South Africa

INTRODUCTION AND RESEARCH OBJECTIVES

Directors' pay packages are receiving immense scrutiny from stakeholders globally and in South Africa (Kirsten and Du Toit, 2018; Bhagat and Romano, 2009). Their criticism is largely aimed at the size of executive pay packages and insufficient disclosure of and justification for allocating substantial share-based incentives (Steenkamp and Wesson, 2018; Viviers, 2015). Practitioners and scholars furthermore call for more transparent reporting on emolument matters, as stakeholders increasingly seek assurance that pay policies and practices are linked to sustainable value creation (PricewaterhouseCoopers (PwC), 2018a; Bhagat and Romano, 2009). Remuneration committees (REMCOs) are hence urged to ensure more transparent disclosure of director emolument (Van Zyl and Mans-Kemp, 2020).

Despite the intention of the International Integrated Reporting Council (IIRC, 2013) that an integrated report should be a valuable corporate communication tool, Melis, Gaia, and Carta

(2015) found that information disclosed on director pay in Europe and the United Kingdom typically do not provide shareholders with adequate insight. Similar concerns have been raised pertaining to the lack of depth and inconsistencies related to director pay disclosures of South African companies (Steenkamp, Dippenaar, Fourie, and Franken, 2019; Mans-Kemp and Viviers, 2018; Thomson, Carpenter, Harber, and Graham, 2018). In response to such concerns, the King Committee provided more definitive emolument disclosure guidance in King IV compared to King III (Institute of Directors in South Africa (IoDSA), 2016; 2009).

Prior research in South Africa revolved around the linkages between director pay and performance (Padia and Callaghan, 2020; Bezuidenhout, Bussin, and Coetzee, 2018; Kirsten and Du Toit, 2018; Bussin and Ncube, 2017), the allocation of share incentives to directors (Steenkamp *et al*., 2019; Steenkamp and Wesson, 2018) and shareholder activism related to seemingly excessive emolument packages (Viviers, 2015; Viviers and Smit, 2015). In addition, Madlela and Cassim (2017) deemed the legally prescribed remuneration disclosure standards in the country "too low to satisfy enhanced transparency".

Given these concerns pertaining to inadequate disclosure on director pay and opaque board emolument practices in South Africa, the authors set out to investigate whether reporting on director pay improved in the context of the more definitive King IV remuneration guidelines. The first objective was to develop a template to compare director emolument disclosure based on the King III and IV Reports. The second objective was to use the template to conduct content analysis on a sample of listed banks' integrated reports over the period 2015 to 2018. The financial services sector was selected, as it is a prominent sector in the local economy that accounts for approximately a fifth of the Johannesburg Stock Exchange's (JSE) market capitalisation (PwC, 2018a).

Banks furthermore play a fundamental role in society given their role as financial intermediaries. They have the opportunity to be trend-setting communicators that could impact corporate citizenship practices of other listed entities, including transparent pay disclosure (Stewart and Singh, 2021). More transparent reporting on corporate matters, notably executive emolument, will enable shareholders to make more informed decisions pertaining to allocating and sourcing financial capital and casting votes on director pay at investee companies.

The literature review is presented next, followed by the research methodology. Thereafter, the content analysis results are discussed. The conclusions are accompanied with managerial implications and recommendations for REMCOs, shareholders and researchers.

LITERATURE REVIEW

This section will cover selected remuneration governance theories. Thereafter, relevant director emolument guidelines as set out in the King III and IV Reports are discussed, along with an overview of prior research.

Remuneration governance theories

The agency theory is widely cited, *inter alia*, in accounting and organisational behaviour studies (Cuevas-Rodríguez, Gomez-Mejia and Wiseman, 2012). Shareholders accordingly appoint managers to serve the principals' best interests. However, the agency problem could arise given the division between owners and management. Independent directors should hence be appointed to oversee managerial decisions on behalf of shareowners and curb agency costs. A potential solution to this problem is that companies could use incentives to curb managers' and executives' potential self-interested behaviour (Harvey, Maclean and Price, 2020; Jensen and Meckling, 1976).

The optimal contracting theory likewise suggests that remuneration packages should be structured to motivate managers and executives to create shareholder wealth in a sustainable manner (Ntim, Lindop, Thomas, Abdou, and Opong, 2019; Bebchuk and Fried, 2003). In this context, corporate governance guidelines were released in several countries around the globe, including South Africa to address the possible misaligned interests of managers, directors, and shareholders (Ntim and Osei, 2011; Mustapha and Che Ahmad, 2011).

The managerial power theory is furthermore often cited when discussing the agency problem (Bebchuk and Fried, 2003). According to this theory, REMCOs should account for the ability of powerful executives to influence the composition and size of their emolument packages (Aguinis, Martin, Gomez-Mejia, O'Boyle, and Joo, 2018). To limit such undue influences, companies should appoint independent REMCO members (IoDSA, 2016). The social comparison theory is also linked to the REMCO's functioning. Board members often assess their remuneration relative to individuals in similar positions at peer companies. By accounting for the emolument practices of comparable companies, REMCOs could hence engage in pay benchmarking practices. Committee members should ensure that pay is warranted given directors' contributions and are linked to performance (Mans-Kemp and Viviers, 2018; Fredrickson, Davis-Blake, and Sanders, 2010).

Furthermore, REMCOs should ensure that directors are fairly compensated based on their ability to provide vital resources, in line with the resource dependence theory (Goh and Gupta, 2016). Directors' and their firms' performance should hence be linked to their pay (*ibid*). On the one hand, if poor performance is detected during board evaluations, a director could be dismissed and/or performance incentive(s) should not be allocated. On the other hand, good performance should be duly rewarded, whilst accounting for South Africa's growing pay gap (IoDSA, 2016; Lee, 2016). In

this context, the South African King IV Report suggests the inclusion of pre-vesting (*malus*) and post-vesting forfeiture (clawback) provisions in emolument contracts (IoDSA, 2016). Given the scope of this study, more details will now be provided on other relevant King III and IV pay guidelines.

Director remuneration guidelines in South Africa

The first King Report on corporate governance was published in 1994. The IoDSA and the King Committee subsequently amended the report in 2002, 2009 and 2016 in response to local and global corporate governance developments and enhanced shareholder focus on directorate remuneration practices and policies (IoDSA, 2016; 2009). As the King III Report specified that director emolument should be fair and responsible, JSE-listed companies had to disclose and justify pay benchmarking. Shareholders could furthermore cast non-binding votes on director remuneration (IoDSA, 2009).

Despite enhanced pressure on the King Committee to revise King III's non-binding say-on pay-vote (Viviers, 2015), King IV still suggests that shareholders should pass a non-binding vote on director remuneration and implementation reports of investee companies. In addition, JSE-listed firms should disclose information on the measures that they commit to should they receive 25 percent or more dissenting say-on-pay votes (IoDSA, 2016). The King Committee justified this decision by stating that advisory shareholder voting can initiate engagements between shareowners, corporate leaders and REMCOs on director pay-related matters (IoDSA, 2018).

The latest King Report emphasises accountable and transparent pay practices. Companies should publish a three-part pay report including a background statement, remuneration policy, and implementation report. Reference should also be made to the pay gap. Firms should preferably appoint independent REMCO members who can objectively reflect on pay policies and practices (IoDSA, 2016). In line with a King III recommendation (IoDSA, 2009), King IV proposes that director emolument components should be disclosed, including NED fees, salaries, bonuses, and incentives. King IV furthermore provides guidance on proportionality, namely to account for a company's size and the complexity of operations when applying the suggested pay guidelines (IoDSA, 2016).

Overview of prior research on director emolument considerations

Remuneration received by South African directors receives considerable attention from shareholders and researchers give the country's substantial income inequality (Lee, 2016). Questions are raised pertaining to the (missing) linkages between pay and financial as well as sustainability performance metrics (Naik, Padia, and Callaghan, 2020; Bezuidenhout *et al*., 2018; Kirsten and Du Toit, 2018; Bussin and Ncube, 2017). Inadequate disclosure of director pay

components were specifically mentioned by prior researchers (Steenkamp *et al*., 2019; Mans-Kemp and Viviers, 2018).

The more definitive King IV pay guidelines and pressure from activist investors for enhanced transparency ensure that companies remain vigilant of remuneration concerns (IoDSA, 2016; Viviers, 2015). Shareholder activists increasingly raise concerns regarding director pay practices and policies. They question whether directors should be entitled to high emolument packages and incentives, if they fail to generate substantial wealth for shareholders (Viviers and Smit, 2015).

The effectiveness of investor voting on director pay-related matters is investigated by scholars in developed and developing countries (Stathopoulos and Voulgaris, 2015; Viviers and Smit, 2015). They report that although voting can be a powerful corporate change mechanism, only a limited number of investors use their voting and negotiation powers to oppose emolument policies and practices. Researchers furthermore disagree whether a non-binding or binding vote on remuneration is more effective (Stathopoulos and Voulgaris, 2015; Viviers, 2015; Viviers and Smit, 2015).

In the context of the agency theory that centres on the relationships between shareholders, their appointed managers and independent directors who are selected to act as corporate monitors (Cuevas-Rodríguez *et al*., 2012; Jensen and Meckling, 1976), and a growing number of shareholders who actively monitor director emolument (Steenkamp and Wesson, 2021; Viviers, 2015), the topic warrants further investigation. Focus is placed on pay disclosure in this paper.

RESEARCH METHODOLOGY

A positivistic research approach was adopted by collecting and analysing publicly available secondary data. A template was developed based on the King III and IV director pay guidelines (see Table 1) to address the first research objective. To attain the second objective, content analysis was conducted on the integrated reports of five banks over the period 2015 to 2018. The selected banks' reports were sourced from their websites. The period was selected to focus on the transition from King III to King IV. Given that comparable data had to be selected for the considered King III (2015-2016) and King IV (2017-2018) periods, judgement sampling was employed. The banks had to be listed on the JSE for the entire period to be included in the sample. The population comprised seven JSE-listed banks, of which five were listed on the stock exchange for all considered years.

TABLE 1:

Remuneration disclosure template

Considerations		Recommended practices	Key words
King III	Fair and responsible director pay	Remuneration policy should be in line with firm's strategy[#]; remuneration policy should be linked to executive performance[#]	Director/executive remuneration/emolument/pay; fair; responsible; policy; strategy; performance
	Roles and composition of remuneration committee	Remuneration committee (REMCO) should assist the board with remuneration aspects[*]; majority non-executive directors (NEDs)[*]	Remuneration committee; non-executive(s); NED
	Pay disclosure per director in pay report	NED base fee[#]; meeting attendance[*]; bonuses[#]; base pay policy[#]; share incentives[#]; short-term incentives (STIs)[#]; long-term incentives (LTIs)[#]; usage of and justification for benchmarking[#]; executive employment policies[#]; retirement benefits[#]; severance pay[#]	Non-executive; NED; fee(s); bonus; base pay; salary; share; incentive(s); scheme(s); award(s); STI; LTI; benchmark(ing); retention; policy/policies/service contract(s); dilution; retirement; severance; attend(ance)
	Shareholder approval of pay policy	Non-binding advisory shareholder vote on remuneration policy[#]; executive pay should be conformed in response to shareholders' voting[#]	Non-binding/advisory vote; shareholder approval; remuneration policy; voting/vote
King IV	Pay must be responsible, transparent and fair to promote the achievement of corporate objectives	A three-part pay report should include: Background statement[#]; pay policy overview (base salary, benefits, STIs, LTIs, deferrals, termination pay, sign-on and retention payments, *malus* and clawback provisions, NED fees)[#] and implementation report[#]; remuneration policy should include: Fair executive pay in the context of overall employee pay[#]; performance measures should support positive outcomes across triple context/capital sources[#]	Background statement; fee(s); overview; implementation report; remuneration/emolument/pay; policy; fair; employee; capital; performance; base; fixed; NED; salary/salaries; guaranteed pay; benefit(s); award(s); short-term/long-term incentive(s); STIs; LTIs; deferral(s)/deferred; termination; retention; severance; *malus*; clawback; non-executive
	Shareholder approval	Non-binding voting on pay policy[#] and implementation report[#]; measures that the board commit to should the pay policy and/or implementation report receive ≥25% dissenting votes[#]; disclose with whom they engaged[*] and manner[*]; steps to address concern(s)[#]	Remuneration policy; implementation report; non-binding; advisory; measure(s); dissenting; engage; voting/vote; engagement(s); objection(s); concern(s)
	Roles and composition of the REMCO	Dedicated REMCO (or allocate responsibilities to another committee)[*]; board chair should not chair REMCO[*] independent NED as chair[*]; majority NEDs[*]; majority independent members[*]; CEO should not be a committee member[*]; disclose roles and responsibilities[#]; external invitees who attended meetings[*];	Remuneration; committee; non-executive; NED; independent; chair; chief executive officer; CEO; role(s); responsibility/responsibilities; invitee(s); meeting; attendance/attend; focus area(s)

		key focus areas[#]		

[#]An extent of disclosure score was allocated; *Only a disclosure score was allocated

Source: Researchers' own conceptualisation based on King III and IV (IoDSA, 2016; 2009).

Babbie and Mouton's (2003) eight step conceptual content analysis approach was used. The content of the banks' integrated reports, with particular focus on their emolument reports, was quantified by applying a deductive coding system. The researchers consulted the King III and IV Reports to identify applicable pay-related recommendations, concepts, and key words (see Table 1). These key words were used individually and in conjunction to conduct word searches in the banks' integrated reports. Given that King IV suggests that companies should account for how they applied each recommendation in their specific context (IoDSA, 2016), a two-step coding approach was used. The authors firstly accounted for whether or not each bank reported on the aspects shown in Table 1. The banks that disclosed information received a disclosure score of 1. Thereafter, the extent to which each bank reported on the specific consideration was scored. The following process was followed to allocate extent of disclosure scores: A score of 1 was given if an aspect was only mentioned, a value of 3 was awarded if some detail was provided, and a score of 5 was allocated if an extensive discussion was given. It was impractical to allocate an extent of disclosure score to selected recommendations as reporting merely reflected whether a specific King aspect was met, for example whether the REMCO mainly comprised independent NEDs, as explained in the footnote of Table 1.

Pertaining to trustworthiness, the two-step coding system was based on the board remuneration guidelines of the credible King III and IV Reports. The researchers accounted for the context in which the respective key words shown in Table 1 were used in the banks' integrated reports. The test-retest approach was applied to further enhance reliability. Ethical clearance was obtained to analyse publicly available information.

FINDINGS AND DISCUSSION

As explained in the methodology section, the first research objective was addressed by developing a template for the content analysis. The results of the content analysis, that was conducted to attain the second research objective, have been grouped in themes based on the King III and IV considerations that were included in the template. Table 2 offers details on the banks' disclosures on fair and responsible pay.

TABLE 2:

Extent of disclosure on fair and responsible director pay

Recommended practice		Bank A	Bank B	Bank C	Bank D	Bank E
✕	Pay policy aligned with strategy	2015/6: 1	2015/6: 1	2015/6: 1	2015/6: 1	2015/6: 1

		2015: 5	2015: 3	2015: 5	2015: 5	2015: 5
	Pay policy linked to executive performance	2016: 5	2016: 3	2016: 3	2016: 5	2016: 3
King IV	Fair director pay in the context of overall employee pay	2017: 3	2017: 3	2017: 3	2017: 3	2017: 5
		2018: 3	2018: 3	2018: 3	2018: 3	2018: 5
	Linking performance to the triple bottom line/capital sources	2017: 3	2017: N/A[*]	2017: 1	2017: 3	2017: 3
		2018: 1	2018: 1	2018: 1	2018: 3	2018: 5

*A disclosure score of 0 was allocated.

Source: Researchers' own conceptualisation.

All the sample banks implied that there is a connection between their directors' pay policies and strategies (as shown by the allocated extent of disclosure scores of 1) but they did not provide details. Van Wyk and Wesson (2021) noted similar results for JSE-listed mining companies. Yet, the sample banks published details on how their executive directors' performance were related to their pay policies. The banks, *inter alia*, referred to the usage of variable remuneration and restricted share rewards. As shown by the extent of disclosure scores in Table 2, most banks provided moderate details on fair pay across the corporate spectrum. This King IV guideline is of critical importance given South Africa's growing wage gap. As such, REMCOs should give due consideration compensate directors in a fair and responsible way (Van Zyl and Mans-Kemp, 2020).

Most banks did not mention the triple bottom line but referred to the IIRC's (2013) six capitals. By disclosing details on the link between pay and the six capitals (financial, manufacturing, intellectual, human, social and relationship and natural capital) as described by the IIRC (2013), stakeholders' understanding of an investee firm's activities is likely to improve. Boards should focus on a broader spectrum of considerations beyond the mere link between pay and financial performance (Deloitte, 2017). The South African Institute of Chartered Accountants (2015) added that clearer guidance is required on how to link pay to sustainability metrics. All banks mentioned benchmarking in 2015 and 2016 and some referred to using practitioner surveys in this regard.

In line with stakeholders' complaints pertaining to challenges to review pay policies during the King III regime (PwC, 2018a), several sample banks did not follow a structured process when disclosing pay in 2015 and 2016. Given such challenges, King IV suggests three-part standardised pay reporting. Table 3 shows the related extent of disclosure scores allocated for the background statement, pay policy and implementation report for 2017 and 2018 (in line with King IV), while Table 4 displays the extent of disclosure scores per pay element for the King III and IV periods under consideration.

TABLE 3:
Extent of disclosure on three-part remuneration reporting

Bank	Background statement		Overview of pay policy		Implementation report	
	2017	2018	2017	2018	2017	2018
A	5	5	3	5	3	5
B	3	3	3	5	3	5
C	5	5	5	5	3	5
D	5	5	5	5	5	5
E	5	5	5	5	5	5

Source: Researchers' own conceptualisation.

Extent of disclosure on various king iii and iv remuneration elements

King III remuneration elements	Bank A 2015	Bank A 2016	Bank B 2015	Bank B 2016	Bank C 2015	Bank C 2016	Bank D 2015	Bank D 2016	Bank E 2015	Bank E 2016
Inclusion of bonuses	5	5	3	3	5	5	5	5	5	5
Base pay policy	5	5	1	5	3	5	5	5	5	5
Share incentive schemes	5	5	3	3	5	3	5	5	5	5
STIs	5	5	3	5	3	3	5	5	5	5
LTIs	3	1	3	3	5	3	5	5	5	3
Executive employment policies	N/A*	5	1	3	N/A*	N/A*	3	3	3	3
Retirement benefits	5	5	3	1	5	5	5	5	5	5
Severance pay	N/A*	1	1	1	3	3	5	5	5	5
NED fees	5	N/A*	5	5	5	5	5	5	5	5

King IV pay considerations	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Base salary	3	5	3	3	3	5	3	5	3	5
STIs	3	5	3	5	3	5	5	5	5	5
LTIs	3	5	5	5	5	5	5	5	5	5
Deferrals	5	5	3	3	5	5	5	5	5	5
Payments on employment termination	3	5	3	3	1	1	3	3	3	3
Sign-on payments	N/A*	N/A*	N/A*	N/A*	1	1	3	3	3	5
Retention payments	3	5	N/A*	N/A*	3	5	1	3	3	3
Fees of NEDs	1	5	5	5	3	5	5	5	3	5
Malus provisions	1	5	N/A*	1	1	5	1	3	N/A*	N/A*
Clawback provisions	1	5	N/A*	5	3	5	3	5	N/A*	5

*A disclosure score of 0 was allocated.

Source: Researcher's own conceptualisation

In the first reporting year of King IV, most of the considered banks disclosed considerable details in their three-part reports. A similar trend was noted in 2018, as reflected in Table 3. Hooghiemstra, Flora, and Qin (2017) likewise noted that standardised reports are more user-friendly, thereby ease shareholders' investment and voting decision-making. As shown in Table 4, the banks disclosed adequate details regarding their base pay policies over the research period. Detailed information was provided on the allocation of incentives (including STIs and LTIs). The banks gave attention to *malus* by listing several events that could lead to incentives being forfeited, for instance, reasonable evidence of misbehaviour by a director. According to PwC (2018a), properly drafted *malus* and clawback provisions are essential to deter directors from taking questionable risks that are not in the best interests of the organisation. By 2018, all the banks disclosed extensive details on NED fees.

In addition, all boards were assisted by REMCOs that mainly comprised NEDs to discuss remuneration-related aspects in 2015 and 2016. As King III did not require specific disclosure on the REMCO's functions, the extent of disclosure was not scored for this aspect. The banks followed suit in 2017 and 2018 by appointing independent NEDs to their REMCOs. All the REMCOs were led by independent chairs. The banks furthermore provided moderate to extensive details on their REMCOs' roles and focus areas, as shown in Table 5.

TABLE 5:

Extent of disclosure on remuneration committees (king iv)

Bank	Roles of the committee		Key focus areas	
	2017	2018	2017	2018
A	3	3	3	5
B	3	3	5	5
C	3	5	3	3
D	3	3	5	5
E	3	3	5	5

Source: Researchers' own conceptualisation.

Some banks disclosed that although their CEOs were not members of their committees, some executives attended REMCO meetings by invitation. The managerial power theory warns against the potential undue influence of powerful executives when REMCOs discuss pay arrangements (Aguinis *et al*., 2018). Marais and Strydom (2018) added that independent REMCOs are associated with lower executive pay, and report stronger pay-performance links.

Table 6 covers details on say-on-pay voting. During 2015 and 2016, several banks did not disclose whether their shareholders casted non-binding votes on remuneration policies. Some banks only briefly mentioned that shareholders had the opportunity to cast advisory votes on pay policies

during 2015 and 2016. Details were not provided on the percentage of the shareholders that supported the remuneration policies. The extent of disclosure on say-on-pay voting improved in 2017 and 2018.

TABLE 6:

Extent of disclosure on say-on-pay voting

Bank	Non-binding votes on pay policy				Non-binding votes on implementation report			
	2015	2016	2017	2018	2015	2016	2017	2018
A	N/A*	N/A*	5	5	Not a King III recommendation		5	5
B	N/A*	1	3	1			1	1
C	1	1	5	3			5	3
D	1	1	5	3			5	3
E	1	1	1	1			N/A*	1

*A disclosure score of 0 was allocated.

Source: Researchers' own conceptualisation.

Only one of the considered banks have reported that they received more than 25 percent dissenting votes on their three-part remuneration report during the period under investigation. Most banks provided limited information on the measures that their respective boards committed to, should they receive less than 75 per cent votes in support of their pay policies and/or implementation reports. According to PwC (2018b), South African organisations typically invite shareholders to participate in a conference call following dissenting votes on their remuneration policy. If companies provide more details on the measures that their boards commit to should they receive substantial votes against their remuneration policies and/or implementation reports, shareholders would arguably be more aware of the engagement process and opportunities to discuss concerns.

It should be noted that the investigated integrated reports only covered the last two King III and first two King IV reporting years. The banks were still becoming accustomed to the King IV format. It is possible that some banks have implemented selected King III and IV suggestions in practice without disclosing such information in their integrated reports.

CONCLUSIONS, PRACTICAL IMPLICATIONS AND RECOMMENDATIONS

Director remuneration is a key corporate governance consideration that is increasingly receiving attention from scholars and shareholder activists internationally and in South Africa. Shareholders require concise, transparent disclosure of director pay to make informed voting and investment decisions. The King Committee has aimed to standardise remuneration reporting by suggesting a three-part emolument report in King IV. Recommendations pertaining to say-on-pay voting in King III was furthermore expanded in the latest version of the King Report.

The authors have investigated emolument disclosure by selected JSE-listed banks over the period 2015 to 2018. In line with the first objective, a template was developed to assess pay disclosure based on applicable King III and more definitive King IV guidelines. The template was then applied by conducting content analysis on selected banks' integrated reports to address the second research objective. A two-step deductive coding approach was used. After detecting whether specific pay considerations were mentioned in the respective reports, the extent of disclosure was scored. In line with King IV's apply and explain approach, attention was given to details on how each bank applied the respective recommendations.

The researchers noted that before King IV introduced the three-part remuneration report, the banks disclosed remuneration information in several parts of their integrated reports during 2015 and 2016. It was hence challenging to interpret their pay philosophies. The three-part approach considerably standardised their pay disclosures. The banks furthermore disclosed moderate information regarding fair and responsible pay policies. Details were included on various pay components, in particular incentives. Most banks referred to director performance in the context of various capital sources.

Only one bank received more than 25 percent dissenting say-on-pay votes. This bank disclosed steps that they took to address shareholders' concerns and adjusted their pay policy. Shareholders are accordingly encouraged to carefully reflect on their say-on-pay voting decisions. It is furthermore recommended that institutional investors should request engagements with REMCOs to discuss pay-related concerns.

Some banks have reported that executives have attended some of their REMCO meetings by invitation. In line with the managerial power approach, this committee should caution to allow powerful executives to offer input on emolument decisions. Governing bodies are hence urged to protect the independence of their REMCOs. Committee members are furthermore encouraged to carefully apply their minds and caution against excessive pay benchmarking.

Given the reported results, it is recommended that the King Committee should consider to further refine and streamline their pay-related guidelines in the next version of the King Report. More guidance is required on how to link executive emolument and performance in the context of the triple bottom line and different sources of capital. Sustainability committees could possibly work with REMCOs to offer suggestions in this regard.

The content analysis results are applicable to the financial services sector, in particular banks that were listed over the considered four years. However, the remuneration disclosure template that were developed based on the King III and IV Report could be applied in future by REMCOs and

researchers to evaluate director emolument disclosures in various sectors. While manual coding was conducted for this study, future researchers can consider using software. More research is required on the effectiveness of say-on-pay voting in changing director remuneration policies and practices. The outcomes of shareholder engagements following substantial voting dissent also warrants further investigation. The impact of the Coronavirus disease of 2019 on future director pay trends could also be investigated by researchers. Pertinent focus should be placed on how the link between sustainability performance and director pay can be enhanced. Interviews can be conducted with REMCO members and institutional investors to gauge their views in this regard.

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Proposed instrument to assess director independence in South Africa

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ABSTRACT

The effectiveness of independent directors has been questioned following several corporate failures. The definition of independence has considerably evolved when comparing the four King Reports on corporate governance in South Africa. Drawing on the agency and resource dependence theories, the authors developed an instrument to assess director independence. Semi-structured interviews were conducted with selected directors of listed and unlisted South African entities, given the broad scope of King IV. The qualitative results were analysed by conducting thematic analysis. The participants called for shorter board tenure and enhanced focus on knowledge and expertise when sourcing independent directors. Pertinent challenges faced by independent board members were also highlighted, including time management. The King committee should consider shortening the suggested nine-year term for independent directors. Nomination committees should place more attention on independence, tenure and multi-boardedness when evaluating their board"s needs and nominating candidates. They could apply the developed instrument during such assessments.

Keywords: Independent director; non-executive director; tenure; corporate governance; King IV Report; South Africa

INTRODUCTION

South African directorates increasingly highlight independence as a challenge (Institute of Directors in South Africa (IoDSA), 2020a). While some scholars value a largely independent board, others are concerned about independent directors" ability and effectiveness to curb managerial misconduct (Neville, Byron, Post and Ward, 2019). This debate is intensifying given several corporate failures globally and locally (Naaraayanan and Nielsen, 2021; Muchemwa, Padia and Callaghan, 2016). Apprehensions that independent non-executive directors (NEDs) merely serve as compliance „rubberstamps" (Guerrero and Seguin, 2012) have spurred reflection on corporate governance reforms in various countries (Le Mire, 2016), including South Africa.

In line with the agency theory, independent directors should hold managers accountable for their decisions. Based on the resource dependence theory, these directors should furthermore fulfil an advisory function and facilitate resource allocation (Guerrero and Seguin, 2012; Hillman and

Dalziel, 2003). Independent directors are supposed to act in the best interests of their companies without any unduly influence, based on the assumption that they have the required knowledge and skills to fulfil their divergent roles (Annuar, 2012).

The King IV Report on corporate governance (IoDSA, 2016) provides guidelines for listed and unlisted South African entities in terms of their board composition, including race and gender diversity, expertise, skills and independence. This report highlights the importance of independent directors in assisting boards to achieve their goals. Companies that are listed on the Johannesburg Stock Exchange (JSE) are required to comply with King IV and should thus periodically reassess their directors" independence (ibid).

Perusal of prior research shows that board composition is amongst the most widely researched corporate governance topics, with pertinent focus being placed on the roles and responsibilities of independent NEDs (Melis and Rombi, 2021; Naaraayanan and Nielsen, 2021; Li and Roberts, 2018; Zaman, Bahadar, Kayani and Arslan, 2018). Most international and local scholars have adopted a quantitative approach to investigate the impact of board composition on a range of performance metrics (Tam, Liang, Chen and Liu, 2021; Aluchna, Mahadeo and Kamiński, 2020; Muchemwa *et al.*, 2016; Chen, Cheng and Wang, 2015; Khan, Muttakin and Siddiqui, 2013; Jizi, Salama, Dixon and Stratling, 2014). Limited qualitative research has, however, been conducted on director independence globally, exceptions being Walther, Möltner and Morner (2017) and Annuar (2012). A similar situation is noted in South Africa, despite the country"s well-developed corporate governance framework.

PROBLEM STATEMENT AND RESEARCH OBJECTIVES

Given rising corporate governance scandals, the implications of inadequate independence warrants investigation in this emerging market, both in terms of each director"s liability and the responsibility of the board in its entirety to monitor managerial behaviour. To gain clarity on the matter, the authors assessed director independence by collecting primary, qualitative data. The objectives were twofold:

- Firstly, to account for the views of selected local directors of listed and unlisted corporate entities on how to enhance director independence.
- Secondly, to develop an instrument that South African listed and unlisted organisations can use to assess their directors" independence.

As the King IV Report expanded its application beyond listed organisations (IoDSA, 2016) from the previous iteration of the report, semi-structured interviews were conducted with six directors serving on the boards of selected JSE-listed and unlisted entities. The responses of participants were based on their lived experiences in dealing with corporate governance compliance

challenges. Focus was placed on perceived challenges to remain independent. The qualitative results were analysed by means of thematic analysis.

The literature review is presented next. Thereafter, the methodology and results are outlined. The conclusions are accompanied by recommendations and practical implications for the King Committee, IoDSA, board members, nomination committees, shareholders and future researchers.

LITERATURE REVIEW

In this section, the research problem will be contextualised based on two corporate governance theories. Attention will then be given to the King IV guidelines and challenges experienced by independent board members. An overview of prior research is also provided.

Theoretical perspectives on directors' roles

Given that corporate governance is concerned with the complex relationships between management, the board and shareholders, several theories were developed to explain directors" roles and responsibilities. A board"s key functions include monitoring managers on behalf of shareholders, providing resources and offering advice to management (Hillman and Dalziel, 2003). As such, the agency and resource dependence theories form the theoretical basis of this study.

Although the agency theory postulates that shareholders should appoint managers who could make decisions on their behalf, self-interested agents might favour their own pursuits. Independent NEDs should therefore be elected to monitor managerial decisions and actions (Jensen and Meckling, 1976). Shareholders incur agency costs to ensure that managers" interests are aligned to their own. However, agency costs might not be minimised if the board is not sufficiently independent of management (Bonazzi and Islam, 2007). The King IV director independence guidelines are in line with the agency theory, as independent NEDs are expected to impartially represent shareholders" interests (IoDSA, 2016).

Based on the resource dependence theory, well-connected directors have a larger likelihood to obtain and effectively manage resources than their less connected counterparts. Board capital is hence linked to resource provision, experience, and connections (Hillman and Dalziel, 2003). Board interlocks can occur because of firm interdependencies (Ferris, Jagannathan and Pritchard, 2003).

While directors who hold multiple board seats concurrently might experience difficultly to meet their responsibilities, these so-called over-boarded directors could also considerably enhance strategic decision-making and resource provision (Ferris *et al.*, 2003). Directors should hence realise that

their independence might be compromised by taking on additional positions that could result in conflict of interests (Clements, Neill and Wertheim, 2015).

A South African perspective on director independence

The King IV Report defines good corporate governance as ethical and effective leadership (IoDSA, 2016). The board is deemed the focal point of corporate governance. Since the publication of the first King Report in 1994, the definition of an independent director has evolved considerably to include more defined criteria. The latest King IV guidelines are deemed more perceptual than the factual King III recommendations. King IV requires that all relevant and company-specific factors should be considered when assessing director independence, while King III only required compliance with the prescribed criteria (PricewaterhouseCoopers (PwC), 2017).

Principle 7 of King IV states that "the governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively" (IoDSA, 2016). Practice 8 of this principle states that the board should consist of a majority of NEDs of whom most should be classified as independent (ibid).

Principle 7 also lists the criteria required to be classified as an independent director. When judged by a reasonable third party, an independent director should have no interest, position, association, and/or relationship that is likely to cause bias in decision making. A director"s independence could, however, be impaired over time due to the relationships that are built, knowledge creation and loyalty to the company. The King IV Report hence proposes that should independent directors serve for more than nine years on a board, they should undergo annual independence assessments if they intend to continue serving in an independent capacity (IoDSA, 2016).

The IoDSA (2020b) investigated factors that prompt local firms to nominate independent NEDs. Their results showed that independence was the most sought-after attribute. Selected local companies indicated that they have sourced independent board members given a skills gap, rotation and/or retirement of directors, to enhance board diversity, and to require specialised skills for board committees. Selected nomination committee respondents indicated that they have mainly used their networks to source board nominees. They account for individuals" reputation, possible conflicts of interests and other directorships when selecting board candidates (ibid).

Independence challenges

The most noticeable challenge for independent directors is the potential loss of their independence over time as alluded to in King IV (IoDSA, 2016). Insufficient time, power and access to inside information are furthermore deemed prominent challenges. Time management difficulties can be

the result of an independent director serving on multiple boards simultaneously. Pertaining to power struggles, executives could disregard independent directors" opposing views (Annuar, 2012).

Independent NEDs may furthermore have limited access to essential information to properly fulfil their roles. Executives may be reluctant to provide inside information to outside directors. To overcome these challenges and ensure that directors are effective decision-makers, monitors and advisors, they should undergo continuous training (Yasser, Mamun and Rodrigs, 2017; Annuar, 2012). Personal liability can deter individuals from serving on boards, especially if firms have poor financial incentives (Naaraayanan and Nielsen, 2021).

Overview of prior studies on director independence

There is a debate on the value of independent NEDs. Based on the agency view that shareholder value will be created if independent directors effectively monitor and discipline managers, corporate governance researchers largely focused on the link between board independence and a range of financial performance metrics (Tam *et al*., 2021; Aluchna *et al*., 2020; Li and Roberts, 2018; Nguyen, Evans and Lu, 2017; Muchemwa *et al*., 2016; Liu, Miletkov, Wei and Yang, 2015; Black and Kim 2012). These authors have reported mixed results. Cavaco, Crifo, Rebérioux and Roudaut (2017) ascribed the conflicting findings to board functioning and seemingly ineffective and biased director nomination processes. They hence proposed that nomination committees should consider industry-specific expertise, individual directors" abilities, and connections when (re)electing directors.

Although less research has been conducted on the association between board independence and corporate social responsibility, largely positive results were reported (Chintrakarn, Jiraporn and Treepongkaruna, 2021; Melis and Rombi, 2021; Jizi *et al*., 2014; Khan *et al*., 2013). Independent directors hence seem to promote the interests of a range of stakeholders, not only shareholders as accounted for in financial performance studies.

Relevant experience, linked to board candidates" knowledge and skills, are key considerations when considering NED elections (IoDSA, 2020a). Companies should account for the accumulation of firm-specific knowledge that occurs over time, and the accompanying potential loss of independence associated with long board tenure (Patro, Zhang and Zhao, 2018). In addition, industry experience and international exposure of interlocked independent directors are positively associated with successful internationalisation strategies (Chen, Hsu and Chang, 2016).

Corporate governance researchers largely focused on internal monitoring mechanisms, in particular independent directors. Interest in voting outcomes and engagement on board

composition matters by shareholders acting as external monitors is gradually increasing (Aguilera, Desender, Bednar and Lee, 2015). Some scholars have noted that dissenting shareholder votes have considerable negative consequences for directors. If board members receive insufficient votes or leave in response to shareholder voting, their job market opportunities were found to be negatively affected (Aggarwal, Dahiya and Prabhala, 2018; Bonazzi and Islam, 2007).

RESEARCH METHODOLOGY

The researchers conducted an exploratory study to shed light on the implications of serving as an independent director in South Africa. They also explored the challenges of remaining independent once elected. In line with the qualitive approach followed by Walther *et al.* (2017), Ahrens and Khalifa (2013) and Annuar (2012), six semi-structured interviews were conducted with selected board members of listed and unlisted corporate entities. The first section of the developed interview guide covered biographic details of the interviewees, including education and experience. The main questions that followed related to each participant‟s understanding of what independence entails, their views on compliance with King IV and challenges that independent directors might experience. Probing questions were used in some instances.

The population included independent NEDs of JSE-listed and unlisted entities, given that King IV expanded its scope beyond JSE-listed companies (IoDSA, 2016). Potential participants were recruited through the researchers‟ industry networks. Thereafter, snowball sampling was applied. Knowledgeable individuals were invited to participate in the study. Table 1 provides an overview of the interviewees.

TABLE 1:

Overview of the participants

Participant	Position(s) held	Highest education	Experience*	Interview type
A	Executive at JSE-listed entity; Director of two unlisted entities	Masters degree	12 years in executive position; 30 years in financial services sector	Telephonic
B	Executive at JSE-listed entity; Director of three unlisted entities	Masters degree	1.5 years in executive position; 8 years in stakeholder relations	In person
C	Priorly served as chair of an unlisted entity; served on directorates of nine unlisted entities	Masters degree	16 years experience in insurance industry	In person
D	Director at two unlisted entities	Honours degree	7 years in financial manager position	In person
E	Non-executive director at an unlisted entity	LLB degree	NED for 1.5 years; 30 years governance experience	In person
F	Deputy chairperson at an unlisted entity	Leadership qualification	17.5 years governance experience	Written feedback

*At the stage when each interview was conducted.

Source: Compiled by the authors

The transcribed data were analysed by applying Braun and Clarke"s (2006) thematic analysis approach. Inductive coding was used to identify themes. Ethical clearance was obtained to conduct this study. The identities of all participants will remain anonymous. Pertaining to trustworthiness, the researchers ensured that there is clear links between the data and the derived conclusions. Some direct quotes were included where applicable to contextualise the results.

RESULTS AND DISCUSSION

All participants agreed that the King IV board composition guidelines are important and that independent NEDs play several key roles in organisations. One interviewee stated that: *"The independence of directors is obviously critical because you would welcome in essence an independent thought in all of that, but I do think that at the end of the day the most important decision any executive or any board member or NED should take is in the best interest of the business."* This view implies that all board members and not only independent NEDs should be accountable to shareholders, and other relevant stakeholders. King IV likewise stresses that directors should act with "independence of mind" (IoDSA, 2016).

The following four themes address the first research objective and cover participants" views on deviations from the King IV guidelines, the prescribed nine-year term limit, board refreshment and independence challenges.

Theme 1: Views on deviating from the King IV guidelines

Several of the interviewees mentioned instances where deviations from "strict, factual" guidelines were necessitated by divergent corporate contexts. An executive remarked that: *"Be open to challenging yourself and saying: Yes, we take guidance from King, but maybe we're going to deviate on this matter here for our benefit."* Another participant remarked that: *"I have seen big names who have run very successful businesses interact and how they maintain their independence: It comes down to the individual."*

Some participants cautioned against box-ticking compliance to elect independent directors that could limit open mindedness in search of effective solutions for corporate problems. One participant stated that: *"Generally, in business you are taught to go the path of least resistance. Which is then the tick-box… You have to wrestle with yourself, because part of this is that we don't have the answers, but we need to be open and available to have a discussion."* Practitioners share the view that directorates should avoid tick-box compliance practices (Grant Thornton, 2017).

The findings suggest that while participants understood and respected the King IV guidelines, they preferred to assess each election scenario by merit, in contract to mere tick-box compliance. It should be noted that four participants have served as directors of unlisted entities. As such, they might be more open about deviations from the King guidelines compared to counterparts who serve on JSE-listed boards who are bound by the exchange"s listings requirements.

Theme 2: Reconsidering independence assessments

Most interviewees opposed strict application of King IV"s nine-year term limit for independent NEDs (IoDSA, 2016). One remarked that: *"I think it's necessary after a period of time to have to reassess independence, but I don't think you should automatically be excluded from being independent at the end of nine years… By virtue of being deemed to be not independent, you're suddenly losing a lot of potential institutional knowledge and experience in key committee roles."* A counterpart added that: "*Whether its 9 years or however many years of independence but there should be a rotation base at various points, because new directors who do not know the history of an organisation do start asking questions again. Very often they might feel that they are stupid questions, but the fact that they're being asked and being forced to be confronted is a very valuable exercise.*"

There was consensus among participants that independence should be more regularly assessed during performance reviews. An interviewee noted an improvement in this regard: *"It hasn't been historically, but it's certainly gained prominence of late.*" Tam *et al*. (2021) likewise stated that directors" performance and contributions should be highlighted, instead of merely focusing on the nominal portion of independent board members. The IoDSA (2020c; 2018) reported similar results.

Most participants suggested that the IoDSA and King Committee should consider imposing a tenure period shorter than nine-years, as independence can be "lost over time". The relationships that are formed over the period of an independent director"s tenure was highlighted by an interviewee: "*I think that nine years is too long because a director's relative independence erodes over time as they become close to and integrated into the organisation.*" Several participants suggested that the current independence reassessment period (nine years) should be between three and five years.

Nomination committee members should furthermore use their discretion when evaluating and nominating board candidates. They should account for independence and expertise when reflecting on term limits. Committee members typically require specialised expertise that are accumulated over time (Le Mire, 2016). Dou, Sahgal and Zhang (2015) furthermore noted that longer-tenured directors are more likely to attend board meetings and serve in committees in comparison to newly elected members. They hence cautioned corporate entities against strict

enforcement of term limits for independent directors. More details are provided on experience and expertise in the next theme.

Theme 3: The need for board refreshment: Accounting for experience and expertise

Participants explained that independent NEDs are often multi-boarded by virtue of their expertise and experience. An interviewee stated that: "*Most independent directors serve on multiple boards. The advantage is that they bring a broader perspective to the discussions based on what they have heard in other boards.*" In line with Viviers and Mans-Kemp (2019), some interviewees stressed that multi-boarded members could offer valuable opinions based on their experiences at several entities.

Participants moreover expressed support for the nomination of qualified but less experienced NEDs. An interviewee stated that: "*So, if you've got well qualified [but less experienced] people that can add value through fresh ideas, only a pleasure.*" Some interviewees referred to obtaining "the right mix" of veteran and less experienced directors. Others warned against "swopping" a director with a proven track record for one who have less to offer, merely for the sake of enhancing independence.

In line with the resource dependence view (Hillman and Dalziel, 2003), the interviewees emphasised that nomination committees should account for industry and company-specific knowledge and expertise when selecting and re-electing directors. Le Mire (2016) likewise stated that expertise is a multifaceted construct that covers knowledge, skills and abilities. Industry expertise could thus complement, or substitute, company-specific knowledge depending on a director"s job description.

One participant mentioned the tendency of nomination committees to nominate individuals with an accounting or law background without industry experience. This interviewee furthermore stated that: "*To find an independent director who understands an industry is quite difficult in the sense that either would have been working for somebody else as a competitor, or they are a shareholder in their own business in that industry. It's easy to find a lawyer or an accountant to come and be independent, but it's not that easy to find an industry expert.*" Another participant added that: "*Of course, you want experienced board members because experienced board members make all the difference, but you also have a case to make for the diversity in skill and expertise on the board.*"

Some interviewees remarked that knowledge of firm-specific operations is important, but that it mainly applies to executives. One participant explained that: "*More and more of your independent directors are being questioned about why they aren't picking up things in instances where things go wrong; they should be more involved. And yet, that's not their role. Their role is an oversight*

role. For them to be picking things up they need to be almost taking on an executive capacity and I think that's unfair on them." Cavaco *et al.* (2017) likewise stated that independent NEDs often have an "informational deficit" in comparison to executives. As such, their monitoring capacity is diminished.

Participants suggested that this deficit could be addressed through constant engagement between independent and executive directors. Arranging such engagements might, however, be challenging given time limitations: "*That's really the only way you can do it, is to spend time outside of board meetings with the executive directors, which is very difficult thing to do, you know, everyone's got busy schedules so that I think is probably the gap*." Hom, Samson, Cebon and Cregan (2019) and Le Mire (2016) concurred that independent NEDs should enhance their understanding of company-specific issues by engaging in discussions with executives outside of the boardroom. Participants and scholars furthermore stress the importance of continuous development irrespective of directors" experience (Rekalde, Landeta, Albizu and Fernandez-Ferrin, 2017; Yasser *et al.*, 2017).

Theme 4: Aspects that challenge director independence

Some interviewees remarked that a director"s independence can be lost over time because of the formation of relationships with individuals and corporate entities. Two of them also mentioned power struggles between independent and executive directors by referring to challenges in "standing up to executives". Time management challenges were also noted, in line with Annuar (2012).

Participants furthermore highlighted that firms should account for the way in which they motivate directors. Research shows that personal liability can deter directors from taking on board positions, especially if firms have poor incentives (Naaraayanan and Nielsen, 2021). Share allocations linked to Broad-Based Black Economic Empowerment (B-BBEE) initiatives were highlighted. Some interviewees explained that companies that wish to offer B-BBEE partners independent positions are restricted by their shareholding: "*You want those BEE participants to be members on your board, but then they're not independent because they have a shareholding… You're in that catch 22.*"

One interviewee mentioned that it might be beneficial to select directors with a vested interest in the company based on their shareholding: *"Where you have got directors who are shareholders, or representing shareholders, they are not deemed to be independent and therefore you are restricted as to how many of those you can have on your board.*" This interviewee added that: "*The issue that I have is that those board members normally are the ones with the highest vested interest in the business… So I find that those directors are very valuable, yet by virtue of them not being independent very often you exclude them.*" A counterpart agreed: "*Look, people are in favour*

of directors who are financially vested in the company." Firms should hence select appropriate incentives without compromising directors" classification.

In line with the second research objective, an instrument was developed to assess director independence. The instrument is based on the reported findings and the relevant King IV recommendations (IoDSA, 2016).

Director independence assessment instrument

Table 2 offers details on the instrument that was developed.

TABLE 2:

Director independence assessment instrument

Compliance with King IV independence guidelines		Comments
Can you be considered independent given your interests in the company?		
Have you ever participated in the company"s share-based incentive schemes?		
Were you employed by the company in the last three years?		
Did you ever form part of the audit team/external audit firm?		
Have you ever provided professional advice to the company?		
Explain your relationship(s) with competitors, customers, and/or suppliers.		
Does your tenure exceed the nine-year term limit?		
Other considerations	**Specific aspects**	**Comments**
Have you ever been assessed by an informed third party?	- When last was your independence assessed? - Did any significant issues arise since then that may have compromised your independence?	
Have you undergone any form of director training?	- Were the implications of being classified as an independent director clearly explained to you?	
Do you serve on multiple boards?	- If so, what are the related benefits? - If so, what are the related challenges?	
Do you have a material relationship with a non-independent employee?	- If so, can this relationship compromise your independence?	
How do you rate your ability as a corporate monitor?	- Explain how you voiced/will voice concerns. - Explain how you have dealt with challenges.	
Provide details on your skills and expertise.	- How do you intend to enhance your skills and expertise in future? - Which training needs do you have?	
Nomination committee should account for the individual"s reputation to maintain his/her independence.	- Is he/she known for their diligent boardroom contributions? - Is it likely that his/her opinion will be respected in the boardroom?	

Source: Compiled by the authors

The developed instrument is not intended to form part of a "box-ticking" compliance exercise. Nomination committees are rather encouraged to account for their unique corporate contexts when applying this instrument. It is envisaged that listed and unlisted entities can use the instrument

during semi-structured interviews with directors to assess their independence. Independence challenges and potential solutions should be explored during such discussions.

CONCLUSIONS, RECOMMENDATIONS AND PRACTICAL MANAGERIAL IMPLICATIONS

Corporate governance best practice guidelines typically include that independent directors should offer objective views to enhance decision making in the boardroom. They should monitor the actions and decisions of managers on behalf of shareholders. As such, enhanced focus is placed on the classification and tenure of independent directors globally and in South Africa. The King IV Report provides detailed guidelines in this regard for listed and unlisted entities.

Semi-structured interviews were conducted with selected directors of listed and unlisted entities in South Africa to gauge their views on director independence. Attention was given to potential benefits and concerns. The interviewees were familiar with the King IV Report. Thematic analysis was used to derive themes. An assessment tool was furthermore developed to assist listed and unlisted entities in the country to evaluate director independence.

The interviewees placed considerable focus on the relevance of director independence and cautioned against "tick box" compliance. The nine-year reassessment period was deemed too long. The King committee and the IoDSA should hence consider shortening this period. As participants deemed company and industry expertise invaluable, independent NEDs are encouraged to spend more time with executives to enhance their understanding of company-specific challenges.

Literature suggests that independent NEDs are often interlocked given the demand for experienced, diverse directors. Nomination committees should search for suitable board candidates inside and outside their networks. They should, *inter alia*, determine candidates" expertise and positions held at listed and unlisted corporate entities. They can apply the developed instrument to assist them in this regard. Directors" training needs should also be timeously assessed and addressed. Consultants and outside service providers can assist the nomination committees in sourcing and training newly elected and more experienced directors.

A limited number of interviews were conducted to address the research objectives. Future researchers can consider using a survey to determine the views of a larger number of JSE-listed board members on director independence and other board composition aspects. Future authors can also consider the actions of shareholders in their capacity as external monitors. Such investigations can cover voting and engagements on board composition concerns. Shareholders are encouraged to take their monitoring role more seriously. Further interviews can also be

conducted to test the application of the developed instrument in the South African corporate context.

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Track:

Entrepreneurship and Small Business Management

A risk analysis tool for accountants in the small business sector: lessons from the South African Reserve Force

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ABSTRACT

The primary goal of this document is to provide a problem-solving tool that professional accountants serving the SME sector of any economy can use to assist their clients in the development of strategies and optimal solutions to an array of challenges. SMEs do not have unlimited capital reserves to ward off any form of expensive litigation and/or statutory compliance challenges and this makes the development and application of this problem-solving tool vital. Recent changes in statutory legislation, the macro-economic environment, and new court procedures necessitates the development of this tool.

Keywords: Battle Appreciation; Guerrilla Warfare; Problem-solving; Professional Accountant, SMEs

INTRODUCTION

The SME sector of any economy is regarded as important to most of the economies in the world in terms of job creation, especially in developing countries (Palma, 2005). Most economies are also experiencing battered economies after the worldwide Covid19 Pandemic and South Africa is still in a limited form of lockdown after more than Five Hundred Days of lockdowns. A near total collapse of the South African economy in July this year with threats of more political violence paints a very bleak picture of how not only SMEs but all enterprises will have to adjust to the "new normal". Added to these scenarios, the inability of the legislature to provide clear policy decisions and implementation thereof provides sufficient ingredients for enterprises and its owners to have very bleak expectations for their futures.

Fortunately, there is a renewed worldwide acknowledgement of the importance of the SME sector for economic development of individual countries and new efforts are being implemented to assist with the provision of much needed funding (Visser, 2021). This drive is becoming quite important as the most recent survey referenced statistics conducted by Statistics SA provides details that 8 Percent of South Africans lost their jobs during the pandemic, 26 Percent of employees experienced a reduction in income during the various phases of the lockdown while there was a 10 Percent increase in employees reporting that they received no income while another 19 Percent

indicated that the lockdowns negatively impacted their abilities to meet their already overstretched financial obligations (Faure, 2021)

Currently, SMEs worldwide account for over 95 percent of the business population and constitute 60 to 70 percent of total employment. Moreover, micro-enterprises represent more than 90 percent of all business in certain activities, such as computer services (Falk and Hagsten, 2015). SMEs in the South African context contribute 36 percent of the country's gross domestic product while at the same time it employs 68 percent of the workforce in the private sector. The contribution in respect of employment opportunities in the agricultural, construction, and retail sector are even bigger; with more than 80 percent of all employment in these sectors attributed to the SME sector (FIAS, 2007).

Extensive literature is available regarding the plight of the SME worldwide. In addition, considerable research was conducted on how the access to financial resources and the compliance burden of SME can be more effectively addressed (FIAS, 2007; World Bank, 2011). Not only in South Africa are we experiencing radical changes in terms of the Companies Act and relevant regulations as well as our revenue laws, but it would seem that the importance of SMEs is also being recognised by the various governments in the Western world for the first time (OECD, 2006).

Professional Accountants serving the SME market are constantly faced with clients that lack the financial resources which the larger enterprises have ready access to, and in most cases these enterprises cannot afford the costs associated with rendering of a complete suite of professional support services. Research found that in most countries smaller accounting practices and particularly those that serve the SME sector, are experiencing dwindling profit margins for compliance work due to the increase in regulatory requirements, and Professional Accountants are finding it difficult to increase their fees for fear of losing their clients (Doran, 2006).

Moreover, taking into account the huge impact SMEs have on the worldwide economy and the fact that the public at large is quickly losing trust in the current controlling environment (Berenson, 2003) due to a string of scandals that shook the local and international accounting establishment, it has become crucial that SMEs receive much better protection and support in order to survive the critical first few years after start-up. SMEs are reliant upon the creation and maintenance of an enabling environment that not only protect them against predators such as large multinational enterprises but also an environment that ensures that reliable accounting practices are adopted and standardised in order to equal the playing field.

More elaborate accounting practices led to the collapse of companies such as the Enron Corporation during the latter half of 2001 (Clulow, 2002). Closer to home, we experienced the South African government's questionable arms deal (Cohen, 2005), the very well-publicised Tigon saga (Wessels and Dlamini, 2003) and most recently the alleged Ponzi scheme managed by Cobus Kellerman (Weavind and Collins, 2015). Most of these large enterprises also employ the services and purchase products from SMEs and the loss of a major client has the potential to destroy an SME.

The ultimate example that should have objectively destroyed the validity of the fiduciary role of the Professional Accountant for a company irrespective the size is the matter relating to First Strut (Pty) Ltd. It is alleged that the company incurred debts totaling more than R3,5 billion over a period of approximately 20 years. To add insult to injury, over and above the bad debt incurred by the Industrial Development Corporation SOE Limited, major banks such as Investec lost nearly R700 million (Benjamin, 2013). The matter passed without much publication if taken into account that the CEO of First Strut was a qualified accountant. During the liquidation process, it also became apparent that there were absolutely no financial records of any kind. According to the rescue specialists, members of the personnel could not even produce salary records for individual members of staff (Benjamin, 2013). After nearly 20 years the Tigon saga is still not resolved and this matter together with the Steinhoff example are very clear exampled that SMEs in South Africa clearly operate under a complete different set of rules and regulations than SMEs (Moneyweb Editorial, 2021).

It would seem that the larger enterprises operate under different rules and regulations. In this last case it was found that at least two steel suppliers, both SMEs, were liquidated due to the destruction of this company. The battle to be endured by SMEs is therefore not limited to statutory compliance issues and the risk associated with larger enterprises, but there seem to be a different set of rules and regulations that govern that SME sector than those rules and regulations governing the large corporate sector.

Even where doubt exists whether a matter will eventually be referred to a court, a Professional Accountant should at all times expect that the evidence gathered, and procedures followed will eventually be analysed in a court. Irrespective the eventual development of any particular problem-solving method, such a method will have to be utilised by Professional Accountants in such a manner that it adds value to the work performed by the incumbent. Added to this, the clear path and/or sequence of events identified by this method must also ensure not only the participation of the SME entrepreneur but also provide the entrepreneur with a clear expected end result. Lastly, this proposed problem-solving method must eliminate or at least limit the additional employment of specialists such as attorneys and forensic experts while at the same time ensure the application

and adherence to the highest level of ethics. The adversarial legal system in South Africa (in contrast with the inquisitorial system utilised in Europe) places an additional burden on Professional Accountants to provide clear and at the same time concise specialist information to enable the client to seek a fast judgment as funds are very limited for litigation even where larger SMEs are involved.

Furthermore, it is becoming important for Professional Accountants to become so qualified that they will be able to provide, "expert specialist accounting work" performed for court or other legally sensitive purposes. It involves gathering information and providing accounting analysis that is suitable for the court which will assist in the discussion, negotiation and ultimately, dispute resolution (Brennan and Hennessy, 2001). The reason why so much emphasis is put on the issue of court-admissible standards is so that Professional Accountants become aware and understand that whatever they do has the potential to end up in a court and can at any time be subjected to statutory scrutiny.

It would seem as if the current conceptual framework available to Professional Accountants have certain shortcomings that need to be mitigated to acceptable levels and that risks are analysed to safeguard an SME-enterprise from harm or even complete destruction. The underlying requirements will, however, remain that such an intervention should be cost-effective, simple to use, but provide the necessary speedy solutions to these challenges taking into consideration all possible facts and scenarios.

The purpose of this article is to introduce the creation of a problem-solving approach that will harness the professional abilities of a Professional Accountant to solve everyday problems encountered by his SME-client, irrespective the complexity of these problems and or challenges.

BACKGROUND

The guerrilla phase of the South African Border War was always deemed as the war fought by Second Lieutenants and Corporals. These leaders were predominantly fresh from high school and their total training period was approximately eleven months. Most of them were not even nineteen years old when they were sent to the operational area to command soldiers that sometimes shared the same classrooms in school with these new leaders less than a year ago.

The type of war and mental composition of both leaders and ordinary soldiers were quite unique and this also called for a unique form of accelerated training. Once in the operational area, particularly armour reconnaissance groupings (referred to as troops), were to a very large extent left to their own devises and particularly the officers had to be fast thinkers and decision-makers.

The lessons learnt during this comparatively long career in the South African Reserve Force contributed immensely to the development of the Risk Analysis Tool that will be discussed in this article and subsequent articles. The main feature is that as a South African soldier and officer, the one author developed a set of non-conventional skills that was successfully transferred to the author's civilian profession of Professional Accountant.

In South Africa we are still fighting a war, albeit in a different theatre and against a different enemy. Professional Accountants serving the Small Medium Enterprises (SMEs) sector of any economy needs an additional set of skills to ensure the successful operations of their clients. Essentially, these accountants and their clients are still faced with an enemy with substantially more resources than the SME entrepreneur. Therefore, the same skills and talents so successfully applied in the operational area of the border war have been documented, tested against the backdrop of real case studies and the results is a Risk Analysis Tool that even non-combatants can successfully apply.

In the history of the world, a number of military developments found application in the lives of ordinary citizens. This tool is another of these developments.

BATTLE APPRECIATION

Historically, the various military forces of the world were always at the forefront of the development of various systems and methods for the primary purpose of not only winning battles but to win these battles at the lowest possible cost in terms of equipment and human lives (Singer, 2006). It was, therefore, the logical starting point to find a solution pertaining to the analysis of risks for SMEs after most of the popular methods were found to be lacking in some respects. In much the same way as a military force is constantly faced with operational issues such as the availability of scarce resources, the human element, a rapidly changing operating environment and the limitations placed on it by political and legislative governing issues, the SME-entrepreneur faces the same challenges on a day to day basis albeit on a much smaller scale. Apart from the scale of operations differing, the urgency and professional level at which these challenges are to be faced and resolved, are the same as those faced by military leaders in every respect.

It is, therefore, an obvious choice to utilise these techniques as the SME-entrepreneur finds himself or herself in a constant battle against a far superior foe irrespective whether such a foe is a statutory body or competitor. In order to understand the mechanics of battle appreciation, it is important to, first of all, understand the principles of war, supported by the eight maxims of Liddell Hart:

- Maxim One: Adjust your ends to your means. It is important to never try the impossible.

- Maxim Two: Always keep the objective in mind. Never lose sight of the objective and ensure that even contingency plans and activities contribute towards the realisation of the objective.
- Maxim Three: Choose the course of least expectation. It is important to gain the element of surprise as early as possible in any battle.
- Maxim Four: Exploit the line of least resistance. The earliest teachings of Master Sun Tsu teaches that "Know the enemy, know yourself, and victory is never in doubt, not in a hundred battles…The skilful warrior of old won easy victories… His victory is flawless because it is inevitable, he vanquishes an already defeated enemy" (Minford, 2003). Soldiers are taught to always follow the line of least resistance in order to ensure strategic advantage and minimal losses.
- Maxim Five: Take a line of operations which offers alternative objectives. This line of thinking will confuse the enemy as to what the primary aim is.
- Maxim Six: Ensure that plans and dispositions are flexible and/or adaptable to circumstances. In this instance, it is again important to refer to the writings of Master Sun Tsu where he states that, "The highest skill in forming dispositions is to be without form; formlessness is proof against the prying of the subtlest spy and the machinations of the wisest brain"
- Maxim Seven: Do not throw your weight into a strike while your opponent is on guard. This maxim underlines the importance never to attack a superior enemy while it is expecting an attack.
- Maxim Eight: Do not renew an attack along the same line after it has once failed. This maxim underlines both maxims six and seven.

(Minford, 2003)

These maxims are regarded as the conceptual framework for all military developments in particularly the Western World (Danchev, 1999). Comparisons between the military social science and the social science of accountancy will manifest itself throughout this article. Suffice to state that each of the abovementioned maxims can be attributed to the world of the Professional Accountant with slight modifications. This will also become more prevalent in situations where Professional Accountants need to muster their problem-solving skills to assist their SME clients.

Over a number of centuries, military science and in particular conventional warfare developed its own conceptual framework such as those mentioned above. However, guerrilla warfare[1], as a unique discipline within the military social science arena, has developed a slightly different conceptual framework while still adhering to the general rules of warfare which includes the

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[1] Although the Eight Maxims of Lindell Hart is also still applicable in this type of warfare as well.

traditional conceptual framework. This alternative framework in guerrilla warfare accommodates the unique factors of this type of warfare such as limited resources and the fact that the guerrilla combatant is under constant threat from a far superior adversary. Another unique characteristic of guerrilla warfare is the constant demoralising effects, originating from the first two characteristics, on the lower ranks of soldiers. Military leaders schooled in this type of warfare receives unique training in the handling of the morale of these small groups of mostly highly motivated individuals who are by definition also not your run-of-the-mill combatant. A fourth characteristic uniquely attributed to the South African guerilla and/or reconnaissance soldier is that these soldiers are also equipped with the most applicable equipment to, while highly maneuverable, also be able to inflict major damage to opponents while being mobile enough to withdraw rapidly and then attack again at a time and place that suits them. The guerilla and/or reconnaissance regiments of other countries are normally employed to inflict limited casualties with the primary objective to demoralise the enemy and at the same time also gather as much information as possible. This highly fluid environment prompted the development of the doctrine of battle appreciation by particularly Western Defence forces. However, it is important to know and understand the clear distinction between guerrilla combatants and terrorists. The latter prefer to be seen as guerrilla fighters but history proved otherwise.

THE BATTLEGROUND OF THE PROFESSIONAL ACCOUNTANT

The Professional Accountant serving the SME sector can be safely compared to the guerrilla combatant in the military arena. The reason for this can be found in the fact that the resources of the Professional Accountant and his SME client are limited at all times. Secondly, the Professional Accountant in the SME sector is also always under constant threat of a far superior foe than his client and himself. Thirdly, as the SME client operates an enterprise that is mostly the singular source of income for himself and his family, serious challengers regularly cause a general breakdown in the motivation, morale, and the will to fight on. One example is the revenue authority of any country and the large multinational companies that are forever exercising their Darwinian evolution theory propagating the survival of the fittest, sometimes at all costs. The fourth characteristic which can be favourably compared to the guerrilla combatant is that the Professional Accountant needs to be technically and mentally equipped to face these challenges with his client, to be able to launch counterattacks and inflict damage where it really hurts or has the potential to hurt. Although the traditional conceptual framework is and will always be applicable in this sector as well, another secondary conceptual framework had to be developed in order to cater for this unique economic sector and unique agency relationship between professional and client. The problem-solving method developed by this article is being developed from the military doctrine of battle appreciation to serve the same purpose as the original military application. However, the eventual problem-solving tool also has to cater for something more complicated and somewhat sinister; this refers to the fact that it needs to form the basis of any court-admissible evidence as

most of these threats culminate in court action. The problem-solving tool must be able to provide the Professional Accountant with a conceptual framework where the evidence can be collected and constructed in such a way that both Professional Accountants and non-accounting individuals such as legal specialists can understand and grasp the arguments set forth by the Professional Accountant. This will ultimately ensure that the client is optimally protected with a cost-effective method of service delivery by a real professional and not merely a bean counter.

The method that the Professional Accountant will use in order to provide a workable solution for each challenge faced by his SME client will invariably not only depend on the technical abilities of the Professional Accountant, but also on the tool that they can harness to sort raw data obtained through the analysis of the challenge in such a manner that the SME client is provided with a workable solution. By the same token, it would be an added advantage if this information can be used as factual evidence in a court.

Once the challenge has been formulated, the next logical step would be to collect and analyse the applicable data. Another term for "analysis" is "appreciation"; the latter is used mostly in the military environment (Walker, 2011). An appreciation is a logical process of argument, whereby all relevant factors pertaining to a particular problem are analysed in order to attain the optimal solution (Te Velde, 1994). In the military environment, this process is primarily used to solve operational problems. The aim of an appreciation is therefore to formalise a stabilisation plan. The main aim of this study is to equip the Professional Accountants to address, analyse, and ultimately provide optimal solutions to the operational problems experienced by SME entrepreneurs, in much the same way as a military commander uses battle appreciation to solve problems.

THE EIGHT MAXIMS APPLICABLE TO THE PROFESSIONAL ACCOUNTANT

In the world of the Professional Accountant, the Eight Maxims of Lindell Hart described above can be applied as it would seem as if the world of the Professional Accountant can be compared to that of a military leader in most respects. The first maxim is crucial as it limits the Professional Accountant to only execute that which is reasonably possible. The SME client does not have cash resources to commit to financing the highfalutin and sometimes even egoistic flights of fantasy some professionals are known for (Afrifa and Tingbani, 2018). The second maxim is applicable as it demands that the Professional Accountant only focuses on the objective of the case and nothing else. Against the background that SMEs have limited resources the causal relationship between strategic objectives, processes and activities should always be kept in mind (Garengo, Biazzo and Bititi, 2005). The element of surprise is very important particularly in the beginning of any engagement as it will ensure that any opponent takes whatever action the Professional Accountant and his SME client executes as serious, and provide those opponents with an opportunity to re-evaluate their own position before committing any more resources that the Professional

Accountant and his SME client will have to counter (Xia, et al., 2007). To ensure ultimate performance, the third maxim has the potential to save the SME client a lot of resources and effort. The fourth maxim demands that the Professional Accountant considers the challenge in minute detail as the line of least resistance has to be identified. This approach will also ensure an early and thorough strategic advantage to the Professional Accountant and his/her SME client (Azam, Boari, and Bertolotti, 2018). For the fifth maxim to work to the advantage of the Professional Accountant, cognizance of particularly the synergy between IFRS, company legislation, and the local revenue laws needs to be found (Sian and Roberts, 2009). Particularly cases that land up in court needs to cover all relevant rules and regulations as the SME client can easily lose the court's patient and impartial ear if it should become known that the SME entrepreneur does not have clean hands in all respects. This fifth maxim overflows into maxim six as applying the former will ensure that whatever strategy is planned that it is flexible and caters for all legal and accounting requirements (Guo and Cao, 2014). Maxim seven demands that a Professional Accountant does not apply the "Bull-in-the-China shop" approach (O'Neil, 2013). Professional Accountants need to exude a sense of calm determination without letting the opponent knows what he is really capable of. Here the element of surprise described in maxim three is once more underlined. The last maxim, number eight, demands that once a line of thinking has failed, such a line must never be repeated (Chiarini, 2012). These maxims, although new to the world of the Professional Accountant, can be very helpful, particularly in cases where clients are treated unfairly by whatever party, be it a larger competitor or even the state.

CURRENT APPROACHES TO SOLVING PROBLEMS IN THE BUSINESS ENVIRONMENT

Over and above the eight maxims discussed above, the Professional Accountant must adopt a solution-based approach to solving problems (Owen, 2006). This process required certain characteristics of its own in order to be successful. The first of these characteristics is conditioned inventiveness. This characteristic complements creativity as it includes the limitations relating to environmental- and human centred frameworks that govern the designer's efforts. A second characteristic is that the design is at all times client-directed. This characteristic continually evaluates the client's needs and requirements. Present-day thinking puts all environmental issues on par with human interests.

A third important characteristic relates to a predisposition towards multi-functionality. In this regard modern design thinking identified a real need for Professional Accountants that can think across disciplines and who have the ability to combine the expertise of a diverse group of experts into a cohesive and co-ordinated group. A fourth characteristic refers to the Professional Accountant's ability to use language as an effective means of communication. Visual and verbal language is predominantly used to reveal and explain concepts and provide a basis of explanation. A last

characteristic is the Professional Accountant's ability to work systematically with qualitative information.

Irrespective the choice of method to be applied to analyse a challenge experienced by a client, it is clear that cognisance of the purpose for analysing the respective challenge must be obtained as the purpose will dictate the method applied to analyse the data. In order to apply the correct method to analyse these challenges, an in-depth study must be made of all available methods available in order to devise a problem-solving approach that will not only assist in the correct analysing of data, but also the provision of proper solutions or an early indication if a solution to a problem is unavailable. Lastly, the report that results from the data analysis must also be in such a format that it can be used as a basis of evidence, should it be required.

The process will also have to provide the necessary tool for strategic planning. Although there are current forms of thinking in terms of problem-solving, a unique tool needs to be developed to analyse case studies in such a manner that it will assist SMEs with its challenges. Each challenge experienced by SME owners, invariably becomes case studies in itself. Therefore, the manner in which the case gets written up demands much more structure than the mere analysis of data and the writing of a research report on the findings; a much more structured tool is required. It is of particular importance due to the fact that a Professional Accountant has to consider facts and circumstances that are of a multi-disciplinary nature. The Professional Accountant is expected to be aware of these facts and circumstances and needs to understand the nature and impact of it in the case under review. Once again, to benefit from the utilisation of the Eight Maxims in the battlefield of the Professional Accountant this structured tool needs to provide details and information in such a manner that all eight Maxims can be applied fully. It is evident that a number of factors need to be incorporated in the process of developing a problem-solving tool or approach to address specific SME challenges. However, in order to guarantee success any problem-solving tool will have to be applied to and tested against the backdrop of the eight maxims described above.

The sequential steps to be followed in the problem-solving tool process is illustrated in Figure 1 and discussed in detail below.

FIGURE 1:

Problem solving development process
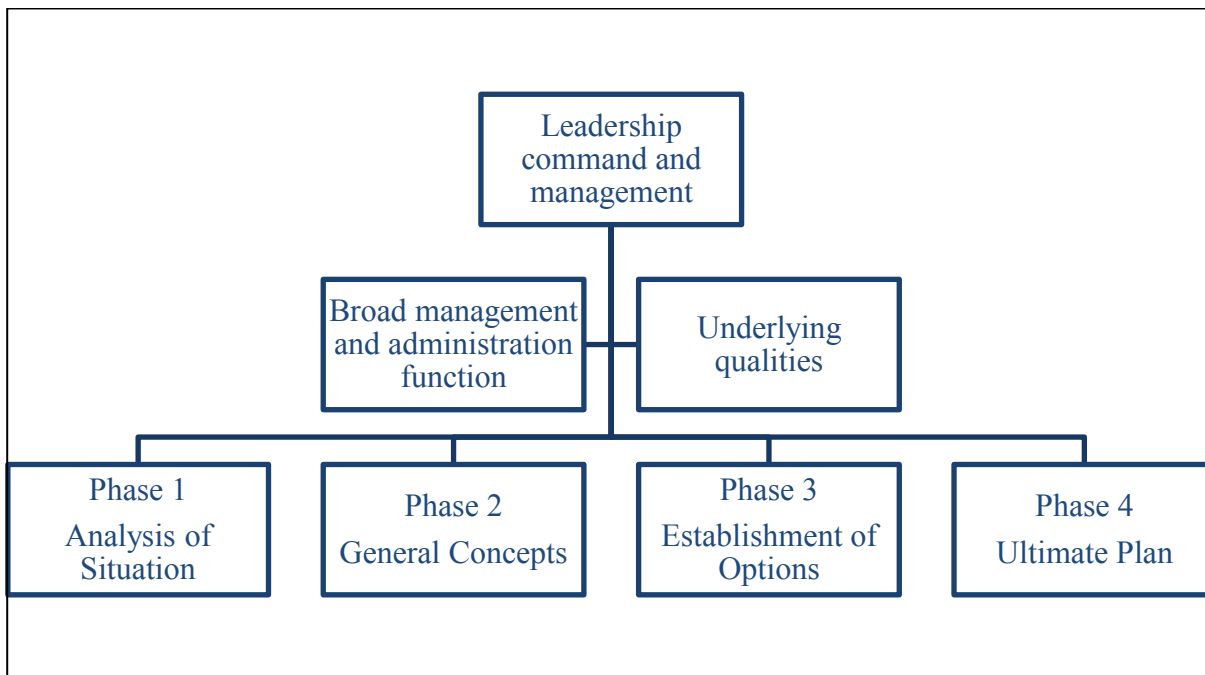
Phase One: Analysis of the Situation

This phase concerns the actual writing up of the challenge. In accountancy, merely writing up the case or challenge in story format (narrative) is but the first step. The point of departure is to identify the threat. If it consists of a summons, the summons needs to be scrutinised to identify the claim in the summons as well as the legislation on which these claims are based.

The analysis of the situation must be executed in a sequential format and must include the situational analysis of both the SME client as well as the opposing party. In order to ensure that all elements are covered, it is necessary for the enterprise itself to be analysed first, followed by the industry in which the enterprise operates. The same analysis must apply to the opposing party. It is advisable to visually separate details regarding the client of the Professional Accountant and those details pertaining to the opposing party. Furthermore, as there are time limits set by opposing parties in terms of action required by the SME entrepreneur, these time limits must be identified and recorded. This first phase forms the backbone of the whole analysis and needs to cover as many details as possible. It should also illustrate the fact that the SME does not operate or function in a vacuum.

As noted above, the SME enterprise operates not only within a specific business format but also within a particular market segment and within a macroeconomic sphere. In order to correctly analyse the details pertaining to a particular case, it was deemed prudent to collect data relating to the SME client in a three-tier format. The same applies to the opposing party related to the

particular case study. The three-tier format must optimally illustrate the direct and indirect environment of both the client and the opposing party. His will ensure that the maximum information is gathered for analysis purposes. This three-tier will also ensure that the enterprise and its environment be analysed as an integral part of a larger sector and not in isolation. By isolating the enterprise during this critical first stage of analysis will result in the incomplete development of the subsequent phases of analysis. In modern social sciences research is generally executed in a funnel format ie the research ensues on a wider scale while the subsequent steps focus on fewer elements up to the point where the real issue can be identified and resolved.

Phase Two: The General Concept

The second phase is divided into two distinct sub-sections, namely the analysis of the primary objective, and the formulation of the concepts for both the SME client as well as the opposing party. The responsibilities of each role player must also be illustrated in a format that can be easily referenced.

During the analysis of the primary objective, it is necessary to establish the crux of the issue at hand, the aim of the SME client, and the critical success factors that will ensure the success or failure of the action. From this initial analysis, the various guidelines and requirements must be identified and recorded. This phase compares favourably to a rigorous Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis.

Phase Three: Establishment of Options

Once the concepts have been established with the situational analysis as the basis, it is important to record the various options now available. It is not possible to only have one sure outcome in matters relating to enterprises. The proper phrasing of options available to the SME owner is therefore paramount during the decision-making process. The main questions asked in this phase are: what is happening, what can happen, and what will be the most probable outcome. This phase of the RAT, therefore, acts as the crash-test dummy, since the various options are tested until the optimum option is identified.

Phase Four: The Engagement Plan

In the case of court action, the total plan can culminate in a court admissible affidavit with supporting documents. Alternatively, should the matter relate to a challenge that must be met in order for the enterprise to develop into the next growth phase – such obtaining an environmental certificate to build a dam – phase four will ultimately culminate in an engagement letter with a sequential plan such as a Gantt chart.

All four of these phases are executed by the Professional Accountant and reported to the SME client on a regular basis. In order to maintain the SME client's positive attitude, their active participation during the whole process is vital. The four phases also fully integrate with the six traditional steps required in case study research.

The four phases mentioned above will be individually explained in detail in subsequent articles and illustrated with actual case studies.

CONCLUSION

In the opening section, the environment of the SME sector was described both in terms of the international and local economy. The bleak picture that emerged was one of an uncompromising and hostile environment. The battle appreciation section provided specifics relating to the manner in which the regulatory environment pertaining to Professional Accountants serving SME clients, can be countered by applying the Eight Maxims. It is clear that there must be a unique agency agreement between the Professional Accountant and their SME clients. This section also discussed in general terms the unique risk environment pertaining to the SME sector. These risks have been identified as limited financial resources, a limitation on time available to react to any type of eventuality, and the fact that these types of enterprises are normally owner driven. In the development of a problem-solving tool, these three risks, in particular, will have to be under constant consideration, as each is equally important.

Professional Accountants serving the SME sector in any country is in dire need of some form of a problem-solving method or approach in order to provide a platform from which all types of case studies can be optimally analysed with the distinct view of provided both Professional Accountant and his SME client with a well-defined approach to solving any business-related challenge. Simultaneously, the tool must also provide a properly structured report with supporting documentation that can be used as evidence in court action, should it be required.

As the operating environment of the Professional Accountant in the SME-sector shows similarities with the operating environment of a military commander, it proved to be appropriate to use the latter environment as a point of departure in the development of the problem solving tool. As this tool has been developed from the Eight Maxims as described, the Professional Accountant needs to test the content of each step against the applicable Maxim or a group of Maxims. Ultimately the problem-solving tool will only be effective if all eight Maxims are covered.

The constant and high frequency of enterprise failures in the SME-sector must somehow be curbed and the only way to counter this is by providing a typical crash-test dummy in much the same way as the motor industry has been doing for over a hundred years. The development of a

simulation tool for entrepreneurs, is therefore, becoming vital. Furthermore, during the execution of the four phases of the problem-solving tool, it should be noted that each step must be revisited constantly as more data becomes available.

Ultimately, each of these phases must comprise of unique and identifiable formats. Each format must also fully interact with the others in order to provide a proper flow of argument and to ensure that all factors have been taken into account and recorded in detail. The reason to record the information is not only for future reference for the SME client and Professional Accountant, but also to provide sufficient evidence for third parties.

Finally, as explained and proven in subsequent presentations, this problem-solving method will also be able to form the basis of a wider application accessible to Professional Accountants and based on a unique blockchain technology platform.

A final thought to ponder: It was the Greek philosopher Thucydides that stated, *„The society that separates its scholars from its warriors will have its thinking done by cowards and its fighting done by fools."*

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Customer-centric goal setting for small business competitiveness in the digital era: the case of an entrepreneur in the transport sector in the Eastern Cape

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ABSTRACT

The use of technology has removed traditional barriers and boundaries between the business enterprise and the community or customers. This paper explores the adoption of a customer-centered approach to the formulation of business goals in small businesses. Small businesses are often closer to the market and can be flexible in adopting this approach. A case study methodology was used to explore the business case for a customer-centric approach to enterprise goal setting. The results of the study demonstrated that customer-centric goal setting leads to customer-driven value creation, the development of community-business relationships and customer-driven business strategies, which result in both financial and non-financial benefits. These are notable sources of small business competitiveness as they create customer loyalty, profitable relationships with clients, and ensure more involvement of customers in the growth of the enterprise. The study recommends that small businesses should adopt the customer-centric approach to goal setting and development.

Keywords: customer-centric, competitiveness, small business, goal setting, digitalisation

INTRODUCTION

Traditionally, business goal setting processes were deemed to be the reserve of top management and the owners of organisations. The general view was that the vision, mission, aims and objectives of an organisation are strategic tools to be determined by the leadership in organisations (Kotlar, De Massis, Wright and Frattini, 2018). Emerging business models are, however, placing emphasis on increasing the role played by customers in creating business value (Zhao, Yan and Keh, 2018; Lose and Kapondoro, 2020). Furthermore, the disruptions that arose from the Covid-19 pandemic on small businesses as well as the increased use of technologies in business means that the customer perspective has become more essential than ever for competitiveness (Fairlie, 2020; Arndt, Davies, Gabriel, Harris, Makrelov, Modise, Robinson, Simbanegavi, van Seventer and Anderson, 2020; Lose, Yakobi, Kwahene, 2020). This study will

consider goal setting as espoused in the work of Locke and Latham (2006). Locke and Latham's (2006) goal setting theory provides certain characteristics of goal setting, which will be considered as a lens through which to analyse the customer-centric goal setting view outlined in this paper.

CUSTOMER CENTRICISM AND THE GOAL SETTING THEORY

As observed in Moormann and Palvölgyi (2013), internal business models are losing their relevance given the rapid changes in customer preferences and the increased use of online and digital systems. There is an increased need for an external, market-based business model for the attainment of competitive advantage (Ascarza, Fader and Hardie, 2017; Moormann and Palvölgyi, 2013; Lose, 2019). Customer-centric enterprises are sensitive to the needs of the markets that they serve, and they place special focus on acquiring customers, retaining, as well as developing them (Ascarza, *et al*., 2017). The customer-centric paradigm has mainly received consideration in the marketing function of enterprises where it has been advanced to promote product acceptance and performance (Sheth, Sisodia and Sharma, 2000). In their balanced scorecard, Kaplan and Norton (1992) include a need for enterprises to incorporate customer perspectives in their measures of success. While the idea of customer centrism seems to have great relevance in all business functions, its consideration in strategic goal setting seems to have received little consideration.

Edwin Locke and Gary Latham have been credited for enunciating a goal setting theory that postulates that specific and difficult to achieve goals were the basis for task performance and productivity. In reference to the goal setting theory, Lunenburg (2011) mention that goals should be accepted by both employees and customers. In explaining the above, Luneburg (2011) draw on the work of Bandura (2001) who asserts that social systems that act collectively and foster a shared vision are likely to perform convincingly. As such, the concept of customer centic goal setting as a critical phenomenon for organisational competitiveness was found to be more satisfying and capable of inducing desirable performance (Luneburg, 2011).

STUDY OBJECTIVES

Digital systems have the capacity to bring the customer to the enterprise easily and without any spatial limitations. Whilst this has been considered more strongly in the marketing function of enterprises, little has been done to explore a customer-centric strategic approach that starts with the goal setting function. Given the above, the purpose of the study was to explore the question: Why should small businesses adopt a customer-centric goal setting approach for their competitiveness in the digital era? In other words, the study was positioned to establish the criticality of the customer-centric model of goal setting as a way of gaining competitive advantage in the market.

RESEARCH METHODOLOGY

The study is rooted in the subjective paradigm and it is believed that reality can be interpreted from the perceptions and views of people in a certain context. In a description of research philosophies and paradigms, Scotland (2012: 9) posits that the ontological, epistemological and axiological positions of a study should be considered right at the commencement of an investigation. Despite there being many paradigms (positivist, interpretivist, critical and pragmatic), this study was based on the interpretivist paradigm, which relies on relativism and the contention that reality is subjective, and it is seen differently by different people (Krauss, 2005; Scotland, 2012). The case study research design was adopted based on ethnographic observations and a document analysis technique related to the analysis of minute of a goal setting and goal review meeting. Zainal (2007) claims that the case study research design allows for the collection of rich in-depth information in complex settings where context has implications for the study. Case studies are a popular qualitative research design that rely on the analysis and exploration of a single event, individuals or other phenomenon. In a case study, detailed and contextually relevant data is collected. In this investigation, it was essential to have a unique mall enterprise that has adopted the customer centric goal setting approach and then identify the benefits that have been realized as a result of such an approach. The case study that was analysed in this study was chosen purposively and conveniently. A small business entrepreneur who has implemented a customer-centric goal setting approach was identified and selected to be the case for analysis. This case was the only known one to have meticulously engaged customers in its goal setting after having suffered from the closures induced by Covid-19. The small business entrepreneur used information technology tools to link with its customers and arrange for a virtual meeting in which to set goals for resuscitating and making the small business competitive.

The small business entrepreneur was in the transport sector and possessed a fleet of vehicles used as taxis for transporting people from the peri-urban townships to their workplaces in the city centre. Having set the goals of the small business in partnership with customers, there was a need for a review of the set goals after four months to establish whether the enterprise was on track to achieve them. The goal review event was undertaken in the form of a stakeholders' meeting involving customers was arranged by the mall business entrepreneur with 30 customers allowed to be physically present in the meeting while almost 50 other customers were virtually connected to the event. At the beginning of the meeting, participants were required to select a Chairperson to lead the agenda. A secretary volunteered to record the minutes as well as to read minutes of the previous meeting. The purpose of the event was to receive comments and feedback from clients on the goals that were set collectively by the customers and the small business entrepreneur initially. The researcher was a participant observer and attended the event by invitation from the small business entrepreneur. The actual data collection method employed was based on the analysis of the minutes recorded by the secretary at the meeting as well as participant observation

notes. The question that guided the analysis of the minutes and the observation note was: What are the factors associated with customer-centric goal setting that lead to sustained small business competitiveness?

FINDINGS AND ANALYSIS

The analysis of the minutes of the meeting as well as the observation notes followed the ideas provided in Leech and Onwuegbuzie's (2007) study regarding the method of constant comparison. Constant comparison involves reading through the data set and through data reduction, as well as establishing certain codes for further grouping and analysis (Leech and Onwuegbuzie, 2007; Kolb, 2012). In this study, the minutes of the meeting, held by the small business entrepreneur with customers, were provided and analysed. The first step in the analysis was to read through the document which was in the form of minutes of the stakeholder meeting as well as the participant observation notes and get familiar with the data. Table 1 provides an extract of the minutes that were analysed.

TABLE 1:

Extract from the minutes of the small business entrepreneur and customers' meeting

Meeting proceeding	Physical	Virtual	Comment
Attendance	30	50	Total attendance– 80.
Minutes of previous meetings	Accepted	Accepted	Previous goal setting meeting minutes were read and accepted.
Welcome remarks	Welcomed	Welcomed	Entrepreneur thanks all in attendance, mentions customers A, B, C, D, E, F…. by name and recognises presence of both virtual and physical customers.
Reading of small business short-term goals set participatively	5 goals read by physical attendees	5 goals read by virtual attendees	
Reading of long-term goals	1 read by physical attendees	1 read by virtual attendees	Small business seeks to increase its market share by 100% in the next 10 years, grow in size by 100%.
Goal attainment report			Small business entrepreneur happy about customer support. Personal relationship with customers, client feedback on nature of products. Small business entrepreneur knows almost all customers by name. Sales have been increasing dramatically. Turnover has quadrupled over the year.
Progress on short-term goal attainment	All attendees noted it to be on course	All attendees noted it to be on course	
Progress on long-term goal attainment	All attendees noted it to	All attendees noted it to	

Meeting proceeding	Physical	Virtual	Comment
	be on course	be on course	
Customer comments on goal	Customers pledged allegiance to the entrepreneur	Customers happy and pledged allegiance	Customers were excited with the small business, pledged to continue supporting by using the entrepreneur's services. Some customers offered to donate materials to accelerate business growth. Customers suggested various changes to be implemented to accelerate goal attainment. All suggestions were noted and to form part of the agenda of next meeting.
Special resolutions	Supported by physical customers	Supported by virtual customers	Customer engagement meetings to be held quarterly to ensure achievement of objectives. Online customer communities to be expanded. Corporate social responsibility initiatives to be expanded. All customers to become ambassadors.
Photo session conducted	Photography session	Photographs sent on the virtual platform	Photos were taken to be used by brand ambassadors. Photographs shared on online enterprise platforms and social media links.

In vivo codes were then extracted from the data set as shown in Table 2. The in vivo codes were also selected following Glaser and Strauss's (1967) concepts on theoretical sampling within grounded theory analysis. Kolb (2012) notes that the first coding procedure is often open and purposive and can then be followed by theoretical sampling of codes for furthering emerging theory. The invivo codes were then classed into broad themes as shown in Table 2. The broad themes were arrived at with reference to the observation notes compiled during participant observation. Therefore, the participant observation notes were essential in arriving at the codes stated above.

TABLE 2:

Coding chart

Invivo codes	Broad themes
Acceptable goals	
Turnover quadrupled	
Client feedback	Customer-based value creation
Sales increased	
Donation of materials to increase growth	
Customer communities	
Photographs shared	
Customers mentioned by name	Customer - business community
Happy with customer support	
Customers excited	
Personal relationships	
Corporate responsibility initiatives	

Invivo codes	Broad themes
Agenda for next meeting set	Customer-centered business strategies
Customer engagement to be held quarterly	
Expanding online customer forums	
All customers to be ambassadors	

As mentioned in Leech and Onwuegbuzie's (2007) study, qualitative data analysis is a constant and iterative process of data analysis, which later links up concepts and categories to establish relationships that explain phenomena of interest. After the establishment of the broad coding shown in Table 2, it was essential to infer deeper meaning on customer-centric goal setting as a strategy for the competitiveness of small business entrepreneurs. The observation notes were analysed further while reflecting on the literature in order to depict the relationships between codes. Atlas ti was used to complete the analysis and link codes to establish a network diagram as shown in Figure 1.

FIGURE 1:

Customer-centric goal setting concepts and small business competitiveness
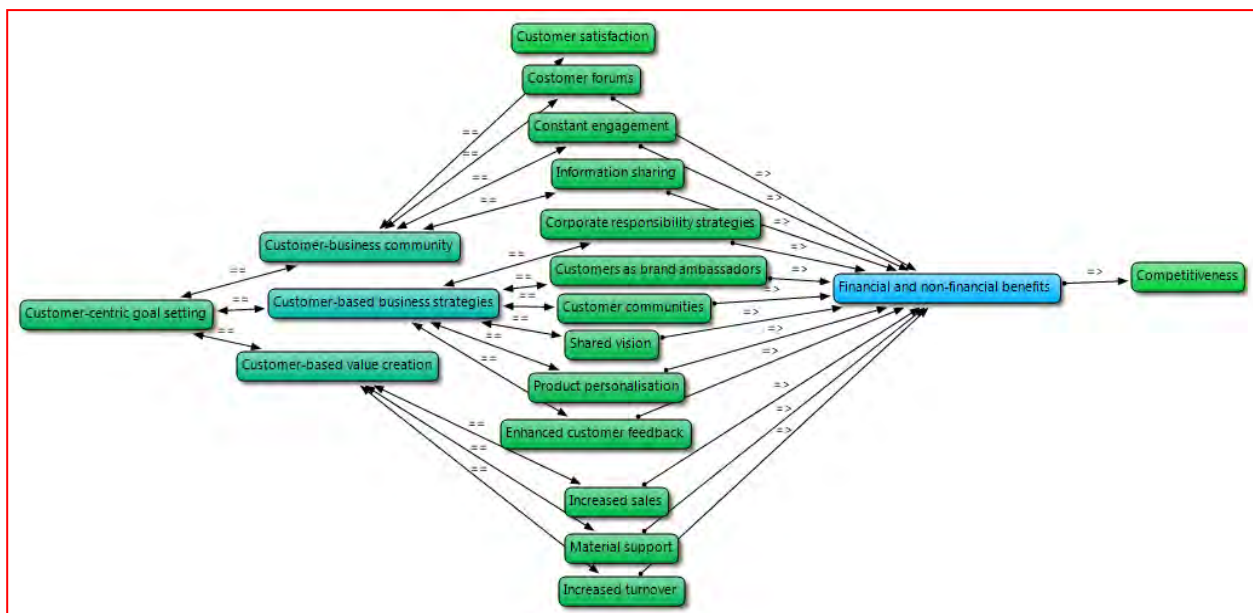
Source: Author's construction

The results of this study resonate with those of other studies, which have recognised the primacy of customer focus to gain competitive advantage. Kaplan and Norton (1992) recognise the customer perspective in their balanced scorecard thereby drawing attention to the essence of customers in measuring business outcomes. Moormann and Palvölgyi (2013) advocate for the customer-centric perspective and postulate that future organisational competitiveness is likely to rely heavily on the customer-centric paradigm for business administration and management. Since goal setting is the foundation for many business outcomes, one can conclude that customer-centric

goal setting results in the adoption of customer-based strategies, the creation of customer-based communities and also customer-based value creation. Customer-based value creation includes the various ways by which customers become involved in adding value to the organisation including acceptable goals, increased turnover, increased sales as well as material support. Ascarz, *et al.* (2017) similarly found that customer-centric marketing strategies are essential to value creation. Customer business communities arise from the constant interaction between the organisation and its customers. These communities lead to information sharing and a sense of customer satisfaction with the organisation. The business strategies that emerge from interactions with customers also lead to a shared vision and constant feedback for competitiveness.

CONCLUSION

This study was formulated to explore the relevance of customer-centric goal setting for small business competitiveness. The study has found a significant business case for the customer-centric approach to small business competitiveness in the transport sector. The study established that customer-centric goals are critical in giving legitimacy to the business strategy of a small business in the transport sector as well as to encourage customer support. This, in turn, is likely to translate to business success and competitiveness. It is also recommended for small businesses in other sector to adopt the customer centric approach as it may be useful and relevant in many sectors.

RECOMMENDATION

Following the evidence from this study, small businesses are encouraged to adopt a customer-centric goal setting approach to their operations to ensure competitiveness. Technological adoption is also critical in developing structures for the customer-centric business model. While this study focused on customer-centric goal setting, it is recommended that the customer centric approach be adopted to include all other key organisation-wide functions.

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Track:

General and Strategic Management

An exploration of strategic management practices at a South African World Heritage Site Management Authority

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ABSTRACT

This study sought to investigate the strategic management practices at a World Heritage Site in South Africa and to identify the factors that enabled or hindered the successful realisation of its mandate. The study was carried out at a heritage site. This is a case study based on explorative research. The research data was collected using semi structured interviews. The outcome of the study revealed that, the strategic management practices at the heritage site are not adequate to assist the organisation to achieve its goals and objectives. The study further concludes that there is room for improvement in ensuring that the heritage site is able to employ strategic interventions that seek to improve organisational performance. To allow continued organisational renewal and seize opportunities for reconfiguration, management should align all functions and clearly communicate its mission and vision internally and externally across its complex stakeholder environment.

Keywords: strategy, strategic management; heritage site; strategy implementation; strategic management practices

INTRODUCTION

The main objective of the study was to explore the Strategic Management practices at a World Heritage Site in South Africa. Public sector organisations like private sector organisations have to survive, prosper and also respond to the challenges the environment present. These organisations are not profit driven but are seen as the vehicle to drive service delivery to the communities. The main aim or purpose of the World Heritage Site is to ensure increased tourism in order to boost the economy of the region and create job opportunities in the tourism sector. According to STATS SA (2018), the tourism sector directly contributed 2,9% to the South African gross domestic product (GDP) in 2016, according to the latest release of Stats SA‟s annual Tourism Satellite Account for

South Africa report. The sector also employed just under 687 000 individuals, making it a larger employer than mining and utilities.

The study sought to explore the effectiveness of the strategic management practices at the heritage site in the execution of its mandate. The study sought to identify possible gaps in the strategic management practices by the site. The study will also assist similar organisations, notably, those that have acquired the World Heritage status with literature necessary for strategic planning, implementation and evaluation.

LITERATURE REVIEW

Strategic Management Practices

Venter (2017) describes strategic management as consisting of the following steps, namely strategy formulation, implementation and control. Strategic management is, therefore, the design and application of the strategic goals, objectives and action by the organisation's senior management based on integration of resources and the assessment organisation"s environment.

Strategic management practice is the process where managers establish the firm"s long - term direction, set specific performance objectives; develop strategies to achieve these objectives in the light of all the relevant internal and external circumstances, and undertake to execute the chosen action plans (Thompson and Strickland, 2017). On the other side, the Strategic management process entails following six steps, which include formulation of the company"s mission and vision, situation analysis, determination of the strategic objectives, strategic analysis and choice, implementation of the strategy and finally strategic evaluation and control (Pearce and Robinson, 2007).

Most of strategic management researchers regard strategic management as a process that begins with an analysis of the environments, passes to strategy formulation, strategy implementation and ends up with evaluation and monitoring of its strategies and objectives (David and David, 2017; Thompson and Strickland, 2017; Allison and Kaye, 2005).

Mintzberg and Waters (1985) categorize strategic plans as either emergent or deliberate. A strategy can be defined as emergent where consistencies are nurtured in the culture and practices of an organisation over time, though the adoption of such practices was not explicitly adopted. Similarly, strategy is defined by Mintzberg and Waters (1985) as deliberate where the collective intentions, vision and goals of an organisation are communicated to the broad stakeholders.

Emergent strategies

Formal strategy processes have been shown to be insufficient in shaping strategy, particularly in turbulent environments. According to Mintzberg and Waters (1985), emergent strategy is a set of actions, or behaviour, consistent over time, "a realized pattern [that] was not expressly intended" in the original planning of strategy.

The term "emergent strategy" implies that an organisation is learning what works in practice. An emergent strategy, therefore, is a pattern of action that progresses in an organisation over time in the absence of a specific mission and goals, or despite a mission and goals. Emergent strategy is sometimes called realized strategy. Emergent strategies are realized in absence of or despite formal strategic intention and by nature fall outside traditional strategy processes; this makes it difficult to control their influence and has prompted exploration of alternate methods to manage „planned emergence" (Levina and Su, 2008).

Deliberate strategies

The majority of strategic management study focuses on deliberate strategies and strategy content and formulation, while strategy implementation is sometimes portrayed as self-driven activity that is not subjected to much scrutiny (Kopmann *et al.*, 2015). However, according to Markins and Steele (2005), firms realize only 63% of their strategies" potential value, and Johnson (2004) reports that 66% of corporate strategy is never implemented. The new paradigm of „planned emergence" constitutes a shift from the traditional perception of strategic planning as a resource deployment process towards viewing „strategy as aspirations and performance goals" (Grant, 2003). „Planned emergence" promotes differences in attention to timeframe and level when compared with traditional strategic planning; „planned emergence" brings strategic vision to the present, recognizing micro-level practices whereas traditional strategic planning focuses on the future and on macro-level analysis.

A number of literature cautioned about the reliance on deliberate strategies entirely. Approaches to implementing strategy tend to take a narrow view and look for the best way to implement the deliberate strategy, rather than to consider other possibilities such as the role of emergence (Unger *et al.*, 2012; Meskendahl, 2010; Morgan *et al.*, 2008).

The strategic planning processes

Strategic planning is very necessary and important for all organisations success regardless of for-profit organisations or non-profit organisations. It helps organisations to reach its mission, goals and objectives and improve its performance efficiently and effectively (Ramaisa, Fazeyha and Huzaifa, 2017). Although it is time consuming and exhaustive procedure but it provides new ideas, energies and improved team works as well as organisational accountability, direction and vision. It also

provides opportunities to organisational employees in achieving organisational goals and objectives effectively and efficiently (Cothran and Clouser, 2006).

Monitoring and Evaluation

The final step in strategic management according to Venter (2017) is strategic control. Strategic control determines whether or not there have been any deviations from the overall plan or key changes in the environment that require corrective measures. According to Ehlers and Lazenby (2011:358), strategic control is the final phase of the strategic management process that focusses on assessing the selected strategy to verify if the outputs by the strategy are those intended. In the strategy evaluation and control process, managers determine whether the chosen strategy is achieving the organisation's objectives.

Strategic control process

According to Ehlers and Lazenby (2011: 358), strategic control entails the following:

… [it] is in essence the phase of the strategic management process that concentrates on evaluating the chosen strategy in order to verify whether the results produced by the strategy are those intended. Strategic control provides feedback on the formulation and implementation phases of the strategic management process.

Strategic control has two focal points:

- to review the content of the strategy
- to evaluate and control the implementation process.

From the definitions, it is clear that strategic control is concerned with evaluating the strategies that are being implemented, detecting possible changes and making the necessary adjustments. Strategic control is therefore a dynamic interactive process where information from all the different stages of the strategic management process are reviewed and evaluated in order to make the necessary adjustments.

Strategic management practices in Heritage organisations

According to the World Heritage Manual (2013), each World Heritage property must have an acceptable protection and management system to be deemed of Outstanding Universal Value (OUV). A management system for cultural heritage helps to conserve and manage a given property or group of properties in a way that protects heritage values, the OUV if it is a World Heritage property and, where possible, enhances wider social, economic and environmental benefits beyond the confines of each property. A management system needs to be regularly reviewed and updated to

respond to changes to the properties, their setting and the management system itself (World Heritage Manual, 2013).

The sometimes-uneasy relationship and mutual dependence between tourism and heritage attractions has been explored in a number of academic and practical texts, including Nuryanti (1997), Shackley (1998) and Tapper and Cochrane (2005). According to Leask and Fyall (2006: 98) tourism to WHS and other protected areas is increasing, bringing with it challenges to the sites from wear-and-tear and the impacts that large numbers of visitors can have on their „spirit of place. The management system of the WHS, therefore, aims to protect and manage the site according to the WHCA.

Strategic leadership

Leadership, management and administration are three terms that are all unique in their own connotation but also intertwined with one another within the general organisation. Leadership is commonly described as envisioning future innovation, spending time dreaming about long-term goals and expectations. Bertocci (2009) describes leadership as the combination of characteristics of personality traits in an individual that compels that person to inspire others to achieve goals that they would not normally accomplished without the leader"s motivation. Bertocci (2009) further argues that leaders in organisations should have a clear visual picture of where the organisation is, what direction the organisation is taking, and how to get there. An important attribute of leadership is therefore to present a clear path for followers to take to accomplish a task or goal. According to Bertocci (2009: 7), the main characteristic of leadership is the following: … leaders instinctively seem to know what needs to be done, when it needs to be done, and how it is going to be accomplished; and they get followers to work together to complete the tasks necessary to accomplish the goal. Leadership is about vision, big-picture issues, change and the future (Kotter, 1990).

According to Hunter (2000: 26) the distinction between management, leadership and administration to the organisations context is as follows: A leader communicates the organisational vision, purpose, and direction and mobilizes people"s energy in support of it. A manager deploys people (and resources), through specific roles, jobs, and tasks, to achieve the mission"s purpose and sees to it that the organisation permits and helps the people to succeed. An administrator facilitates the workflow of the organisation and attends to its efficiency.

Stakeholder engagement and management

According to Palmer (2004), in recent years reforms in public sector in South Africa has compelled public managers to take interests of various stakeholder groups into consideration when dealing with "strategic" issues. Stakeholders can have a huge influence on the success of any organisation towards the achievement of goals (Chinyio and Olomolaiye, 2010). It is, therefore, important to define

the organisations stakeholders. Stakeholders are people or small groups with the power to respond to, negotiate with, and change the strategic future of the organisation" (Ackermann and Eden, 2011). Stakeholders are generally any group or party that has direct interest in the organisation or any of the projects of the organisation. This includes investors, customers, suppliers, employees and members of an organisation. Within the context of the public service organisation, stakeholders are people with some or other kind of influence (financial influence, status based on societal views, historical commitment, et cetera. that may have the power to affect or will be affected by the achievement of the strategic intent. These different groups of stakeholders will have different views on what the strategic intent must be. It is also true that some stakeholders have more power than others, and they therefore have a stronger influence on the outcome or strategic intent. This is shown by Figure 1 below by Macmillan and Tampoe (2001).

FIGURE 1:

Stakeholder power identification

	high	
Extent of		Avoid annoying	Consult and involve
Power	Low	Least important	Inform

Low	High

Inclination to exercise power

The figure indicates different stakeholder groups with different extents of power and inclinations to exercise that power. The greater the extent of power the stronger influence the stakeholders will have and the stronger will be the inclination to exercise that power. These stakeholders need to be consulted and involved in such a way that they do not become annoyed and potentially impede the strategic management process. Where the stakeholders have a low extent of power, their inclination to exercise power is least important, and their commitment to the strategic intent can be secured by properly informing them on the progress made. Stakeholder analysis is a practice that can be used to identify and assess the salience of key people, groups of people, or institutions that may significantly influence the success of an activity or project. Identifying stakeholders relative to their interest, power and attitude helps to bring the most salient stakeholders into the decision-making process. Those with high salience will have interest and authority to deliver sustainability related performance and might have an interest in and knowledge of different sustainability related issues and solutions as well. Those with a high salience but a negative attitude may need to be brought on board in some way through actions

that lead to a change in attitude from negative to positive. This diagram by MacMillan and Tampoe can serve as a model for analysing stakeholder"spower.

PROBLEM STATEMENT

There is a decline in tourism numbers in this region and this may signal the existence or possible existence of gaps in the strategic management practices and strategy implementation at the heritage site considering the amount of economic infrastructure invested in the region. The question then is whether the heritage site"s strategic management"s practices are effective enough to assist the organisation to meet its goals and mandate of promoting the heritage site to both local and international tourists and boost the economy of the region.

RESEARCH OBJECTIVES

Primary objective

To explore strategic management practices at the world heritage site management authority.

Secondary objectives
- To determine the extent to which a formal process of strategic management is practiced within the heritage site.
- To ascertain if the leadership in the heritage site believe in strategic management as a way to achieving its political mandate.
- To examine whether the resources at the heritage site are used effectively towards the achievement of the strategic objectives and the political mandate.
- To determine the role of middle managers in this strategic planning process.
- To identify external and internal factors that hinder the planning process.

RESEARCH METHODOLOGY

In this study the research design took a form of selecting research participants and introducing them to the research process, inducting participants to the interviews, interviewing the participants and feedback on the interviews for validity, and recording data collection using audio datarecorder.

Selection and profile of participants

The study used purposive sampling for selecting participants. Purposive sampling is preferred because a participant is chosen according to his or her knowledge and experience of the research subject (Devers and Frankel, 2000: 264). The participants in this study were senior and middle managers at the heritage site. They are professionals and managers in the organisations they represent.

Data collection methods

The researcher used semi-structured interviews in this study as a research data collection method. The semi-structured interview is preferred as it is suitable for exploration of perceptions and opinions regarding complex and sensitive issues and it also provide the research with reliable data since it enables probing the participants for more information while giving them freedom to express views with their own words (Van den Berg and Struwig, 2017).

Data analysis

Information from interviews was structured and coded and then used to generate questions. The method is necessary to conduct a thematic data analysis to transform data into findings, by using structure and meaning to the volume of data collected. Data were sorted by separating relevant from irrelevant facts, identifying patterns and trends, and constructing a framework to communicate the essence of what the data had revealed. A thematic analysis was conducted by categorising the data in order to identify trends and themes by coding interrelated concepts, definitions and propositions (Van den Berg and Struwig, 2017).

Ensuring trustworthiness

Owing to the judgmental nature of qualitative research, in that the quality depends to a certain extent on the researcher, since the sample items depend on the expert knowledge of the investigator to use a quality judgement to design the research. There was therefore a need to ensure that the objectivity could be demonstrated in the trustworthiness of the findings. Trustworthiness can be guaranteed by testing the dependability, conformability, dependability, credibility and transferability of the findings and data (Hadi and Closs, 2016).

Dependability can be defined as the consistency in the way in which the study is executed over time (Morrow, 2005). By developing themes and codifying them consistency can be demonstrated over time.

Credibility considers the rigour in the research process and communication with others (Morrow, 2005). Clarity and in-depth understanding of the responses were achieved by selecting a sample of questionnaire respondents for the purpose of following up interviews. Furthermore, triangulation through cross checking of information and collecting data from multiple and varying sources was also used. Participants were provided the opportunity to review the records and data interpretations to ensure the data represent the members" viewpoints and responses accurately (Shenton, 2004).

Conformability appreciates the fact the researcher is never objective and therefore requires a demonstrable process to ensure that findings represent the core issues and not beliefs or pet theories (Morrow, 2005). By coding and creating themes, data can be traced to participants, while the process of filtering and interpreting could be demonstrated.

Transferability considers the ability of the reader to generalise conclusions, findings and core issues from the study. During the study, detailed descriptions of all participants as well as data collection methods and procedures were documented to enable other researchers to follow the study process by deriving the findings (Lincoln and Guba, 1985; Shenton, 2004).

RESULTS AND DISCUSSION

Composition of Participants

The staff complement at the heritage site can be described in three levels, namely the senior managers, middle managers (Project managers) and others (Assistant Project managers and lower).

The senior managers are responsible for developing and implanting strategic plans. Middle managers are also known as project managers and are responsible implementing the strategic plans. The middle management is a group that consist of highly specialised individuals and are seen as the drivers of operations. They also form part of the strategic planning team. The other group of participants is made up of assistant project administrators. The researcher included those that are directly involved in strategic planning and monitoring to participate in the study. See Table 1 for composition.

TABLE 1:
Composition of participants

Categories of Participants	Number of Participants
Senior Management	2
Middle Management	5
Other	1
Total	8

Source: Own compilation from the data

The population for the study was 22 and the targeted sample size was 20. The researcher received positive responses from 2 senior managers, 5 middle managers and 1 other official in the organisation. Participants were allocated numeric numbers in the study so that their identity is protected.

The findings are discussed below under specific themes.

Formal process of strategic management practiced within the heritage site

It was established from the findings that strategic management at the heritage site is a formal process that is time bound and follow the national treasury planning framework. The data presented and the responses from the interview participants confirmed that the heritage site has a formal process that leads to the crafting and documenting of a strategic plan. This strategic plan should be made available for approval by the MEC of Economic Development in Gauteng by the end of November of each year. When asked about the main features of the strategic plan the interview participants indicated that the main objective of the heritage site is for conservation and to preserve the Outstanding Universal Value (OUV) of the heritage site and also increase tourism in the region. The development and maintenance of tourism infrastructure to ensure a pleasant experience to visitors and stakeholders also forms part of the mandate of the heritage site.

Given the responses from participants, it is not clear what processes are followed for the development of strategic plans. The responses from participants were totally different and lacked a sense of organisational framework for developing these plans. The interview participants also listed a number of documents that are relevant for strategic management and planning at the heritage site. The following documents were listed.

- The heritage site master plan

The most important document in this case is the Integrated Management Plan which is derived from the World Heritage Convention Act. The integrated management plan requires the heritage site to describe how the OUV of the heritage site will be upheld and how the heritage site plans to preserve and protect the environment around the area falling under the heritage site. The master plan in this case refers to the founding document that established the heritage site. The mandate of the heritage site is clearly defined by this document.

In responding to the question about how individual and organisational objectives are linked, sixty percent of participants agree that the individual performance objectives are linked to those of the heritage site and the department. Other participants seem not to be sure of the linking of individual performance objectives with those of the heritage site and the department. The majority of the participants agree that individual performance objectives are clear and easily identifiable in the organisation"s strategic plans. A participant contradicted the statements of the rest of the participants and disagreed. This seemed to be an isolated incident. The majority of the participants are in agreement that the strategic goals and objectives of the Heritage Site Management Authority linked to the National Development Plan (NDP) objectives. However, one of the participants who disagreed seemed to agree while explaining this further.

All participants agree that the heritage site has a number of committees that ensures oversight over the implementation of strategic plans. A list of these committees can be summarized as follows:

- Monitoring and evaluation unit
- Audit committee
- Risk and Audit Management Committee
- Senior and executive management committees.

The monitoring and evaluation unit is directly responsible to follow up on the implementation of strategic plans and the report on deficiencies and also make recommendations. The responses revealed that, the heritage site employs measures to monitor and evaluate the performance of the organisation against the strategic plan. The monitoring and evaluation unit is responsible to measure performance against the strategic objectives and targets. A number of measures are employed to measure performance including the quarterly reviews and reporting. The responses also revealed that performance assessment at the project areas is inadequate.

Perception of the leadership in the heritage site pertaining to strategic management as a way to achieving the organisation's mandate

The participants indicated that strategic planning can be useful for organisations to plan for the future and be able to evaluate performance against predetermined strategic objectives. It was also noted that World Heritage sites are managed and governed by a separate set of regulations and legislation set by UNESCO. The maintaining of the status of the World Heritage site is depended on these regulations and legislation.

The strategic planning framework employed by the heritage site is drawn from National Treasury for national and provincial government departments. The heritage site adopted this framework as a trading entity operating under the administration of a department. The majority of interview participants agree that the strategic management framework employed by the heritage site is not suitable for the organisation of this nature. Three of the participants indicated that the strategic management framework employed by the heritage site is suitable for this kind of an organisation. Emanating from the literature review, it is noted that UNESCO"s World Heritage Sites are regulated and governed by a set of rules that seek to ensure that the Party States maintain OUV over the sites.

The majority of the participants indicated that there is support received from the executive authority in the crafting and implementation of strategic plans. Only one participant stated that the support from the executive authority is partly adequate.

Effectively using resources towards the achievement of the strategic objectives and the political mandate

The participants agree that the heritage site team is composed of highly qualified and experienced personnel. However, the available personnel are overwhelmed by the workload because critical posts have not been filled when personnel leave the organisation. Half of the participants agree that the organisation has dedicated personnel responsible for the crafting and implementation of strategic plans. On the contrary the other half of the participants disagree or are undecided.

Role of middle managers in the strategic planning process

The responses from the participants paints a picture that suggest that the process of strategy planning at the heritage site is too complex and not straight forward. Two of the participants indicated that the vision, mission and value statement in the strategic plan are those of the mother department and not tailor made to the heritage site. This was corroborated by the 2018/19 strategic plan. Other participants indicated that their involvement was limited to the operational or unit planning only. Two participants indicated that only senior management were involved in the crafting of key components of the strategic plan, namely, vision, mission and value statement.

External and internal factors that may hinder the planning process

The general feeling is that target groups are not in any way involved in the planning processes. It was also a mentioned that stakeholder engagements are taking place at different levels. However, the study could not identify any particular stakeholder from the research data or interview participants to support this assertion. The majority of participants did not respond to this question. Those that endorsed stakeholder management as a way of reaching out to stakeholders mentioned that these engagements were well received.

Summary of the findings

This study sought to explore the strategic management practices at the heritage site. The aim was to identify possible gaps in the strategic management practices and strategy implementation considering the amount of economic infrastructure invested in the region by government.

The study revealed that, the site employs a formal process of crafting, implementing and monitoring strategies. This process is followed by the preparation and approval of the operational plans, annual performance plans and the individual performance plans. However, the study shows that enough time for preparation is not provided to ensure that all participate and that all areas of planning are covered.

The research data shows that the site has experienced and skilled personnel to execute the strategic plans and achieve the mandate of the organisation. The study also shows that critical posts remained vacant for a period of more than five years. This may result in other strategic objectives not being met as there will be no officials to execute such activities and may also result in poor performance of the available personnel due to increased workload.

The interview participants indicated that, stakeholders are not adequately engaged in strategic management practices of the organisation. The unavailability of the consolidated stakeholder engagement plan supports this assertion. It also emerged that the vision and mission stated in the strategic plan is that of the department and not necessarily of the heritage site. This assertion was supported by the interview participants.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The study identified a number of gaps and missed opportunities due to bureaucratic and structural decision-making processes. Alignment of functions and resources at strategic level within the broader organisation remain key in order to direct the organisation to effectively, efficiently and economically achieve its mandate. To allow continued organisational renewal and seize opportunities for reconfiguration, management should align all functions and clearly communicate its mission and vision internally and externally across its complex stakeholder environment. Critical vacant positions should be filled and management should ensure that posts are filled within a reasonable time when the occupants leave the organisation. Management should develop a stakeholder matrix and identify stakeholders according to their level of importance to ensure proper participation or engagement during planning processes.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

This research is based on a qualitative case study method to collect and analyse research data that formed the bases for the results and the recommendations of the study. A case study research is based on a particular identified organisation and in this case, the study sought to explore strategic management practices at the heritage site. Tellis (1997) argues that the results of an explorative case study cannot simply lend itself to transferability.

Secondly, strategic management is a component within the broader business management studies and as a result a number of possible participants felt they were not experts in this area and so declined the invitation to participate. A total of eleven possible participants could not take part in the study.

Thirdly and lastly, the interview participants came from different backgrounds within the heritage site limiting the interpretative possibilities in terms of responding to interview questions. However, these limitations did not deviate or affect the overall objective of this study.

The study examined the concept of strategic management and their practices as relating to the heritage site as a case study. The study identified gaps in how the heritage site is institutionally aligned resulting in slow decision making at strategic level. Given that the two areas of possible study in the future are as follows:

Firstly, future studies should focus on the strategic positioning of the organisation. Whether, it will function effectively as a standalone organisation or under the administration of a department as the current arrangement.

CONCLUSION

The study concludes that the strategic management practices at the heritage site are not adequate to achieve its mandate. The organisation was found to be inconsistent in its application of processes to craft, implement and monitor the strategic plans. The organisation has experienced and skilled personnel at middle management and below to effectively and efficiently implement strategies that will position the heritage site as a world class tourism and anthropological research studies destination. The recommendations of the study show that there is still room for improvement. The following conclusions are arrived at:

- There is a formal process of strategic management that is practiced within the heritage site.
- The leadership in the heritage site believe in strategic management as a way to achieving its political mandate. However, their role in crafting and implementing strategies is hampered by the confusion between the mandate in the master plan and the activities that are outside the mandate.
- The resources at the heritage site are not effectively used towards the achievement of the strategic objectives and the political mandate. Resources are used to perform activities outside the mandate.
- Middle managers are not entirely part of the strategic planning process. This is the team that implement projects and need to be in the forefront of planning.
- External and internal factors that hinder implementation of strategies include slow decision making and bureaucratic lines of reporting.

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Beneficiary perceptions regarding farm worker equity share schemes in South Africa

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ABSTRACT

The agricultural sector is the backbone of any country that has arable land and people with the will to cultivate the land. The primary objective of this study was to assess beneficiary perceptions regarding farm worker equity share schemes in South Africa. A quantitative research design was employed using a survey by means of self-administered structured questionnaires and focus group sessions. Non-probability sampling was used by means of convenience and judgemental sampling. A total of 341 questionnaires were distributed to farmworkers on 20 farms within the designated population. The empirical results showed that farm worker equity share schemes are influenced by stakeholder trust, government intervention, farm owner support, but not by worker exploitation and access to resources. The results further showed that farm worker equity share schemes could influence farming performance, farming sustainability and employee expectations.

Keywords: farm worker equity share schemes; stakeholder trust; government intervention; operational risks; farming performance; employee expectations

INTRODUCTION

The imbalances in land ownership which limited active participation in agricultural activities of the rainbow nation in South Africa, led to the democratically elected government post 1994 to come up with new policies and programmes to this regard. Sidanius, Brubacher and Silinda (2019:254) define a rainbow nation as a "multiracial society in which all racial groups are equally valorised participants in the national project of creating an egalitarian and democratic society". It was for this reason that amongst other, six programmes for restitution, redistribution and post-settlement support were introduced in South Africa (Binswanger-Mkhize, 2014: 257). These programmes are: Restitution of Land; Settlement/Land Acquisition Grant (SLAG); Land Redistribution for Agricultural Development (LRAD); Comprehensive Agricultural Support Programme (CASP); Proactive Land Acquisition Strategy (PLAS); and the Re-capitalisation and Agricultural Development Programme (RECAP) (Binswanger-Mkhize, 2014: 257-258). These various land reform programmes were introduced to address problems associated with historic dispossession and rural poverty (Lahiff, 2007 cited

Cousins, 2016: 2). The agricultural policies at the time were in favour of and concerned with food security which gave rise to the larger and mechanised farms that were operated by a few individuals or organisations (Kirsten and van Zyl, 1999: 326).

Thus, there is a need for a review of farm worker equity share schemes. The beneficiary views and perceptions regarding farm worker equity share schemes in South Africa is thus the main focus of this study.

PROBLEM STATEMENT

Due to lack of sharing of information by the government pertaining to farmworker equity share schemes, it is assumed that the government moratorium in 2009 on these schemes was due to poor performance of farm worker equity share schemes (Hall and Cousins, 2018:5, Hall and du Toit, 2014). Limited available information shows that only nine out of 88 equity share schemes at the time were able to pay out dividends (Cousins, 2016: 8) in the range of R200 and R2000 per beneficiary (Hall and Cousins, 2018: 5). The challenges of these schemes included skills development, housing, procuring wrapping machines and repairing of farm roads (Makhubele, 2014). Furthermore, there are reported cases where the beneficiaries of these schemes were paid negligible amounts, whilst farm managers received high salaries (Mkodzongi and Rusenga, 2016: 13).

The information revealed that there are reported cases of farms not acting in good faith regarding their workers. Against this background this study addresses the following questions:

- What are the possible barriers to the success of farm worker equity share schemes?
- What are the factors that influence beneficiaries" perceptions of equity share schemes in South Africa?
- How do perceptions of farm worker equity share schemes contribute to the promotion of farming performance and sustainability?

It is envisaged that this study will make a major contribution to the body of knowledge regarding farm worker equity share schemes in South Africa for the benefit of various role players, such as government and scheme administrators to ensure that it is more effectively managed.

RESEARCH OBJECTIVES

The primary objective of this study is to understand beneficiaries" perceptions of farm worker equity share schemes in South Africa with the intention to make recommendations that will benefit current and future schemes. The secondary research objectives of this study are intended to make the primary research objective effective, through:

- Reviewing the literature pertaining to farm worker equity share schemes.
- Developing a model and measuring instrument for assessing beneficiaries" perceptions regarding farm worker equity share schemes.
- Empirically assessing beneficiaries" perceptions regarding farm worker equity share schemes in South Africa.
- Providing guidelines and making recommendations to promote the success of these schemes and to minimise or eliminate risks that can bring about underperformance of these schemes.

PROPOSED HYPOTHETICAL MODEL OF THE STUDY

A hypothetical model of beneficiary perceptions regarding farm worker equity share schemes in South Africa, is shown in Figure 1. This model will be tested in this paper.

FIGURE 1:
Proposed hypothetical model of the study
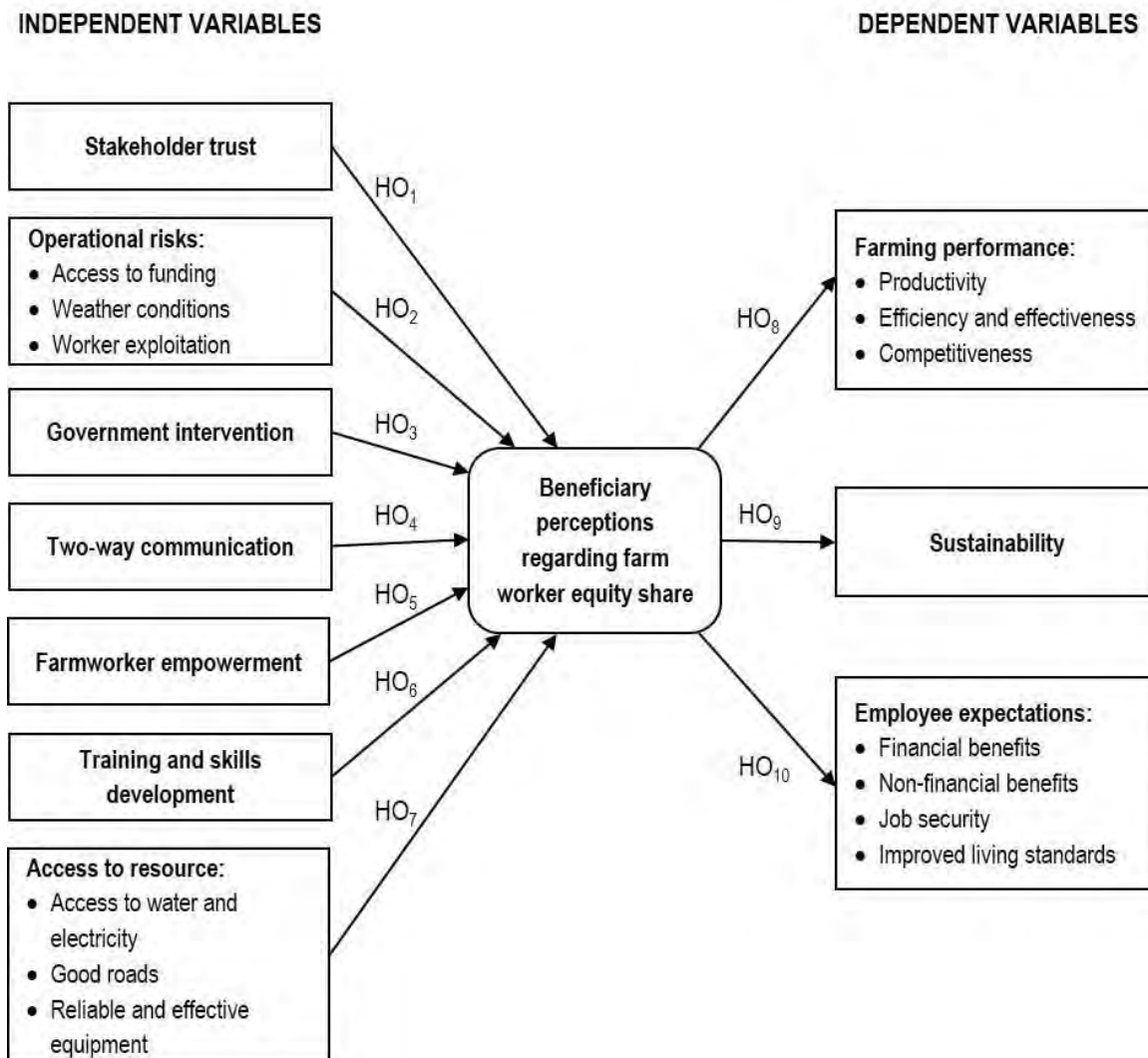
Source: Author"s own construction

On the bases of the hypothetical model of beneficiaries" perceptions regarding farm worker equity share schemes, as indicated in Figure 1, the following null-hypotheses are formulated to be tested in this study:

$H0_1$: There is no relationship between *stakeholder trust* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_2$: There is no relationship between *operational risks* (as measured by access to funding, climate conditions and worker exploitation) and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_3$: There is no relationship between *government interventions* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_4$: There is no relationship between *two-way communication* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_5$: There is no relationship between *farm worker empowerment* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_6$: There is no relationship between *training and skills development* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_7$: There is no relationship between *access to resources* and beneficiaries" perceptions regarding farm worker equity share schemes.

$H0_8$: There is no relationship between beneficiaries" perceptions regarding farm worker equity share schemes and *farming performance* (as measured by productivity; effectiveness and efficiency; and competitiveness).

$H0_9$: There is no relationship between beneficiaries" perceptions regarding farm worker equity share schemes and *business sustainability*.

$H0_{10}$: There is no relationship between beneficiaries" perceptions regarding farm worker equity share schemes and *employee expectations* (as measured by financial benefits, non-financial benefits, job security and improved living standards).

THEORETICAL OVERVIEW OF EQUITY SHARE SCHEMES

Clarification of equity share schemes

Klaas (2011: 3) and Palmer (2000) state that in a farm equity share scheme the participants (both land reform beneficiaries and private sector partners) purchase equity in the form of shares in an agricultural/natural resource-based enterprise (either a land and operating company or separate land and operating company). According to Tom (2006), ownership of equity focuses on who owns the productive assets of society and the way ownership can be better distributed. Therefore, share ownership is a model that broadens capital ownership amongst workers (Calo and De Master, 2016: 124).

Operationalisation of study variables

Table 1 provides the operationalisation of the study variables as depicted in the hypothetical model in Figure 1.

TABLE 1:

Operationalisation of study variables

Variable	Authors
Stakeholder trust is seen as the expectation by one person, group or organisation of ethically justifiable behaviour that is morally correct decisions and actions based upon ethical principles of analysis on the part of another in a joint endeavour or economic exchange.	Greenwood & Van Buren (2010); Harrison (2016) Matuleviciene & Stravinskiene (2016)
Operational risk refers to a process involving identification, assessment and management of both internal and external events and threats that could hinder the implementation of the strategy and achievement of strategic objectives resulting from inadequate or failed procedures, systems or policies.	Croitoru (2014) Delija (2015) Radomska (2014)
Government intervention refers to regulatory actions taken by government in order to affect or interfere in decisions made by individuals, groups or organisations regarding social and economic matters.	Belsky & Wacter (2010); Huang & Du (2016) Olowa & Olowa (2014)
Two-way communication is defined as interactive dialogue between an organisation and its stakeholders by designing action plans intended to promote voluntary changes in behaviour. It should include communication or dialogue between both the sender and receiver of the communication.	Lombard (2011); Markos & Sridevi (2010; Versosa & Garcia (2009)
Farm worker empowerment refers to the of strengthening the existing capacities of disadvantaged groups in society so as to enable them to perform towards improving themselves, their families and the society as a whole.	Osahon & Odoemelam (2016); Smit & Cronje (2002); Strydom (2003)
Training and skills development is seen as the official ongoing educational activities in an organisation or entity designed to enhance the fulfilment and performance of employees.	Laird, Naquin & Holton (2003); Paterson (2003) Van Rensburg (2014)

Access to resources refers to anything people can use to satisfy their needs; it could be anything from ground water, grass, land, people, roads, electricity and reliable and effective equipment.	Lotz & Blignaut (2011) Ogato, Boon & Subramani (2009); United States Department of Agriculture (2016)
Farming performance is regarded as the accomplishment of work, tasks or goals according to a certain level of desired satisfaction. This could be measured in terms of efficiency and effectiveness, productivity, profitability and competitiveness.	Al-Matari (2014) Aluko (2003); McNamara (2010)
Sustainability refers to the organisation"s ability to meet and satisfy stakeholder demands without compromising the needs of future stakeholders. It could thus generate profit for shareholders, protects the environment, and improves the lives of people with whom it interacts.	Savitz & Weber (2007); Pretty (2008); Sriboonlue, Ussahawanitchakit & Raksong (2016);
Employee expectations refer to beliefs that individuals hold about what leads to what in the work environment. However, employee expectations are contingent upon and constantly modified in respect of the environment, communications and employee interactions. These expectations could be in relation to benefits, rewards, job security and living standards.	Hubbard & Purcell (2001); Mkodzongi & Rusenga (2016)

Source: Author"s own construction

Challenges of farm worker equity share schemes

Bless and Higson-Smith (2004: 15-16) state that previous research revealed that a number of factors such as, contradictory results or a questionable approach, indicate that what has been achieved thus far regarding farm worker equity share schemes in South Africa is dissatisfying and sub-standard – this is evident in the reflections effected by the Department of Rural Development and Land Reform. It was shown that the benefits of equity share schemes are classified into financial and non-financial benefits and that different reasons would cause the slow realisation of these benefits to beneficiaries. This deficiency is centred on the limited financial gains achieved by the beneficiaries of the equity share schemes (Klaas, 2011: 34-35). It was further argued that regardless of the number of underperforming equity share schemes, the ultimate goal should be to exceed the workers" expectations and minimise or eliminate any unfavourable situation pertaining to the performance of the equity share schemes (Makamure, 2014: 25, 64). If a farm is making a significant profit but fails to meet the targets that were set when the equity share scheme was established without providing any reasons for the lack of implementation, then it would qualify to be listed under failed schemes and associated with an unwillingness to implement.

The study provided a broad scale investigation into beneficiaries" perceptions regarding farm worker equity share schemes in South Africa.

RESEARCH DESIGN AND METHODOLOGY

Research paradigm

A positivistic research design by means of quantitative research was used during the empirical study. This was done to obtain information from the observation of patterns in the responses provided by the farm workers regarding the measuring instrument.

Research approach

Given the nature of the study, the research approaches followed in this study are exploratory and descriptive in nature. The aim was to explore a relatively new area and describe beneficiary perceptions regarding farm worker equity share schemes in South Africa.

Population

The population of this study includes all farm worker equity share schemes operating in South Africa. There is no updated published information on registered farm worker equity share schemes in South Africa making it difficult to determine the exact population of this study. It is estimated that about 88 or more farm worker equity share schemes exist as per the information contained in the confidential study report produced in 2010 (Hall and du Toit, 2014). This is comparable to the figure of 88 reported by Hall and Cousins (2018: 5).

Sampling

The sampling for this study was guided by the analyses to be employed in the study among which was factor analysis. Yong and Pearce (2013: 80) state that factor analysis requires a sample size of at least 300 participants. As the population was self-created (no published data base) and some information was outdated, non-probability sampling was used. Convenience and purposive sampling were used to select the 20 farms for participation in this study. Ideally, a total of 15 farm workers were targeted per farm to whom the measuring instrument was administered. However, due to a variation in these farm worker equity share schemes, less than 15 workers were selected on some farms while more than 15 workers were selected in others, resulting in a total sample size of 341 farm workers.

Data collection

The secondary sources for the literature review was obtained through desktop research using journal articles, textbooks and the Internet. The primary data for this study was obtained using the survey method by means of self-administered structured questionnaires used in group sessions. The farms identified and willing to participate in this study were in the Eastern Cape, Gauteng, Mpumalanga and Western Cape Provinces.

Questionnaire design

A seven-point scale ranging from strongly agree to strongly disagree was used for Section A to Section C. Section A assessed the impact of seven factors (independent variables) on beneficiaries" perceptions regarding farm worker equity share schemes in South Africa. Section B analysed

perceptions regarding beneficiaries" perceptions regarding farm worker equity share schemes (mediating variable) in South Africa. Section C analysed the impact of farm worker equity share schemes in South Africa on the dependent variables (outcomes). Section D used nominal-scaled questions to solicit background information from the respondents (demographic characteristics) such as gender, age, ethnic group, educational background and employment level.

Data analysis

Various statistical methods are used in this study. The measuring instrument was assessed for both validity and reliability. Face and content validity were assessed through a pilot study and expert judgement from researchers in the field of management, ethics and statistics. Exploratory factor analysis was used to assess construct validity through both convergent and discriminant validity. A cut-off point of 0.4 was used and at least three items needed to load per factor in order to be regarded as acceptable. Cronbach"s alpha coefficient was used to assess the internal reliability of the study variables. The p-value of >0.5 was considered to represent a sufficient standard of reliability. The acceptance of a p-value >0.5 was supported by De Leng, Stegers-Jager, Husband, Dowell, Born and Themmen (2017: 247). Regression and correlation analysis were used to test relationships between the dependent and independent variables and to test the stated null-hypotheses of the study.

DISCUSSION OF EMPIRICAL RESULTS

Demographical profile of respondents

Although the demographical profile of respondents was analysed in detail, in summary, the results showed that the majority of the respondents were male (57%) and between 21 and 30 years (41%). About 72% of the schemes only paid dividends and 56% of the participating workers were employed on citrus farms. Only 49% of the participants were full time employees and 48% had been in employment for a period between one and five years. About 35% of the schemes had been in operation between nine and 12 years and 55% were no longer members of these schemes.

Exploratory factor analysis results

Exploratory factor analysis was done and only a summary of the results is provided. Factor loadings of greater than 0.4 were considered significant. The results showed regrouped latent variable items as per the information provided in Table 2.

Reliability of the measuring instrument

The reliability of the new and adapted variables had to be reassessed. The results in Table 2 indicates Cronbach"s alpha values between 0.5 and 0.8. This indicates that all instruments have a fair degree of reliability of 0.50. In this study, the internal validity of the newly formed variables "Risk related to weather conditions (RWC)" which is >0.53 and "Risk related to worker exploitation" which is >0.55, were accepted for exploratory research and, therefore, retained for further analysis.

TABLE 2:

Cronbach's alpha coefficients of the latent variables based on the comprehensive

Latent Variable	Items	Minimum - Maximum Factor loadings	Cronbach's Alpha
Stakeholder trust (ST)	ST1, ST2, ST3, ST4, ST5, TWC4, TWC5, FE2, FE4, FE5, TSD2, TSD3	0.43 – 0.69	0.87
Risk: weather conditions (RWC1)	RWC4, RWC5, RWC6	0.53 – 0.73	0.53
Risk: worker exploitation (RWE2)	RWE7, RWE8, RWE9	0.41 – 0.72	0.55
Government intervention (GI)	GI1, GI2, GI3, GI4, GI5	0.48 – 0.77	0.76
Farm owner support (FOS)	TWC2, TWC3, FE1, TSD4	0.48 – 0.78	0.71
Access to resources (AR)	AR1, AR2, AR3, AR4, AR5, AR6, AR7, AR8, AR9, TSD5	0.53 – 0.70	0.82
Perceptions of equity share schemes (ESS)	ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS8	0.52 – 0.78	0.84
Farming performance (FP)	FP1, FP2, FP3, FP4, EE5	0.61 – 0.69	0.81
Sustainability (SUS)	SUS1, SUS2, SUS4, SUS5	0.56 – 0.73	0.65
Employee expectations (EE)	EE1, EE2, EE3, EE4	0.69 – 0.76	0.73

Source: Author"s own construction

The study retained Stakeholder Trust, Risk: Weather Condition, Risk Weather Exploitation, Government Intervention, Farm Owner Support, Access to Resources, Perceptions of Equity Share Schemes, Farming Performance, Sustainability and Employee Expectations since their Cronbach"s

alphas were above the cut-off point. Table 2 indicates that all Cronbach"s reliability coefficients are above 0.5 which is regarded as acceptable for the purpose of this study. This indicates that all instruments have a fair internal reliability of 0.5 and above.

Regression analysis

- **The influence of stakeholder trust, risks related to weather conditions, risks related to worker exploitation, government interventions, farm owner support and access to resources on farm worker equity share schemes**

Table 3 depicts the regression analyses results of the influence of the independent variables on perceptions regarding farm worker equity share schemes.

TABLE 3:

Regression analysis: influence of stakeholder trust, operational risks related to weather conditions and worker exploitation, government interventions, farm owner support and access to resources on farm worker equity share schemes

Parameter	REGRESSION SUMMARY FOR DEPENDENT VARIABLE: FARM WORKER EQUITY SHARE SCHEMES					
	Beta b*	Std. Error	B	Std Error	T value	P-value
ST	**0.162**	0.062	**0.163**	0.063	2.605	**0.009****
RWC	0.084	0.047	0.079	0.044	1.793	0.739
RWE	-0.035	0.050	-0.027	0.039	-0.694	0.488
GI	**0.292**	0.053	**0.285**	0.052	**5.451**	**0.000*****
FOS	**0.284**	0.059	**0.263**	0.055	**4.826**	**0.000*****
AR	0.067	0.049	0.064	0.047	1.356	0.176

R	R^2	F	Std Error of estimate P	
64%	0.41566050	35.092	0.94890	p< .00000

* = p < 0.05, * * = p < 0.01, *** = p < 0.001

Source: Author"s own construction

Table 3 shows that Operational risks related to weather conditions (r =0.084, NS) and worker exploitation (r = -0.035, NS) as well as Access to resources (r = -0.035, NS) do not exert a significant influence on Farm worker equity share schemes. Table 3 further indicates that stakeholder trust (b = 0.163, p < 0.01) and government interventions (b = 0.285, p < 0.001) as well as farm owner support (b = 0.263, p < 0.001) are positively related to farm worker equity share schemes. This implies that farm workers tend to trust farm owners or managers when they are allowed to share their opinions

before final decisions regarding farm equity schemes are made. Farm workers also feel that government should timeously monitor the implementation of equity share scheme policies based on a legal framework. Furthermore, when farm workers receive training which enables them to serve as office bearers for the equity share scheme to which they belong, they feel that they are empowered as beneficiaries.

In total, the R^2 of 0.416 explains 42% of variability in the model as explained by the moderating variable (farm worker equity share schemes).

- **The influence of farm worker equity share schemes on dependent variables (outcomes)**
-

Table 4 indicates the influence of farm worker equity share schemes on the outcomes.

TABLE 4:

Regression analysis: the influence of farm worker equity share schemes on dependent variables (outcomes)

Parameter	REGRESSION SUMMARY FOR DEPENDENT VARIABLE: FARMING PERFORMANCE					
Parameter	Beta b*	Std. Error	B	Std Error	T value	P-value
Farm worker equity share scheme (ESS)	**0.633**	0.045	**0.674**	0.047	**14.179**	**0.001***
R	R²		F		Std Error of estimate P	
63%	0.40124153		201.04		1.0147 p<0 .00000	
	REGRESSION SUMMARY FOR DEPENDENT VARIABLE: SUSTAINABILITY					
Farm worker equity share scheme (ESS)	**0.493**	0.050	**0.500**	0.051	9.821	**0.001***
R	R²		F		Std Error of estimate P	
49%	).2432797)		96.448		1.0791 p<0 .00000	
	REGRESSION SUMMARY FOR DEPENDENT VARIABLE: EMPLOYEE EXPECTATIONS					
Farm worker equity share scheme (ESS)	**0.128**	0.057	**0.152**	0.068	2.237	**0.03***
R	R²		F		Std Error of estimate P	
13%	).0164069)		5.0042		1.4480 p<0 .00000	
* = p < 0.05, ** = p < 0.01, *** = p < 0.001						

Source: Author"s own construction

Table 4 indicates that the R^2 of 0.401 indicates that 40% of the variability in the model is explained by the variable „Farming performance". This means that farming performance (b = 0.674, p < 0.001) has a positive relationship with farm worker equity share schemes. This means that when farm workers are aware that government is responsible for providing them with a grant to buy shares in the equity scheme, productivity increases and the profitability objectives of the farm are effectively used.

Table 4 further shows that the R^2 of 0.243 indicates that 24% of the variability in the model is explained by the variable „Sustainability". This means that farming sustainability (b = 0.500, p < 0.001) has a positive relationship with farm worker equity share schemes. This implies that farm workers feel that the implementation of a long-term business plan and formal dispute resolution procedures regarding equity share scheme matters by farm owners, create stability in farming activities and in the farm worker equity share scheme.

Table 4 also shows that the R^2 of 0.016 indicates that 2% of the variability in the model is explained by the variable „Employee expectations". This relationship is however not very strong. Although employee expectations of farming (b = 0.152, p < 0.001) has a positive relationship with farm worker equity share schemes, government intervention can assist in ensuring that employees" expectations are considered to some extent. Furthermore, farm workers expect that the power they exercise in decision-making should be at least equal to their share of equity in the scheme.

Findings on hypothesised relationships

The hypotheses tested had to be reformulated as a result of the formulation of the adapted model. $H0_2$ was modified into $H0_{2.1}$ and $H0_{2.2;}$ and $H0_4,$ $H0_5$ and $H0_6,$ modified into $H0_{4.1.}$

Below are the findings of the hypothesised relationships and renamed hypotheses.

*First set of hypotheses: Relationships between independent variables and mediating variable (the following hypotheses were **rejected**):*

- $H0_1$ and $H0_3$ as formulated above under the proposed hypothetical model of the study.
- $H0_{4.1}$: There is no relationship between farm owner support and beneficiaries" perceptions regarding farm worker equity share schemes.

*Second set of hypotheses: Relationships between mediating variable and dependent variables (outcomes) - all hypotheses were **rejected**.*

- $H0_8,$ $H0_9$ and $H0_{10}$ as formulated above under the proposed hypothetical model of the study.

CONCLUSIONS AND RECOMMENDATIONS

This study highlighted the importance of stakeholder trust, government intervention and farm owner support influencing perceptions regarding farm worker equity share schemes, ultimately impacting farming performance, farming sustainability and employee expectations. The success of the equity share schemes relies on a team effort from all relevant stakeholders in the industry.

The empirical findings specifically highlighted the following statistically significant findings:

- It appears that there is a statistically significant relationship between *stakeholder trust* and *beneficiaries' perceptions regarding farm worker equity share schemes* in South Africa ($H0_1$ rejected). Trust between various stakeholders and role players are thus paramount for the successful functioning of farm worker equity share schemes.

- The results also indicated that there is a significant relationship between *government interventions* and *beneficiaries' perceptions regarding farm worker equity share schemes* in South Africa ($H0_3$ rejected). Without the active involvement of government through various initiatives, programmes and policy formulation, these schemes seemed to be doomed for failure.

- It was further shown that there is a significant relationship between *farm owner support* and *beneficiaries' perceptions regarding farm worker equity share schemes* ($H0_{4.1}$ rejected). This implies that the farm owner must ensure farm workers are provided with all the support that they need, such as expert advice, established negotiation practices and skills training and development.

- It appears that there is a statistically significant relationship between *beneficiaries' perceptions regarding farm worker equity share schemes* and *farming performance* ($H0_8$ rejected). Farming performance should improve upon the participation of beneficiaries in equity share schemes through increased productivity, profitability and competitiveness.

- It was also validated that there is a significant relationship between *beneficiaries' perceptions regarding farm worker equity share schemes* and *farming sustainability* ($H0_9$ rejected). If properly implemented and managed these schemes should have economic, social and environmental benefits to farm owners, broader community and other stakeholders.

- The results also indicated a statistically significant relationship between *beneficiaries' perceptions regarding farm worker equity share schemes* and *employee expectations* ($H0_{10}$ rejected). The effective functioning of these schemes could directly impact on the expectations of farm workers regarding realistic financial benefits, non-financial benefits, job security and their improved living standards.

In this study, no statistically significant relationships were found between independent variables, operational risks related to weather conditions and worker exploitation and access to resources and

perceived beneficiary perceptions regarding farm worker equity share schemes in South Africa. Table 5 provides some general guidelines to stakeholders regarding the effective implementation of farm worker equity share schemes.

TABLE 5:

General guidelines regarding aspects of farm worker equity share schemes

	Recommendations regarding stakeholder trust:
1	Literacy training programmes should be offered to all farm workers.
2	Intentions of the farm owner/manager towards farm workers should be good and sincere.
3	Employees should safely raise any concerns with the farm owner/manager.
4	The farm owner/manager should give employees significant autonomy in determining how to do their job.
	Recommendations regarding government interventions:
5	Government officials should explain land reform to the beneficiaries of the equity share scheme. Government should also provide additional financial support for the equity share scheme.
6	Government should monitor the implementation of equity share scheme policies based on a legal framework.
	Recommendations regarding farm owner support:
7	There should be effective negotiation practices to reach consensus regarding work-related matters.
8	The farm owner/manager must ensure that employees are confident in using their abilities/skills to do their job effectively.
	Recommendations regarding equity share schemes as to increase farming performance:
9	Employee effectiveness should improve based on participation in the equity scheme. Productivity should increase since the formation of the equity scheme.
10	Profitability objectives should be achieved based on effective operation of the equity share scheme. All resources on the farm should be optimally used.
	Recommendations regarding equity share schemes as to ensure farming sustainability:
11	The equity share scheme should have a long-term business plan to be implemented by the owner/manager. There should be a continuous strive to make profit to sustain the farm"s survival.
	Recommendations regarding equity share schemes as to create realistic expectations:
12	The equity share scheme must negotiate the value of the equity to be purchased with all members. There should be a continuous assessment of farm management by the government/investor/bank.

Source: Author"s own construction

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Perceptions of intrinsic and extrinsic rewards as a motivator amongst managers at a furniture retail organisation

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ABSTRACT

Managers are increasingly expressing their anxiety about their future security, and are more concerned than ever about their job security and a stable set of rewards. This concern has been triggered by the employers who are having to make increasingly difficult decisions about their workforce compensation and its relationship to performance. The aim of this study was to determine whether rewards are perceived as a motivator by managers at a retail company. Non-probability sampling was employed as the intent was to survey lower-level and middle managers only. SPSS Version 15 was used to analyse the data to ensure that a quantitative analysis for the study could be conducted. The Mann-Whitney U test was used for this study to distinguish between two groups of samples in the population. The results showed that there was a significant difference between higher earning and lower earning managers in the level of importance attributed to rewards from management.

Keywords: intrinsic motivation; extrinsic rewards; furniture retail; lower-level management; middle-level management.

INTRODUCTION

The past financial turmoil in the country has had a tremendous impact on employees" attitudes towards rewards and organisational responses. During this time both employers and employees have been forced to revisit fundamental assumptions about their implicit and explicit agreement with one another (Bussin and Brigman, 2019). Towerswatson, (2010) and Wombulu, (2020) found that managers are increasingly expressing their anxiety about their future security, and are more concerned than ever about their job security and a stable set of rewards. Employers are having to increasingly make difficult decisions about their workforce compensation and its relationship to performance.

According to Kocabiyikoglu and Popescu (2007), if managers are motivated properly they can help the organisation to increase its profitability. They propose some drivers of managerial (including lower-level and middle managers) motivation and the use of performance pay to amend

motivational patterns within their organisations. Financial and non-financial reward schemes are equally important to attract, keep and encourage employees, such as lower-level and middle managers, and to ensure they perform in a satisfactory way (Van der Merwe, Basson and Coetzee, 2009). Factors such as competitive salary, friendly working environment, healthy interpersonal relationships and personal development are cited by literature as key variables that influence employee turnover (Politi, 2018).

LITERATURE REVIEW

Different concepts are outlined below to clarify the understanding of the terminologies used within the study.

Extrinsic motivation and intrinsic rewards

According to Mullins (2007), extrinsic motivation is associated with tangible rewards; these are rewards that cannot be influenced by individual managers and are regulated at organisational level.　These rewards include the following: advancement in positions, remuneration, fringe benefits, state of affairs in the workplace, contract of service, safety of employees, and the work environment. For management to be able to increase the productivity of their employees the following external motivators must be taken into consideration:

Benefits – which comprise sick leave and given time to go on holiday, retirement assistance and wellbeing protection (cover) / schedules that are elastic /job responsibilities /money – in the form of bonuses, salaries, share options /career advancement /recognition and positive criticism and a caring boss

Intrinsic rewards are associated with psychological rewards which are controlled by the individual managers" conduct and actions. These rewards include the following: a sense of achievement and challenge, getting positive recognition and gratitude, being cared for, considerate managers, and being given the platform to maximise one"s ability (Mullins, 2007). In summary, those who oppose the use of rewards by management are in essence against the concept of extrinsic motivation. They believe that intrinsic motivation is a much more powerful and deeper source of motivation. This position is backed up by empirical evidence and Herzberg"s theory.

Impact of rewards on intrinsic interest

Mullins (2007), wrote that rewards are divided into two categories, namely intrinsic and extrinsic rewards. The author defines intrinsic rewards as those associated with the particular individual, such as a sense of achievement and feeling recognised. Extrinsic rewards primarily comprise a person"s working conditions, monetary rewards and career advancement opportunities; they are

defined by the organisation. Giving rewards to employees" means that the company needs to establish a reward system.

According to Carr (2005), intrinsic factors are the self-generated factors which are related to job satisfaction and they influence people"s behaviour or they influence certain issues to head in a particular direction. Extrinsic factors are associated with job dissatisfaction and they are things that are completed to or for people to motivate them (Carr, 2005). Mullins (2007) assert that extrinsic motivation is associated with tangible rewards; these are rewards that cannot be influenced by individual managers and are regulated at organisational level.

Eisenberger and Aselage (2009) believe that when it comes to the effects of reward on intrinsic interest there are extensive incongruities. According to cognitive evaluation theory, it is believed that an individual"s behaviour can be controlled to a certain extent and influenced by the offer of rewards and can make a job exciting. The decreased autonomy from individuals is believed to reduce attentiveness to performance that is imaginative and is an intrinsic task. On the other hand, according to Deci and Ryan"s cognitive evaluation theory (1985, cited in Eisenberger and Aselage, 2009), high quality of performance of individuals increases, instead of decreases intrinsic interest and autonomy due to their expectation of rewards. Lastly, there are strong indications that when high performance is being rewarded there is an upsurge in intrinsic interest (Eisenberger and Aselage, 2009).

Total rewards strategy in an organisation

In (2019) WorldatWork, stated that an integrated reward strategy, culture, retention and motivation play a very fundamental role. Culture is viewed as an overlapping contextual factor within and outside the organisation, and external and internal factors often influence organisational culture. The environment sets the tone of the organisation since every new member of the organisation reacts to the environment. An organisation"s success depends on its ability to draw enough and also supply qualified talent. The five key important reward elements are compensation, benefits, worklife, performance and recognition, development and career opportunities. Motivation is about the organisation being successful in influencing employee behaviour through intrinsic and extrinsic means, which leads to optimum performance (WorldatWork, 2019)

Importance of motivation

Robbins, Odendaal and Roodt (2004) define motivation as the "processes that account for an individual"s intensity, direction and persistence of effort towards attaining a goal". In addition to Robbins" definition, Yu Lin"s definition (2007) describes motivation as a tendency of individuals to behave in a purposeful manner to achieve specific, unmet needs. Yu Lin (2007) further defines the construct as the psychological forces within an organisation that determine the direction of a

person"s behaviour, the level of persistence and the level of effort when encountered with challenges.

Moreover, according to Kressler (2003), "nothing happens without a reason: everything has a cause. Everyone has motives, is „motivated". Furthermore, "to be motivated is above all a positive condition, something desirable that should be promoted by a whole host of agents, or motivational factors, in order to encourage the desire to enhance performance" (Kressler, 2003). Carr (2005) defines motivation as an internal force to achieve specific goals, which comes as a result of an individual"s conscious and unconscious needs. Hellriegel, Slocum, Jackson, Louw, Staude, Amos, Klopper, Louw, Oosthuizen, Perks and Zindiye (2012) define motivation as any influence that triggers, gives directions or sustains a behaviour that is goal-oriented.

The motivation of managers is a complex issue that is influenced by many factors. Manager"s unique characteristics affect how they can be motivated and age as well as career anchors are ways of understanding these factors (Strydom, 2018).

According to Carr (2005), motivators are known as "factors of motivation". These are factors that can stimulate or can lead to positive willingness from an individual, and include specific needs, wants, drives or impulses. For instance, factors such as promotion, working environment, salaries, recognition, work content and supervision style can initiate the willingness of individuals to reach organisational goals (Carr, 2005). One of the most broadly well-known theories of job satisfaction is Maslow"s hierarchy of needs. Maslow's (1943) hierarchy of needs theory places employees' needs into five progressive categories, which include physiological needs, security needs, social needs, self-esteem needs and self-actualisation (Bušatlić and Mujabašić, 2018).

Lower- and middle-level managers in an organisation

Lower-level managers are managers that are responsible for formulating short-term objectives and they give directions and guidance to the operative employees who perform the day-to-day activities (Bateman and Snell, 2011) define these managers as operational managers who supervise the organisation"s operations. On the other hand, middle managers are liable for translating and breaking complex goals set by top managers into smaller units, and they are responsible for managing lower level managers.

In this study lower- and middle-level managers constitute branch managers, regional and operational executive managers employed in the various retail chains of the organisation where the study was conducted.

Retail industry

The retail industry involves all the retailers established for the reason of rendering a service and distributing goods to the final end user from the manufacturers and wholesalers. The last step in the distribution of merchandise is the retail process; and the retailers sell the products to the end users in small quantities.

PROBLEM STATEMENT

Money can buy all the things needed by employees, but it is not a motivator. The assumption of paying people more money to encourage them to perform better work or even less is not supported by the experience of organisations. It was established that more money will not increase satisfaction amongst employees and little money will irritate them. If the reward is significant to employees" performing then they will perform as expected. In other words, creativity is a casualty of rewards, therefore rewards pull to an opposite direction as compared to excellence. Lastly, some studies have found that people tend to perform less and go for easier challenges when working for a reward; especially those employees who are paid piece-rate for their work tend to choose easier tasks as the payment for success increase

Research objective: To ascertain whether intrinsic and extrinsic rewards motivate managers.

Research question: What is the perception of intrinsic and extrinsic rewards as a motivator amongst managers at a retail company?

Proposition:

P1: There is no significant difference between the mean values of salary earned annually and the following reward variables.

P1a – motivation

P1b – benefits   P1c – compensation

P1d – work-life   P1e – career and development

RESEARCH METHODOLOGY

According to Nyelisani (2010), the quantitative approach can be utilised for statistical analysis and also to overcome time constraints for the research. This method allows for speedy analysis and management of data within a reasonable time. This survey study used quantitative and descriptive methods because the purpose of the study was to determine the perceptions of rewards among managers at a retail company. For the results of this study to be considered reliable a large number of participants had to be surveyed. All the reasons for choosing a quantitative method for

the study are supported by the definition by Leedy and Ormrod (2010:94), according to whom "it involves looking at amounts, or quantities, of one or more variables of interest". Furthermore, quantitative studies represent the mainstream approach to research, and carefully structured guidelines exist for conducting them (Leedy and Ormrod, 2010). Concepts, variables, hypotheses, and methods of measurement tend to be defined before the study begins and remain the same throughout (Leedy and Ormrod, 2010). Zikmund (2009) states that questions such as who, when, what, how and where, are answered through descriptive studies.

Method of data collection

There are a number of different methods of data collection that can be used for a study. In this instance the structured questionnaire method was used for the purpose of collecting data regarding the perceptions of managers on rewards as a motivator at a retail company. Self-administered questionnaires were deemed appropriate for the study as a data collection method because of the quantity of information required.

Population: In this study the target population included women and men of different age groups, race groups, and so forth, working for retail companies. Non-probability sampling (purposive sampling) was used as the intent was to survey lower-level managers and middle-level managers only. Zikmund (2009) defines non-probability sampling as a method of obtaining units or people who are conveniently available.

Target population: The number of 172 respondents at a furniture retail organisation (lower- and middle-level managers) was used for the study because the most preferable sample size is one that is large (Leedy and Ormrod, 2010). Purposive sampling creates a basis for creating a representative sample so that everyone in a population stands a chance to be nominated and all possible samples of the same size have an equal chance of being selected.

Method of data collection

There are a number of different methods of data collection that can be used for a study. In this instance the structured questionnaire method was used for the purpose of collecting data regarding the perceptions of managers on rewards as a motivator at a furniture retail company. Self-administered questionnaires were deemed appropriate for the study as a data collection method because of the quantity of information required. Questionnaires are the most widely used method of collecting primary data for quantitative research.

The cover letter explained the purpose and main objectives of the study. In addition, the cover letter explained that the questionnaires would take no more than 20 minutes to complete and that the information collected from the questionnaires was solely for research purposes. The letter also

informed the respondents that the information gathered would be strictly confidential and anonymous.

Method of data analysis

The purpose of this study was to test the perceptions of rewards as a motivator amongst managers. For the primary data to be interpreted, SPSS Version 15 was used to analyse the data in this study to ensure that quantitative analyses for this study could be conducted. The completed questionnaires were coded and edited in order to calculate frequency distribution and to analyse personal data, and to calculate the central tendency and percentage distribution. SPSS is regarded by many professionals as one of the best software options for statistical analysis. The statistics obtained from the research were then presented in the form of computer graphics, with the help of STATKON for data analysis.

RESEARCH FINDINGS

Section A: Demographic profile

The biographical information of the 172 furniture retail managers who participated in the study are outlined in table format and are explained by means of frequencies and percentages.

Gender: The results show that the sample was more representative of male managers than female managers. Of the 172 respondents 65.1% (n=112) was male and 34.9% (n=60) comprised female respondents.

Age of managers: The information indicates that of the 172 respondents who completed the questionnaires, the majority of the sample were between 40-44 years old (23.8%, n=41), followed by the 30-34 year age group (19.2%, n=33), 35-39 years (18.6%, n=32), 45-49 years (16.9%, n=29), 25-29 years and 50-54 years (8.7%, n=15), 55-59 years (2.3%, n=4), younger than 24 years (1.7%, n=3).

Years of experience: The majority of the respondents fell between the category of between 3 to 5 years of experience (33.7%, n=58), followed by those with 6 to 9 years of experience (27.3%, n=47). The respondents with 15 years and more represented 15.7% (n=27), followed by respondents with 10 to 14 years of experience (15.1%, n=26) and less than 2 years of experience (8.1%, n=14).

Management position: reveals that the majority of the respondents were lower-level managers (branch managers), who accounted for 82.0% (n=141), and middle level managers (regional/operational and executive managers) made up 18.0% (n=31).

Section B: Test Statistics

Table 1 shows a p-value of less than 0.05, which means there is a statistical significance difference. This applies to P1d which refers to salary earned annually and compensation such as performance-based cash bonuses, social security and award schemes.

The following propositions are thus accepted: P1a, P1b, P1c and P1e. This means that there was no significant difference between higher-earning and lower-earning respondents with regard to salary earned annually and the factors of motivation such as permanent contract, treatment with respect, recognition, security, market-related salary and autonomy; salary earned annually and the quality of work-life such as employee assistance, childcare, flexible work, supportive boss and colleagues, maternity and paternity leave, opportunity to create good relationships in the workplace, safety standards and sense of challenge; salary earned annually and benefits such as subsidised medical aid, retirement and pension plans; and salary earned annually and career and development such as promotions, training, 360 degree skills assessment, interaction with experts, attending conferences, mentoring, pre-retirement counselling, shares and profit-sharing, and employment security.

TABLE 1:

Test statistics

Test Statistics[a]				
	Mann-Whitney U	**Wilcoxon W**	**Z**	**Asymp. Sig. (2-tailed)**
Mean_Motivation	2924.500	9479.500	-1.092	.275
Mean_WorkLife	3055.500	4595.500	-.268	.789
Mean_Benefits	3102.500	9543.500	-.017	.986
Mean_Compensation	2261.000	8816.000	-2.805	.005
Mean_Career	2660.000	9101.000	-1.541	.123
Mean_Development	2981.500	9536.500	-.546	.585
a. Grouping Variable: rA6				

The statistics showed that the demographics of respondents played a major role in this study. It was found that the majority of the respondents were male managers (51.7%) compared to their female counterparts (34.9%). In terms of age, it was found that out of 172 respondents 48.3% were younger than 40 years of age, and 51.7% were older than 40 years. The majority of the respondents had been employed by the organisation for more than five years (58.1%) and 41.9% had five years of experience as managers, 66.9% earned an annual salary that was less than R200 000, and 33.1% earned an annually salary of more than R200 000.

In terms of management positions held in the organisation, it was found that the majority of the respondents were lower-level managers (branch managers), accounting for 82.0%, and middle-

level managers (regional/operational and executive managers) made up 18.0%. The majority of the respondents were married (59.3%), 12.2 % where living together (not married), 21.5% were single, 6.4% were divorced and only 0.1% were widowed.

Regarding overall satisfaction of rewards by managers, it was found that the majority of managers (53.5%) were satisfied with the rewards that they received, be it non-financial or financial, and only 2.3% were very dissatisfied. The results revealed that the mean was 3.59, standard deviation: 0.867. Of the respondents 25% were found to be neutral, and 9.3% were very satisfied and 1.2% of the respondents did not answer the question. The above results answered the research question of this study which was as follows: What is the perception of intrinsic and extrinsic rewards as a motivator amongst managers at a furniture retail company?

In terms of the inferential results for this study, the aim was to find out about the perception of rewards as a motivator among managers. The tests were done to determine whether there were significant differences between demographic factors such as, age, gender, salary earned annually and different reward elements such as motivation, benefits and compensation, career and development and work-life. The following was found:

Finally, it was also found that P1d exhibited a statistical significant difference because the p-value was less than 0.05. This referred to salary earned annually and compensation such as performance-based cash bonuses, social security and award schemes. However, the following propositions were accepted: P1a, P1b, P1c and P1e because there was no significant difference between higher-earning and lower-earning respondents regarding the factors of motivation.

Reliability and validity

Leedy and Ormrod (2010:29) define reliability as "the consistency with which a measuring instrument yields a certain result when the entity being measured hasn't changed". Validity is thus described as the extent to which the instrument measures what it is intended to measure. Furthermore, testing a construct in quantitative research projects consists most often in finding out whether the phenomenon measured is a good representation of variables in the study (Thietart *et* al., 2001). Moreover, there must be a strong correlation between different variables used to measure the same phenomenon in order to achieve this. For this study more literature was gathered regarding perception of rewards as a motivator amongst managers and was used to formulate the questions for the respondents, thus ensuring validity.

According to Prinsloo (1996, cited in Carr, 2005), aids such as the SPSS program in conjunction with Cronbach's coefficient alpha can be used to determine reliability of the study.

TABLE 2:

Total variance

Total Variance Explained									
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.489	43.511	43.511	13.109	42.286	42.286	4.664	15.045	15.045
2	2.556	8.245	51.756	2.206	7.116	49.402	4.281	13.811	28.856
3	1.712	5.522	57.278	1.322	4.264	53.666	3.828	12.348	41.204
4	1.550	5.000	62.278	1.153	3.721	57.387	3.282	10.586	51.790
5	1.174	3.789	66.066	.749	2.415	59.802	2.484	8.013	59.802

For this study a factor analysis was obtained through the analysis of 172 responses from the managers. To achieve the main aim of factor analysis of reducing a large number of factors into smaller factors, 31 statements from the survey were taken and they were reduced to five factors. The components that were used for this study were those with an Eigen value of 1 or more. The Eigen values for the first five factors that had an Eigen value of 1 or more recorded in the table above were 13.489, 2.556, 1.712, 1.550, and 1.158 respectively. A total of 66.066% of the variance could thus be explained by the five components and the variances by each factor were as follows: 43.511%, 8.245%, 5.522%, 5.000%, and 3.789% respectively. The total variance explained for the study by the five factors was more than the desired variance of 50%, and therefore a factor analysis was deemed appropriate.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

At the beginning of this study there was no clear empirical evidence to suggest what managers thought about rewards (intrinsic and extrinsic) as a motivational instrument in their organisations. However, this study has shed some light on this problem and the results reflect several distinguishable relationships between biographical factors such as the manager"s age, gender and work experience relative to total rewards elements such as motivation, work-life, benefits and compensation, and career and development. In summary, the findings of this study have led to the following implications and recommendations:

Female and male managers are motivated the same regardless of the circumstance at work, ranging from a permanent work contract, respectful treatment, recognition, security, market-related salary and autonomy. Therefore management needs to sustain these efforts and constantly align them with changes in the external environment.

Regarding gender and work-life, the results of the study reflected no significant difference between male and female managers regarding the value attributed to work-life. Thus both male and female mangers attributed more or less the same level of importance to all the various factors that influence work-life such as employee assistance, childcare facilities, flexible work, supportive and caring boss, and maternity and paternity leave. It is suggested that management can enhance the work-life in the organisation (particularly for women) by adding facilities such a crèche and various activities for children who have single mothers.

In terms of gender and benefits, this study showed that there was no significant difference in how male and female managers valued benefits. It shows that male and female managers look at benefits the same way regardless of possible variations in subsidised medical aid, retirement and pension plans. It is therefore important that management should offer benefits that strike a balance amongst factors such as social security, unemployment insurance fund and compensation.

In terms of salary earned and motivation, the study showed that there was no significant difference between higher earning managers and lower earning managers regarding motivation. Thus Proposition P1a was accepted. Therefore, higher and lower earning managers are motivated the same regardless of the circumstances at work, ranging from a permanent work contract, respectful treatment, recognition, security, market-related salary and autonomy. Therefore management should sustain these efforts and constantly align them with changes in the external environment and constantly attempt to balance monetary and non-monetary rewards given to employees.

In terms of salary earned and work-life, it was found that there was no significant difference between higher earning and lower earning managers regarding the value attributed to work-life. Therefore Proposition P1b was accepted. This means that both higher and lower earning mangers attribute more or less the same level of importance to all the various factors that influence work-life such as employee assistance, childcare facilities, flexible work, supportive and caring boss, and maternity and paternity leave. Regardless of how much employees earn, management should endeavour to help and enable employees to strike a balance between work and home life.

Examining salary earned and benefits, this study showed that there was no significant difference in how higher earning and lower earning managers valued benefits. Proposition P1c was thus accepted. Higher and lower level managers look at benefits the same way regardless of possible variations in subsidised medical aid, retirement and pension plans. Hence management should sustain these efforts and constantly align them with changes in the external environment.

In terms of salary earned and compensation, the results of this study showed that there was a significant difference between higher earning managers and their lower earning counterparts in the level of importance attributed to compensation from management. Proposition P1d was thus

rejected. Higher earning managers view and rate the importance of compensation differently from lower earning managers when it comes to performance-based cash bonuses, award schemes, shares and social security. Given the fact that higher earning managers already receive substantial compensation, management needs to turn its attention and resources to the lower earning employees and attempt to bridge the existing gap so that both parties can enjoy the same level of benefits.

Furthermore, in terms of salary earned and career and development, this study showed that there was no significant difference in how female managers and male mangers viewed this factor and the importance they attributed to it. Therefore Proposition P1e was accepted. Higher earning managers give the same importance to career and development as their lower earning counterparts, this includes getting promoted, training, 360-degree skills assessment and employment security. Therefore management should sustain these efforts but constantly align the organisation‟s practices with the requirements of legislations such as the Basic Employment Conditions Act and the regulatory framework surrounding the training and development of employees.

The above findings have brought to the fore several distinct patterns in the attitudes adopted by managers in a furniture retail organisation when it comes to the perception of rewards as a motivator among mangers. Regarding the age of individual managers, 51.7% of the managers in the furniture retail stores were 40 years and older, and 48.3% were younger than 40 years. This means that different types of rewards are given varying priority relative to the employees‟ age. When it comes to the annual salary earned by mangers, results show that the longer the employees stayed with the company, the more they would earn on a progressive basis and this automatically resulted in an improved perception towards total rewards elements (motivation, work-life, benefits and compensation, and career and development) relative to a lower salary. The organisation should thus identify the particular rewards that suit each manager because of the value attributed to that particular reward.

Regarding the managers‟ experience in the organisation, the position held, and marital status, there was no significant relationship with total rewards elements such as motivation, work-life, benefits and compensation, and career and development. This means that regardless of the biography of the individual managers, the preference and level of importance of the various rewards are basically the same and the value attributed is also similar.

LIMITATIONS OF STUDY

A major limitation of this study is that the research was only conducted in one organisation and therefore, given the diversity of companies in the retail industry, the results cannot yield the same outcomes for other organisations within the same industry nor for those in other industries. Another

limitation was the focus of the study on only middle and lower-level managers and their perception of rewards as a motivator, thereby limiting the results to only that group of respondents and therefore cannot apply to top management, general staff and even respondents from other related organisations.

CONCLUSION

The results of the study revealed that rewards do motivate employees. The employees were very satisfied with the rewards that they received in the organisation under study. Nonetheless, there were barriers in this study and there are opportunities for further research. The results were encouraging and based on empirical evidence, in addition to being aligned with the literature. In summary, the respondents showed general satisfaction when it came to the rewards offered in the organisation under study.

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Perceptions on customer relationship management (CRM) and its possible influence on revenue management (RM) at a selected water board in South Africa

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ABSTRACT

The primary activity of water boards is to provide bulk potable water and bulk wastewater services to the municipalities in their service areas. Water boards' revenues come from the municipalities they deliver services to. Not all municipalities have been paying for the services rendered to them, which led to the aim of this study being to gauge the perceptions of Water Board X and Water Board X's customers on selected Customer Relationship Management (CRM) factors (service quality, customer involvement, customer value, information technology, and management commitment) that may possibly influence Revenue Management (RM). This research adopted a qualitative approach and was conducted by means of semi-structured interviews to achieve the research aim. The findings suggested the importance of Water Board X delivering high levels of service quality, involving its customers in decision makings, adding value to its services, and using information technology in its daily operations as this subsequently improves RM.

Keywords: customer relationship management; municipalities; revenue management; Water Board X

INTRODUCTION

South Africa is a water-scarce country, and it is the 30th driest country in the world (Winter, 2018). Khan (2018) asserts that by 2030, South Africa would have run out of water unless it improves the way its resources are managed. At the time of the study, the metro cities of Cape Town and Johannesburg had water restrictions in place. In the Eastern Cape, several larger and smaller municipalities have enforced water restrictions, and irregular water supply has been the norm (Winter, 2018).

According to Statistics South Africa (2018), even though 86.6% of all South African households had access to piped water in 2017, only 74.2% in the Eastern Cape enjoyed such access. This is an improvement from 2002, when only 56.1% of households in the Eastern Cape had access to

piped water. Even though water access improved, 3.7% of households still had to fetch water from rivers, streams, wells, stagnant water pools, dams, and springs in 2017 (Statistics South Africa, 2018).

The Water Services Act 108 was promulgated in 1997, stating that every South African citizen has the right to basic water supply and sanitation. Amongst other matters, the Act mentions the appointment of water boards. South Africa has fifteen water boards registered under the Department of Water Affairs (South African Government, 2019). The primary function of a water board is to provide water services to other water service institutions within its service area (Water Services Act No. 108 of 1997.s.29. [50]). These services may include bulk water supply, water abstraction, and water purification, to name a few. A water board can go beyond its mandate of bulk water supply and offer services such as management services, training, and other support services to water service institutions, and supply untreated or non-potable water to end-users who do not use the water for household purposes (Water Services Act No. 108 of 1997.s30.[10]).

PROBLEM STATEMENT

The selected water board, which hereafter will be referred to as Water Board X was established as a service delivery partner to local and district municipalities in South Africa (Water Board X, 2018). The organisation is designated to act within the prescribed areas as proclaimed in Government Gazette No. 18409 of 14 November 1997 (Water Board X, 2018). As empowered by the Water Services Act No. 108.s.2, the Minister of Water and Sanitation serves as the executing authority and performs an oversight role over the organisation. The water board's primary business is to provide bulk potable water supply, while its secondary business is wastewater treatment (Coleman, 2019). The water board's primary business customers are located at five districts within its operational area (Water Board X, 2018). The organisation can also engage in secondary business on behalf of its primary business customers. Moreover, the organisation sometimes engages in secondary businesses for municipalities that are not their customers (Water Board X, 2018).

Water Board X's financial performance for the year 2017/2018 was poor compared to the previous years (Water Board X, 2018). One of the reasons for Water Board X's poor performance can be attributed to a debt impairment of R120 million caused by two local district municipalities (Water Board X, 2018). Debt impairment refers to the deterioration in the creditworthiness of an individual or organisation (Gox and Wagenhofer, 2009). This is usually due to lower credit scores issued by rating agencies or lenders. Another reason for the poor financial performance at Water Board X can be attributed to the organisation experiencing financial distress due to one of the district municipalities not paying creditors promptly, which led to an overall decline in the financial position and performance of the organisation (Water Board X, 2018). Moreover, revenue

generated by Water Board X decreased by 5% during the 2017/18 financial year (Water Board X, 2018).

Water Board X had furthermore experienced a challenge with the collection of revenue (Water Board X, 2018). Revenue collection refers to money that an organisation or a government receives from people or businesses after a service has been rendered (Kangave, Nakato, Waiswa and Zzimbe, 2016). Water Board X's revenue comes from money collected from water sales, but this declined due to reduced water volumes sold to its customers. Water Board X's secondary business revenue came from various services, such as the Dam Management Programme for the Department of Water and Sanitation, and project implementation agent arrangements at the Nooitgedagt scheme (a scheme that treats water from the Gariep Dam that borders the Free State and Eastern Cape province) or the Nelson Mandela Bay Metro, (Water Board X, 2018), to name a few. Water Board X also experienced a challenge with collecting the debt (Water Board X, 2018). Debt and revenue collection are different because revenue collection is money received debt collection is money that is owed and has not been paid. Debt collection refers to collecting outstanding amounts of revenue due to an organisation from debtors (Fox, 2012). This may have been caused by the organisation not having good customer relationships with some of its customers due to low customer involvement or no value being added to the services, or simply because some of its customers did not possess the financial means to honour their payments. Makana Local Municipality, for example, did not have the necessary funds to pay Water Board X due to a deficit experienced within the local Municipality of R40 million for the financial year of 2016 to 2017. Furthermore, this could have been due to the misappropriation of funds (Grocott's Mail Contributors, 2017). Water Board X had resolved to take action against these debtors (with immediate effect, as of the second half of 2018) by discontinuing or restricting their services, and by formulating a repayment plan that would be strictly monitored (Water Board X, 2018). Considering the above facts regarding the selected water board, the following research question was posed: which Customer Relationship Management (CRM) factors may possibly influence Revenue Management (RM) which could potentially assist Water Board X in the future to improve its revenue and debt collection?

LITERATURE

There is no exact definition of CRM (Triznova, Mat'ova, Dvoracek and Sadek, 2015; Rababah, Mohd and Ibrahim, 2011), but it is viewed as a method of understanding customer behaviour through intense communication with customers to improve organisational performance, increase loyalty and profitability (Soliman, 2012). CRM can also be defined as implementing an integrated series of customer-oriented technology solutions and a holistic strategic approach to manage customer relationships to create shareholder value (Payne, 2012). Regardless of its definition, CRM unites the potential of relationship marketing strategies and information technology to

develop long-term relationships with customers and stakeholders (Peelen, Montfort, Beltman, Klerkx, 2009). For the purpose of this study, CRM will refer to a combination of strategies and processes that organisations use to manage and engage with customers, to improve customer service relationships and to increase an organisation's profitability. Organisations are encouraged to adopt CRM to manage relationships with their customers more effectively (Debnath, Datta and Mukhopadhya, 2016). This is important as it allows organisations to understand better and predict customer retention (Kim, 2017).

Revenue management (RM) refers to maximising an organisation's profits and revenue by improving sales. Mikesell and Liu (2013) define RM as applying multiple strategies by an organisation to predict customer behaviour by optimising product availability to enhance bottom-line performance. Selmi and Chaney (2018) define RM as the range of techniques intended to optimise the profitability of services when capacity limits the availability of the offering. RM can also be viewed as an organisation's ability to anticipate what its customers want for the organisation to improve their profits (Nogqala, 2017, citing Jerath, Nesessine and Veerarghavan, 2010). For the purpose of this study, RM will refer to the organisation understanding its customer's needs to increase sales and maximise profits.

Integrating CRM and RM may influence profit maximisation, even though CRM and RM operate differently and have different outcomes (Simmons, 2015). An organisation can maximise profits by maintaining a good relationship with its customers, and feedback from its customers is valuable, whether it is positive or negative (Alshourah, 2019). An organisation managing its relationships with its customers may improve revenue management due to good relations being developed between the two. The association between CRM and RM is thus significant (Mahmoud, 2016).

No appropriate theoretical framework could be found for the purpose of this study, however, the study combined different factors extracted from other models identified from the literature to develop a theoretical framework; as such, the research used a deductive approach. A deductive approach was considered appropriate for this study because deductive reasoning means testing the theories extracted from the different models identified from the literature (Streefkerk, 2019). The following models on CRM were considered in the development of a theoretical framework for possible CRM factors that may possibly influence RM:
  (1) the identifying, differentiating, interacting and customising model (IDIC model) (Meyliana and Eko, 2014);
  (2) the CRM value chain model (Chetty and Thakur, 2019) citing Buttle, 2004);
  (3) a conceptual framework on factors affecting CRM as developed by Hosseinipour and Bavarsad (2013); and

(4) a conceptual framework on the impact of CRM on customer satisfaction and customer loyalty by Long, Khalafinezhad, Ismail and Rasid (2013).

Based on the models mentioned above, the following factors of the models were considered in developing a theoretical framework.

Service quality (Long *et al.*, 2013) – Service quality was selected as one of the factors from the conceptual framework developed by Long et al. (2013). Based on the literature, quality of services has a positive effect on consumer satisfaction, has a significant relationship with customer loyalty, and influences the profitability of an organisation. The factor was considered appropriate for this study because it can assist Water Board X in understanding if its customers are satisfied with the services rendered by them. Rizka (2013) states that service quality focuses on meeting customers' needs and how well the delivered service meets customers' expectations. It is essential for organisations to ensure that they have rendered high-quality services to their customers, improving customer satisfaction.

Customer involvement (Meyliana and Eko, 2014) – Customer involvement was selected from the IDIC model by Meyliana and Eko (2014) because it helps organisations understand their customers' expectations based on the literature. This factor was considered appropriate for the study because customer involvement can assist Water Board X to understand its customers and how best they can ensure that the customers are satisfied by delivering services that meet their needs. Customer involvement is the extent to which an organisation engages with its customer(s) during the rendering of a service (Zhang, Zhong and Makino, 2015). Organisations need to involve their customers in all they do, as the value of a service or product is created by the customer and not the organisation (Lusch and Nambisan, 2015).

Customer value (Meyliana and Eko, 2014) – Customer value was selected from the IDIC model by Meyliana and Eko, (2014) because, based on the literature, services that are perceived to provide value have an influence on the customer's decision to purchase a service or a product. This factor was considered appropriate for this study as it can assist Water Board X in understanding if the services they deliver provide value to the customer. According to Strydom, Petzer, and De Meyer (2015), customer value is the overall assessment of the benefit that a product would offer versus what is sacrificed to obtain the product. A customer and not an organisation create value, and therefore organisations need to ensure that customers have received services worth the value of the price they pay for (Keranen and Jalkala, 2014).

Information technology (Chetty and Thakur, 2019 citing Buttle, 2004) - Information technology was selected from the CRM value chain model by Buttle, (2004). Based on the literature, technology assists organisations to develop effective methods in CRM, such as data management. This factor

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was considered appropriate for this study as the use of technology by Water Board X can assist in improving communication effectiveness within the organisation and with the customers and the decision making. CRM is an information technology-driven strategy that organisations use to obtain and keep customer information (Huang and Rust, 2017). The principal objective of any organisation is to attract new customers and retain the existing ones (Stiehl, Ernst-Kossek, Leana and Keller, 2018). Information technology also allows the organisation to know their key customers and segment the customers to understand them, as long-term relationships will be developed (Estrella-Roman, Sanchez-Perez, Swinnen and VanHoof, 2013).

Management commitment (Hosseinipour and Bavarsad, 2013) - Management commitment was selected from the conceptual framework on CRM factors as developed by Hosseinipour and Bavarsad, (2013). Based on the literature, if top management effectively communicates and is fully involved in service deliveries, it can positively impact the services rendered to customers. This factor was considered appropriate for this study. It can assist Water Board X in identifying if there is a lack of commitment within their organisation, which could be the reason behind the quality of services delivered to its customers. The responsibility of management is necessary for successful CRM implementation. Management should become involved in activities that demonstrate commitment to CRM implementation as an essential element of the organisation's strategy (Narver and Slater, 1990; Hosseinipour and Bavarsad, 2013). Organisations that have implemented CRM strategies successfully have improved relationships with their customers, ultimately leading to increased revenue (Awwad and Al-adaileh, 2012).

OBJECTIVES OF THE RESEARCH

The main aim of this study was to gauge the perceptions of Water Board X and Water Board X's customers on selected CRM factors, namely, service quality, customer involvement, customer value, information technology and management commitment that may possibly influence RM. This can possibly assist the Water Board in the future to improve its revenue and debt collection. In order to achieve the aforementioned research aim, the following research objectives were formulated:

(1) To identify and describe relevant CRM factors that may possibly influence RM;

(2) To analyse the perceptions of the participants from Water Board X and Water Board X's customers regarding the factors identified in the framework developed from the existing literature; and

(3) To recommend to Water Board X how CRM might possibly influence RM based on the framework developed from the existing literature.

RESEARCH METHODOLOGY

A case methodology (Yin, 2013) was appropriate for this qualitative study within an interpretivist paradigm. Descriptive questions informed by the development of the theoretical framework were used to understand the perceptions of Water Board X and Water Board X's customers. The questions were also directed at finding out why poor customer relationships could have led to poor financial performance within the selected water board.

The participants for this study were selected using judgmental sampling, a non-probability sampling technique (Ames, Glenton and Lewin, 2019). The population consisted of Water Board X and four municipalities that they provide services to. The sample size consisted of 13 research participants. The sample consisted of two groups, Water Board X's customers (municipalities) and Water Board X. The sample selected from the municipalities consisted of three chief financial officers (CFOs) from the finance departments, a director and a general manager in the water sanitation department. In addition, the sample comprised two directors in the engineering departments, two managers in the water services departments, and a deputy director of infrastructure in the infrastructure and development department. The sample selected from Water Board X consisted of a management accountant in the finance department, an operations manager in the operations and maintenance department, and the manager in the office of the chief executive officer. Data was collected utilising open-ended, semi-structured interviews from the thirteen participants. The Otter.ai software application (shows captions for live speakers and generates written transcriptions of the speeches) assisted in collecting the data.

Data were analysed using thematic analysis. Thematic analysis is a method of identifying, analysing and reporting patterns (themes) within data (Boyatzis, 1998 cited in Kukora, Keefer, Pituch and Firn, 2019). A deductive approach was used to answer the research questions. Due to the nature of the study, manual analysis was deemed an appropriate method of analysis (Basit, 2003).

To establish the trustworthiness of the research, the researcher sought to fulfil the quality criteria for qualitative research as identified by (Lincoln and Guba (1985), cited in Moser and Korstjens (2018)); credibility (the confidence that can be placed in the truth of the research findings); dependability (the stability of findings over time); confirmability (the degree to which the findings of an inquiry could be confirmed or corroborated by other researchers); and transferability (the degree to which the findings of qualitative research can be transferred to different contexts with other respondents.

The researcher also adhered to ethical considerations such as voluntary participation, confidentiality, and non-disclosure with the option for participants to withdraw should they wished to

do so, and ethical clearance for the study was obtained from Rhodes University Ethical Standards Committee.

FINDINGS AND RECOMMENDATIONS

The first research objective of the study aimed "to identify and describe relevant CRM factors that may possibly influence RM." An examination of relevant literature indicated several factors that may ultimately influence RM. Other CRM factors, such as customer loyalty (Long, *et al*., 2013), customer satisfaction (Long, *et al*., 2013), service standards, customer retention (Tauni, Khan, Durrani and Aslam, 2014) and customer equity (Richards and Jones, 2008), may exist. However, the prominent factors that were recognised in the literature and were deemed appropriate for the context of this study are; service quality, customer involvement, customer value, information technology and management commitment. These factors will be discussed in brief below.

The first factor identified was service quality. Rizka (2013) states that service quality focuses on meeting customers' needs, and it is vital for an organisation to ensure that they have rendered services that meet their customers' expectations. Customers judge the quality of service rendered to them by an organisation, and if they are not satisfied, some customers may feel reluctant to pay for the service. The second factor identified was customer involvement. Lusch and Nambisan (2015) state that organisations need to involve their customers in everything that they do, as the value of a service or product is created by the customer and not the organisation. The third factor identified was customer value. Customer value is considered an important factor for any organisation to remain competitive in the market. Organisations that value their customers will retain them easily as the customers feel valued, unlike organisations that do not (Landroguez, Castro and Cepeda-Carrion, 2013). The fourth factor identified was information technology. The use of information technology by organisations is vital as it helps increase revenues, for example, less travelling costs for workers to go on-site to do a task that a computer can do. The last factor identified was management commitment. Roberts-Lombard and du Plessis (2012) mention that commitment is key to the success of any relationship, and management must be committed to ensuring that they have delivered the services that they would have promised to deliver to the customer.

Based on the literature, it can be noted that integrating CRM factors and RM may influence profit maximisation, even though CRM and RM operate differently and have different outcomes. An organisation can maximise profits by maintaining a good relationship with its customers, and feedback from its customers is valuable, whether positive or negative (Guillet and Shi, 2019). An organisation managing its relationships with its customers may improve RM due to good relationships being developed between the two (Iyengar and Suri, 2012). Thus, it can be surmised that the association between CRM and RM is important, as affirmed by Mahmoud

(2016).

The second objective was to analyse the participants' perceptions from Water Board X and Water Board X's customers regarding the factors identified in the framework developed from the existing literature. Two groups of participants were interviewed. Water Board X's customers believed that Water Board X does not render good quality services, but all the participants from Water Board X were of the opinion that they render good services to its customers. All of Water Board X and Water Board X participants perceived that if Water Board X did not render good quality services to its customers, their revenues would be low as customers would feel reluctant and would not want to pay for services that did not meet their expectations.

Majority of the participants from the municipalities were of the opinion that Water Board X does not fully involve its customers in some of the decisions that they make, while all the participants from Water Board X were of the opinion that they always involved their customers. However, all the participants agreed that Water Board X involving its customers in all its decision-making will improve its RM as the organisation can save a lot of unnecessary costs on implementing projects that do not meet the customers' expectations.

All the participants were of the opinion that Water Board X added some value to the services they render. All the participants felt that Water Board X ensures that they are satisfied by having a high turnaround time to maintain or replace damaged infrastructure is quick.

Based on the findings concerning whether information technology influences revenues, the participants from Water Board X perceived that the use of information technology would have an influence on Water Board X's revenue. The participants mentioned the use of telemetry systems has eliminated the use of humans from having to physically go to the reservoirs to read the water levels, as the water levels are currently sent in real-time to a computer screen monitored by the appropriate person. This saves Water Board X on travelling costs. Water Board X's customers also mentioned the use of smart meters to improve efficiency and to reduce human error while reading the water levels.

Concerning whether the commitment of Water Board X's management may influence its revenues, all the participants mentioned that it might influence its revenues based on managements' actions at the Water Board to ensure that services are rendered and that all measures are in place to ensure adequate daily operations.

The third research objective was "to recommend to Water Board X how CRM might possibly influence RM based on the framework developed from the existing literature". The

recommendations were based on the five themes identified from the existing literature, namely, service quality, customer involvement, customer value, information technology and management commitment. Regarding the challenges of the quality of services delivered to the municipalities by Water Board X, it is recommended that Water Board X should put in place key performance indicators (KPI) to measure how effective they are with regards to achieving their objectives. A shortage of water supply is relatively easy to detect, but solutions may require technical and financial interventions. Recommendations for Water Board X could be to invest in technology that will be installed in the reservoirs that they own to reduce costs lost from water leakages. The technology would ensure the easy detection of burst pipes.

It is also recommended that Water Board X must ensure that all their customers are fully involved in all decisions they take that may affect them. Water Board X needs to engage with its customers more frequently, improving relationships between Water Board X and the customers. Water Board X should adopt coherent and sustainable revenue strategies by using appropriate tariff structures that are simple, equitable, affordable, financially sustainable and transparent for all.

Lastly, it is recommended that Water Board X's management show commitment by prioritising water loss management and properly auditing water supplies and water treatment revenue while increasing supply and revenue recovery efficiency. This will allow them to serve their customers better, improve their financial standing, and allocate funding for water infrastructure upgrades.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

A few limitations should be considered when interpreting the findings of this study. The study did not include the managers of the municipalities. The researcher thus acknowledges that the presence of the managers of the municipalities might have presented interesting findings. Generalisations from the research findings cannot be done with absolute confidence due to the small sample and the study only focusing on one water board in South Africa.

Based on the outcomes of this research, the following specific recommendations are made for future research:

(1) Conduct a similar study using a quantitative approach with a larger sample to generate findings that can be more generalised.
(2) Consider research on other CRM factors found in the literature to create a greater diversity in the body of knowledge already contributed.
(3) Focus on other stakeholders of Water Board X, for example, political figures, community members and non-governmental organisations (NGO), to understand their perceptions if CRM factors may influence RM, as this may add interesting knowledge to the findings that have been obtained.

CONCLUSION

To conclude, the paper started by discussing the water problems in South Africa. Reference was briefly made to the CRM factors identified from the existing literature, namely service quality, customer involvement, customer value, information technology and management commitment. The objectives, research methodologies, and the paper's findings were also presented, and the paper concluded by discussing the recommendations.

Based on the literature and the findings, If CRM and RM are not appropriately integrated, possible conflicts may arise, such as focusing too much on short term revenues and ignoring long-term revenues and the relationships with customers that are affected, which leads to insufficient customer loyalty. The study's findings suggest that improving service quality by ensuring that there are fewer water interruptions, and fewer infrastructure failures by upgrading all pipes and continuously maintaining them will influence revenues, while continuous involvement and interactions between an organisation and its customers by having regular meetings or sending out emails also improve revenues. The findings also indicate that adding value to all services rendered to the customers and using information technology to improve efficiency and effectiveness enhances an organisation's revenues. Lastly, the findings suggest that organisations' management should be committed to ensuring that all organisational goals and objectives are met, and that daily business operations are running smoothly. Based on these findings, it is recommended that Water Board X uses the CRM factors identified, as these will improve the RM of the organisation. Integrating CRM and RM will improve the organisation's financial performance and improve Water Board X's long-term finances.

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Strategic management process review of revised BBBEE requirements

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ABSTRACT

The purpose of this study was to examine the strategic management processes utilised to support implementation of the Broad Based Black Economic Empowerment (B-BBEE) revised requirements in the petroleum sector, using Company X as a case study. The paper also investigated challenges associated with B-BBEE strategies and strategic management process in practice. This research adopted a qualitative approach and was conducted by means of semi-structured interviews, where respondents were asked questions about strategic management process used to achieve the revised broad based black economic empowerment requirements. The findings revealed that some business units are not aware that they are failing to utilise all strategic plans in place to support B-BBEE initiatives. There is a culture of resistance and ignorance towards B-BBEE, lack of leadership support, fronting practices and funding allocation constraints. Recommendations are made to address these strategic issues

Keywords: broad-based black economic empowerment; strategy; strategic management process; transformation; petroleum sector

INTRODUCTION

The doctrine that businesses have responsibilities beyond just doing business started to gather momentum two decades ago and is still picking up steam. Since 1994 the South African government has had its objective of attaining equity in access to opportunities to be aligned with the vision of an economy that is characterised by aggressive growth and employment equity opportunities for all who live in the country. From 2003, the government has been compelling organisations to adopt and implement the Broad-Based Black Economic Empowerment (B-BBEE) strategy. The Preferential Procurement Policy Framework Act No. 5 of 2000, the 1997 Green Paper on Procurement, and the Affirmative Procurement Policy outline an inclusive system for the participation of historically disadvantaged groups and the businesses in the economy. In addition, the Broad-Based Black Economic Empowerment Act 53 of 2003 was intended for the private sector to further accelerate black owned businesses'

participation to reflect the true demographics of the country.

The emergence of B-BBEE in South Africa has the potential to radically transform the economic landscape of the country (Jack and Harris, 2013: 6). The government places much emphasis on companies to implement and drive the strategy. BEE is defined as "a government driven initiative to decentralize the economy by providing Black people with an opportunity to own and manage mainstream economic resources, an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of Black people that manage, own and control the country's economy, as well as significant decreases income inequalities" (Jack and Harris, 2013: 6). B-BBEE is defined as a broad based process aimed at the economic empowerment of black people, including women, workers, youth, people with disabilities and those living in rural areas through diverse but integrated socio- economic strategies (The Department of Trade and Industry (DTI), 2018; Jack and Harris, 2013; Broad Based Black Economic Empowerment Act 46, 2013; Brun and Machado, 2017; BEE Commission, 2018; Pike, Puchert and Chinyamurindi, 2018). B-BBEE objectives according to the DTI (2018) are "to increase the participation of Black people and Black women in the South African economy and also to bridge the income inequality which was brought about systematically before South Africa became a democratic country". The B-BBEE Act 53 of 2003 originally formulated seven scorecard elements and were revised in 2013 (effective from 2015) in conjunction with the Codes of Good Practice.

The vision of BEE is to bring transformation to the country's economy by increasing Black people's meaningful participation in the economy through ownership, management and control of the economic resources (BEE Act No.53 of 2003, 2018; Van der Merwe and Ferreira, 2014; Jack and Harris, 2013, Brun and Machado, 2017). The objectives of B-BBEE "are to change the composition of ownership and management structures, promote participation of Black people in the economy, increase their ownership and control of organisations, promote the participation of Black women in managing and owning organisations, increase broad-based investment programmes, assist collective enterprises to increase economic activity infrastructure and skills training, and promote access to finance for B-BBEE" (DTI, 2018). This study focuses on the critical analysis of revised Broad-Based Black Economic Empowerment strategy with a focus on the petroleum sector.

BACKGROUND

Broad-Based Black Economic Empowerment is not a strange or new topic in organisations, as it can be traced back to as far early as the 1990's. The DTI (2018: 1) states that "In the early 1990's socio- economic transformation aimed at elevating the educational and economic

position of Black people formed the major drive of South African government's original policies. These included the Empowerment Equity Act of 1998, Skills Development Act of 1998, the Promotion and Prevention of Unfair Discrimination Act of 2000, and the Promotion of Access to Information Act of 2000". The Act was created to support the country to equally distribute what it can offer to all who live in it. BEE was therefore formed to align the benefits the country had to offer with the demographics of South Africa (Howitz and Jain, 2011; Esser and Dekker, 2008; Mbeki, 2007; Fauconnier and Helm, 2008). The Act was initially introduced in 2003 and was revised in 2007, and later revised in 2013 to make it more stringent (DTI, 2018; Brun and Machado, 2017). To ensure that there was an independent body monitoring the progress, The BEE Commission was formed. Wilson (1996: 942) argues that the BEE Commission was formed as a need for ensuring that the B-BBEE strategy works as the second phase of BEE. Wilson (1996: 942) points out that "The first industry charter, released in November 2000 covered the Petroleum and Liquid Fuels (LFC) industry". The 2013 revised B- BBEE strategy follows the generic B-BBEE codes approach.

On 1 May 2015, the revised Codes of Good Practice (CGP), issued by the DTI, came into effect. The revised codes set a higher threshold than the old Codes of Good Practice (old B-BBEE) in order to obtain a similar contributor level or scorecard. In addition, the points available across each of the five pillars have more stringent criteria. The legislation ensures that transformation remains a key issue in South Africa and requires continuous commitment and meaningfully implementation. However, due to the history and nature of the petroleum and liquid fuels industry in South Africa, it would appear that organisations in the petroleum sector come across as not complying fully with the five revised B-BBEE strategy in accordance to the outline in the CGP for B-BBEE strategy.

The researcher is motivated to conduct this study to establish factors influencing B-BBEE strategies in the petroleum industry in order to modify, enhance and find possible developments in support of organisational success for B-BBEE strategies. The study is also intended to assess the success of the B-BBEE strategies to propel a level 4 scorecard contributor.

The organisation that the study is conducted on (Hereafter referred to as Company X) is an integrated international company that operates in energy and chemicals within the petrochemical industry. It was founded in the 1950 and has since been operating for over 63 years. The organisation operates in over 32 countries, employs over 31,270 people, and is listed on the Johannesburg and New York stock exchanges. It adds value to coal, oil and gas by using feedstock to produce liquid fuels, liquid components and chemicals. The organisation mines coal in South Africa and sources gas from Mozambique. Both components are

converted to synthetic fuels and chemical feedstock. The company maintains extensive chemical manufacturing and marketing operations with a large footprint in South Africa as well as in other countries in Europe, the United States of America, Middle East and Asia. The organisation was a B-BBEE level 4 contributor in the previous requirements; it is currently a B-BBEE level 7 contributor under the revised requirements, an improvement from a level 8 in 2016/2017 rating and the organisation aims to achieve the B-BBEE requirements by the end of year 2021.

PROBLEM STATEMENT

Given the challenges encountered by organisations in implementing the revised B-BBEE codes in the petroleum sector, many companies are becoming less compliant, and as a result are moving from being a level 4 to level 8 contributor. Some of them are ending up being non-compliant as per the B-BBEE scorecard. There is hence the need for a critical analysis of the revised B-BBEE phenomena with specific reference to how B-BBEE strategies are being implemented in the petroleum sector. This can be able to highlight the challenges companies in the petroleum sector are facing in their implementation of B-BBEE.

There is a gap in the literature in relation to the revised B-BBEE requirements in the petroleum sector, as little has been written on the review, assessment and implementation of the strategic management process used in the petroleum sector to achieve the revised Broad Based Black Economic Empowerment. It is imperative that the reasons why there is poor implementation of B- BBEE be examined and understood. This will lead to an appreciation of the challenges being faced in implementing the strategy and how the process can be improved.

RESEARCH OBJECTIVES

The study aims to determine which strategies can be implemented to improve the B-BBEE scores for organisations in the petroleum sector. In addition, the study intends to identify possible support structures which can be integrated in the process when implementing B-BBEE strategies.

PRIMARY OBJECTIVE

The study primary objective was to review the strategic management process used in the petroleum sector to achieve the revised Broad Based Black Economic Empowerment requirements.

SECONDARY OBJECTIVES

The primary objective was supported by the following secondary objectives;

- To examine how B-BBEE strategies are being implemented in the petroleum sector.
- To identify areas in business units that does not support the use of B-BBEE strategies.
- To explore challenges associated with the use of B-BBEE strategies in the petroleum sector.
- To establish how the organisation can overcome B-BBEE scorecard rating challenges and enhances the strategies to acquire good compliance level.
- To determine problems faced by internal stakeholders driving B-BBEE strategies.

RESEARCH METHODOLOGY

Research approach and design

This study adopted a qualitative approach, through the use of semi-structured interviews. A qualitative approach was considered to be ideal for this study based on the nature of the data that was collected. The study was interested in obtaining the views and perceptions of senior managers, specialists and executives of a company in the petroleum sector on how the process of B-BBEE is being implemented. The questions used to obtain information were open ended so as to allow diverse views and opinions to be collected. The questions focused on the following:

- Review of strategic management process used in the petroleum sector to achieve the revised Broad Based Black Economic Empowerment requirements.
- Investigating the flow of the organisation's B-BBEE strategies in the petroleum sector across internal business units.
- Exploring challenges associated with the use of B-BBEE strategies in the petroleum sector.
- Establishing the internal status core of the buy-in on B-BBEE strategies.

SAMPLE AND SAMPLING TECHNIQUE

Company X has a total of 43 senior managers, specialists, and executives. From this population, a sample of twenty participants were selected using convenience sampling, also called judgemental sampling. Purposive sampling comprises participants selected by the researcher based on their experience and knowledge of the research requirement. The aim of using purposive sampling in qualitative research was to enhance understanding of the selected people or groups as they are selected for a specific purpose, task or expertise in

research. The table below provides the sample characteristics:

TABLE 1:

Profile of the participants

PARTICIPANT	BUSINESS UNIT	YEARS IN THE ORGANISATION
Participant 1	Energy and Retail	2 years, 8 months
Participant 2	Base Chemicals	6 years, 9 months
Participant 3	Group Strategy	10 years, 11 months
Participant 4	Group Strategy	8 years
Participant 5	Facilities and Assets	11 years, 6 months
Participant 6	Supply Chain	9 years
Participant 7	Energy and Retail	10 years
Responded 8	Energy: B-BBEE Compliance and Regulation	7 years
Respondent 9	Enterprise and Supplier Development	15 years
Respondent 10	Supply Chain: Marine and Overland Logistics	2 years
Respondent 11	Group HR and Corporate Affairs	7 years
Respondent 12	Information Technology	9 years

Source: Researcher's own construction

A principle of sample saturation was applied, therefore twelve participants were interviewed from various business units which forms part of strategy (strategic management process) and B-BBEE within the company. The business units include Energy and Retail; Base Chemicals; Group Strategy; Facilities and Assets; Supply Chain; Energy: B-BBEE Compliance and Regulation; Enterprise and Supplier Development (ESD); Marine and Overland Logistics; Group HR and Corporate Affairs and Information Technology. Participants number of years in the petroleum sector varied between 2 years, 8 months, and 15 years. Numbers of years in the organisation (Company X) varied the same except for one participant who had 11 years in the sector, and with 6 years, 9 months.

DATA COLLECTION

Based on the nature of this study, interviews (face-to-face) were used to gather responses needed to answer the research question. This involved prior planning well ahead of the interview to ensure that all areas of interest in the study could be probed in detail, as suggested by Saunders, Thompson and Martin (2016) and Sekaran and Bougie (2013).

Semi-structured interviews together with an interview guide were used in this research to collect data. The reasons for using this type of tool to gather data is because interviews have the advantage of flexibility in terms of adapting, adopting and changing the questions as the

researcher proceeds with interviews, clarify doubts, and ensure that responses are properly understood. This can be achieved by repeating or rephrasing the questions. The researcher can also notice nonverbal cues from the respondent during the interview and may find suitable ways to put the interviewee at ease. Other forms of discomfort or body language would not be detected in telephonic interviews such as frowns, nervous tapping (tapping fingers or hand on the chair or table; biting nails and tapping their feet on the floor) and other body language that may be unconsciously exhibited by the interviewee.

The interview schedule consisted of pre-determined and standardized questions. Answers for the interview questions were recorded using voice recorder. The researcher transcribed the recorded data in the evening of the day the data was collected. Secondary data form academic literature and Company X profile were also utilized.

DATA ANALYSIS

Once the data had been transcribed and cleaned, the data analysis process commenced. The researcher read through all the data to get an overall impression. It was again read for the second time and general impression notes were made. Open coding was used to identify keywords and tag the data with initial codes. As a follow up to this step, meaning was attached to the allocated codes. Next, some categories (groups of codes) were identified and translated into themes. Patterns, relations and trends were identified as a basis of arriving at the themes. The purpose of this type of analysis was to ensure the trustworthiness of the findings because attention was being given to the principles of credibility (Yin, 2011: 34).

MEASURES OF TRUSTWORTHINESS

The researcher prepared well ahead for interviews; was professional; respectful and not biased; made sufficient notes; interviews were audio recorded and transcribed by accredited transcriber; asked different questions; and was analysed in detail to ensure transparency, reliability, validity and quality in the study.

ETHICAL CONSIDERATIONS

Permission was obtained from Company X to carry out the research. All the participants were informed about the purpose and requirements of the study. Furthermore, all the participants were informed that the responses would be anonymous assure them of the confidentiality of the study results. This step encouraged participation and avoided withdrawal from participants. The non- disclosure forms or agreements were utilized, and permission was sought prior to recording the interviews. Industry specific information not approved for the specific study was excluded and some information was incorporated as arbitrary variables

without harming the confidential nature of the business.

RESULTS AND DISCUSSION

The themes emerging from the findings are summarised in Table 2 and discussed below in detail.

TABLE 2:

THEMES AND SUB-THEMES COMING FROM THE INTERVIEW

THEMES	SUB-THEMES
Lack of diversity and poor execution of the B-BBEE and strategic management process	• Other ethnic groups are less prioritised to be part of B-BBEE in key roles. • The need to change current structure and culture in the organisation.
Lack of leadership commitment and support	• Not driven by all leaders in the organisation. • Internal fronting practices or fronting within the organisation especially at top management. • Lack of transparency on the strategic management process for B-BBEE strategy in the organisation.
Lack of prioritisation and collaboration of B-BBEE	• B-BBEE strategy and its initiatives not a priority to the leaders of the organisation. • Lack of sharing the same vision pertaining to B-BBEE within the organisation. • Fronting practices.
B-BBEE system manipulation	• Gaps in the strategy. • Non-existing stringent processes.
Lack of financial allocation, resistance and change management	• Minimal benefits for the organisation from B-BBEE. • Compliance issues.
B-BBEE roles and biased incentive system	• Independent key performance indicators management process.

Source: Researcher's own construction

STRATEGIC MANAGEMENT PROCESS REVIEW OF REVISED BBBEE REQUIREMENTS

Data analysis of the study revealed six major themes and successive sub-themes, which mirrored the B-BBEE strategies and strategic management process followed in the petroleum sector. It is evident from the findings that implementation of B-BBEE is marred by challenges which hinder the achievement of higher levels of rating.

LACK OF DIVERSITY AND POOR EXECUTION OF THE B-BBEE AND STRATEGIC MANAGEMENT PROCESS

The findings indicate that there is lack of understanding about B-BBEE strategies and what they stand for. This results in confusion and conflicting ideas on how to implement the

strategy. Respondents view the organisation as lacking diversity across different levels of the company, especially at the top level that comprises management executives, senior vice presidents, vice presidents, and senior managers. There appears to be a lack of transformation at this top level. Respondents stated that only in the lower or junior levels could one observe transformation within the organisation. Respondents further mentioned that there is poor execution of B-BBEE strategies and initiatives due to lack of understanding of what B-BBEE is about and its objectives. This lack of understanding appears to be embedded in the organisation's culture. The findings further revealed that there is lack of diversity especially at the top management. There is need for transformation at this top level to include members of all races proportionally. Inclusion is important in achieving workplace diversity. It facilitates the promotion of equitable representation and skills development for employees (Jack and Harris, 2013: 26).

Louw and Venter (2013: 35) observe that a clear strategy has numerous benefits such as the ability to guide human behaviour; define working relationships, help to shape employee relationships with each other and leads to better performance by aiding strategy formulation and implementation. There is need to ensure that there is a strategy in place that is implemented that will assist address this aspect of B-BBEE implementation.

LACK OF LEADERSHIP COMMITMENT AND SUPPORT

The respondents explained that there is no diversity in the leadership, and this is linked to the challenge relating to lack of embracing B-BBEE by some employees. Respondents mentioned that the B-BBEE strategy needs to be leveraged from the top leadership, starting from the CEO's office, executives, senior vice presidents, vice presidents and senior management levels and be held accountable to ensure that there is leadership commitment and support. Studies indicate that a lack of support for B-BBEE commences when there is no belief in the B-BBEE strategy and initiatives thereof. Jack and Harris (2013: 1) points out that "the first thing that companies or owners go through when they encounter BEE is denial".

The need for strategies to be linked to the organisations vision and for everyone within the organisation to share the same vision is paramount. Louw and Venter (2013: 111) opine that a mission statement builds on the vision statement; the vision statement tends to be more enduring while the mission statement can change in light of changing environmental conditions.

LACK OF PRIORITISATION AND COLLABORATION OF B-BBEE

It is vital that strategies that are being implemented in the organisation link to the mission of the entity. Failure to do so will result in apathy towards implementation of such strategies. Objectives, goals and strategies should always be aligned and linked to the organisation's overall corporate strategy. The respondents indicated that the organisation should ensure that B-BBEE strategy and strategic management process becomes part of the organisation's five key priorities. This will ensure that the strategy succeeds as well as ensuring that all B-BBEE elements are managed in a collaborative way and not in isolation from one business unit to the other, but rather be an organisation's group efforts.

The responses indicate that there is lack of collaboration and prioritization of B-BBEE. This is a failure by the organisation and prevents the company from achieving a higher B-BBEE rating. The DTI B-BBEE strategy states that "no economy can grow by excluding any part of its people, and an economy that is not growing cannot integrate all of its citizens in a meaningful way" (Jack and Harris, 2013: 25).

B-B BEE SYSTEM MANIPULATION

Those who do not believe in B-BBEE will forever navigate the strategy, policy and procedures to find ways or gaps to manipulate the system. According to DTI (2018) the B-BBEE revised strategy has imposed stricter requirements for awarding of B-BBEE status to organisations in the petroleum sector. BEE Commission (2018) explains that the aim of the amendment is to ensure that the practice of fronting is more difficult to commit and that offenders are punished. Despite this, it appears that there is significant manipulation of the B-BBEE system by some senior employees of the organisation.

The responses above indicate that implementation of B-BBEE is being hampered by fronting and other malpractices. This is preventing the company from achieving the desired levels of compliance

to B-BBEE. Literature recognizes that fronting practices remain a serious challenge for the success of B-BBEE. The BEE Commission (2019) acknowledge that fronting is still a challenge and hinders the success of B-BBEE. There is need for management of the organisation to look at fronting practices that are reported in the company and take decisive measures to prevent such malpractices.

LACK OF FINANCIAL ALLOCATION, RESISTANCE AND CHANGE MANAGEMENT

When decision makers do not believe in the strategy due to resistance, financial allocation becomes a challenge. Change management is essential to ensure that there are no further delays on implementation and executions for B-BBEE projects or initiatives.

Respondents elaborated on the issue of finance particularly finance allocation for B-BBEE strategy and initiatives, that the problem starts with lacking willingness to adopt to the changes and this leads to non-financing Black owned suppliers and service providers, and this is embedded in the organisation's culture. The respondents also highlighted that the ever-green contracts with many non-compliant suppliers and service providers are viewed as the best approach for the organisation's supply chain and procurement. The respondents further indicated that the organisation strategically made it difficult for Black owned businesses to enter the organisation's system, and this make it very difficult for those that have succeeded to enter the system. Also that once the Black owned businesses are on the system, they are merely placed under enterprise and supplier development as part of delaying the process to start doing business with these companies because some of these companies are well experienced and do not require to go through the ESD process, and that they view this as a ticking box exercise that is being conducted by the organisation which does not yield positive results in support of the B-BBEE requirements since this only focus in one aspect of the five elements of the scorecard. Another issue pertaining to resistance to adjust budgets in terms of finance allocation for Black owned businesses particularly because there is no support for B-BBEE from the leadership, executives and top managers including senior managers of the organisation.

The literature also indicates that B-BBEE projects or initiatives may fail due to lack of funding. BEE Commission (2019) states that one of the alarming obstacles impending the broad-based black economic empowerment transformation agenda or objective is the lack of access to finance for black South Africans. The key challenge or problem faced by many organisations in succeeding with Black business empowerment or transformation pertaining to B-BBEE strategy is the lack of access to finance. This in most cases is due to B-BBEE suppliers being considered to be risky entities to loan money to, and in cases where they gain access to capital, it is usually coupled with high interest rates on repayments terms. In addition, a key challenge to B-BBEE is lack of capital or access to potential investors, financial institutions, private equity from organisations in the petroleum sector through enterprise and supplier development, and government's backed loans which include the Industrial Development Corporation (Brun and Machado, 2017; Jack and Harris, 2013, Mpehle, 2011).

Financing especially for B-BBEE initiatives has since become a challenge for most organisations with the new revised codes. Ferreira and de Villiers (2011, as cited in Jackson, 2011: 30) indicate that "the reason for investing in B-BBEE is therefore not considered vital, but what is of importance is the effect the investment has on the share price and consequently on shareholders' wealth, irrespective of the reason for investing". If an organisation is not going to benefit from its investment, it may be reluctant to implement B-BBEE. The normal practice for organisations to fully participate in supporting B-BBEE strategies is when the organisation knows that it will attain higher benefits from investing in B-BBEE projects or initiatives.

BEE ROLES AND BIASED INCENTIVE SYSTEM

If the employees are not motivated particularly if their morale is low, there will be lack of drive and passion in the strategy and strategic management process. All twelve respondents described that the incentive or rewards system is biased in the organisation and lack independency, and that it is influenced by individuals where personal vendettas are being utilized against employees. The respondents elaborated that lack of management skills, style and lack of leadership affects the incentive system in a very negative manor and affects staff morale at large. The respondents further indicated that it has become a norm and culture that managers can decide upon their own discretion what staff deserve irrespective of employee's performance in terms of the key performance indicators (KPIs).

Leaders have to keep employees motivated in order to ensure the strategy is implemented, executed and succeed. Literature indicates that leaders in the organisation need to motivate and drive the employees to achieve the chosen strategy (Louw and Venter, 2013: 10).

The aim of the study was to determine which strategies could be implemented to improve the B- BBEE scores for organisations in the petroleum sector. The study also aimed to identify possible support structures that can be integrated when implementing B-BBEE strategies.

CONCLUSION AND RECOMMENDATIONS

The aim of this study was to review strategic management process used in the petroleum sector to achieve the revised Broad Based Black Economic Empowerment requirements was accomplished. It has been established that processes and procedures that guide implementation of B-BBEE are not clear nor are they being adhered to in some instances. In addition, the strategies are not well communicated to staff. Furthermore, the leadership of the company is not supportive of B-BBEE. There is also lack of funding to support the B-BBEE initiative, and the system is easily manipulatable to cheat the B-BBEE scorecard. The rewards or incentives system is not fair as it is easily influenced as it lacks independence causing it to be biased. There is also no inclusivity in terms of diversity. This is summarized below:

The strategic management process is not clear to everyone within the organisation across all business functions. The flow of the organisation's B-BBEE strategies

Resistance to change, culture, lack of leadership support, and lack of finance allocation were identified by the 12 respondents as some of the key challenges that are hindering the success of B- BBEE strategy. Strategy documents, policies and procedures are also not clear to everyone within the organisation. The leadership of the organisation needs to embark on training everyone within the organisation about the importance of B-BBEE, B-BBEE strategies and the need to ensure that there is effective execution. Awareness trainings are required in the same fashion as that of safety, competition law and anti-bribery and corruption. There is a need to develop and manual or guideline for B-BBEE same as the organisation did with the supply chain excellence approach guideline or manual and training thereof.

Incentives or rewards requires an extensive review to ensure that it is independent and equal process is followed across all ethnic groups without discrimination. Structural changes need to be prioritized by employing qualified, competent managers who believe in B-BBEE and have the relevant B-BBEE experience. They should hold key B-BBEE strategy positions in accordance to the BEE requirements and be suited to drive the process with passion with a goal of being results oriented. The organisation needs to pay more attention to ensuring that there is effective resource allocation when it comes to diversity. This will eliminate the current status of divided employees resulting from different view and ideas of what B-BBEE is all about and stand for, and also creating equal opportunities both internal for employees and external for suppliers and service providers.

Top management executives, senior vice presidents, vice presidents and most senior managers do not believe in B-BBEE strategies and lack buy-in which automatically affects the implementation and execution of B-BBEE strategies and initiatives. The lack of buy-in also has a negative impact when it comes to allocating funds for B-BBEE initiatives to accomplish the requirements in all B- BBEE's five elements. When there is buy-in from all key stakeholders the gaps for system manipulation for B-BBEE strategies and strategic management process will be eradicated. This needs to be addressed.

Top management being executives of each business units should drive B-BBEE strategies and be held responsible and accountable to ensure that the strategy is successful. A top-bottom or top- bottom approach will be more effective in terms of implementation, execution and success.

Leaders especially executives and senior vice presidents who support B-BBEE strategy and initiatives are generally overruled and immediately sidelined within the organisation. This creates a serious division amongst them and creates an unhealthy and toxic culture where employees are unable to re-group and strategies for B-BBEE as it becomes a sensitive topic.

The findings reveal that some leaders and management are not supporting the B-BBEE strategy and initiatives. This is despite the fact that it has been more than sixteen years since the inception of B-BBEE. The findings further reveal that the use of B-BBEE strategy can be implemented effectively with a bottom-up approach to ensure that everyone supports the strategy and have meaningful contribution. Given that there are still employees who are resisting B-BBEE and some are not contributing and supporting it due to mere ignorance, the organisation should embark on developing mandatory B-BBEE awareness training and workshops. The incentive or rewards should be a fair process that cannot be manipulated by human elements with biased processes to avoid low employee morale which directly affects the passion and drive for B-BBEE and overall key performance indicators. The goal should be to ensure that everyone within the organisation shares the same vision.

It is encouraging that the organisation has the B-BBEE strategy, policies, procedures, workforce, strategic management process, finance, and assents to drive, monitor and achieve the B-BBEE requirements. However, a lot of work needs to be done by the organisation to ensure that the strategy works and that the right people are placed in key to ensure that there is sufficient leadership support towards the strategy. The study therefore recommends the following:

- There are some processes that hindering support from management which requires that the organisation change the approach towards B-BBEE to become a top-bottom approach.
- To curb culture and ignorance problems, the organisation needs to embark on conducting effective awareness trainings and workshops and develop a manual or guide specific for B- BBEE internal strategy linked to the DTI's strategy which clearly explains everything.
- Top-management from executives, senior vice presidents, vice presidents, and senior management as well as the entire organisation must support B-BBEE strategy and initiative in practice.
- Strategic management process, policies and procedure on B-BBEE strategy should be communicated effectively to all employees within the organisation and be visible throughout the right internal platforms.
- Strong and independent incentives or rewards system should be developed and be manipulation free in relation to the key performance indicators.

- The organisation should review they strategy and ensure that the B-BBEE initiatives are meaningful and sustainable and not a ticking box exercise for compliance purpose.

- Employment or recruitment policy pertaining to employment equity should be linked with the B-BBEE strategy to ensure that equal opportunities are created for all and to avoid placing wrong individuals in key positions across all management and leadership levels.

- Enforcement of the B-BBEE strategy or policy to both employees and contractors (suppliers and service providers) that are not transforming to ensure there is sufficient utilisation of black owned B-BBEE compliant suppliers and service providers in the organisation across all business functions and business operations. The organisation should introduce a penalty pointing system for all the suppliers and service providers to ensure that those not willing to transform loose business or contracts.

- More attention be given to the allocation of funding specifically for B-BBEE initiatives to support the strategy and close monitoring and reporting system be created to encourage more visibility of the progress on all B-BBEE five key elements within the organisation.

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The importance of strategy formulation and implementation at a private college

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ABSTRACT

The role played by tertiary institutions goes beyond education and research, but also procreation of new business ventures and solving current socio-economic problems. Strategy formulation and implementation from a dynamic capabilities perspective, particularly in tertiary institutions, has risen to prominence due to the upshot of the macro-environment. The aim of this research was to explore strategy formulation and implementation at a private college operating in South Africa with a goal to overcome capacity issues around formulation and implementation of growth strategies. The research followed a qualitative approach, with a single case as the research strategy. An interpretivist role was assumed because it allowed qualification of phenomena through illumination, understanding and exploration in a context-specific setting. Content analysis was utilised to analyse the rich textual data generated from the interviews conducted. The conclusion – Private institutions of higher learning in South Africa must enhance their sensing, seizing and reconfiguring capabilities in order to adapt to a changing business environment. Sensing, seizing, and reconfiguring capabilities and their underlying organisational routines significantly facilitate formulation and implementation of strategies.

Keywords: strategic management; strategy formulation and implementation; dynamic capabilities and private institution

INTRODUCTION

Strategic management is a discipline concerned with how organisations achieve congruence with the environment, through continuous formulation and implementation of strategies (Yi, He, Ndofor, and Wei, 2015: 18). In reality, the development of capacity to implement strategic change has proven to be a challenge for most contemporary organisations (Fedato, Pires, and Trez, 2017: 289). Despite the fact that several studies have endeavoured to offer insight into understanding incapacity during strategy implementation (Fedato *et al.*, 2017: 289; Lee and Puranam, 2016: 1530), thus contributing to the strategic management body of knowledge, our understanding remains far from complete.

Strategy implementation has received relatively little attention from researchers (Speculand, 2014:29; Raps, 2005: 141). This problem has long been documented in strategic management literature (Wernham, 1985: 632). Guohui and Eppler (2008: 2) argue that a well-articulated strategy would only produce superior results when implemented successfully. There seems to be no convergence as to why scholars have neglected strategy implementation. Researchers such as Noble (1999: 119) contend that practitioners have a tendency of viewing strategy implementation as a mechanistic process. Furthermore, some practitioners and academics tend to overlook strategy implementation because of a misconception that anyone in the organisation has the capacity to implement (Rahimnia, Castka and Sharp, 2005: 135).

In the same vein, researchers such as Felin and Powell (2016: 81) and Fedato *et al*. (2017: 289) are of the opinion that most top executives get lulled in to thinking that a well-articulated strategy diffused across the organisation equals efficacious implementation. Other managers tend to approach implementation of strategies in a more placid and non-systematic way. Furthermore, the little research conducted thus far is mostly concentrated on commercial organisations rather than HEIs (Shah and Nair, 2014: 145). The need for research dealing with strategy formulation and implementation is as important for HEIs as it is for other purely commercial entities.

LITERATURE REVIEW

The literature review comprises a brief overview on the strategic management process, followed by different perspectives on strategy implementation, the interdependency interplay between dynamic capabilities and strategy, as well as the South African higher education in context.

Strategic management process

The strategic management process outlines the process of formulation and implementation of strategies. Alexander (1991) cited in Rahimnia *et al*. (2005: 135) postulates that the strategic management process can be equated to a two-headed coin. On one side is formulation of strategy and on the other is strategy implementation. These two parts of strategy answer both, what the strategy (game plan) shall be as well as how it will be realised. Hitt, Jackson, Carmona, Bierman, Shalley and Wright (2017: 1) argue that to be competitive, organisations must not only formulate good strategies but also more importantly, realign values, systems, structure, culture and processes. Nevertheless, between the ideology of realignment and the realism of strategy implementation, lies a plethora of challenges (Beer, Eisenstat and Foote 2009: 29). In other words, there is a gap between the conception od strategy and the reality of strategic alignment. There is thus a gap "between knowing what to do and actually doing it" (Beer *et al*., 2009: 29).

Different perspectives of strategy implementation

There is no commonly accepted definition of implementation/execution of strategy (Li, Guohui and Eppler, 2010: 4). Nevertheless, there are three distinctive conceptions of the term from literature, namely: process perspective, behaviour perspective and the hybrid perspective. Table 1 below illustrates the different perspectives of strategy implementation.

TABLE 1:

Different perspectives of strategy implementation definitions

Perspective	Description
Process perspective	Strategy implementation is a repetitive process of executing strategies, programmes, policies as well as plans of actions that allow the organisation to utilise its resources to capitalise sensed opportunities in the business environment (Harrington, 2006:374).
Behaviour perspective	According to Schaap (2006) cited in (Li *et al*., 2010:5), implementation is demarcated as those senior level leadership behaviours as well as activities that will transmute a working plan into a concrete reality.
Hybrid perspective	Singh (1998) cited in Li *et al*., (2010:5) denotes strategy implementation as a step by step execution of various activities including cognitive ones that make up a formulated decision-making strategy.

Source: Adapted from (Li *et al*., 2010:5)

Dynamic capabilities defined

Dynamic capabilities theory has been subjected to intense conjectural debate (Eisenhardt and Martin 2000: 1106; Zollo and Winter, 2002: 340). The lack of definition congruence and the relentless pursuit of an abstract set of dynamic capabilities has eclipsed literature (Pisano, 2016 :2).

Research on dynamic capabilities highlights the importance of building enterprise-level adaptive capacity. The central tenet of dynamic capabilities is to explain how organizations may dynamically adapt and align their routines and resources to achieve a competitive advantage (Teece *et al*., 1997). Dynamic capabilities can be defined as strategic routines by which organisations achieve new resource configurations and combinations as industries shakeout, grow, evolve, and decline (Eisenhardt and Martin, 2000: 1106; Wang and Ahmed, 2007: 35; Anderson, 2021). The present study draws on Teece"s conceptualisation of the microfoundations of dynamic capabilities. Teece

disaggregated dynamic capabilities into three capacities, namely: sensing (the capacity to scan the market and macro environment to identify opportunities and threats), seizing (as soon as opportunities and threats are identified, action must be taken) and reconfiguring (to address new opportunities and/or threats, the organisation needs to competitively reposition their resources and capabilities) (Teece, 2009).

The interplay between dynamic capabilities and strategy

Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece and Winter (2008: 32) argue that formulation and implementation research continue to exist separately with little intellectual intercourse between them. Rumelt, Schendel, and Teece (1994: 1), in their recitation of the evolution of strategic management, postulate that the formulation-implementation dichotomy began to take shape in the 1970s when some researchers assumed a positivist philosophy in order to understand the interplay between performance and strategy. As a result, the formulation (the "what" of capability and resource change) and the implementation (the "how" of resource and change) were conceived. The researcher in an attempt to put a different complexion to this matter argues that dynamic capabilities provide a basis for the two constructs" formulation and implementation to come together. Helfat *et al*. (2008: 32) and Rumelt (2011: 6) also reinforce this proposition.

Building on the discussion above, Rumelt (2011: 6) argues that strategy, dynamic capabilities, and the market environment co-exist. According to Rumelt (2011: 6), a solid strategy has three attributes namely: diagnosis, a guiding policy and coherent action. Rumelt"s (2011: 6) trichotomy intermingles with the three capacities that make up dynamic capabilities (sensing, seizing and transformation). Table 2 hereunder depicts the triadic relationship of strategy, dynamic capabilities and strategy implementation. This linkage is critical because it supports the proposition that dynamic capabilities play a pertinent role in strategy formulation and more importantly in strategy implementation.

TABLE 2:

The linkage between strategy and dynamic capabilities

Strategy kernel	Diagnosis	Guiding policy	Coherent action
Related dynamic capabilities schema	Sensing	Seizing/transformation	Seizing/transformation

Source: Adapted from (Foss and Saebi, 2015:37)

Higher education context

The strategic intent of the Department of higher education (DHET) in line with National Development Plan (hereafter referred to as NDP) is to reduce unemployment, inequality, eliminate poverty and achieve unity based on human dignity by year 2030. The NDP and the DHET acknowledges higher education institutions (HEIs) as important vehicles through which these overarching goals can be realised (Wilson-Strydom, 2017; Rossouw and Goldman, 2017: 79; Baijnath, 2018: 87; Cunningham and Menter, 2021: 343). Given this enormous responsibility, HEIs ought to design a „responsive institution" that is not only efficient in its management of daily academic activities but also adaptable for coping with South Africa"s frontier expectations.

HEIs fulfil their functions within the confines of legislation and the (DHET). The South African higher education system comprises 26 public universities with nearly one million registered students while about 250 000 students are enrolled at the more than 120 private higher education institutions (DHET, 2019). An additional 700 000 students are enrolled at the various Technical Vocational Education Training colleges (TVET colleges) (DHET, 2019). Private higher education institutions are the the focus of this research. The importance of Private higher education institutions and their bearing on the National Development agenda warrant an investigation on how these organisations are strategically managed (Leih and Teece, 2016: 181).

PROBLEM STATEMENT

From literature, it is evident that designing dynamic organisations presents new-fangled challenges for managers and academics. The absence of dynamic capabilities particularly during strategic implementation, has a direct impact on organisational performance.

Research question: Are the lack of support in formulating and implementing strategies at a private higher education institution resulting from the challenges around the development and deployment of dynamic capabilities?

Research objective: To explore the importance of dynamic capabilities when formulating and implementing strategies at a private higher education institution.

RESEARCH METHODOLOGY

The section commences with the research approach, followed by discussions on the research strategy, sampling, data collection and analysis, trustworthiness and lastly, ethical considerations.

Research Approach

Suddaby (2006) quoted in Saunders and Lewis (2016: 125) postulates that an abduction starts with an observation of an unusual fact. What is unusual in this single case study is the abrupt

trebling of student numbers in a very short space of time or in other words the exponential growth of the private college. The dominant logic of the current research is delicately poised between deductive and inductive reasoning, hence, vindicating the disposition towards an abductive reasoning. Consequently, the abductive approach best suits the interpretivism philosophy which underpins this exploratory research.

Against this backdrop, an abductive approach was adopted because the theory in question is in its infancy in terms of theoretical development (Verona and Ravasi, 2003: 579). In the same line of thought, Pisano (2016:3) postulates that dynamic capabilities as a theoretical construct is neither nascent nor mature and only the abductive research approach will provide the necessary veneer for the elevation of dynamic capabilities theory to maturity. The qualitative approach provides an understanding and description of people"s personal experiences regarding dynamic capabilities, strategy formulation and implementation. It can describe in rich detail, the sensing, seizing and transformation capacities embedded within the private college. A qualitative inquiry uses a realistic (natural) approach that seeks to apprehend phenomenon in context-specific settings, such as an organisational setting "where the researcher does not attempt to influence the phenomenon of interest" (Patton, 2001: 39).

Research strategy

Research design refers to the structure of an inquiry. It is a logical matter rather than a logistical one (Yin, 1989: 2). Case study research is a well-established research design that focuses on the current dynamics within a particular environment according to Cooper, Schindler and Sun (2006: 165). Siggelkow (2007: 20) argues that a single case analysis can be a very powerful example and can be used to fill in the gaps in existing knowledge. As such, case studies are particularly useful for studying rare or complex phenomena such as dynamic capabilities. The researcher adopted a single case because it fits Yin"s (2014) criteria of critical and unique. Case-based research, as evidenced in literature, offers penetrating insight into the origins and development of dynamic capabilities and their possible relationship to strategy formulation and implementation.

Sampling

The population of this research comprises all employees working for the private college. Purposive sampling as well as convenience sampling was opted for because of the opportuneness drawn from the position of the researcher within the organisation. Linked to the theory of saturation, particularly code saturation, nine interviews are usually sufficient to identify a wide range of codes as well as thematic nuances necessary to debunk the research problem. In addition, Hennink *et al*. (2017: 591) argue that 16-24 in-depth interviews developed around the objectives of the research are essential to reach meaning saturation.

Thus, to satisfy minimum requirements of both code (hearing it all) as well as meaning saturation (understanding it all), the sample size comprised 16 employees. The sample constituted a four-tier hierarchical representation to include non-managerial, first-line, middle- and senior management as a way to have qualitative representation of the three conceptual elements (sensing, seizing, and reconfiguring) of dynamic capabilities and how these intermingle with strategy.

Data collection

The research utilised in-depth individual, semi-structured interviews that reflected a blend of predetermined hypothetical and stimulating questions to elicit rich unprocessed qualitative data relating to dynamic capabilities and how they affect strategy formulation and implementation.

Data analysis

Furthermore, the research utilised a content analysis method to analyse the primary data generated by the semi-structured interviews. Content analysis is effective and widely accepted among dynamic capabilities circles, as observed in previous analogous research (Verona and Ravasi, 2003: 580). To supplement the primary data, the researcher used data triangulation, which means that data from multiple sources was used such as the private college's website as well as financial statements.

Trustworthiness of the study

Against this background, Guba (1981: 75-91) proposed four constructs that should be taken into consideration by qualitative researchers in pursuit of a trustworthy study. The constructs propounded by Guba (1981: 75-91) are as follows: credibility (in preference to internal validity); transferability (generalisability); dependability (in preference to reliability); and confirmability (in preference to objectivity).

Ethical consideration

In an attempt to uphold an uncompromising ethical code of conduct, the researcher first, solicited for the approval and consent of the case organisation (private college) to undertake this research. Full information was given to the relevant authorities at the private college on the purpose of the research, nature of research, research design and methodology. Second, the researcher further sort the consent of employees participating in the research. Thus informed consent was important to avoid issues concerning invasion of privacy. Third, interviewees were assured of confidentiality and anonymity. Fourth, the consent form gave interviewees the right to decline, to participate and to withdraw from the research.

FINDINGS

The findings are reported on as per the demographic profile of the interviewees in section A and the research objective in section B.

Section A

This is crucial to demonstrate the knowledge levels within the cross section of functionaries at various levels of the private college. The majority (seven) were managers. Five interviewees were supervisors. The remaining interviewees were non-managerial.

The demographic profiling of the sample was of value to this research since it included employees who represented various levels in the hierarchy as well as different tenure levels. These were deemed critical in this research since they would inform it on the nature and impact of dynamic capabilities on strategy formulation and implementation. Their skills and cognitive abilities were essential in assessing the level at which these capabilities were applied in practice. This resonated with Teece"s (2007: 1342) assertion that cognitive capacities of employees are central to an organisation"s sensing ability. Consistent with this, the investigation established first the levels of the employees then their tenure at the private college.

In this research, the composition of the sample dealt with establishing the institution"s understanding of dynamic capabilities and reflected the notion that strategy awareness is crucial. The majority of the interviewees held management positions as confirmed by the findings. Their decisional role in formulation, implementation and evaluation of strategy placed them in a position to offer an assessment of the critical role of dynamic capabilities. Radomska (2015: 78) states that strategic awareness among managers, is critical in the process of strategy implementation and "…an effective implementation of the strategy requires an adequate adjustment of the capabilities of the organisation."

The second most important level of employees in non-managerial, but supervisory roles followed numerically and were critical to the process in that they were overseeing implementation. So their awareness of that nature of the process would contribute to the determination of the level in which dynamic capabilities were employed. The sample also included four interviewees who were not in decision-making roles. The cross section of all the interviewees thus offered a replica of the 100 employees of the organisation in terms of functional roles. The ultimate result of their responses to the questions thus epitomised the global representation of the private HEI that was being investigated.

It was established that the majority of the employees had only been with the institution for less than four years. This could be indicative of an institution responding to transformation involving

introducing new (human) resources to suit strategic imperatives. Information acquired from this first category of employees was important in that it would give an indication of how the institution assimilated new resources into its strategic culture and how well informed they would be in terms of the presence and function of dynamic capabilities.

The second largest group of interviewees were those employees who had been with the institution for more than five years. These would offer information from a perspective representing personnel with a relatively longer tenure. It was important to get the perspectives of the last four interviewees who represented tenure of more than five and beyond 10 years. The demographic information provided by the findings thus demonstrated that the institution offered a reasonable mix of both tenured and untenured employees and the patterns of response would allow for the determination of the nature of dynamic capabilities as practised in strategic decisions within the institution.

Although there was no stratification in aligning responses to positions or tenure of service, it was established in the final analysis that all levels of interviewees offered critical insight into the institution‟s strategic approaches as far as elements of sensing, seizing and transformation were concerned. As already alluded to, the discussion and analysis does not discriminate or separate interviewees‟ responses based on tenure or position, to allow global appreciation of the whole institution.

Section B

The following are reported when exploring the importance of dynamic capabilities when formulating and implementing strategies at a private higher education institution:

The relationship between dynamic capabilities, strategy and implementation

Findings revealed that most of the interviewees were of the view that a relationship between dynamic capabilities and growth strategies existed and manifested in the institution‟s growth. Interviewees supported their accession to the necessity and existence of that relationship with the explanation that the visible competitiveness of the institution was testimony to the link that existed between dynamic capabilities and implementation of growth strategies. It is important that the interviewees formed part of the resources contributing to the growth and competitiveness of the institution. Furthermore, the interviewees‟ awareness of the salient relationship between growth strategy and dynamic capabilities would then translate as a contributory ingredient to the growth imperatives of the institution. Teece‟s (2014: 1) assertion that the relationship between dynamic capabilities and strategy reduces the gap between formulation and implementation is thus affirmed by the findings of this research as interviewees ascribed strategic success to dynamic capabilities.

Research has established the relationship of competitive advantage with implementation of strategies that are driven by the concept of dynamic capabilities (Arend and Bromiley, 2009: 75). This relationship is mediated by the institution‟s resources and other related capabilities (Eisenhardt and Martin, 2000: 1105). The nature of this relationship has effects that are both direct and indirect. It is also established, in the reviewed literature, that dynamic capabilities have a positive influence on growth strategy implementation (Winter, 2003: 992; Zott, 2003: 91). Concerning the higher education case dealt with in this research, the phenomenal growth that was apparent was evidence of considered strategy and implementation, hence the investigation as to the catalytic influence of dynamic capabilities.

Furthermore, what was of interest to this research was to identify the existence or otherwise of the relationship between strategy and dynamic capabilities as a driver of growth. With the exception of one interviewee, all those asked revealed that institutional processes reflected the apparent existence of that relationship. In essence, the perceived existence of that relationship should be supported by the institution‟s resource utilisation approaches as well as its functional systems. The success of organisations such as Amazon, Apple, Discovery, Google, Facebook, Xiaomi, Stanford University and University of California Berkeley referred to earlier in this research (Leih and Teece, 2016: 183), indicated that a capacity to sense, seize and transform opportunities has a potential of revolutionising industries (Felin and Powell, 2016: 4). This in turn resonates with the findings of this research in which the interviewees cited sensing abilities as an integral part of the manifest growth of the private college under review.

In the findings, there was an indication that the interviewees were dissatisfied with resource allocation as ratios of students to library as well as teaching and learning resources did not match. This was deemed to have a detrimental effect on the sustainability of growth as well as a sign of the inadequacies of the transforming capabilities of the institution. Furthermore, Hitt *et al*., (2017: 1) is of the opinion that it is much more important to realign organisational values, systems, structures and culture to the attainment of the strategic goals. The formulation of said strategic goals is the easier part. At institutional level, there seems to be knowledge on what needs to be done, however, the implementation (transforming) part is problematic, as resources are not adequately aligned. If not corrected this may result in impeding strategy at various levels especially at the implementation phase. The logical outcome of this impediment would be stunted growth.

Dynamic capabilities to implement strategies

The findings regarding, if or not the institution was using dynamic capabilities to implement growth strategies, yielded mixed responses from the interviewees. A segment of the interviewees said that indeed the institution used dynamic capabilities to implement growth strategies. Another group of interviewees said that there was no use of dynamic capabilities in implementing growth strategies;

while the remaining interviewees were not categorical about the use of dynamic capabilities. What this seemed to indicate was that there was a disparity in the level of institutional knowledge about growth strategies and their nature. Alignment of strategy implementation and dynamic capabilities did not seem to be readily apparent to the interviewees and this may be the reason why there were divergent perspectives regarding the use of dynamic capabilities concerning growth strategies. An element to consider is also the conceptual complexity of the relationship between growth strategies and dynamic capabilities, which left some of the interviewees unsure if the relationship existed. Reviewed literature established the relationship between dynamic capabilities and institutional growth (Helfat *et al.,* 2008: 37).

The element of growth strategies was dealt with in the theoretical grounding of this research by simply exploring the typologies of growth, which included size growth, relational and capability growth. These were deemed important as they are driven by dynamic capabilities. It is, however, very critical to state that there are numerous growth strategies that any institution may choose to make part of its strategic thrust. Lazenby, 2018: 224 put forward a number of growth strategies that include inter alia, market penetration, market and product development, diversification, horizontal and vertical integration. Moreover, In this research, reference to growth strategies was made without identifying a specific generic framework to allow for an exploration that considered all the growth strategies employed by the private college, which was being investigated. Besides the nature of growth strategies, the questions also solicited information related to rate of reconfiguration.

Manifest in the use of dynamic capabilities in aiding implementation of growth strategies is the rate of reconfiguration. In essence, the findings in this research revealed that the institution went through noticeable reconfiguration. This is consistent with what Ambrosini and Bowman (2009: 30) referred to as transformation and recombination of assets and resources. Interviewees who supported the existence of dynamic capabilities in strategy mentioned the merger of two campuses and the reconfiguration of operational routines and processes to accommodate the growth in student numbers.

Dynamic capabilities as strategic tool for implementation

The interviewees unanimously, indicated that dynamic capabilities were acceptable as a strategic tool to implement strategy within the institution. Acceptance of dynamic capabilities speaks to the need of aligning the institution‟s culture, values and practices to support a milieu of enhanced strategy through sensing, seizing and transformation. Hitt *et al.,* (2017: 1) ascribe institutional competitiveness to not only the formulation of good strategies but also the realignment of values, systems, structure, culture and processes.

This would be the ideal for the higher education institution that was investigated. The fact that there was consensus that dynamic capabilities be used as a strategic tool, from all interviewees, indicates that there is a conscious acceptance of the efficacy of fundamental principles undergirding dynamic capabilities. This acceptance is essential for the development of cultural mores that support sensing, seizing and transformation that would lead to reconfiguration and innovative strategic behaviours.

In the same vein, the aspirations of employees, that dynamic capabilities can be used as a tool for strategy implementation, may have an effect on the institutional culture. Violinda and Jian (2017 :142) claim that the institution‟s evolutionary fitness for sustainable renewal is critical and embedded in how effectively dynamic capabilities are used as a tool of strategy.

Furthermore, they assert that the resource-based view‟s main tenet indicates that better performance as well as competitive advantage culminates from the fusion of dynamic capabilities and organisational culture. The keenness of the institution‟s employees for this to happen is apparent in the findings, where they all pointed to the appropriateness of dynamic capabilities as a strategic and pivotal tool to effect growth strategies.

Challenges when implementing strategies

The challenges were wide in scope and assumed different levels depending on each interviewee. This is why there was a variegated range of responses among the interviewees. The interviewees highlighted the institution‟s structure as problematic, especially concerning decision-making and general communication of strategy. Furthermore, bureaucracy that emanated from a centralised decision-making regime was identified as impeding the employment of dynamic capabilities in strategic processes. Some of the interviewees said that the leadership structure had a bearing on limitations relating to the impact of the implementation of strategy. Integration and coordination (social proofing) were also lacking resulting in a disconnection between various levels of the system, an aspect that interviewees saw as negating the gains of dynamic capabilities. The other challenge extracted from the findings related to resourcing and resource integration.

Furthermore, interviewees spoke elaborately on the dichotomy between revenue imperatives and the core business of the private college, which is teaching and learning. This has a bearing on competitive advantage. Additionally, the dual focus of the institution would influence the quality of the sensing and seizing processes that are prerequisite to transformation, reconfiguration and leveraging. It was found that there were insufficient human and physical resources during the growth phase of the institution. This they said was worsened by lack of preparedness for change within the institution as well as poor people management. This could imply that there was not efficient communication of strategies or harmonisation of growth processes with resource needs.

That in itself infringed on the quality of the employment of dynamic capabilities in strategic processes and in particular the transforming capacity.

Szalavetz (2015: 44) states that managerial challenges caused by high growth have strong explanatory power and that refinement of dynamic capabilities and renewal of management teams may be an apt solution to typical problems associated with growth. The findings of this research seem to resonate with the general problems associated with growth and it may be prudent for the institution to consider approaches that refine dynamic capabilities; particularly the transformation capacity. Szalavetz (2015: 47) further states that although dynamic capabilities are idiosyncratic and contextual, there are certain uniform principles, which if employed in growth contexts; may assist in the refinement and sustainability of dynamic capabilities. It is therefore clear that the constraints cited should inform reconfiguration of the implementation of dynamic capabilities.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Findings identified management, decision-making, structural and bureaucratic encumbrances, as inimical to the successful implementation of dynamic capabilities in strategy. Alignment of functions, resource optimisation, leadership and strategy communication; were also highlighted as areas of concern which should occupy management in mapping strategies to eradicate challenges in the integration of strategies and dynamic capabilities.

To maintain continual renewal and prospects for reconfiguration and leveraging of sensing, seizing and transformation; management should see to efficient adjustment of functional structures and maintain clear communication lines to minimise dissonance during growth.

The private college should improve its technological innovation capability, capacity-building capability and resource mobilisation capability. Using an organisational capabilities improvement plan, the private college can adopt the results of this research in developing these capabilities. Management should seek to ensure seamless alignment of resources, values, culture and strategy processes to maintain a competitive edge.

Management should also consider restructuring functional and management structures to match rapid growth needs that are presenting themselves because of the espousal of sensing and seizing. Devolution of decision-making processes should be considered to allow flexibility and speedy implementation of growth strategies with specific focus to accommodate transformation. The context of rapid growth inspired by dynamic capabilities requires that management should see to staff preparedness and put in place resources and transformative systems to effect strategy implementation.

CONCLUSION

The research set out to establish the workings of dynamic capabilities in a private HEI. The presence of dynamic capabilities was identified along with the challenges that emanated from rapid growth. However, dynamic capabilities play a catalytic role during implementation of growth strategies. Resources and capabilities need to be consciously synchronised with growth strategies. The creation of an enabling internal environment is not enough to develop dynamic capabilities, particularly, transforming capacity. The transforming ecosystem that supports transforming capacity should be nurtured to support the development of reconfiguration capabilities and strategy implementation.

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Track:

Marketing

(Excluding Digital Marketing)

Developing loyalty through customer rewards and satisfaction: the special case of Generation Z

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ABSTRACT

Through maintaining long-term relationships with customers, firms reap the benefits of customer loyalty. It is therefore not surprising to learn that the literature reports extensively on the building blocks of customer loyalty, such as customer satisfaction and customer rewards, amongst others. However, limited research appears to exist that demonstrates the interrelationships between the three types of customer rewards (utilitarian, hedonic and symbolic), customer satisfaction and customer loyalty (attitudinal and behavioural), especially from a South African perspective). It is against this background that this study investigates the relationships between the three types of rewards, customer satisfaction and the two types of loyalty. This quantitative study reports on the perceptions of 178 Generation Z consumers, who were approached by means of a 30-item self-administrated questionnaire. The data were analysed through SPSS version 27. The empirical results point, amongst others, to a new understanding on how customer rewards should be managed in order to manage satisfaction, and ultimately loyalty.

Keywords: customer rewards; satisfaction; attitudinal loyalty; behavioural loyalty

INTRODUCTION

As the retail landscape becomes more competitive, retailers and marketers are continuously searching for new and innovative ways to sell their products and/or services. With the emergence of relationship marketing in the 1980s, marketers soon became aware of the numerous benefits that they could gain from using relationship marketing principles. Furthermore, the availability of new technologies enabled companies to be more attuned to the needs of their customers (Dadwal, Jamal, Harris, Brown and Raudhah, 2020). Therefore, loyalty programmes have become a popular strategy for companies to build direct relationships with customers not only to meet their expectations, but also to improve customer satisfaction (Stathopoulou and Balabanis, 2016).

Although the marketing literature provides ample evidence that rewards (Hwang, Baloglu and Tanford, 2019), satisfaction (Santouridis and Veraki, 2017) and loyalty (Nyadzayo and Khajehzadeh, 2016) are important components of a loyalty programme, limited research has been conducted with regard to the perceptions of Generation Z consumers" on the importance of and interplay among these three constructs. Against this background, this study firstly focused on the importance of rewards, satisfaction and loyalty from a Generation Z perspective. Secondly, the purpose of the study was to assess the relationships between these three important building blocks.

LITERATURE REVIEW

This section provides an overview of the major concepts examined in this study. First, an explanation is given of who Generation Z are. The concept of relationship marketing is then briefly introduced, followed by a delineation of the role of loyalty in relationship marketing. Third, the concept of satisfaction is introduced, followed by a discussion of the role that rewards play in marketing relationships.

Generation Z

According to the American Psychological Association (APA), Generation Z refers to individuals who were born in 1997 or later. These individuals would therefore be 25 years old or younger in 2020. Owing to global changes taking place in society during the past 25 years, it is to be expected that this younger generation might respond differently to marketing strategies (Serpa, 2018). For example, Yigit and Aksay (2015) argue that factors such as year of birth, events that occurred during their upbringing and various social structures during this time, have a significant influence on Generation Z"s behaviour and perceptions. According to Haddouche and Salomone (2018), the differences in values, attitudes and technological advancements are likely to result in market changes.

Since Generation Z were born in a post-linear digital world, they have been described as collaborative users (Kantar Millward Brown, 2016). It should be kept in mind that this generation does not know life without the Internet, which, for example, make them active users of social networks (Expósito, 2020). Given the unique characteristics of Generation Z consumers, they have become an important target group for companies (Serpa, 2018). However, despite this importance, Williams and Page (2011) believe that marketers lack the expertise on how to effectively communicate to this generation.

RELATIONSHIP MARKETING

Increased competition has resulted in marketers adopting a more relational approach (Zhang, Watson, Palmatier and Dant, 2016). This shift was largely driven by the growing realisation that it is considerably less expensive to retain existing customers than to attract new ones (Jokinen, 2019). By applying relationship marketing principles, marketing practitioners soon started to gain benefits, such as increased sales, higher profitability (Huang, Huang and Hsieh, 2017), enhanced competitiveness (Ndubisi, 2013) and positive word-of-mouth advertising (Zeithaml, Bitner and Gremler, 2018). For example, Berry (1995) established that a decrease of 5 per cent in a company"s customer defection rate could potentially increase the business" profit by between 25 and 85 per cent. Furthermore, it was found that the cost of retaining a customer is considerably less expensive as opposed to obtaining a new customer (Uncles and Dowling, 1997).

Once companies are more attuned to the needs of their customers, they will be able to customise their products and services to the specific needs of their customers. From a customer perspective, these customers are rewarded through receiving benefits such as self-confidence, and social and special treatment offerings (Zeithaml *et al*., 2018).

When practising relationship marketing, companies incorporate organisational and decision-making processes in order to create, maintain and develop a symbiosis with their customers (Zentes, Morshett and Schramm-Klein, 2017). In doing so, companies solidify the relationships with their customers, resulting in the adoption of a more customer-centric approach (Jeevananda, 2011). The ultimate goal of relationship marketing is therefore to retain customers and in turn, realise customer loyalty (Palmer, 2014).

CUSTOMER LOYALTY AND LOYALTY PROGRAMMES

Palmer (2014) points out that the outcome of relationship marketing practices should always be customer loyalty. In fact, some authors maintain that obtaining customer loyalty should be at the centre of relationship marketing efforts (Ndubisi, 2007). In fact, customer loyalty should be a top priority for companies since the repeat purchase of products and services are critical to a business" success and profitability (Silvestro and Cross, 2000).

The benefits that companies obtain with relationship marketing are therefore similar to those benefits received through customer loyalty. In essence, customer loyalty is a substantial consideration in the long-term success of any company (Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliot and Klopper, 2019), and one of the most enduring assets that a company can possess (Kandampully, Zhang and Bilgihan, 2015).

Ndubisi (2007) defines customer loyalty as customers having a deep commitment to repatronise products and services of a company regardless of external or situational factors that might change customers‟ decisions. Therefore, once a company implements relationship marketing, customer loyalty will inevitably follow in the form of repeat purchases (Lamb *et al.*, 2019).

The literature concurs that loyalty should not be viewed as a uni-dimensional construct, but rather as consisting of both an attitudinal and a behavioural component (Bowen and Chen, 2001). *Attitudinal loyalty* refers to the "measures of attitude that reflect the inherent psychological and emotional bond of loyalty" (Gonçalves and Sampaio, 2012: 1511). These measures focus on customers‟ feelings of loyalty and their faithfulness and commitment towards a company. Attitudinal loyalty therefore denotes the strong cognitive element of the consumer that leads them to repurchase goods and/or services from a particular company and to make recommendations about that company (Chuah, Marimuthu and Ramaya, 2014). It can therefore be argued that attitudinal loyalty reflects not only customers‟ repurchase intentions, but also their attitudes towards the company and their willingness to recommend that firm (Bowen and Chen, 2001).

As opposed to attitudinal loyalty, *behavioural loyalty* is measured by the purchase frequency of a customer, the sequence of purchases and the customer‟s repurchasing behaviour (Gonçalves and Sampaio, 2012). Therefore, customers‟ behavioural loyalty can be determined by observing their purchasing records, such as the proportion of purchase, the probability of purchase and the sequence of purchase (Chuah *et al.*, 2014).

Since attitudinal loyalty and behavioural loyalty differ in their core meaning, the literature suggests that the best results might be obtained when these two types of loyalty are used in conjunction with each other (Chahal and Bala, 2011). This notion is confirmed by Gonçalves and Sampaio (2012: 1510) who argue that "there is now greater acceptance that customer loyalty implies repeat purchase behaviour and also a positive attitude".

Companies often use loyalty programmes as marketing tactic when practising relationship marketing. Through loyalty programmes, these companies encourage customers to be loyal by offering them rewards for their continued support (Zentes *et al.*, 2017). Ruzeviciute and Kamleitner (2017) emphasise that loyalty programmes are a key tool for companies to manage customer relationships and to gain valuable knowledge about their customers. In essence, loyalty programmes can be described as continual incentive programmes (Ama.org, 2019). However, loyalty programmes can only be effective once customers are satisfied by the type of rewards they receive from these programmes (Stathopoulou and Balabanis, 2016).

CUSTOMER SATISFACTION

The importance of customer satisfaction is well described in the literature (Rini and Absah, 2018; Rahimi and Kozak, 2017; Al-Msallam and Alhaddad, 2016). According to Gonçalves and Sampaio (2012: 1511), customer satisfaction refers to "the response of a customer after the product has been purchased, which can be either positive or negative". This positive or negative perception is based on an assessment of whether the benefits derived from the purchase exceeds the sacrifices or costs (Chuah, Marimuthu, Kandampully and Bigihan, 2017). Once this assessment is favourable, customers experience satisfaction (Hau and Thuy, 2012).

Not only are both the constructs satisfaction and loyalty well-established in the literature, but there also appears to be a sizeable body of knowledge that refers to the link between these two constructs (Gonçalves and Sampaio, 2012). However, there appears to be disagreement about the exact nature of the relationship: for example, some authors refer to an indirect relationship between these two constructs (Agustin and Singh, 2005; Yi and La, 2004; Bloemer and Odekerken-Schröder, 2002), whilst others refer to the fact that the relationship is of a complex and non-linear nature (Fullerton and Taylor, 2002; Mittal and Kamakura, 2001; Ngobo, 1999).

Despite the various views on the exact nature of the satisfaction-loyalty link, authors agree that increased customer satisfaction will inevitably result in increased customer loyalty (Gonçalves and Sampaio (2012). Therefore, customer satisfaction is an important requirement for customer loyalty (Bowen and Chen, 2001).

Based on the literature review, it is hypothesised that:

H[1a]:   There is a positive relationship between satisfaction and attitudinal loyalty.

H[1b]:   There is a positive relationship between satisfaction and behavioural loyalty.

CUSTOMER REWARDS

Although a number of factors could result in customer satisfaction, the importance of offering rewards is often highlighted. Not only does rewards result in customer satisfaction, but rewards also have a positive effect on the quality of a relationship between the company and its customers (Huang, Fang, Fang and Huah, 2016). Furthermore, Mimouni-Chaabane and Volle (2010) assert that the success of loyalty programmes is highly dependent on the type of rewards offered to members of these programmes. Mimouni-Chaabane and Volle (2010) define rewards as the overall value that a customer derives from the experience with a loyalty programme and what the programme provides for the customer. This value can be of a monetary or a non-monetary nature (Vukadin, Wongkitrungrueng and Assarut, 2018).

In order to maximise the effectiveness of rewards, Huang *et al.* (2016) posit that companies have to understand the way in which rewards contribute to customer satisfaction. More specifically, companies should acknowledge that customers differ in their basic demographics, such as age and gender (Melnyk and Van Osselaer, 2012) Kovač, Novak and Brezović (2018) confirm this view and found that customers‟ prioritised rewards according to their personal and unique needs.

From the literature, it is evident that members of a loyalty programme could experience a vast array of value-added rewards from these programmes (Stathopoulou and Balabanis, 2016). In general, rewards can be classified into three distinct categories (or types), namely utilitarian, hedonic and symbolic rewards.

Utilitarian rewards refer to the tangible benefits of an offering that can easily be evaluated relative to the other types of reward (Stathopoulou and Balabanis, 2016). Yoo, Berezan and Krishen (2018) found that customers assess a loyalty programme according to the utilitarian benefits that indicate how well the programme performed its task. Utilitarian rewards offer customers value that is cognitive, functional, instrumental and economic (Stathopoulou and Balabanis, 2016; Mimouni-Chaabane and Volle, 2010). This customer value is offered through either time-saving rewards, such as convenient shopping hours, and/or monetary value, such as offering discounts, points or vouchers (Yoo *et al*., 2018).

Hedonic rewards are experienced by shopping, media and augmented behavioural loyalty through experiences and emotions (Vukadin *et al*., 2018). Customers find pleasure in collecting and redeeming their reward points (Stathopoulou and Balabanis, 2016). Mimouni-Chaabane and Volle (2010) confirmed that hedonic rewards might be relevant through two dimensions, namely exploration and entertainment.

Symbolic rewards add consumers to a social group, are not product-related, are intangible and offer members of loyalty programmes the opportunity to reach a sense of special status (Yoo *et al*., 2018). Symbolic rewards let customers feel that a company acknowledges them (Stathopoulou and Balabanis, 2016). An example might be that customers feel company employees treat them better than they treat non-loyalty members (Yoo *et al*., 2018). Mimouni-Chaabane and Volle (2010) note that loyalty programmes have extrinsic advantages that relate to self-esteem, personal expression and social approval. Being part of a social and exclusive class of customers that originates from a loyalty programme provides the opportunity for consumers to set themselves apart from others (Gordon, McKeage and Fox, 1998).

Based on the above literature review, the following three hypotheses are proposed:

H^{2a}:   There is a positive relationship between utilitarian rewards and satisfaction.

H^{2b}:   There is a positive relationship between hedonic rewards and satisfaction.

H^{2c}:   There is a positive relationship between symbolic rewards and satisfaction.

The hypothesised relationships are illustrated in Figure 1.

FIGURE 1:

Conceptual framework
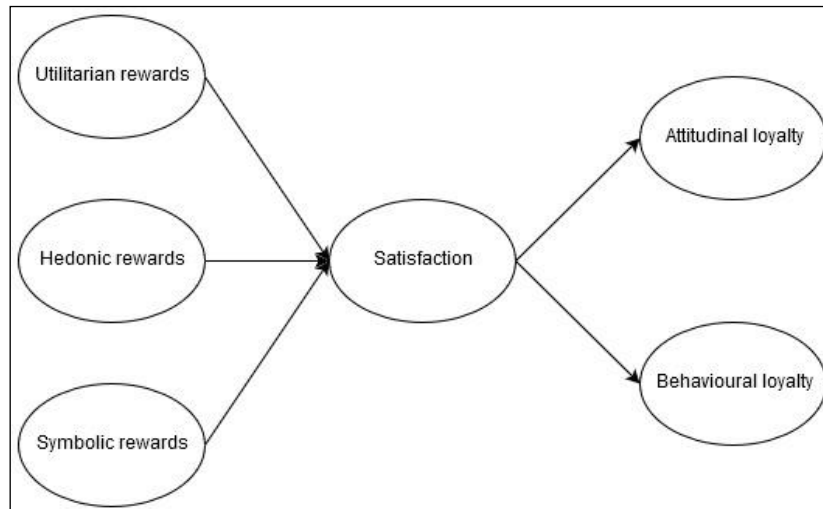
RESEARCH METHODOLOGY

A quantitative approach was used to gather data from Generation Z consumers.

MEASUREMENT INSTRUMENT: The questionnaire consisted of demographic and likert scale type questions that included carefully constructed statements. The statements were designed to measure consumer attitudes that allowed respondents to rate how strongly they agreed or disagreed with those assertions. In order to increase the reliability of the scales, only scales of which the reliabilities were previously determined, were used. Subsequently, the scales used in this research originated predominantly from Duževič, Delić and Knežević (2016), Funk and Pastore (2000), García-Gómez, Gutiérrez-Arranz and Gutiérrez-Cillán (2012), Stathopoulou and Balabanis (2016), and Yoo *et al*. (2018). Samples items used in this study are depicted in table 1.

TABLE 1:

Sample items

Utilitarian Rewards	
UTI1	My loyalty programme(s) help me shop at lower prices
UIT2	My loyalty programme(s) help me save time when shopping
UTI3	My loyalty programme(s) help me save money
Hedonic Rewards	
HED1	My loyalty programme(s) help me discover new products
HED2	My loyalty programme(s) me in trying new products

HED3   I accomplish what I wanted to do with my loyalty programme(s)
Symbolic Rewards
SYM1   As a loyalty member, they treat me better than non-loyalty members SYM2   I feel as if I am more respected SYM3   I feel like I am distinguished from other customers
Satisfaction
SAT1   I am satisfied with my loyalty programme(s) SAT2   If I had to do it all over again, I would choose my loyalty programme(s) SAT3   My loyalty programme(s) exceed my expectations
Attitudinal Loyalty
ATT1   Loyalty programme(s) are of good quality ATT2   My loyalty programme(s) are easily available to use ATT3   My loyalty programme(s) are functional.
Behavioural loyalty
BEH1   I regularly use loyalty programme(s) BEH2   I recommend my loyalty programme(s) to others BEH3   I would use my loyalty programme(s) regardless if there were similar loyalty programme(s)

SAMPLING: For the purposes of this study, the target population consisted of generation z consumers. However, no sample frame was available, and therefore convenience and quota sampling was used. Non-probability sampling was applied, as the respondents were chosen based on convenience. As a result, students from a well-recognised multi-cultural university in South Africa were included.

DATA ANALYSIS: Inferential analysis was conducted through statistical tests to determine whether there was a relationship between the data collected on customer rewards, satisfaction and loyalty. The statistical method for this study was regression analysis to understand the relationship between customer rewards, customer satisfaction and customer loyalty. All analyses were performed through SPSS 25.

Ethical considerations: both the Departmental Ethical Screening Committee as well as the Research Ethics Committee of the university that participated in the research granted official permission for the study. Both committees classified the study as a low risk study.

EMPIRICAL RESULTS

In order to meet the requirements of the statistical techniques employed during the study, a total of 175 completed responses were deemed sufficient. However, during the initial data-gathering process, 212 respondents were approached. Of these 212 respondents, and following a screening question, it was determined that only 178 of the respondents belonged to a loyalty programme. Accordingly, this study included the responses of only these 178 respondents.

Demographic profile

In order to develop a picture of the sample"s demographic profile, questions were included about the respondents" gender and age. Of the 178 respondents, 59.6 per cent (106) were female, and 40.4 per cent (72) were male. The majority of respondents were in the age group 18-28 years. Of the 178 respondents belonging to a loyalty programme, the vast majority of 80.9 per cent (144 respondents) belonged to more than one loyalty programme, whereas only 19.1 per cent (34 respondents) were members of only one loyalty programme.

Reliability

Reliability was assessed through an examination of Cronbach"s alpha values. The realised reliability scores were as follows: utilitarian rewards: 0.671; hedonic rewards: 0.737; symbolic rewards: 0.784; satisfaction: 0.802; attitudinal loyalty: 0.728; and behavioural loyalty: 0.733. Except for utilitarian rewards, all scores were above the generally accepted level of 0.7, demonstrating evidence of internal consistency. Since the value of 0.671 for utilitarian rewards was relatively close to 0.70, it was decided to retain this construct.

Inferential statistics

In order to assess the relationships between the different variables, a number of regression analyses were performed. Since a regression analysis only allows one dependent variable to be assessed against one or several independent variables, three separate regression analyses had to be performed. In the first regression analysis, utilitarian, hedonic and symbolic rewards were set as the independent variables, with satisfaction as the dependent variable. In the second regression analysis, satisfaction was the independent variable whereas attitudinal loyalty was set as the dependent variable. The third analysis had satisfaction as independent variable and behavioural loyalty as the dependent variable. The results of the three regression analyses are depicted in Table 2.

TABLE 2:

Results of the regression analyses

	Beta	t-value	Significance level	Tolerance	VIF
Regression analysis 1 Independent variables: Utilitarian rewards, hedonic rewards, symbolic rewards Dependent variable: Satisfaction					
Utilitarian rewards →satisfaction	0.402	5.212	.000	.463	2.161
Hedonic rewards → satisfaction	0.279	2.987	.003	.315	3.176
Symbolic rewards → satisfaction	0.116	1.466	.144	.440	2.270
R^2 value: 0.521					
Regression analysis 2					

Independent variable: Satisfaction Dependent variable: Attitudinal loyalty					
Satisfaction → attitudinal loyalty	0.779	16.479	.000	1.000	1.000
R^2 value: 0.607					
Regression analysis 3 Independent variable: Satisfaction Dependent variable: Behavioural loyalty					
Satisfaction → behavioural loyalty	0.740	14.590	.000	1.000	1.000
R^2 value: 0.547					

From Table 2 it is evident that the relationships between both utilitarian and hedonic rewards were found to be significant. Therefore, H[2a] and H[2b] were supported ($p < 0.05$). The beta coefficients shown in Table 2 indicate that utilitarian rewards had a stronger relationship with the highest beta coefficient of 0.402, and the *t*-value confirmed this with the highest score of 5.212.

In contrast, the significance value of symbolic rewards was 0.144. Thus, H[2c] could not be supported. No positive relationship could be found between symbolic rewards and satisfaction, which was an unexpected result. The possible reasons for this finding will be addressed later in this article.

The second regression analysis showed that satisfaction significantly and positively influenced attitudinal loyalty. This finding was based on the fact that the p-value was smaller than 0.05. The same argument applied for the third regression analysis, where it was found that satisfaction also positively influenced behavioural loyalty. Since both hypotheses H[1a] and H[2b] were supported, it can be argued that satisfaction is an important building block of both attitudinal and behavioural loyalty.

In order to assess possible multi-collinearity, both the tolerance and VIF levels were inspected during all three regression analyses. Given the generally accepted levels of VIF values of 10.0 and above (suggesting multicollinearity) and 0.10 in the case of tolerance levels, it can be argued that multi-collinearity did not pose any risk in this study. In addition, the R^2 levels were all above the level of 0.50, proving that at least half of the variance in the dependent variables were declared by the independent variables. However, it should be kept in mind that it was never the objective of the study to declare as much as possible of the variance in the dependent variables.

DISCUSSION

The study confirmed the relationship between utilitarian and hedonic rewards, and satisfaction. These results are in congruence with the findings of Balabanis (2016), Mimouni-Chaabane and Volle (2010), Stathopoulou and Balabanis (2016), Vukadin *et al*. (2018) and Yoo *et al*. (2018), to

mention a few. Therefore, Generation Z consumers are no different from other generations pertaining to their perceptions of the importance of both utilitarian and hedonic rewards.

The finding that symbolic rewards did not significantly contribute to satisfaction contradicts the support that was found in the literature for the positive relationship between these two constructs (Stathopoulou and Balabanis, 2016; Mimouni-Chaabane and Volle, 2010). The implication of this finding is that, for Generation Z consumers, managing symbolic rewards does not result in customer satisfaction. Finding the rationale for this unexpected finding proved challenging, especially since no reference hereto could be found in the literature. A possible explanation is the fact that South Africa is often perceived as a country with low trust levels. Respondents might thus rather rely on "real" or tangible rewards, instead of being satisfied with intangible (symbolic) rewards. However, this explanation is purely of a speculative nature, and the finding calls for further research.

Based on the literature, a positive relationship between satisfaction and both attitudinal loyalty and behavioural loyalty was envisaged. The study found that satisfaction indeed contributed to a customer"s attitudinal loyalty towards a company. This result concurs with findings by authors such as Bowen and Chen (2001), Park (1996) and Peterson (1995). Thus, if a company increasingly met or exceeded the expectations of their customers, this satisfaction would result in the emergence of a strong cognitive element of the customer, which in turn would lead to repurchase intentions, positive attitudes and word-of-mouth recommendations. This study also confirmed a positive relationship between satisfaction and behavioural loyalty. Therefore, if a company met or exceeded the expectations of its customers, this satisfaction would result in increased purchase frequency and a sequence of purchases – two of the building blocks of behavioural loyalty.

However, it is important to note that these two types of loyalty should not be seen in isolation. For example, TePeci (1999) argues that behavioural loyalty cannot fully explain customer repurchase intentions and decisions. In addition, behavioural loyalty exists because of attitudinal loyalty (Chuah *et al*., 2014). In other words, a customer"s attitude must accompany their behaviour. Both types of loyalty are therefore required to achieve overall loyalty.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

One of the major findings of this study is the validation that rewards play a significant role in the way in which Generation Z view their loyalty programmes. This finding also reiterates the notion that Generation Z is willing to commit themselves to companies, but that they constantly want to be rewarded. Therefore, strategically designed loyalty programmes that include effective utilitarian and hedonic rewards can benefit a business in the long term, leading to improved customer loyalty

and positive relational outcomes. The question therefore is not whether rewards should be offered, but what the nature of the rewards should be.

Utilitarian rewards should primarily focus on monetary incentives and convenience. In other words, utilitarian rewards should assist consumers in saving time and saving money. With regard to monetary rewards, it is important that businesses should pay attention to their pricing, helping customers to save money. By making price rewards exclusively available to members of loyalty programmes membership of these programmes is encouraged. In addition, a price-reward strategy will portray exclusivity, which is a component of hedonic rewards. Furthermore, the practice by businesses to offer tier-based loyalty programmes, should be encouraged. In this way, exclusivity (and therefore hedonic rewards) is reinforced.

Convenience rewards refer to those benefits that customers receive which could assist them in saving time and increasing their efficiency while shopping. These aspects can be addressed by firstly informing customers how a loyalty programme could create convenience. The idea is to regard loyal customers as "premium" customers. An example could be a retail setting where separate checkout areas could be made available. Convenience could further be enhanced by allowing members to use their loyalty cards at multiple stores or locations, albeit through cooperation with non-affiliated stores. Finally, convenience is created by assisting customers with the purchasing process.

A positive relationship was also confirmed between satisfaction and attitudinal loyalty. Thus, an increased level of satisfaction will result in an increased level of attitudinal loyalty. If the rewards met or exceeded the expectations of the customer, an emotional bond would follow. Individual preferences can be met and positive attitudes would be generated. Management should ensure that their companies" loyalty programmes are readily available to use and for members to understand. Furthermore, a loyalty programme should not be too intricate or tiring to use, otherwise it will lead to customer dissatisfaction and a decrease in usage. Management should further ensure that the loyalty programme is functional and of a good quality. The aim should be to instil a positive attitude among members, to make provision for individual preferences and to develop feelings of loyalty that would result in repurchase intentions and a willingness to recommend the particular company and/or the loyalty programme.

LIMITATIONS AND FUTURE RESEARCH

A limitation is the fact that the study focused on generic loyalty programmes only, and therefore not tailor made to a specific industry. It would have been interesting to gain insight into respondents" perceptions of the rewards-satisfaction-loyalty link among different industries, such as the fast-moving consumer goods sector as opposed to the financial services sector. It could be valuable to

focus future research on narrowing down the rewards construct. For example, monetary rewards could be assessed separately from convenience rewards, whereas in this study they were combined under the term „utilitarian rewards".

CONCLUSION

Retaining loyal customers remains a crucial objective of marketers, with loyalty programmes often being used as a marketing strategy to achieve this objective. However, marketers should be cautious not to offer the same type of rewards to all customers. The results of this study have clearly proved that when it comes to Generation Z, it would be a waste of valuable resources to focus on symbolic rewards. It goes beyond saying that loyalty programmes should concentrate on the exact needs of the target markets that are approached. Generation Z as a target market holds significant importance to marketers; however, this often untapped market should be approached with tailer-made reward offerings.

Acknowledgement

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The impact of customer attachment on consumption emotions in South African private hospitals

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ABSTRACT

Relationship marketing theory acknowledges the importance of attachment in establishing long-lasting customer relationships. Maintaining relationships with patients are of particular importance to hospitals, especially due to the emotionally laden nature of these relationships. With the limited available knowledge on attachment in customer-organisational relationships – from a relationship marketing point of view – and its relationship with customers" emotions, this paper investigates the extent to which attachment impacts consumption emotions in South African private hospitals. A quantitative descriptive research design was followed, implementing non-probability convenience sampling, which resulted in 303 viable responses. The results indicated that customer attachment impacted both positive and negative consumption emotions. This research offers a theoretical contribution by advancing the existing knowledge on the role of attachment in customer-organisational relationships and its impact on consumption emotions. The research also has meaning to private hospitals, as the findings could be applied to formulate suitable strategies to establish and maintain relationships with their patients.

Keywords: customer attachment; consumption emotions; private hospitals; relationship marketing

INTRODUCTION

The South African healthcare industry comprises a public sector – funded by the government, and a private sector – accessible through private health insurance (Expatica, 2021). There are, however, major disparities between these two sectors. The public sector serves 84% of the South African population, operates more than 400 hospitals, and spends more than R100 billion per year on serving public hospital patients (RH Bophelo, 2021; Lavers, 2020). Ranked among the worst in the world, the South African public healthcare sector is characterised by poor service delivery, resource shortages, dilapidated equipment, and limited available qualified staff (HST, 2020; Lavers, 2020).

In comparison with the public sector, the standard of healthcare in the South African private healthcare sector is considered the best in Africa, as it is well-funded and well-equipped (HST, 2020; Benatar, Sullivan and Brown, 2018). The private sector, which spends approximately the

same amount as the public sector, serves 16% of the South African population, operates more than 200 private hospitals, and is mainly controlled by three hospital groups (namely Netcare, Life Healthcare, and Mediclinic), holding about 80% of the private hospital market share (Expatica, 2021; RH Bophelo, 2021). Despite the dominant presence of these private hospital groups, these hospital groups have been exposed to considerable changes in the marketplace in the form of new technologies, more informed patients, and higher patient demands for better service delivery, leading to a surge of competitors (HST, 2020; Benatar *et al*., 2018). Consequently, these changes have forced private hospitals to compete for a share in the market. In order to compete and differentiate themselves from competitors, Abekah-Nkrumah, Antwi, Braimah and Ofori (2020) advocate the idea of private hospitals pursuing long-lasting relationships with patients in an effort to retain them.

Various marketing researchers and practitioners alike regard the development and implementation of effective relationship marketing strategies as an integral part of an organisation‟s overall marketing strategy, as it provides a foundation for organisations to acquire new proficiencies, retain resources, and establish a competitive advantage (Enes, Lima, Demo and Scussel, 2021). According to Abekah-Nkrumah *et al*. (2020) and Poku, Behkami and Bates (2017), developing effective relationship marketing strategies is particularly important to private hospitals, as patient retention increases private hospitals‟ long-term profitability, ultimately contributing to their sustainability. However, to establish successful customer relationships, various marketing researchers argue that customer attachment is what organisations should encourage and maintain (Pozharliev, De Angelis, Rossi, Romani, Verbeke and Cherubino, 2021; Spies and Mackay, 2020; Verbeke, Belschack, Bagozzi, Pozharliev and Ein-dor, 2017). Customer attachment solidifies the bond that has been created between customers and organisations, which may serve as a prerequisite to building long-term relationships with customers (Chang, Cheng, Tsai and Lai, 2018; Moussa and Touzani, 2017). Within the context of this study, creating bonds with patients are now more important than ever before with the arrival of the Covid-19 pandemic. It is through the bond created between patients and care provider that the void patients experience due to isolation are fulfilled (Gupta, Cuff, Dotson-Blake, Schwartzberg, Sheperis and Talib, 2021).

Accordingly, it becomes vital to understand what patient attachment entails and identify the factors that may assist marketing researchers in clarifying the role of attachment in customer-organisational relationships (Pozharliev *et al*., 2021; Moussa and Touzani, 2017; Verbeke *et al*., 2017). A review of attachment studies reveals that although extensive research has been done on individuals‟ attachment to brands (Rajaobelina, Prom Tep, Arcand and Ricard, 2021), products (Mende, Scott, Garvey and Bolton, 2019), and places (Wnuk and Oleksy, 2021), there is comparatively little focus on attachment in customer-organisational relationships. The majority of attachment studies on customer-organisational relationships are exploratory in nature, as indicated

by Vlachos, Theotokis, Pramatari, and Vrechopoulos (2010) and Aldlaigan and Buttle (2005), who acknowledged that the purpose of their research were not to empirically test the formation of customer attachment. To the best of our knowledge, very few researchers empirically tested customer attachment specifically in customer-organisational relationships. Consequently, little is known about the empirical understanding of the formation of attachment in customer-organisational relationships and the possible factors that contribute towards the development thereof. To address this deficit, this paper aims to theoretically and empirically not only investigate the role of attachment in patient-private hospital relationships, but also its impact on consumption emotions.

Individuals" emotions are regarded by both infant-parent (Cassidy, 1994) and adult attachment theorists (Mikulincer and Shaver, 2019) as an essential outcome of attachment. These authors argue that emotions are usually a reflection of the state of an individual"s attachment. From the adult attachment view, Mikulincer and Shaver (2019) explain that attached individuals have the ability to regulate their own emotions (positive and negative) during emotional experiences, contributing towards a trusting relationship. This paper argues that if attached individuals are able to handle their emotional experiences more effectively (Frazier, Gooty, Little and Nelson, 2015; Pascuzzo, Cyr and Moss, 2013), it can be expected that attached customers will also be able to handle their emotional experiences (which can be referred to as consumption emotions) more effectively, which could ultimately improve their relationship with the organisation (Khatoon and Rehman, 2021; Kranzbühler, Zerres, Kleijnen and Verlegh, 2020; Jensen, Lombardi and Larson, 2015). Notwithstanding the importance of the way in which attached customers handle emotional experiences and the relationship formed between customers and organisations, the direct impact of customer attachment on consumption emotions in customer-organisational relationships has not yet been empirically tested, posing a need for future research. To address this need, this paper accordingly sets out to empirically test the impact of patients" attachment on consumption emotions.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The attachment theory

The attachment theory was initially introduced by Bowlby (1977), who defined attachment as people"s instinctive need to form affectionate bonds with particular others. The attachment theory stems from the belief that the attachment system developed as a behavioural strategy in humans to optimise survival and reproduction, and motivates people to seek physical proximity to those who support them (also called attachment figures) in times of need (Fearon and Roisman, 2017). These attachment figures generally take on the role of protecting others from physical and psychological threats, promoting the regulation of their emotions. Main, Hesse and Hesse (2011)

and Bowlby (1977) explain that, when people interact with responsive and protective attachment figures, they tend to form positive mental representations of their relationship partners and the self (called internal working models of others and self). These internal working models serve as a guide to one"s perceptions and judgements when it comes to approaching new relationships.

Although most of the early attachment research focused almost exclusively on parent-infant (Ainsworth, Blehar, Waters and Wall, 1978; Bowlby, 1958) and adult relationships (Shaver and Mikulincer, 2005), marketing studies have suggested that customers" internal working models (i.e. attachment representations) may be activated when engaging with particular brands, organisations, or employees (Pozharliev et al., 2021; Verbeke et al., 2017; Beldona and Kher, 2015). Paulssen (2009) argues that, because the attachment theory is not limited to romantic or marital relationships in adults, it can explain behaviour in non-affectionate relationships, and should be able to explain individuals" behaviour in organisational relationships as well. Therefore, the internal working models of self and others – shaped through experience in personal relationships – should affect individuals" perceptions and judgements of their relationships with organisations as well. This research, therefore, follows Paulssen"s (2009) concept of using the attachment theory to explain individuals" behaviour in organisational relationships, and more particularly in relationship-specific, organisational-focused customer attachment styles.

Customer attachment

A customer"s attachment style can be defined as a systematic pattern of relational expectations, needs, emotions, and social behaviours that results from the internalisation of particular past attachment experiences (Shaver and Mikulincer, 2005). Mende and Bolton (2011) emphasise the importance of attachment styles, as it influence how people perceive a partner in close interpersonal relationships. This is particularly important for relationship marketing managers, because the success of customer-organisational relationships often depends on forming a better understanding of customers" behaviours and how they relate to the organisation (Enes et al., 2021; Chang et al., 2018). Mikulincer and Shaver (2019) posit that attachment styles can be conceptualised and measured along two continuous dimensions, namely attachment *anxiety* and attachment avoidance. Attachment anxiety is the extent to which a customer forms doubts about the availability of the organisation in times of need. This customer has an excessive need for approval, or fears that the specific organisation will reject and abandon him/her. Attachment *avoidance* refers to the extent to which a customer has an excessive need to be independent, develops a fear of depending on the organisation, is suspicious of the organisation"s goodwill, and wishes to distance himself/herself (emotionally and cognitively) from the organisation (Klettner, Luo and Tine, 2020; Chang et al., 2018; Mende and Bolton, 2011). Mende and Van Doorn (2015) state that customers who score low in both these dimensions develop a secure attachment style towards the organisation, and customers who score high on one or both dimensions develop an insecure

attachment style.

According to Mende and Bolton (2011), both of these attachment styles (secure and insecure) influence how customers perceive their relationship with the organisation. Paulssen (2009) explains that customers with a secure attachment style tend to be more satisfied with their relationship experiences and display higher levels of trust, in comparison with those customers with an insecure attachment, and are therefore more prone to building long-lasting relationships with organisations. Consequently, Chang *et al*. (2018) and Beldona and Kher (2015) advocate that organisations that want to build successful customer relationships should identify customers with a secure attachment, as this would enable them to both understand their customers" behaviour better and improve their segmentation strategies, as well as allocating relationship marketing resources more effectively.

Consumption emotions

In the field of services marketing, various marketing researchers regard customers" emotions as a key element in understanding their perceptions of the service experience, as customers often draw on their current emotional state when evaluating a specific consumption experience (Kranzbühler *et al*., 2020; Ali, Hussain and Omar, 2016). Westbrook and Oliver (1991) defined consumption emotions as the set of feelings evoked in customers through the consumption of products and/or services (i.e. consumption experiences). This set of consumption emotions consists of the two dominant dimensions of positive and negative emotions (Lee, Back and Kim, 2009). *Positive emotion* is associated with happiness, joy, excitement, pride and gratitude, whereas *negative emotion* is associated with shame, anger, envy, fear, annoyance and sadness (Koenig-Lewis and Palmer, 2014). Barclay and Kiefer (2014) and Pappas, Kourouthanassis, Giannakos and Chrissikopoulos (2014) note that positive and negative emotions should be viewed as two independent dimensions that may occur simultaneously in customers during the consumption experience.

Consequently, not only should there be a differentiation between customers" positive and negative emotions, but they should also be studied together, as these emotions can have different consequences and effects when it comes to how customers behave (Khatoon and Rehman, 2021; Barclay and Kiefer, 2014; Pappas *et al*., 2014). For example, previous research on consumption emotions acknowledge the difference between the positive and negative emotions experienced by customers during a service experience, by demonstrating that positive emotions are likely to influence customers" level of satisfaction (Vigolo, Bonfanti, Sallaku and Douglas, 2019), purchase intention (Pappas *et al*., 2014), word-of-mouth (Verkijika and De Wet, 2019), and loyalty (Yang, Huang and Huang, 2021; Lee *et al*., 2009) more positively than would negative emotions, which in turn, might enhance organisations" attempts to form customer relationships.

The relationship between attachment and emotions

Within a psychological framework, adult attachment styles play an important mediating role in interactions during which individuals can encounter either positive or negative emotions. In such interactions, individuals with secure attachment styles have a greater capacity for functional emotion regulation, making use of internal working models, and appropriately seeking social resources to deal with their emotions (Mikulincer and Shaver, 2019; Pascuzzo *et al*., 2013). Mikulincer and Shaver (2013) note that, when individuals repeatedly experience positive interactions, their sense of attachment security gradually becomes associated in their minds with memories of positive experiences and emotions. Consequently, the repeated evocation of mental representations of attachment security makes individuals feel relaxed, relieved, loved, and happy.

Moreover, according to Wiebe, Johnson, Burgess Moser, Dalgleish and Tasca (2017) and Overall, Fletcher, Simpson and Fillo (2015), the negative emotions that individuals experience are also influenced by their attachment. Mikulincer and Shaver (2019) and Pascuzzo *et al*. (2013) explain that when attached individuals experience negative emotions, they adopt constructive problem-solving or task-oriented strategies for dealing with distressing emotions or situations. This constructive behaviour can be attributed to securely-attached individuals who had sensitive and responsive attachment figures associated with their protection and proximity-seeking needs. Securely-attached individuals are therefore better equipped to handle negative emotional experiences and embrace positive emotional experiences, which Klettner *et al*. (2020) and Jensen *et al.* (2015) regard as necessary for building successful relationships. The importance of individuals regulating their emotions for relationship purposes is prevalent in previous research, which indicated that secure individuals who are more capable of regulating their emotions during emotional experiences are also more satisfied and trusting in relationships with others (Khatoon and Rehman, 2021; Kranzbühler *et al*., 2020; Frazier *et al*., 2015; Mikulincer and Shaver, 2013).

However, the relationship between attachment and emotions has been empirically tested only in parent-infant and adult relationships, yet the importance of individuals" attachment and their connection to emotions are noticeable in customer-organisational relationships (Zimmer-Gembeck, Webb, Pepping, Swan, Merlo, Skinner, Avdagic and Dunbar, 2017; Pascuzzo *et al*., 2013). This paper, therefore, adapts the attachment theory of adult relationships and argues that a relationship between a customer and the representatives of an organisation can also be viewed as an adult relationship, which, at certain times, can create a scenario in which internal working models of attachment are activated.

Considering the preceding literature, the following alternative hypotheses are formulated:
H_1: Customer attachment has a statistically significant positive impact on positive consumption

emotions.

H₂: Customer attachment has a statistically significant negative impact on negative consumption emotions.

RESEARCH METHODOLOGY

This research followed a quantitative, cross-sectional descriptive research design. The population included residents of the Gauteng, KwaZulu-Natal, or North West Provinces of South Africa, who have made use of private hospital services during the last three years. This population was chosen because of its accessibility, and because the Gauteng and KwaZulu-Natal Provinces comprise the largest share (45.3%) of the South African population (Stats SA, 2020). Owing to private hospitals" inability to share patients" contact information, which contributed to the lack of a sampling frame, the researchers opted for the non-probability convenience sampling method. Prospective respondents were therefore approached by trained fieldworkers in convenient high-traffic public areas (such as malls) in the identified provinces, and requested to complete the questionnaire.

A structured, self-administered questionnaire was used to collect the data. The questionnaire commenced with a preamble, setting out the aim of the research, the completion instructions, respondents" rights, as well as a screening question to ensure that only eligible respondents took part in the research (i.e. respondents who had made use of private hospital services during the last three years). Section A of the questionnaire included structured questions designed to gain insight into the respondents" socio-demographics. Section B of the questionnaire measured respondents" attachment to their private hospital (identified as part of the screening question), using an unlabelled Likert-type scale, with 1 representing „strongly disagree" and 5 representing „strongly agree". The items used to measure respondents" attachment were adapted from the reliable and valid measurement scale of Mende, Bolton and Bitner (2013). Section C of the questionnaire measured respondents" consumption emotions, using an unlabelled Likert-type scale, for which respondents had to indicate the intensity of the emotion they experienced when using their private hospital"s services, with 1 representing „not felt at all" and 5 representing „very strongly felt". The items used to measure respondents" consumption emotions were adapted from the reliable and valid scale of Koenig-Lewis and Palmer (2014).

Before fielding the questionnaire, it was pre-tested among 30 respondents from the target population to identify and correct any problems respondents may experience. Based on the feedback, a few technical and wording adjustments were made to the questionnaire. The final questionnaire was fielded by trained and experienced post-graduate fieldworkers. The fieldworkers were instructed to approach prospective respondents based on convenience, and to determine their eligibility and willingness to participate in the research (using the screening question) before administering the questionnaire. Respondents were not inpatients of the private hospital, but were

healthy subjects who in the past have made use of the private hospital"s services, and were therefore not seen as vulnerable respondents. Upon completion, the fieldworkers had to check the questionnaires for completeness, consistency in responses, and possible errors. In the end, a total of 303 viable questionnaires were collected and could be used in the data analysis. Ethical clearance was attained from the North-West University Research Ethics Committee before the data collection process commenced.

Both IBM SPSS (version 27) and Mplus 8 statistical programmes were used for data analysis. IBM SPSS was used to capture, clean, code, and edit the data. Data analysis included the calculation of the descriptive statistics and Cronbach"s alpha coefficients (to establish the reliability of the scales used to measure the constructs). Mplus was used to apply latent variable modelling via structural equation modelling (SEM) to determine the impact of customer attachment on consumption emotions. Seeing as SEM allows researchers to test how well the theory fits the reality by stipulating all the applicable research variables into one model, it was deemed an appropriate statistical technique to apply for this research (Muthén and Muthén, 2017). The Maximum Likelihood was used for parameter estimation, as this has been considered most suitable for multivariate normal data. Mplus also generated a zero-order correlation matrix, which allowed the researchers to investigate the correlations between the latent variables. Cut-off points for practical significance of correlations are at $r \geq 0.30$ (medium effect) and $r \geq 0.50$ (large effect) (Cohen, 1988).

The comparative fit index (CFI), the Tucker-Lewis index (TLI), and the root mean square error of approximation (RMSEA) were considered to assess the fit of the measurement model (confirmatory factor analysis) to the data. The CFI is used to evaluate the fit of the proposed model relative to the null or independence model, whereas the TLI is used as another incremental fit measure (Meyers, Gamst and Guarino, 2017; Blunch, 2013). The suggested cut-off values for both the CFI and TLI should be above 0.90 (Van de Schoot, Lugtig and Hox, 2012). The RMSEA on the other hand is used as an absolute measure of fit to assist researchers in determining the degree to which the overall model, measurement and structural models predict the observed covariance or correlation matrix, and requires a value of between 0.01 and 0.08 to be considered acceptable (Blunch, 2013).

RESULTS

Sample

All of the respondents confirmed that they have made use of a private hospital"s services at least once in the last three years, which enabled them to complete the survey and answer the questions from their personal experiences. The majority of respondents were Afrikaans (64.4%), followed by

English (20.8%), Sotho (8.6%), Nguni (4.3%), and Venda/Tsonga (1.9%). Most of the respondents were female (63.0%), and full-time employed by an organisation (56.5%). The respondents were further requested to indicate the length of time they had been making use of their private hospital"s services. The results revealed that 34.3% had used the services of their private hospital for less than one year, 24.8% for one to three years, 19.8% for three to five years, and 21.1% for longer than five years.

Reliability and assessing the measurement model

Cronbach"s alpha coefficients were calculated to determine the internal consistency reliability of customer attachment, positive consumption emotions, and negative consumption emotions. Field (2018) recommends that Cronbach"s alpha values should preferably be larger than 0.70 to specify the acceptable internal consistency and reliability of the measurement scales. The Cronbach"s alpha values for all the measures used in this research ranged from 0.87 to 0.90, confirming their reliability.

As indicated in Table 1, it can be observed that the measurement model fit the data acceptably, as both the CFI (0.94) and the TLI (0.92) exceeded the recommended cut-off point of 0.90. The acceptable model fit is also supported by the RMSEA with a value of 0.07, which is less than the cut-off point of 0.10. In addition to the evaluation of the fit indices, a further assessment of the standardised model results was required to evaluate the strength of the loadings of each statement in the relevant constructs in the measurement model. The results indicated that the factor loadings of each statement ranged between 0.69 and 0.87, and can therefore be considered to have a large and statistically significant effect (p-value < 0.05), as they were above the recommended minimum value of 0.50 (Field, 2018). Owing to the acceptable model fit and the positive significant loading of all the items on the variables, convergent validity was confirmed.

TABLE 1:

Fit indices of the measurement model

Model fit indices	Recommended cut-off points	Fit indices value
CFI	≥ 0.95 or ≥ 0.90 is acceptable fit (Hair, Ortinau and Harrison, 2021; Blunch, 2013)	0.94
TLI	≤ 0.95 or ≤ 0.90 is acceptable fit (Hair *et al*., 2021; Blunch, 2013)	0.92
RMSEA	< 0.05 is good fit; ≤ 0.08 is acceptable fit; ≤ 0.10 is average fit (Meyers *et al*., 2017)	0.07

Correlation matrix

Table 2 reflects the statistics for the polychoric correlation matrix of the variables from the analysis.

The correlation matrix revealed that both medium and large correlations were found between the variables used in the analysis, where medium effect sizes were found at the $0.30 \leq r < 0.50$ level and large effect sizes were found at the $r \geq 0.50$ levels. Negative consumption emotions were negatively correlated with both positive consumption emotions ($r = -0.48$) and customer attachment ($r = -0.36$), with a medium effect. Customer attachment had a practical significant correlation with positive consumption emotions of large effect ($r = 0.73$).

TABLE 2:

Correlation matrix of the latent variables

Variables	Positive consumption emotions	Negative consumption emotions	Customer attachment
Positive consumption emotions	–		
Negative consumption emotions	-0.48*	–	
Customer attachment	0.73**	-0.36*	–

*Medium effect size ($0.30 \leq r < 0.50$); **Large effect size ($r \geq 0.50$)

Assessing the structural paths

Following the correlation assessment, structural paths were added to the measurement model, which are presented in Table 3 in terms of the hypotheses (H), the path coefficients (β), the standard error (SE), the statistical significance at the 0.05 level (p-value), and the result.

TABLE 3:

Structural paths of the latent variables

H	Path	β	SE	p-value	Result
H_1	Customer attachment → Positive consumption emotions	0.73	0.05	0.001	Significant
H_2	Customer attachment → Negative consumption emotions	-0.36	0.08	0.001	Significant

β: beta coefficient; SE: standard error; p-value: two-tailed statistical significance

From Table 3, it is evident that all the structural paths in the research model were statistically significant ($p < 0.05$). Specifically, customer attachment was found to have a statistically significant positive impact on positive consumption emotions ($\beta = 0.73$), and a statistically significant negative impact on negative consumption emotions ($\beta = -0.36$). Subsequently, **H$_1$ and H$_2$ can be accepted**. Customer attachment, however, does have a stronger impact on positive emotions than negative emotions. A summary of the relationships identified in the SEM is presented in Figure 1.

FIGURE 1:

Summary of significant relationships
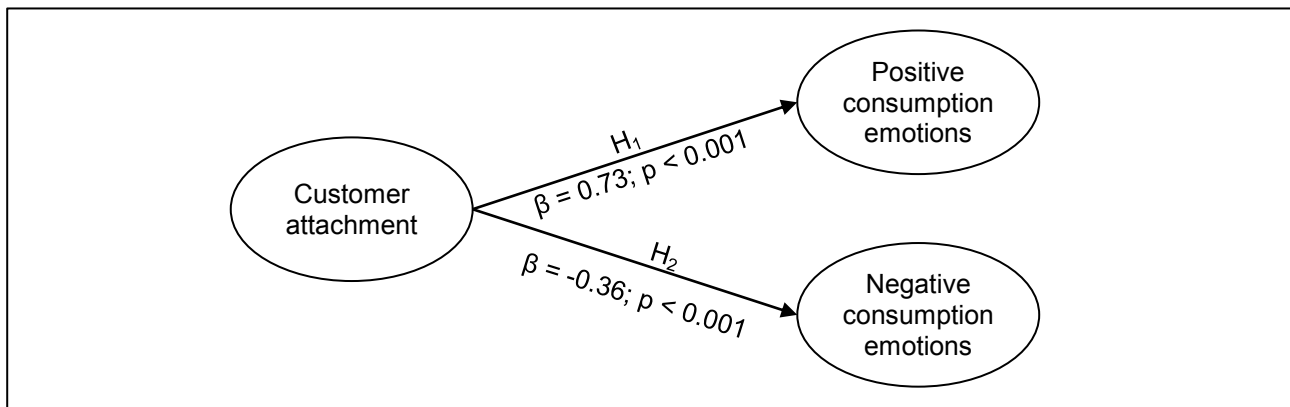
IMPLICATIONS AND RECOMMENDATIONS

The objective of this research was to investigate the role of attachment in patient-private hospital relationships and its impact on consumption emotions. As far as the authors can tell, this is the first study to investigate the direct impact of customer attachment on consumption emotions within a specific customer-organisational relationship. The results of the structural paths indicated that patients" attachment positively impacted their positive consumption emotions experienced during the service delivery. This finding coincides with those reported by adult attachment theorists Mikulincer and Shaver (2019), who found that individuals" attachment influences their positive emotions. The importance of attached patients experiencing positive emotions should be noted in this finding, as it is expected that patients mostly experience negative emotions with hospitals due to illness and pain. This finding can be justified by the adult attachment studies which argues that individuals" sense of attachment security might gradually become associated with memories of positive experiences and emotions, making them feel relaxed, relieved, loved, and happy (Mikulincer and Shaver, 2019).

The results further indicated that respondents" attachment negatively impacted their negative consumption emotions experienced during the service delivery. This finding accords with previous adult attachment studies, which established that individuals" attachment influences their negative emotions (Mikulincer and Shaver, 2019; Wiebe *et al.*, 2017; Overall *et al.*, 2015). Once again, the import role of attached patients cannot be undervalued, as the findings reveal that attached patients are not only more likely to experience positive consumption emotions, but also less negative consumption emotions. This finding can be explained by the adult attachment view, which argues that attached individuals must be able to deal with distressing emotions or situations, as they have adopted constructive problem-solving or task-oriented strategies (Pascuzzo *et al.*, 2013). It should also be noted that although customer attachment significantly impacts negative consumption emotions, it has a larger impact on positive consumption emotions. This may suggest that even though the attached patients have adopted constructive problem-solving or task-oriented

strategies to handle negative consumption emotions, it still may have a negative impact on their experience and emotions. From the attachment theory discussion, this finding makes sense, as patients may feel that their attachment figure (i.e. the hospital) was not there in their time of need to protect them from physical or psychological threats, resulting in a form of distrust (Fearon and Roisman, 2017).

Taking the findings above into consideration, several theoretical contributions are made. Firstly, after reviewing and integrating theories from multidisciplinary literature, a model is developed and empirically tested to explain patients" attachment in patient-organisational relationships, expanding the attachment and relationship marketing domain. Second, this research responds to scholars" calls to empirically test customer attachment specifically in customer-organisational relationships, as the available research are mostly exploratory in nature (Moussa and Touzani, 2017; Vlachos *et al.*, 2010; Aldlaigan and Buttle, 2005). Consequently, this research has expanded the empirical understanding of the formation of attachment in customer-organisational relationships. Third, based on the adult attachment view, this research is the first to link customer attachment to consumption emotions in a customer-organisational relationship. In so doing, it does not only support the adult attachment theory, but also clarifies the factors that contributes towards the development of attached customers.

In addition, this paper provides managerial contributions indicating that attached patients are more likely to experience positive consumption emotions and less negative consumption emotions, encouraging relationship development. Given the relative importance of this outcome, it is suggested that private hospitals should aim to identify attached patients through nurturing bonds with them. Bonds with patients can be nurtured by providing social relations programmes, which entail the personalisation of the relationships through social engagements with patients or by assigning special status to them (e.g. interactive websites, inviting patients to events, newsletters, birthday cards, phone calls, and face-to-face meetings). Private hospitals could also opt for financial reward programmes, offering patients economic benefits in exchange for their loyalty (e.g. loyalty programmes, discounts, gift giving, and free service samples), or structural reward programmes that offer value through motivational programmes and demonstrating the quality of their services.

If private hospitals are able to establish an attachment with their patients, they should also address the negative emotions experienced by their attached patients. These negative emotions can be addressed by keeping patients satisfied and instilling trust in times of need (Frazier *et al.*, 2015). In addressing negative emotions and encouraging positive emotions, private hospitals will be able to influence patients" level of satisfaction (Vigolo *et al.*, 2019), purchase intentions (Pappas *et al.*, 2014), word-of-mouth (Verkijika and De Wet, 2019), and loyalty (Yang *et al.*, 2021; Lee *et al.*,

2009), ultimately contributing to the establishment of long-lasting patient relationships.

Limitations and directions for future research

A number of limitations can be identified. First, non-probability convenience sampling and a single service setting (private hospitals) were used, with mostly Afrikaans respondents participating in the research, limiting the generalisability of the results. Further, research done on attachment in marketing suggests that customers" attachment should be examined in both the employees and the organisation, as certain customers prefer an interpersonal relationship with employees rather than an abstract attachment target such as an organisation (Mende and Bolton, 2011). This research, however, focused only on respondents" attachment to a specific organisation without considering their attachment to employees, thus limiting organisations" ability to segment their customers according to their attachment preferences. This research also did not consider the number of times respondents made use of their hospital in the past three years. This information might be vital, as repeat hospital visits could result in higher levels of attachment. Lastly, possible antecedents of attachment, which could provide better insight into the development of attachment, were not explored in this paper.

The first limitation could be addressed in future research by using probability sampling, across multiple industries, with respondent participation from various races. Further, to optimally utilise customer attachment segmentation strategies, it is suggested that customers" attachment to both the organisation and its employees should be measured. Respondents could further be asked to indicate the number of times they have made use of their hospital over a period of time. This information can then be used to determine whether more hospital visits could result in higher levels of attachment. Lastly, to form a better understanding of the customer attachment concept, future research could examine possible attachment antecedents, which are thought to influence the formation of relationships like customer satisfaction, involvement, loyalty, commitment, and trust.

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Track:

Digital Marketing

A mediated model for normative commitment and helping behaviour in Facebook residential communities

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ABSTRACT

Online communities grow in numbers, however, their success is not guaranteed. Participation such as helping behaviours by online community members contributes to the success of online communities such as residential online activity communities on Facebook where members assist each other to solve personal problems. Limited research is available about the influence of normative commitment on the helping behaviours of members that might assist online community administrators to increase participation. This study aims to uncover the relationship between normative commitment and helping behaviours by using structural equation modelling. The research indicates that normative commitment positively influences helping intentions of residential online activity community members relating to personal problems experienced and established that normative commitment acts as a mediator between its antecedents and helping intention. Normative commitment might therefore create a sense of obligation that will encourage participation when members provide help to fellow members when they experience personal problems.

Keywords: online communities; normative commitment; subjective norm; perceived critical mass; helping behaviour; citizenship behaviour

INTRODUCTION

The success of online communities is not guaranteed even though they are beneficial to different stakeholders (Cunha, Jurgens, Tan and Romero, 2019; Fisher, 2019; Park, Rishika, Janakiraman, Houston and Yoo, 2018). Residential online activity communities, viewed as a type of online community (Kozinets, 1999), include residents who are interested in a specific town or city that can socially interact and ask questions, such as the contact details of medical practitioners or more information about the events taking place in the city. These online communities create opportunities for individuals to form social bonds and share information, interests, and ideas with fellow members through the use of online interaction (Cunha *et al.*, 2019; Park *et al.*, 2018). Member participation is key for an online community's successful functioning where members voluntarily participate through the posting of questions or comments and the replying to questions or comments of fellow members (Malinen, 2015; Faraj and Johnson, 2011). These voluntary

behaviours are also known as citizenship behaviour (Garma and Bove, 2011; Yen, Hsu and Huang, 2011) and within an online community refers to the voluntary and beneficial intentions by online community members, which promote the effective functioning of the community (Chiu, Huang, Cheng and Hsu, 2019).

More research is required to assist administrators in facilitating online community citizenship behaviours. Owning to the positive relationship between commitment and citizenship behaviour (Bettencourt, 1997), committed online community members has increased participation rates and regularly produce content in these communities (Cunha *et al.*, 2019; Malinen, 2015). Even though commitment is viewed as a multi-dimensional construct (Allen and Meyer, 1991), various studies only focus on the relationship between affective commitment and citizenship behaviour in offline environments (Curth, Uhrich and Benkenstein, 2014; Bove, Pervan, Beatty and Shiu, 2009) whereas limited studies have investigated the influence of normative commitment. Furthermore, no study was found that investigated the mediating effect of normative commitment within an online community context, although the testing of such an effect could provide a better understanding of the influence of normative commitment on citizenship behaviours.

Against this background, this study addressed the research gap by investigating a novel set of factors that may influence normative commitment within an online environment. In addition, both the direct and indirect effects of normative commitment on citizenship behaviours of online community members were tested. Based on the social exchange theory, a better understanding of normative commitment within the online environment and the influence thereof may enable administrators to increase the voluntary behaviour of the online community members that may contribute to the community's success.

LITERATURE REVIEW

The literature review concerns the grounding theories and constructs included in this study. Commitment is well-documented as an underpinning construct of relationship marketing (Van Tonder and Pelser, 2018; Jesri, Ahmadi and Fatehipoor, 2013, Morgan and Hunt, 1994) whereas citizenship behaviour is explained by the social exchange theory (Assiouras, Skourtis, Giannopoulos, Buhalis and Koniordos, 2019).

Relationship marketing

Relationship marketing has been adapted and applied to various contexts since its introduction. Initially applied to multi-service organisations (Berry, 1983), relationship marketing was also applied to different online environments such as online retailing and online platforms (Casais *et al*., 2020; Kozlenkova, Palmatier, Fang, Xiao and Huang, 2017; Verma, Sharma and Sheth, 2016). Online communities can influence customers/members retention, feedback, engagement and co-

creation activities (Steinhoff, Arli, Weaven and Kozlenkova, 2019) therefore building and maintaining relationships between members, administrators, and the online community. Although active participation is vital for the success of online communities (Malinen, 2015), it is also needed to build continuous, long-term relationships between members and the community. Members' active participation results in multiple interactions, resulting in ongoing relationships and therefore commitment, and more specifically normative commitment, seems to apply to the online community environment and was therefore included in this study.

Normative commitment

Commitment is grounded in relationship marketing and is viewed as a multi-dimensional construct that includes affective-, normative- and continuous commitment (Meyer and Allen, 1991). The relevance of affective commitment within an online community environment has already been established (Claffey and Brady, 2019). However, normative commitment that refers to the feeling of obligation to continue to be a member of the online community (Sun, Rau and Ma, 2014) has received limited attention. Owning to the lack of research and knowledge about the influence of normative commitment on helping behaviours within an online community environment, this study only focuses on normative commitment, as it can also be argued that when members/customers are normatively committed, they may also feel obligated to reciprocate with voluntary behaviours in their quest to repay for benefits received (Bateman, Gray and Butler, 2006; Liu, Du and Fan, 2016). Normative beliefs are further developed when a strong correspondence exists between the organisation's value, or in this case, online community, and that of the member (Fullerton, 2014).

Social exchange theory

Citizenship behaviour is grounded in this social exchange theory (Xie, Poon and Zhang, 2017; Yi and Gong, 2008), which indicates that when a customer receives benefits from the interaction with the organisation, they are likely to respond and repay the benefits by performing citizenship behaviours (Bove *et al.*, 2009). The social exchange theory is based on the principle of the voluntary actions of individuals, motivated by the anticipated returns of the interaction (Blau, 1964). Therefore, online community members may gain more information and support from fellow members and the community and respond by performing citizenship behaviours toward fellow members (Aishah and Shaari, 2017; Mpinganjira, 2016).

Citizenship behaviour

Customer citizenship behaviour is viewed as a type of customer value co-creation and includes the extra role behaviours of customers that are voluntary and provide value to the organisation, employees and customers but are not required for the service delivery to take place (Yi, Gong and Lee, 2013; Garma and Bove, 2011; Groth, 2005).

Although various dimensions of citizenship behaviour exist, not all dimensions apply to the online community environment. Based on the characteristics of a residential online activity community on Facebook, this study focused on the helping behaviour dimension of citizenship behaviour. The helping behaviour of online community members refers to the voluntary behaviours performed by the members to assist fellow members when they experience personal problems (Chou, Lin and Huang, 2016; Yi and Gong, 2013; Yong, Sachau and Lassiter, 2011). As online community members share an interest in a specific topic or city (Armstrong and Hagel, 2000), they are suitable to assist other members. Bothma, van Tonder & De Beer (2018) furthermore established that the helping behaviour dimension of citizenship behaviour includes two underlying factors namely helping intentions relating to the use of service and helping intention relating to personal problems experienced. This study only focuses on helping intention relating to personal problems experienced, since most of the posts on the residential online activity communities concern personal problems experienced by the members and are therefore relevant for investigation.

MODEL DEVELOPMENT

The following section presents the arguments for the development of the conceptual model of this study.

Consequences normative commitment

Limited research has been published concerning the effect of normative commitment on citizenship behaviours, with the majority of the research referring to organizational citizenship behaviour (Spik, 2016; Fullerton, 2011; Meyer, Stanley, Herscovitch and Topolnytsky, 2002). When employees feel they have an obligation toward the organisation, they will reciprocate by performing actions such as helping fellow employees, even though the actions are not required from them (Spik, 2016; Meyer *et al.*, 2002). Commitment, when tested as a one-dimension construct within an offline retail- (Fullerton, 2011) and online community environment (Bateman *et al.*, 2006), has been established to positively influence citizenship behaviour. Based on this background, it can, therefore, be argued that normatively committed members may have the intention to assist fellow members when they experience a personal problem. Subsequently, H1 for this study can be stated as:

H1: Normative commitment has a positive and significant effect on helping intention relating to personal problems experienced, of members of residential online activity communities on Facebook.

Antecedents of normative commitment

Subjective norm

Based on the theory of planned behaviour, subjective norm refers to the perception of the individual that most of the people important to them believe that they should perform the behaviour

in question (Ajzen, 1991). Within an online community environment, subjective norm is often presented by compliance, referring to the acceptance of social influence from significant others where the online community member complies and accepts the social influence from people who are important to them by for example participating in the online community (Shen, Cheung, Lee and Chen, 2011; Zhou, 2011).

When people influential to the members of online network sites feel that they must frequently post content on the site, they will feel obligated to stay on the site and post content (Chen, Lu, Wang, Zhao and Li, 2013). In addition, concerning luxury brand customers, Shukla, Banerjee and Singh (2016) established that when people who are important to these customers approve of them switching between luxury brands, these customers will indeed switch. It can therefore be argued that members may feel obligated to frequently post content on the residential online activity community on Facebook when people who are important to members and their friends feel that they should.

Therefore, hypothesis H2 for this study can be articulated as follows:

H2: Subjective norm has a positive and significant effect on the normative commitment of members of residential online activity communities on Facebook.

In an organizational context, the subjective norm of individuals positively influences their intention to share knowledge (Teh and Yong, 2008). Therefore, it is also plausible to argue that members of a residential online activity community on Facebook may assist fellow members with their personal problems, should people who are important to them approve of the assistance.

Consequently, hypothesis H3 for this study can be stated as:

H3: Subjective norm has a positive and significant effect on helping behaviours relating to personal problems experienced by members of residential online activity communities on Facebook.

Perceived critical mass

When applied to the social science discipline, critical mass is referred to as the level of participants or actions that needed to be reached for a social movement to begin (Oliver, Marwell and Teixeira, 1985). Since it is difficult to determine the actual point of critical mass, in marketing theory the recommendation is to focus on perceived critical mass which is the perception of individuals of when a critical mass has been achieved (Lou, Du and Fan, 2000). Perceived critical mass is viewed as one of the most relevant and significant constructs in predicting the acceptance of a

communication technology method (Van Slyke, Ilie, Lou and Stafford, 2007; Lou *et al.*, 2000), making the construct relevant to the online community environment.

When a normatively committed member perceived a social network site to have received the perceived critical mass, these members tend to post context more frequently and feel a sense of obligation to continue using the site (Chen *et al.*, 2013). Owing to the definition of normative commitment, it can be argued that members may feel obligated to continue being a member of the residential online activity community and may therefore also reply to posts and take part in discussion when perceived that most of the people in their social class, society, group of friends, peers and work environment, have joined the community. Consequently, hypothesis H4 for this study is formulated as follows:

H4: Perceived critical mass has a positive and significant effect on the normative commitment of members of residential online activity communities on Facebook.

Additionally, it can be argued that members of a residential online activity community will also perform the same behaviours when they believe that most of the people in their social class, society, group of friends, peers and work environment are helping fellow members when they experience personal problems. Therefore, hypothesis H5 for this study can be formulated as:

H5: Perceived critical mass has a positive and significant effect on helping behaviours relating to personal problems experienced, as directed toward members of residential online activity communities on Facebook.

The mediating role of normative commitment

Commitment is viewed as a motivational phenomenon, acting as a mediator between particular antecedents and outcomes (Wiener, 1982). Normative commitment mediate several constructs in the organisational and customer contexts (Liu, He and Yu, 2017; Mansour, Naji and Leclerc, 2017) and have also been established to act as a mediator between the roles of employees and their helping behaviour toward co-workers (Zhang, Xia, Liu and Han, 2018). Therefore, considering H1-H4, it is plausible to argue that normative commitment may serve as a mediating variable between subjective norm, perceived critical mass and the helping intention relating to personal problems experienced.

Normative commitment may explain the relationship between subjective norm and the helping intention relating to personal problems experienced and the relationship between perceived critical mass as helping intention relating to personal problems experienced. Subsequently, for members of residential online activity communities, it is proposed that:

H6: Normative commitment mediates the relationship between subjective norm and helping intention relating to personal problems experienced.

H7: Normative commitment mediates the relationship between perceived critical mass and helping intention relating to personal problems experienced.

Figure 1 presents the conceptual model and hypothesised relationships of the study.

FIGURE 1:

Conceptual model
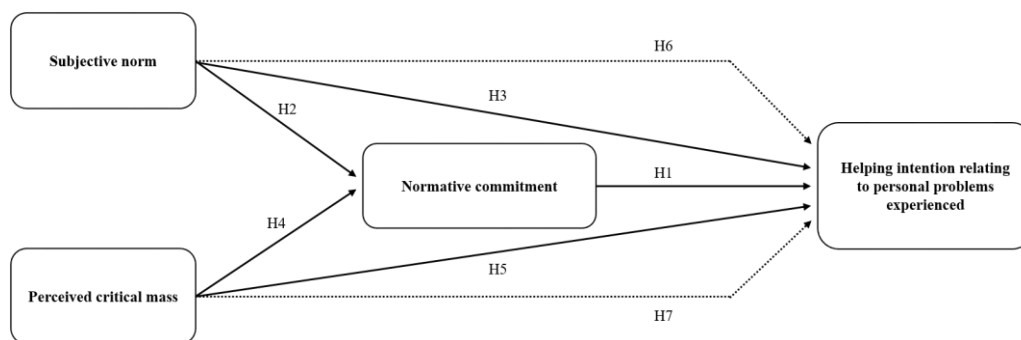
Source: Researcher's own compilation

METHODOLOGY

Sample and procedure

The population for this study consisted of male and female members, who are older than 18 years of age and are currently active members of a residential online activity community on Facebook in South Africa. These residential online activity communities function through Facebook, where self-assigned administrators create Facebook groups for a specific city.

This study used a descriptive research design since the data that was collected through surveys was statistically analysed (Burns, Veeck and Bush, 2017). Quantitative data were collected by using computer-administered questionnaires that were developed in Google Forms. Owning to the lack of a sample frame, non-probability sampling, which includes quota and convenience sampling, was used. Quota and convenience sampling was used to reduce the selection bias of fieldwork and since a large sample has to be obtained in a relatively short period (Hair, Black, Babin and Anderson, 2019). A personalised invitation was regularly posted on different Facebook groups, inviting the members to participate in the study. As per the university's ethical requirements, the respondents had to indicate their informed consent to the research. Using the membership sizes of the Facebook groups, the biggest group and four smaller groups were selected in each province of South Africa. Based on the recommendation by Hair *et al.* (2019), the study aimed to collect a

minimum of 500 usable responses, as the study included more than six constructs. Furthermore, the membership size of each Facebook group was used to calculate the sample for each province proportionally. Although non-probability sample was used and specifically convenience sapling, the propotionation of the Facebook groups was done to ensure representativeness of the groups in the different provinces.

In total 545 usable responses were obtained. The demographic profile of the realized sample was mainly white (92%), female (85%) and married (64%) members. The majority of the sample was between the age of 27–47 years of age (54%) and indicated that they were full-time employed or self-employed (72%).

Measurement scale

Reliable and previously validated scales were adapted for this study, as presented in Table 1. Respondents were asked to indicate their level of agreement on a five-point Likert scale where '1' indicated 'strongly disagree' and '5' indicated 'strongly agree'.

TABLE 1:

Measurement items

Construct / Variable	Item	Item code	Source adapted from:
Subjective norm	**In general, the following people think that I should frequently post content on this residential Facebook group:**		
	People who influence my behaviour	CSubNor1	Chen *et al.* (2013)
	People who are important to me	CSubNor2	
	My friends	CSubNor3	
	People who are valuable to me	CSubNor4	
	Influential people	CSubNor5	
Perceived critical mass	**The following people frequently post content on this residential Facebook group:**		
	Most people in my social group	CPerMas1	Chen *et al.* (2013)
	Most people in my society	CPerMas2	
	Most people in my work environment	CPerMas3	
	Most of my friends	CPerMas4	
	Most of my peers	CPerMas5	
Normative commitment	**In general, I would feel:**		
	Obligated to continue posting content on this residential Facebook group	CNORM1	Chen *et al.* (2013); Bateman *et al.* (2011)
	Guilty if I stop posting content on this residential Facebook group	CNORM2	
	Obligated to continue taking part in conversations on this residential Facebook group	CNORM3	
	A sense of duty to continue posting content on this residential Facebook group	CNORM4	
	Responsible to continue taking part in conversations on this residential	CNORM5	

Construct	Item	Std Factor loading	Cronbach's alpha	AVE	CR
	Facebook group				
Helping intention relating to personal problems experienced	**When provided with the opportunity to reply to posts on the residential Facebook group, I will:**				
	Assist other members who need my help with a personal matter.	MHelpP1		Yi and Gong (2013)	
	Give advice to other members who need my help with a personal problem.	MHelpP2			
	Help other members who need guidance with a personal issue.	MHelpP3			
	Support other members who need my guidance with a personal matter.	MHelpP4			

Source: Adapted from Chen *et al.* (2013); Yi & Gong, (2013) and Bateman *et al.* (2011)

RESULTS

Validity and reliability

IBM SPSS Statistics 25 was used to test for internal consistency of the measurement instrument by calculating the Cronbach's alpha values. As indicated in Table 2, all Cronbach's alpha values were above 0.70, which indicate the reliability of the measurement instrument used (Babin and Zikmund, 2016). Mplus 8.3 was used to conduct a confirmatory factor analysis (CFA), which was used to test for construct validity. The factor analysis indicated that two factors (CPERMAS2 and CPERMAS3) had factor loadings of below 0.70, and were therefore excluded from further analysis (Hair *et al.*, 2019). As indicated in Table 2, all other items had factor loadings above the suggested cut-off value of 0.70 and were also significant ($p < 0.001$). The measurement model was also accessed and proved to have adequate fit indices: $X^2/df = 2.65$; CFI = 0.98; TLI = 0.97; RMSEA = 0.055 (Van de Schoot *et al.*, 2012).

Table 2 also shows that all average variance extracted (AVE) values and construct reliability (CR) values were above the suggested cut-off values of 0.50 and 0.70 respectively, which indicate adequate convergence of the measurement items (Hair *et al.*, 2019).

TABLE 2:

Cronbach's alpha values and assessment of convergent validity

Construct	Item	Std Factor loading	Cronbach's alpha	AVE	CR
Subjective norm	CSUBNOR1	0.78	0.93	0.80	0.95
	CSUBNOR2	0.93			
	CSUBNOR3	0.94			
	CSUBNOR4	0.97			
	CSUBNOR5	0.84			
Perceived critical mass	CPERMAS1	0.73	0.86	0.69	0.87
	CPERMAS4	0.93			
	CPERMAS5	0.82			
Normative commitment	CNORM1	0.83	0.93	0.79	0.95
	CNORM2	0.83			
	CNORM3	0.91			

	CNORM4	0.94			
	CNORM5	0.92			
Helping intention relating to personal problems experience	MHELPS1	0.89	0.94	0.89	0.97
	MHELS2	0.96			
	MHELPS3	0.97			
	MHELPS4	0.95			

Note: All factors loaded significantly at p < 0.001; Source: Calculated from survey results

Table 3 indicates that the measurement model has discriminant validity since all correlations between the latent variables are significant (p < 0.001) and the AVE for any two variables is greater than the squared correlation between them (Fornell and Larcker, 1981).

TABLE 3:

Correlation matrix with the average variance extracted on the diagonal

Latent variables	SN	PCM	NC	MHP
Subjective norm (SN)	(0.80)			
Perceived critical mass (PCM)	0.33	(0.69)		
Normative commitment (NC)	0.28	0.23	(0.79)	
Helping intention relating to personal problems experienced (MHP)	0.12	0.11	0.09	(0.89)

Source: Calculated from survey results

Structural model

The structural model was accessed and adequate fit indices were achieved: X^2/df = 2.76; CFI = 0.98; TLI = 0.98; RMSEA = 0.057. Based on the recommendations by Hair *et al.* (2019), the fit indices indicate the structural model having a reasonable fit of the data to the model.

Hypothesis testing and findings

The structural relationships hypothesized were tested, and as indicated in Table 4, all hypotheses formulated for this study were supported.

TABLE 4:

Hypotheses testing statistics

Hypothesis	B	S.E.	p-value	Result
H1: NC → MHELPP	0.11	0.05	0.018	Supported
H2: SN → NC	0.37	0.05	0.001	Supported
H3: SN → MHELPP	0.20	0.06	0.001	Supported
H4: PCM → NC	0.27	0.05	0.001	Supported
H5: PCM → MHELPP	0.17	0.06	0.009	Supported

Source: Calculated from survey results

As indicated in Table 4, the structural model denotes that normative commitment positively and significantly affects the helping intention relating to problems experienced by residential online activity community members. Both subjective norm and perceived critical mass of residential online activity community members have a positive and significant effect on the helping intention relating to personal problems experienced. Lastly, subjective norm and perceived critical mass have a positive and significant effect on the normative commitment of residential online activity community members (Babin, D'Alessandro, Winzar, Lowe and Zikmund, 2020).

Mediation analysis

The mediation analysis included bootstrapping using 5,000 resamples and a 95% bias-corrected confidence interval. The analysis indicated that normative commitment has a partial mediation effect on the relationships between the antecedents (subjective norm and perceived critical mass) and their consequence (helping intention relating to personal problems experienced). Based on the findings of the mediation analysis, as indicated in Table 5, hypotheses H6 and H7 are supported.

TABLE 5:

Mediation analysis

	Indirect effect	LLCI	ULCI	Findings
Subjective norm	0.03	0.01	0.08	Mediation
Perceived critical mass	0.04	0.00	0.09	Mediation

Source: Calculated from survey results

Consequently, the structural model of the study is presented in Figure 2.

FIGURE 2:

Structural model
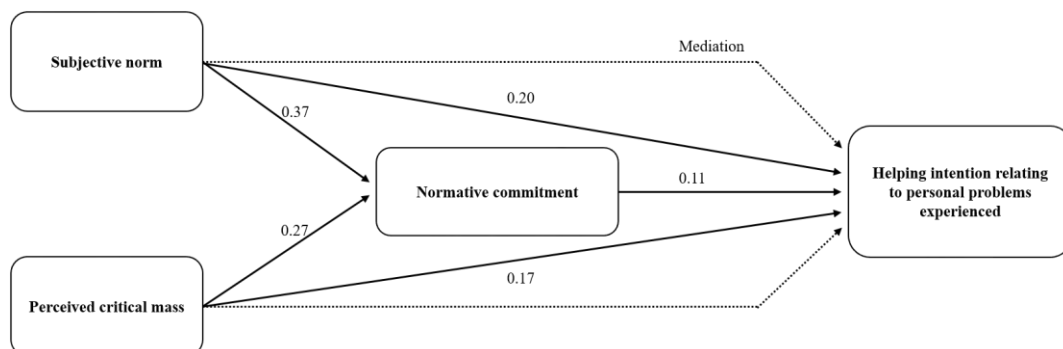
Source: Calculated from survey results

DISCUSSION AND IMPLICATIONS

Administrators are challenged with the task to ensure continued voluntary participation of online community members. Known as citizenship behaviour, these voluntary behaviours of online community members can be viewed as participation when members help fellow members that experience personal problems by replying to their posts. Commitment plays a vital role in online communities since committed members have higher participation. This study can therefore assist administrators of online communities to increase participation by understanding the consequences and antecedents of normative commitment, not previously tested in this context.

The study contributed to theory by establishing that normative commitment has a positive and significant effect on the helping intentions of online community members relating to personal problems experienced. Extending on research done by Bateman *et al.* (2006), normatively committed online community members are prone to engage in helping intentions. Based on the social exchange theory (Blau, 1964), online community members will feel obligated to repay for benefits by performing helping behaviours toward fellow members when they have received benefits from being normatively committed toward the community. Relationship marketing, therefore, influences citizenship behaviour through the social exchange theory. Administrators of residential online activity communities should realise that the normative commitment of online community members should be managed as it can lead to members performing voluntary behaviours such as helping intentions. In addition, administrators should communicate the benefits of the online community with the aim of influencing members to feel obligated to repay these benefits by providing help and assistance to fellow members when they experience personal problems.

The antecedents of normative commitment namely subjective norm and perceived critical mass have not yet been tested within an online community environment. This study, therefore, provides a novel theoretical contribution by adding to the conversation of subjective norm and perceived critical mass within an online environment. The results of this study are consistent with that of Chen *et al.* (2013), that the subjective norm of online community members positively and significantly influences the member's normative commitment toward the online community. In addition, this study provided a fresh perspective of perceived critical mass and its influence on normative commitment within an online community environment when it was established that a positive and significant relationship exists between the two constructs. The study therefore confirms the relationship that was established by Chen *et al.* (2013) in social network sites. To increase the normative commitment of members, administrators should develop strategies to improve the subjective norm and perceived critical mass of the online community. Administrators should develop targeted strategies to enhance the social pressure of the members and motivate

the relevant groups to join the online community with the aim of reaching the perceived critical mass required to increase participation.

Studies investigating normative commitment as a mediator between subjective norms, perceived critical mass and helping intentions do not currently exist. This study made a unique contribution by establishing that normative commitment partially mediates the relationship between subjective norm and helping intentions relating to personal problems within an online community environment.

Normative commitment also mediates the relationship between perceived critical mass and helping intentions relating to personal problems experience of residential online community members. This finding provides new insight into the interconnection between the antecedents of normative commitment and normative commitment by contributing to helping intentions relating to personal problems experienced by the members, hence making a novel contribution to the current knowledge of online community citizenship behaviour.

LIMITATIONS AND FUTURE RESEARCH

The population of this study included a specific type of online community, thus limiting the representativeness of the results. It is therefore recommended that future research test this model within other types of online communities. This study only investigates normative commitment, although commitment is viewed as a multi-dimensional construct (Meyer and Allen, 1991). Only subjective norm and perceived critical mass were examined as antecedents of normative commitment, although various other antecedents may exist. Future research can therefore also include the other types of commitment and additional antecedents of normative commitment. This study only included the helping dimension relating to personal problems experienced even though other dimensions have also been established concerning citizenship behaviour. Citizenship behaviour is not well understood within an online community environment and although this study made novel contributions to the field, it is recommended that future studies also include the other dimensions of citizenship behaviour.

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An exploratory investigation of excellence in social media management in South Africa

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ABSTRACT

While social media are central to strategic communication efforts, no central theory exists to achieve excellence in this arena. This study draws on the principles of the Excellence Theory of Public Relations and Communication Management. The study found that although the majority of the Excellence theory principles are applicable to social media management, there are some key exceptions to consider. The study enriches the current literature on strategic communication management by testing specific theoretical principles in social media management. For communication divisions, this study highlights the strategic worth of social media management in organisational effectiveness.

Keywords: social media management; strategic communication management; excellence theory for public relations and communication management; South Africa

INTRODUCTION

The dialogic and interactive properties of social media have compelled strategic communication practitioners to utilise these platforms to attain communication objectives in today's corporate world (Seo and Vu, 2020: 1). Kim (2016: 1) further highlights the need for a unifying framework that underlies the strategic adoption of social media for organisational communication purposes. Nevertheless, an academically verified framework for communication practitioners' strategic and best uses of social media for organisational communication purposes does not exist (Foltean, Trif and Tuleu, 2019: 564; Macnamara, Zerfass, Adi and Lwin, 2018: 706; Navarro, Moreno and Zerfass, 2018: 29). Therefore, this study explores the applicability of the principles of the Excellence Theory of Public Relations and Communication Management (Grunig, 1992) for the management of corporate social media.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

The need for excellence in social media management

Despite the recognised importance of social media management in supporting executive decision-making, only a minority of communication practitioners possess the knowledge and skills required

for long-term social media success (Macnamara, Lwin, Adi and Zerfass, 2017: 6; Linke and Zerfass, 2013: 272). Although practitioners perceive social media as important stakeholder engagement tools, they continue to manage these platforms from a predominantly technical perspective, neglecting the more strategic aspects of these platforms (Macnamara *et al.*, 2018: 706; Wolf and Archer, 2018: 505; Bashir and Aldaihani, 2017: 778; Vardeman-Winter and Place, 2015: 339). That is, social media are used for one-way "information dumping", while more collaborative of delivering content are ignored (Wolf and Archer, 2018: 505; Bashir and Aldaihani, 2017: 778; Vardeman-Winter and Place, 2015: 339).

Practitioners often overlook the measurement of their social media efforts against any key performance indicators (KPIs) or objectives (Ngondo, 2019: 4; Macnamara and Zerfass, 2012: 303). Moreover, practitioners who prioritise return-on-investment (ROI) measurements focus predominantly on the quantitative aspects of social media statistical metrics (Vardeman-Winter and Place, 2015: 336; Macnamara and Zerfass, 2012: 303). Negative perceptions about organisations or their online activities are disregarded. As such, the real success of organisations' social media presence and activities becomes difficult to determine (Navarro *et al*., 2018: 39).

Studies also show that a lack of social media guidelines or regulatory frameworks across various organisations results in practitioners' ineffective utilisation of these platforms (Bashir and Aldaihani, 2017: 784; Fuduric and Mandelli, 2014: 168; Linke and Zerfass, 2013: 279; Macnamara and Zerfass, 2012: 303). Guidelines or regulatory frameworks have a positive impact on practitioners' social media skills and the development of communication strategies that are clear, consistent and enable trust-building (Fuduric and Mandelli, 2014: 168; Linke and Zerfass, 2013: 280).

Predominantly technical perspectives and a lack of strategic frameworks minimise the opportunity for optimal social media management (Wolf and Archer, 2018: 505; Bashir and Aldaihani, 2017: 778; Macnamara and Zerfass, 2012: 303). Excellence Theory principles can be adopted to shift practitioners' use of social media from "information dumping" to more strategic uses that yield optimum ROI and encourage excellence in this profession (Verheyden, 2016: 11-21).

Social media in contemporary strategic communication management

The challenges of strategic communication

Pereira, Durão and Santos (2019: 1) assert that strategic communication contributes to the attainment of an organisation's mission and objectives in a competitive reality, where "any detail can make a difference. However, strategic communication is typically perceived as a mere brainstorming process instead of a procedure to generate knowledge, stimulate beneficial dialogue and attain a dynamic organisational structure (Pereira *et al*., 2019: 5). It is also misunderstood by

executives as a technical function (Hoyos, 2019: 238; Pereira *et al.,* 2019: 5). Practitioners generally struggle to prove the organisational value of their communication efforts (Falkheimer, Heide, Simonsson, Zerfass and Verhoeven, 2016: 143).

The rise of social media has dramatically altered the dynamics of strategic communication, presenting practitioners with opportunities and new challenges to solidify the organisational value of this field (Basri and Siam, 2019: 176; Ogbu, 2019: 4; Mavimbela, Conradie, and Dondolo, 2018: 39). Wolf and Archer (2018: 494) argue that social media are now an assumed part of everyday life in modern society, becoming "crucial components of the professional communicator's toolkit".

It is, therefore, a strategic necessity for modern-day organisations to have a strong presence on social media (Cloete and Holtzhausen, 2016: 17). However, practitioners must acquire detailed insights of stakeholders' expectations to effectively capitalise on the opportunities of social media contributions to overall organisational effectiveness (Navarro *et al.*, 2018: 30).

Stakeholder expectations and social media measurement

Stakeholder expectations play a key role in the attainment of stakeholder satisfaction, loyalty and, ultimately, the legitimisation of an organisation (Olkkonen and Luoma-Aho, 2015: 83). Stakeholders expect organisations to engage with them on social media, as these platforms constitute official organisational communication channels (Cloete and Holtzhausen, 2016: 17).

However, in a digital landscape where content is now "pulled" by audiences instead of "pushed" by practitioners, a strong social media presence must be complemented by valuable content. Moreover, when consistent dialogue between an organisation and its stakeholders takes place on social media, stakeholders' expectations toward the organisation become more demanding (Panagiotopoulos, Shan, Barnett, Regan and McConnon, 2015: 400).

Social media have boosted the power of consumers, forcing practitioners to reconsider traditional models of communication (Pantano, Priporas and Migliano, 2019: 163). Brown (2009: 86) asserts that strategic communication fundamentally entails "the art of conversation". Thus, symmetrical dialogue creation and participation on social media provide organisations with opportunities to build relationships and shape brand perceptions in a consistent and thorough fashion (Brown, 2009: 18).

Dialogue about an organisation on social media will persist regardless of the organisation's participation (Brown, 2009: 18). A lack of dialogue creates an information vacuum that can become a reputational threat for organisations (Coombs, 2014: 55). Coombs (2014: 55) argues that any

concerns regarding expectation gaps that stakeholders may have is often used against organisations by generating negative publicity on social media.

Responding to stakeholders in real time on social media can solve an issue before stakeholders' frustrations escalate into anger (Blanchard, 2011: 42). Monitoring mentions of organisations on social media gives visibility to such dialogue and allows for proactivity as opposed to reactivity and defensiveness (Mavimbela *et al.*, 2018: 50). This alone does not sufficiently illustrate the organisational value of social media management. Instead, the measurement of factors such as engagement, brand awareness and influence depict the value and return on investment (ROI) of strategic social media management to executives (Kelly, 2013: 37). Executives must understand the financial impact of social media on the organisation's sales volume, revenue and cost (Kelly, 2013: 6).

Applying the principles of the Excellence Theory to the management of social media
This paper asserts that the social media efforts in pursuit of organisational, communication and marketing goals, require some form of universal management framework. As such, the Excellence Theory is applied to the context of social media management.

Programme level
The use of social media in formal and informal environmental scanning allows for the exploration of an organisation's relationships with its stakeholder segments in real time. This presents the opportunity to develop strategic communication programmes that maintain, restore or enhance those relationships (Gillin and Schwartzman, 2018: 67-94; Jiang, Luo and Kulemeka, 2017: 3; Marken, 2006: 34). Social media allow stakeholders to react in real time to organisations' communication programmes (Verheyden and Cardon, 2018: 304; Bruns, 2011: 118). This directly involves stakeholders in communication programmes that yield the desired ROI for organisations and instantly fulfil stakeholders' expectations. It also showcases the ability of social media to make mid-course alterations. Moreover, social media offer the opportunity to communicate directly with activist groups before issues escalate into reputational risks (Griffin, 2014: 19-27).

Departmental level application
Social media communication is innately decentralised (Verheyden and Cardon, 2018: 304). When the principle of mixing symmetrical and asymmetrical systems of communication is applied, social media are much more effective organisation-stakeholder relationship building tools. Assigning appropriate social media roles to all relevant departments and positions in the organisation, is critical for these efforts (Adanlawo and Reddy, 2018: 71-73). According to Wright and Hinson (in Adanlawo and Reddy, 2018: 73), the use of social media empowers communication professionals,

especially those fulfilling technician roles, to communicate effectively with both internal and external stakeholders. For social media to effectively connect with external stakeholders, it should reflect how stakeholders are presented in society (Muller, Ehrlich, Matthews, Perer, Ronen and Guy, 2012: 2815). Thus, social media teams must be diverse to contribute to the overall excellence of organisational communication practices.

Organisational level application

Verheyden and Cardon (2018:3 01-306) contend that "managerialism" (the reliance on the use of professional managers in administering or planning an activity) contributes to linear, bureaucratic and imbalanced forms of internal communication. However, communication practitioners can facilitate symmetrical internal communication by actively seeking employees' inputs and connecting all organisational members through social media. This further leverages the humanising effect of social media. Social media can adjust external and internal communication systems from linear to dialogic (Verheyden and Cardon, 2018: 306). When social media are used for internal communication, it often opens more opportunities for employee engagement. This contributes to the creation of an organisational culture that balances the interests of both the organisation and its internal stakeholders (Verheyden and Cardon, 2018: 301-306).

Social media contributions to excellent strategic communication

Social media enable organisations to "speak" with stakeholders and society at large in ways that traditional forms of media cannot facilitate (Bruns, 2011: 118). Communication practitioners can use social media to achieve a new form of societal communication presence by ensuring active organisational participation in society through dialogue (Gillin and Schwartzman, 2018: 67-94; Jiang *et al.*, 2017: 37).

RESEARCH QUESTIONS

Primary research question:

To what extent is the Excellence Theory for Public Relations/Communication Management an appropriate normative framework for the management of corporate social media?

Secondary research questions:

1) What are the requirements for excellent social media management at communication programme level?
2) What are the requirements for excellent social media management at departmental level?
3) What are the requirements for excellent social media management at organisational level?
4) What are the possible effects of excellent social media management for an organisation?

RESEARCH METHODOLOGY

A generic qualitative research design was used for this exploratory study. Generic qualitative studies typically employ the use of semi-structured interviews, which produced a rich data set to fill the identified knowledge gap regarding communication practitioners' use of social media for organisational success (Kim, 2016: 1).

Sampling

Twelve social media managers from large organisations in the retail and financial services environments participated in the study. These participants were approached using theoretical sampling. Their job titles ranged from "Social media manager", "Divisional Head of Communication", "Corporate Digital Communication Manager" to "Brand, Media and Online Planning Specialist". Ten participants were female and two males.

Data collection

As this generic qualitative study aimed to explore the contributing factors to excellence in social media management, the data was collected through twelve semi-structured interviews (McGrath, Palmgren and Liljedahl, 2018: 1002). All interviews were conducted over live video-streaming platforms such as Google Meets, Skype for Business and Zoom. All the questions in the interview schedule were open-ended to facilitate the exploration and contextualisation of the data (Creswell, 2012: 218). The recorded interviews were transcribed verbatim to exclude the researchers' interpretations.

Data analysis

Thematic analysis was used to identify and organise themes (Creswell, 2012: 236-253). Each code was accompanied by a minimum of three direct and illustrative quotations from the transcripts. The codes were then arranged into thematic categories with sub-themes.

Measures for trustworthiness

To ensure that the study is trustworthy, four conditions for trustworthiness had to be met, i.e. credibility, dependability, confirmability and transferability (Lincoln and Guba, 1985, cited in Koonin, 2014: 258; Polit and Beck, 2012: 584-285; Shenton, 2004: 71). Credibility ensured that the study reflected the perspectives of the participants and accurately represented their true responses in a neutral, bias- and manipulation-free manner. For dependability the research process needed to be reliable and the findings consistent when the study is replicated by other researchers. Confirmability required an objective study that accurately reflects the participants' perspectives and responses. Transferability refers to the likelihood that similar contexts with different samples will deliver similar results.

RESULTS

Secondary research question 1: programme level requirements

The majority (10) of participants considered engagement through two-way symmetrical communication to be a key driver of social media management excellence:

> *"… That's the mistake that a lot of people used to make. They'd like to keep throwing information at people and then they'd just walk away … I think we need to be generating content … with call-to-actions or … with questions that should be open-ended ones get people … engaging with you."*

Five participants indicated the importance of an objective-driven approach to excellence in social media management:

> *"… Success is dependent on how well you were able to define your objectives at the start of a campaign ... If you did not have objectives at the start … you've already failed in a way because, there's no clear goal that you set for yourself."*

Four participants said that KPIs and metrics enable strategy evaluation and, ultimately, the success of social media initiatives. Eight participants reported that environmental scanning must be done to adapt to the rapidly changing external and, consequently, internal environments of the organisation. Five participants said that scanning enables the social media division to adapt to the rapidly changing nature of social media platforms and of the digital landscape.

Half of participants reported that their social media divisions functioned within the marketing department. They also regard social media management as an excellent marketing support tool for the organisation:

> *" … Social media is just another channel of your marketing mix. Whatever you define as excellence for your brand should apply across there."*

According to four participants senior management expects the social media division to reinforce and support departmental objectives to maximise the value of the social media strategy. This is achieved by collaborating with departmental heads to adapt social media objectives to departmental objectives. Senior management's prevailing misconception about social media t is that it requires no strategic intent or specialised staff. This misconception leads to various resource restrictions for the social media division.

Secondary research question 2: Departmental level requirements

Social media teams represented in this study were female-dominated, with an average age of 30 years. Seven participants reported that they have extensive managerial experience, with an average of eight years of experience. Only one participant notes that he forms part of professional associations for social media managers. Others join online communities for social media managers, which act as sounding boards and information-exchange markets for continuous learning.

Practitioner roles are key to understanding the function, structures, processes and achievements of social media management. The study's findings confirm Breakenridge's (2012: 4) social media roles, i.e. PR policy maker, internal collaboration generator, communication organiser, PR technology tester, relationship analyser, pre-crisis doctor, reputation taskforce member and master of metrics. Two other roles emerged from this study, i.e. CSR team member and influencer manager.

Secondary research question 3: Organisational level requirements

Six participants noted that their organisation's worldview for social media reflects two-way communication to a lesser extent. Participants ascribe this to senior management's lack of understanding of social media management:

> *"… When it comes to digital, we have been a bit behind and that's a reflection on who the decision-makers are in the organisation."*

One participant suggested that her organisation's industry requires the primary use of a one-way model of communication:

> *"Ours is very much one-way communication … primarily because of the nature of the social media platforms … any issue can really … escalate into a massive reputation crisis … if there are specific queries … that we can respond to, we do … we do that offline, most of the time…"*

Seven participants reported that their expertise enables them to have influence with the dominant coalition:

"The business looks to my team as the experts … we really play a consultancy role … to give guidance … because we've built such intrinsic knowledge from a social perspective…"

"I sit at a meeting every week with the whole exco … In a strategy side of it, in a complaint side of it, in our business reputation and sentiment … and … what we decided to sell ..."

One participant further explained that the social media division has created its own participative culture by blurring the lines between the strategist and the technician:

" … The distinction between operational and strategic is consciously blurred … I'm constantly trying to build a much more agile and a new way of working … within a larger corporate. So, we're definitely seen as … maverick … and as valued marketing management staff."

Seven participants also agreed that social media divisions contribute to a participative corporate culture and symmetrical internal communication. This is achieved by collaborating with other departments to guide their involvement in social media initiatives. One participant notes that a change in the organisation's external environment enabled the social media division to contribute to a more informal and participative corporate culture.

Social media divisions also assisted the organisation in dealing with pressure from activists due to the front-facing and unrestricted nature of social media. Formative and evaluative research is conducted to advise the dominant coalition on how to strategically approach the situation for minimal reputational damages.

Secondary research question 4: Possible effects of excellent social media management

Social media campaigns successfully meet organisations' communication objectives through strategy alignment with the organisation's broader marketing and communication strategies. This success is dependent on the dominant coalitions' inputs and adaption to social media management along with their understanding of this function's importance.

The ability of social media platforms to reach wider audiences is more cost-efficient and sustainable than traditional media. Social media efforts also reduce the cost of regulation for the

organisation by maintaining a close working relationship with the organisation's legal team to proactively ensure compliance with industry codes and guidelines.

Social media efforts also reduce the cost of litigation for the organisation through proactive measures, immediate reactive measures and close working relationships with the organisation's legal and customer care teams. Social media management reduces costs for organisations' human resources departments because social media platforms such as LinkedIn are used as recruitment tools.

Social media efforts further reduce the cost of activist pressures since it provides organisations with the opportunity to communicate directly with activist groups before issues escalate into either reputational but also financial risk, as suggested by Griffin (2014: 27). However, social media can increase costs by providing a direct and public platform to communicate with the organisation.

When social media divisions are small and decentralised, with an average of three team members, there is great pressure for the division to attain its set objectives. As such, divisions often rely on outsourced digital services through agencies. Outsourcing is a constraint, because its increases costs for the organisation, lengthens the response cycle and reduces the social media division's agility. Social media divisions must be expanded as well as upskilled to include digital skills for interactive content creation.

The contribution of social media management to employee job satisfaction cannot be ignored. By sharing employees' achievements and maintaining a positive brand presence on the organisation's social media platforms, social media management also contributes to employees' overall job satisfaction:

> " … I think employees would like to be affiliated with a company that comes across positively on social media … maybe if social media portrayed that positive impact or value proposition of the company, it may add to job satisfaction for employees."

> " … Then also looking more at employees' advocacy, and putting more trust in the hands of your employees to act as brand ambassadors or advocates for your company."

Social media management may establish emotional ties, enhance favourable brand sentiments and increase loyalty and satisfaction amongst key publics (Navarro *et al.,* 2018: 30). The unrestricted nature of social media also allows employees to freely voice their opinions about the organisation:

" … The organisation cannot be promising the best, where the employees are not happy. With social media, people are liberated to go on there as unknowns and voice out their opinions."

It also minimises reputational harm and risks of legal implications for the organisation. The unrestricted nature of social media means that messages are not passively accepted but rather are engaged with at employees' discretion before they can influence external stakeholders' perceptions (Verheyden and Cardon, 2018: 306).

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Support from senior executives is patently a critical catalyst in the success of the social media division. However, a prevailing misconception among senior executives is that social media management is straightforward, lacks strategic intent, and does not require much resourcing or specialised personnel.

To overcome this, social media managers must continuously conduct environmental scanning and make use of KPIs to develop realistic objectives for social media initiatives. In doing so, managers will demonstrate their abilities to develop strategic initiatives that are tailored for the organisation's key stakeholders. Managers must also consistently measure the outcomes of social media initiatives to demonstrate their ROI to senior management.

Social media managers can blur the boundaries between the role of the technician and the strategist by fostering participation within the social media division. In this way, the division in its entirety will be empowered to communicate effectively and strategically with key internal and external constituencies. This will highlight the field of social media management as a profession instead of a practice.

Social media managers must also foster strategic relationships with departmental managers, enabling their divisions to act as an organisational support function. This will enable the alignment of social media objectives with departmental objectives to build the basis for an organisational worldview that reflects two-way symmetrical communication for social media. This will also demonstrate to senior management the crucial role that social media management plays not only due to its front-facing nature with external stakeholders but also due to its interactive and flexible nature with internal stakeholders.

CONCLUSIONS

Although the majority of the Excellence Theory principles are applicable to social media management, three key differences must be noted.

First, the social media division is often sublimated into the marketing department. Second, the value of social media management stems from its ability to serve as a strategic marketing, communication and overall departmental support tool rather than a strategic function on its own. Even so, social media divisions must be sufficiently resourced, expanded and centralised, with direct connections to other departments to promote organisational excellence.

Lastly, although the Excellence Theory proposes that equal opportunities must be given to men and women, social media managers and their divisions are primarily female-dominated. If this trend persists across social media divisions, it can reflect a narrow approach to the strategic perspectives behind the use of social media, thus limiting the excellent application of strategy.

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Motivational factors, privacy concerns and intention to use mobile dating apps

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ABSTRACT

This study focuses on the individual motivational factors and the privacy concerns that contribute to the intention of users to continue using a mobile dating app. Against the backdrop of the uses-and-gratification theory, five need categories were investigated. The online self-administered survey, distributed using a snowball sampling method, yielded 146 usable responses. The results of the regression analysis revealed that casual sex was the main predictor of users" intention to use a mobile dating app, with privacy concerns acting as a buffer for usage. Developers and marketers should focus on creating motivation-specific in-app paid features to generate profit. This study contributes to the limited research on what motivates daters as well as their privacy concerns in a security-concerned country – offering practical insight to developers and marketers of mobile dating apps.

Keywords: dating apps; motivations; privacy concern; intention to use; satisfaction; uses-and-gratification theory

INTRODUCTION

Mobile dating applications (MDAs) have gained great popularity over the last decade with ever-increasing user penetration rates (Statista, 2020a; Hayes and Snow, 2018: 1). MDAs can be defined as software applications (apps), downloaded onto a smartphone, that are made to satisfy various motivations through the app (Orchard, 2019). Given the popularity of MDAs, marketers have started to use these platforms to maximise brand and product exposure through advertisements (Hayes and Snow, 2018: 2; Taylor, Voelker and Pentina, 2011: 60). While some app developers depend on users upgrading to a paid status to make a profit, studies have found that many app developers earn their money by selling consumer data to third parties (Harris, Brookshire and Chin, 2016: 441). This ability to track the location of the individuals with whom they match, and the MDAs" ability to access, store, and sell their users" sensitive information, have raised important privacy concerns (Breitschuh and Goretz, 2019: 278; Orchard, 2019). From an app developer"s perspective, knowing which motivations drive app usage could help developers align the in-app features and paid upgrades versions better to increase future profits (Stocchi, Michaelidou and Micevski, 2019: 37).

The topic of user motivations and privacy concerns in MDAs remains relatively understudied, especially compared with other mobile apps such as financial and social networking apps (Lutz and Ranzini, 2017: 2). It is known that MDAs are used with different motivations in mind, and that such apps collect sensitive information. What is not known is the extent to which individual motivations affect users‟ intention to use MDAs, as well as the privacy concerns related to such usage. Therefore this study contributes to the body of knowledge and fills a gap by providing an understanding of MDA usage in a South African context by examining whether users‟ motivations and privacy concerns affect their intention to use MDAs.

This paper begins by elaborating on the current use of MDAs in South Africa. Next, a literature review outlines the theoretical underpinning of the study, showing support for the constructs included in this study. Thereafter, the research methodology is described followed by the results of the study and finally a discussion and the implications of the results.

LITERATURE REVIEW

Mobile dating app usage

At the time of the study, the highest number of MDA users in South Africa were aged 25-34 years, with a user penetration rate of 51.7%. This was followed by the 45-54 year old group (with 20.7% penetration) and the 18-24 and 35-44 year olds, both with 13.8% user penetration rates (Iqbal, 2020; Statista, 2020b; Tinder, 2020). The total number of South African MDA users in May 2020 was 1.5 million, with user penetration rates reaching 2.5% (Statista, 2020a). Of the total current users, 69% were males and 31% females; with the largest group (41.7%) in the high-income bracket (Statista, 2020a). Despite the high percentage of high-income users, most used the free account (1.2 million), with only 300 000 using paid versions (Statista, 2020a).

The process of signing up for an MDA is similar across the different app options. Tinder will be used to explain it. Each user is presented with three login options: phone number, Google, or Facebook. Once the users have inserted all the necessary information, they can start swiping to find potential matches. Users are shown the other person‟s photo, name, and age; a short description; and their distance from the user (e.g. 5 km away) (Tinder, 2020). Users can swipe right, indicating a „like‟, or swipe left, indicating a „pass‟. If both users swipe right, then a match will occur, and they can begin to message each other through the app. If either user swipes left, a match will not occur (Tinder, 2020). Different MDAs have differing in-app features, ranging from characteristic filter options to reverse match features (AfroIntroductions, 2020; InterracialMatch, 2020).

Theoretical framework

The foundation of the uses-and-gratification theory (U&G) is the notion that individuals" motivations are why they use certain media, the factors that influence those motivations, and that the satisfaction they get from the media platform is why they continue to use them (Van de Wiele and Tong, 2014: 620; Papacharissi and Rubin, 2000: 176). The U&G theory has been used in various studies, ranging from mobile games, television, smartphones and social media to MDAs (Davis, 2018: 9; Lutz and Ranzini, 2017: 3; Sumter, Vandenbosch and Ligtenberg, 2017: 67; Timmermans and De Caluwé, 2017a: 342; Katz, Blumler and Gurevitch, 1973a: 510).

Katz *et al.* (1973a: 510) highlighted the important relationship between gratification sought, gratification obtained, and intention to use. Gratification sought (GS) can be defined as the expected benefits from the use of a media platform. Gratification obtained (GO) can be defined as the actual outcomes of the users" behaviours (Van de Wiele and Tong, 2014: 621; LaRose and Eastin, 2004: 360). GO has been linked to „intention to use", as this theory states that satisfaction occurs when the GO is greater than the GS (LaRose and Eastin, 2004: 360; Gremler and Gwinner, 2000: 93*;* Katz *et al.*, 1973a: 510). Satisfaction can be defined as the communication outcome that relates to fulfilling one"s expectations through interaction (Papacharissi and Rubin, 2000: 182).

In U&G theory, the various motivations for why people use certain media platforms are grouped into five main categories (Katz, Gurevitch and Haas, 1973b: 166): (1) cognitive need fulfilment, which is a user"s intention to use a media platform to acquire knowledge and information; (2) affective need fulfilment, which includes emotions, pleasure, and other mood-based motivations; (3) personal integrative need, which refers to the use of a media platform to reassure themselves of their self-esteem and confidence; (4) social integrative need, which is the need to socialise with friends, family, or others; and finally, (5) tension release need, which is the use of a media platform for escapism, entertainment, or relaxation (Sumter *et al*., 2017: 68; Van de Wiele and Tong, 2014: 620; McQuail, 2010: 385; Katz *et al.,* 1973b: 166).

This study investigates whether the U&G need categories, expressed as individual motivations, affect the intention to use MDAs (Katz *et al.,* 1973b: 166). Only motivations that aligned with the five U&G theory need categories were included and used as a guideline for users" motivations for MDA use. For the purpose of this study, cognitive need fulfilment is represented by curiosity, while affective need fulfilment is represented by love and casual sex. Personal integrative need is represented by self-worth validation, and friendship and trendiness support the social integrative need. Finally, the tension release need is represented by entertainment. It should be noted that this study is about the intention to continue using MDAs, as the data was collected from users who currently use or have recently used an MDA.

Casual sex

Casual sex is the motivation to satisfy a physical sexual need or a virtual sexual need through sexual conversation on the MDA (Sumter *et al*., 2017: 68). Casual sex has been reported as a popular motive – but not the only one – for using MDAs (Davis, 2018: 22; Lutz and Ranzini, 2017: 1; Sumter *et al*., 2017: 68). According to Sales (2015), a „hook-up culture" can be explained through a now normalised culture of individuals who seek casual sex, one-night stands, and other sexual pleasure-seeking activities with other individuals with no intention of establishing a long-term relationship thereafter (Hoffman, 2017). These activities occur without the need for an MDA; however, these apps have been said to exacerbate a hook-up culture (Davis, 2018: 22; Sales, 2015). A point of interest is the significant gender difference in seeking casual sex reported in prior studies. For example, both Davis (2018: 23) and Sumter *et al.* (2017: 72) stated that most males were motivated by casual sex. Therefore, it is hypothesised that:

H_1: There is a positive relationship between casual sex and users" intention to use MDAs.

H_2: There is a significant difference between males and females in respect of their casual sex motivation.

Love

Love is the intention to establishing a long-term romantic relationship with a special person found on a dating app (Van de Wiele and Tong, 2014: 623; McQuail, 2010: 365). Sumter *et al*. (2017: 71) found that love had a positive correlation with the motivation to use an MDA, specifically on the Tinder dating app. The study by Breitschuh and Goretz (2019: 287) found that „love" was stronger than the „casual sex" motivation. This suggests that dating apps should be viewed as more than just a hook-up app, as they cultivate an environment conducive to romantic relationships (Davis, 2018: 23). Therefore, it is hypothesised that:

H_3: There is a positive relationship between love and users" intention to use MDAs.

Self-worth validation

MDA users have claimed to use the apps to boost their self-worth validation by getting matches and compliments from other app users (Davis, 2018: 25; Van de Wiele and Tong, 2014: 623; McQuail, 2010: 365). This positive feedback about their physical appearance makes the user feel more confident and produces a higher self-esteem (Sumter *et al*., 2017: 71; Van de Wiele and Tong, 2014: 623; McQuail, 2010: 365). The motivation of self-worth validation seems to be more common among females than males (Davis, 2018: 25). According to Sumter *et al* (2017: 71), MDA users had a positive relationship with the self-worth validation motivation, and this led to significantly higher MDA usage. Therefore, it is hypothesised that:

H$_4$: There is a positive relationship between self-worth validation and users‟ intention to use MDAs.

H$_5$: There is a significant difference between male and females in respect of their self-worth validation motivation.

Friendship

Friendship is the motivation to use dating apps to talk to other users (Van de Wiele and Tong, 2014: 623). The use of the app to meet potential friends, whether intentionally or spontaneously, is a motivation for using dating apps, as it could enhance an "individual‟s social life, either by making friends or simply having a conversation with somebody for conversation‟s sake" (Davis, 2018: 26; McQuail, 2010: 363). Smith and Anderson (2015) noted that more internet users have claimed to use dating apps because they were a "good way to meet new people". Therefore, it is hypothesised that:

H$_6$: There is a positive relationship between friendship and users‟ intention to use MDAs.

Trendiness

„Trendiness‟ refers to the popularity of an app, as well as the peer pressure or social acceptance of downloading and using it (Sumter *et al.*, 2017: 71). The novelty, unique attributes and the „talkability„ of an app often play into the trendiness of the app itself (Breitschuh and Goretz, 2019: 288; Sumter *et al.*, 2017: 71; McQuail, 2010: 124). Popularity is a motivator, as users want a platform that has the greatest selection pool for potential matches (Davis, 2018: 27; Tsai, Jiang, Alhabash, LaRose, Rifon and Cotten, 2016: 140). Therefore, it is hypothesised that:

H$_7$: There is a significant positive relationship between trendiness and users‟ intention to use MDAs.

Entertainment

Entertainment was established as a motivator in previous studies, when users found enjoyment in laughing with peers or by themselves at the other profile images or descriptions (Van de Wiele and Tong, 2014: 623). Several researchers report that MDAs were merely used to "pass the time" between activities, "as a joke" or "excitement" (Davis, 2018: 22; Sumter *et al.*, 2017:75; Timmermans and De Caluwé, 2017a: 345). Some users have stated that an app was used more for entertainment than actual interaction purposes (Van de Wiele and Tong, 2014: 623). Therefore, it is hypothesised that:

H$_8$: There is a significant positive relationship between entertainment and users‟ intention to use MDAs.

Curiosity

„Curiosity" can be defined as "…a strong desire to know about something" (Oxford Advanced Learner"s Dictionary, 2020). Curiosity about an MDA was found to be a major motivator for app use, as users might be interested in knowing more about the application itself or about prospective matches (Tanner and Huggins, 2018:81; Timmermans and De Caluwé, 2017a: 346). The trendiness of an app, and the public"s awareness of the app itself, were found to stimulate curiosity; surprisingly, however, the strong link between curiosity and trendiness did not correlate with higher app usage (Tanner and Huggins, 2018: 85; Timmermans and De Caluwé, 2017a: 346). Therefore, it is hypothesised that:

H_9: There is a relationship between curiosity and users" intention to use MDAs.

With the motivations explained and discussed, the possible privacy concerns arising from users" data being collected by MDAs are discussed next.

Privacy concerns

Privacy concerns in the MDA context arise when users worry about protecting their data when using an MDA. Previous research has indicated that MDAs allow third parties to collect, store, and distribute personal information such as messages, pictures, and the precise location of a user (Breitschuh and Goretz, 2019: 278; Cleff, 2007: 226). Since "privacy is an individual right, and privacy harms are measured by their impact on the individual" (Marwick and Boyd, 2014: 1053), two issues emerge: social privacy and institutional privacy (Raynes-Goldie, 2010). Social privacy concerns can be defined as individuals" concerns about controlling access to their personal information (Raynes-Goldie, 2010). An example of this is when other people stalk, harass, or use the user"s information to blackmail them (Lutz and Ranzini, 2017: 1). Institutional privacy can be defined as how official institutions, companies, or partners might use users" information without their permission (Orchard, 2019; Lutz and Ranzini, 2017:1; Young and Quan-Haase, 2013: 489; Raynes-Goldie, 2010). An example of this is when Tinder saves a user"s conversation, pictures, and location, and sells that information to a third-party agency without the user"s permission. The U&G theory suggests that privacy concerns can alter the significance of a user"s motivations and, in turn, their intention to use (LaRose and Eastin, 2004: 360; Gremler and Gwinner, 2000: 93; Katz *et al.*, 1973a: 510). In other words, as their privacy concerns increase, their intention to use will decrease, creating a negative relationship. It is therefore hypothesised that:

H_{10}: Social privacy concern is negatively related to users" intention to use MDAs.
H_{11}: Institutional privacy concern is negatively related to users" intention to use MDAs.

Satisfaction

The U&G theory also suggests that if the GO is larger than the GS, satisfaction and the intention to use will be realised (LaRose and Eastin, 2004:360; Gremler and Gwinner, 2000: 93; Katz *et al.*, 1973: 510). It is well known that satisfaction of a service (such as MDAs) is necessary for continued use of the service (Churchill and Surprenant, 1982: 451). More specifically, the more satisfied users are with an app, the stronger their intention to continue to use the app (Xu, Peak and Prybutok, 2015: 179). It is therefore hypothesised that:

H_{12}: There is a relationship between satisfaction and the intention to use MDAs.

The theoretical contribution of this paper lies in assessing the established U&G theory"s need categories in the MDA context (Davis, 2018:11; West and Turner, 2018: 393; Timmermans and De Caluwé, 2017a: 342). Figure 1 graphically represents the conceptual framework for the study.

FIGURE 1:

Factors influencing satisfaction with and the behavioural intention to continue using MDAs
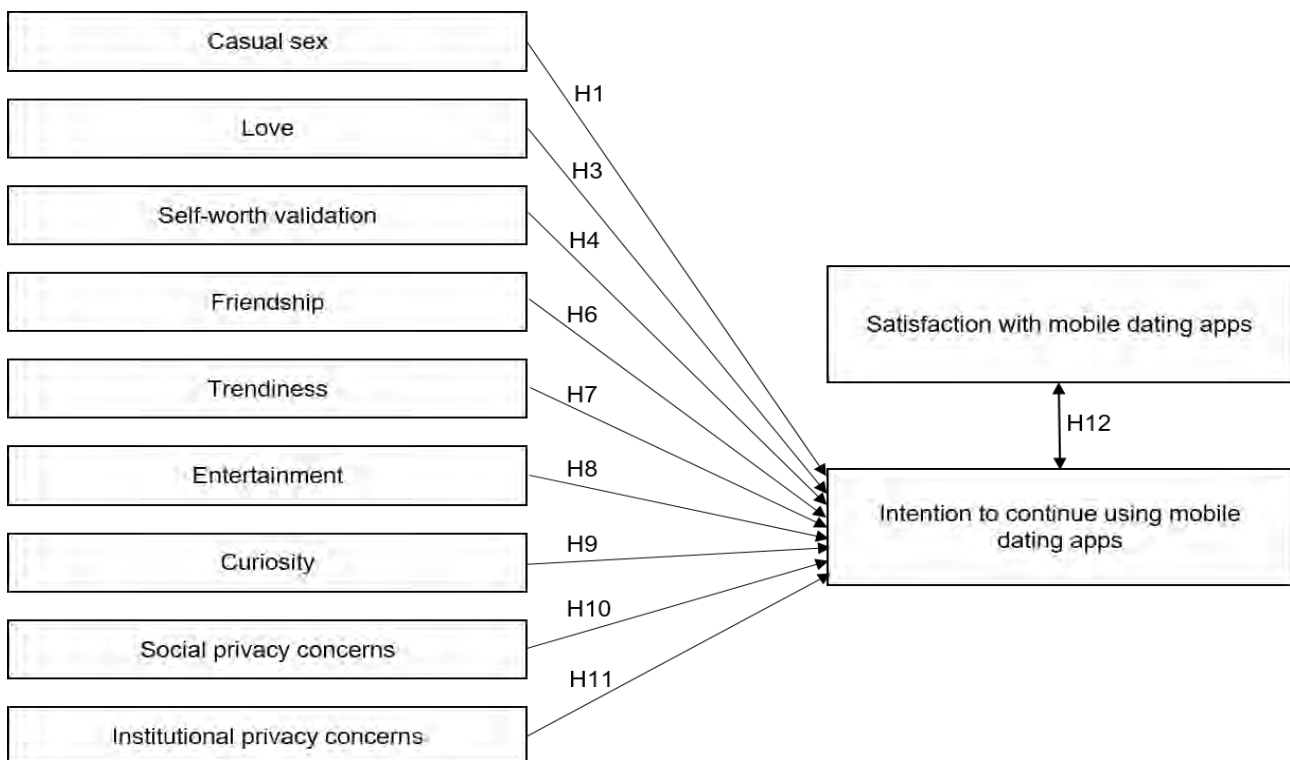
METHODOLOGY

Research objective, design, sampling and data collection

The primary objective of the study is to investigate how well individual motivations and privacy concerns are able to predict the intention to use MDAs. The secondary objectives of this study are (1) to investigate the relationships between motivations and the intention to use; (2) to investigate the relationships between privacy concerns and the intention to use; (3) to investigate the

relationships between satisfaction and intention to use; and finally, (4) to investigate gender differences regarding casual sex and self-worth validation.

To address the research objectives, the study adopted a descriptive quantitative research design (Koh and Owen, 2000: 220). The target population for this study were individuals aged 18 years or older who used a smartphone in their daily activities and were currently using or had used an MDA while living in South Africa during the last six months before the survey. A pre-test was conducted before a non-probability snowball sample was employed targeting a minimum of 250 respondents. The researchers used their judgement in selecting the first respondents by posting the survey link (via Qualtrics) on the social media platforms (Facebook, Instagram, WhatsApp and LinkedIn) of one of the researchers. Thereafter, these respondents recruited future respondents by sharing the survey link with their social networks.

The data were collected between May and August 2020 by means of a self-completion online questionnaire. The measurement instrument consisted of three sections. Section A contained the screening questions. Section B included 42 Likert-type response format questions that measured the main constructs related to individual motivations (26 items), privacy factors (eight items), satisfaction (four items) and intention to use MDAs (four items). Each statement had an answer scale range from 1-7, where 1 was "strongly disagree" and 7 was "strongly agree". The constructs love, trendiness, entertainment and curiosity were adopted from Timmermans and De Caluwé (2017a: 349). The constructs casual sex and friendship were adopted from Lutz and Ranzini (2017: 42), while self-worth validation was adopted from Van de Wiele and Tong (2014: 624). The privacy concern constructs were adopted from Raynes-Goldie (2010). Finally, intention to use and satisfaction were adopted from Rana, Dwivedi, Percy and Williams (2014: 14) and Gremler and Gwinner (2000: 95) respectively. Section C contained socio-demographic questions.

RESULTS

Profile of sample

From the initial 277 responses, 146 usable responses remained after the dataset had been cleaned. The sample consisted of 61% females and 37% males. More than half of the respondents (65.7%) were aged 18 to 24 years, followed by 25-34 years (22.4%), 35-44 years (4.9%), 45-54 years (5.6%), 55-64 years (0.7%), and 65-74 years (0.7%). Most of the respondents belonged to the Caucasian population group (78.3%), followed by African (7.0%), Indian (6.3%), Coloured (4.2%), and Asian (0.7%). The largest respondent group were 18- to 24-year-old females who were Caucasian (37.1%). The five most-used MDAs were Tinder (90.2%), followed by OkCupid (12.6%), Badoo South Africa (9.8%), MatchMaker (4.9%), and South African Cupid (4.9%). However, the five favourite MDAs differed from the most-used apps, being Bumble (53.8%), Grindr (9.6%), Hinge (7.7%), Elite Singles (3.8%), and Her (3.8%).

Exploratory Factor Analysis, validity and reliability

For the Exploratory Factor Analysis (EFA) a Principal Axis method with Varimax rotation was used to analyse all items after the factorability of the sample data was deemed appropriate (Kaiser-Meyer-Olkin"s measure of sampling adequacy result of 0.787 and the Bartlett"s test of sphericity significance) (Field, 2013: 667). The factor solution revealed eight factors with *Eigenvalues* exceeding one, explaining a total of 62.7% of the variance in the data.

The EFA results showed that the items measuring entertainment, trendiness, and curiosity loaded under a single factor, and were subsequently re-labelled as „intriguing entertainment". The items measuring social privacy concerns and institutional privacy concerns loaded under a single factor and were labelled „privacy concerns". The final rotated eight-component solution consisted of (1) casual sex, (2) love, (3) self-worth validation, (4) friendship, (5) intriguing entertainment, (6) privacy concerns, (7) intention to use, and (8) satisfaction. All items in the final factor solution had a loading above 0.4 and no factors cross-loaded in the final solution, supporting discriminant validity (Field, 2013:657). All the composite reliability (CR) scores as well as the Cronbach"s alpha coefficient values passed the 0.7 threshold (Mooi and Sarstedt, 2010: 153) and were thus thus deemed reliable (Babin and Zikmund, 2016:281). Table 1 shows the validity and reliability of the study constructs following the EFA.

TABLE 1:

Validity and reliability of the study factors

Measured item	Cronbach's alpha	CR	Mean	Std. dev.	Number of items
Privacy concerns	0.922	0.916	3.85	1.43	8
Casual sex	0.932	0.905	3.96	1.96	4
Intriguing entertainment	0.802	0.798	4.30	1.14	7
Self-worth validation	0.901	0.859	4.05	1.75	4
Intention to use	0.902	0.836	4.13	1.43	4
Love	0.860	0.858	4.95	1.38	4
Satisfaction	0.858	0.786	4.57	1.26	4
Friendship	0.756	0.758	3.39	1.37	4

Since eight factors were uncovered in the EFA and some constructs re-labelled, Hypotheses 7, 8, 9, 10, and 11 were reformulated into the new Hypothesis 7 and Hypothesis 8:

H_7: There is a relationship between intriguing entertainment and users" intention to use MDAs

H_8: Privacy concern is negatively related to users" intention to use MDAs

Hypothesis 12 was renumbered as Hypothesis 9 to allow all the final hypotheses to be consecutively numbered. Refer to Figure 2 for the updated framework following the EFA results.

FIGURE 2:

Updated conceptual framework
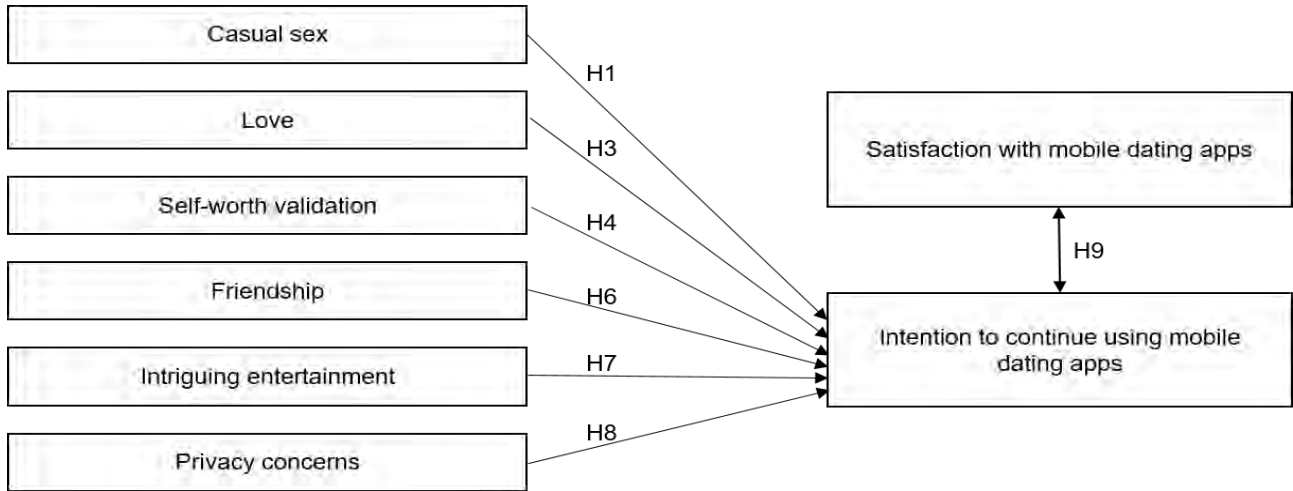
Multiple regression

Before conducting the multiple regression analysis, several assumptions were assessed such as appropriate sample size, linearity, normality, homoscedasticity, no outliers and no multicollinearity (Pallant, 2016: 135), and the data was found suitable for multiple regression analysis. The results from the ANOVA test confirmed that the overall model was statistically significant ($p < 0.001$) and thus predicted users" intention to use MDAs (Field, 2013: 339). The model had a correlation coefficient (adjusted R-squared) of 0.170, indicating that privacy concerns, casual sex, love, self-worth validation, friendship, and intriguing entertainment explained 17% of the variance (Pallant, 2016: 162). Table 2 shows the standard coefficients, t-values, and p-values for the overall model, which determines the statistical significance of the independent variables as predictors of users" intention to use MDAs.

TABLE 2:

Coefficients

	Standardised coefficients beta-value	t-value	p-value
Constant		1.740	0.084
Casual sex	0.204	2.330	0.021
Love	0.116	1.504	0.135
Self-worth validation	0.138	1.484	0.140
Friendship	0.059	0.728	0.468
Intriguing entertainment	-0.040	-0.476	0.635
Privacy concerns	-0.317	-3.984	0.000

Dependent variable: Intention to use

The results from Table 2 show support for Hypothesis 1 and 8. Hypothesis 1 stating that there is a positive relationship between casual sex and the intention to use MDAs, was supported ($p < 0.05$; Beta = 0.204). Findings from Hypothesis 8 supports the notion that privacy concern is negatively related to users" intention to use MDAs ($p < 0.05$; $\beta = -0.317$). There was no support for Hypotheses 3, 4, 6 and 7. Hypothesis 3 did not support a positive relationship between love and the intention to use MDAs ($p > 0.05$; $\beta = 0.116$). Hypothesis 4 stating that there is a positive relationship between self-worth validation and the intention to use MDAs, was also not supported ($p > 0.05$; $\beta = 0.138$). Hypothesis 6 did not support a positive relationship between friendship and users" intention to use MDAs ($p > 0.05$; $\beta = 0.059$). Finally, Hypothesis 7 stating that there is a relationship between intriguing entertainment and users" intention to use MDAs, was also not supported ($p > 0.05$; $\beta = -0.040$).

Correlation

The relationship between satisfaction and the intention to use MDAs were determined using Pearson product moment correlation coefficient. All assumptions (linearity, normality, and homoscedasticity) were met before the analysis was conducted. The results indicated a strong, positive correlation between satisfaction and intention to use ($r = 0.567$; $p < 0.01$), and as such Hypothesis 9 was supported.

Gender differences

After checking and meeting the assumptions (linearity, normality and homogeneity), the independent samples t-test was used to compare the gender groups on the respective constructs. The results showed support for Hypothesis 2, but not for Hypothesis 5. For Hypothesis 2, there was a significant difference in the casual sex scores for males (M = 4.75, SD = 1.75) and females (M = 3.51, SD = 1.89; t (141) = 3.89, $p = 0.00$, two-tailed). The magnitude of the differences in the means (mean difference = 1.23, 95% CI: –0.61 to 1.87) was large (eta squared = 0.10) which shows that 10% of the variance in casual sex was explained by the gender of the individual using the MDA. Hypothesis 5 did not support a significant difference between the gender groups in terms of their self-worth validation motivation: males (M = 4.08, *SD* = 1.65) and females (M = 4.07, SD = 1.77; t (141) = 0.035, $p = 0.972$, two-tailed).

DISCUSSION AND MANAGERIAL IMPLICATIONS

The purpose of this study was to establish which motivations as well as privacy concerns predict the intention to use MDAs. The analyses revealed that users of MDAs perceive casual sex as the most significant predictor of their intention to use an MDA. This result aligns with previous research in that MDAs are primarily used as "hook-up apps" (Sales, 2015) where users use them to find sexual partners on a non-committed basis (Tomaszewska and Schuster, 2019: 9). Motivations relating to love, self-worth validation, friendship, and intriguing entertainment all had a non-

significant link to users" intention to continue using MDAs. This could be owing to the negative stigma surrounding MDAs (as seen with the casual sex motivation), which outweighs the potential positives of using an MDA for motivations of, for example, love and self-worth (Sales, 2015). There seems to be a need for further research to identify the relevant motivations of drivers for dating app usage since the current model only predicted 17%, showing that 83% of the motivations are still unaccounted for. Nevertheless, at this point the findings can help marketers to manage expectations appropriately to ensure that current users are not disappointed, and that new users recruited for the „right" purposes, namely casual sex.

The significance detected between the casual sex motivation of males and females is worth noting; with males showing stronger motivation for casual sex than females. This is in line with findings from other studies (Davis, 2018: 22; Sumter *et al*., 2017: 68). The finding underscores the importance of managing the differences in motivations, and thus expectations from the different gender groups. One suggestion is for app developers to perhaps create a filter feature that allows users to select their motivation, and then match individuals with similarly motivated match options (Sumter *et al*., 2017: 75).

Besides the influence of casual sex, the multiple regression also confirmed the influence of privacy concerns in that such concerns will lower users" intention to use MDAs, which is in line with findings from previous studies (Breitschuh and Goretz, 2019: 278; Orchard, 2019). This means that privacy concerns may act as a buffer against the intention to use; yet all the respondents in the sample were currently using MDAs. This behaviour probably supports the privacy paradox where it is said that even though users are concerned, it does not necessarily reflect in their behaviour (Young and Quan-Haase, 2013: 489). This could be because users are aware that to use the app, certain information is necessary, regardless of the risk. If they chose not to disclose their personal information, they might jeopardise their ability to make connections with other users and so satisfy their initial motivation (Breitschuh and Goretz, 2019: 278; Lutz and Ranzini, 2017: 2). From a practical perspective, the finding suggests that app developers could implement paid features that have increased security features and perceived security assurance to address the privacy concern issue further. In addition, marketers could reassure users how the app is using their information and implement campaigns to combat social privacy concerns with „report" options.

Satisfaction and intention to use showed a large, positive and significant relationship which reinforced the U&G theory stating that when GO is greater than GS, satisfaction occurs, and thus the intention to use (LaRose and Eastin, 2004: 360; Gremler and Gwinner, 2000: 93*;* Katz *et al*., 1973a: 510). Since satisfaction and intention to use were supported in this study, it is implied that satisfaction will increase continued use, and so users" needs are being met (according to the U&G theory) (LaRose and Eastin, 2004: 360; Gremler and Gwinner, 2000: 93*;* Katz *et al*., 1973a: 510).

The practical implication of this for marketers and developers is to understand that satisfied app users will continue to use the app, which in turn could increase profits.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

One limitation of this study was the snowball sampling design (Van de Wiele and Tong, 2014: 628) which could contain sampling bias. In addition, the findings cannot be generalised and future studies could consider using random samples to enable generalizing to the larger MDA population (McGrath, 2015). This study represented a simplified framework of the factors affecting the intention to use, and there seems to be many factors that are still accounted for. Other factors that could impact users" motivations are psychological factors (Van de Wiele and Tong, 2014: 628), personality attitudes (Davis, 2018: 3), self-presentation (Ranzini and Lutz, 2017: 20) and even culture. Future studies could investigate users" motivations along with their cultural norms and religious beliefs as South Africa is culturally diverse.

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Track:

Consumer Behaviour

AirBnB customers' contribution to value co-creation and customer satisfaction

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ABSTRACT

Airbnb is a successful example of value co-creation in the sharing economy. Despite an increased focus on value co-creation literature, gaps remain in determining the value of customer-owned resources during value co-creation and customer satisfaction. A quantitative descriptive research design examines the relationship between customer-owned resources in Airbnb customers" value-co-creation and satisfaction. Questionnaires were administered to Airbnb customers in Gauteng who had visited an Airbnb in the previous 12 months. SPSS was used to analyse the data from 248 suitable questionnaires. The findings from the multiple regression analysis revealed that Airbnb customers" knowledge and creativity (customer-owned resources) positively influence customer satisfaction during their Airbnb lodging experience. Theoretically the study confirms that the antecedents of customer satisfaction should leverage customers" knowledge and creativity contributions beyond Airbnb firms" resources in value co-creation. Practically, Airbnb owners should continually evaluate and leverage their customer-owned resource contributions beyond their internal resources towards still greater customer satisfaction.

Keywords: customer-owned resources; value co-creation; Airbnb; customer satisfaction; service experience

INTRODUCTION

The sharing economy, also known as the era of collaborative consumption, has drastically impacted the traditional travel lodging industry in recent years (Midgett, Bendickson, Muldoon and Solomon, 2018; Sthapit and Jiménez-Barreto, 2018). Customers" perceived benefits lie predominantly in their experiences in this industry. Hollebeek, Glynn and Brodie (2014) concur that experiences intrinsically exist in customers" minds, which are engaged on the physical, intellectual, spiritual, and emotional levels. Prahalad and Ramaswamy (2004) argue that the customer"s experience has shifted from being passive to an active involvement in their service experiences.

Prahalad and Ramaswamy (2000) first referred to the idea of co-creating the service experience, in which customers are involved in co-creating an experience to enhance their contexts. Aligned with this notion, Vargo and Lusch (2010; 2008; 2004) explain that value co-creation is where "actors invite other actors" in producing service offerings, and that firms cannot single-handedly deliver value, only value propositions. In the context of tourism marketing, „co-creation" refers to the value creation process, which involves both the firm and the customer contributing to the firm"s sustainability and to greater customer satisfaction (Cossío-Silva, Revilla-Camacho, Vega-Vázquez and Palacios-Florencio, 2016). Since the service experience is central to value creation in the tourism and hospitality services, various studies – such as those of Meng and Cui (2020), Sugathan and Ranjan (2019), and Tu, Neuhofer and Viglia (2018) – have explored and determine the significance of value co-creation in this context.

Several changing processes, and the effects of the Covid-19 pandemic, required travel lodges, specifically Airbnbs, to shift their major reliance on internal resources to considering external resources – more specifically, customers" resources. Examining the phenomenon from a customer viewpoint is an important theoretical contribution. First, Botsman and Rogers (2010) put customers central as creators of the sharing economy. Second, studying the sharing economy from the customer"s viewpoint could uncover useful insights that help not only Airbnbs but also traditional tourism lodging actors to reconfigure their business models and deepen their understanding of this emerging phenomenon (Nguyen, Rintamäki and Saarijärvi, 2018). Third, Payne, Storbacka and Frow (2008) suggest that, by considering customer resources through the reciprocal process of value co-creation, firms can reduce their internal resource investments. Thus, customers can supplement and release resources to satisfy their needs and improve satisfaction (Xiao, Ma and Li, 2020).

Plé (2016) argues that resources are central to value co-creation, even though only limited studies of co-creation focus on customer resources. Similarly, Jouny-Rivier, Reynoso and Edvardsson (2017) identify a gap in the literature in exploring the relationship between customer-owned resources in co-creating value by customers and its effect on customer satisfaction. Harmeling, Moffat, Arnold and Carlson (2017) posit that, in the context of engagement marketing, a power shift – that is, from the firm to the customer – has occurred in certain aspects of a firm"s marketing roles, but that this shift requires the firm to recognise, but, more importantly, to leverage customer-owned resources.

With the swift rise in collective consumption in the sharing economy, Johnson and Neuhofer (2017) report a growing call to understand platforms such as Airbnb. Thaichon, Surachartkumtonkun, Singhal and Alabastro (2020) argue that Airbnb (an online marketplace that connects local hosts who offer accommodation to rent with travellers) is a successful example of the sharing economy. Accordingly,

the objective of this study is: *To examine the influence of customer-owned resources in Airbnb customers' value co-creation on customer satisfaction*.

This paper first describes the study"s theoretical grounding; the research hypotheses are then outlined, followed by the suggested theoretical model. Next, the focus is on the research methodology, the results, and the discussion with implications are explained. The paper concludes with the study"s limitations, and suggestions for further research.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

SD logic as grounding theory

An article in the *Journal of Marketing* by Vargo and Lusch (2004) introduced service-dominant (SD) logic, which identified a transition from mainly focusing on the product in marketing, to a much greater emphasis on processes, including service delivery and value creation (Lusch, Vargo and Wessels, 2008). Vargo and Lusch (2016) argue that, although it was appropriate at the time, the article"s focus was relatively micro-level, focusing on the firm and the customer. This was evident in the terms used – for example, „co-production", „customer oriented", and „competition" (Hollebeek, Srivastava and Chen, 2019) – which were inherent in some of the foundational principles of SD logic. In the process of "zooming out" (Vargo and Lusch, 2016) to broader perspectives, various notions were added in the evolution of SD logic to "allow a more holistic, dynamic, and realistic perspective of value creation, through exchange, among a wider, more comprehensive (than firm and customer) configuration of actors" (Vargo and Lusch, 2016:5). Some of these evolutionary adjustments included: moving from co-production to value co-creation (Vargo and Lusch, 2016); developing the foundational premises of SD logic (Vargo and Lusch, 2008); moving from a dyadic focus to a network focus (Vargo and Lusch, 2008); connecting SD logic to other research streams (Ramaswamy and Ozcan, 2018; Grönroos and Helle, 2010; Lusch, Vargo and O"Brien, 2007) adapting "value-in-use" to "value-in-context" (Chandler and Vargo, 2011); including "value-in-social-context" (Edvardsson, Tronvoll and Gruber, 2011) and revising the foundational premises of SD logic, so that four of the foundational premises were elevated to axiom status and a fifth SD logic axiom was added (Vargo and Lusch, 2016).

Against the background of the almost 20-year evolution of SD logic, scholars have progressively recognised the necessity of customers" engagement in customer value (co-)creation (Hollebeek *et al.*, 2019). This study adopts the holistic approach of SD logic (Grönroos, 2017, 2011) to examine customers" co-creation of value in their service experiences at Airbnbs in South Africa. Hollebeek *et al.* (2019) define SD logic as the realisation of capabilities to include operant and operand resources, skills, and knowledge through activities for stakeholders" benefit. Font, English, Gkritzali and Tian (2021)

define operand resources as those "on which an operation or act is performed to produce an effect"; where, conversely, operant resources create value from the operand (and other operant) resources. Therefore, customers" roles evolve into co-creating services that are experienced as each customer defines the meaning of those experiences. In SD logic, value differs from customer to customer, because value is created in use and in a specific context (Vargo, Koskela-Huotari and Vink, 2020). Consequently, Font *et al*. (2021) argue that value is co-created by customers" co-creations, and the providers (in this case, Airbnbs) act as facilitators.

The co-creation of value in travel and tourism

The travel and tourism industry is characterised by high-contact service encounters in which the value co-creation of customers plays a substantial role (Lin, Chen and Filieri, 2017). Value co-creation is particularly relevant when applied to the relationship between travellers and their lodging engagements (such as with Airbnbs) for two reasons. First, offering relevant, memorable customer engagement experiences is central to travel and tourism service providers; and second, in such a customer experience, purposeful customer engagement and active participation in the experience, is required (Dong and Sivakumar, 2017).

SD logic and value co-creation have been widely applied in travel and tourism marketing research (Eletxigerra, Barrutia and Echebarria, 2018; Rihova, Buhalis, Gouthro and Moital, 2018; Wilden, Akaka, Karpen and Hohberger, 2017). Rubio, Villaseñor and Yagüe (2020) argue that there is consensus about the multidimensionality of the concept of creation and group its dimensions in two: a) participants" ability to co-create value, and b) participants" inclination to co-create value. For Merz, Zarantonello and Grappi (2018), participants" potential to co-create value is closely linked to customer engagement literature – more specifically, to the resources voluntarily offered by participating agents for value co-creation to take place (including creativity, knowledge, network, and skills). For Rubio *et al*. (2020), participants" favourable inclination towards value co-creation is grounded in relationship literature – specifically, on participants" motivation to participate in the process of co-creating value (including, for example, variables such as commitment, passion, and trust). This second grouping Ranjan and Read (2016) refer to as "value-in-use" to include dimensions such as experience, relationship, and personalisation.

Customer experience remains central to the travel and tourism industry because of the engagement between the travel lodge customer and the travel lodge itself. It is therefore important that travel lodges create environments that promote individually meaningful experiences for customers that (co-) create value and that integrate operant resources in developing exceptional capabilities to co-create high-value experiences. Sangpikul (2018) posits that these experiences can play a role in the expectations of the travel lodge"s service offering and result in customer satisfaction.

Customer satisfaction in travel and tourism

The customer satisfaction concept is particularly relevant in the travel and tourism industry, as customer satisfaction depends on the service and experience (Chung, Ko, Joung and Kim, 2020; Prebensen and Xie, 2017) that is (co-)created with a travel lodge. Sangpikul (2018: 108) explains that, in relation to travel lodging, customer satisfaction is the result of the travel lodge services exceeding customers" expectations. This could be with respect to the accommodation, the atmosphere and location, hospitality, pricing and payment options, innovation and auxiliary value-added services, food and beverages, safety and security, and entertainment and recreation (Ali, Amin and Cobanoglu, 2016: 455). Prebensen and Xie (2017) propose, on the other hand, that customer satisfaction can contribute to an underlying motive to drive the value co-creation process, acquired from the customer"s learning, socialisation, enjoyment, and relaxation at the travel lodge. Therefore, travel lodges should analyse and involve customers in customer experience issues and problems and satisfaction, because customers use those experiences as a benchmark for choosing and recommending travel lodges and for repeat visits (Kim, Vogt and Knutson, 2015).

HYPOTHESIS

Earlier research pertaining to value co-creation in the travel industry were considered in developing this study"s theoretical model. The considered inter-relationships between the four customer-owned resources in the co-creation of value and customer satisfaction of Airbnbs are considered. Figure 1 illustrates the hypothesised relationships developed for the empirical inquiry.

FIGURE 1:

Proposed theoretical model
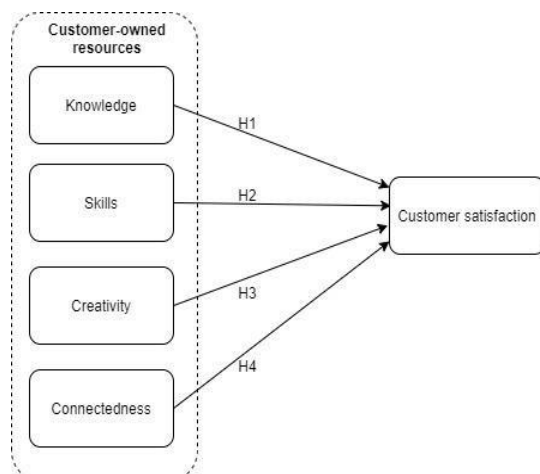
Source: Author's own construct

The relationship between Airbnb customer knowledge and customer satisfaction

Customer knowledge is an important part of a firm"s knowledge of travel lodging, which includes Airbnbs. Although customer knowledge can be classified in a variety of ways in the services literature (Rowley, 2002; Nonaka, Toyama and Konno, 2000; Brucks, 1985), this study views customer knowledge as proposed by Smith and McKeen (2005) – namely, knowledge co-creation with customers. According to Bagheri, Kusters and Trienekens (2019), this type of customer knowledge requires asking customers to collaborate and interact closely in knowledge co-creation. In a study by Taghizadeh, Rahman and Hossain (2017), this type of customer knowledge was confirmed to be the strongest predictor of innovation quality and speed, which prove to be the key drivers of the sharing economy. Bell and Baybak (2018) argue that co-creation results in experiences that develop into knowledge and learning, which then lead to repeat and motivated customers who are more willing to participate further in the co-creation process. Similarly, Harmeling *et al.* (2017) argue that customers" first-hand experiences and deep knowledge of a product or service, in conjunction with their own needs, turn them into most advantageous co-creation sources. Based on the preceding arguments, the resultant hypothesis is: *H₁: There is a significant and positive relationship between Airbnb customer knowledge as a customer-owned resource in customer value co-creation and customer satisfaction.*

The relationship between Airbnb customer skills and customer satisfaction

Vargo and Lusch (2008: 6) argue that customers choose to invest in focal operant resources that are based on motivational drivers such as knowledge and skills. Bruce, Wilson, Macdonald and Clarke"s (2019) resource integration findings provide empirical support that self-steered and firm-managed learning (e.g., improvement of skills) mutually transpires due to acquiring new or improved resources from the Airbnb (the focal service provider), so that the customer can reach a state of satisfaction. Gruen, Osmonbekov and Czaplewski"s (2007) study further confirmed that the skills acquired from customer-to-customer exchanges influence customers" perceived value and customer satisfaction. Against this background, the following hypothesis is offered: *H₂: There is a significant and positive relationship between Airbnb customer skills as a customer-owned resource in customer value co-creation and customer satisfaction.*

The relationship between Airbnb customer creativity and customer satisfaction

The marketing literature on customer creativity has contributed to problem-solving research in psychology (Jessen, Hilken, Chylinski, Mahr, Heller, Keeling and De Ruyter, 2020). Siahtiri (2018) claims that researchers typically view creativity as a result of customer problem-solving, in which an idea is created to overcome a problem which deter them from attaining the desired endpoint. Merz *et*

al. (2018) describe customer creativity as the "production, conceptualisation, or development of novel, useful ideas, processes, or solutions to problems" by customers. Consequently, Harmeling *et al.* (2017) contend that the creativity of customers could be a relative advantage, especially in, for example, product and service innovation, and creative marketing communication. In the consumer behaviour literature, the focus appears to remain internally on firm creativity and its effect on customer satisfaction (Bani-Melhem, Quratulain and Al-Hawari, 2020). However, Dahl and Moreau (2007) argue that creative customers experience intrinsic satisfaction in finding innovative consumption opportunities. The regulatory mode theory in social psychology (Avnet and Higgins, 2003) is applicable, as it focuses on different motivations in value co-creation behaviour. Furthermore, Jessen *et al.* (2020) found a positive correlation between customer creativity and customer satisfaction. Based on the preceding arguments, the resultant hypothesis is: ***H₃****: There is a significant and positive relationship between Airbnb customer creativity as a customer-owned resource in customer value co-creation and customer satisfaction.*

The relationship between Airbnb customer connectedness and customer satisfaction

Weaver, Kwek and Wang (2017) describe customer connectedness as the associations and connections of a customer within a social network. Customer connectedness can be explained by social exchange theory, which postulates that social interactions are mutually beneficial exchanges between two connected parties (Blau, 1964). Li, Larimo and Leonidou (2021) argue that, based on this theory, these social interactions involve a network of exchanges between customers and firms (and customers and customers) that are typically mutually dependent on others" behaviour in generating sound relationships. Belanche, Casaló, Flavián and Guinalíu (2019) argue that online communities could be regarded as mechanisms for customer engagement and collaboration by travel lodges. Virtual travel communities – for example, Trip Advisor, Fodor, Lonely Planet, Qunar, and Virtual tourist – are value co-creation platforms where customers can a) review and make recommendations to other Airbnb customers, and b) gain a better understanding of their own and other customers" needs, preferences, and demands in relation to Airbnbs, based on the analysis and monitoring of comments on these virtual communities (Wang, Chan, Leong, Ngai and Au, 2016: 1). Thus, customer connectedness, or what Harmeling *et al.* (2017) call network assets, refers to the number, structure, and diversity of customers" connected ties within social networks. The studies by Gruen *et al.* (2007) and Martin and Pranter (1989) found that there is an interrelationship, between both customer-to-customer and customer-to-firm interaction with perceived value and customer satisfaction. Based on this background, the following hypothesis is offered: ***H₄****: There is a significant and positive relationship between Airbnb customer connectedness as a customer-owned resource in customer value co-creation and customer satisfaction.*

RESEARCH METHODOLOGY

The empirical investigation in this study followed a quantitative research paradigm, supported by a descriptive research design (Malhotra, Nunan and Birks, 2017). The respondent profile for the study was based on four criteria to develop a detailed description of the sample in marketing research for tourism and hospitality studies (Kolb, 2018). Therefore, the respondent profile was defined as respondents in Gauteng (geographic location) between 18 and 65 years old (demographic criteria) who had visited an Airbnb (psychographic criteria) in the previous 12 months (visitor status). Once low-risk ethics clearance was provided by the relevant institutional ethical clearance committees, data was collected during June and July of 2019. Trained fieldworkers distributed the anonymous self-administered questionnaire through non-probability, convenience sampling in public areas in Gauteng, where permission for data collection was not necessary. After completion of the questionnaire, respondents returned it to the fieldworkers. By way of introduction, the questionnaire included a preamble to explain the study"s purpose, assurance of respondents" anonymity, and two screening questions. The study"s constructs were tested through a Likert scale ranging from 1 = "strongly disagree" to 7 = "strongly agree". The measurement variables selected for this study, all proofed to be valid and reliable. The questionnaire consisted of four sections: Section A contained questions about the respondent"s basic demographics; Section B comprised 13 statements related to the four customer-owned resources constructs (knowledge, skills, creativity, and connectedness), as in Merz *et al.*"s (2018) customer co-creation value scale; Section C contained 12 statements about customer motivation, which fell outside the scope of this paper (also from Merz *et al.*, 2018); and section D comprised four widely used statements to measure customer satisfaction, originally developed by Spreng, MacKenzie and Olshavsky (1996). Upon completion of the data collection, which was done over five weeks, data cleaning was done, and 248 questionnaires were retained for statistical analysis.

Data analysis

Data capturing and analysis was done with SPSS version 25. The first step in the analysis process was to clean the data and to check for normality. All questionnaires but one could be used in the sample, but still fell inside the minimum sample range as per Hair, Page and Brunsveld (2019) for an analysis with five constructs. Distribution of the scores for continuous variables, skewness, and kurtosis ranged between -0.66 and 0.15. The negative skewness values therefore indicated, according to Pallant (2020), the clustering of scores at the high end. Also, the kurtosis values below 0 indicated a relatively flat distribution with too many cases in the extremes (Pallant, 2020). However, according to Tabachnik and Fidell (2013), in a larger sample (200+) both skewness and kurtosis "will not make a substantive difference in the analysis" (Tabachnik and Fidell, 2013: 80). Pallant (2020: 64) suggests, in cases like this, using the trimmed five per cent mean, in which the top and bottom five per cent of cases are

removed and a new mean is calculated. Given that the two mean values for the different constructs in this study were rather similar (see Table 1), and that the values were not too unlike the remaining distribution, Pallant (2020) recommends that such cases be retained in the data file.

TABLE 1:

Comparison of mean and trimmed five per cent mean for determining normality

Construct	Mean	Trimmed five per cent mean
Knowledge	4.69	4.74
Skills	4.58	4.62
Creativity	4.68	4.74
Connectedness	4.00	4.00
Customer satisfaction	5.10	5.20

Based on the above two arguments about normality, further descriptive statistics, a confirmatory factor analysis (CFA), and Cronbach"s α values were used to assess the reliability of the measuring instrument. This was in keeping with Malhotra *et al.*"s (2017) advice to thoroughly assess the reliability and validity of the results, as it is central in adding to theory.

RESULTS

Demographic results

The sample was 51.2 per cent female, 44.4 per cent male, and 4.4 per cent gender non-conforming. Over two-thirds of the sample group were younger than 40 years old, with 50.8 per cent in the 18-29 age category and 21.8 per cent in the 30-29 age category. The rest of the age categories were represented as follows: 40-49 years, 15.2 per cent; 50-59 years, 7.7 per cent; and 60-65 years, 4.0 per cent. Most respondents in this study were African (63.7 per cent), had a university degree (37.5 per cent) or a four-year or Honours degree (20.5 per cent), and had full-time employment in a company (31.9 per cent) or were full-time students (31.9 per cent). The data validity and reliability were determined first.

Validity and reliability

The statistics of the study"s measurement model is summarised in Table 2. A confirmatory factor analysis procedure of the constructs" overall mean scores varied between 3.95 and 5.10. These were relatively positive, if the seven-point Likert scale that measured constructs from 1 ("strongly disagree") to 7 ("strongly agree") was considered. This study made use of previous studies" parsimonious scales with fitting validity and reliability to ensure face validity. A pilot test was also conducted on a small (n=20), representative sample, confirming that the selected items measured what they aimed to measure. Average variance extracted (AVE) test to establish discriminant validity (as per Hair *et al.*,

2019). In Table 2 it is apparent that each of the constructs" AVE values exceeded the related shared variances. In addition, indicating convergent validity, all the AVE values also exceeded the lower limit of 0.5 (Malhotra, *et al.*, 2017). It can therefore be argued that it is possible that customer satisfaction be distinguished between the four customer-owned resources – namely, knowledge, skills, creativity, and connectedness. All five of the constructs measured appeared to be very reliable, based on the Cronbach"s α reliability coefficient values, that were all well beyond the acceptable 0.7 threshold value (reported in Table 2) (Hair *et al.*, 2019).

TABLE 2:

Measurement model – standard factor loadings, validity, and reliability

Construct, item	Standardised factor loadings	AVE	Construct reliability	Cronbach's α
Knowledge (Merz *et al.,* 2018)		0.63	0.84	0.83
I am informed about what this brand (Airbnb) has to offer	0.85			
I am knowledgeable about this Airbnb	0.85			
I am an expert on this Airbnb	0.57			
Skills (Merz *et al.,* 2018)		0.55	0.78	0.86
I think analytically when I deal with this Airbnb	0.76			
I think logically when I deal with this Airbnb	0.71			
I think critically when I deal with this Airbnb	0.46			
Creativity (Merz *et al.,* 2018)		0.55	0.78	0.82
I become imaginative when I interact with this Airbnb	0.76			
I become creative when I interact with this Airbnb	0.71			
I become curious when I interact with this Airbnb	0.46			
Connectedness (Merz *et al.,* 2018)		0.54	0.83	0.88
I am networked with other customers of this Airbnb	0.87			
I am connected with other customers of this Airbnb	0.82			
I belong to one or more brand communities related to this Airbnb	0.62			
I socialise with other consumers of this Airbnb	0.80			
Customer satisfaction (Spreng *et al.,* 1996)		0.72	0.91	0.92
Overall, the Airbnb(s) was comfortable	0.85			
Overall, the Airbnb(s) was satisfying	0.89			
Overall, the Airbnb(s) was pleasing	0.89			
Overall, the Airbnb(s) made me feel content	0.72			

*   **All factors loaded significantly at p < 0.001.**

The focuses of the next sections are, first, the correlation analysis and its results, and then the multiple regression and its results.

Correlation analysis

The correlation matrix table in Table 3 depicts the correlation between the variables in the study. Using Pearson"s product moment correlation (r) coefficient, the correlations between the latent constructs in the study was examined, to verify if multicollinearity existed in the data set. Hair *et al.* (2019) advise that values up to or more than 0.90 are less ideal, as it points to strong linear relationship patterns, contribute to multicollinearity, and reduce model fit. From the results of this study, the relationships between the construct pairs were less than 0.90 and were found to be linear, therefore, multicollinearity was not present.

TABLE 3:

Correlation matrix table indicating discriminant validity

Research construct	Cn	Cr	Sk	Kn	CS
Connectedness (Cn)	**0.741**				
Creativity (Cr)	0.555	**0.739**			
Skills (Sk)	0.498	0.663	**0.742**		
Knowledge (Kn)	0.548	0.589	0.662	**0.795**	
Customer satisfaction (CS)	0.373	0.480	0.470	0.676	**0.846**

To determine discriminant validity, the square root of the AVE for each factor was used. Fornell and Larcker (1981) propose that this value (indicated in bold in Table 3) be higher than the correlations" values. Therefore, based on Tables 2 and 3, all parameters for reliability and validity were met.

Regression analysis and results

Multiple regression analysis was conducted to include all four predictor variables. According to Hair *et al.* (2019), it is standard practice to use the coefficient p-values to decide which variables to include in the final model. The initial coefficient p-values of the four predictor values were knowledge (Kn) $p = 0.000$; skills (Sk), $p = 0.787$; creativity (Cr) $p = 0.004$; and connectedness (Cn), $p = 0.556$. Subsequently, with only knowledge (Kn) and creativity (Cr) coefficients" p-values < 0.005, the new model omitted skills (Sk) and connectedness (Cn), as their inclusion could have reduced the new model"s precision (Hair *et al.*, 2019). The new model therefore argued that knowledge (Kn) and creativity (Cr) as customer-owned resources in Airbnb customer value co-creation significantly predict customer satisfaction. The regression results of the new model revealed that the model explained 46.6% of the variance, and the model significantly predict customer satisfaction, $F_{(2, 236)} = 102.64$, $p = 0.000$. Knowledge (Kn) contributed significantly to the model ($\beta = 0.554$; $p = 0.000$), with

creativity (Cr), although to a lesser extent, still contributing to the model (β = 0.181, p = 0.003). Furthermore, tests to determine if the data met the assumption of collinearity indicated that multicollinearity was not a concern (Customer Knowledge, Tolerance = 0.61, VIF = 1.64; Creativity, Tolerance = 0.61, VIF = 1.64). The final predictive model therefore was Customer satisfaction = 1.16 + (.554*Customer Knowledge) + (.206*Customer Creativity).

Hypotheses testing results

Consequently, the testing of the hypotheses revealed the following:

H₁ theorised that a significant and positive relationship exists between Airbnb customer knowledge as a customer-owned resource in customer value co-creation and customer satisfaction and was *accepted* (β = 0.554; p = 0.000).

H₂ suggested a significant and positive relationship between Airbnb customer skills as a customer-owned resource in customer value co-creation and customer satisfaction and was *rejected* (coefficient p-value p > 0.005 at p = 0.787).

H₃ indicated that there is a significant and positive relationship between Airbnb customer creativity as a customer-owned resource in customer value co-creation and customer satisfaction, and was *accepted* (β = 0.181, p = 0.003).

H₄ argued that a significant and positive relationship exists between Airbnb customer connectedness as a customer-owned resource in customer value co-creation and customer satisfaction and was *rejected* (coefficient p-value p > 0.005 at p = 0.556).

CONCLUSION

Fundamental changes in travel and tourism offerings, such as the introduction of Airbnbs in South Africa, have significantly impacted travel lodging services and thus customer expectations. One such change is the shift in travel lodging customers" role in value co-creation, from being passive observers to taking an active part in service design, offerings, and experiences (Hamidi, Shams Gharneh and Khajeheian, 2020). This paper aimed to investigate the influence of customer-owned resources in Airbnb customers" value co-creation on customer satisfaction. The main finding of the study is that value co-creation using customer-owned resources – specifically, customer knowledge and creativity (and not only firm-owned resources) – contribute to customer satisfaction in their engagement with Airbnbs. This study therefore confirms, with Edvardson, Gustafsson, Pinho, Beirão, Patrício and Fisk (2014), that, not only firms, but also customers are significant contributors value co-creation and consequently influence overall customer satisfaction with the Airbnb experience. For that reason, the antecedents for customer satisfaction cannot be narrowed to only the internal processes

of an Airbnb. But, that the specific contributions of Airbnb customers to value co-creation must also be identified and leveraged. Applying service-dominant logic to Airbnbs, according to Vargo and Lusch (2016), will require a strong relationship focus, since value is (co-) created through an incessant service provision cycle with actors beyond the internal firm (such as Airbnb customers). It is therefore important for Airbnbs to leverage customers" voluntarily offered resources for value co-creation (specifically, customer knowledge and creativity). The significance of this study is that it answers the calls for research by Plé (2016) and Jouny-Rivier *et al.* (2017), among others, to address the gap in the literature by exploring the relationship between customer-owned resources in customers" co-creation of value and its effect on customer satisfaction.

From this study, scholars and practitioners could understand whether value is created through customer-owned resources towards higher levels of customer satisfaction, and the types of customer-owned resource that contribute to value co-creation. By focusing on customer-owned resources, the attention is shifted from the value created by Airbnbs" resource contributions, contributing to a richer understanding of customer satisfaction in the sharing economy. The benefits perceived by customers that are translated into customer satisfaction can serve as a valid starting point for Airbnbs" strategic brand planning. From the results of this study, Airbnbs should focus on communicating and reinforcing the benefits that set the sharing economy apart from previous business models. This could include Airbnbs encouraging customers to share their knowledge, creativity, and satisfaction in return for value exchanges. Airbnbs should invest in ways to encourage and enable customers to contribute resources (Harmeling *et al.*, 2017) to the Airbnb – for example, knowledge and creativity – and so keep them satisfied. If Airbnbs constantly evaluate their customers" resource contributions in value co-creation activities and reward such activities, customers might then, as argued by Yi and Gong (2013) be more enthusiastic about playing a role in Airbnbs" brand value co-creation leading to greater customer satisfaction.

MANAGERIAL IMPLICATIONS

The managerial implications from the findings of the study are therefore fourfold:

- Airbnbs should use their customers" knowledge of their own needs and valuable firsthand experiences for an improved understanding of the Airbnb brand.
- More importantly, it could inform the marketing communication of Airbnbs in improving the relevance and quality of shared content, through for example, travel blogs and review writing.
- Airbnbs should capitalise on customers" creativity for identifying useful and novel processes, ideas, and solutions to problems that are unknown by the Airbnbs, that could also result in

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creative, customer-generated marketing communication content and service improvements.

- Therefore, customer knowledge can also contribute to the development, management, and diffusion of the Airbnb brand narrative.

LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FURTHER RESEARCH

This study has some limitations that require further research. As the study was conducted in Gauteng, its findings are representative only of those respondents and not the entire target population. Future research could be conducted among Airbnb customers to include more parts of South Africa. Although the study focused on customer satisfaction as a behavioural outcome, research is needed to examine customer motivation, using Merz *et al.*‟s (2018) customer co-creation value scale, and not only through customer-owned resources, to determine the value of Airbnb customers in the co-creation of Airbnbs‟ brand value. While this study‟s main contribution revolves around value co-creation contributions from the customer perspective, it should be kept in view that, in a service eco-system, multiple stakeholders are involved in brand value co-creation. Therefore, further research should correspondingly investigate other Airbnb stakeholders‟ contributions to the co-creation of brand value.

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Explaining e-banking trust and continuance of use intentions of customers in a rural context

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ABSTRACT

The rise of electronic banking has transformed the delivery of financial services worldwide, however, despite the significant penetration of e-banking in South Africa, concern about the lack of trust in these services is growing, due to the rise in cybercrime. Owing to the dearth of research on trust and e-banking continuance of use in a rural context. The study adopted survey research design with a cross-sectional time frame. Primary data were collected using a self-administered structured questionnaire, which yielded 136 valid responses. Multiple regression analysis was used for hypothesis testing. The results show that perceived ease of use and perceived usefulness have statistically significant positive effects on e-banking trust. The results further show that trust has a significant effect on intentions to continue using e-banking. Therefore, retail banks should endeavour to improve customers' perceptions of these two salient beliefs.

Keywords: e-banking; trust; rural contexts; perceived ease of use; perceived usefulness; continuance of use intentions

INTRODUCTION

Technology in the financial services industry have radically transformed the way banks do business in the modern environment. Banks have redefined what they offer, how they offer it, and to whom they offer (Coetzee, 2018). Confirming this, various scholars worldwide believe that the explosion of electronic banking (e-banking) services represents a game change in the delivery of financial services (Sánchez-Torres, Canada, Sandoval and Alzate, 2018; Singh and Srivastava, 2018; Tran and Corner, 2016; Nel and Boshoff, 2014). It is beyond question that the technological innovation of e-banking offers an array of value-added benefits, such as the reduced cost of transacting, convenience, and flexibility, which customers enjoy (Maduku, 2016). The problem, however, is that trust is considered a barrier key of acceptance, and adoption for any new technology (Hamakhan, 2020).

The concept of trust has been much debated in the literature for decades, particularly in many buyer–seller transactions that can provide consumers with high expectations of satisfying exchange relationships (Maduku, 2016; Gefen, 2000; Hawes, Mast and Swan, 1989). While trust

has been an area of concern for some time in traditional buyer–seller transactions, it is becoming an issue in online channels, particularly when it comes to electronic transactions where financial risk is high. The growing trust deficit regarding e-banking has attracted much interest among scholars globally (Kumar, Adlakaha and Mukherjee, 2018; Malaquias and Hwang, 2016; Nguyen, Nguyen and Singh, 2014), and in South Africa (Maduku, 2016; Redlinghuis and Rensleigh, 2010). However, despite this growing interest, the studies have not paid enough attention to the trust-continuance of use intention nexus in the context of rural customers. This means that there is dearth of research that considers e-banking trust–continuance of use intention relationship, especially those drawing insights from customers in rural contexts of South Africa. The aim of this study therefore is to is investigate the role of certain factors, (perceived usefulness and perceived ease of use, relationship trust and relationship commitment) in explaining e-banking trust and continuance of use intentions of customers in a rural context. The central argument in this paper is that the aforementioned factors are essential determinants of trust, and that trust is a key predictor of e-banking continuance of use intentions.

LITERATURE REVIEW

Overview of e-banking

E-banking is a multifaceted construct that encompasses a variety of technological formats, such as electronic fund transfers, Internet banking and mobile banking (Maduku, 2014; Adam, 2013; Lassar, Manolis and Lassar, 2005). Most recently, mobile banking applications (apps) have also become ubiquitous, which makes e-banking even more multifaceted. For the purposes of this article, e-banking is conceptualised in its multidimensional nature, and it includes all these aforementioned electronic technologies. It is necessary to distinguish between these various e-banking channels, since customers have a choice of using one of them, a combination of two of them, or even all of them. Thus, we see the phenomenon of multi-channel banking, where customers do not consider channels in isolation, but in multiplicity (Bapat, 2017; Nel and Boshoff, 2014).

There is no doubt that e-banking has created unprecedented opportunities for both retail banks and customers to interact, and to create sustainable relationships (Jara, Parra and Skarmeta, 2014). Retail banks started to embrace e-banking more decisively in developed countries around the early 1990s, to make financial transactions easier and more convenient for customers (Maduku, 2013), while in South Africa e-banking only started to steadily take off in 1996 (Redlinghuis and Rensleigh, 2010). Within the South African banking industry, technological innovation has been recording substantial penetration since the 2000s. For instance, towards the end of 2003, the number of online bank accounts had passed the one-million mark, with an average annual growth of 29% (World Wide Worx, 2004). In 2015, of the 18.9 million adult population who had smartphones, 40% were using an app and 31% were using cell phone banking

to transact and manage their finances (Fin Mark Trust, 2015: 5). This growth can be attributed to several value-added benefits that the innovation of e-banking provides, such as the reduced cost of transacting and convenience and flexibility for customers.

Theoretical approach, model, and hypothesis development

This article is underpinned by the technology acceptance model (TAM), proposed by Davis (1989). TAM was developed to improve our understanding of user acceptance processes, and to provide theoretical insight into the successful design and implementation of information systems (Davis, 1989). The model suggests that two salient beliefs, namely perceived usefulness, and perceived ease of use, determine one's behavioural intention to use new technology (Venkatesh, 2000). Davis (1989: 320) defines perceived ease of use "as the degree to which an individual believes that using a particular system will be free from mental effort", while "perceived usefulness is the degree to which an individual believes that using a particular system will enhance his or her job performance".

Bagozzi (2007) argued that the main strength of the TAM is its parsimony: intentions to use a technology influence usage behaviour, and perceived usefulness (PU) and perceived ease of use (PEU) determine intentions to use a technology. The parsimony of the TAM has triggered tremendous interest and support from scholars. This interest is confirmed by the substantial increase in the number of studies that have used the TAM to predict and explain acceptance and use of technology in various contexts (Erasmus, Rothmann and Van Eeden, 2015; Maduku, 2013; King and He, 2006; Venkatesh, 2000). As in the global trend, South African studies have employed the TAM to investigate e-banking adoption. For instance, Maduku (2016), Nel, Boshoff and Raleting (2012) found that perceived ease of use and perceived usefulness are influential predictors of attitude and usage behaviour regarding e-banking among South African banking customers. However, Bagozzi (2007) argues that the limitation of the TAM is that researchers have overlooked the essential determinants of decision-making and action, and they have turned a blind eye to the inherent limitations of the TAM. Almost no research has made the TAM more robust in terms of explaining perceived usefulness and perceived ease of use, reconceptualising existing variables in the model, or introducing new variables explaining how the existing variables produce the effects they do (Bagozzi, 2007). Therefore, Wahab, Noor, Ali and Jusoff (2009) recommended that future studies consider including customer relationship management performance in research on e-banking adoption and usage behaviour. It is against this background that the relationship trust–commitment approach is considered in this paper, to supplement the literature on technology acceptance.

E-banking and the relationship trust–commitment perspective

As already mentioned, this article attempts to respond to the inherent limitations of TAM, as pointed out by Bagozzi (2007), and the recommendation made by Wahab *et al.* (2009), that future studies should include customer relationship management performance in e-banking adoption research. Accordingly, two essential ingredients for building customer relationships, namely relationship trust and relationship commitment, are theorised together with the traditional salient beliefs of the TAM, namely perceived usefulness, and perceived ease of use, to predict e-banking trust. Relationship trust and relationship commitment were identified since the success of a business relationship lies in the development and growth of trust and commitment between partners (Berndt and Tait, 2014: 29).

According to the commitment–trust theory of relationship marketing (Morgan and Hunt, 1994), relationships exist through the retention of trust and commitment. Hence, the presence of both can produce outcomes that promote efficiency, productivity, and effectiveness. Relationship trust and commitment are often discussed together in the relationship marketing literature (Berndt and Tait, 2014; Egan, 2011; Morgan and Hunt, 1994), and few scholars mention one without the other. Berndt and Tait (2014: 29) define trust as "the willingness to rely on an exchange partner in whom one has confidence". This means that for retail banks, building trust is done to ensure that customers will stand behind their promises regarding e-banking services. Commitment is the belief that the importance of a relationship with another is so significant that it warrants maximum effort to maintain the relationship (Buttle, 2009). Commitment and trust lead directly to cooperative behaviours, which are conducive to relationship marketing success (Berndt and Tait, 2014). These are therefore theorised to have a positive influence on customers' e-banking continuance of use intentions.

Trust and e-banking users' continuance of use intentions

While the benefits of e-banking are worth mentioning, the banking industry is traditionally associated with a high level of trust related to security and privacy issues in the physical environment (Yousafzai, Pallister and Foxall, 2009). Due to its dynamic and multidimensional nature, the problem with trust is that it does not have a universally accepted definition; thus, it is conceptualised from different perspectives depending on the context (Lu, Fan and Zhou, 2016; Beldad, De Jong, and Steehouder, 2010). Several studies conducted in various contexts do substantiate the multidimensional nature of trust. For instance, research on trust has been conducted in the contexts of human–robot interaction (Baker, Phillips, Ullman and Keebler, 2018), organisational research (McEvily and Tortoriello, 2011), marine protected area managers (Cvitanovic, Van Putten, Hobday, Mackay, Kelly, McDonald, Waples and Barnes, 2018), online shopping (Gefen, Karahanna and Straub, 2003) and e-banking (Maduku, 2016; Nguyen *et al.*, 2014). In almost all the different contexts, there is consensus that in exchange relationships, trust

exists when one party has confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994), and willingness to rely on an exchange partner in whom one has confidence (Moorman, Deshpandé and Zaltman, 1993). Particularly in financial services technological innovations, trust is typically concerned with the human's expectations of the system and how that system will perform (Baker *et al*., 2018). The issue of trust in e-banking is arguably justified, since transacting online is often susceptible to cybercrime, which causes people to be reluctant to engage in online transactions (Beldad *et al*., 2010). For this reason, we argue that customers who are already users of e-banking might not continue to use online channels, due to this trust deficit. Thus, in this article we posit that trust is an influential predictor of e-banking continuance of use intentions. This proposition is informed by the fact that behavioural intentions are crucial in marketing, since they help to predict how customers will act towards a firm's products and services in future (Mpinganjira and Dos Santos, 2013). Based on the above theoretical discussion, the hypothetical model proposed in this paper is presented in Figure 1.

FIGURE 1:

Hypothetical research model
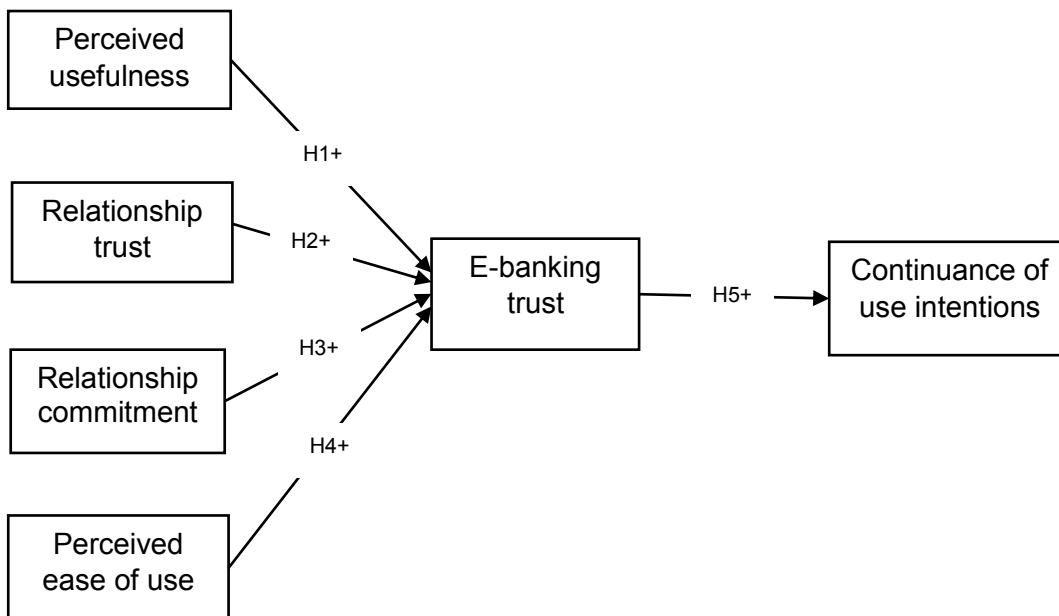
As depicted in Figure 1, the following hypotheses will be tested:

H1: Perceived usefulness has a positive statistically significant effect on trust in e-banking.

H2: Relationship trust has a positive statistically significant effect on trust in e-banking.

H3: Relationship commitment has a positive statistically significant effect on trust in e-banking.

H4: Perceived ease of use has a positive statistically significant effect on trust in e-banking.

H5: E-banking trust has a positive statistically significant effect on customers' continuance of use intentions regarding e-banking.

RESEARCH METHODOLOGY

Research design, data-gathering and -analysis techniques

A survey design was used to collect and analyse the quantitative data. The population of the study were banking customers in rural areas in Chris Hani District in the Eastern Cape. A non-probability convenience sampling was used to determine a sample size of 200, of which 136 valid responses were returned, which represents 68% response rate. The questionnaire items were adapted from already validated instruments. The questionnaire consisted of two sections, the first section solicited the demographic profile of the respondents, and the second section consisted of five-point Likert-scale items. In the second section of the questionnaire, respondents were required to indicate their level of agreement or disagreement with certain statements. A five-point Likert scale where the value 1 corresponds to "strongly disagree" and the value 5 corresponds to "strongly agree" was used to measure six constructs (Relationship Trust, Relationship Commitment, perceived usefulness, perceived ease of use, E-banking Trust, and Intention to continue using e-banking).

After the questionnaire was administered, a total of 136 valid responses were obtained. The raw data were captured in Microsoft Excel 2016 and were analysed using the Statistical Package for the Social Sciences (IBM SPSS version 25). Several analysis techniques were conducted in a sequence, and they included assessment of convergent validity, and the assumption of multicollinearity and multiple linear regression analysis. The purpose of linear regression analysis is to evaluate if there is a statistically significant relationship as presented in the proposed model. The results emanating from the data analysis are presented in the subsequent section.

RESULTS AND DISCUSSION

Demographic profile of the respondents

The demographic profile of respondents is presented in Table 1 below.

TABLE 1:

Demographic profile of respondents

Age group		
	Frequency	**Valid Percent**
18-25	31	22,8
26-35	78	57,4
36-45	18	13,2
46-55	6	4,4
56-65	3	2,2
Total	136	100,0
Gender		
Male	53	39,0

Female	83	61,0		
Total	136	100,0		
Level of Education				
Primary School	1	0,8		
High School	23	17,3		
Diploma	44	33,1		
Degree	35	26,3		
Postgraduate (Hons,Mast, Doct)	30	22,6		
Total	133	100,0		
Residing Area				
Village	28	20,6		
Farm	2	1,5		
Township	51	37,5		
Small rural town	55	40,4		
Total	136	100,0		

The results show that in the survey most of the respondents (57.4%) were youth in the in ages of 26-35, and that most were females (61.0%). Despite the study having been conducted in rural areas, the results indicate that 33.1% of the respondents had obtained a diploma qualification. The results also show that about 40.4% of the respondents resided in small rural towns, not necessarily in tribal villages or on farms.

Psychometric properties of the measuring instrument

The validity and reliability of the measuring instrument was assessed by means of convergent validity, which examines, among others, factor loadings, and construct reliability. Hair, Black, Babin and Anderson (2010) recommend that factor loadings in a measurement model should be 0.5 or higher, and construct reliability should be 0.7 or higher. The psychometric properties of the measuring instrument are summarised in Table 2.

TABLE 2:

Reliability and validity of the measuring instrument

Construct	Item code	Factor loading	Number of items	Cronbach's alpha
Continuance of use intentions	INT1	0.662	5	0.919
	INT2	0.74		
	INT3	0.782		
	INT4	0.782		
	INT5	0.712		
Perceived ease of use	PEU1	0.471	5	0.873
	PEU2	0.558		
	PEU3	0.791		
	PEU4	0.779		
Perceived usefulness	PU1	0.731	4	0.824
	PU2	0.59		
	PU4	0.714		

	PU5	0.545		
Relationship commitment	RC2	0.695	4	0.855
	RC3	0.869		
	RC4	0.792		
	RC5	0.409		
Relationship trust	RT1	0.695	5	0.885
	RT2	0.798		
	RT3	0.832		
	RT4	0.706		
	RT5	0.801		
Trust	TR1	0.80	5	0.906
	TR2	0.78		
	TR3	0.828		
	TR4	0.685		
	TR5	0.612		

In the initial assessment of the measuring instrument two items namely PU3, and RC 1 had loadings that were too low from the acceptable threshold, and two items were removed from the measurement. In accordance with Hair *et al*. (2010), the results for validity and reliability (Table 2) show that factors loaded well on the respective scales, except for PEU1 and RC5, which loaded 0.471 and 0.409, respectively, however, it was decided to keep the two items as their loading is approaching the acceptable threshold. Regarding the results for construct reliability, all the Cronbach's alpha values were above 0.7. It can be concluded therefore that the measurement is valid, since the two indicators that were examined account for a satisfactory convergent validity of the scales.

One of the most essential assumptions of multiple regression that has been emphasised over the years is the need for absence of multicollinearity, which occurs when two or more independent variables in a regression model are highly correlated (Jagpal, 1982; Vinod, 1978). It was therefore necessary to assess the existence of multicollinearity, as this can severely impact the sign, the size and the significance of the standardised beta coefficients used to test theoretical relationships or research hypotheses (Beckstead, 2012; Agunbiade, 2011). Accordingly, multicollinearity was assessed by examining the tolerance and the variance inflation factor (VIF). The rule of thumb when assessing VIF is that the value for the tolerance should be greater than 0.1, and the value for the VIF should be less than 2 (Hair *et al*., 2014: 197). The results of the assessment of the assumption of multicollinearity are presented in Table 3.

TABLE 3:

Results of the assessment of the assumption of multicollinearity

Model		Collinearity statistics	
		Tolerance	VIF
1	(Constant)		
	Perceived usefulness (PU)	0.486	2.059
	Relationship trust (RT)	0.599	1.668
	Relationship commitment (RC)	0.536	1.865
	Perceived ease of use (PEU)	0.541	1.850
a. Dependent variable: Trust			

Table 3 shows the multicollinearity of four independent variables, namely perceived usefulness, relationship trust, relationship commitment and perceived ease of use. The results indicate that there is no multicollinearity issue found in any of the presented variables, since the value for the tolerance of each variable is greater than 0.1, and the VIF values are all less than the cut-off threshold of 10. As such, the absence of multicollinearity permits assessment of the multiple regression model and hypothesis testing. Two linear regression tests were conducted to evaluate the influence of predictors on the dependent variables. The first regression test was conducted to evaluate the impact of perceived use, relationship trust, relationship commitment and perceived ease of use on e-banking trust. The results are presented in Table 5. The second regression was conducted to test the impact of trust on intentions to continue using e-banking. The results are presented in Table 6.

TABLE 4:

Results for prediction of trust in e-banking

Predictor	Unstandardised Coefficient error		Standardised coefficient	t-value	p-value	Decision on hypothesis
(Constant)	0.500	0.207		2.419	0.017	
Perceived usefulness	0.238	0.099	0.224	2.394	0.018*	H1 supported
Relationship trust	0.131	0.091	0.121	1.443	0.151	H2 not supported
Relationship commitment	0.136	0.095	0.127	1.428	0.156	H3 not supported
Perceived ease of use	0.373	0.095	0.347	3.918	0.000*	H4 supported

*p-value < 0.05 is statistically significant

TABLE 5:

Effect of trust on intentions to continue using e-banking

Predictor	Unstandardised	Standardised	t-	p-	Decision on hypothesis

	Coefficient	error	coefficient	value	value	
(Constant)	0.630	0.174		3.616	0.000	
E-banking trust	−0.239	0.090	−0.245	−2.665	0.008*	H5 supported

***p*-value < 0.05 is statistically significant**

TABLE 6:

Model summary

Model summary				
Model	**R**	**R-squared**	**Adjusted R-squared**	**Std error of the estimate**
Model 1	.667[a]	.445	.428	.70379
Model 2	.607[a]	.368	.364	.73253

a. dependent variables: 1 Trust in e-banking, 2 Continuance usage intention

The first regression assesses the effect of the predictors (perceived usefulness, relationship trust, relationship commitment and perceived ease of use). The results show that perceived ease of use ($\beta = 0.373$; $p < 0.001$; $t = 3.918$) and perceived usefulness ($\beta = 0.238$; $p < 0.05$; $t = 2.394$) have a positive statistically significant effect on consumers' trust in e-banking. As such, hypothesis 1 (H1) and hypothesis 4 (H4) are supported. In essence, this means that consumers' trust in e-banking is mainly driven by perceived ease of use and perceived usefulness. In contrast, the results in Table 5 show that relationship trust ($\beta = 0.131$; $p > 0.001$; $t = 1.443$) and relationship commitment ($\beta = 0.136$; $p > 0.001$; $t = 1.428$) do not have a statistically significant effect on consumers' trust in e-banking. As such, hypothesis 2 (H2) and hypothesis 3 (H3) are not supported. This is surprising, mainly because in service relationships the relationship trust–commitment nexus, as introduced by Morgan and Hunt (1994), has been recognised as a key factor in enhancing and building relationships. This is crucial for increasing customer intimacy and loyalty to exchange partners and their services (Tabrani, Amin and Nizam, 2018). This result contradicts a similar study conducted in the Malaysian context by Wahab *et al*. (2009), which revealed that customer relationship management performance significantly influences e-banking adoption.

The second regression assesses the effect of trust on intentions to continue using e-banking. The results in Table 6 show that trust has a significant effect on intentions to continue using e-banking ($\beta = -0.239$; $p < 0.001$; $t = -2.665$). In essence, trust is a good predictor of consumers' intention to continue using e-banking. The summary of the results obtained from the two models tested in this article is presented in Table 6. The coefficient of determination (adjusted R-squared) values shows that the four predictors (perceived usefulness, relationship commitment, relationship commitment

and perceived ease of use) explain up to 42% of the variance in trust. The results further indicate that trust explains up to 36% of the variance in customers' continuance of use intentions regarding e-banking. This study's findings on the trust–continuance of use intentions relationship is consistent with recent international (Barua, Aimin and Hongyi, 2018; Chiu, Bool and Chiu, 2017) and local (Olivier and Terblanche, 2018; Nel and Heyns, 2017; Maduku, 2016) studies on e-banking and other online channels.

CONCLUSION

To understand the degree of acceptance of e-banking, this study was aimed at explaining trust and e-banking continuance of use intentions of customers in a rural context. The results show that trust in e-banking is mainly driven by perceived usefulness and perceived ease of use. Contrary to the initial hypotheses regarding relationship commitment and relationship trust, the results could not establish any positive effect on customers' trust in e-banking. These findings are surprising, given that relationship commitment and relationship trust have been theorised by Morgan and Hunt (1994) to be key ingredients required in building and maintaining long-term and sustainable relationships, and this has been confirmed by other scholars subsequently (Berndt and Tait, 2014; Wahab *et al*., 2009). It is against this backdrop that relationship commitment and relationship trust were theorised to have significant effects on e-banking trust, hence these findings are surprising.

The decision to integrate Morgan and Hunt's (1994) commitment–trust perspective with the TAM's salient beliefs in the theorisation for predicting customers' continuance of use intentions was not taken arbitrarily. Rather, it was informed by Bagozzi's (2007) call for alternative theoretical mechanisms to foster progress in the mature stream of the TAM, and in research on information systems in general. In addition, Wahab *et al*. (2009: 125) specifically asserted that banking institutions should strive to improve their customer relationship management performance in their efforts to increase electronic banking adoption among their customers. Retail banks should not only provide innovative access to formal mainstream clients, who are mainly based in urban areas, but also cater for the unique needs for those in rural areas. Since the theorisation on the influence of relationship commitment and relationship trust on e-banking trust was surprisingly not confirmed, it is recommended that future studies still pursue this nexus.

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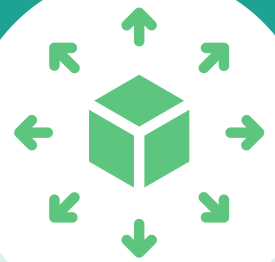
Logistics and Supply Chain Management

A framework of enabling factors for contract compliance in Procuring and Disposing Entities (PDEs) in Uganda

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ABSTRACT

Procuring and Disposing Entities (PDEs) in state departments are challenged with missing records, inadequate training, poor enforcement mechanisms, limited funding and poor reports. Taking into account the huge government investment into public contracts, research to understand factors enabling contract compliance is imperative. This study explored the enabling factors for contract compliance in PDEs in Uganda. A qualitative study of twenty-nine telephone interviews and focus group discussions via Zoom were conducted. Thematic and content analysis were used to identify the fourteen major themes. Findings suggest capacity building, funding, reporting, evaluation, contract management, records management, institutional structure, enforcement, legal and regulatory framework, communication, openness, compliance checks, ethical orientation and stakeholder involvement as enablers for a suitable contract compliance environment in state departments in Uganda. The proposed conceptual framework serves as a valuable resource for researchers and practitioners especially those involved in public procurement.

Keywords: compliance checks; contract compliance; contract management; procuring and disposing entities; state departments; Uganda.

INTRODUCTION

Contract compliance has attracted much attention across the globe and is considered key for economic growth (Fischer and Gosch, 2020:2). It enhances efficiency, effectiveness, transparency, professionalism, accountability and value for money (The World Bank Group, 2017: 32). It also saves costs, enhances procurement ethics, assures quality, and develops and sustains supplier relationships (Stöber, Kotzian and Weißenberger, 2019: 384). Governments worldwide spend approximately US$9.5 trillion each year on public procurement (Naidoo, Naidoo and Ambe, 2017: 24). East Africa spends 10% of its gross domestic product on public procurement contracting (Mutangili, 2019a: 48), of which Uganda spends US$700 million (Komakech, 2016: 21).

For decades, developing countries have been struggling to reform their public procurement systems to comply with the 2004 Johannesburg Declaration, Organisation for Economic Cooperation and Development, Development Assistance Committee and the World Bank to strengthen procurement capacities and governance (Basheka, 2021: 115). It is estimated that 10–15% of the budgets for most countries is wasted due to weak procurement structures, policies and procedures and the failure to impose sanctions (Komakech, 2016: 21).

Uganda instituted measures to reduce mismanagement, regulate procurement and improve competitiveness including establishing an oversight authority, laws and regulations (Komakech, 2016:21). However, the contract compliance levels remain low, with evidence of scandals and huge losses (Seppänen, 2016: 6). Annually, Uganda loses US$300 million due to poorly managed procurement processes (Gumisiriza and Mukobi, 2019: 5). This may be attributed to factors including lack of knowledge and training, weak enforcement, poor institutional structures, poor records management, poor ethics, limited financing, poor reporting, breach of procedures and poor contract management (Stöber *et al.,* 2019: 384; Office of the Auditor General, 2016: 36). Due to its contribution to transparency and fairness, value for money and attainment of strategic organisational goals, there is a need to study and understand contract compliance to curb such challenges (Chrysostom, 2019: 16).

RESEARCH PROBLEM

Various studies into contract compliance have focused on contract management (Byaruhanga and Basheka, 2017: 42), acts, rules and regulations (Mbago, Ntayi and Muhwezi, 2016: 396) and inter-functional coordination, trust and contract performance (Muhwezi and Ahimbisibwe, 2015: 76). Other authors have emphasised leadership and sustainability (Mashele and Chuchu, 2018: 121), certification and perceived value (Abutabenjeh, Dayarathna, Jaradat, Nagahi and Gordon, 2021: 64) and value for money, time, cost and quality control (Matto, Ame and Nsimbila, 2021: 725). However, scholars have not fully explored how to create an enabling environment for contract compliance in PDEs in Uganda. This has led to the following research question: What are the necessary factors to create an enabling environment for contract compliance in Procuring and Disposing Entities (PDEs) in Uganda? The study adopted a multi-theoretical approach to understanding the factors that can assist in creating an enabling environment for contract compliance in PDEs in Uganda.

PURPOSE OF THE RESEARCH

The primary objective of this study was to develop a framework of enabling factors for contract compliance in PDEs in Uganda.

LITERATURE REVIEW

Contract compliance has been defined differently by a number of scholars. Jaafar, Abd Aziz and Ramli (2016: 90) describe it as the ability to take action in accordance with certain acceptable standards. Muhwezi and Ahimbisibwe (2015: 76) define it as managing the relationship between contracting parties, supervising the delivery of services, works and goods in accordance with the contract and directing the contract itself. Larbi, Baiden and Agyekum (2019: 114) add that it is obedience to rules or requests made by individuals in positions of authority. It is the acquisition of goods, works, consultancy and other services from the right source, at the right quantity, quality, time, place and price to achieve institutional objectives (Abrahim and Tarekegn, 2020: 92). In this study, contract compliance refers to carrying out the correct process of placing the contract itself, management of the contractual relationship and delivery of goods, services and works in accordance with the public procurement laws.

A multi-theory approach was followed and the principal-agent, legitimacy, stakeholder and institutional theories underpinned the study. The principal-agent theory depicts the relationship between principals and agents, where the agent and representatives of the agent play the relationship role to effectively maximise the benefits to the principal (Biramata, 2014: 17). The legitimacy theory suggests that institutions repeatedly make efforts to ensure that operations are within the bounds and norms of respective societies (Oliveira *et al.,* 2011: 830; Tukamuhabwa, 2012: 36). Stakeholder theory suggests that managers have a network of relationships to serve including suppliers, employees and business partners and each is encouraged to provide input into important decisions (Genovese, Koh and Acquaye, 2013: 23). Institutional theory illuminates institutional behaviour and structures by depicting social and cultural factors that stimulate decision-making in institutions, especially how rationalised activities are implemented (Nakato, 2019: 70).

FACTORS CONTRIBUTING TO CONTRACT COMPLIANCE

According to literature factors that can possibly contribute to contract compliance include: capacity building, funding, reporting, evaluation, contract management, records management, institutional structure, enforcement and legal and regulatory framework. Additionally, communication, openness, compliance checks, ethical orientation stakeholder involvement and completeness of information are referred to in the literature. Other factors include: publication and disclosure of specific documents, attitude towards compliance and awareness of external stakeholders as presented below:

Capacity building is key for staff, owing to their role in fulfilling institutional objectives. It allows individuals to learn and adapt to change (Gumisiriza and Mukobi, 2019: 6). It covers leadership,

policy framework, mutual accountability mechanisms, public engagement, and human, financial, physical and environmental resources. It manifests in staff development, mentorship, research, conferences and training (Nakato, 2019: 81), which facilitate contract compliance. Further, **funding** is instrumental in contract compliance since it averts litigation and develops and maintains supplier relationships (Stöber *et al.*, 2019: 384). Entities should establish clear, standard rules to manage the funding process and clear contractual obligations on time (Nsereko, 2020: 18).

Reports provide an account of activities and how activities deliver value for money. **Reporting** identifies and communicates gaps in implementation to enable management decision making as confirmed by Muhammad, Saoula, Issa and Ahmed (2019: 1291). It should be done by competent designated staff including contract managers, users and Procurement and Disposal Units (PDU) to boost productivity, sustainability, resource savings and contract compliance. Additionally, it is important to have an effective **evaluation** system which produces lawful and responsive bids by selecting competent, eligible bidders (Emaru, 2016: 15). It goes through preliminary, detailed and financial examination to determine administrative, technical and commercial compliance, which increases contract compliance. Bids may also be evaluated on environmental preservation, sustainable procurement practices, management structures, quality control and experience (United Nations Environmental Programme, 2013: 15).

After contract signing, parties prepare to implement and manage the contract starting with availing resources. Public Procurement and Disposal of Public Assets (PPDA) regulation 258 provides for **contract management** by the entity with activities such as planning, monitoring, conflict resolution, reporting, inspection and review. Contract management lowers contract risk, and enhances financial optimisation and productivity (Muhammad *et al.,* 2019: 1290), which in turn ensures contract management. Well managed records also drive positive transformation towards public accountability and transparency (The World Bank Group, 2017: 32), which increases contract compliance. **Records management** eases disclosure and publishing of procurement information including bid notices, invitations to bid, contract management plans, contracts, agreements and receipts. Byaruhanga and Basheka (2017: 42) emphasise that well-managed records enhance efficiency in responding to requests and timeliness of responses.

Institutional structure enhances contract compliance by instituting interventions to regulate and oversee procurement activities in PDEs, which in turn generate savings. PDEs are managed through institutional structures with clearly defined responsibilities and roles such as the Ombudsman, line ministries and regulators (Mbago *et al.,* 2016: 375). With strong structures, systems are more efficient and compliance with procurement guidelines is enhanced. **Enforcement** is also a major driver for contract compliance. It is based on the legal and regulatory framework including the Act, regulations, procedures and guidelines. It involves implementation of

serious punitive measures and exposure (Brunette, Klaaren and Nqaba, 2019:550) and successful implementation of policies by imposing existing laws and regulations (Mutangili, 2019b: 35). With the right **legal and regulatory** framework in place, economy, transparency, equality and value for money are realised (Gumisiriza and Mukobi, 2019: 5), which enhances contract compliance. It provides guidance on procurement methods, process, documents and behaviour. Emaru (2016: 34) affirms that contract compliance is enhanced by following the legislative and regulatory framework involved in the procurement process.

Communication facilitates transmission of information between entities and service providers using media including email, telephone, letters and notice boards (Mbago *et al.,* 2016: 375). It facilitates participation in the procurement process within the entity and with suppliers, through online and offline media. Effective communication generates common understanding and improves relationships among people (Fakadu, 2018: 9), which boosts contract compliance. Contract compliance can be further enhanced if relevant documents are provided to bidders timeously to maintain open communication channels so as to develop and maintain amicable relationships (Komora and Kavale, 2020: 9). **Openness** when dealing with bidders reduces litigation (Komakech, 2016: 25). Entities should engage with stakeholders with openness and truthfulness (Bartai and Kimutai, 2018:50) which ensures contract compliance. In addition, **compliance checks** may be internal or external, from the board and management level, to the bottom, user level including forms, authorisations, audits and manuals (Dávid-Barrett and Fazekas, 2019: 2). Internal checks are administrative procedures instituted to ensure that the right process, laws and policies are followed. External compliance checks involve acts of the bodies mandated by law to oversee PDE activities including the Ombudsman, Parliament and the regulators (Komakech, 2016: 21). Implementation of compliance checks mitigates procurement risks and enhances contract compliance.

Contract compliance is considered an **ethical orientation** for public officials in regard to conduct for reasons of justice, beneficence and self-development. Ethical behaviour includes valuing equality, integrity, confidentiality, honesty and freedom in addition to having a positive work attitude (Stöber *et al.,* 2019: 384). With ethical behaviour, public officials are detracted from abuse of power and conflict, which results in improved efficiency and cost savings which boosts contract compliance. Contract compliance also requires that stakeholders are assigned particular duties and held accountable for actions (Song, Yu and Zhang, 2017: 1055). **Stakeholder involvement** in the procurement system must be perceived to be appropriate and desirable. For example, PDEs fulfil their mandate of delivering services to the public within the law, with transparency and accountability by sourcing credible, trustworthy suppliers. On the other hand, laws and regulations are enacted by the government to guide the public.

Completeness of information is one of the main attributes of contract compliance. It manifests itself in the procurement files comprising all the key records, including the record of bid receipts and bid opening, approved evaluation reports, records of contracts, committee award decisions, records of the contract documents and records of contract implementation plans. Komakech (2016: 28) found that if a file is complete, the information collected therein can be viewed as accurate, which is vital for contract compliance. Public entities are further required to circulate certain documents and information relevant to the procurement contract including bid invitation and best evaluated bidder notice using notice boards, websites and newspapers. **Publication** makes information easily accessible for decision making. Mbago *et al.* (2016: 375) assert that a PDE's public outlook impacts on supplier selection decisions and contract compliance.

Successful disclosure requires identification of particular documents that are deemed critical to procurement to be availed in a timely manner (Nsereko, 2020: 19). Early **disclosure of specific documents** enables bidders and procurement officers to make informed decisions. Bidders should have equal access to essential information and documentation relating to the procurement process through disclosure, which enhances contract compliance. **Attitude towards compliance** is influenced by the benefit, reward and cost and people will comply after assessing the consequences of compliance (Mutangili, 2019: 50). Individuals evaluate an event or object positively or negatively depending on attitude. Attitude determines action so a positive attitude towards compliance boosts contract compliance. **Awareness of external stakeholders and issues** on the other hand makes individuals engaged in the procurement process impervious to manipulation by management, suppliers and other parties, which results in improved contract compliance. Nsereko, Mayanja and Balunywa (2021: 263) argue that with increased awareness, employees are positioned to resist the temptation to rubber stamp decisions taken outside the board.

METHODOLOGY

The study followed a qualitative research approach nested in the interpretivist paradigm to explore ways to create an enabling environment for contract compliance in PDEs in state departments in Uganda (Creswell and Clark, 2011: 173). In-depth investigations using telephone interviews and focus group discussions via the Zoom online platform were conducted with 29 participants including auditors, accounting officers, procurement officers; and heads of finance and procurement departments drawn from 141 state departments (Ahimbisibwe, 2014: 91). This sample size was appropriate since a point of saturation was achieved when no new information was generated (Fusch and Ness, 2015: 1409). Purposive and convenience sampling methods were employed as recommended by Creswell and Clark (2011: 173) where information-rich participants who are available and willing to participate are considered. Twenty-nine participants with the ability to share contract compliance experiences and opinions in an articulate, expressive

and reflective manner were selected. Participants were assured of confidentiality and anonymity throughout the research; that the participation in the study was voluntary; and ethical clearance was obtained to conduct the study. A semi-structured interview guide was used to capture biographical data and factors that enable contract compliance. Interviews were recorded via Otter.ai application with participant consent and later transcribed verbatim. Data were analysed and coded by thematic and content analysis using the six steps of data analysis described by Creswell (2014: 200). Codes were analysed and categorised into themes and sub-themes by identifying patterns across data according to the overall research objective. Trustworthiness of the research findings was established by observing the four qualitative suppositions of credibility, dependability, conformability and transferability (Creswell, 2014: 251).

FINDINGS

Fourteen main themes emerged from the participant interviews and focus group discussions from which a framework of enabling factors for contract compliance in PDEs in Uganda was developed as illustrated in Figure 1:

FIGURE 1:

Framework of enabling factors for contract compliance in PDEs in Uganda

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Source: Researcher's own compilation

Figure 1 shows the enabling factors for contract compliance including: capacity building, funding, reporting, evaluation, contract management, records management, institutional structure,

enforcement, legal and regulatory framework, communication, openness, compliance checks, ethical orientation and stakeholder involvement.

Capacity building: Participants noted that staff and suppliers should be trained and educated in contract supervision, arbitration, negotiation and management to perform more efficiently, improve morale and job satisfaction, thus enhancing contract compliance. Nsereko *et al.* (2021: 263) confirm that knowledgeable, trained people are experienced, competent and aware of associated risks. **Funding:** Participants cited that realistic planning, budgeting, scheduling, adequate funding and making timely payments save costs and enhance value for money on procurements. Availability of funding enables facilitation of contract managers with costs of supervision and effecting advance payments to suppliers with big contracts, which boosts contract compliance (Ezeanyim *et al.,* 2020: 133). **Reporting:** Participants indicated that reporting against set criteria within a predetermined period during contract implementation brings stakeholders on board and boosts contract compliance, as corroborated by Medzhybovska and Lew (2019: 102). Submitting financial, contract management and activity reports mitigates risks, and saves litigation costs, which improve contract compliance.

Evaluation: Participants argue that due diligence verifies supplier performance capabilities and reduces adverse selection as affirmed by Hawkins *et al.* (2018: 7). Involving knowledgeable and experienced staff from technical departments, seeking relevant approvals and having well-defined evaluation criteria are crucial at bidding and evaluation, which enhances contract compliance. **Contract management:** The findings indicated that requirements need to be designed right from planning and adhered to in open bidding, contract implementation, inspection and review as affirmed by Bartai and Kimutai, (2018: 50). In between, scanning the operational environment, making performance management reports, resolving conflicts and scrutiny from civil society, auditors, media and the public enhances efficiency and minimises risks, thus increasing contract compliance. **Records management**: Participants noted the importance of using appropriate documentation in the procurement process, including bid notices, invitations, plans and agreements in addition to safe storage, which improves contract compliance. Naidoo *et al.* (2017: 27) contend that documentation should be complete, easily accessible and correct.

Institutional structure: Participants considered that top management support through funding, human resource development, delegation, timely approvals, appointing knowledgeable people and availing space and equipment was vital for fulfilling institutional goals, as corroborated by Ismail, Majid, Jibrin-Bida and Joarder (2021: 2). It is important for entities to make informed decisions including selecting the right suppliers and making relevant authorisations. **Enforcement:** Participants considered that errant suppliers and staff would be punished for poor conduct, corruption, fraud, causing financial loss or poor performance. Muniroh and Kamal (2018: 87)

indicate that poor performers should be punished. Enforcement involves blacklisting, interdiction or imprisonment, which boosts contract compliance. **Legal and regulatory framework**: Participants noted that the laws and procedures are the first guide for participants in the procurement process. It is from the legal and regulatory framework that public officials are guided on procedures, checks and balances, as indicated by Dávid-Barrett and Fazekas (2019: 17). Contract deliverables should be provided in the call for bids and included in the contract for the parties to follow, which increases successful contract compliance.

Communication and openness: Participants narrated that information sharing, feedback, open engagement, use of proper communication channels, having an open-door policy and continuous updates were vital to create an enabling environment for contract compliance. This corroborates the findings of Komora and Kavale (2020: 9) who add that the bidding process needs to be transparent and fair and have an open-door policy. **Compliance checks:** Participants also noted that carrying out compliance checks through internal and external controls, supplier checks and whistle blowing were vital to achieve contract objectives and enhance contract compliance. Institutions had controls such as regular audits, filling in procurement forms, checking funds availability and restricted access to documents, which is in agreement with Dávid-Barrett and Fazekas (2019: 2).

Ethical orientation: Participants identified ethical orientation among the major themes, voicing ethical issues like equality, positive work attitude, integrity, confidentiality, honesty and freedom as enabling contract compliance. This is in line with Mutangili (2019: 50) who emphasised that equality, confidentiality and integrity in operations increased accountability and reduced resistance to change. **Stakeholder involvement:** The findings indicated that stakeholder involvement carried out through teamwork, coordination, responsibility and flexibility was essential if the contract process was to achieve the set goals and targets including contract compliance. The finding collaborates with Olajide, Deji and Oluwaseyi (2015:958) who state that procurement and disposal activities are managed through well-established structures.

MANAGERIAL IMPLICATIONS

- PDE management should continuously train, motivate and educate staff and suppliers in public procurement processes, laws, contract supervision, arbitration, conflict resolution, negotiation and contract management through seminars, conferences, meetings and workshops and motivate.
- PDE management should design online and physical feedback mechanisms to inform existing and future contracts.
- PDE contract and finance managers should monitor and provide periodic performance reports (daily/ weekly/ monthly) against terms of reference and flag any deviations.

- PDE management should appoint contract managers or joint teams for complex contracts and provide clear reporting parameters including costs to date, adherence to time schedules, level of quality and construction rating of materials.
- PDU managers should provide sufficient time for bidding, stick to evaluation criteria and publish best evaluated bidder notices including who participated and why they won or lost the contract.
- PDU managers should evaluate procurements to guarantee value for money such as market surveys, SWOT analysis, due diligence and being vigilant against contractor curtailing.
- PDE management should design online and offline records management systems with dedicated senior officers to handle access, storage, completeness, accuracy and safety of procurement records including checklist, contracts, minutes and approvals.
- PDE management should take action against non-complaint, fraudulent, corrupt, poor performing officers and suppliers via interdiction, imprisonment, invoking reasonable penalties, contract termination and blacklisting.

THEORETICAL IMPLICATIONS

Findings of this study add to the academic body of knowledge by identifying factors necessary for creating a suitable contract compliance environment. Findings also support the literature suggesting a poor understanding of contract compliance. Themes such as capacity building, funding, reporting, evaluation, contract management, records management, institutional structure, enforcement, legal and regulatory framework, communication, openness, compliance checks, ethical orientation and stakeholder involvement were identified. A multi-theoretical approach was used in this study to additionally clarify contract compliance. A framework of enabling factors for contract compliance for PDEs in state departments in Uganda was developed.

LIMITATIONS

This study used telephone interviews and focus group discussions via Zoom online platform due to the COVID-19 pandemic restrictions. Participants were not physically present so the researcher might have achieved different findings and more insight by physically observing participants. The study was qualitative in nature and because of the small sample size used, this study limits generalisability of its findings. Future studies should be conducted using mixed methods or quantitative methodology to compare the research findings and on different sectors other than state departments.

CONCLUSION

It is imperative that state departments understand that achieving the mandate of public service delivery is based on fostering contract compliance. The study revealed that capacity building,

funding, reporting, evaluation, contract management and records management facilitate contract compliance. The study further revealed the significance of having an institutional structure, enforcement, legal and regulatory framework, communication and openness in enhancing contract compliance. The study also revealed that compliance checks, ethical orientation and stakeholder involvement can significantly improve contract compliance among state departments in Uganda. The research model that was developed may also provide direction for future academic studies in the public sector.

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Exploring inclusive and responsible business approaches in South Africa: a public procurement perspective

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ABSTRACT

There is much research on the need for organisations to act responsibly and advance sustainability. However, empirical evidence on how the adoption of responsible procurement and inclusive business practices in developing economies is lacking. To explore the influence of responsible procurement practices by advancing inclusive business approaches in South Africa. The study used the quantitative research survey approach: research data was collected using an online survey where 249 were usable and considered for statistical data analysis. Hypothesised structural relationships comprised in the conceptual framework were tested using Structural Equation Modeling (SEM) data analysis technique. Statistically significant relationships were those that involved sustainable procurement. The findings may be used to implement strategies for promoting inclusive business approaches with the aim of facilitating increased market access and resources. The study provides evidence for positioning responsible procurement and inclusive business models in developing economies.

Keywords: market access; responsible procurement; inclusive business; sustainability

INTRODUCTION

The rise in volatility of local and global markets has necessitated that organisations become adaptable to the need for creating sustainable economic value for stakeholders. Procurement channels, thus, have become potential conduits for widening market access and for promoting participation by marginalised groups in the economy. Sustainability has progressed into a business mega-trend that influences the expectations placed on business principles and governance in various essential ways, thus imploring an innovation approach to leadership within organizations (Mashele and Chuchu, 2018; Tideman, Arts and Zandee, 2013). Procurement is deployed by various leading institutions as to deliver on triple-bottom line objectives in response to the evolving global context. The United Nations Development Programme (UNDP) recognises public procurement as a key mechanism that encourages inclusive development markets and supports

sustainable development (United Nations Development Programme, 2010). It has been suggested that, in many developing economies, the value of goods and services that are procured by government is estimated at more than 15% of GDP. For this reason, developing markets are dependent on access to resources to achieve accelerated and inclusive development (Pieterse, Parnell and Haysom, 2018). Consequently, public and private procurement play a key role in influencing inclusive growth through connecting informal sectors to the formal economy, thus widening the positive impact of sustainability (Black, Schifferes and Rossiter, 2017). Furthermore, it was of interest to examine how inclusive business approaches, can be adopted as part of the procurement landscape as a tool for creating concerted socioeconomic and environmental value for both business and society. The purpose of this study therefore, was to investigate the potential supply chain antecedents of sustainable procurement and inclusive business in South Africa. The study was grounded by three theories, namely: stakeholder theory, institutional theory and resource-based view theory.

Problem statement

Atkinson (2012) points out that the need for promoting economic development in South Africa, particularly for the local marginalised population, remains topical. Furthermore, there is little pragmatic evidence on the implementation of inclusive business approaches in developing economies (Rösler, Hollmann, Naguib, Oppermann and Rosendahl, 2013; George, McGahan, and Prabhu, 2012). Accordingly, the G20 forum for leading global economies highlights that the impetus for advancing inclusive business approaches by governments and organisations (G20 Leaders Summit, 2016). Notably, the role of procurement as an enabler for inclusive growth aimed at advancing social and economic objectives has been highlighted (National Treasury, Republic of South Africa, 2018; Feroz, 2017). Chamberlain and Aanseuw (2017) observed South African instances involving and responsible procurement, collaborative business models and partnerships in agriculture. Thus, from the literature surveyed, it was apparent that there is limited evidence of research that relates to inclusive practices, particularly involving procurement platforms. For this reason, this study seeks to address this gap and establish a link between responsible and inclusive business approaches in South Africa. This paper is therefore presented as follows: The first section outlines the theoretical grounding for the research study constructs, followed by the development of the conceptual framework. The research design methodology, results and findings are provided in the subsequent section. Lastly, the conclusion and the recommendations of the study are presented.

LITERATURE

Park and Park (2016) suggest that research is a scientific method for investigating results of prior studies to contribute towards the body of knowledge that exist around a phenomenon of interest. Furthermore, research allows for the adoption of a structural theoretical base for observing and

understanding of a social area or phenomenon (Park and Park, 2016). For Jemna (2017), a theoretical base that underlies a research study serves an objective anchor within which to contextually synthesise an area of study. Furthermore, literature is a platform for drawing academic evidence that can be useful for testing of hypothesised relationships that are formulated for a research study (Kohler, Landis and Cortina, 2017). This section explores the theoretical context adopted for the present study.

Institutional Theory

Research suggests that the regulatory context that governs business activities plays a critical role in shaping progressive and inclusive procurement practices (Coffey, Tate and Toland, 2013; Theodorakopoulosa, Ram and Beckinsale, 2013). By the same token, Morali and Searcy (2013) highlight that institutional theory (IT) provides a lens for examining how organisational stakeholders interface with each other within the context of structures that relate to social responsibility. For Nurunnabi (2015) IT serves as a dynamic launch pad for informing organisational behaviours in a sociopolitical context.

To that end, Moxham and Kauppi (2014) posit that IT offers an appropriate lens to observe the notion of isomorphism as a result of stakeholder forces in the environment that often lead to convergence of business practices and organisational behaviour in response to sociopolitical influence, market challenges and professional networks. Vracheva and Mason (2015) argue that IT provides a discourse around regulatory, social and cultural factors that enforces specific ground rules and a firm backdrop against which organisational norms should be aligned. Meyer and Höllerer (2014), by way of contrast, assessed whether IT should be revised as a theory for organisational studies. The authors, claim that it is imperative for IT to highlight the dynamic interaction between institutional structures and the organisational context. Furthermore, the critique highlights the fact that the focal point of the theoretical lens should be magnified to extract the impact of institutional structures on the organisation (Meyer and Höllerer, 2014).

On the contrary, Theodorakopoulos, Ram and Kakabadse (2015) postulate that IT holds that although institutional structures can act as enablers for adoption of responsible procurement, such structures may also be inhibitors of progress and barriers to successful adoption and achievement of supply chain objectives. Based on the above, this study submits that IT as a lens is purported to explain the internal and external pressures that influence behaviours and the need for organisations to adopt the triple bottom line principle which is concerned with stakeholder interests in business practices (Sancha, Longoni and Giménez, 2015; Waldman and Balven, 2014; Wu, Daniel, Hinton and Quintas, 2013; Butler, 2011).

Stakeholder Theory

Stakeholder Theory (ST) is concerned with creating and promoting inclusive business strategies that consider socioeconomic and environmental aspects (Zhang, Ma, Su and Zhang, 2014). Drawing from Tomas, Hult, Mena, Ferrel and Ferrel (2011), ST is purported as a lens that enables organisations to see beyond the motive to maximise profits and to extend the value that is generated by business towards various stakeholders. Relational business practices between stakeholders and organisations tend to yield positive outcomes that channel amplified market opportunities (Jones, Harrison and Felps, 2018; Luo and Zheng, 2013). By the same token, Meixell and Luoma (2015) argue that stakeholders require organisations to make a positive contribution towards sustainability issues relating to social, economic and environmental objectives. ST thus, foregrounds the fundamental intention of organisations to create value for stakeholders that will lead to the improved welfare of stakeholders in the long run (Harrison and Wicks, 2013).

Conversely, Gibson (2012) holds that ST is imperative for examining and understanding the concept of sustainability and the associated impact on the context of the organisation. Parmar, Freeman, Harrison, Wicks, Purnell and de Colle (2010) suggest that scholars can use IT for exploring the influence of external pressure from institutional structures and integrate ST for understanding how practitioners intepret and adapt organisational practices to create value in response to such instutional pressures. For Sarkis, Zhu and Lai (2011) through IT and ST, scholars are able to explain the impact of market legimaticy for business and society as well as to draw from RBVT how to develop internal capabilities and access resources in supply chains. To that end, this research aims to empirically test the integration of IT and ST is a theoretical lens that magnifies the interdependence between market forces and the influence on institutional structures on socioeconomic growth (Aguinis and Glavas, 2012).

Resource Based View Theory

RBVT, with its origins in economics, has been adopted by scholars as the concept relates to the manner in which organisations aim to set apart product offerings and services in the market in order to outperform competition (Hitt, Xu and Carnes, 2016). Wang, Tai and Grover (2013) assert that RBVT highlights the relational benefits that are derived from the extended access to resources and capabilities as a result of collaboration between an organisation and its stakeholders. Research suggests that agile organisations are those that are able to utilise resources adequately in response to business risk that inherently exists and may give rise to uncertainity in market conditions (Tiwari, Tiwari, Samuel and Bhardwaj, 2013).

For Sodhi (2015) the evolving nature of the economic environment and sporadic volatility in the market conditions, necessitates that the framework that is provided by RBVT should observe the need for organisations to refine and reconfigure resources. In addition, in this research study, it is

argued that the theoritical lens should observe competitive strategies that are required to sustain business operations and maintain positive economic returns (Sodhi, 2015).

Inclusive business in procurement

According to Bakar Peszynski, Azizan, Pandiyan and Sundram (2016), the procurement process is a business channel that bridges the gap between the individual user and the supplier through the provision of required goods and services. Loosemore (2016) and Tuomela-Pyykkönen, Aaltonen and Haapasalo (2015), in their respective studies, affirm the notion of a process that involves obtaining goods and services that are required from a seller with a view to dispatching them to the user. The procurement process should be devolved in a manner that considers the impact of socioeconomic and environmental aspects on the organization (Loosemore, 2016; Tuomela-Pyykkönen, Aaltonen and Haapasalo, 2015). For Mashele and Chuchu (2018) responsible procurement practices play a critical role in building systematic and influential market access into supply chains.

To that end, Mofokeng (2012) highlights the procurement system as a critical platform and an effective mechanism for governments and organisations to showcase the ability to deliver goods and services to society, as well as serving as a means to demonstrate a commitment towards sound business practices and good governance. Procurement channels are deemed as opportune mediums for stimulating participation by marginalised groups in society (Timmermans and Zabala-Iturriagagoitia, 2013).

 The G20 inclusive business framework identifies procurement as a conduit and a policy lever for enabling an inclusive business approach (G20 Leaders Summit, 2016). Inclusive business is an approach that includes low income beneficiaries in the value chain with a view to achieving sustainable economic development objectives. Golja and Požega (2012) define inclusive businesses as enterprise opportunities and activities that are socially inclined whilst ensuring economic returns and profits. Successful organisations therefore depend on effective management (Pamacheche, Chinomona and Chuchu, 2016). A model depicting inclusive business is presented in figure 1 below.

FIGURE 1:

The benefits of inclusive business
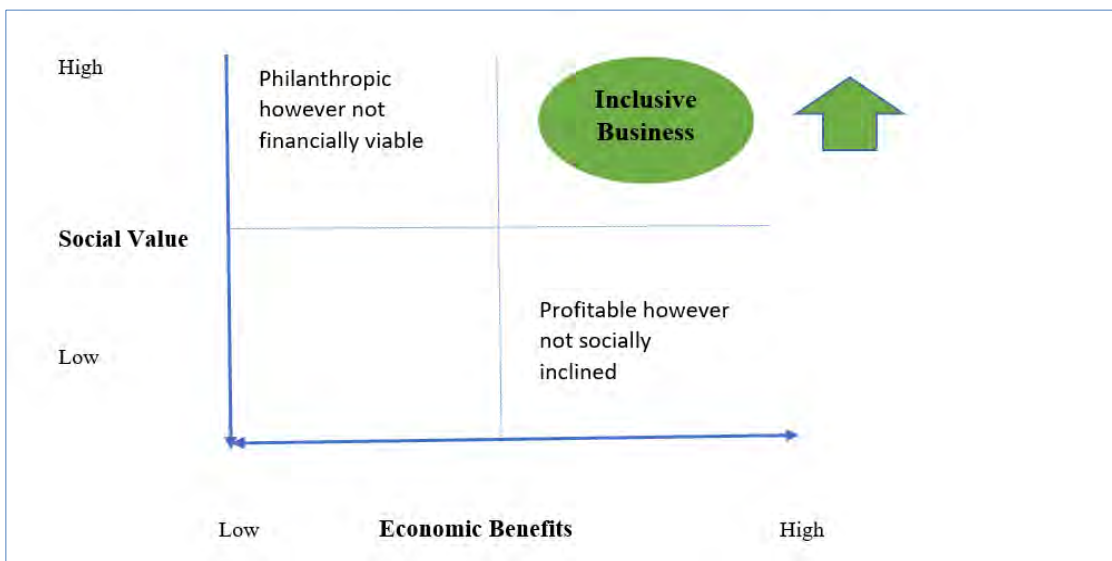
Source: Golja and Požega (2012)

Golja and Požega (2012) suggest that the adoption of inclusive business models in value chains contributes towards economic activity and creates opportunities that increase access to markets for small enterprises. A joint report by the OECD and World Bank Group, describes the concept of inclusiveness as a mechanism to obliterate barriers to participation for small and medium enterprises that form part of the domestic supply base (OECD and World Bank Group, 2015). Furthermore, the joint report highlights that the procurement of goods and services from local suppliers, and the inclusion of SMEs, serves as a direct injector and benefactor of foreign investments into the mainstream economy. This study submits that inclusive business approaches facilitate access to markets for SMEs, through procurement and supply chains, as a means to encourage active contribution towards economic development. It is also important to highlight that the role of SMEs is magnified in promoting local economic development, as economic opportunities that are afforded to such enterprises are able to stimulate job creation and extend the distribution of economic gains to the wider community (Rogerson, 2014; Cant and Wiid, 2013).

RESEARCH METHODOLOGY

The study adopted a positivist approach in whereby it was quantitative in nature. Suitable respondents were selected for the study by means of purposive and expert sampling which are non-probability sampling methods (Saunders and Lewis, 2012). Primary data for this research study was collected using an online survey. A self-administered SurveyGizmo tool was hosted by the Chartered Institute of Purchasing and Supply (CIPS) and circulated to the identified population sample. An online survey was an economical and efficient tool that could collect data from respondents who are geographically spread across the nine provinces in South Africa (Creswell,

2014). The estimated sample size for the research study was estimated at 346 using the Raosoft® software. However, 385 responses were received, of which 249 were usable and considered for data analysis. SPSS 23 and AMOS 23 software package were used to analyse the data.

RESULTS OF THE STUDY

Descriptive statistics

The breakdown of the demographics of the 249 respondents for this research study is provided in the sections that follow:

Sample distribution by Gender

The total number of respondents was 248 of which 146 (59%) were male and 97 (39%) were female. The figure indicates that five respondents (2%) preferred not to state their gender. Male respondents were the largest individual group accounting for 59 percent of the total sample. This group was followed by female respondents who accounted for 39 percent of the total sample. The smallest group in reference to gender was that of those who preferred not to provide their gender identity. This group consisted of 2 percent of the total sample.

Number of years of service

Most of the respondents have work experience exceeding five years. The largest group of respondents, at 27 percent were those that have been in employment for six years and up to ten years. This group consisted of 68 out of the 248 procurement practitioners. The second largest group, at 24 percent (n = 59), has work experience of less than five years. This group was followed by an established group of individuals at 23 percent (n = 58), who have been in employment for eleven years going up to fifteen years. This third largest group represents 30 (12%) out of the 248 respondents. Finally, the results show that 6 percent (n = 15) of the group, consisted of highly experienced individuals who have been in service for twenty-one years up to twenty-five years. In addition, 7 percent of the respondents (n = 18) were seasoned veterans that have been employed for over twenty-five years. The results show that the respondents of this study, were knowledgeable individuals in the procurement and supply chain management field.

Distribution between private and public sector

The distribution between the private and the public sectors in which the respondents of the survey operate is discussed. The results show an almost equal split between the two business sectors at 50.4 percent (n = 125) and 49.6 percent (n = 123), respectively. Procurement practitioners that are employed in the public sector were the slightly larger group of 125 respondents (50.4%) out of the 248 respondents. The group of procurement practitioners that are based in the private sector accounted for 49.6 percent of the respondents. This group is represented by 123 out of the 248

respondents. The results therefore, suggest a balanced view of perspectives emanating from the empirical evidence presented in this research study.

Measurement model analysis

This section presents the results of the reliability and validity of the measurement instrument. The research constructs for this study; strategic partnerships, competitive advantage, familiarity with policies, trust within supply chain, organisational incentives, sustainable and inclusive business were assessed. The analysis of measurement model is discussed in three-fold. First, the reliability analysis, which is evaluated using the Cronbach's alpha and the composite reliability values is presented. Second, the outcome of the convergent validity and the discriminant validity tests is discussed. Finally, the model fit assessment and the chi-square values are assessed. The factor loadings, the Cronbach's alpha values and Composite Reliability (CR) values were estimated using SPSS 23 and Analysis of Moment Structures (AMOS 23) software in order to assess measurement items reliability. The analysed values together with the factor loadings, the highest share variance and the composite reliability values are presented in Table 1. The analysis shows the mean values, standard deviations, item to total and the Cronbach's test of each research construct.

TABLE 1:

Accuracy Analysis Statistics

Research Construct		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	Highest Shared Variance	Factor Loading
		Mean Value		Standard Deviation		Item-total	α value				
SP	SP1	3,840	3,776	0,918	0,928	0,769	0,89	0,90	0,65	0,56	0,80
	SP2	3,840		0,899		0,765					0,80
	SP3	3,620		0,972		0,787					0,83
	SP4	3,900		0,946		0,650					0,69
	SP5	3,680		0,906		0,694					0,88
CA	CA1	3,870	3,911	0,956	0,949	0,852	0,91	0,94	0,72	0,56	0,91
	CA2	3,920		0,923		0,833					0,86
	CA3	3,890		0,926		0,841					0,88
	CA4	3,950		0,992		0,688					0,72
TP	TP1	3,810	3,768	0,955	0,924	0,759	0,89	0,90	0,65	0,40	0,77
	TP2	3,780		0,928		0,817					0,82
	TP3	3,760		0,975		0,755					0,84
	TP4	3,580		0,935		0,617					0,82
	TP5	3,910		0,829		0,724					0,78
TWS	TWS1	3,630	3,762	0,917	0,845	0,741	0,93	0,91	0,69	0,34	0,77
	TWS2	3,780		0,848		0,824					0,85
	TWS3	3,770		0,860		0,820					0,85
	TWS4	3,830		0,798		0,818					0,85

Research Construct		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	Highest Shared	Factor Loading
	TWS5	3,760		0,842		0,803					0,81
	TWS6	3,810		0,806		0,806					0,82
SUSP	SUSP1	3,680	3,610	0,985	1,038	0,865	0,83	0,96	0,73	0,51	0,88
	SUSP2	3,420		1,124		0,815					0,84
	SUSP3	3,530		1,069		0,863					0,87
	SUSP4	3,550		1,066		0,864					0,88
	SUSP5	3,690		1,061		0,669					0,67
	SUSP6	3,640		1,025		0,884					0,87
	SUSP7	3,570		1,042		0,911					0,90
	SUSP8	3,750		1,036		0,833					0,84
	SUSP9	3,580		1,003		0,823					0,85
	SUSP10	3,690		0,971		0,886					0,89
OI	OI1	3,640	3,555	0,996	1,016	0,648	0,83	0,83	0,56	0,51	0,67
	OI2	3,460		1,076		0,581					0,58
	OI3	3,510		0,982		0,722					0,84
	OI4	3,620		1,009		0,720					0,87
IB	IB1	3,460	3,421	1,068	1,061	0,769	0,93	0,94	0,78	0,52	0,92
	IB2	3,480		1,024		0,863					0,87
	IB3	3,580		1,016		0,814					0,85
	IB4	3,310		1,081		0,880					0,91
	IB5	3,280		1,117		0,817					0,87

Note: α = alpha, CR = Composite Reliability, AVE = Average Variance Extracted

As observed in the table above, all the items per construct had a mean that ranged from 3,280 to 3,900. In addition, the standard deviation values ranged from 0,806 to 1,024. It was also noted that the in both cases (mean and standard deviation), the values were between -2 and +2 indicating that data was distributed. The Cronbach's alpha values ranged from 0,835 to 0,935 exceeding the 0.700 threshold recommended by Bryman (2012) necessary for confirming robust reliability and acceptable internal consistency levels. All factor loadings were above the recommended 0,500 while as well as all the item-totals.

CONTRIBUTIONS TO RESEARCH

The study contributed to existing research study around the adoption of responsible supply chain management. Secondly, the empirical research that was conducted has confirmed that supply chain compliance influences the adoption of responsible supply chain management by organisations while adding to the existing body of knowledge by indicating that internal policies have a higher influence on the adoption of responsible supply chain management. This new insight implies that internal policies can drive better responsible supply chain management practices as they are adapted to resonate with the business environment and culture.

Limitations of research

The following limitations should be noted:

- The impact of responsible procurement on the overall performance of organisations was beyond the scope of this study
- The research sample may not be representative of the entire population as purposive sampling was used for this study. It is noted that membership to the procurement professional body which the majority of the respondents were affiliated to, is not compulsory for procurement and supply chain management practitioners
- The research study does not look at the impact of supplier relationships on responsible procurement
- The leadership lens does not extend to leader-follower relationships which may be an element that influences the adoption of sustainable development.

MANAGERIAL IMPLICATIONS

Recommendations for regulators

The findings of this study have shown that regulatory compliance contributes to business decisions that ultimately contribute towards advancement of social, economic and environmental considerations. To this end, regulators should endeavour to create an enabling regulatory environment through progressive prescripts that guide inclusive development by business and government.

Recommendations for organisations

To reiterate, the private and the public sector have a role to play in advancing social, economic and environmental considerations through the day-to-day business activities. The procurement function cuts across various business requirements that are key to the functioning of the organisation. To this end, organisations should realise that beyond the compliance lens that is often used to look at the role of procurement lies a key proposition to deliver and enhance the impact on development outcomes. The findings from research eco the sentiments put forward by (Mgxaji, Chinomona and Chuchu, 2016) emphasising that efficient day-to-day business activities are essential for organisational success.

Recommendations for managers

The findings of this research have suggested that managers consider processes that involve adopting responsible procurement practices. To this end it is recommended that organisations should aim towards implementing and driving internal policies that consider compliance whilst offering flexible models for advancing sustainability objectives. Last, but not least, this research

study has highlighted the important role that is played by leaders in the adoption of responsible procurement within the organisation. It therefore is encouraged for managers in their interactions with various stakeholders should aim to interpret sustainability objectives to users and translate it back in a manner that is cognizant of compliance requirements.

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The underlying factors of supply chain risk management in the food retail industry in Harare, Zimbabwe

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ABSTRACT

The food retail industry in Zimbabwe is crucial in its role of stimulating economic growth and ensuring food availability. It has grown to become a significant economic contributor in the country. Despite this, the industry faces challenges in the form of supply chain risks. This study, therefore, seeks to establish the underlying factors of supply chain risk management in the food retail industry in Harare, Zimbabwe. The effective institutionalisation of supply chain risk management factors is important in ensuring the optimum performance of food retail supply chains. A quantitative approach using a cross-sectional research design was employed in which a structured questionnaire was administered to a total of 227 food retail firm owners, managers and supply chain professionals. A non-probability, purposive sampling technique was used. The collected data were analysed using the Statistical Packages for Social Sciences (SPSS version 25.0) statistical software. An Exploratory Factor Analysis technique (EFA) was used to extract the factors determining supply chain risk management. The analysis yielded three supply chain risk management factors, namely, supply chain risk information sharing, supply chain risk analysis and assessment and supply chain risk sharing mechanisms. Among these factors, supply chain risk information sharing emerged as the most critical determinant of supply chain risk management. The results of this study provide crucial information on relevant areas in which managerial attention may be directed in the process of implementing supply chain risk management.

Keywords: supply chain risk management; operational performance; supply chain risk information sharing; supply chain risk analysis and assessment; supply chain risk sharing mechanism

INTRODUCTION AND BACKGROUND

The food retail industry remains an important economic contributor in Zimbabwe (Majukwa and Haddud, 2016). The Gross Domestic Product (GDP) of Zimbabwe stands at USD29 billion (ZAR432 billion), and the service/tertiary sector under which the food retail industry operates constitutes 59, 4 per cent of the GDP (World Bank, 2019; Zimbabwe National Statistics Agency, 2017). It has further been noted by Business Monitor International Research (2017) that the food retail industry remains one of the most outstanding sectors in the Zimbabwean economy with a

significant contribution towards the GDP (Zimbabwe National Statistics Agency, 2017). However, the industry is susceptible to numerous supply chain risks that threaten both its immediate and long-term success. For example, the local supply base for food products remains constrained since the agricultural sector has almost collapsed (International Monetary Fund, 2017). As a result, most food products must be sourced from international suppliers. The heavy dependence on imports has also been caused by an underperforming economy, poor infrastructure, electricity and clean water shortages, liquidity challenges, socio-political challenges, and stiff competition from imports (Confederations of Zimbabwe Industries, 2015; The Zimbabwe Independent, 2013).

Zimbabwe's retail sector contributes the highest share of imports with 66, 68 per cent of all imports traded by the retail sub-sector in Zimbabwe coming from South Africa (North-West University, 2016; Tinarwo, 2016). However, the decision to divert to distant sources only adds supply chain risks. While it is widely acknowledged that businesses across all industries face an array of supply chain risks and problems, the situation appears to be worse in Zimbabwe, where firms, particularly in the food retail industry, have been inundated with dire constraints in their supply chains (Makanda, 2015) particularly due to the increasing reliance on imports. Owing to the nature of food retailing supply chains in Zimbabwe and the general complexity of modern-day supply chain networks, a vast range of inherent risks, ranging from minor delays to the disruption of an entire chain, are expected. Unlike any other risks, supply chain risks extend beyond the boundaries of a single firm (Vilko, Ritala, and Edelmann, 2014; Ivanov *et al.*, 2019). Managers must address these risks by managing disruptive anomalies across the supply chain, not just within their own organisations (Riley, Klein and Sridharan, 2016).

This study aims to investigate the determinants/factors of supply chain risk management (SCRM) in the Zimbabwean food retail industry. To deal with the challenges associated with supply chain risks, information is needed on how firms within the food retail industry may be able to deal with risks existing within the Zimbabwean food retail supply chain. The information may then be used for the creation of strategies that management may utilise. The benefits of managing risks in a supply chain include cost advantages, profitability, better trust internally and with suppliers and, low-cost sourcing while maintaining an acceptable supply risk (Supply Chain Risk Leadership Council (SCRLC), 2011; American Production and Inventory Control Society, 2015). Leveraging data from SCRM can enable indirect benefits, including but not limited to brand reputation, sustainability and reduced logistics and procurement costs (American Production and Inventory Control Society, 2015; Prakash, Soni and Rathore, 2019). SCRM seeks to manage, control, reduce or eliminate real or potential risk exposure to the overall supply chain performance (Punniyamoorthy *et al.*, 2013). When a firm is better able to manage supply chain risks, it can lead to a competitive advantage, hence improved market position. Thus, SCRM aims to reduce costs and vulnerability and ensure profitability, business continuity, and potentially longer-term growth.

PROBLEM STATEMENT

Although the extant literature recognises that SCRM plays a fundamental and critical role in firm performance, not much is known about how firms process and analyse SCRM (Chen, Sohal and Prajogo, 2013; Fan, Li, Sun and Chen, 2017). To manage supply chain risks in a more scientific way, researchers have proposed a series of SCRM sub-processes/ factors, including risk identification, risk assessment and risk mitigation, SCRM culture diffusion, SCRM team support, and SCRM strategy alignment, being antecedents to the system (Wagner & Neshat, 2010; Ghadge, Dani and Kalawsky; Fan *et al.*, 2017). These factors act as procedures for firms to manage and mitigate supply chain risks effectively. These studies provide valuable insights into specific SCRM factors, however, the SCRM process includes many sub-processes/ factors that are not necessarily similar across different supply chains and value chains across the business world. While the importance of SCRM and its related factors is widely recognised in literature, empirical evidence on the sub-processes/factors and consequences of those factors is rather limited (Fan *et al.*, 2017).

In the framework of many industries where such research has not been conducted, SCRM is not practised as an organisational principle but rather on an ad-hoc basis, making it difficult to gauge or assess its impact on the supply chain (Ghadge *et al.*, 2012). Additionally, implementing an effective SCRM process requires necessary organisational changes and will also cause possible consequences (Chen *et al.*, 2013). Hence, in order to better facilitate its implementation, it is imperative to examine the factors of the SCRM process.

Furthermore, to offer valid managerial guidelines and advance the knowledge of SCRM, it is important to investigate the nature of SCRM factors from different perspectives. Little attention has been paid to studying SCRM factors from an African perspective, especially in the context of a developing country such as Zimbabwe. This study, therefore, aids in the holistic examination of SCRM, which can provide managers with improved views and a more coherent picture of SCRM. The quest for more holistic approaches to risk management is, therefore, a significant area for further research, and this study aims to contribute towards that gap.

RESEARCH OBJECTIVE

The objective of this study is to investigate the underlying factors of SCRM in the food retail industry in Harare, Zimbabwe.

THEORETICAL OVERVIEW

Theoretical framework

The study considers the Resource-Based View (RBV), emphasising the Dynamic Capabilities View

(DCV). The capabilities perspective has evolved from the resource-based view and rests on the assumption that a firm's success is, to a large extent, driven by its ability to adapt to a changing environment (Brusset and Teller, 2017). The DCV states that an organisation operating in a dynamic environment and facing uncertainties in the supply chain needs to develop capabilities to manage the uncertainties resulting in supply chain risk (Abrahamsson, Christopher and Stensson, 2015). The effective management of risks in supply chains requires an understanding not only of the risks themselves but also the capabilities and resources that can be utilised in the process of addressing those risks. These capabilities enhance communication, coordination, and joint action with other players in the supply chain to react to impending risks and seize opportunities as well as reconfigure and adapt to the changing environment (Abrahamsson *et al.*, 2015).

The food retail industry in Zimbabwe

Retailing is the final step in the distribution process. Food retailers are organised to sell merchandise in small quantities to the final consumers. In Zimbabwe, the industry is one of the thriving sectors (Africa Focus, 2015), contributing immensely towards employment creation and tax earnings for the local government (African Economic Outlook, 2014). Besides its economic contributions, the industry also caters for convenient food availability. The end of the hyperinflationary era in Zimbabwe created a relatively stable economy, which opened opportunities for expansion in the retail sector (Mlambo, 2017). This made the country an attractive destination for new players in the retail industry (Musekiwa, Chiguvi and Hogo, 2013), which saw multinational food retailers such as Pick n Pay investing in Zimbabwe.

The constraints and obstacles that are faced by the food retail industry in Zimbabwe constitute some of the root problems that lead to the risks that this study seeks to address. The need for efficiency and effectiveness in modern-day supply chains has led to outsourcing by many firms, whereas in the case of Zimbabwe, the extent of outsourcing of products and raw materials has been exacerbated by the socio-political, infrastructural and economic challenges facing the nation. It can therefore be posited that, with accurate remedies to the challenges experienced in the industry, supply chain risks could be minimised. It is of significance to understand and analyse the nature of risks mitigation measures in the food retail industry because a country with strong retail activities is more likely to entice investors into their economy (Adeyemi, 2011), further promoting economic growth.

Supply Chain Risk Management

Supply chain risks refer to the likelihood of threats or disturbances at any point in the end-to-end supply chain, from sources of raw materials to end use of customers (Supply Chain Risk Leadership Council, 2011). SCRM is the coordination of activities to direct and control an enterprise's end-to-end supply chain with regard to supply-chain risks (Supply Chain Risk

Leadership Council, 2011). Fan, Lee and Cheng (2015) further suggest that the prime objective of SCRM is to identify the potential sources of risks and put forward suitable action plans to mitigate them. SCRM is an inter-organisational collaborative endeavour utilising risk management methodology to identify, evaluate, mitigate and monitor unexpected macro and micro-level events which might adversely impact any part of a supply chain (Zheng, Yildiz and Talluri, 2015). This makes SCRM a critical activity for firm and supply chain success.

SCRM aims to build the capability to reduce vulnerability and ensure business continuity (Juttner, 2005; Wieland and Wallenburg, 2012). From a business continuity perspective, SCRM manages exposure to serious business disruptions arising from risk within and outside the supply chain. From the financial viewpoint, SCRM strategies closely match the desired cost savings and profitability targets of firms and their related supply chains (Faisal, Banwet and Shaknar, 2007; Manuj and Mentzer, 2008). It seems to show that when a firm is better able to manage supply chain risks, it can lead to a competitive advantage over competition hence improved market position. Thus, SCRM aims to reduce costs and vulnerability and ensure profitability, business continuity, and potentially longer-term growth. This makes it valuable for food retailers in Zimbabwe to develop SCRM as a strategic tool since they operate in an extraordinarily dynamic and complex business environment.

RESEARCH METHODOLOGY

In this study, the target population comprised of managers and supply chain management (SCM) professionals employed by food retail firms in Harare. SCM professionals may range from demand planners, purchasing managers, procurement managers, logisticians, supply chain managers of all sizes of businesses in the food retail industry. Harare was chosen as the research context because it is the capital city and the economic hub of Zimbabwe. Besides, since it is the most developed and populated city with many commercial activities, a study in Harare would fairly represent the activities of other cities and towns in Zimbabwe. A total nine firms were selected, and approximately 59 branches were approached, using a list of registered firms operating in the food retail industry in Harare as provided by the Ministry of Industry and Commerce in Zimbabwe.

A quantitative approach using a cross-sectional research design was employed in which a structured questionnaire was administered to a total of 227 supply chain professionals in Harare-based food retail outlets. The cross-sectional procedure involved the physical drop-off and collection and emailing of questionnaires by the principal researcher in June- August of 2019. A non-probability, purposive sampling technique was applied. Purposive sampling was employed because it is effective when one needs to study a specific cultural domain with knowledgeable experts within (Etikan, Musa and Alkassim 2015).

A combination of measurement scales for SCRM and its proposed determinants were operationalised from previous studies. These include (Florio, 2017; Fan *et al*., 2017; Sharma and Bhat, 2016; Flynn *et al*., 2010). The purpose was to determine the dimensionality of the SCRM variable by factorising the data to come up with its different sub dimensions/factors (if applicable). Response options were presented on a seven-point Likert-type scale anchored by 1 = strongly disagree to 7 = strongly agree to express the degree of agreement and disagreement. The collected data were analysed using the Statistical Package for Social Sciences (SPSS version 25.0) software. Descriptive statistics were used to examine the demographic profile of respondents, while Exploratory Factor Analysis (EFA) was used to extract the factors determining SCRM in the Zimbabwean food retail industry. Ethical considerations that include informed consent, voluntary participation, respondent anonymity and confidentiality, as well as permission to conduct the study were observed in conducting this study.

RESEARCH RESULTS

The Demographic Details of Respondents

The demographic details of the 227 respondents are shown in Table 1. Five demographic factors, namely, gender, age group, highest qualification, work experience and race, were considered and analysed.

Table 1:

Demographic details of Respondents

VARIABLE	CATEGORY	FREQUENCY(n)	PERCENTAGE (%)
(A1) Gender	Male	137	60.4
	Female	90	39.6
Total		N = 227	100
(A2) Age	Under 30 years	50	22
	30-39 years	90	39.6
	40-49 years	68	30
	50-59 years	18	7.9
	Above 60 years	1	0.4
Total		N = 227	100
(A3) Highest qualification	Below ordinary level	13	5.7
	Advanced level	13	5.7
	Certificate	51	22.5

	Diploma	50	22
	Degree	89	39.2
	Postgraduate	11	4.8
	Other	0	0
Total		N = 227	100
(A4) Race	African	196	86.3
	White	17	7.5
	Indian/Asian	2	0.9
	Coloured	12	5.3
	Other1	0	0
Total		N = 227	100

Source: Author's own compilation

Exploratory Factor Analysis

The determinants of SCRM in the food retail industry were established through the exploratory factor analysis procedure. The EFA procedure is an analytic method used to develop psychometrically sound instruments (Chumney, 2016). In addition, it is a statistical procedure used to examine the underlying structure of a set of constructs (Williams, Onsman and Brown, 2010).

Prior to the EFA procedure, the Kaiser-Meyer-Olkin Test had to be performed to ensure that the collected data were suitable for factor analysis. The Kaiser-Meyer-Olkin (KMO) statistic measures the proportion of variance among variables that might be common variance. A Kaiser-Meyer Olkin (KMO) test of sampling adequacy and Bartlett's test of variance homogeneity were both performed to ascertain the suitability of captured data for EFA. The minimum threshold for KMO, as suggested by the originator Kaiser (1974:31), should be 0.5. On the other hand, Bartlett's test should yield a significance cut-off of no greater than 0.001. The test measures sampling adequacy for each variable in the model and for the complete model (Kaiser, 1974: 31; Glen, 2016: 2). The results of Bartlett's and the KMO tests are presented in Table 2.

Table 2:

The KMO Measure and Bartlett Test Results

CONSTRUCTS	KMO MEASURE	BARTLETT'S TEST		
		Approximate Chi-Square	Degrees of freedom	Significance level
SCRM	0.834	661.475	28	0.000
SCRIS	0.892	1016.256	21	0.000
SCRAA	0.888	958.668	21	0.000
SCRSM	0.879	778.387	10	0.000
SCRM = supply chain risk management; SCRIS = supply chain risk information sharing; SCRAA = supply chain risk analysis and assessment; SCRSM = supply chain risk-sharing mechanism.				

Source: Authors own compilation

These test results were all significant at p = 0.000; for Bartlett's test and < 0.05 for KMO as recommended by Kaiser (1974) and Glen (2016). Since the results of the Bartlett's and the KMO tests were all within the recommended thresholds, it was determined that the collected data were factorable; hence, EFA could be performed. The upcoming sections show the results of the EFA procedure performed on SCRM and its proposed determinants: SCRIS, SCRAA and SCRSM, respectively.

Exploratory Factor Analysis using component matrix was then undertaken to factorise the data. In line with the EFA procedure recommended by Glen (2016), the retained measures should have items with factor loadings greater than or equal to 0.50, with an eigenvalue either equal to or greater than 1. Two factors (SCRM 2 & SCRM 4) were extracted from the SCRM scale as they did not fall under the same factor when component matrix loading was completed. These factors were discarded from the study as they had an unsatisfactory Cronbach alpha value of 0.268 and the factor loadings were below 0.5. Hence they were subsequently discarded. The final construct representing SCRM was composed of six items.

Table 3:

Factor Analysis Results

Research Constructs		Descriptive Statistics		Cronbach 's Test	Factor Loadings	Communalities
		Mean	SD	α Value		
Supply chain risk management	scrm-1	5.993	1.088	0.860	0.679	0.544
	scrm-3				0.493	0.375
	scrm-5				0.803	0.701
	scrm-6				0.759	0.666
	scrm-7				0.839	0.705
	scrm-8				0.684	0.598
Supply chain risk information sharing	scris-1	5.756	1.124	0.914	0.746	0.630
	scris-2				0.816	0.699
	scris-3				0.812	0.704
	scris-4				0.743	0.615
	scris-5				0.767	0.670
	scris-6				0.757	0.658
	scris-7				0.834	0.708
Supply chain risk analysis and assessment	scraa-1	5.822	1.036	0.904	0.782	0.608
	scraa-2				0.797	0.682
	scraa-3				0.698	0.613
	scraa-4				0.540	0.401
	scraa-5				0.811	0.719
	scraa-6				0.837	0.711
	scraa-7				0.825	0.736
Supply chain risk-sharing mechanism	scrsm-1	5.796	1.088	0.916	0.845	0.759
	scrsm2				0.867	0.799
	scrsm3				0.854	0.768
	scrsm4				0.760	0.666
	scrsm5				0.821	0.762
	SCRM = supply chain risk management; SCRIS = supply chain risk information sharing; SCRAA = supply chain risk analysis and assessment; SCRSM = supply chain risk-sharing mechanism; OP = operational performance; CR = Composite Reliability; AVE = Average Variance Reliability.						

Source: Author's own compilation

Table 3 presents the responses of owners, managers and professionals drawn from the Zimbabwean food retail industry regarding their views on the SCRM factors (supply chain risk information sharing, supply chain risk analysis and assessment and supply chain risk-sharing mechanisms). The overall mean score for the scale was 4.28, which denotes a general inclination towards the 'agree' point on the Likert-type scale. Thus, most responses were generally in agreement with the statements considered in this study. The communalities show the proportion of each variable's variance that the factors can explain. A value of above 0.3 is ideal. All items had acceptable communality values of at least 0.3.

DISCUSSION

Factor 1: Supply chain risk information sharing

The first factor identified in factor analysis was supply chain risk information sharing. The extracted components/items for the SCRIS factor explain 66.918 per cent of the total variance. The factor loadings for all measurement items loaded above the recommended 0.5, with an eigenvalue of 4.684. The EFA procedure for this variable, therefore, illustrated that all seven measurement items produced one factor. Supply chain risk information sharing is defined by Kocoglu, Imamoglu and Ince (2011) as the extent to which critical and proprietary information is communicated to one's supply chain members with a willingness to avail strategic and tactical data. In relation to the data that were gathered concerning risk information sharing, the respondents agreed with the view that their suppliers share proprietary information with them and inversely, they are willing to and do share risk-related information with their supply chain partners. Moreover, information is actively shared between functional teams in the food retail firms under investigation. With regards to the focal firms' expectation of their suppliers sharing information about changes that may affect them and whether their suppliers keep them fully informed on those issues, respondents agreed with the stated assertions. The firms also have closely integrated information systems with key suppliers and logistic providers. This is a clear indicator that respondents agree with the notion that risk related information is actively shared within their firms and supply chain.

The above results support the studies by Hsu *et al.* (2008) and Dominguez *et al.* (2018), which report that information sharing contributes immensely to the relationships between supply chain partners through the facilitation of coordination, responsiveness, and the integration of information systems. It could further be contended that absolute sharing of risk information among supply chain partners is critical in enabling and enhancing productivity. Lavastre *et al*. (2014) and Ivanov *et al*. (2019) contribute to the study of information sharing by concluding that information sharing activities can improve the coordination between the processes of different supply chain members, which lead to improved supply chain integration, delivery accuracy, time-to-market and partnership quality.

Paulraj, Lado and Chen (2008:45) further posit that information sharing between organisations in a supply chain will activate efficiency in procurement activities leading to quality products and services, reduced customer lead time, and increased cost savings. When sensitive data and knowledge are shared, it enhances research and development activities, enabling firms to stay in tune with the latest market developments and trends. It proves to show that sharing relevant information reduces the extent of uncertainty in the supply chain.

Factor 2: Supply chain risk analysis and assessment

Factor two was labelled as supply chain risk analysis and assessment. The factor loadings for all measurement items loaded above the recommended 0.5, with an eigenvalue of 4.470. The total variance explained for the SCRAA factor was 63.8 per cent. Thus, the EFA process illustrated that all seven adopted measurement items measured one factor. Supply chain risk assessment involves proactive approaches by the purchasing firm for understanding the impact and likelihood that detrimental events can have on inbound supply (Zsidin *et al*., 2004:420). The results of this study affirm that respondents agree that their firms have established techniques and processes that enable them to consistently analyse and assess the potential supply chain risks that could deter their operations. The results further showed that risk management and the analysis of those risks is a timeless process in which past and current risks are used to forecast future supply chain risks. The study also reveals that firms continuously use tools/processes to assess supply chain level risks. The results further illustrate that firms have a transparent process of risk assessment in place, thereby continuously identifying and assessing the potential risk in their supply chains.

Similar to the results above, Fan *et al*. (2017), in their study of information processing in risk management, posit that the implementation of a supply chain risk information processing systems helps firms respond to supply chain risk promptly and also enables firms to mitigate the effects of information uncertainty and ambiguity on firm performance. This is further supported by Zsidin *et al*. (2004), who discover that supply risk assessment leads firms to the implementation of proactive supply management tools, particularly those that focus on addressing supplier quality issues, improving supplier performance, and preventing supply interruptions. It is evident that analysing and monitoring possible unexpected problems in the supply chain is important for the creation of contingency plans to prepare the firm to deal with and handle the unpredictability of supply chain dynamics. However, the effective implementation of such a system does require a significant input in time and effort from both intra-firm functions and inter-firm processes (Ivanov *et al*., 2019).

Factor 3: Supply chain risk sharing mechanisms

Factor 3 was labelled as supply chain risk analysis and assessment. The total variance explained by the extracted components/items for the SCRAA factor was 75.068 per cent. The factor loadings for all measurement items loaded above the recommended 0.5, with an eigenvalue of 3.753. As such, the EFA process illustrated that the five adopted measurement items measured one factor, with the items explaining 75 per cent of the total variance. Ellinger *et al.* (2012) define SCRSM as an approach to management in which the cost of the consequences of risk is distributed among the players in that supply chain instead of letting one firm bear them alone. According to Juttner (2005) and, Kleindorfer and Saad (2005) SCRSM refers to a situation in which a firm aligns the incentives and obligations among supply chain members regarding how they share the duties to mitigate supply chain risks and face the consequences thereof in their supply chain.

The results extrapolated from the study affirm that the respondents value the utility of creating appropriate risk-sharing strategies that cushion their risk of losses with their supply chain partners. The interviewed firms have also designed clear guidelines on the responsibilities of every player in their supply chain. Moreover, firms do not leave risk and revenue sharing to chance but have pre-set standards and rules of sharing risks and revenues emanating from risks. Additionally, the interviewed firms have developed formal and informal mechanisms to mitigate risk events in their supply chains. Respondents also agreed that their respective organisations utilise different strategies to share risks with their supply chain partners to minimise and manage the impact of risks occurring within their supply chains. This clearly shows the extent firms have gone to ensure that risks are not centralised on the retailer but are spread out with the suppliers, further strengthening the sentiments advocated for by Wong, Boon-Itt and Wong (2011), and Li *et al*. (2014) that through supplier integration in sharing and managing risk, firms share inventory levels, demand forecasts and other relevant data with their major suppliers. This makes it clear that strong supplier relationships are key in managing risks.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

The current study was quantitative in nature and used adapted measurement scales that were originally developed for other purposes. In future, a similar study could take a mixed-methods approach which ensures that the data collection is triangulated using a combination of qualitative and quantitative methodologies. Moreover, this study was restricted to one city of a developing country, namely Harare, Zimbabwe. A cross-sectional approach on other cities in developing countries would present a more in-depth and comprehensive result that can make a more suitable generalisation of the results. In future, the demographic details can also make a distinction between multinational retailers and local retailers. Finally, since the results of this study are fundamentally centralised on the food retail industry, it presents a stimulus for researchers to extend their future studies to other industries. It would be necessary for future researchers to have a comparative analysis in this regard among other industries such as manufacturing, logistics and textile industries. This may help to understand further the differences in perceived risk management dimensions that may prevail across various industries.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This study aimed to establish the determinants/factors of supply chain risk management in the food retail industry in Harare, Zimbabwe. Resultantly, the study established that SCRM comprises of three factors (SCRIS, SCRAA and SCRSM). The study demonstrated that SCRM is important in food retail operations. It is beneficial for partner firms in a food retail supply chain network to form an alliance to align their SCRM strategies because it leads to a configuration of strategies, sharing of explicit information, similar product/ service development, and an alignment of risk management

procedures which help them to manage associated risks efficiently.

The study further showed that SCRIS in the Zimbabwean food retail sector is a crucial supply chain risk factor. By sharing risk-related information with other partners in a supply chain network, firms in the food retail industry in Zimbabwe achieve enhanced productivity, improved coordination with different supply chain members, which leads to improved supply chain integration and delivery accuracy faster time-to-market and partnership quality. This improves and fortifies SCRM because the information is actively and effectively shared in a supply chain network. Amongst the three SCRM factors identified in the study, SCRIS emerged as the most influential determinant of SCRM.

Regarding SCRAA, it was discovered that firms in the Zimbabwean food retail industry consider supply risk assessment critical to implementing proactive supply management tools, particularly those that focus on addressing supplier quality issues, improving supplier performance, and preventing supply interruptions. Analysing and monitoring possible unexpected problems in the supply chain is important for the creation of contingency plans to prepare the firm to deal with and handle the unpredictability of supply chain dynamics. When firms have a coherent standard of risk evaluation and assessment process, it supports a common understanding of SCRM among supply chain partners.

SCRSM was shown to be important in ascertaining SCRM in the Zimbabwean food retail industry because when firms use approaches in which the cost of the consequences of risk are distributed amongst the players in that supply chain, instead of letting one firm bear them alone, it provides an atmosphere that makes operating in a constantly dynamic market manageable in which superior business performance is attainable. The risk sharing contracts align the interests and incentives among supply chain partners enabling them to share proprietary risk data and thereby limiting uncertainties, which eventually strengthens SCRM.

The investigations in this study resulted in several managerial implications. The primary suggestion is that management may apply the results of this study as a reference point to make their firms more able to implement SCRM to be responsive to the dynamic risk events that affect their supply chain networks. Organisations should promote collaborative and alliance-based relationships in the supply chain to strengthen strategic and tacit information sharing, thereby improving supply chain competence. Moreover, creating and maintaining a culture of risk management allows food retail firms to stay in tune with the latest developments in SCRM. This requires managers to effectively ensure that risk management culture and the best supply chain practices are adopted and implemented by all the supply chain partnering firms.

There may also be a reward of risk information sharing, which could stimulate supply chain

members to share proprietary data. Firms in a supply chain network could also adopt advanced technologies and information sharing structures to improve information sharing in terms of real-time information sharing and secure data transfer. In a supply chain, firms may adopt best practices such as Collaborative Planning, Forecasting and Replenishment (CPFR) and Joint-Managed Inventory (JMI) to work in a synchronised way to collect, analyse and utilise supply chain risk information. Additionally, firms could consider the creation of individual risk factors to establish risks that are present or expected in each individual firm. The analysis and assessment of risks on a firm basis helps with the prioritisation of risks and provides a proactive view of their causes. It also categorises risk events on a firm-by-firm basis, making it easier to analyse them when all risks across the supply chain are considered.

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Track:

Human Resource Management

Corporate bullying in the banking sector in Gauteng: myth or reality?

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ABSTRACT

The primary objective of this study was to examine the presence of corporate bullying at a business bank in Gauteng province. The study utilised quantitative research with a population of 250 bank employees. The data was gathered using the revised Negative Acts Questionnaire, with Likert scale questions. The data was analysed and it was found that there was evidence of a lesser degree of corporate bullying at the financial institution. The findings indicate a form of corporate bullying that can be classified under the second stage of corporate bullying, called the trigger stage. Furthermore, the relationship between demographic variables and bullying was established. The results show that corporate bullying does not differ for the demographic variables; as a result, it is concluded everyone is susceptible to corporate bullying. The study concludes by suggesting interventions that could be applied by both the employer and employees to deal with corporate bullying.

Keywords: corporate bullying; workplace bullying; banking environment

INTRODUCTION

A more diversified workforce and the pressure managers are subjected to deliver expected results create tension between managers and their subordinates, contributing to corporate bullying (Power, Brotheridge, Blenkinsopp, Bowes-Sperry, Bozionelos, Buzady *et al.,* 2013). According to Power et al. (2013), work environments with a high-performance culture are more tolerant of bullying than those with a future orientation. Work in the financial services sector involves extreme job demands and high expectations. In the banking sector, in particular, there is a great deal of competition to increase the market share of the limited population that is economically active in South Africa. Consequently, the implication is that high-performance cultures with high job demands can affect an organisation‟s employee behaviour. Turska (2015) indicates that the effect of this pressure is the potential for corporate bullying experiences, which could dampen the mood of employees and even exert stress and strain on the entire organisation.

LITERATURE REVIEW

In this section, corporate bullying will be unpacked by focusing on the conceptualisation, stages, causes, characteristics and the impact of corporate bullying.

Conceptualising corporate bullying

The Workplace Bullying Institute (2019), defines workplace bullying as the repeated, health-harming mistreatment of one or more persons (the targets) by one or more perpetrators. It is abusive conduct that is threatening, humiliating, or intimidating, or interferes with work (sabotage) and prevents work from getting done, and verbal abuse. If repeated, the elements of this behaviour can have adverse effects and a physical, emotional and psychological impact on victims (Van den Brande, Baillien, Vander Elst, De Witte, Van Den Broeck and Godderis, 2017; Coetzee and Van Dyk, 2018). Victims tend to blame themselves for the bullying behaviour that they experience on the job. They feel lonely and withdraw from people (Wajngurt, 2018). The victim feels helpless and experiences a sense of powerlessness (Saunders, Huynh and Goodman-Delahunty, 2007). In the work context, it also leads to low morale and absenteeism.

Bullying manifests in different ways. It can range from verbal or non-verbal insults to aggressive behaviour (Saunders *et al.,* 2007). Corporate bullying involves offensive harassment and social exclusion. These acts may include work overload or underload, threatening acts, as well as emotional and physical isolation (Coetzee and Van Dyk, 2018). Smidt, De Beer, Brink and Leiter (2016) add that it can also include teasing, mockery, and purposeful exclusion from social situations. Wajngurt (2018) explains that the bully might engage in insulting others, making offensive remarks, shouting, yelling, and humiliating and ridiculing victims.

Stages of corporate bullying

Bullying is a gradual process that can be characterised by various stages (Leigh, Reid, Geldenhuys and Gobind, 2014). In the first stage, the victim is exposed to indirect bullying, and is only later subjected to more aggressive and direct acts of abusive conduct. This behaviour eventually evolves to include physical and psychological violence (Leigh et al*.,* 2014). White (2012) identified four stages of bullying, which are as follows.

Stage 1: Embryonic stage

The embryonic stage is characterised by a potential bully and a potential victim. This is the stage before any bullying has taken place. These two players may or may not move on to become bullies or victims. White (2012) indicates that it is the interaction with various environmental conditions that could cause the potential for bullying behaviour. Both the victim and the bully seek recognition through

numerous relationships and these relationships, in most cases, end up as dysfunctional (De Vos and Kirsten, 2015).

Stage 2: Trigger stage

At this stage, the victim and bully remain embryos until a trigger moment/incident is experienced. The embryonic bully emerges due to frustration as a result of changes over which the bully has limited control (Smit, 2014).

Stage 3: Loyalty stage

At this stage, the victim is still loyal to the bully; the victim seeks attention and love and tries to please the bully. As a means of defending themselves, victims idealise the bully and practically worship the bully (Smit, 2014).

Stage 4: Dance of death

At this stage, the bully and the victim are entangled and practically inseparable, as the bully enjoys control and the victim submits completely out of fear. The idealised relationship is disrupted when the victim is attacked and the bully is seen as a persecutor. Both blame each other for the bullying behaviour and the victim also blames him/herself. The bully becomes isolated and accepts the label (Smith, 2014).

Causes of corporate bullying

According to Astrauskaite, Kern and Notelaers (2014), corporate bullying can be attributed to egoistic tendencies, such as jealousy, envy, competition and predatory behaviour, which are contrary to the cooperation and support required in the workplace.

Three processes could contribute to corporate bullying, according to Salin and Hoel (2013) and Monk, Smith, Naylor, Barter, Ireland and Coyne (2012):

- Enabling processes, which encourage, either explicitly or implicitly, the conditions that facilitate bullying, such as power imbalances, poor social climate, little encouragement for personal development and poor management styles/skills.
- Motivating processes, which create an environment for the individual with a rationale or reward for engaging in bullying, such as competitive and politicised work environments, and organisational norms that permit or justify bullying behaviours.

- Precipitating processes, which often act as triggers for bullying processes to evolve in an organisation. These processes usually reflect a change in the status quo of the organisation or an individual within the organisation, change in pay or change in management.

Factors influencing corporate bullying

Astrauskaite *et al*. (2014) provide a theoretical framework to explain the factors behind corporate bullying, based on the principle of individual psychology. The principle of individual psychology considers several individual and situational factors, which all contribute to the behaviour of bullying in the workplace.

Lifestyle

Personal lifestyle or subscription to a social group reduces the chances of bullying in organisations. Those who exhibit and enjoy a sense of belonging and social interest are less likely to engage in negative and dysfunctional behaviours and view the environment more positively. People who feel inferior are more prone to engage in bullying behaviour (Stouten, Van Dijke, and De Cremer, 2012).

Leadership style

Various leadership styles influence bullying in the workplace (Stouten *et al.,* 2012). Laissez-faire leadership is associated with an increased risk of exposure to bullying behaviour, self-labelled victimisation from bullying, and perpetrated bullying. Transformational leadership and authentic leadership, on the other hand, are related to decreased risk of exposure to bullying behaviour, and create a positive corporate culture (Nielsen, 2013).

Conflict/problem-solving style

Collaborative problem-solving is a significantly better deterrent for corporate bullying than other conflict and problem management styles. Lifestyle attributes characterised by belonging and social interest are related to a higher likelihood of using collaborative conflict and problem-solving strategies and, in turn, decrease the likelihood of becoming an instigator or a target of bullying (Nielsen, 2013).

Corporate culture

A corporate culture characterised by high levels of stress encourage dysfunctional reactions in employees. This could be decreased by using collaborative problem-solving strategies leading to a reduction of potentially bullying behaviour (Nielsen, 2013).

Impact of corporate bullying on employees and the organisation

According to Monk *et al.* (2009), bullying is a severe workplace stressor, which results in individuals experiencing negative wellbeing in the organisation. Ansbach (2012) argues that bullying has long-term effects on the individuals being bullied, with side effects lasting long after the incidents have taken place.

Broeck, Baillien and De Witte (2011) investigated corporate bullying from the job demand/resource model perspective. The job demands/resources model states that all jobs involve demands and resources (Schaufeli, 2017). Job demands involve costs for workers" capabilities, causing them to become weary and strained – the demands form part of energy-depleting process. Job resources are factors in the job context that reduce the job demands and assist to achieve goals and support personal growth. A range of job resources can buffer the impact of job demands. The argument is that corporate bullying can be linked to a wide range of job characteristics.

PROBLEM INVESTIGATED AND RESEARCH OBJECTIVES

The perception in Gauteng"s business banking sector is that workers are often bullied by peers, supervisors and even subordinates. According to Van Schalkwyk, Els and Rothmann (2011), corporate bullying has detrimental consequences for the profitability, work quality and turnover of organisations.

The primary objective was to analyse corporate bullying at a business bank in Gauteng. While the secondary objectives of this study were to determine if bullying behaviour was exhibited by employees of a business bank in Gauteng, and to ascertain if there were relationships between bullying and demographic variables of the employees of the business bank in Gauteng.

RESEARCH METHODOLOGY

A quantitative research design with a non-probability comprehensive sampling strategy was adopted for the research study. The study targeted a population of 250 employees who worked for a business bank based in Gauteng. The revised Negative Acts Questionnaire (NAQ-R) was used to elicit data. The questionnaire consists of 22 statements describing different kinds of bullying, which elicit responses on a 4-point Likert scale, ranging from (1) "never", (2) "now and then", (3) "monthly", (4) and "daily" (5). Ethical clearance was obtained for the study.

DATA ANALYSIS AND FINDINGS

From the population of 250, 168 participants responded, which provided a satisfactory response rate of 67%.

Analysis of the demographic information

Questions about demographic information were included because, from a bullying perspective, certain demographic factors have been found to exacerbate the situation. Data on the demographic variables reported by respondents, namely, tenure, age, gender, education, managerial level and race are presented in Figures 1–6.

FIGURE 1:

Tenure
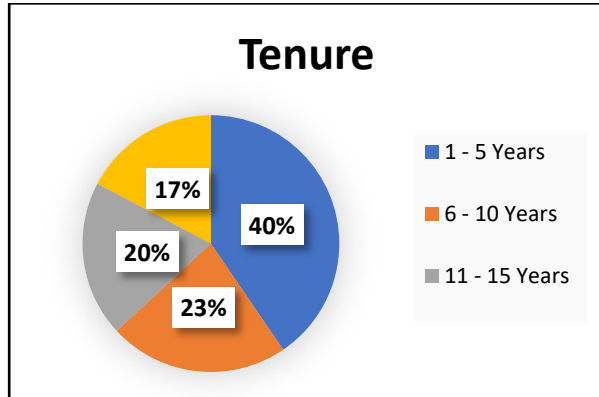
FIGURE 2:

Age
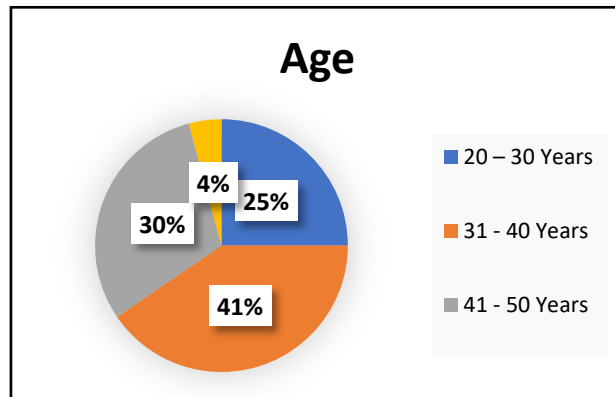
FIGURE 3:

Gender
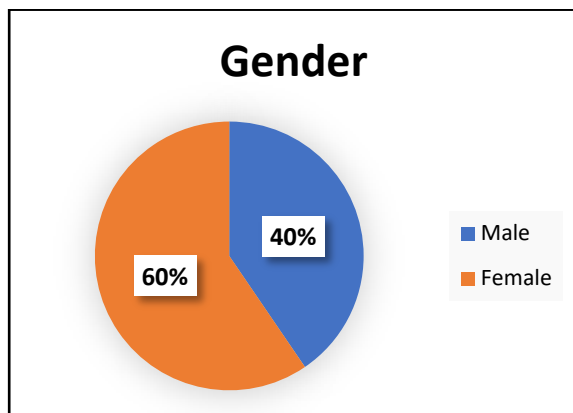
FIGURE 4:

Education level
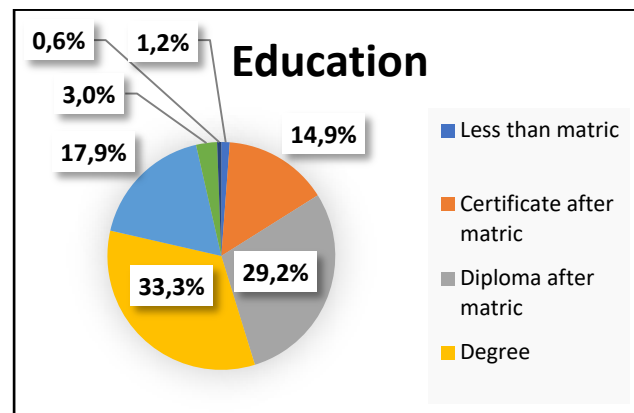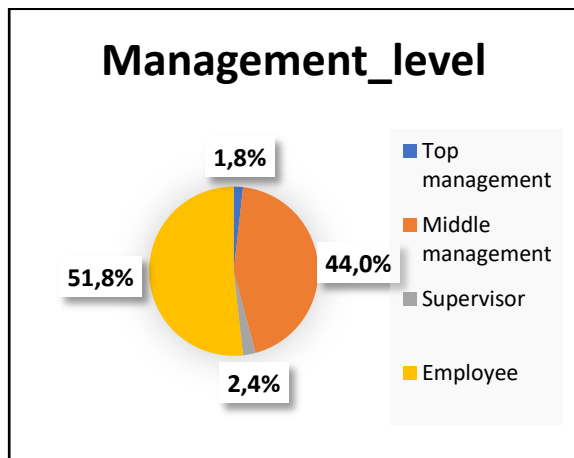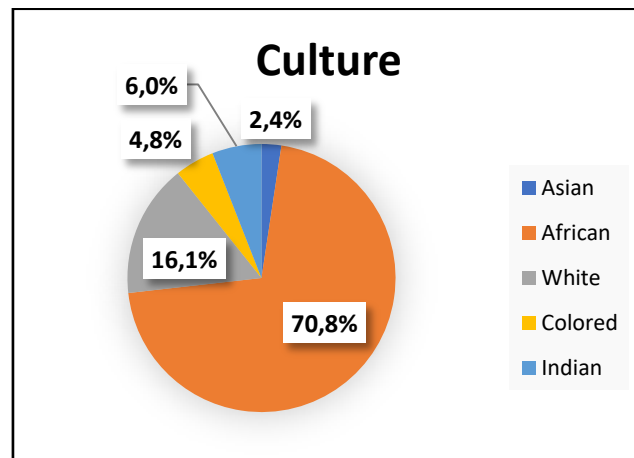
The data reflects the demographic information of the respondents at the business bank in Gauteng. The majority of the research participants (40%) had been employed for between one and five years (Figure 1). In terms of age, 40% of the respondents were between the ages of 31 and 40 years, with 25% being between the ages of 20 and 30 years (Figure 2). Regarding gender, 60% of the respondents were female (Figure 3). According to research by Unison (2009), one in every three young women in the age range of 18–30 years is regularly bullied at work.

The majority (77.4%) of the respondents had a post-school qualification, 33.3% held undergraduate degrees, 29.2% had national diplomas and 14.9% had certificate qualifications. A further 21% had postgraduate qualifications, and only 1.2% had qualifications lower than matric (Figure 4). Half (51.8%) the respondents were at the employee level in the business bank, followed by 44% in middle management roles. Top management was represented by 1.8% of respondents, and supervisors by 2.4% (Figure 5). According to research by Niedhammer (2007), and Ortega, Høgh, Pejtersen and Olsen (2009), workers with lower education have higher chances of exposure to corporate bullying.

The majority (70.8%) of the respondents where African, with 16.1% being white, 6% Indian and 4.8% Coloured (Figure 6). Research carried out by Unison (2009) indicates that black women employees are twice as likely to be bullied as their white colleagues.

The following section addresses the first secondary objective of the study, namely to determine if bullying behaviour was exhibited by employees of a business bank in Gauteng.

Experiences of corporate bullying

The data analysis is based on the NAQ-R questionnaire. To determine the reliability of the questionnaire, the Cronbach alpha was determined. The Cronbach alpha coefficient was 0,903, and because it is above 0.7, the scale is considered to be a reliable measure of corporate bullying.

The results of the questionnaire are discussed in Table 1

TABLE 1:

Experiences of corporate bullying in percentage

	Statement	Never	Now and then	Monthly	Daily
		%	%	%	%
1	Expression of views and opinions ignored	44.6	45.8	7.1	2.4
2	Unmanageable workload	32.1	46.4	13.1	8.3
3	Withholding information that affects performance	54.2	33.3	8.9	3.6
4	Being ordered to do work below competence level	56.5	29.8	7.7	6
5	Unreasonable or impossible targets or deadlines	39.3	38.7	16.7	5.4
6	Being humiliated or ridiculed in connection with work	66.7	23.8	7.7	1.8
7	Responsibilities taken away or replaced by unpleasant tasks	63.7	26.8	9.5	0
8	Being ignored or facing hostile reaction when you approach	66.1	29.2	4.2	0.6
9	Being shouted at or the target of anger at work	71.4	20.8	7.7	0
10	Spreading gossip or rumours about them at work	69	26.2	4.2	0.6
11	Being ignored, excluded or send to „Coventry"	67.3	22.6	8.9	1.2
12	Repeatedly reminded of errors or mistakes	54.2	35.1	7.7	3
13	Pressure not to claim something which by right you have (sick leave, travel expenses)	66.1	19.6	11.9	2.4
14	Persistent criticism of work or effort	66.1	26.2	7.7	0
15	Excessively monitored at work	48.8	32.7	11.3	7.1
16	Insults or offensive remarks made about them	75	18.5	6.5	0
17	Allegations made	79	16.2	3.6	1.2
18	Intimidating behaviour	82	10.8	6.6	0.6
19	Being the subject of excessive teasing and sarcasm	80.4	14.9	4.8	0
20	Hints or signals that you should quit your job	75	19	3.6	2.4
21	Practical jokes carried out by people you don't get on with	74.9	21.6	4.2	0
22	Threats of violence or physical abuse or actual abuse	85.7	13.1	0.6	0.6

Respondents reported having experienced bullying behaviour listed in all 22 statements, mostly to a lesser extent. Bullying behaviour that occurred more often were being assigned an unmanageable workload (reported by 67.8% of respondents; 46.3% of respondents experienced this now and then, 13.1% every month and 8.3% daily); and being excessively monitored at work (51.1% of all respondents; 32.7% now and then, 11.3% monthly and 7.1% daily). These experiences could also be attributed to the nature of business banking. Behaviour reported as happening monthly, is due to

unreasonable targets and deadlines (reported by 55.4% of all respondents; 38.7% now and then, and 16.7% monthly).

Excessive monitoring or micromanagement of employees is a form of bullying that can be attributed to certain types of leadership style. Various leadership styles influence the levels of corporate bullying (Stouten et al., 2012). Research by Skogstad, Hauge and Einarsen (2007) suggests that compared to other forms of leadership, autocratic and laissez-faire leadership styles are most often associated with incidence of corporate bullying. An autocratic leadership style is closely associated with managers who are excessively monitor and dictate goals to be achieved, without any meaningful participation in goal-setting by subordinates. The type of leadership style exercised by managers influences the extent of corporate bullying.

Gleeson (2019) suggests that the systemic misuse of authority may be summed up as corporate bullying. A number of the statements of the NAQ-R refer to this systematic misuse of authority. Wajngurt, (2018) refers to managers who assign heavy workloads to their staff members, causing anxiety, tension, and other physical and psychological symptoms in staff. Playing the blaming game, when managers blame their subordinates for problems that occur on the job, is also a form of bullying that can lead to loneliness and employees withdrawing from people. Managers tend to point the finger at staff who do not perform properly, and change direction or tasks assigned to staff. Corporate bullying is a serious form of infringement of workers' labour, social and economic and fundamental human rights, in general, as it could cause severe and permanent psychological and health damage in victims (Wajngurt, 2018).

The second secondary objective, namely to ascertain if there were relationships between bullying and demographic variables of the employees of the business bank in Gauteng, is addressed in the following section.

Relationship between corporate bullying and demographic factors

The data indicates that corporate bullying was experienced to a lesser extent by respondents at the business bank in Gauteng. To determine the relationship of corporate bullying with demographic information, independent T-tests and Anova tests were conducted. The independent T-test was used for gender, management level and culture, while the relationships between bullying and age and tenure were measured using an Anova test. The results of the independent T-test are summarised in Table 2.

Independent t-test

Variables	Levene's test for equality of varianctes	T-test for Equality of means			Mean difference	Std Error Difference
		t-statistics	df	p-value		
Gender	Equal variances assumed	-0.69	166	0.49	-0.97	1.41
Management level	Equal variances assumed	1.17	166	0.25	1.61	1.38
Culture	Equal variances not assumed	-1.5	130.11	0.13	-1.96	1.30

The independent T-test determined whether corporate bullying was experienced at different rates by men and women, by management and employees, and by Africans and members of other cultures. The p-value was compared to a value of 0.1 (10%) for inference, to determine if the variables are different. If the two averages differ, the p-value would be less than 0.1, and vice versa. The results of the T-test indicate that corporate bullying is not experienced differently by different genders, by employees at different levels of seniority, and by members of different cultures, because p>0.1.

An ANOVA test (Table 3) was conducted to determine if there are significant differences between three or more groups.

TABLE 3:

Anova Test

Variables	Groups	Sum of squares	Df	Mean square	F-statistic	p-value
Tenure	Between groups	375.60	3	125.20	1.57	0.20
	Within groups	13060.26	164	79.64		
	Total	13435.85	167			
Age	Between groups	280.72	2	140.37	1.76	0.18
	Within groups	13155.13	165	79.73		
	Total	13435.85	167			

The ANOVA test results show p>0.1, which means the extent of corporate bullying reported does not differ for the tenure groups and age groups.

RECOMMENDATIONS AND CONCLUSIONS

The findings of the data analysis point to evidence of corporate bullying to a lesser extent in the business bank in Gauteng. The analysis of the demographic variables does not show any relationship between corporate bullying and gender, management level, culture, tenure and age.

In order to prevent bullying from becoming part of the entrenched culture, bullying behaviour needs to be addressed. Early intervention is key – if an employee reports corporate bullying, it should be treated with the urgency and attention it requires. The following are the main recommendations from this study makes, which both the employer and employee must adopt to deal with corporate bullying.

Recommendations for the employer

In order to deal with workplace bullies, a number of interventions can be put in place. Schumacher (2014) indicates that there may not be a lot that can be done to change a bully, but the impact of the bully can be lessened. Hale and Haertl (2016) argue that managers need to be trained in professional conduct, so that they can deal with difficult people, and must know how to identify and respond to allegations of bullying. The following are suggested as tools to deal with workplace bullying:

Policies: Schumacher (2014) and Hale and Haertl (2016) argue that one of the first things to consider is a policy on bullying. Establishing a zero-tolerance policy involves identifying what constitutes bullying, specifying the consequences of bullying and outlining the process for reporting it.

Managing bullying situations: According to Hale and Haertl (2016), the source of the bullying and conflict must be ascertained. These authors suggest appointing someone who is neutral to deal with incidences of bullying. Schumacher (2014) refers to this approach as confronting the bully in order to break the cycle once a thorough investigation has been completed.

*Establishing reporting mechanisms***:** Schumacher (2014) argues that when employees feel the organisation has no mechanisms for reporting bullying and that action is unlikely to be taken, they will not report it.

*Go public***:** Once the process of identifying the bully and setting up an action plan to deal with bullying behaviour is in place, it should be communicated with other employees, who should be informed of the outcome.

Corporate bullying prevention programme

The first step is to create awareness regarding corporate bullying and to specify the type of behaviour that is regarded as bullying. The prevention programme could take it further than just creating awareness; there could also be a reporting requirement, with outlined procedures to minimise the

experience of corporate bullying in financial institutions between managers and their subordinates. The programmes should be designed in such a way that employees can obtain emotional support and counselling support if they have experienced corporate bullying incidents.

Implement a robust performance management system

Using 360° feedback and soliciting input from everyone every institutional member works with, namely colleagues, supervisors and superiors, offers an opportunity for supervisors to learn from the people they manage, rather than only those that lead them. A robust performance management system ensures a better communication and feedback system between managers and their subordinates, which results in a two-way system, rather than one that only flows down from managers.

Evaluate the organisational culture

In a high-performance, competitive environment, bullying behaviour can become entrenched in the culture, and seen as „the way we do things" in the organisation. The organisational culture should be scrutinised to identify values, practices and artifacts that can contribute to corporate bullying.

Recommendations with regard to employees

Inquire about bullying policy availability

It is recommended that employees confirm through enquiry by the human resources department, or through staff intranet, to determine if everyone has access to the bullying policy and complaint resolution and grievance procedures. The existence of a corporate bullying policy protects employees from any form of corporate bullying, as every employee has the right to be treated with dignity and respect in the workplace.

Keep a record of corporate bullying cases

Employees are recommended to keep accurate and detailed records of what happened: place, date, time, persons (both those involved and those present) and what was said or done. This information can be useful later, especially if more formal steps need to be taken. Keeping a record of workplace bulling ensures that employees have every detail when they institute normal grievance procedures or when approaching relevant unions or employees" associations for assistance with their grievances.

Seek counselling services

Employees may make use of workplace counsellors to help them develop ways of dealing with corporate bullying and its effects. Social workers and psychologists play a substantial role in

overseeing the situation, as they can implement interventions and therapies, and make use of literature to provide social aid to employees.

The practical contribution of the study is demonstrated in the above recommendations. It illustrates that the problem does not only lies with the bully but that corporate bullying should be addressed at various interfaces in an organisation. Corporate bullying is not well understood and further research is necessary to enhance the understanding of the concept and research in the South African context is needed to understand the phenomenon in the local context.

CONCLUSION

The findings of this study indicate that there was evidence of a lesser degree of corporate bullying in the financial institution involved in the study. It can be deduced that the extent of bullying at the banking institution in Gauteng is at trigger stage. Corporate bullying is an ethical, complex, interpersonal and social matter. Everyone should recognise its impact, as it can have an enormous effect on an organisation. It is, therefore, imperative to widen our understanding of corporate bullying and put systems in place to address it. Employees need to lift their voices and identify symptoms of bullying so that they can avoid certain kinds of resulting mental illness. Employers have a legal duty to protect their employees' safety and health in the work environment. Good implementation of an organisation's emotional intelligence is also important to bring about an improvement within the organisation.

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Essential future developmental areas for human resource managers post-COVID-19

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ABSTRACT

An understanding about the essential future developmental areas for human resource managers is essential in preparing for post-Covid-19. This paper aims to identify these essential developmental areas. Interpretivism was used as the research paradigm. A qualitative survey design was used to study the views of 107 HR practitioners affiliated with the South African Board of People Practices. Deductive and inductive coding was used as part of thematic analysis. The findings of this study entail three major themes namely, future thinking development such as future-forward mind-set, systems thinking and proactive solutionist thinking; future HRM competencies development such as soft skills, relationship building and resilience; and lastly, future human resource processes such as HR systems that fully engage the employee and flexibility. It is recommended that HR managers' areas of development be addressed in order to prepare them for the future world of work.

Keywords: areas of development; future human resource management competencies; future human resource management processes; future thinking

INTRODUCTION

Human resource (HR) managers have undergone dynamic shifts in their roles, functions and overall impact in shaping their organisations during the COVID-19 pandemic and the related 'new normal', and now they are at the brink of the Fourth Industrial Revolution (4IR). The world is still in the early phases of the 4IR; thus, many areas remain unpredictable and uncontrollable (Schultz, 2021), and experienced by some as disruptive, shifting the role of the HR manager as we know it (Claus, 2019: 207-215). Technology, artificial intelligence (AI), cloud computing, deep learning, global network platforms, machine learning, and robotisation can be both exciting and frightening as they are applied to work in general and human resource management in particular (Davenport and Kirby, 2015: 58–65; Joerres, 2016: 74–79). In the future, company roles will be redesigned around the desired outcomes of reimagined processes, and corporations will increasingly be

organised around different types of skills, rather than around rigid job titles (Wilson and Daugherty, 2018). Coletta (2021) is of the opinion that, as part of future HR, HR managers must shift from managing the employee experience to managing the life experience of the employees. For example, they must be able to deal with mental health support and may need to assist in the distribution of COVID-19 vaccines. Areas of development must therefore be identified in order to prepare HR managers for the future of work.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

Future thinking skills

The role of the HR manager has changed intensely where machines and technology replace tasks once performed by humans (Schultz, 2019: 6–9). Preparing for the future of work involves a significant commitment to developing people with the ability to work effectively at the human–machine interface (Wilson and Daugherty, 2018). Foresight and certain thinking skills are therefore essential (Schultz, 2018: 818–832). Venter, Herbst and Iwu (2019: a1224) found that essential future thinking skills include systems thinking, critical thinking, novel and adaptive thinking, as well as innovative thinking. According to McCaffrey and Spector (2018: 1–15), innovative problem solving is essential when the human–machine collaboration space is entered. In contrast to robotics (which is a real threat to many workers performing low-skill, routine tasks), machine reengineering (which refers to computers that use AI) has the potential to enhance the skills of workers dramatically (Shukla, Wilson, Alter and Lavieri, 2017: 50–54). Humans build machines to perform certain tasks and sustain the responsible and safe use of machines (Wilson and Daugherty, 2018). Coping with such changes requires a holistic approach that encompasses innovative solutions which are not necessarily technological in nature (Morrar, Arman and Mousa, 2017: 12–20).

Future HRM competencies

Competencies are defined as the set of skills, abilities, knowledge, attitudes and motivations an individual needs to cope effectively with job-related tasks and challenges (Armstrong and Taylor, 2014). Hecklau, Galeitzke, Flachs and Kohl (2016: 1–6) are of the opinion that technology, strategic thinking and proper leadership skills are essential future human resource management (HRM) competencies. According to Aryati, Sudiro, Hadiwidjaja and Noermijati (2018: 233–249) and Silver (2018: 186–192), ethical development is also an important area of development for the future world of work. Ulrich, Kryscynski, Ulrich and Brockbank (2017) and Schultz (2019: 6-9) found that business acumen is an important area in which HR managers should excel. HR managers should also excel in driving employment relations (Schultz, 2019: 6–9). Boudreau (2015: 46–54) and Junita (2021: 229–235) accentuate the importance of analytical skills in order to make better decisions. Proper decision-making necessitates resilience and agility (Schultz, 2021).

Future HRM processes

By helping organisations make a transition from traditional, rigid systems to new agile organisational processes and structures, HR managers can help steer this much-needed engine of change (Rao, 2019). HR processes are a set of internally coherent practices designed and implemented to ensure that a firm's human capital contributes to the achievement of its business objectives (Delery and Doty, 1996: 802–835). To deal with HR processes in an effective way, there is an increased demand for HR managers with competencies that are irreplaceable by automated technologies, such as creativity, innovation, sensitivity and social skills, as well as the capability to cope with rapid changes in a flexible way (Lee, 2017). Junita (2021: 229–235) and Schultz (2021) are of the opinion that the flexibility of an HR manager is important to successfully deal with digital-age processes. During challenging times such as the COVID-19 pandemic, the 'new normal' and other future challenges, HR managers should be able to deal with HR processes in a way that adds value to the organisation's productivity and profitability (Caligiuri *et al.*, 2020: 697–713).

RESEARCH PROBLEM

The research problem investigated in this study was that, in the literature, many thinking skills, future HRM competencies, and future HRM processes are identified, but not the areas in which development is needed in a South African context. To cope with competence challenges related to new 4IR technologies and processes, new strategic approaches for holistic human resource management are needed (Hecklau *et al.*, 2016: 1-6). Wood and Bischoff (2020: 1-28) and Pietersen (2018: a825) state that recent literature on future HRM in South Africa remains limited. It is unclear what the areas of development – which are essential to prepare HRM for the future world of work in a South African context – will be. This paper aims to contribute to closing this gap in the literature.

RESEARCH OBJECTIVE

The objective of this research was to investigate the areas of development that are essential to prepare HRM for the future world of work in a South African context. From an empirical point of view, this study was conducted from a qualitative perspective. From an intellectual point of view, this study was essential to broaden the body of knowledge regarding the development of future HRM. The following research question was posed: What are the essential future developmental areas for human resource managers post-Covid-19?

RESEARCH METHODOLOGY

Interpretivism was used as the research paradigm. The research method was qualitative in nature. A qualitative survey design was used to study the views of HR practitioners affiliated with the South African Board of People Practices.

Given that this study surveyed a wide range of participants, a qualitative survey as a research design was used. As explained by Jansen (2010: 1-21) a qualitative type of survey is not aimed at establishing frequencies, means or other parameters but at determining the diversity of some topic of interest within a given population. This type of survey does not count the number of people with the same characteristic (value of variable) but it establishes the meaningful variation (relevant dimensions and values) within that population by studying the diversity in a population.

Population and sample

The organisation studied was a professional HR body (the South African Board of People Practices [SABPP]) with 4 500 members. The criterion for including participants in this study entailed an invitation to members of the SABPP who worked as HRM practitioners in the private and public sector and not in academe. The reason for this inclusion criterion was that hands-on experience seemed to be more relevant than academic knowledge for this study. A total of 107 members volunteered to participate in this study. Due to the nature of this study, it was decided to include all the participants in order to obtain rich data about the future of HR. Saturation of data was not reached and all the participants views were therefore analysed. This was a clear indication of the vastness of the participants' views about the areas of developing HRM.

The data showed that 29.25% of the participants were males while 60.75% were females. The results also revealed that 30.84% had 4 years' of HRM experience followed by 18.69% who had 5 years and 18.69% who had 6 years of experience. The majority of participants (41.12%) were between the age group 25-44 years followed by 34-54 years of age (28.97%). Lastly, 57.01% were from the private sector and 42.99% from the public sector.

Research instrument

Data was collected by using an open-ended questionnaire in order to obtain rich data from the participants. The following three open-ended questions were sent to the participants using a SurveyMonkey link:

- What are your views about the future of human resource management?
- What is the role of human resource management in the 4th Industrial Revolution?
- In your opinion, which areas of development are essential to prepare human resource managers for the future world of work?

For the purpose of this paper, only the last open-ended question was analysed and reported upon.

Data analysis

The data were transferred to Excel spreadsheets to assist with the analysis. In this study, Tesch's (1990) method of thematic data analysis was applied to analyse the data. Phrases and words that

appeared to be the same based on the literature of future developmental areas of HR managers were identified. Skjott Linneberg and Korsgaard (2019: 259-270) suggest that colour coding can be used to analyse data and the researcher decided to use it in this study. Bengtsson (2016: 8–14) explains that thematic analysis allowed for data to be presented in words and themes and also allowed for easy interpretation of the findings. The text was allocated appropriate labels, themes, codes and categories in alignment with the research objectives of the study, following the methods of Bazeley (2013).

A combination of inductive and deductive coding is the most commonly used approach, what is sometimes referred to as a blended approach (Graebner, Martin and Roundy, 2012: 276-284). There is a strong tradition in qualitative research of developing codes 'directly' from the data. The researcher developed codes from the data by using phrases or terms used by the participants themselves, rather than using the, often theoretical, vocabulary of the researcher. In this way, the codes stayed close to the data, mirroring what is actually in them, rather than the ideas and prior understandings of the researcher, who is working vigorously to remain open-minded (Skjott Linneberg and Korsgaard, 2019: 259-270). This approach is most often referred to as the inductive approach. Generally, the codes in deductive coding are theoretical concepts or themes drawn from the existing literature.

Trustworthiness of the data

Bless, Higson-Smith and Sithole (2013) state that trustworthiness involves the following elements: credibility, dependability, confirmability and transferability. In the present study, credibility was established through peer debriefing and member checks as employed by Birt, Scott, Cavers, Campbell and Walter (2016: 1802-1811). The study used a transparent process of coding, together with a systematic, comprehensive and exhaustive audit trail of the analysis of data. This ensure dependability by following a research process that was logical, traceable and clearly documented (Sinkovics and Alfoldi, 2012: 817–845). According to Zhang and Wildemuth (2009: 308–319), confirmability is determined by checking the internal consistency of the research product. In the present research, this was done by checking the data, findings, interpretations and recommendations. Transferability was provided by obtaining data sets and descriptions that are rich enough that other researchers will be able to make judgements about the findings and transferability in different settings or contexts as suggested by Elo, Kaarianinen, Kanste, Polkki, Utriainen and Kyngas (2014: 1-10).

Ethical considerations

Permission to conduct this study was obtained from the SABPP. Ethical permission was obtained from the Research Ethics Committee of the Tshwane University of Technology (Pretoria Campus), Ref#: FCRE2018/FR/10/025-MS. High ethical standards were followed in all aspects of the

research process. All possible participants were provided with an overview of the study before they were invited to voluntarily participate. Participants were assured of the anonymity and confidentiality of their responses and were informed that they could withdraw from the study at any stage should they feel it necessary to do so. All participants indicated their consent on SurveyMonkey.

FINDINGS AND DISCUSSIONS

The data revealed nuanced detail about the essential areas of development to prepare HR managers for the future world of work. Please note that all quotes are presented unedited.

Theme 1: Future thinking development

HR managers need to be prepared for the future of work by developing their future thinking skills and a future-forward mind-set:

> *Future thinking.* (Participant 33, female, public sector)
> *The one thing that holds people back is mindset or failure to have a mindset that is future forward and can forecast the changes before they arise. Essentials skills are agility, critical thinking and being human centered all under pinned with credibility through knowledge and consistency.* (Participant 9, female, private sector)

Essential areas of development to improve the future thinking of HR managers comprise systems thinking, strategic thinking and proactive solutionist thinking:

> *Systems thinking.* (Participant 95, female, private sector)
> *Strategic thinking*. (Participant 11, male, private sector)
> *Proactive solutionist thinking.* (Participant 50, male, public sector)

The ability to think about and regulate one's own thoughts (meta-cognition) was also mentioned by several participants.

> *Meta-cognition.* (Participant 81, female, private sector)

It is clear from this section that HR managers need to acquire future thinking skills by possessing a future-forward mind-set and specific types of future thinking skills, such as systems thinking, strategic thinking and proactive solutionist thinking. Foresight as a future thinking skill was also found to be important in the study of Schultz (2018: 818–832). Venter *et al*. (2019: a1224) also established that systems thinking and critical thinking are essential thinking skills for the future world of work. Hecklau *et al*. (2016: 1–6) concur that strategic thinking will still be necessary in the future of work. McCaffrey and Spector (2018: 1–15) as well as Morrar *et al*. (2017: 12–20) also

found that problem solving is an essential thinking skill. HR managers are faced with a shift in thinking to enable organisations to thrive in this rapidly changing world.

Theme 2: Future HRM competencies development

The participants mentioned various areas of development regarding the skills, knowledge and behaviour necessary for HR managers to stay relevant in the future world of work. Leadership skills, strategic leadership and self-leadership seem to be important competencies as mentioned by several participants.

> *Business and leadership skills.* (Participant 65, female, private sector)
> *Strategic leadership.* (Participant 61, male, non-governmental organisation)
> *Self-leadership.* (Participant 91, female, public sector)

The role that technology is going to play and has already been playing was accentuated by many of the participants. The technological skills of HR managers are therefore an area that definitely needs to be developed.

> *Soft skills and new skills in line with advanced technology.* (Participant 55, female, public sector)
> *HR need to be versatile, keep up with learning new ways of working and have tech savvy.* (Participant 30, female, public sector)

Due to human–machine collaboration and other future challenges, the work ethics of HR managers need to get the necessary attention. Work ethics were accentuated by many of the participants.

> *Work ethics should also be developed.* (Participant 64, female, public sector)

The HR manager represents the people component of an organisation, and employment relations and relationship building are important parts of this role.

> *Relationship building.* (Participant 28, male, private sector)
> *Employment relations.* (Participant 100, male, non-governmental organisation)

Several participants also mentioned that business acumen, analytical skills and resilience are serious areas for development.

> *Business acumen.* (Participant 2, male, public sector)
> *Analytical skills.* (Participant 100, male, non-governmental organisation)

Resilience. (Participant 107, male, public sector)

The above-mentioned future competencies that must be developed, provide clear evidence that HR managers can no longer delay their own preparation to become future-fit. Hecklau *et al*. (2016: 1–6) also found that technology-related skills as well as proper leadership skills are of utmost importance in the 4IR. Helfen *et al*. (2018: 1657) and Schultz (2019: 6–9) concur with the notion that employment relations will still be essential in the future world of work. Ulrich *et al.* (2017) and Schultz (2019: 6–9) concur that it is important for HR managers to possess business acumen. Boudreau (2015: 46–54) and Junita (2021: 229–235) also found the importance in the area of HR managers' analytical skills to make better decisions. Ethical development was also accentuated in the findings of Aryati et al. (2018: 233–249) and Silver (2018: 186–192). Schultz (2018: 818–832) also found that resilience is an important ingredient to ensure productivity in the future.

Theme 3: Future HRM processes development

In preparing HR managers for the future world of work, it is important to ensure that they develop certain HRM processes. Participants mentioned many future HR processes during recruitment and selection, as well as transferring skills to the younger generation, which involves knowledge management and fully engaged HR systems:

> *Recruitment and selection sections (how do we accommodate blind people when we advertise posts).* (Participant 93, male, public sector)
> *Finding ways of capturing the skills and experience of the older generation and finding clever ways of transferring those to the younger generations.* (Participant 56, female, private sector)
> *HR systems that fully engages the employee to understand the organisation as a whole (strategy, legislation, operations).* (Participant 32, female, non-governmental organisation)

Several participants mentioned the importance of business partnering and HR value chains in the future world of work.

> *Business partnering.* (Participant 10, female, private sector)
> *HR value chains to work and support each other and not to work against each other.* (Participant 16, female, public sector)

Future HR processes will require flexibility in policies, working times and work arrangements.

> *Greater flexibility and autonomy in making changes to policies.* (Participant 46, female, private sector)

> *Flexible working times and virtual offices.* (Participant 71, female, public sector)
>
> *Flexible working arrangements which are project / output based and not time based.* (Participant 72, male, private sector)

Future HR processes should be appropriately planned today so that the execution may excel. Specific future HR processes comprise better ways of transferring knowledge from the older to the younger generations, as well as HR systems that fully engage the employee to understand the organisation as a whole (strategy, legislation, operations). Flexibility in policies, in working times and in work arrangements were also accentuated by the participants. Caligiuri *et al*. (2020: 697–713) also found that HR mangers need to be skilled in handling future HR processes in order to deal with challenges such as a pandemic, the 'new normal' and other future challenges. According to Ulrich *et al*. (2017) and Schultz (2019: 6–9), business partnering and HR value chains are of current significance to HRM, but it was clear that several participants mentioned the importance thereof in the future as well. Lee (2017), Junita (2021: 229–235), Caligiuri *et al*. (2020: 697–713) and Schultz (2021) also found that the flexibility of HR managers is an important part of the future of HRM.

To answer the research question posed in this study 'What are the essential future developmental areas for human resource managers post-Covid-19?', the following three essential areas were identified:

- Future thinking development: future-forward mind-set, systems thinking, strategic thinking, proactive solutionist thinking and meta-cognition.
- Future HRM competencies development: soft skills, work ethics, business acumen, business and leadership skills, strategic leadership, self-leadership, understanding self-directed work teams, meta-cognition, analytical skills, relationship building and resilience.
- Future human resource processes: better ways of transferring knowledge from the older to the younger generations, HR systems that fully engage the employee to understand the organisation as a whole, flexibility in policies, in working times and in work arrangements.

The practical contribution of this study entails the extension of the body of knowledge about the future of HRM with specific reference to the following:

- future thinking (future-forward mind-set, systems thinking, strategic thinking and proactive solutionist thinking);
- future HRM processes to find better ways of transferring knowledge from older to younger generations;
- HR systems that fully engage the employee to understand the organisation as a whole (strategy, legislation, operations); and
- flexibility regarding policies, working times and work arrangements.

The empirical contribution entails that, by using an open qualitative method, it was found that HR managers now know which areas they should focus on in order to be ready for the future world of work. Examples of the essential future HRM competencies are soft skills, work ethics, business acumen, business and leadership skills, strategic leadership, self-leadership, a better understanding of the challenges of self-directed work teams, meta-cognition, analytical skills, employment relations and relationship building, and resilience.

PRACTICAL AND MANAGERIAL IMPLICATIONS

A practical implication for organisations who ignore the areas of development to prepare HR managers, is that they will then not be able to pave the way for a better integration of digital and human labour (Rao, 2019). The practical implications for HR managers lie in the fact that they must be developed to be prepared for the future world of work. Whatever the change, HR managers should always be willing to learn new competencies and develop better HR processes, even if these are entirely different from what they had been doing previously. This is all part of the process of HRM leading organisations to the forefront of change, and those that fail to adapt quickly will be left behind. The focus should be on soft skills and new skills that are in line with advanced technology, work ethics, business acumen, business and leadership skills, strategic leadership and self-leadership. Analytical skills, employment relations, relationship building and resilience should also be improved in order to ensure that HR managers have the ability to impact their internal and external work environment.

On a managerial level, HR managers should impact their organisations by bridging the gap between the digital and the human component and to suggest HRM processes to help achieve a balance for the future of work (Rao, 2019). Preparing for the future of work therefore involves a significant commitment to develop HR managers to manage human–machine collaboration. HR managers therefore need to be developed in future thinking skills and HR competencies such as strategic leadership, self-leadership, technology, work ethics, employment relations, business acumen, analytical skills and resilience to contribute to the profitability and productivity of organisations through excellent HR processes.

HR managers should also impact HRM processes by accommodating people with disabilities when positions are advertised, knowledge management, business partnering, flexible policies, flexible working times and flexible work arrangements.

LIMITATIONS, RECOMMENDATIONS AND FUTURE RESEARCH IDEAS

The present study had limitations, and therefore, the findings should be read with care. First, whereas a single-case study approach facilitated a rich investigation of the future of HRM, the theory the researcher derived from this investigation may be limited in its generality. Second, only

members of one professional body participated, and the views of other HR practitioners in South Africa were not obtained. Most of the participants' views were critically on point, whereby they mostly listed the areas of development instead of providing proper elaborative discussions. Due to the fact that SurveyMonkey was used, further interaction to follow up on the participants' views could not take place. Fortunately, all the participants provided appropriate input, and rich data was still obtained to investigate the essential areas of development to prepare HR managers for the future world of work.

It is recommended that HR managers' areas of development be addressed. In order to prepare HR managers for the future world of work, the cognitive development of these managers is also essential, for example meta-cognition, a future-forward mind-set, systems thinking, future thinking, strategic thinking and proactive solutionist thinking. Future HR processes, such as how to accommodate people with disabilities as part of the recruitment process and how to keep up with learning new ways of working, are crucial. Today, the world is challenged by poor job opportunities as a result of modern technology, and HRM must be developed to manage that space with fresh new ideas for jobs. HRM has to find clever ways of capturing the older generation's skills and experience and transferring them to the younger generations. HR systems that fully engage employees to understand the organisation as a whole (strategy, legislation, operations) should be employed. Future HR processes will require flexibility with regard to policies, working times, virtual offices and working arrangements.

A direction for future research is to duplicate the present research in other countries to determine what the future of HRM, the role of HR managers in the 4IR and developmental areas of HR managers entail. Another suggested research approach might be to develop a questionnaire that is based on the findings of the present study in order to conduct a quantitative study about the future of HRM. Within such a quantitative approach, different variables that influence the future of HR can then be identified.

CONCLUSIONS

The purpose of this paper was to identify the essential areas of development to prepare HR managers for the future world of work. The findings of this study entails three major themes namely, future thinking development such as future-forward mind-set, systems thinking and proactive solutionist thinking; future HRM competencies development such as soft skills, relationship building and resilience; and lastly, future human resource processes such as HR systems that fully engage the employee and flexibility. The future of HR has arrived. HR managers thus need to obtain future thinking skills and the necessary HR competencies to contribute to the profitability and productivity of organisations through excellent HR processes.

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Implementation of sustainability in human resource management: A literature review

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ABSTRACT

Sustainability has become increasingly important in organisations, particularly for human resource management (HRM) due to the challenge faced in implementing sustainability in their daily activities. This qualitative study collected data by means of an integrative literature review that retrieved appropriate and relevant journal articles from the Business Source Ultimate database, which is one of the EBSCOhost databases. The findings suggest that green human resource management (GHRM) was the most frequently implemented concept and was often combined with rare cases of corporate social responsibility (CSR) implementation. Sustainable human resource management (SHRM) was seldom implemented. Interestingly, the implementation of the economic sustainability dimension in HRM was found to be non-existent. Regarding the process of sustainability implementation in HRM, some links have been established between sustainability dimensions and HRM, incorporating sustainability into HRM was not evident. This paper ends with a discussion of some insights for future research based particularly on the findings.

Keywords: Sustainability; Human Resource Management (HRM); Green Human Resource Management (GHRM); Corporate Social Responsibility (CSR); Sustainable Human Resource Management (SHRM)

INTRODUCTION

Sustainability is a multi-layered phenomenon (Nhamo, Mabhaudhi, Mpandeli, Nhemachena, Senzanje, Naidoo, Liphadzi and Modi, 2019; Bradford and Williams, 2014; Stankeviciute and Savaneviciene, 2013; Bulter, Henderson and Raiborn, 2011;) which entails the 3 Ps, symbolising the planet, persons and profit (Inwood and Dale, 2019; Chaka, 2018; Elkington, 1997), with the purpose of achieving economic prosperity, ecological safety and societal impartiality, and striking an effective balance between them (Muñoz-Torres, Fernández-Izquierdo, Rivera-Lirio and Escrig-Olmedo, 2019). It is a three-legged stool encompassing three dimensions (Chofreh and Goni, 2017), which are commonly referred to as the "triple bottom line" (TBL) (Chaka, 2018; Muñoz-Torres *et al.*, 2019; Inwood and Dale, 2019).

Sustainability is a paradigm that recently emerged in human resource management (HRM) (Freitas, Jabbour and Santos, 2011; Jabbour and Santos, 2008). On the one hand, contemporary management perceived the importance of the new concept of green human resource management (GHRM) (Sardana, 2018). GHRM has the following objectives: to enhance organisations' environmental management (EM) efficiency (Ren, Tang and Jackson, 2018: 769), to promote the practices of environmental maintenance, fortification and steadiness (Saeed, Afsar, Hafeez, Khan, Tahir and Afridi, 2019), and to enhance the consciousness and regulation of ecological sustainability (Ren *et al.*, 2018). Currently, GHRM is viewed as a noteworthy organisational strategy (Sardana, 2018: 63). On the other hand, Krama (2014) acknowledged that the sustainable HRM approach has evolved over the past decade. The introduction of sustainable HRM is amongst the current embryonic topics (Esfahani, Rezaii, Koochmeshki and Parsa, 2017). However, sustainable HRM (SHRM) remains a forthcoming theme (Mazur, 2015) and is still in its developing stages (Stankeviciute and Savaneviciene, 2019), which means that it has not been widely researched yet (Mazur, 2015). In light of this, it might be necessary to expand studies on sustainable HRM. Furthermore, social HRM and economic HRM are still infrequent themes in the literature on sustainability and HRM.

According to Truss, Shantz, Soane, Alfes and Delbridge (2013) and Lai, Saridakis and Johnstone (2017), the connection between HRM and performance is arbitrated by attitudinal variables such as a planned social exchange. For successful arbitrage, the social facet needs to be linked to HRM. Sanyal and Sett (2011) emphasised the causal relationship between ecological uncertainties and HR options, as well as strategic HRM. Similarly, Ren, *et al*. (2018) recognized the increasing prevalence of studies establishing the relationship between several environmental management aspects and overall ecological performance. However, Krama (2014) acknowledged the semantic challenges in linking sustainability concepts to HRM. Since the possibilities of connecting HRM practices to organisations' ethical climates and sustainability have not been sufficiently explored yet (Guerci, Radaelli, Siletti, Cirella and Shani, 2015), it is necessary to provide organisations with various options for linking sustainability to HRM. More precisely, demonstrating the way in which environmental, social and economic dimensions of sustainability can be integrated into HRM might facilitate its implementation.

Misunderstandings regarding sustainability might affect its implementation in HRM and the connection between the two areas. In particular, the miscellaneous interpretations of sustainability hinder its incorporation into HRM (Mazur, 2015; Sanyal and Sett, 2011). Similarly, although numerous studies focused on common GHRM practices (Saeed *et al.*, 2019; Odamkula, Krishnan and Mariappan, 2018; Tang, Chen, Jiang, Paille and Jia, 2018; Ooi, Amran, Goh and Nejati, 2017;

Renwick, Redman and Maguire, 2013), only a few studies focused on the role played by GHRM in integrating environmental management (EM) with HRM (Shah, 2019). Furthermore, the sustainability theme is extensively separated from several HRM subfields (Mazur, 2015). Therefore, there is a need to incorporate sustainability into the overall HRM field, as well as its thinking, fundamentals, processes and practices, and to establish a link between them. The aim of this paper is to review literature on sustainability implementation in HRM.

PROBLEM STATEMENT

Incorporating sustainability into HRM has been the main problem in terms of its implementation. As already mentioned, the sustainability theme is extensively separated from several HRM subfields (Mazur, 2015). However, modern HR experts are frequently confronted with the need to incorporate ecological sustainability into human resource policies in an appropriate manner (Saeed *et al*., 2019). It is important to incorporate environmental, social and economic aspects into HRM policies, performance, thinking, fundamentals, processes and practices.

The establishment of a connection between sustainability and HRM does, however, present a challenge. For instance, sustainability has not been methodically linked to HRM (Mazur, 2015), since theorizing about the relationship between sustainability and HRM is problematic (Krama, 2014). This has been demonstrated by Ren *et al*. (2018), who confirmed the lack of studies concerning the relationship between GHRM and HRM. Moreover, as previously indicated, misunderstandings regarding sustainability hinder the establishment of a link with HRM (Mazur, 2015; Sanyal and Sett, 2011). Therefore, there is a need to investigate how previous studies have linked sustainability and its implementation to HRM.

RESEARCH OBJECTIVES

The aim of this study is to:

• Review the existing literature on the implementation of sustainability in HRM
• Examine various studies that demonstrate the implementation of sustainability dimensions in HRM
• Discuss existing studies on the implementation of sustainability in HRM
• Review the literature on the incorporation of sustainability into HRM and the relationship between sustainability and HRM

RESEARCH DESIGN/ METHODOLOGY

Research design

The study explores the implementation of sustainability in HRM. Using an exploratory design, a variety of literature from different journals provides case studies that show how sustainability is implemented in HRM (Poulter, 2006), with the potential of providing recommendations for future research in this field (Babbie, 2007). The exploratory design is most appropriate for responding to the research questions and revealing the existing limitations of the literature regarding this topic. In addition, the present study is part of the interpretive paradigm, which means that it seeks to explore, understand and interpret the implementation of sustainability, as presented through the literature review, in a comprehensive manner (Mackenzie and Knipe, 2006; Cohen and Manion, 1994). In essence, this qualitative study reviews the literature on sustainability implementation in HRM.

Research method

Integrative reviews, semi-systematic reviews and systematic reviews are three different types of literature reviews, as described by Snyder (2019). The research method adopted for this qualitative study was an integrative literature review. This method was chosen in order to explore the diverse type of reviews that have been used in the investigation of sustainability implementation in HRM (Snyder, 2019). An integrative literature review was relevant in this instance because it helps to remain focused on the topic and the context of this study. It will facilitate a deeper understanding of the topic and its context by breaking down a broad topic into the context, in order to collect adequate and relevant information. This type of review was therefore suitable for this study, as it provided, the researcher with the tools to manage a rapidly growing area of research (Torraco, 2016) that lacked sufficient coverage. An integrative review will assist in filling this gap.

Data collection techniques

The integrative literature review began with the collection of literature on sustainability and human resource management. The researcher collected articles using the online library of the University of Witwatersrand in Johannesburg, by selecting databases listed alphabetically by title. The EBSCOhost suite of databases was then selected, as it provides abstracts of articles in magazines, journals and newspapers as well as full-text articles that are relevant to business and management studies. Business Source Ultimate, which falls under the list of EBSCOhost databases, was chosen as the preferred database due to the valuable collection of peer-reviewed, full-text journals and other resources that it offers. Furthermore, this database provides sources that include past and present information relevant to debates about future trends in business transformation and growth.

Business Source Ultimate was the only database used to collect journal articles that are appropriated to this study. Firstly, the collection of articles was based on the name of the journals in which they were published. This included journals covering topics such as management, organization management, business ethics, business strategy and the environment, human resource management, corporate social responsibility and environmental management, business and management research, and green management.

Secondly, journal articles were selected according to the topic. The following terms were used to conduct the online searches, and the results for each term are indicated in brackets: - Implementation of sustainability in HRM (4 results), sustainability and HRM (783 results); and sustainability in HRM (105 results). In order to obtain a small but relevant sample, we searched for articles on sustainability and HRM from 2016 to 2021, which yielded 48 results. Thirdly, articles were searched using the keywords mentioned on the cover page of this paper. The following are the terms used and their results: -Sustainability in HRM (5 results)., green HRM (18 results)., corporate social responsibility (8 results) and sustainable HRM (8 results).

However, some articles are not included in this study because their topics were not related to sustainability and HRM or did not contain the keywords of this study, or the name of the journal did not sound appropriate to the field of business or management. Furthermore, 9 results were excluded because they were not related to the topic and keywords, and the names of the journals were irrelevant to this study. The tables containing details of the results found during the selection of the journal articles are attached as Appendix A.

Data analysis techniques

Literature reviews entail the examination, assessment and interpretation of existing literature in order to conduct a thorough analysis (Bowen, 2009). Thus, after classifying all the reviewed literature, content analysis (CA) was used to analyse the content of the literature in terms of sustainability and its dimensions, as well as HRM and its related aspects (Saldana, 2013). CA was deemed suitable as it allowed for the identification of concepts displayed in the reviewed literature that were relevant to the topic and keywords of the study. In line with this, the paper used conventional qualitative content analysis, since the coding categories were initially generated directly from the literature itself (Hsieh and Shannon, 2005). The reviewed literature was then analysed and interpreted in terms of the key concepts of the study. These concepts are part of the coding categories generated from the literature (Krippendorff, 2004).

LITERATURE REVIEW

According to Guerin, Janta and van Gorp (2018), a literature review entails the review of documents published on a certain subject. It allows the researcher to synthesise and summarise

the reviewed documents and transcribe existing material. The tables below present the literature that was reviewed in this study.

TABLE 1:

Results for studies on sustainability in human resource management

Items	Authors' names	Year	Topic	Name of journal	Comments
1	Yong, Yusliza, Ramayah, Jabbour, Jose; Sehnem and Mani	2020	Pathways towards sustainability in manufacturing organizations: Empirical evidence on the role of green human resource management.	Business Strategy & the Environment	**Included**
2	Guerci, Decramer, Van Waeyenberg and Aust	2019	Moving Beyond the Link Between HRM and Economic Performance: A Study on the Individual Reactions of HR Managers and Professionals to Sustainable HRM.	Journal of Business Ethics	**Included**
3	Kiesnere and Baumgartner	2019	Sustainability management emergence and integration on different management levels in smaller large-sized companies in Austria.	Corporate Social Responsibility & Environmental Management.	**Excluded**
4	Saeed *et al.*	2019	Promoting employee's pro-environmental behavior through green human resource management practices.	Corporate Social Responsibility & Environmental Management.	**Included**
5	Ren *et al.*	2018	Green human resource management research in emergence: A review and future directions.	Asia Pacific Journal of Management	**Included**

The above table shows the 5 results for the search on sustainability in human resource management. Of these 5 results, 4 were included in this study, while **Item 3** was excluded from this study because the topic is not related to sustainability in HRM.

TABLE 2:

Results for studies on environmental HRM

Items	Authors' names	Year	Topic	Name of journal	Comments
1	Yong, Yusliza, Ramayah, Jabbour, Jose; Sehnem and Mani	2020	Pathways towards sustainability in manufacturing organizations: Empirical evidence on the role of green human resource management.	Business Strategy & the Environment	Included X
2	Chaudhary	2020	Green Human Resource Management and Employee Green Behavior: An Empirical Analysis.	Corporate Social Responsibility & Environmental Management.	Included
3	Davis, Unsworth, Russell and Galvan	2020	Can green behaviors really be increased for all employees? Trade-offs for "deep greens" in a goal-oriented green human resource management intervention.	Business Strategy & the Environment	Included
4	Roscoe, Subramanian, Jabbour and Chong	2019	Green human resource management and the enablers of green organisational culture: Enhancing a firm's environmental performance for sustainable development.	Business Strategy & the Environment	Included
5	Chaudhary	2019	Green human resource management and job pursuit intention: Examining the underlying processes.	Corporate Social Responsibility and Environmental Management.	Included
6	Gilal, Ashraf, Gilal, Gilal and Channa	2019	Promoting environmental performance through green human resource management practices in higher education institutions: A moderated mediation model.	Corporate Social Responsibility & Environmental Management	Included
7	Longoni, Luzzini and Guerci;	2018	Deploying Environmental Management Across Functions: The Relationship Between Green Human Resource Management and Green Supply Chain Management.	Journal of Business Ethics.	Included
8	Shah	2019	Green human resource management: Development of a valid measurement scale.	Business Strategy & the Environment	Included
9	Saeed *et al.*	2019	Promoting employee's pro-environmental behavior through	Corporate Social	Included

#	Authors	Year	Title	Journal	Included
			green human resource management practices.	Responsibility & Environmental Management.	X
10	Ren et al.	2018	Green human resource management research in emergence: A review and future directions.	Asia Pacific Journal of Management	Included X
11	Haddock-Millar, Sanyal and Müller-Camen	2016	Green human resource management: a comparative qualitative case study of a United States multinational corporation.	International Journal of Human Resource Management	Included
12	Guerci, M and Carollo, L	2016	A paradox view on green human resource management: insights from the Italian context.	International Journal of Human Resource Management	Included
13	Ooi et al.	2017	Perceived Importance and Readiness of Green HRM in Malaysian Financial Services Industry.	Global Business & Management Research.	Included
14	Guerci, Longoni and Luzzini,	2016	Translating stakeholder pressures into environmental performance -- the mediating role of green HRM practices.	International Journal of Human Resource Management.	Included
15	Obeidat, Al Bakri and Elbanna	2020	Leveraging "Green" Human Resource Practices to Enable Environmental and Organizational Performance: Evidence from the Qatari Oil and Gas Industry.	Journal of Business Ethics.	Included
16	Shen, Dumont and Deng	2018	Employees' Perceptions of Green HRM and Non-Green Employee Work Outcomes: The Social Identity and Stakeholder Perspectives.	Group & Organization Management.	Included
17	Bohlmann, van den Bosch and Zacher	2018	The relative importance of employee green behavior for overall job performance ratings: A policy-capturing study.	Corporate Social Responsibility & Environmental Management.	Included
18	Renwick, Jabbour, Muller-Camen, Redman and Wilkinson	2016	Contemporary developments in Green (environmental) HRM scholarship.	International Journal of Human Resource Management	Included

The above table displays the 18 results of the search for literature on environmental HRM which are included in this paper. When searching for articles on environmental HRM, Green Human Resource Management (GHRM) was found to be the most frequently used term in relation to ecological HRM. Furthermore, Items 1, 9, and 10 were already mentioned in Table 1.

TABLE 3:

Results for studies on Social HRM

Items	Authors' names	Year	Topic	Name of journal	Comments
1	Andrei, Panait and Voica	2018	Challenges and approaches for the corporate social responsibility and human resource management in the financial sector.	Economics, Management & Financial Markets.	Included
2	Ang, Cavanagh, Southcombe, Bartram, Marjoribanks and McNeil	2017	Human resource management, social connectedness and health and well-being of older and retired men: the role of Men's Sheds	International Journal of Human Resource Management	Included
3	Paruchuri, Perry-Smith, Chattopadhyay and Shaw	2018	New Ways of Seeing: Pitfalls and Opportunities in Multilevel Research.	Academy of Management Journal.	Excluded
4	Getele, Li and Arrive	2020	Corporate culture in small and medium enterprises: Application of corporate social responsibility theory.	Corporate Social Responsibility & Environmental Management	Excluded
5	Barrena-Martínez, López-Fernández and Romero-Fernández	2019	Towards a configuration of socially responsible human resource management policies and practices: findings from an academic consensus.	International Journal of Human Resource Management.	Included
6	Taghavi	2019	Mental Construal and Employee Engagement: For More Engagement Look at the Big Picture.	S International Studies of Management & Organization.	Excluded
7	Macaulay, Peng,	2018	Balancing on the Triple Bottom Line: An Examination of Firm	SAM Advanced	Excluded

Items	Authors' names	Year	Topic	Name of journal	Comments
	Richard and Washburn			Management Journal	
				CSR Strategies.	
8	Abolade	2019	Effects of Family Demands on Job Performance and Intention to Quit of Female Employees in Selected Financial Institutions in Akure, Nigeria.	Economic Insights - Trends & Challenges.	Excluded

Table 3 above shows 8 results. When searching for literature on social HRM, corporate social responsibility was found to be the most frequently used term in relation to social HRM. 4 results were included in this paper and 4 were excluded. Items 3, 4, and 6 were excluded since the topic is not related to HRM, and Item 8 was excluded because the topic and journal are irrelevant to this study.

TABLE 4:

Results for studies on economic HRM

Items	Authors' names	Year	Topic	Name of journal	Comments
0	None provided	0	None provided	None provided	None

No results were found when searching for literature on economic HRM.

TABLE 5:

Results of studies on Sustainable HRM

Items	Authors' names	Year	Topic	Name of journal	Comments
1	Santana and Lopez-Cabrales	2019	Sustainable development and human resource management: A science mapping approach.	Corporate Social Responsibility & Environmental Management.	**Included**
2	Järlström, Saru and Vanhala	2018	Sustainable Human Resource Management with Salience of Stakeholders: A Top Management Perspective.	Journal of Business Ethics.	**Included**
3	Martínez-Garcia, Sorribes and Celma	2018	Sustainable Development through CSR in Human Resource Management Practices: The Effects of the Economic Crisis on Job Quality.	Corporate Social Responsibility & Environmental Management	**Included**
4	Jo, Aryee, Hsiung, Hsin-Hua and Guest	2020	Fostering mutual gains: Explaining the influence of high-performance work systems and leadership on psychological health and service performance.	Human Resource Management Journal.	**Excluded**
5	Guerci, Decramer, Van Waeyenberg and Aust	2019	Moving Beyond the Link Between HRM and Economic Performance: A Study on the Individual Reactions of HR Managers and Professionals to Sustainable HRM.	Journal of Business Ethics.	**Included** X
6	Mariappanadar and Aust	2017	The Dark Side of Overwork: An Empirical Evidence of Social Harm of Work from a Sustainable HRM Perspective.	International Studies of Management & Organization.	**Included**
7	Segalla and De Nisi	2019	International Perspectives on Employee Engagement: Are American Firms Leading. The Way or Walking Alone?	International Studies of Management & Organization.	**Excluded**
8	Pellegrini, Rizzi and Frey	2018	The role of sustainable human resource practices in influencing employee behavior for corporate sustainability.	Business Strategy & the Environment Academic Journal	**Included**

The above table displays 8 results. **Item 4** was excluded from this paper because the topic is not related to HRM, and **Item 5** was already mentioned in **Table 1.**

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DISCUSSIONS

The discussion in this section focuses on sustainability implementation in HRM in terms of sustainability dimensions, particularly green HRM, social HRM, economic HRM and sustainable HRM, as they appear in the titles of the reviewed literature. This is, followed by a summary of the contents of this literature. The aim of this discussion is to discover the level of sustainability integration with HRM and the relationship between sustainability and HRM, as revealed by the reviewed literature.

Implementation of sustainability dimensions in HRM

The search on the selected database yielded 48 results for sustainability and HRM, 5 results for Sustainability in HRM, 18 results for Green HRM, 8 results for corporate social responsibility in HRM, and 8 results for Sustainable HRM. Furthermore, from the 48 results, 39 were presented in Section 5 above, while 9 results were excluded because they were not related to the topic and keywords, and the names of the journals were also irrelevant to this study.

The reviewed literature revealed that Green Human Resource Management (GHRM) was the term mostly used to refer to environmental HRM (Yong *et al*., 2020; Davis *et al*., 2020; Obeidat *et al*., 2020; Chaudhary, 2019; Roscoe *et al*., 2019; Saeed *et al*., 2019; Gilal *et al*., 2019; Shah, 2019; Longoni, *et al*., 2018; Shen *et al*., 2018; Bohlmann *et al*., 2018; Ren *et al*., 2018; Ooi *et al*., 2017; Guerci and Carollo, 2016; Renwick, *et al*., 2016; Haddock-Millar *et al*., 2016; Guerci *et al*., 2016). Likewise, corporate social responsibility was the common term used in reference to social sustainability in HRM or social HRM (Getele *et al*., 2020; Andrei *et al*., 2018; Macaulay *et al*., 2018). Furthermore, in order to make the concept's name shorter, Barrena-Martínez *et al*. (2019) employed the term socially responsible human resource management. However, Ang *et al*. (2017) focused more on HRM and social connectedness. Nevertheless, no concept was related to economic HRM. In other words, the economic dimension of sustainability seems to be ignored within the existing literature on sustainability implementation in HRM. This emphasises the need to give attention to the area of economic HRM. Overall, the concepts of green HRM and CSR seem to be difficult to understand, especially by professionals in the field. While employing environmental HRM and social HRM concepts frequently could help scholars, practitioners and professionals in the field to better understand these concepts, its implications and expected actions need further research. Similarly, the concepts of economic HRM and financial HRM need to be explored by researchers and scholars in the field.

Sustainable HRM was implemented by Mariappanadar and Aust (2017); Järlström *et al*. (2018); Pellegrini *et al*. (2018) and Guerci *et al*. (2019). However, the reviewed literature on sustainable HRM placed more emphasis on sustainable development and human resource management than

sustainable HRM itself (Santana and Lopez-Cabrales, 2019; Martínez-Garcia *et al*., 2018). Furthermore, although the concept of sustainable HRM was also used in the literature, none of the reviewed literature used the three sustainability dimensions simultaneously. The meaning of the word sustainable is supposed to address the three dimensions of sustainability. Thus, sustainable HRM should incorporate the economic, environmental and social facets of HRM. This is a gap that needs to be filled by scholars and experts in the field.

Various activities related to sustainability implementation in HRM

Perceptions regarding sustainability in HRM were provided in the literatures. This included the perception of emerging ecological sustainability in HRM (Guerci and Carollo, 2016) and the perception of GHRM practices (Guerci *et al*., 2016). At the same time, the understanding of sustainability in HRM has been shown in some studies. Examples of this include the understanding of GHRM's growth (Ren *et al*., 2018) and role (Chaudhary, 2020), as well as SHRM and top managers' responsibility, and stakeholder identification and priority (Ja¨rlstro¨m *et al*., 2018). Furthermore, the review of contemporary GHRM (Renwick *et al*., 2016) and SHRM themes, evolution and tendencies (Santana and Lopez-Cabrales, 2019). the readiness for GHRM implementation (Ooi *et al*., 2017) and the adoption of green practices (Longoni *et al*., 2018) were the focal points of some studies. Other studies prioritised the analysis of similarities and differences between GHRM approaches (Haddock-Millar *et al*., 2016); the analysis of HRM and community organisations (Ang *et al*., 2017), as well as the analysis of antecedents and outcomes of GHRM (Obeidat *et al*., 2020). Moreover, some literature focused on the importance of employees' green behaviour (Bohlmann *et al*., 2018); measurement of green practices (Shah, 2019) and the establishment of socially responsible human resource practices (Barrena-Martínez *et al*., 2019). However, the sustainability dimensions that are missing from these studies need to be taken into account in future research.

Implementation of sustainability through its link to HRM

The literature review revealed the relationships between sustainability dimensions and HRM. This includes the link between GHRM practices, green organisational culture, and a firm's environmental performance (Roscoe *et al*., 2019)., the relationship between GHRM and job pursuit intention (Chaudhary, 2019), as well as the association between GHRM and non-green workplace outcomes (Shen *et al*., 2018). These environmental aspects need to be investigated from social and economic perspectives. In other words, there should be a connection between social HRM practices, social organisational culture, and organisations' social performance, as well as between economic HRM practices, economic organisational culture, and organisations' economic performance.

Implementation of sustainability through its incorporation into HRM

No studies on GHRM, social HRM or economic HRM were found in the reviewed literature. This calls for further research on the topic to discover the reason why the incorporation of sustainability into HRM has not been part of sustainability implementation in HRM.

MANAGERIAL IMPLICATIONS

Like other organisational departments, HRM has an important role to play within organisations. However, it is inevitable that HRM will face sustainability challenges in this setting, but there are also opportunities for sustainability in this area. To explain, in order to meet the requirement of actual organisations' standards, HR managers need to establish various links between each sustainability dimensions and the whole HRM system. Moreover, they should also integrate the environmental, social and economic sustainability dimensions into HRM. This could help HRM to become more sustainable.

RECOMMENDATIONS

The recommendations of this study are threefold, as discussed below:

It is evident that sustainability has been investigated in the field of HRM. This integrative literature review revealed the relationships between the environmental sustainability dimension and HRM. However, the relationships between the social sustainability dimension and HRM, as well as the economic sustainability dimension and HRM were not found. Therefore, scholars are called to consider these gaps.

In addition to the above, the current reviewed literature revealed the lack of studies on sustainability incorporation into HRM. In a like fashion studies on GHRM, social HRM or economic HRM were not found at all. This calls for not only further research on the topic but also the investigation on the reason why the incorporation of sustainability into HRM has not been part of sustainability implementation in HRM.

Furthermore, the concept sustainable HRM already exist. The concept should cover the three sustainability dimensions simultaneously. However, so far GHRM remains the sole concept that has emerged by practitioners and scholars. Hence, there is a need to develop the concepts social HRM, economic HRM and financial HRM. Employing these concepts frequently could help scholars, practitioners and professionals in the field to better understand these concepts. Likewise, its implications and expected actions in the field need further research.

LIMITATIONS AND FUTURE STUDIES

It is not clear why research on sustainability in HRM has been neglected, which means that many opportunities to build the body of knowledge about sustainability in HRM have been missed. Therefore, in line the recommendations proposed in Section 8 of this paper, scholars and practitioners need to conduct studies by expanding the relationship between sustainability and HRM as well as by the incorporating sustainability into HRM. Although this study was limited to the literature review methodology, future research could consider the proposed areas by adopting quantitative, qualitative or mixed method approaches.

CONCLUSION

This paper, which is based on an integrative literature review, explored sustainability implementation in HRM. It presented the topic areas that were covered by various studies. The reviewed literature revealed that GHRM has been the most implemented practice, followed by rare cases of CSR and SHRM implementation. However, the implementation of economic sustainability dimensions in HRM seems to have been ignored. In the process of sustainability implementation in HRM, relationships have been established between sustainability dimensions and HRM, but the incorporation of sustainability into HRM remains unexplored. Following the discussion of the findings of this study, some recommendations were made for future studies which could contribute to the growing body of literature in this area. Furthermore, the findings could be used to conduct a similar study using other research approaches, such as quantitative, qualitative or mixed method approaches.

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Intricacies of HRM as a Managerial Profession of South Africa:

A conceptual analyses

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ABSTRACT

The extent to which human resource management can be considered a profession in South Africa is still being debated. The primary goal of this study was to review the literature on the progression of professionalisation and professionalism in HRM in general and practices that could be explicitly adopted in the South African context. This manuscript is organised as a review of the literature. The literature review findings show that the current South African HR fraternity can obtain common understandings of HR professionalism when applied to all vocational settings by developing a governing body with legal status, a body of knowledge, and establishing standards for all HR practices at all organisational levels. The ontological methodology of literature analyses highlighted the significance, guiding principles, and expected behaviour of professionals in general and HRM practitioners in South Africa. Finally, recommendations are made for the enhancement of HR professionalism.

Keywords: human resource management; legal compliance; professionalism; professional bodies; statutory frameworks

INTRODUCTION

Scholars and practitioners increasingly recognise the value of competent human capital management in achieving peak organisational performance (Boudreau and Lawler, 2014). Moreover, human resources (HR) play a critical role in developing and implementing corporate strategy and are a high-value-added organisational component in enabling individual performance (Castro, de Araújo, Ribeiro, Demo and Meneses, 2020). Consequently, academics, researchers, and practitioners are reconsidering the status of the HRM occupation and the transformation thereof into a profession to reap the full benefits thereof in the workplace (Slater, 2020; Schutte, Barkhuizen and van der Sluis, 2015a). Unfortunately, it would be unavoidable for the HR profession to face various challenges in its quest for legitimacy and a good reputation (Baron,

2018). As claimed by Ulrich (1997: 251) several decades ago "the need for improved professional status may just become pivotal."

HRM scholars and practitioners worldwide are currently debating whether HRM should be considered a profession, and if so, what the characteristics of the profession should be (Parks-Leduc, Rutherford, Becker and Shahzad, 2017). Early scholars such as Losey (1997: 147) argued that "human resource management is a profession." In support, Ulrich and Eichinger (1998) stated that "HR must become more professional." In their writings, numerous HR researchers and scholars (e.g., Losey, Meisinger and Ulrich, 2005; Ulrich and Brockbank, 2005) and institutions (e.g., Harvard, Cornell, and the American Business Association) use the term HR professional.

The South African Human Resources Management Society could benefit from international HR or people management practices (Van Rensburg, Basson and Carrim, 2011). HR practitioners once faced a credibility crisis similar to the one that many impact assessment practitioners face. There is widespread agreement among researchers, scholars, and practitioners that the path to improved status for HR practitioners entailed reinventing their roles as business partners and internal consultants to boost business competitiveness (Matuska and Niedzielski, 2018). Many authors agree that HR practitioners should adopt the characteristics of traditional professions and become more professional (Slater, 2020; Schutte, Barkhuizen and van der Sluis, 2015a; b).

In this study, the current state of HRM will be examined through the eyes of scholars and researchers, specifically in the South African context. However, before attempting this, it is necessary to define the terms profession and professionalism and explain why fit is essential in HRM becoming a profession. Furthermore, using literature as a guide, we question the dynamics that shape the composition of HR practitioners, taking into account the definitions of professionalism, semi-profession, professionalisation, and the characteristics of a profession.

CONCEPTUALISING THE TERM *PROFESSION*

Despite some inconsistency in the definition of a profession, early scholars agree on several requirements that must be met for a profession to be recognised as such (see Hodson and Sullivan, 2012; van Rensburg, 2010; Rice and Duncan, 2006; Welie, 2004):

- a defined, common body of complex knowledge, together with a set of common skills;
- an autonomous, self-regulating national professional guild or association, in most cases set up through an Act of parliament;
- a certification programme through which the professional qualification can be achieved;
- a code of ethics to guide the behaviour of members of the profession; and

- a social contract between the custodians of the profession and the trusting public.

In the following section, we discuss the extent to which HRM can be considered a profession.

HRM as a profession

HRM has worked hard to establish itself as an influential and regulatory profession based on a body of applied knowledge to assist in regulating human activities within organisations (De Coster, 1998). This body of knowledge is founded on "two pillars, strategic management and organisational behavior" (Cabral-Cardoso, 2000: 225), whereas for others, it is the result of contributions made by the so-called "employment sciences" (De Coster, 1998: 23), with particular relevance for economics, sociology, and psychology. However, as many authors have pointed out, both perspectives appear unable to accommodate the array of theoretical and methodological contributions that HRM has drawn on in its attempt to respond to an increasingly complex reality. Gilbert (2000: 10) asserted that "human resource management is deeply rooted in the human sciences, drawing the majority of its inspiration from them." According to Guest and Zing (2004: 404), the conceptualisation required for HRM should increasingly be anchored in a "broad-ranging knowledge of the social sciences."

Fanning (2011) uncovered nine characteristics that define human resources in its drive toward professionalism in the United States and the United Kingdom. These included (1) a governing body, (2) certification, education, and training, (3) a body of knowledge, (4) an ethical and disciplinary code, (5) legal status, (6) a research base, (7) independence, (8) contributing to society, and (9) recognition. The following section provides brief descriptions of these characteristics.

The governing body. The professional body's role may help define the body of knowledge and enhance the legitimacy of a field (Meyer, 2016). One of the essential functions that professional associations claim to provide is the regulation of members to protect the public (Van Hoy, 1993). Thus, membership in an association may be required, participation in an association is widespread, and formal interaction and communication are highly developed (Farndale and Brewster, 2005).

Code of ethics and discipline. Most professions have ethics codes that define the ideal relationship between the professional, the client, and the community (Hodson and Sullivan, 2012). Actual professions have codes of conduct, and the meaning and consequences of those codes are taught to their members as part of their formal education. A governing body made up of respected members of the profession monitors members' compliance (Komić, Marušić and Marušić, 2015).

Independence. Independent or autonomous professionals rely on their judgment and knowledge to determine the best way to deal with the problem at hand (Dingwall, 2008). Professionals justify their autonomy by mastering the knowledge base. The general public frequently accepts this autonomy because professional education and training are required to make appropriate decisions. However, professional standards limit autonomy to some extent.

Certification, education, and training. Professionalism appears to be concerned with the knowledge, skills, and procedures involved in the occupation's practice (Bailey, 2011). Therefore, education and training must be updated and modified regularly to speak with knowledge and authority on the topics within their field. In addition, professions can use various training modes, such as a period of pupillage or internship, during which students spend a set amount of time learning their craft from an expert (Stoltz-Urban and Govender, 2014).

Legal status. Almost all professions require state licensing, and only those who meet the educational requirements and pass the board examination can be certified. Additional requirements may be added to the registration requirements or for undergoing additional training from time to time. Most professions are protected by laws that make practising without a formal license illegal (Green, 2015). However, some professionals, such as scientists, are unemployed without formal educational qualifications, even unlicensed. The profession can collaborate to limit access to its knowledge base by licensing or convincing employers to hire only trained graduates (Hodson and Sullivan, 2012).

Contribution to society: According to Barker (2010), professional bodies should instil a high level of trust in the community. They have, in effect, made a pact with society as a whole. They regulate professional society membership through examination and certification, maintain the quality of certified members through ongoing training and the enforcement of ethical standards, and may exclude anyone who fails to meet those standards (Rajcoomar, 2017). Society is rewarded for its trust with a level of service that it would not provide otherwise (Barker, 2010).

Body of knowledge. According to Baker (2010) for any given profession to function, a discrete body of knowledge for that professional field must be defined, and the field's boundaries must be established. Furthermore, there must be reasonable agreement within the field on what the knowledge should consist of. According to Hodson and Sullivan (2012), a profession's knowledge base is divided into three parts. The first component is theoretical understanding. This information is typically obtained at a university. The second section of the knowledge base contains detailed, practical information that can be used to serve a client. To provide the best service to clients, the professional must stay up to date on these developments. Finally, the knowledge base application is the third component of the knowledge base — technique (or process). Techniques are learned as part of a professional training program's applied or clinical component.

Research. According to Volti (2008), both professional societies and groups strive to expand and refine the profession's knowledge base. The associations may advocate for public funding for

research conducted by professional school faculty. The findings of the research — new knowledge and techniques — are disseminated to members via professional journals. These journals are published by professional associations or professional schools and are available to members through subscriptions and specialised libraries.

Recognition. According to Abdulla and Threadgold (2010), public recognition is a significant antecedent of the profession's status. However, professional bodies acknowledge the limitations in how it is defined and measured, and they question whether the general public should decide whether or not it is a profession (Naidoo and Rajcoomar, 2020).

Although human resources are no longer merely an occupation, many would argue that it is not yet a true profession. According to Hodson and Sullivan (2012), a semi-profession represents occupational groups that exhibit some characteristics of a profession and are thus professionalisation. More specifically, a semi-profession is an occupation that possesses some of the features of a profession but is not considered a "true" profession (Fanning, 2011). All occupations have a body of knowledge, semi-professions usually do not control it or have entry requirements. The intriguing question is whether the threshold for HR professionalisation will be a semi-profession or a "true" profession.

Professionalisation of HRM

Millerson (1964), in the early sixties, defined professionalisation as the process by which an occupation is transformed into a profession. Hodson and Sullivan (2012) view professionalisation as an occupational group's effort to raise its collective standing by adopting the characteristics of a profession. According to Gieseke (2010), professionalisation could also be considered a development practice within the HR context. According to Hall (2003), professionalism consists of five components: using a professional organisation as a significant referent, a belief in public service, a belief in self-regulation, a sense of calling, and a sense of autonomy. Cunningham (2008) view professionals to be service-oriented, which is interpreted as trustworthy. The implication is that trust, which is generally regarded as an ethical issue, is inherent in professionalism. The development of the professional-client relationship provides legitimacy to the professional; the professional must also develop a relationship with the professional body.

Based on these definitions and the preceding discussion, HR professionals should effectively deal with real-world situations. In other words, HR professionals should put on "professional glasses" and see situations clearly from the HR perspective. As a result, a professional action must always include interpreting the situation by an HR professional with scientific knowledge. HR professional action is distinguished by an appropriate (rather than a predetermined) way of acting in a given situation. Professionalism in this context means that the practitioner must have a comprehensive

understanding of the situation in which the HR professional performance is taking place and deal with it using a combination of skills (knowledge, skills, and attitudes).

HRM as a profession in South Africa

In South Africa, the shift toward professional status began to be visible in various occupations, and the focus seemed to broaden as industrialisation progressed, increasing the demand for more advanced methods and techniques. These developments also had an impact on the South African HR community. In South Africa, the professionalisation of HR practitioners is currently guided by two major role players. First, the Institute for People Management (IPM) was founded in 1945 to improve the skills of human resource professionals. The following section examines Legg's (2004) analysis of HRM professionalisation in South Africa from 1945 to 1995.

The need for human resource professionalism in South Africa led to the establishment of the IPM in 1945. The IPM initially focused on ad hoc membership with no specific requirements for the professional recognition of HRM and a disciplined approach for training HR practitioners. However, the IPM developed a set of professional HR criteria in 1964, resulting in the professional recognition of personnel practitioners in 1977 (see Legg, 2004). In this regard, the IPM set two criteria before being granted professional membership. First, appropriate levels of education and training for members to meet the competence standards for HRM, and second a code of ethical obligations for members.

As such, the IPM played an essential role in the establishment of the SABPP in 1981. The SABPP focused on standards, registration, education, training and professional conduct, whereas the IPM was more concerned with practitioner development. The SABPP further registered practitioners in two categories (i.e. practitioner and technicians) in line with established regulations and standards. The IPM also had two membership levels (i.e. full and associate), but the membership criteria were less stringent than the SABPP. Although the IPM develop a code of conduct, it could not be enforced. Likewise, SABPP registration was voluntary, by the lack of statutory support for disciplinary action could not result in a loss of enrollment in cases of member misconduct (Legg, 2004).

The SABPP gained more prominence in the 1980s in the work context. Regulations were amended to allow for great recognition for work experience in addition to academic qualifications. This modification accommodated the appeal, particularly by black people who had the experience but lacked the necessary academic qualifications resulting from the Apartheid regime. This revision allowed such individuals to register as practitioners rather than being restricted to lower technician status. The amendment did lower professional standards, but it allowed for the accommodation of

previously disadvantaged people as a concession. It exemplified the dilemma of South Africa's professionalisation process (see Legg, 2004).

The IPM and SABPP contribute significantly to the advancement of HRM as a profession and continue to do so. However, whether both institutions can be recognised as full professional HR bodies in South Africa is debatable. Table 1 below compares the professional status of the IPM and the SABPP in terms of the criteria set out by Fanning (2011).

TABLE 1:

Comparison of the IPM and SABPP regarding Professional Status

Requirements	IPM	SABPP
Governing body	No	No
Code of ethics	Yes	Yes
Independence	Limited	Limited
Certification, education & training	Yes	Yes
Legal status	No	No
Contribution to society	Limited	Limited
Body of knowledge	Limited	Limited
Research	Limited	Limited
Recognition	No	No

The comparison in Table 1 demonstrates that the IPM and SABPP are only semi-professional at this time. However, the findings are encouraging, as both the SABPP and IPM constantly reinvent themselves to achieve full professional status. For example, the SABPP currently focuses on a unified system of continuing professional development and is engaged in ongoing research (van Rensburg *et al*., 2010). The above analyses further provide the basis for the following conclusions and recommendations for HRM professionalisation in South Africa.

TABLE 2:

Conclusions and recommendations for the professionalisation of HRM in South Africa

Requirements	IPM	SABPP	
Governing body	**No**	**No**	
It appears that both societies do not have as much power and prestige as other traditional professions' representative bodies and should initiate steps towards formal legislation, whereby only registered practitioners are recognised and considered credible and professional. This could assist in overcoming the lack of credibility in the long run; however, it does not address the current state of affairs. This presents a significant challenge, mainly if current HR practitioners do perform and add value. The IPM and SABPP, as professional bodies and or associations, have a legitimising role in forming regulating procedures and providing a source of internal and external identity for practitioners. The regulation of members to protect the public is mandatory. One of the most critical functions that the two associations have to institute for members to deliver the expected services.			

Requirements	IPM	SABPP	
Code of ethics	**Yes**	**Yes**	

Although rules of conduct or practice exist within these two bodies, they should also contain restrictions imposed by them, not to protect the members' interests but to protect the interests of the public and enhance members' level of service. It must be emphasised that the SABPP, the IPM, and training institutions have a role to play in improving education and training to create greater awareness concerning ethical issues of the HRM profession. The value of a code of ethics as a set of moral guidelines designed to protect the professional, the profession, and the public cannot be overemphasised. HRM professionals should be required to adhere to the code of ethics, which should include practice standards in delivering services to clients, as is required in other professions. A code of ethics that defines what proper and improper behaviour form the embodiment of the moral standards of a professional service should also be employed.

Greater emphasis should be placed on the fact that ethics also plays a role in performance management. Performance is affected by ethical issues, e.g., treating others with respect influences the interpersonal relationship aspect of performance appraisal.

Independence	**Limited**	**Limited**	

The SABPP and IPM must be sure that members are sufficiently competent to rely on their own judgment due to the relevant knowledge of the suitable method for dealing with the problem at hand. HR professionals must become sufficiently competent to justify their autonomy through their mastery of the knowledge base. The associations must put professional standards in place to standardise the norms and practices of practitioners.

Certification, education & training	**Yes**	**Yes**	

Educational institutions could encourage participation in professional activities by establishing student forums and associations in conjunction with the SABPP and the IPM, which will increase awareness of the latest trends and developments. Further, educational institutions should aim to structure curricula and activities in alignment with SABPP and IPM requirements. This will create greater awareness in and motivate practitioners to register and emphasise the importance of adhering to professional conduct. The implementation of internship programmes must become compulsory. Students must spend a required amount of time learning their craft from an expert and compile a portfolio evidencing their experience. The SABPP and IPM should set a qualifying examination that is a prerequisite for membership. The professional body has to require an academic qualification obtained through a college, polytechnic, or university.

Legal status	No	No	

Currently, the IPM and the SABPP do not have legal status, whereby the HR profession requires licensing by the state. Therefore, only those who possess the necessary educational credentials and pass an examination can receive certification. Implementing a continuous professional development programme, where additional requirements could be updated from time to time, and the professionals being brought up to date on the registration requirements should become mandatory. Furthermore, the SABPP and IPM should be protected by laws that make it illegal to practise without a formal licence. Although unlicensed, other professionals — such as scientists — are unemployed without formal educational qualifications because employers will not hire them. By licensing or persuading employers to hire only trained graduates, the profession can collectively restrict access to its knowledge base.

Contribution to society	**Limited**	**Limited**	

The government must recognise the current professional HR bodies. They ought to have a psychological contract with society at large. Trust relationships must be built with their respective communities through the control of membership of the HR professional society via examination and certification. The quality of certified members through ongoing training and the enforcement of ethical standards should be ensured. Society will be protected against harm caused by the misconduct of practitioners who are not qualified to practise.

Body of knowledge	**Limited**	**Limited**	

The main role would be education and awareness creation amongst current and future HR practitioners concerning the SABPP and the IPM and their missions, objectives, benefits,

Requirements	IPM	SABPP	
registration criteria, etc., thereby encouraging registration and membership. The IPM and SABPP should establish a clear body of knowledge distinctive to the profession, which can be acquired through a system of professional education and training. A clear set of criteria clarifying professional expertise and how it is attained should be established. The body of knowledge should make clear the competencies required of HRM professionals.			
Research	Limited	Limited	
Both the IPM and SABPP should focus on research to increase and refine the professionals' knowledge base. The associations may try to influence government to obtain some funding towards research, in conjunction with universities. Such research should lead to new knowledge and practices. Formal continuing education could also be provided through conferences, videos, compact discs, web-based systems, and electronic mail. In addition formal forums could also be instituted, through which members can discuss topical issues and obtain practical solutions.			
Recognition	No	No	
Public recognition must be promoted because it is a significant precursor to professionalisation. The current public perception concerning HRM as a profession should be ascertained. IPM and SABPP should create one body recognised by the community, which will define HR measures and standards.			

Based on the criteria of Fanning (2011), human resource management in South Africa is a semi-profession. The available professional HR bodies are currently constrained in independence, societal contribution, body of knowledge, and research. Furthermore, the professional bodies lack legal standing and public recognition. According to Hodson and Sullivan (2012), HRM is an occupational group in South Africa that exhibits some characteristics of a profession and is thus in professionalisation.

IMPLICATIONS FOR THE FURTHER PROFESSIONALISATION OF HR AS STRATEGIC BUSINESS PARTNERS IN THE BUSINESS CONTEXT

The implications of professionalisation for HR practitioners are significant in terms of HR professional design and education and how they position themselves within their organisations. Is their profession, for example, similar to other professions within the organisation? Whose practitioners serve the company while also adhering to their profession's standards of practice (such as lawyers and accountants)? Or are they general managers who must meet the company's needs regardless of their profession's code of ethics? Is HR education a discovery process rather than teaching, or is it about mastering a specific body of knowledge?

HR will need to learn to adapt to environmental change. The new demands on HR professionals include developing leaders and recruiting and retaining a quality workforce (Boudreau and Lawler, 2014). Along with this, there must be an increase in workforce productivity in the face of increased competition, and employee compensation must support the achievement of business objectives (Bussin and van Rooy, 2014). It is then necessary to develop employees to achieve the organisation's goals. Individual capabilities within an organisation are becoming more important

than purely within a defined job, and as a result, individuals are recognised as capable of influencing an organisation's success.

Internationally and in South Africa, there is a growing recognition of the significance of good corporate governance in the HR context (Ibrahim and Zulkafli, 2017). For example, in South Africa, amongst many other issues, the King report on corporate governance emphasised the importance of compliance with appropriate codes of conduct and provided guidelines in this regard, which HR professional bodies should take note of (Ramalho *et al*. 2016). Enforcing codes of conduct, according to King, was the fundamental requirement for good practice. Furthermore, the King IV report emphasises the importance of "responsible leadership, which requires integrity, transparency, and accountability.

As a result, there is a greater emphasis on professionalising HRM in South Africa and an increasing compliance burden with legislative requirements. It is primarily the responsibility of human resource professionals to ensure that organisations follow labour laws (Worklaw, 2019; South Africa, 1999, 1998a, b). This necessitates an understanding and knowledge of the legislation and the ability to implement the appropriate workplace measures. It is an area of human resource management that requires specialised and constantly updated knowledge, expertise, and competence (Schutte *et al.,* 2015a; b).

Furthermore, a recognised body of knowledge and standards of conduct in the practice of HRM are required. This was discovered in South Africa in the late 1970s. The heart of the problem, paradoxically, is the lack of professional status of HRM, which this study addresses. People from all walks of life practice HRM. According to Meisinger (2005), many people who practice HRM are not HR professionals. This has a negative impact on HR management's perception. HRM is being pushed to become a profession supported by a quality management system for education and training. The South African Qualifications Authority (SAQA) Act, Act No. 58 of 1995, mandated a quality management system (South Africa, 1995). This has increased national awareness of the need for acceptable standards and has measured or controlled the quality of education and training on a much larger scale than previously attempted in South Africa.

Finally, the South African government's role in raising awareness of professionalism in increasing productivity and decreasing corruption becomes critical. In comparison to medicine, accounting, and engineering, it appears that human resource management has yet to achieve true professional status.

CONCLUSION

Since the turn of the twentieth century, South Africa has sought to professionalise human resource management. The IPM and SABPP made significant efforts to legitimise and professionalise HR practice by broadening the body of knowledge, improving its reputation and ethical standards, and refining its certification processes. As the HR profession in South Africa strives to be recognised on an equal footing with the major professions, it is clear that it must position itself equally. Whether statutorily mandated or not, a profession is still responsible for establishing and upholding its standards. As this article has demonstrated, a profession provides a service to society and is thus legitimised by society, and the professional is recognised as an expert in providing that service. Second, that service and the professional's ability to provide it represent a one-of-a-kind function in society. Third, a profession has a legitimate and recognised governing body that establishes its admission and advancement criteria. It also develops its ethos and behavioural standards, which it imposes on its members. Equally important to the profession's recognition is its ability to develop and evolve its function, expertise, level of responsibility, and ethos to maintain its value in South African society. HRM in South Africa will uphold itself as a business partner at the highest organisational levels by changing the underpinnings on which its credibility and legitimacy are based. In other words, participate in formulating organisational strategies and the criteria adopted to attract and retain talented individuals to steer organisational success.

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Investigating job characteristics and employee attitudes in a manufacturing concern

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ABSTRACT

This study aimed to determine the relationship between and the role of job demands and resources in job satisfaction, organisational commitment and intention to quit in a South African manufacturing concern. A cross-sectional survey design using a convenience sample (N=176) was employed. The Minnesota Satisfaction Questionnaire, Job Demands Resources Scale, Organisational Commitment Questionnaire and a modified Tilburg Psychological Contract Questionnaire was utilised to measure the various constructs. The results showed that job resources were related to each other and job satisfaction and organisational commitment, while job demands were related to intention to quit. The best predictors for job satisfaction, organisational commitment and intention to quit were organisational support and career advancement. Overload, as a job demand, only played a significant role in predicting intention to quit. Recommendations are provided for the organisation and future studies.

Keywords: job demands; job resources; job satisfaction; organisational commitment; intention to quit

INTRODUCTION

The manufacturing industry is one of the significant and invaluable sectors in the South African economy. As the fourth largest sector, it contributes 13% of the gross domestic product (GDP) and provides 1.744 million jobs, representing almost 11% of the employment in South Africa (Statistics South Africa, 2018). Over the last decade, the employment in this sector contracted with 224,000 jobs and the contribution towards the GDP reduced by almost 3% (Statistics South Africa, 2008). To maintain and improve its competitiveness, the manufacturing industry needs to harness certain attributes like advanced technologies, policy, infrastructure, but also the importance of people (Engineering News, 2018). This demand for increased productivity can increase the job demands on existing employees resulting in burnout, increased labour turnover and costly safety problems (Wright, 2017). According to Schaufeli (2017) poor working conditions and burned-out employees are related to increased absenteeism, work-related accidents and injuries, unsatisfactory work performance and a

decrease in productivity while the opposite are valid for improved employee engagement and workplace conditions. This means that employee well-being and psychosocial factors eventually translate into financial business outcomes.

Job characteristics have been associated with employee attitudes for example job satisfaction, organisational commitment and intention to quit (Jackson and Beukes, 2019; Jackson, 2018; Jackson and Mutasa, 2018). Additionally, literature has highlighted the importance of job satisfaction due to its positive association with outcomes like job performance (Lu and Gursoy, 2016) and organisational performance (Chi and Gursoy, 2009). Organisational commitment is also seen as an essential aspect in any organisation, because business outcomes like improved productivity, profitability, employee retention are generated by loyal and engaged employees (Rogers, 2001). A significant challenge for organisations is to attract and retain talented employees, and it has become more challenging due to their availability. When talented employees depart from organisations, all the information regarding the organisation, customers, projects and processes leaves with them, frequently to their competitors, therefore retaining talented employees is more important than attracting new talent (Haider *et al.*, 2015). Research on employees' attitudes, its antecedents and consequences, can provide organisations with valuable knowledge and the opportunity to correct conditions that can have a negative impact on the organisation. The regular evaluation of psychosocial factors and employee well-being is in the best interest of the organisation, and this will allow for preventative and corrective measures to be implemented (Schaufeli, 2017).

Although the abovementioned relationships were confirmed in various studies in various industries worldwide and in South Africa, evidence about the directions and strengths of these relations in the South African manufacturing concerns are scares or even absent. This contribution was directed at filling this void. This study's primary purpose is to investigate the relationship role job characteristics (job demands and resources) in employees' attitudes in a manufacturing concern. In addition, this study was also concerned with the role of job characteristics in employee attitudes such as organisation commitment, job satisfaction and intentions to quit in a manufacturing concern. The next section of this contribution presents the literature review on central constructs in this study.

LITERATURE REVIEW

A model explaining the role of job characteristics

The antecedents of job stress and what motivates individuals was researched extensively during the past six decades. During this period, several theories and models were developed, tested and applied. These models include but is not limited to, the following: The Two-Factor Theory of Herzberg,

Hackman and Oldham's (1976) theory of job characteristics, the demand-control model developed by Karasek (1979), the effort-reward imbalance model developed by Siegrist (1996), and the job demands-resources (JD-R) theory developed by Demerouti, Bakker, Nachreiner and Schaufeli (2001).

The Job Demands-Resources (JD-R) model

The Job Demands-Resources (JD-R) model was developed by Demerouti *et al.*, (2001). The model has a central assumption that all work characteristics can be modelled into two broad characteristics, namely job demands and job resources, even though every occupation or organisation might have its own unique work characteristics that are associated with well-being. The model suggests that job demands and job resources manifest two different psychological processes that play a role in burnout: an energetic process where high job demands lead to exhaustion and a motivational process where disengagement is the result of a lack of resources (Demerouti *et al.*, 2001).

Job demands refer to aspects of a job that could likely result in strain in instances where it exceeds the employee's ability to adapt. Job demands are defined as tasks that must be performed, including physical, social and organisational aspects of the job that require sustained physical and mental effort (Demerouti *et al.*, 2001). Some of these demanding characteristics are high work pressure, an unfavourable physical environment and interpersonal conflict and job insecurity (Schaufeli and Taris, 2014; Schaufeli and Bakker, 2004) . This study investigates the role job demands such as overload and job insecurity in employee outcomes such as job satisfaction, organisational commitment and intention to quit.

Job resources refer to those physical, psychological, social or organisational aspects of the job that may reduce job demands with the associated physiological and psychological costs, that are functional in achieving work goals, and that stimulates personal growth and development (Demerouti *et al.*, 2001). Therefore, resources serve a dual purpose in that they are necessary to deal with job demands, and they are also important in their own right (Bakker and Demerouti, 2007). Job resources may either play an intrinsic motivational role by satisfying needs for autonomy, relatedness and competence, or they may be instrumental in achieving work goals through an extrinsic motivational role. Job resources are therefore seen as principal drivers for work engagement, and it can also offset employee burnout (Schaufeli and Bakker, 2004). Research has confirmed the relationship between job resources like organisational support and career advancement (growth opportunities) (Asiwe, Hill, and Jorgensen, 2015). This study evaluates the role of job resources such as organisational support and career advancement in employee outcomes such as job satisfaction, organisational commitment and intention to quit.

Employee attitudes

It has long been recognized that employees' job attitudes (e.g., job satisfaction, organisational commitment), defined as "evaluations of one's job that express one's feelings toward, beliefs about, and attachment to one's job" (Judge and Kammeyer-Mueller, 2012: 343), can have important implications at work (e.g., performance, withdrawal) (Schleicher, Hansen and Fox, 2010). Employee attitudes, such as organisational commitment, job involvement, and job satisfaction are important for managers (McCook, 2002). On the one hand, they represent important outcomes that managers may want to enhance. On the other hand, they are symptomatic of other potential problems. This study focusses on organization commitment, job satisfaction and employee intention to quit.

Job satisfaction

The feelings that a person has towards their job, whether positive or negative, is referred to as a person's satisfaction towards his or her job (Woods and West, 2015). The level of satisfaction is directly proportional to the positive feelings towards the job and is the degree that a person approves or disapproves his or her job. It is a result of how people are treated and that it can influence a person's behaviour and feelings that can have an impact on the way the organisation function (Spector, 1997). Judge and Kammeyer-Mueller (2012) included both cognitive and affective elements in their definition of job satisfaction, where the individual expresses contentment with and positive feelings about his job. The qualitative characteristics comprises of the intrinsic sources of satisfaction. Intrinsic satisfaction refers to the extentd of responsibility, autonomy and the various skills required by the job. Extrinsic satisfaction refers to aspects of the working conditions like working hours, bonusses, chances of promotion, safety and quantifiable rewards.

Organisational Commitment

Commitment is a deliberate persistence to achieve a goal, hence the attempts of organisations to instil commitment in their employees (Meyer and Allen, 2004). De Clercq and Rius (2007) described organisational commitment as the connection between a person and the organisation. Furthermore employees that are committed to their organisation have a sentimental attachment to the organisation, embracing the values and goals and has a desire to make an effort to support it, resulting into an emotional bond with the organisation (Judge and Kammeyer-Mueller, 2012). The Three Component Model (TMC) of Meyer and Allen (1991) conceptualised organisational commitment into three distinctive sub-components namely affective commitment, continuance commitment and normative commitment. Affective commitment is an employee's desire to stay with the organisation because they want to. Continuance commitment is when employees has an intention to leave the organisation, but the cost of leaving is too high, and therefore remains with the organisation because they must.

Normative commitment is when employees remain with the organisation due to a sense of moral obligation to do so (Meyer, Allen and Smith, 1993). In a Meta-analyses on the correlates, antecedents and consequences of the three components of commitment, Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that affective commitment had the strongest positive relations with job satisfaction, occupational commitment, work experiences and perceived organisational support. All three components correlated negatively with intentions to quit and turnover.

Intentions to quit

Employee retention is regarded as one of the priorities for organisations because, apart from the cost involved in recruiting, training and developing the individuals, it is seen as a resource that can generate a sustained competitive advantage for the organisation (Cardy and Lengnick-Hall, 2011). High employee turnover rates can have an adverse effect on the profitability, productivity and the customer satisfaction of organisations (Wasmuth and Davis, 1983). Organisations must therefore have a proper understanding of factors or conditions that can influence employees' behaviour or intention to stay with or leave the organisation, to exploit this competitive advantage. One of the best predictors of a person's behaviour, is the person's intent to perform the behaviour (Bothma and Roodt, 2012) . It is therefore expected that intention to quit will serve as a significant predictor of actual turnover (Lee and Whitford, 2007) Tett and Meyer (1993) described turnover intention as an employee's intentional, premeditated persistence to leave the organisation, and it reflects the likelihood that the employee will leave within a specific period of time (Zhao, Wayne, Glibkowski and Bravo, 2007). Intention to quit is a general reaction or a behaviour to negative experiences at work (Lum, Kervin, Clark, Reid and Sirola, 1998).

Job demands and resources and employee attitudes

Demerouti *et al.* (2001) predict that jobs with high job demands and low job resources will generate exhaustion and disengagement with employees, therefore employees might start to think about quitting when job resources are low, while turnover intention might be reduced with higher levels of job resources (De Cuyper, Mauno, Kinnunen, and Mäkikangas, 2011). The relationship between job features and intentions to quit was confirmed (Alsaqri, 2014). Empirical studies have confirmed the association between job satisfaction and job resources such as pay, wage rate, income, and salary (Vieira, 2005; Okpara, 2004), promotions, advancement and benefits (Rad and Yarmohammadian, 2006), and development opportunities and the possibility of growth (Maughan, 2002).

Research (Jackson and van de Vijver, 2018) also confirmed positive relations between job satisfaction and organisation commitment. Job satisfaction has a significantly negative relationship with intention

to quit (Griffeth, Hom and Gaertner, 2000). Research has shown that intention to quit has a significantly negative relationship with organisational commitment (Martin and Roodt, 2008), affective commitment (Amerasinghe, 2014), and normative commitment (Jaros, 1997). Therefore, based on the above-mentioned, the following question arise: "What is the relationship between and the role of job characteristics (job demands and resources) and employee attitudes (job satisfaction, organisation commitment and intentions to quit) in this manufacturing concern?"

RESEARCH OBJECTIVES

This study's primary objective is to determine the relationship between and the role of job characteristics and employee attitudes in a South African manufacturing concern. The *secondary objectives* of this study are to:

- Determine the relationship between job demands, job resources, organisational commitment, job satisfaction, and intention to quit in a manufacturing concern.
- Determine the role of job demands and resources in organisational commitment, job satisfaction, and intention to quit in a manufacturing concern.

RESEARCH METHODS

This section presents the research approach, sampling method and research procedure. In addition, it reflects on the demographics of the sample, measuring instruments and statistical analysis used.

Research approach, procedure and sample

To reach the objectives of this study, a quantitative approach was selected. A cross-sectional survey-research design, where a convenient sample was utilised to reach the research objectives. Permission was first requested from the Human Resources Scientific Committee of the North-West University Business School and the Economics and Management Sciences Ethics Committee (Ethics clearance certificate: NWU-00544-18-A4). Next, permission was obtained from the National Human Resource Manager to conduct the study in the selected company, and it was granted. An informed consent letter was distributed with the questionnaires to explain the purpose, the voluntary and confidential nature of the study during information sessions at the various locations. No identification, such as name or employee number, was required from the participants to complete the questionnaire. The confidentiality of the participants was respected and upheld in conducting the collection and analysis of the questionnaires. None of the respondents were asked to reveal their names. The sample comprised employees from a South African manufacturing concern based in three locations in Gauteng and Mpumalanga. Frequency analysis of the demographic data suggested that most participants had been employed in this organisation for more than ten years (40.91%), while 21.59%

had 6-10 years of service and 8.52% had less than one year's experience. Most of the participants were male (90.34%), African (50.57%) and the age groups 40-50 years and 30-39 years were best represented – 37.50% and 34.09% respectively. The Production and Quality and Engineering and Stores departments were best represented – 59.09% and 26.14% respectively. More than half (53.98%) of the participants were in an operator or artisan job level.

Measuring Instruments

The questionnaire consists of 5 sections and is a combination of different questionnaires to measure the different constructs. The questionnaire consists of the following:

- Demographics: A biographical questionnaire was used to gather demographic information like age, gender tenure and job title.

- Job Characteristics: Jackson and Rothmann (2005) initially developed the Job Demand-Resource Scale (JDRS) to assess job demands and resources for educators. The JDRS comprises 48 questions, some of which will be adjusted (replacing educator with employee and education department with my organisation) and checked for validity to suit the relevance of this study. A 5-point Likert scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). Jackson and Rothmann (2005) identified seven reliable factors for the dimensions of the JDRS, namely organisational support (α= 0.88), job insecurity (α = 0.90), growth opportunities (α = 0.80), control (α = 0.71), overload (α = 0.75), rewards (α = 0.78) and relationship with colleagues (α = 0.76).

- Job satisfaction: Job satisfaction was measured using the 20-item short form of the Minnesota Satisfaction Questionnaire (MSQ) (Weiss, Dawis, England, and Lofquist, 1967). The measure uses a 5-point Likert scale that ranges from very dissatisfied (1) to very satisfied (5). The MSQ short form measures both intrinsic- and extrinsic job satisfaction. Intrinsic satisfaction is concerned with the feelings of people towards the nature of the job tasks themselves, whereas extrinsic job satisfaction is how people feel about external aspects of the work situation or job task itself (Spector, 1997). Martins and Proença (2012) obtained an above satisfactory reliability figures for the intrinsic (α = 0.86) and extrinsic job satisfaction (α = 0.88) dimensions and for the global scale (α = 0.91)

- Organisational commitment: Organisational Commitment Questionnaire (TCM) of Meyer and Allen (2004) was used to evaluate commitment levels. This TCM Employee Commitment Scale has a revised version that consists of 18 items (4 reverse items and 14 forward items) making up the three sub-scales, the ACS (Affective); CCS (Continuance) and NCS (Normative) (Louw, 2016). A 5-point Likert scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). Louw (2016) find the overall reliability of the TCM to be above acceptable levels.

- Intention to quit (ITQ): Intention to quit was measured using the modified Tilburg Psychological Contract Questionnaire (TPCQ) ten-item scale (Freese and Schalk, 1996). This questionnaire evaluates aspects like the desire to leave the organisation and satisfaction with the organisation (Maluleka, 2015). Maluleka (2015) obtained an acceptable reliability figure for the ITQ scale of 0.77.

Statistical Analyses

The Statistical Package for the Social Sciences (IBM SPSS, 2019) was used to conduct statistical analyses. *Descriptive statistics* computed, including means, standard deviations, skewness and kurtosis, were used to determine the distribution pattern of the data. Cronbach alpha coefficients(α) were used to calculate the reliability assessment of the constructs measured. *Exploratory factor analyses* were utilised to investigate the construct validity of the measuring instruments. A simple component analysis that was conducted on the constructs determined the number of factors to extract. The eigenvalues and the scree plot were evaluated to identify these factors. Next, a principal component analysis was conducted with, a direct Oblimin rotation if factors were related, or a Varimax rotation if the factors were not related. The obtained factors were consequently used as input in a second-order factor analysis. Varimax rotation was used to extract the factors because the factors were not correlated (r < 0.30). Pearson product-moment correlation coefficients were used to specify the *relationship between the variables*. In terms of statistical significance, a 95% confidence interval level (p < 0.05) was set. Effect sizes (Steyn, 1999) were used to decide on the practical significance of the findings. A *multiple regression analysis* was used to calculate the proportion of variance in the dependent variables of job satisfaction, organisational commitment and intention to quit that was predicted by the independent variables, namely organisational support, career advancement, information, overload and job insecurity.

RESULTS

Exploratory factor analyses (EFA)

A simple principal component analysis was conducted on the items of the Job Demands-Resources Scale (JDRS) to assess the number of factors. An analysis of the eigenvalues showed that 14 factors could be extracted. However, the scree plot showed that five factors could be extracted, which explained 69.50% of the total variance. The eigenvalues of these factors were as follows: Factor 1 = 6.52; Factor 2 = 4.19; Factor 3 = 2.49; Factor 4 = 1.87; and Factor 5 = 2.29. A principal component analysis was conducted on the pooled solution (i.e. all the participants were included in the same analysis). The results of the EFA are presented in **Table 2** below. Factor 1 was labelled *Organisational support.* This factor (19 items) refers to the relationship with immediate supervisor, ambiguities about

work, and information and participation. Factor 2 (7 items), was labelled *Career Advancement.* This factor refers to variety in work, opportunities to learn, independence in work, relationships with colleagues and contact possibilities. Factor 3 was labelled *Overload.* This factor (7 items) refers to pace and amount of work, mental load and emotional load. Factor 4 was labelled *Information.* This factor (3 items) refers to being informed by the direct supervisor about how well they are doing, being kept adequately up-to-date about important issues, and the clarity of the company's decision-making process. Factor 5 was labelled *Job insecurity*. This factor (3 items) refers to uncertainty about your job in the future.

Subsequently, a principal component analysis was carried out on the correlations of the five first-order factors. Two factors, with eigenvalues of 1.90 and 1.01, respectively, were extracted. These two factors explained 59.12% of the total variance. The first factor was labelled *Job resources*, which included organisational support (Factor loading = 0.85), career advancement (Factor loading = 0.71), and information (Factor loading = 0,78). The second factor was labelled *Job demands* and included overload (Factor loading = 0.85) and job insecurity (Factor loading = 0.45).

Descriptive statistics

Next, the descriptive statistics were computed to assess the distribution of the data (Mean, SD, skewness and kurtosis) as well as to determine the reliabilities of the scales that were used (Cronbach alpha coefficients). The results of the analysis are presented in Table 1 below.

TABLE 1:

Descriptive statistics (n=176) and Cronbach's alpha coefficients of the dimensions of the JDRS, MSQ, OCQ and ITQ

Variable	α	Mean	SD	Skewness	Kurtosis
1.Organisational Support	.89	4.01	.59	-.59	.83
2. Career Advancement	.85	2.91	.92	-.18	-.64
3. Overload	.69	3.76	.58	-.48	.08
4. Information	.69	3.2	.91	-.31	-.34
5. Job Insecurity	.84	3.66	.97	-.60	-.09
6. Job Satisfaction	.92	3.45	.64	-.46	.04
7. Affective Commitment	.73	3.44	.72	-.20	.18
8. Continuous Commitment	.53	3.16	.60	.23	.18
9. Normative Commitment	.78	3.27	.76	-.58	.48
10. Organisational Commitment	.84	3.28	.60	-.53	.82
11. Intention to quit	.81	2.73	.73	.34	-.28

Acceptable alpha coefficients were obtained for all scales except for Continuance Commitment (.53). The rest of the alpha coefficients were greater than or equal to the recommended lower limit of .70

(Nunnally and Bernstein, 1994). Based on this standard, the internal consistency obtained in this study was at acceptable levels. Data in Table 1 indicates that skewness and kurtosis are within the limits of 2 and 4, respectively (Field, 2009; Finch and West, 1997). Thus all the scales used were normally distributed.

Correlation analysis

The first objective of this study was to determine the relationship between job demands, job resources, job satisfaction, organisational commitment (affective commitment, continuance commitment and normative commitment) and intention to quit in a manufacturing concern. The results of the analysis are presented in Table 2 below.

TABLE 2:

Correlation coefficients (n=176) between the dimensions of the JDRS, MSQ, OCQ and ITQ

Variable	1	2	3	4	5	6	7	8	9	10
1.Organisational Support	-									
2. Career Advancement	.50**	-								
3. Overload	-.11	-.02	-							
4. Information	.53**	.29**	-.19*	-						
5. Job Insecurity	-.06	-.05	-.00	-.12	-					
6. Job Satisfaction	.76**	.68**	-.04	.38**	-.01	-				
7. Affective Commitment	.53**	.43**	-.08	.18*	-.07	.50**	-			
8. Continuous Commitment	-.08	-.04	.13	-.17*	.06	-.02	.10	-		
9. Normative Commitment	.41**	.36**	-.17*	.24**	-.03	.40**	.71**	.20**	-	
10. Organisational Commitment	.38**	.34**	-.08	.12	-.02	.39**	.79**	.41**	.91**	-
11. Intention to quit	-.42**	-.35**	.20**	-.20**	.10	-.43**	-.65**	.12	-.60**	-.57**

**Coefficient is significant at the.01 level (2-tailed); *Coefficient is significant at the .05 level (2-tailed) / .10 (small effect), .30 (medium effect) and .50 (large effect)

Table 2 outlines the Pearson Correlation Coefficients for the variables in the study. Organisational support seems to be statistically significantly positively related to career advancement (large effect), information (large effect), job satisfaction (large effect), affective commitment (large effect), normative commitment (medium effect) and statistically significantly negatively related to intention to quit (medium effect). Career advancement seems to be statistically significantly positively related to job satisfaction (large effect), affective commitment (medium effect), normative commitment (medium effect) and statistically significantly negatively related to intention to quit (medium effect). Information is statistically significantly positively related to job satisfaction (medium effect). Job satisfaction is

statistically significantly positively related to affective commitment (large effect), normative commitment (medium effect) and statistically significantly negatively related to intention to quit (medium effect). Affective commitment is statistically significantly positively related to normative commitment (large effect) and statistically significantly negatively related to intention to quit (large effect). Normative commitment is statistically significantly negatively related to intention to quit (large effect). Finally, organisational commitment is statistically significantly (negatively) related to intention to quit (large effect). In general, organisational support, career advancement and information (job resources) are positively related to job satisfaction and organisational commitment, while being negatively related to overload (job demand) and intention to quit (small and medium effects). In addition, overload (job demand) is positively related to intention to quit (small effects) and negatively related to job satisfaction and organisational commitment (small effect).

Multiple regression analyses

The interest of this study was also to determine the role of independent variables, namely organisational support, career advancement, information, overload and job insecurity on the dependent variables of affective commitment, continuance commitment, normative commitment, job satisfaction, organisational commitment and intention to quit. Multiple regression analysis was utilised to understand the relative influence that each of the five independent variables had on the dependent variables (Rothmann, 2008). A stepwise multiple regression analysis was conducted where firstly only job resources (JR) were entered into the regression model as independent variables to determine their predictive ability on the dependent variables of affective commitment, continuance commitment, normative commitment, job satisfaction, organisational commitment and intention to quit. A second stepwise multiple regression analysis was conducted where all five of the independent variables, Job resources (JR) and Job demands (JD), were entered into the regression model at the same time to determine their predictive on the dependent variables of affective commitment, continuance commitment, normative commitment, organisational commitment, job satisfaction and intention to quit. The intention was to identify the most significant predictors in each model and determine the impact of job resources and demands separately. The results of the regression analysis are presented in Table 3 and 4 below.

TABLE 3:

Regressions with affective-, continuance and normative commitment as dependent variables (n=176)

Predictors / Independent Variables	Affective Commitment		Continuance Commitment		Normative Commitment	
	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2

	Stand. β	Stand. β	Stand. β	Stand. β	Stand. β	Stand. β
1.Organisational Support	.49**	.49**	.01	.02	.29**	.28**
2. Career Advancement	.23**	.23**	.01	.01	.21**	.22**
3. Overload	-.14	-.16*	-.18*	-.16	.02	.00
4. Information		-.05		.10		-.14*
5. Job Insecurity		-.04		.04		.00
R	.57	.58	.18	.20	.45	.47
R2	.33	.34	.03	.04	.20	.22
f^2	.49	.50	.03	.04	.25	.28

**Coefficient is significant at the.01 level (2-tailed); *Coefficient is significant at the .05 level (2-tailed) / The parameters for f^2 .01 (small effect), .09 (medium effect) and.35 (large effect)

An inspection of Table 3 revealed that job demands, and resources explained 34% (medium effect), 4% (small effect) and 22% (medium effect) of the variance in affective commitment, continuance commitment, and normative commitment. Organisational support (β = .49; t = 5.99) and career advancement (β = .23; t = 3.21) proved to be the only statistically significant predictors of affective commitment in the first step (F=28.24). Organisational support (β = .49; t = 5.95), career advancement (β = .49; t = 5.95), and information (β = -.16; t = -2.08) proved to be the only statistically significant predictors of affective commitment in the second step (F=17.09). Information (β = -.18; t = -2.07) proved to be the only statistically significant predictor of continuance commitment in the first step (F=1.81). There were no statistically significant predictors of continuance commitment in the second step. Organisational support (β = .29; t = 2.34) and career advancement (β = .21; t = 2.71) proved to be the only statistically significant predictors of normative commitment in the first step (F=14.24). Organisational support (β = .28; t = 3.20), career advancement (β = .22; t = 2.82), and overload (β = -.14; t = -1.98) proved to be the only statistically significant predictors of normative commitment in the second step (F=9.43).

TABLE 4:

Regressions with job satisfaction, organisational commitment and intention to quit (as dependent variables (n=176)

Predictors / Independent Variables	Job Satisfaction		Organisation Commitment		Intention to Quit	
	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2
	Stand. β	Stand. β	Stand. β	Stand. β	Stand. β	Stand. β
1.Organisational Support	.59**	.59**	.34**	.34**	-.35**	-.35**
2. Career Advancement	.40**	.40**	.21**	.21**	-.19*	-.20**
3. Overload	-.05	-.04	-.12	-.13	.04	.09

4. Information		.03		-.07		.18**
5. Job Insecurity		.05		.00		.08
R	.84	.84	.43	.44	.45	.49
R2	.70	.70	.19	.19	.21	.24
f²	2.31	2.34	.23	.24	.26	.32

**Coefficient is significant at the.01 level (2-tailed); *Coefficient is significant at the .05 level (2-tailed) / The parameters for f^2 .01 (small effect), .09 (medium effect) and.35 (large effect)

Organisational support (β = .59; t = 10.84) and career advancement (β = .40; t = 8.19) proved to be the only statistically significant predictors of *job satisfaction* in the first step (F=132.71). Organisational support (β = .59; t = 10.83), growth opportunity (β = .0.40; t = 8.16 proved to be the only statistically significant predictors of job satisfaction in the second step (F=79.72). Organisational support (β = .34; t = 3.83), career advancement (β = .21; t = 2.63) proved to be the only statistically significant predictors of *organisational commitment* in the first step (F=13.28). Organisational support (β = .34; t = 3.79) and career advancement (β = .21; t = 2.66) proved to be the only statistically significant predictors of organisational commitment in the second step (job resources and demands as predictors) (F=8.09). A closer inspection of table 2 revealed that job demands, and resources explained 70% (large effect), 19% (medium effect) and 24% (medium effect) of the variance in job satisfaction, organisational commitment and intention to quit, respectively. Organisational support (β = -.35; t = -3.98) and career advancement (β = -.19; t = -2.39) proved to be the only statistically significant predictors of *intention to quit* in the first step (only job resources as predictors) (F=14.83). Organisational support (β = -.35; t = -3.98), career advancement (β = -.20; t = -2.52), and overload (β = .18; t = 2.57) proved to be the only statistically significant predictors of intention to quit in the second step (job resources and demands as predictors) (F=10.78).

DISCUSSION

The aim of this study was to evaluate how job demands and resources, job satisfaction organisational commitment and intention to quit relate to each other in a manufacturing concern. Firstly, a simple factor analysis was conducted on the JDRS that identified five factors that could be extracted. These factors were labelled overload, job insecurity, organisational support, career advancement, information. Overload refers to the physical-, mental-, and emotional load of the job. Job Insecurity refers to the level of insecurity experienced in the current job and the future thereof. Career Advancement means moving forward within your work and includes remuneration, training and career opportunities. Information refers to feedback from your direct supervisor regarding your performance, issues within the organisation, and the decision-making process in the organisation. Organisational Support refers to autonomy in your work, social and work-related support from co-workers,

relationships with your supervisor/manager, the flow and availability of information, communication in the organisation, participation in decision making, and contract opportunities within the organisation

The five observed factors were used to conduct a second-order factor analysis, which resulted in a two-factor structure. The first factor represented job resources (i.e. organisational support, career advancement and information). The second factor represented job demands (overload and job insecurity). Similar two-factor structures were found by Demerouti *et a*l. (2001), Jackson (2018) and Schaufeli and Bakker (2004). Therefore, it appears that the factorial structure of the JD-R model is valid. The flexibility of the JD-R model, that different job characteristics can be divided into the two categories of job demands and job resources. The findings of the study suggest that organisational support, career advancement and information are positively related to job satisfaction and organisational commitment (affective commitment and normative commitment), while being negatively related to overload and intention to quit. In addition, overload is positively related to intention to quit and negatively related to job satisfaction and organisational commitment (affective commitment and normative commitment).

Empirical research has shown that organisational support has a significant positive relationship with job satisfaction (Chen *et al*., 2016), organisational commitment (affective commitment) (Kim, Eisenberger and Baik, 2016) and a significantly negative relationship with intention to quit (Chen *et al*., 2016). Career advancement, according to literature, has a significantly positive relationship with job satisfaction (McPhail, Patiar, Herington, Creed, and Davidson, 2015), organisational commitment (Lumley, Coetzee, Tladinyane and Ferreira, 2011) and a significantly negative relationship with intention to quit (McPhail *et al*., 2015). Overload is significantly positively related to intention to quit (Khorakian, Nosrati, and Eslami, 2018), whilst intention to quit have statistically significant negative relations with organisational commitment (Demirtas and Akdogan, 2015), job satisfaction (Fabi, Lacoursière and Raymond, 2015). It is also important to note that relationship between organisation commitment and intentions to quit is larger than the relationship between job satisfaction and intentions to quit. In this regard, Sheridan (1992) suggested that organisational commitment tends to be a better forecaster of turnover as compared to job satisfaction and this is owed to the fact that organisational commitment is more global and focuses on the organisation as a whole than job satisfaction. A positive relationship was also observed between job satisfaction and organisation commitment. This relationship has been confirmed empirically (Jackson and van de Vijver, 2018). Our findings regarding the relationship between the three dimensions of organisation commitment, job satisfaction, and intentions to quit seem to be in line with previous research results. Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that affective commitment had the strongest positive relations with job satisfaction, occupational commitment, work experiences and perceived

organisational support, compared to continuous and normative commitment and that all three components correlated negatively with intentions to quit and turnover

This study was aimed at investigating the role of job characteristics (demands and resources) in the three dimensions of organisational commitment. Organisation support and career advancement proved to be significant predictors of affective and normative commitment but not continuous commitment, Information proved to be a significant predictor of affective and continuous commitment but not normative commitment. In addition, overload was a significant predictor of normative commitment. Stepwise multiple regression analyses confirmed that job demands and resources predicted 33% of the variance of affective commitment, 20% of the variance of normative commitment and 21% or the variance of intention to quit. Both Organisational Support and Career Advancement appeared to be stronger predictors of most of the dependent variables (except for continuance commitment) Organisational support seems to be the strongest predictor of job satisfaction, organisational commitment and intention to quit in this manufacturing concern.

Another objective of this study was to investigate the role of job demands and resources in job satisfaction, organisational commitment and intention to quit. The job demand, overload, only played a significant role in predicting intention to quit. Job insecurity did not play a significant role in any of the employee attitudes under investigation in this manufacturing concern. The role of overload as a significant positive predictor of intention to quit has been confirmed in the literature (Jackson, 2018; Hellgren, Sjoberg and Sverke, 1997). Job resources like organisational support and career advancement served as significant predictors for, job satisfaction, organisational commitment, affective commitment, normative commitment and intention to quit. The job resource, information, did not play a significant role in any of the employee attitudes under investigation. Stepwise multiple regression analyses confirmed that job demands and resources predicted 19% of the variance of organisational commitment, 70% of the variance of job satisfaction, and 24% in intentions to quit.

Managerial Implications

Job resources such as organisational support and career advancement served as significant predictors for job satisfaction, organisational commitment and intention to quit. The findings of this study seem to suggest that these factors play a role in job satisfaction, organisational commitment and intention to quit. Therefore, it is recommended the organisation address two main factors to increase the levels of job satisfaction and organisational commitment and reduce the employee's intention to leave. It is therefore suggested that, management should focus on the level of organisational support that their employees receive in terms of autonomy in their work, social and work-related support from co-workers, relationships with their supervisor/manager, the flow and availability of information, the

level of communication that exists in the organisation, their participation allowed in decision making, opportunities to collaborate with their colleagues in their work. Secondly, it is recommended that managers create a developmental/career plan for each employee were possible where the employee and the manager/ supervisor can identify developmental areas and the training that is required for that. Career Advancement means moving forward within your work and includes remuneration, training and career opportunities in this study. The job demand, overload, only played a significant role in the employees' intention to quit in this manufacturing concern. Overload in this study refers to the pace and amount of work, mental load and emotional load. It is also suggested the management of this manufacturing concern provides resources to cope with the pace and amount of work, mental- and emotional load to reduce the tendency for employees to quit.

To complement these factors, a business improvement programme can be launched with the focus on autonomous work groups. The teams can be trained in structured problem-solving techniques and root cause analyses. This will empower the teams in each area to solve their own problems, instil a culture of teamwork and responsibility, take part in decision making and improve the relationship with their manager or supervisor, because they will feel that their manager trust them to take decisions and solve their own problems. It is also recommended that the organisation uses the measuring instruments used in this study into their business strategies to analyse the company on an annual basis, whereby the progress of corrective actions that were implemented, can be evaluated. This will enable the organisation to identify any new areas to focus on in the future.

Limitations

This study, as with other empirical studies, had certain limitations: The research design was a cross-sectional survey design and was an important limitation because it makes it difficult to prove causal relationships between the variables. Another limitation was that the study focussed on one manufacturing organisation only. There are different job characteristics in different organisations and professions. Thus the results cannot be generally applied to all manufacturing organisations in South Africa. The exclusive use of results of self-reported measures is also a limitation, as this can lead to a problem referred to as "method variance" that can result in the overestimation of the correlations studied. The fact that the questionnaires were only administered in English can also be a limitation. Based on the respondents' demographic profile, English is not necessarily the first language of most of the respondents. Thus the possibility exists that the respondent's language skills could have influenced the results.

Recommendations for future research

Longitudinal study design is recommended for future research to investigate causal relationships and to investigate job characteristics and employee attitudes in an organisation over time. The survey questionnaires were only in English, and this could have impacted the understanding of questions by respondents. Future studies should consider the respective demographic profile of the respondents, and different language interpretations of the measuring instruments can be included. This study focussed on one manufacturing organisation only. Thus, future studies should include the other organisations in the manufacturing industry to compare similarities and differences in the results between different organisations. Further qualitative studies could be done in this and in other organisations in the industry whereby interviews with the respondents can provide a better understanding for the factors that influence job satisfaction, organisational commitment, and intention to quit.

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Investigating the relationships between job embeddedness, work engagement, burnout and turnover intention within the South African logistics industry

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ABSTRACT

The aim of this research was to investigate the relationships between job embeddedness, work engagement, burnout and turnover intention within the South African logistics context. The study used self-report questionnaires with a cross-sectional research design amongst various employees within the logistics industry (n =281). Methods of structural equation modelling were employed to analyse the data. The results indicated that work engagement does not have a significant effect on turnover intention. However, it was found that work engagement has an indirect effect to turnover intention through on-the-job embeddedness. On-the-job embeddedness was found to be related negatively with turnover intention - contrary to off-the-job embeddedness - that showed no significant relationship with turnover intention. The results indicated the importance of work engagement and on-the-job embeddedness to reduce turnover intention for organisations. Similarly, burnout was shown to have a direct positive effect on turnover attention and should also be reduced.

Keywords: burnout; work engagement; job embeddedness; turnover intention; structural equation modelling

INTRODUCTION

The logistics industry, a major growth sector, has a significant impact on other industries and the economy (McKinnon, Flöthmann, Hoberg and Busch, 2017). Human capital within the logistics industry is of importance, seeing that at an operational level, employees still form the core business (McKinnon *et al.,* 2017). They must be engaged in the processes and dedicated to their organisation to make a significant impact on overall company success (Boikanyo and Heyns, 2019). Management must be committed to increase the organisation's success through talent retention and satisfied costumers (Kanten and Sadullah, 2012). This means, organisations should, for example, focus on job embeddedness: how individual employees *fit* within their organisation as

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well as their community. In other words, this entails the connection or *links* employees have within their organisation and community as well as what (such as gains and resources) employees are willing to *sacrifice* when they leave their organisation and/or community (Holtom and O'Neill, 2004). A lack of resources place strain on employees and subsequently burnout may occur (Olusoga, Bentzen and Kentta, 2019; Wheeler, Harris and Sablynski, 2012). Halbesleben and Wheeler (2008) explain job embeddedness as individual employees' fit, links and sacrifices within their organisation and/or community. Embeddedness is a rich resource that employees use to do their job effectively. Accordingly, these employees are more embedded within their jobs, thereby having less intentions to leave the organisation (Ampofo, Coetzer, Susomrith and Rermlawan, 2017). Next a literature review will be discussed to highlight the problem investigated. The relationships between job embeddedness, work engagement, burnout and turnover intention will be further elaborated upon.

LITERATURE REVIEW AND PROBLEMEM INVESTIGATED

The relationship between work engagement and job embeddedness

Employees engage with their work when they perceive an optimal level of job resources provided by their organisation (Altunel, Kocak and Cankir, 2015). When job resources are made available to employees' it will boost their work engagement leading to stronger embeddedness in their jobs. The reason is that their work fit with their job skills and knowledge (Karatepe and Ngeche, 2012). Literature characterised work engagement as a psychological state related to a positive work environment, whereas job embeddedness entails the forces that effect employees in such a way that they have the desire to remain in their job (Halbesleben and Wheeler, 2008). Furthermore, Culbertson, Mills and Fullagar (2012) in line with the Broaden-and-Build theory, point out that engaged employees are likely to gain resource rewards, which has a positive effect on an employee's functioning outside the organisation. Engaged employees invest large amounts of energy, thus making them reluctant to disengage from their job (Takawira, Coetzee and Schreuder, 2014). Accordingly, employees identify strongly with their work to the extent that they identify with other co-workers and/or community. The identification entails a link with the culture/values of an organisation or community and symbolises the resources employees will sacrifice when they have to leave their organisation and/or community (Mitchell, Holtom, Lee, Sablynski and Erez, 2001). Against the background of the findings above, the following hypotheses can be formulated:

Hypothesis 1a: Work engagement has a positive relationship with on-the-job embeddedness.
Hypothesis 1b: Work engagement has a positive relationship with off-the-job embeddedness.

The relationship between work engagement and turnover intention

Engaged employees absorb themselves in their work with positive energy, which facilitates positive outcomes such as low turnover intention (Wan, Li, Zhou and Shang, 2018). Interacting and forming a closer relationship with clients is essential within the logistics industry (Panayides, 2005). Employees who are highly engaged often invest their energy in their clients, network with them - thus having a positive effect on the organisation as a whole and resulting in lower turnover (Li, Zhu and Park, 2018; West and Dawson, 2012). What employees experience in their job is an essential focus of work engagement. As a result, employees become dedicated to their work and invest intensive energy into their job. Employees who are provided resources will be reluctant to leave their work. Such an attitude forms the basis for work engagement and turnover intention (Halbesleben, and Wheeler, 2008). Accordingly, employees showing high productivity levels and the will to perform, will have less intention to leave their organisation (and vice versa). Such a situation supports the negative relationship between work engagement and turnover intention (Hussain, Yunus, Ishak and Daud, 2013). In light of the discussion above, the following hypothesis can be formulated:

Hypothesis 1c: Work engagement has a negative relationship with turnover intention.

The relationship between burnout and job embeddedness

When employees are unable to balance the requirements of both work and family roles, they will inevitably encounter emotional exhaustion and become less embedded in their job (Qaiser, Gulzar, Hussain and Shabbir, 2015). Emotional exhaustion is the core dimension of burnout (Maslach, Schaufeli and Leiter, 2001) and it influences an organisation's service delivery, since it makes it difficult to retain outstanding employees (Karatepe, 2013). The assumption can be made that emotional exhaustion, and by extension burnout, will hinder service delivery in the logistics industry as it involves employees providing services to various clients (Liu, Grant, McKinnon and Feng, 2010). An employee experiences emotional exhaustion in a situation where the job demands placed on them are high, along with feelings of worn-out emotional resources and a lack of energy (Karatepe, 2013), resulting in poor performance and less job embeddedness (Karatepe, 2013). *Links* are perceived as the connections that employees have with their organisation – *on-the-job embeddedness*; and their community – *off-the-job embeddedness*. Employees who suffer from emotional exhaustion will find it difficult to cope with their work and/or personal life if the links (co-workers and family) in their life is absent, thus becoming less embedded on-and off the job. The result could be inadequate performance and decreased levels of job embeddedness (Karatepe, 2013). In light of this exposition, the following hypotheses can be formulated:

Hypothesis 2a: Burnout has a negative relationship with on-the-job embeddedness.
Hypothesis 2b: Burnout has a negative relationship with off-the-job embeddedness.

The relationship between burnout and turnover intention

In a work environment where chronic work-related stress is prevalent it becomes damaging to employees (Lin, Jiang and Lam, 2013). Research has identified interpersonal job stressors as the root cause of burnout (Maslach *et al.*, 2001). Exhaustion, accompanied by cynicism and detachment, is a dominant factor of burnout, which entails feelings caused by depleted resources emotionally and physically (Maslach *et al.*, 2001). A loss of resources is likely to cause negative organisational outcomes such as increased turnover intentions (Lee and Ashforth, 1996). Burnout links with several job-withdrawal facets such as absenteeism and employees' intention to leave their organisation (Lin *et al.*, 2013). Ahmed (2016) mentions that turnover intention is most likely to produce undesirable results for an organisation such as decreased performance. The lack of such resources may evoke intentions among employees to leave the organisation (Scanlan and Still, 2019; Stoll and Gallagher, 2018; Rahim and Cosby, 2016). This relationship can be formulated in terms of the statement below:

Hypothesis 2c: Burnout has a positive relationship with turnover intention.

The relationship between job embeddedness and turnover intention

Retention of employees has become a more prevalent challenge for organisations (Samuel and Chipunza, 2009). Considering why employees remain in an organisation, job embeddedness is conceptualised in literature as comprising several external contextual forces, namely links within their organisation/community; individual employees' fit with the values of the organisation and /or community; and what employees are willing to sacrifice (William Lee, Burch and Mitchell, 2014). Therefore, outside factors (*off-the-job*) such as family and other job possibilities have also been known to have impact employees' turnover intention. Employees who experience low, compared to high, job embeddedness will reduce their turnover intention as on-the-job embeddedness increases. Embeddedness in the job itself is an important consideration in turnover intention, compared to off-the-job embeddedness (Dawley and Andrews, 2012). Factors that influence on-the-job embeddedness include relationships with colleagues; the fit between the employees and their job; and what employees have to forfeit when they consider leaving their job. According to literature, employees who display high on-the-job embeddedness will experience a lower turnover intention, and vice versa (Tanova and Holtom, 2008).

Hypothesis 3a: On-the job embeddedness has a negative relationship with turnover intention.
Hypothesis 3b: Off-the job embeddedness has a negative relationship with turnover intention.

Potential indirect relationships

Given the hypothesised relationships and the current literature, it is possible that job embeddedness could function as intermediating variable in the relationships between work-related

well-being (work engagement, burnout) and turnover intention, expecting indirect effects. Therefore, the following hypotheses were also tested:

Hypothesis 4a: Work engagement has an indirect effect on turnover intention through on-the job embeddedness.

Hypothesis 4b: Work engagement has an indirect effect on turnover intention through off-the job embeddedness.

Hypothesis 5a: Burnout has an indirect effect on turnover intention through on-the job embeddedness.

Hypothesis 5b: Burnout has an indirect effect on turnover intention through off-the job embeddedness.

RESEARCH OBJECTIVE

The main research objective of this study was to investigate the relationships between job embeddedness, work engagement, burnout and turnover intention within the South African logistics industry.

RESEARCH METHOD

Research design

The present study followed a quantitative research approach, which involves a large sample, with a cross-sectional design where data were collected at a fix point in time (De Vos, Delport, Fouché and Strydom, 2011). Data were gathered through a questionnaire that was completed to enable the researcher to investigate the hypothesised relationships statistically through descriptive statistics.

Research participants

Convenience sampling, a non-probability strategy, was used to gather data within the logistic industry in South Africa. For the research, approximately 500 participants were sought to complete the questionnaire, which were completed voluntarily showing a response rate of 56.20% (*n* = 281). The participants who completed the questionnaires were from the age of at least 18 years and older (Mean age = 37.59; SD = 10.10), and varied in terms demographics such as gender (male = 168 [59.79%] and female = 113 [40.21%]), ethnicity (African = 178 [33.21%], White = 83 [15.49%], Coloured = 12 [2.24%], Indian = 3 [0.56%]) and other 5[0.01%]; educational background (matric = 207 [38.62%], diploma = 44 [8.21%], degree 14 [2.61%], post-graduate degree = 13 [2.43%]).

Measuring instruments

The measuring instruments which were used in the study are explained below by referring to the instruments as well as the constructs that it measures:

A **biographical questionnaire** determined the participants' biographical characteristics, namely: age, gender, home language, ethnicity, level of education, household status, length of employment and position in current organisation. This information was gathered to present the basic composition of the sample.

Work engagement was measured through the Utrecht Work Engagement Scale (UWES-9) developed by Schaufeli and Bakker (2010). This scale consists of nine items that measure the three dimensions of work engagement: *Vigour* (3 items; e.g. "When I get up in the morning, I feel like going to class/work"); *Dedication* (3 items; e.g. "I'm enthusiastic about my study/job") and *Absorption* (3 items; e.g. "When I'm studying/working, I forget everything around me"). A seven-point frequency scale was used, ranging from 0 (*Never*) to 6 (*Everyday*). The Cronbach's alpha coefficients for the 9-item scale varied between 0.85 and 0.92.

Burnout was measured through the Maslach Burnout Inventory (MBI; Maslach, Jackson and Leiter, 1986). The MBI consists of 22 items, scored on a 7-point frequency-rating scale, thus ranging from 0 (*Never*) to 6 (*Everyday*). The 16 items are divided into the three dimensions of burnout namely: *Exhaustion* (5 items, e.g., "Working all day is really a strain for me"), *Cynicism* (5 items, e.g. "I doubt the significance of my work") and reduced *Professional efficacy* (6 items, e.g. "I can effectively solve the problems that arise in my work."). Cronbach's alpha coefficients have been reported as 0.87 and 0.82, for components within the South African context (Rothmann and Barkhuizen, 2008).

Job embeddedness entails two components: on-the-job embeddedness and off-the-job embeddedness. These components consist of a 12-item scale, reflecting six dimensions for the construct (Clinton, Knight and Guest, 2012). ***On-the-job embeddedness*** comprises an index which measures the three aspects of job-embeddedness; *Fit* (e.g., "The organisation provides me with a way of life that suits me"); *Links* (e.g., "My closest friends are in the organisation"); and *Sacrifices* (e.g. "I would miss the excitement that the job brings if I left"). Similarly, ***Off-the-job embeddedness***, comprises an index composed of the similar three aspects of job-embeddedness; *Fit* (e.g., "The area where I am based right now is suitable for my family and friends"); *Links* (e.g., "My family/partner has strong ties around the community where I am currently based at the moment"); and *Sacrifices* (e.g. "Leaving the area where I am currently based would mean many personal and/or family sacrifices"). A 5-point Likert-type scale was utilised and range from 1 (*Strongly disagree*) to 5 (*Strongly agree*). Van Dyk, Coetzee and Tebele (2013), report the overall Cronbach's alpha coefficients for job embeddedness as 0.91.

Turnover intention was measured with a Likert-type scale containing three items, developed by Sjöberg and Sverke (2000). The scale measures the strength of the respondent's intentions to leave the present position (e.g., "I feel that I could leave this job"). The response alternatives range from 1 (*Strongly disagree*) to 5 (*Strongly agree*). Cronbach's alpha coefficients for turnover intention was found to score 0.83 (Sjöberg and Sverke, 2000).

Statistical analyses

Latent variable modelling was conducted with Mplus 8.0 (Muthén and Muthén, 2017). Firstly, confirmatory factor analysis was used to determine the best-fitting measurement model for the data (Brown, 2015). To decide on the measurement model the following fit indices were considered: comparative fit index (CFI), Tucker-Lewis index, (TLI) and root mean square error of approximation (RMSEA). For the CFI and TLI, values of 0.90 and above were considered adequate; and for the RMSEA, values of 0.08 and below (Van de Schoot, Lugtig and Hox, 2012). In addition to the fit of the measurement model, the validity of the model was also considered, specifically construct validity. To this end and to begin exploring the relationships between variables, a correlation matrix was considered, which was interpreted according to the guidelines of Cohen (1992), namely that values of 0.30 and above should be considered medium effect size and those of 0.50 and above, as large effects. The priori-results of the correlations yielded the researchers to proceed with testing the mentioned hypotheses. Thereafter, to test the hypotheses, a structural model was specified in a follow-up analysis by adding the structural paths in line with the research hypotheses (see Figure 1 above). The same guidelines were applied to the structural model in terms of fit as the case was with the measurement model. To support or reject the hypotheses, the statistical significance (set at $p < 0.05$), direction and size of the standardised estimates were considered. Finally, for the potential indirect effects in the model, bootstrap resampling was used with a resampling option set at 10 000 (Hayes, 2017). This allowed the researcher to consider the significance of the indirect effects by considering the parameters' 95% confidence intervals as well.

Research procedure

Consent was obtained from the CEO of the selected organisation to collect data. Appointments were scheduled with the CEO and managers of the chosen organisations where the overall aim and nature of the study were explained by the researcher. Followed by an informed consent process, where (1) the voluntary nature of participation and (2) the research purpose of the study was explained to participants. The front page of the question booklet covers provided the participants this information.

Furthermore, by a scheduled appointment with the two different organisations the questionnaires were delivered by hand to the participants. This method could raise the response rate since the

participants were not inconvenienced by making appointments only prior to the delivery (De Vos *et al.,* 2011). The participants were given five workdays to complete and submit their booklets. After the participants completed their questionnaires, the questionnaires were placed into assigned envelopes. The sealed envelopes were placed in a secured container that was made available (at a central location) and so collected by the researcher the following week. Accordingly, voluntary participation was ensured as the researcher was unable to know the identity of participants who did or did not complete the booklet. The participants were informed that it takes approximately 20 minutes to complete the questionnaire. Three days before the researcher collected the questionnaires, the CEO and management were notified via email, as a reminder to inform the participants about the research project. The data were captured onto an Excel spread sheet and analysed statistically after the data were collected by the researcher

Ethical considerations

Ethical clearance was granted by the North West University's Faculty Research Committee to continue with the present study. Informed consent was provided by participants and prior to receiving the questionnaire, candidates were made aware of the voluntary nature of this study, as well as the fact that it was undertaken anonymously, where all the provided information was kept strictly confidential.

RESULTS

CFA measurement model and Structural model fit and paths

After assessing the measurement model containing all the study variables, the model was found to be an acceptable fit to the data (χ^2 = 870.99; df = 314; CFI = 0.92; TLI = 0.91; RMSEA = 0.08) and the researchers proceeded to test the structural model - paths were added to the CFA model according to the study hypotheses. After estimation, the model was found to be an acceptable fit to the data (χ^2 = 940.97; df = 315; CFI = 0.91; TLI = 0.90; RMSEA = 0.087; 90% CI [0.081, 0.094]). The RMSEA was borderline but below the cut-off of 0.10 for poor fit (Cudeck and Browne, 1993). The results of the regressions are provided in Table 1 and Figure 1 below:

TABLE 1:

Regression results for the structural model

Structural path	B	S.E.	p	Result
Work engagement → On-the-job embeddedness	0.62	0.05	0.00	Significant
Work engagement → Off-the-job embeddedness	0.46	0.08	0.00	Significant
Work engagement → Turnover intention	0.04	0.08	0.64	Not significant
Burnout → On-the-job embeddedness	-0.05	0.06	0.35	Not significant
Burnout → Off-the-job embeddedness	0.01	0.07	0.94	Not significant
Burnout → Turnover intention	0.57	0.05	0.00	Significant
On-the-job embeddedness → Turnover intention	-0.38	0.06	0.00	Significant
Off-the-job embeddedness → Turnover intention	0.07	0.06	0.22	Not significant

Notes: β = beta coefficient; S.E. = Standard error; *p* = Two-tailed statistical significance

For the results of the structural path results (see also Figure 1 below), work engagement showed significant positive path relationships with on-the-job embeddedness (β = 0.62, S.E. = 0.05; supporting H_{1a}) and off-the-job embeddedness (β = 0.46, S.E. = 0.08; supporting H_{1b}). However, work engagement, showed no significant relationship to turnover intention in this model (β = 0.04, S.E. = 0.08; *p* = 0.644; rejecting H_{1c}). Burnout showed non-significant path relationships to on-the-job embeddedness (β = -0.05, S.E. = 0.06; *p* = 0.35; rejecting H_{2a}) and with off-the-job embeddedness (β = 0.01, S.E. = 0.07; *p* = 0.94; rejecting H_{2b}), but a positive relationship to turnover intention (β = 0.57, S.E. = 0.05; supporting H_{2c}). Finally, on-the-job embeddedness had a significantly negative path relationship to turnover intention (β = -0.38, S.E. = 0.06; supporting H_{3a}), but off-the-job embeddedness has a non-significant relationship (*p* = 0.22). The model, therefore, explained significant variance in all of the dependent variables. Finally, four indirect relationships were tested in this model. Bootstrapping replication (10 000 draws) (Rucker, Preacher, Tormala and Petty, 2011) with the four potential indirect effects specified, revealed that the first indirect effect was indeed a significant (Estimate = -0.20, SE = 0.07; *p* = 0.02; 95% CI [-0.44, -0.07]) – the relationship from work engagement to turnover intention through on-the-job embeddedness. In addition, the direct relationship from work engagement to turnover intention was found to be non-significant, which indicated an indirect-only mediation model more traditionally known as a full-mediation model.

FIGURE 1:
The structural model with regression results
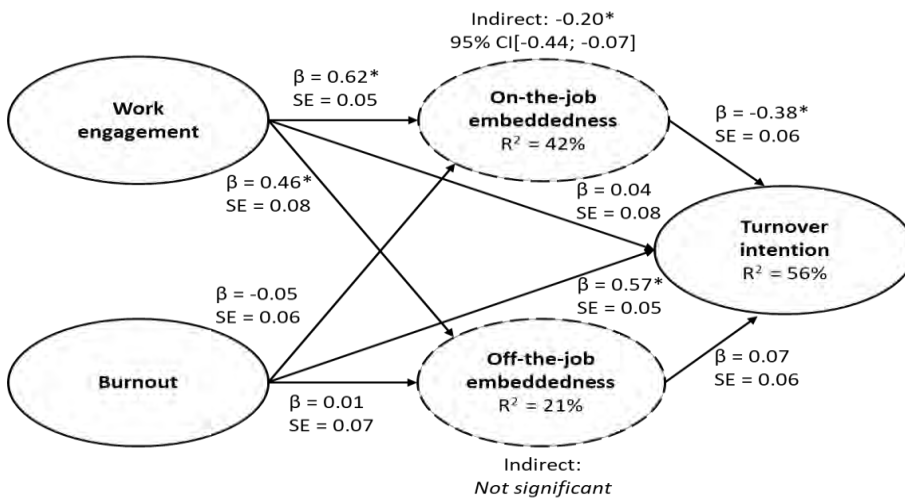
DISCUSSION

The general aim of the present study was to investigate the relationships between job embeddedness, work engagement, burnout and turnover intention within the South African context. A literature overview indicated no definite existing research to date which investigates all of these constructs in a single study. Therefore, to the researcher's knowledge this was the first study to do so. Work engagement showed a significant positive relationship with both on-and off the job embeddedness (supporting H_{1a} and H_{1b}), which means that being engaged in their work environment make employees more inclined to be embedded within their jobs. This is in line with previous literature, namely that engaged employees identify with their work by using their knowledge and skills to do their job (Takawira *et al.,* 2014; Karatepe and Ngeche, 2012). Such commitment impacts also on employees' on-the-job embeddedness by becoming more embedded within their job. Thus, in accordance with the broaden-and build theory, employees who experience positive emotions such as interest and pride in their work, are likely to experience a positive spill-over effect into their personal lives, which thereby impacts their life outside their work (Fredrickson, 2000), an in the process, their off-the-job embeddedness.

Work engagement were found to demonstrate a non-significant direct relationship with turnover intention (rejecting H_{1c}), This result was not supported by previous literature, however it was found that work engagement does demonstrate a significant indirect relationship with turnover intention through on-the-job embeddedness (supporting H_{4a}). This finding emphasises that on-the-job embeddedness plays an important role in the dynamics between work engagement and the employees' intention to leave their organisation. Burnout indicated a non-significant relationship with both on-the-job embeddedness and off-the-job embeddedness (rejecting H_{2a} and H_{2b}), but a

direct positive relationship with turnover intention (supporting H_{2c}) – suggesting that employees who experience burnout will be less inclined to remain with their organisation. Gülcan (2015) states that burnout is a source of employees' experience of turnover intentions.

Employees have the tendency to foster job resources; thus losing such job resources may cause an employee to experience symptoms of the burnout syndrome, as a result, they develop the desire to leave their organisation (Lu and Gursoy, 2016). The above-mentioned non-significant relationship between burnout and both on-the-job embeddedness and off-the-job embeddedness has not been found in previous literature. The finding in the present study showed that burnout does not have a direct impact on on-the-job embeddedness nor off-the-job embeddedness, but that the dynamics of its antipode, work engagement, seems to be of more importance in the logistics industry. On-the-job embeddedness indicated a negative relationship with turnover intention (supporting H_{3a}), as employees who are embedded in their job would have less intention to leave their job. Mitchell *et al.* (2001) points out that if employees have the necessary support from their co-workers (*links*), their goals and values *fit* with their organisation and the *sacrifice* they are willing to make within their organisation are definite, the levels of employee turnover intention will be lower.

Off-the-job embeddedness, on the other hand, indicated a non-significant relationship with turnover intention (rejecting H_{3b}). This finding implies that factors outside the organisation do not have a real impact on employees' intentions to stay or leave the organisation, in this context – the logistics industry. This finding was supported by previous literature, stating that off-the-job embeddedness does not directly contribute to predicting employees' intention to leave their organisation (Treuren, 2009). Purba (2015) also found that off-the-job embeddedness has no effect on turnover intention, explaining that this could be since employees value their attachment to their current organisation, regardless of other job opportunities.

Practical managerial implications and recommendations

The present study contributed to the literature in this field by investigating the interrelationships between different constructs, namely (1) job embeddedness (2) work engagement (3) burnout and (4) turnover intention. The results is valuable to organisations since it advises about the dynamics between the constructs. Organisations must be mindful of the significant impact that engaged employees have on the organisation's outcomes and on employee retention (Bakker and Albrecht, 2018). Keeping employees engaged requires of organisations to make certain changes in the workplace, such as job rotation or improved job designs, which would improve their employee-job-fit and employees will experience their job as more meaningful (Schaufeli, 2012). Subsequently, providing employees with the necessary job resources allows them to be more engaged. The

reason is that the necessary job resources will reduce their job demands, help them achieve organisational goals and foster personal growth (Braine and Roodt, 2011). In such a case, employees will be more embedded within their job.

In light of the findings above, it is vital that an organisation takes note of the job-related aspects of embeddedness, for example employees' relationships with co-workers or the community; whether their values are on par with that of the organisation; and what they are willing to sacrifice within and outside their organisation. Such information will help organisations plan strategies to keep their skilled employees in the company (Dawley and Andrews, 2012; Tanova and Holtom, 2008). If employees want to remain within their organisation, this lowers the possibility of any intention to leave their organisation (Nicholas, Mensah and Owusu, 2016). Finally, awareness should be raised about employees experiencing exhaustion, which is a characteristic of the burnout syndrome. Such experiences (exhaustion) have a substantial direct effect on employees' decision to remain with their organisation and/or having any intention of leaving (Lee and Ashforth, 1996). Ensuring that employees have the necessary resources to cope with job stress and do their job efficiently and effectively, will reduce the risk of undesirable outcomes such as poor performance and turnover intention (Stoll and Gallagher, 2018; Ahmed, 2016; Karatepe, 2013).

Limitations and recommendations for future research

Despite the contribution by the findings to the literature on work-related factors, certain limitations must be pointed out. Firstly, the study was conducted only in a single industry amongst only two organisations within South Africa. This should be regarded as a concern since the results cannot be generalised across all organisations in South Africa. Thus, it is recommended that future research should include several industries within the South African context. Secondly, the study used a cross-sectional design, which collected data in a short period at a single point in time. Thus, to provide evidence of casualty, it is recommended this study should be replicated by using a longitudinal design. Thirdly, understanding and interpreting the questions within the self-reported questionnaire may have differed among participants. Therefore, a recommendation to future research would be to utilise multiple data-collection methods, for example, which combine qualitative and quantitative research designs.

CONCLUSIONS

The overall aim of the present study was to investigate the relationships between job-embeddedness, work engagement, burnout and turnover intention within the South African context. Results of this study indicated that work engagement has a significant positive relationship with on-the-job embeddedness and off-the-job embeddedness. This finding implies that engaged employees who have the characteristics of work engagement – vigour, dedication and absorption –

will be more embedded within their organisation and outside. Taking into account burnout, in this study this construct only showed a positive significant relationship with turnover intention. The reason is that when employees experience the symptoms/characteristics of burnout – emotional exhaustion, depersonalisation and lack of personal accomplishment – they show intentions to leave their organisation. The results also indicated that on-the-job embeddedness is significantly negatively related to turnover intention. This finding suggests that employees with the necessary links, fit and willingness to sacrifice within their organisation, are less inclined to intentions of leaving the company. Non-significant relationships were also found within this study, namely between work engagement and turnover intention, burnout and on-the-job embeddedness and off-the-job embeddedness, and lastly between off-the-job embeddedness and turnover intention. This finding indicates that engaged employees might not have an effect on an employee's intention to leave their organisation, furthermore an employee's embeddedness within and outside their organisation might not be effected when experiencing symptoms of burnout.

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Keeping faith through Covid-19: A conceptual overview of the role of leadership religiosity on sustainable employee excellence

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ABSTRACT

With the recent outbreak of COVID-19 (National Institutes of Health, 2020), company leaders face a massive challenge of diving into and navigating unparalleled territory directly as they transform their workers technologically, physically, and socio-psychologically unmatched ways. The COVID-19 pandemic created many complex challenges in the workplace, with leaders having no time to prepare for the "unknown unknowns" to assist employees in adjusting to and cope with drastic changes in the work environment (Carnevale and Hatak, 2020). In this conceptual paper, we explore how religion influences the work intentions and behaviours of workplace leaders of the Christian faith amid the COVID-19 pandemic. We present theoretical propositions that can guide leadership behaviour and practices during a crisis, building on the religious foundation. This conceptual paper uniquely contributes to understanding the dynamic interplay between leadership, faith, religion and Christian work ethic to navigate individual and organisational outcomes during Covid-19.

Keywords: COVID-19; leadership; religion; spirituality; Christian faith

INTRODUCTION

The current COVID-19 crisis has unquestionably caused severe business disruption, leading to increased employee uncertainty (International Labour Organization, 2020a). The COVID-19 pandemic has created numerous challenges, forcing workers to adjust to and cope with these radical work-related and social changes. Individuals in many organisations and industries must endure harsh workplace conditions in response to disease outbreaks, such as limited availability of social and work support, increased work demands, irregular work hours, inadequate work benefits, and poor access to healthcare (Blake, Blendon and Viswanath, 2010; International Labour Organization, 2020b). These challenging work conditions often increase general health complaints such as fatigue, upset stomach, sleeping difficulties, and headaches (Matsuishi, Kawazoe, Imai, Ito, Mouri *et al*., 2012; Shigemura, Ursano, Morganstein, Kurosawa and Benedek, 2020). Disease outbreaks disrupt basic life activities and impede economic growth (McKibbin and Fernando, 2020)

and have both acute and long-term effects on people's physical and emotional well-being, potentially leading to increased presenteeism and work absence.

It is normal for individuals to draw on their religious beliefs to deal with stress caused by work and other sources (Pargament, 1997; Pargament, Ensing, Falgout, Olsen, Reilly *et al.*, 1990; 1992). According to Carnevale and Hatak (2020) surveys, 85 per cent of respondents felt that their religious values helped them deal with traumatic life experiences. However, given the growing demands on the working class and high uncertainty in the workplace, a question arises as to whether Christian employees, particularly leaders, distinguish themselves from other religious beliefs. Christians are called to be Christ's representatives, imitate the One they serve and perform tasks with joy, modesty, a servant mindset, reverence for all, diligence, honesty, and loyalty to superiors (Klett, 2018).

With approximately 86 per cent of the South African population identifying as Christian (Statistics South Africa, 2015), it stands to reason that the South African workplace should be dominated by professing Christians. Organisations in South Africa require sustainable employee excellence and leadership now more than ever—people dedicated to their duties and obligations, capable of carrying out their assignments and navigating challenges, and motivated to address issues independently and make decisions quickly (Graves, 2015). Furthermore, the theory of reasoned action implies that a person's intentions to behave and actual behaviour can be predicted due to their religious beliefs (Chang, 2013). Religion frequently satisfies several critical human needs and fulfils ethical, emotional, and spiritual desires, empowers people with optimism and courage, strengthens people's and societies' ethical and moral values, and provides a solid foundation for people in the face of life's challenges and adversities (Mehdad and Iranpour, 2014). Religion can help people understand their circumstances and better integrate upheaval or potential threats into their lives (Schaefer, Morozink Boylan, van Reekum and Lapate, 2013).

At the very least, religious employees, particularly leaders, play a critical role in fostering generous and honourable organisations (Etherington, 2019). Employees will rely heavily on these leaders to clarify organisational policies and procedures with COVID-19. Leaders in the workplace will be expected to provide support and leadership in the face of the coronavirus and its associated consequences, such as remote work and physical separation (Shaw, Main, Findley, Collie, Douglas *et al.*, 2020). The COVID-19 crisis is currently putting all aspects of leadership to the test. Leaders who can deal with enormous personal and professional challenges will emerge as tough, caring, optimistic, forward-thinking, and successful (Hatami, Sjatil and Sneader, 2020).

Taking all of this into account, the primary goal of this paper will be to theoretically investigate how religion influences the work intentions and behaviours of Christian workplace leaders during the

COVID-19 pandemic. Understanding the impact of specific belief systems on work, such as Christian spirituality, could supplement management/leadership and organisational thought and practice.

LITERATURE REVIEW

Covid-19: Deconstructing the "new normal"

The first confirmed case of COVID-19 was reported in South Africa on March 5, with 61 cases reported by March 15. Anderson, Heesterbeek, Klinkenberg and Hollingsworth (2020) predicted that South Africa would also be unable to avoid the economic impact of the pandemic while attempting to reduce mortality. As a result, every South African employer must assume that COVID-19 will impact its organisation and employees (George and George, 2020). The economic downturn caused by the COVID-19 pandemic has resulted in, and will likely continue to result in layoffs, downsizing, significant pay cuts, reduced work hours, and extended furloughs, while also resulting in increased work demand and difficult working conditions (Restubog, Ocampo, Wang, Arora, Suri *et al*., 2020). These realities and uncertainties leave employees unsure of what is in store for them (Arora and Suri, 2020) and jeopardise the job security of workers in a variety of career stages and business sectors, including hospitality and food services, manufacturing, retail, travel, and trade (Morath, Torry and Guilford, 2020). It is natural to have some degree of uncertainty at work, but the unknowns resulting from the pandemic are now vast (Achor, Kellerman, Reece and Robichaux, 2018). Employees ask about job security, roles and responsibilities, professional development, and returning to work (Lee, 2020).

The uncertainty caused by the pandemic has also impacted employees' physical and mental well-being across global organisations. Decades of research have shown that involuntary unemployment is linked to poor mental and physical health (Wanberg, 2012). Similarly, employed workers may experience increased anxiety due to uncertainty about their jobs' future (Shoss, 2017). As a result, workplaces opening during COVID-19 takes place against a backdrop of increased psychological distress in the community that cuts across all sociodemographic divides. Returning to an uncertain working environment adds to the stressors that are already affecting workers' mental health. Workers who have COVID-19 symptoms and return to work after being ill or quarantined may experience fatigue, anxiety, and/or reduced work tolerance (Larochelle, 2020). They may face challenges in getting to and from work, restrictions in social contact with others, and new training, equipment, or responsibilities. The social stigma associated with a COVID-19 diagnosis may affect social relationships and access to or interactions with coworkers. Long-standing colleagues' social support may deteriorate, making it difficult or impossible to work side by side with peers for an extended time (Shaw *et al., 2020*).

Many factors contribute to workers experiencing an increase in complex emotions, including the death of a friend or relative as a result of the virus, having a partner who is a medical or other frontline worker, layoffs, furloughs, colleagues leaving, and being exposed to negativity in the news and on social media (Hamouche, 2020). Anger, sadness, anxiety, and grief are all common manifestations of these emotions. Employees who practice Christian religion are exhorted to "influence the world" in a way that reflects their faith under these conditions (Emmett, 2020). There is mounting evidence that the once-clear line between faith and work is blurring, if not collapsing (Morgan, 2005). Employees today are much more likely to do something previously unheard of: practice their faith at work (Morgan, 2005). According to the researchers, this is exactly what Christian employees, particularly leaders, should do right now.

Leadership in a pandemic

Leaders and workers often refer to religion and spirituality as sources of making sense, connection, and personal support (Benefiel, Fry and Geigle, 2014). In addition, results from a study of 186 senior executives from business and education show that religious orientation enhances the partnership between spirituality and transformational leadership (Twigg and Parayitam, 2007). These results further affirm the moderating position of religious orientation in the collaboration between transactional leadership and transformational leadership behaviours. As more people seek meaning at work and relate their job to spiritual beliefs, it is essential to investigate the link between leaders' spiritual orientation and actions (Twigg and Parayitam, 2007). Leadership styles are a significant area where religion expresses itself, with many writers claiming that religion and the dimensions of leadership styles have a strong connection. Christians utilise their religious beliefs and practices to model, support, empower, inspire, and challenge crucial elements of leadership styles, according to Hage and Posner (2013). This paper claims that the influence of Christianity on leadership may be seen in the various leadership styles used. The impact of Christianity may be experienced in any leadership style that they consider suitable, whether it is democratic, servant, transformational, charismatic, or strategic leadership (Gaitho, 2019).

According to the available research, religion has a variety of effects on leadership positions. Religion is the cornerstone of ethics, values, and morality, and therefore of society. Religion's main purpose is to guide spiritual and personal beliefs (Gaitho, 2019). The majority of literature ignores the connection between leadership and religion, particularly the impact of religion in leadership. However, it is advocated for leaders to combine their religious beliefs with their professional lives. According to the study results, Phipp (2012) found that religion plays a significant role in leadership, with leaders expressing their religious views in their leadership styles. Because religion strongly influences human views, leaders often display their beliefs via their leadership (Fernando, 2005).

Another area where religion comes into play is in the area of ethics in strategic leadership. According to Spalding and Franks (2012), religion instils values and ethics in its believers, which govern how they act in organisations and towards each other. Frunza (2017) believes that leadership is the foundation of ethics in companies, regardless of religious perspectives or non-perspectives. When trying to examine the connection between religion and ethical decision making, Vitell (2010) found that religion correlates with higher ethical judgment. Leaders with a religious background are more likely to notice a moral issue in their company than leaders without a religious background. Similar findings by Hage and Posner (2015) revealed that religiosity impacts leadership practices and behaviours. However, the study also affirms that leadership in the workplace is significantly complicated by religion.

Immediate supervisors will play an essential role in successfully implementing proactive employment policies and practices concerning workplace safety and return-to-work (Kristman, Shaw, Reguly, Williams-Whitt and Soklaridis 2017). With COVID-19, employees will rely heavily on these leaders to understand and communicate the strategies and activities of companies and stakeholders. In addition, leaders in the workplace will be required to address a wide range of effects of the virus and the impact of physical separation (Shaw *et al*., 2020). The COVID-19 crisis is proving to be a revealing leadership test. On the other hand, it may simply result in strong, compassionate, confident, forward-thinking, and successful leaders capable of dealing with extraordinary personal and professional challenges (Hatami *et al*., 2020).

Proposition 1: Christian business leaders can integrate their faith into work and the new COVID-conscious workplace with the problems and challenges they face.

Religiosity/Religion and Spirituality at work

Religion is a fundamental intrinsic motivator in a person's life (Salmanpour and Issazadegan, 2012). It is a part of a person's life and a source of hope for them. According to McAndrew and Voas (2011), religions are the extent to which people are inclined to become devoted or put the religion's teachings into practice or the degree of religious commitment. Because religion is a modern-day living fact, it inevitably becomes an integral part of the workplace (Kaufmann, 2010). According to Miller and Ewest (2013), in all types of businesses, more and more people are beginning to incorporate their faith and spirituality into the workplace and their daily working schedule whenever it is practical and appropriate. There is widespread agreement that people want to (and do) bring their religious beliefs and practices to work (Houghton, Neck and Krishnakumar, 2016). As a result, modern society has not resulted in the separation of faith and work; rather, it has caused people of faith to take a firm stance in the secular workplace, particularly when moral or ethical issues are at stake (Dik, Eldridge, Steger and Duffy, 2012).

Many people use religion as a guide to determine what is right and wrong in the workplace. In the aftermath of infamous workplace scandals, religious people typically seek refuge in their faith. Viewing the world through religion can inspire people to act following a different set of ethical standards (Brotheridge and Lee, 2007). As a result, religion is a "powerful source and shaper of values and, as a result, a motivator and obligation for calculating social action even at the expense of self" (Anderson, 2016: 389). Work and faith are generally intertwined for Christians (Etherington, 2019). According to McGhee (2019), a Christian desires to work in a way that reflects God's imaginative works and honours Him. A Christian worldview does not avoid social issues at work, but instead seeks to restore the work process.

People will face challenges in carrying out their duties amid the COVID-19 pandemic, and this must be addressed and eventually restored for the Christian employee and leader. Bringing peace, joy, truth, morality, commitment, fairness, and persistence to the workplace may be considered restoration (Martin, 2017). As previously stated, work has intrinsic value for the Christian believer and is never merely a means to an end (Brimlow, 2002). In other words, Christian religiosity in the workplace is about an intentional lived faith at work. Christians with real-life job encounters can be studied to learn how Christian religiosity can be best incorporated. Living out what they believe in and putting their beliefs and values into consistent everyday practice should be found in their work lives (Fornaciari and Dean, 2009). Also, in South Africa, religion guides personal and public behaviour for many people (Scroope, 2019) since it is the core of their identity.

Steffy (2013) found that personal religious belief caused workers to be less selfish in decision making, conforming more to organisational rules, and having greater intrinsic and extrinsic workplace orientation. Higher levels of spirituality at work have been related to higher levels of creativity in workers (Freshman, 1999), honesty and trust (Wagner-Marsh and Conley, 1999), personal accomplishment (Burack, 1999), commitment to the organisation (Delbecq, 1999), well-being (Csiernik and Adams, 2002), intrinsic job satisfaction (Milliman et al., 2003), the performance of one's work unit (Duchon and Plowman, 2005), overall performance of the organisation (Neck and Milliman, 1994), and job identity (Milliman, Czaplewski and Ferguson, 2003). Studies have revealed a relation between religion and reduced stress at work (Csiernik and Adams, 2002) and the intention to quit (Milliman *et al.*, 2003). The link between motivation and organisational citizenship behaviours can also be influenced (Tepper, 2010; Pargament, Magyar-Russell and Murray-Swank, 2005).

Koenig, Koenig, King and Carson (2012) showed that nearly 80% of studies on religion and spirituality found a positive relationship with measures of psychological well-being. Moreover, individuals often tend to use their faith to deal with work-related and other life pressures (Makridis, Johnson and Koenig, 2019). Motivated by all the evidence that religious affiliation and religiosity

affects well-being, there is also reason to suspect that religion can serve as a protective factor against adverse life events. It is mainly during times of crisis that millions of people turn to their faith to help them spiritually and practically. Since the start of the COVID-19 pandemic, this has been experienced yet again as churches, other places of worship and faith-based organisations worldwide provide support, food, shelter, aids, and medical services. Such unity is badly required as the human, economic, and emotional toll of COVID-19 is endured by millions (Andersen and Karam, 2020).

Acikel (2000) concluded that an individual's religious worldview might provide a sense of purpose and meaning that does not change with time, allowing them to undergo traumatic life experiences without corresponding changes in well-being and maintain a sense of hope amid challenging circumstances. Thus, the COVID-19 challenge may be the best time for management researchers to work together on research efforts and turn them into practical recommendations that organisations can implement to assist them in confronting one of the most significant challenges in modern history.

Several research studies have examined the impact of religion and spirituality in the workplace. For example, results disclosed by Mitroff and Denton (1999a) showed that almost all respondents believed in God's greater power over anything, and half agreed that while at work, they felt the influences of spiritual energy. In addition, Khanifar, Jandaghi, and Shojaie (2010) reported that the link between workplace spirituality and professional commitment is meaningful. A similar study (Osman-Gani, Hashim and Ismail, 2013) amongst 28 organisations in Malaysia examined the influence of religiosity and spirituality on employee performance in organisations. The results from the analysis showed that religiosity and spirituality have a significant positive relationship with job performance for all. This finding is in line with earlier research. For example, Oler (2004) found that religiosity and spirituality impacted practices of daily work.

Spirituality in organisations is a topic that has received a lot of attention in the scientific and empirical literature. Spirituality, religious practices, and spiritual values have been notably absent as variables in organisational studies. They are, however, among the most important variables influencing personal, team, and organisational performance (Heermann, 1997). The goal of spirituality is to achieve a highly advanced private state or realise one's full potential, leading to increased creativity, drive, and organisational commitment among workers. According to Long and Mills (2010), spirituality is required in the workplace for the success of organisations and individuals. Leaders and workers often refer to religion and spirituality as sources of making sense, connection, and personal support (Benefiel *et al*., 2014). A study of 186 senior executives from business and education shows that religious orientation enhances the partnership between spirituality and transformational leadership (Twigg and Parayitam, 2007). These results further

affirm the moderating position of religious orientation in the collaboration between transactional leadership and transformational leadership behaviours.

Proposition 2: Christian business leaders can impact fellow workers' values and workplace culture by expressing and integrating faith at work.

Christianity at Work

According to McGhee and Habets (2018), a model was recently developed by more contemporary theories drawing on the work of T. F. Torrance. This model contended that a Christian's work plays a huge part in God's ultimate aim or purpose for creation while imaging God back to Himself as a form of worship. Work has ultimate meaning and value when this happens. Religion or faith has provoked many research undertakings into various aspects of these concepts. However, not many studies have been done on Christian employees' perception of their work and workplace, the impact of religion on their non-Christian fellow worker relationships, and their challenges when trying to integrate their faith into their work (Hirschi, 2017).

Christian faith and Christian spirituality at work complement each other as both implicate a practice of daily lived Christianity reflecting God to Himself (McGhee and Habets, 2018). In other words, faith at work for a Christian means having an active living faith in their place of work. Humanity is made better, not worse, when accepting Christ; the way we live and work adopts a new significance and purpose as we become part of God's love and design for creation. Finally, a Christian faith at work implies working hard in society (the environment included) through the Spirit to achieve God's final purpose: a renewed and redeemed creation, expressing itself back to God (Staniloae, 2000).

Christian employees hope that by acting according to their religious values and integrating faith and work, expressed as "service," they will influence work ethics, work culture and ultimately cause Christian values to become the core foundation on which society is built (Wielander, 2009). To Christians, work is more than just a job. McGhee and Habets (2018) found that to Christians, work is a calling, not to some boring career or to some set role in society, but rather "to liberate creation from its bondage to decay," (Flett, 2005: 176). Vorster (2007) believes that Christians can play a huge role in the corporate world by being trustworthy stockholders and stakeholders and setting the example that business is more than just profit and about serving people. It appears that employees with this perception of work support and help colleagues out of a sense that it pleases God. The Christian worldview is one of helpful behaviour in the workplace. Therefore, a religiously driven leader will demonstrate more transformational leadership behaviours than those without religious orientation (Craigie, 1998). Leaders' religious orientation plays a crucial role in transcending from transactional to transformational. According to Bass and Steidlmeier (1999),

true transformational leaders acts morally and ethically because they don't have big egos. Executives serving as leaders help fellow employees to succeed according to greater ideals, rather than limited, personal benefits; to perform to a higher vision.

Proposition 3: Business leaders can positively influence their work through their Christian worldview and everyday living.

MANAGEMENT IMPLICATIONS

This study proposes that work–faith integration affects individuals internally and impacts their actions toward others (Youssef and Luthans, 2007). By offering a typology to guide leaders' decision-making and workplace behaviour in multicultural and multireligious contexts, Christian beliefs might create an essential difference in worker behaviour and performance. This study may illustrate how religion can impact employee responses to workplace disruption and assist leaders in creating a workplace culture that can either prevent, mitigate, or manage times of risk and uncertainty. While no study to date has directly explored religion's part in dealing with pandemics, many research reports include empirical evidence that religion can function as a buffer in dealing with traumatic life events (Probst and Strand, 2010; Zellars, Perrewé and Brees, 2010). Consequently, by giving strength and comfort to people, faith tends to reduce certain problem behaviours, directly and indirectly, leading to better health and well-being. In this way, religion may make people's lives less stressful (Schreurs, van Emmerik, de Cuyper, Probst, van den Heuvel *et al.,* 2014).

RECOMMENDATIONS FOR FUTURE RESEARCH

The present paper provided a brief theoretical foundation to study and understand the role of religion in relation to other essential workplace phenomena. Future research can benefit from extending the knowledge base regarding religion/faith at work to understand this concept better and consider how it impacts behaviour and perceptions in business leaders, especially when workplaces are experiencing severe disruption. Further concepts can be identified and defined to be added to a conceptual leadership framework (e.g., additional dependent, independent, mediating, and/or moderator variables).

CONCLUDING REMARKS

The long-term implications of COVID-19 may not yet be known, but it is expected that its effect on organisational life will be felt for many years to come. Not only are the effects of the current pandemic far from over (Hixon, 2020), but it is almost certain that the world will face similar major health crises in future (Desmond-Hellman, 2020). Thus, the great COVID-19 challenge that we face today is a "new reality." This provides new possibilities for organisational researchers and professionals alike. Organisations in this context need leaders and executives dedicated to their

roles and responsibilities and who can perform and deal with challenges. This paper hopes to create a greater awareness of how leaders can use Christian religion as a foundation to enable sustainable employee excellence through a pandemic.

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Stressing about work: how are academics doing?

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ABSTRACT

Higher education has become one of the most stressful work environments. The objectives of this study were to identify the workplace stressors and identify the role of gender and age on workplace stressors in the academic staff of a specific faculty at a South African university. A quantitative design was used to collect data using the Stress Diagnostic Survey (SDS) of Ivancevich and Matteson. The SDS identifies six work-related stressors, namely role ambiguity, role conflict, role overload – qualitative, role overload – quantitative, career development and responsibility for people. The findings indicate that academics do not experience a great deal of job stress as measured by the six variables. However, the results indicate that role ambiguity is experienced differently by men and women, with men experiencing role ambiguity as a greater stressor than women do. The responsibility for people is more of a stressor for older academics.

Keywords: workplace stress; stressors; academic staff; consequences

INTRODUCTION

A career in academia has conventionally been offering job security and working in a low-stress environment (Poalses and Bezuidenhout, 2018). However, academic staff recently experienced an increase in job stress due to constant global changes that impact curriculum design and ever-increasing numbers of university students, which add to the workload of academic staff in terms of teaching and student supervision (Kaur, Noman, and Awang-Hashim, 2018). According to a study done by Health and Safety Executive (2018) in Great Britain, workers within the higher education domain show significantly more signs of stress, depression and anxiety than the average worker in all industries. It is believed that people who work in the education sector are exposed to high workloads, tight deadlines and extreme pressure, which leads to workplace stress. Work-related stress statistics in Great Britain show that the average occurrence rate for work-related stress across all industries was 1320 cases per 100 000 workers over three years, with higher education having the highest number, with 2100 cases per 100 000 workers (Health and Safety Statistics 2020). The functioning of universities depends on the commitment and effective functioning of all staff members.

Conversely, where work-related demands overshadow occupational resources, challenging work becomes stressful, which results in an exhausted, disengaged workforce. Brough, Dollard and Tuckey (2014) indicate that academics have experienced high levels of occupational stress over the last 20 years. A quantitative analysis done by Poalses and Bezuidenhout (2018) on academics in the South African environment found that academics felt overwhelmed, helpless, and lacked personal control due to the increasing burden of administrative and quality assurance tasks.

Zábrodská, Mudrák, Šolcová, Květon, Blatný and Machovcová (2018) claim the academics of today have to cope with more and more demanding work environments. This includes producing innovative research, providing high-quality teaching for large classes, merging academic excellence with managerial skills, and increased levels of occupational stress. The paper is based on one of the largest faculties at a South African university, which consists of 24 departments. The tasks of academics in the specific faculty at the university are wide-ranging, ranging from teaching and mentoring students, preparing papers and marking assessments, doing research for publications and reporting research at conferences, not to mention the ever-increasing administrative tasks. Over and above these duties, academics have to pay attention to their family life, other commitments and social life.

PROBLEM INVESTIGATED AND RESEARCH OBJECTIVES

Staff have complained that they are doing more duties over and above their daily duties. They have not been asked or explained where the extra tasks fit in with their current duties by their line manager, instead, they are just given the additional workload. The influx of new and existing student numbers has increased the student-staff ratio, thus increasing the workload of the faculty. Academics also experience an increase in the administrative component of their role. The pressure to do research and publish in quality academic journals has further contributed to their stress levels. Due to the continuing demands, academic staff might experience high levels of workplace stress that could have a negative impact on the outputs of the faculty. Therefore, the following research objectives were set:

a) to determine the causes of workplace stress at a natural and agricultural sciences faculty at a South African university;

b) to determine if there are biographical differences in terms of gender and age amongst the academics at the natural and agricultural sciences faculty at a South African university.

A literature review on stress, the causes of stress and biographical differences regarding distress is discussed in the next section.

LITERATURE REVIEW

Numerous definitions of workplace stress can be found in the literature. According to Glazer and Liu (2017: 2), work stress is a general term that refers to "work-related stimuli that may lead to physical, behavioural, or psychological consequences that affect both the health and well-being of the employee and the organisation".

Work stressors

According to the definition, the work stress process consists of stressors in the workplace that might lead to strain in employees, depending on the perception of the stressors (Ivancevich, Matteson and Preston, 1982). Harms, Crede, Tynan, Leon and Jeung (2017) indicate that job stress originates in the characteristics of the task itself and the working environment where the individual is functioning. Various job stressors are identified, amongst others role conflict, role ambiguity, career development, responsibility for people and work overload.

Role conflict is described by Petersen (2017: 76) as the "presence of dissimilar expectations regarding an individual's role". This psychological conflict can be the cause of negative consequences for the role incumbent. Petersen (2017) confirms that several studies have found that job struggles at work can prompt expanded nonattendance, turnover expectations, diminished fulfilment, diminished execution, and burnout.

Role ambiguity is explained by Nunez Palomino and Frezatti (2016: 167) as "uncertainty about what a person responsible for a specific activity should do". This stressor arises when the individual performing the duties fails to have the necessary information. This could include expectations regarding the performance role, crucial activities or the steps for the best way to achieve the task, the consequences of carrying out and of not carrying out the duties, behaviour that is compensated or punished and the nature of the compensation or punishment, and the opportunities for advancement.

Role overload is divided into quantitative and qualitative role overload. Qualitative role overload is described by Kuschel (2015) as an employee's feeling that they do not have the time to produce quality work or does not have the skills to perform assignments. Qualitative work overload has various antecedents, including emotional exhaustion and dimensions such as strain-based conflict. Kuschel (2015) confirms that role overload – qualitative increases emotional and physical stress. Quantitative role overload is described by Kuschel (2015: 5) as "feelings related to the amount of work, working too fast or too hard, having too much to do, or sensing too much pressure". Work overload leads to workers working many hours of overtime.

Regarding **career development**, Hollywood, McCarthy, Spencely and Winstone (2019) suggest that new challenges and requirements impact academics at all stages of their academic career. The fragile

academic identity can make academics susceptible to adverse well-being outcomes negative work experiences.

Responsibility for people does not only refer to managers looking after their staff. In academia, it also refers to the readiness and ability that academics must exhibit to deal with students on different levels to ensure that they are making progress in their studies and are successful. This responsibility for student progress, in turn, leads to stress, as academics are responsible for ensuring that students all achieve the same qualification, even if some started their higher education with disadvantages (Sikhakhane, 2020).

Consequences of workplace stress

Individuals may react or respond in different ways to the organisational and inherent stressors in the organisation, and cope differently. If employees struggle to cope with stressors, it could negatively influence the organisation and result in high staff turnover, absenteeism, and decreased motivation. On a more personal level, stress may manifest itself on a physical, psychological, and/or behavioural level.

Physiological consequences

Physiological outcomes are among the major consequences of stress. Ismail, Saudin, Ismail, Samah, Bakar and Aminudin (2015) clarify that physical stress is usually related to a physiological reaction of the body (such as headache, migraine, abdominal pain and muscle ache) to various stressful triggers. In the workplace that directly and negatively affects an individual's productivity, effectiveness, quality of work and personal health. Yaribeygi, Panahi, Sahraei, Johnston and Sahebkar (2017) report that physical health concerns have been associated with stress. These concerns include functional changes in the central nervous system, which are structural changes that could bring about differences in response to stress, cognition and memory, e.g., loss of short-term and long-term memory due to the high concentrations of stress hormones. There is also evidence that stress affects the immune system, resulting in people suffering more frequently from illnesses.

Psychological consequences

Psychological problems resulting from stress may be as important as physical consequences because they can impact the day-to-day job performance of employees. Psychological problems associated with stress include changes in eating habits, feelings of helplessness, mood changes, anger, depression, anxiety, nervousness, irritability and tension (Ismail *et al*., 2015). Haines and Saba (2012) suggest that psychological stress is associated with one's role identity. A person typically has multiple role identities (an employee, a husband, etc.). This means employees who are deprived of support due to their professional identities may also experience psychological stress.

Behavioural problems

Cibrian-Llanderal, Melgarejo-Gutierrez and Hernandez-Baltazar (2018) report that stressors are threats at a behavioural level, and the body requires adaptive adjustments that will allow it to maintain homeostasis and ensure homeostasis survival, based on experience, biological predisposition, and the status of the organism. Behavioural problems that are linked to stress include undereating or overeating, fatigue, increased smoking and drinking, and drug abuse. These behaviours could manifest as absenteeism and high staff turnover (Coaching Positive Performance, 2018).

The consequences of stress in the workplace could be, amongst others, a decrease in job satisfaction, low morale, ineffectiveness, decrease in organisational commitment, increase in staff turnover and absenteeism, disengagement (du Plessis, 2019).

Job demands-resources model

Another model that could explain work stress is the job demands-resources (JD-R) model. This model indicates that job stressors can be seen as demands placed on the individual and will only lead to stress if the employee perceives that they do not have sufficient resources (either internally or externally) to deal with the demands (Larson, 2004). Job demands are all aspects of the job that demand effort or skills and are associated with costs. Job resources are those aspects of the job that reduce the demands and assist in achieving work-related goals or personal development (Boyd, Bakker, Winefield, Winefield, Gillespie and Stough, 2011). Job stress will be experienced when employees feel they have no control over their job or that the demands exceed their abilities or when they think that the job conditions do not allow them to reach their goals (Larson, 2004).

The influence of gender and age on job stress

Studies on the influence of gender and age on job stress resulted in mixed results (Hogan, Hogan, Hodgins, Kinman and Bunting, 2014; Kinman, 2001). A student by Mayer and Tikka (2008) indicated that female academics experience higher levels of distress, especially those that hold junior academic positions. The reason for this is, except for the high teaching load academics in junior positions have, they are also working towards promotion and have to spend a lot of time on research activities that lead to longer work hours and work-life conflict. Another study by Darabi, Macaskill and Reidy (2017) found no differences amongst gender of academics regarding stress.

Barkhuizen and Rothmann (2008) state that it is believed that stress decrease with age. Kinman (2001), in a review of studies done on academics, found that younger academics perceive higher levels of work stress. While older academics do not have the pressure for promotion like the younger

academics, more senior academics reported higher role overload and work overload (Barkhuizen and Rothmann, 2008).

RESEARCH METHODOLOGY

A quantitative research design with a positivistic paradigm was used. The population and sample consisted of 257 academic employees. Non-probability comprehensive sampling was employed. The stress diagnostic survey by Ivancevich and Matteson (in Fields 2002) was used to collect the data. The survey measures six stressors in the workplace: role ambiguity, role overload (qualitative), role conflict, responsibility for people, role overload (quantitative), and career development. The data was collected electronically. The advantage of the stress diagnostic survey is that the instrument was designed to identify specific areas of high job stress in a work environment rather than merely providing an overall measure of job-related stress. The survey consists of 30 statements concerning a respondent's job. The respondents were asked to indicate the extent to which each of the 30 items is a source of job stress, using a seven-point Likert scale, ranging from 1 (never a source of stress) to 7 (always a source of stress).

Permission was obtained to conduct the study. The consent form included information indicating that the study was anonymously processed into a research project. The respondents were not exposed to situations where they could be subject to physical or mental harm. The researcher ensured the questionnaires were completed at a pace suitable for each respondent. Information received was treated as strictly confidential, and the privacy of the respondents was guarded. Additionally, information from the respondents was preserved to protect their privacy.

DATA ANALYSIS AND DISCUSSION

Two hundred and fifty-seven (257) questionnaires were distributed and one hundred and twenty-two (122) were completed, which means the response rate was 47%. A discussion of the results of the analysis of the biographical data of the respondents follows.

Biographical attributes

The questionnaire gathered information on the biographical attributes such as length of service, age, gender, and profession and presented in Table 1.

Analysis of biographical data

		%
Gender	Male	52%
	Female	48%
Age	20-30 years	6%
	31-40 years	22%
	41-50 years	35%
	More than 50 years	37%

There is an almost equal gender distribution in the faculty, with 48% men and 52% women. Mangolothi (2019) reported that the higher education sector is still dominated by men, many of whom occupy management positions. However, Subbaye and Vithal (2017) report that the number of women occupying managerial positions at universities is rising rapidly and this is also seen in the data in table 1.

Regarding age, 72% of the respondents were older than 41, with only 6% being between 20 and 30 years and 22% between 31 and 40 years old. Age can have a positive or negative impact on stress in the workplace. On the one hand, age-related resources (e.g., accumulated knowledge) might enable older workers to appraise existing demands as less stressful than their younger colleagues would. On the other hand, age-related losses (e.g., physical capacity, cognitive resources) might cause older workers to appraise work demands as more stressful. Therefore, whether older or younger workers experience higher demands at work, it might be a function of the type of task demands. If the tasks require mainly existing knowledge and work experience, older workers could have an advantage. However, if the tasks focus strongly on cognitive speed and/or physical strength, older workers could experience greater strain than younger workers.

Findings of job stress questionnaire

The questionnaire measures six variables related to job stress: role ambiguity, role overload (qualitative), role conflict, responsibility for people, role overload (quantitative), and career development.

To determine the reliability of the questionnaire, the Cronbach alpha coefficient was calculated (Table 2).

TABLE 2:

Reliability of job stress questionnaire

Variables	Cronbach's alpha	N of items
Role ambiguity (RA)	0.90	5
Role conflict (RC)	0.82	5
Role overload - quan (ROQN)	0.84	5
Role overload - qual (ROQL)	0.82	5
Career development (CD)	0.91	5
Responsibility for people (RP)	0.79	5

All the Cronbach alpha's were above 0.7, which indicates that all the variables are reliable.

The descriptive statistics is provided in Table 3. The means for the different variables ranges from 1.5 for role ambiguity to 2.8 for role overload quantitative (Table 3).

TABLE 3:

Descriptive statistics

Variable	N	Mean	Standard deviation	Error mean
Role ambiguity (RA)	122	1.58	0.98	0.09
Role conflict (RC)	122	1.92	0.92	0.08
Role overload - quan (ROQN)	122	2.86	1.02	0.09
Role overload - qual (ROQL)	122	1.96	0.88	0.08
Career development (CD)	122	2.09	1.16	0.11
Responsibility for people (RP)	122	2.58	0.99	0.09

To determine if the means are significant, a one-sample t-test was done. For a variable to be significant, it had to have a p-value higher than 0.05.

TABLE 4:

One sample t-test

Variable	t	df	p-value	Mean difference	95% confidence interval of the difference	
					Lower	Upper
RA	-27.167	121	0.000	-2.42	-2.60	-2.24
RC	-25.042	121	0.000	-2.08	-2.25	-1.92
ROQN	-12.441	121	0.000	-1.14	-1.33	-0.96
ROQL	-25.429	121	0.000	-2.04	-2.20	-1.88
CD	-18.247	121	0.000	-1.90	-2.16	-1.71
RP	-15.755	121	0.000	-1.42	-1.60	-1.24

All the p-values are 0.0, thus, less than 0.05. This implies that all the variables are statistically different. The man difference was less than 4, which is the midpoint on the Likert scale, implying that the variables are rarely or occasionally seen as a source of stress.

To determine if there are significant differences between the variables between men and women, an independent samples t-test was conducted. The results are given in Table 5.

TABLE 5:

Independent samples t-test

Variable		Levene's test for equality of variances		t-test for equality of means		p-value	Mean diffe-rence	Std. error diffe-rence	95% Confi-dence interval of the diffe-rence	
		F	Sig.	t	df				Lower	Upper
RA_1	Equal variances not assumed			-2.14	99.3	0.03	-0.38	0.18	-0.74	-0.03
RC_1	Equal variances assumed	3.25	0.07	-0.98	120	0.33	-0.16	0.17	-0.49	0.17
ROQN_1	Equal variances assumed	0.83	0.36	-0.67	120	0.50	-0.12	0.18	-0.49	0.24
ROQL_1	Equal variances assumed	0.32	0.57	-1.50	120	0.14	-0.24	0.16	-0.56	0.08
CD_1	Equal variances assumed	1.22	0.27	-1.76	120	0.08	-0.36	0.21	-0.78	0.05
RP_1	Equal variances assumed	1.96	0.16	0.41	120	0.68	0.07	0.18	-0.28	0.43

The results indicate that only role ambiguity is statistically different for men and women. Men experience role ambiguity as a greater stressor (mean 1.79) than women do (mean 1.40).

An ANOVA was conducted to determine if there are significant differences between the variables and different age groups after a test of homogeneity of variances was done to establish if the groups have different variances. The tests concluded that the groups did not have different variances (Table 6).

TABLE 6:

Tests of homogeneity of variances

Variable		Levene's statistics	df1	df2	p-value
RA_1	Based on mean	1.97	3	118	0.12
RC_1	Based on mean	1.72	3	118	0.17
ROQN_1	Based on mean	0.31	3	118	0.82
ROQL_1	Based on mean	2.35	3	118	0.08
CD_1	Based on mean	1.82	3	118	0.15

The results of the ANOVA are given in Table 7.

TABLE 7:

Anova

Variable		Sum of squares	df	Mean square	F	p-value
RA_1	Between Groups	1.794	3	0.598	0.613	0.608
RC_1	Between Groups	4.089	3	1.363	1.642	0.183
ROQN_1	Between Groups	4.329	3	1.443	1.413	0.242
ROQL_1	Between Groups	4.918	3	1.639	2.153	0.097
CD_1	Between Groups	5.439	3	1.813	1.371	0.255
RP_1	Between Groups	8.431	3	2.810	2.978	0.034

Only the variable, responsibility for people, has a p-value that is less than 0.05. (p-value = 0.034). To determine which of the groups were different, a post hoc analysis was conducted using the Scheffe test. The results are indicated in Table 8.

TABLE 8:

Scheffe test

Dependent variable			Mean difference	Std error	Sig.	95% confidence interval	
						Lower bound	Upper bound
RP_1	1	3	-1.04	0.40	0.08	-2.17	0.08
		4	-1.17*	0.40	0.046	-2.29	-0.05

The results of the Scheffe test shows that the mean differences of the variable responsible for people as a source of stress are different for groups 1 and 3 and groups 1 and 4. Group 1 comprises respondents aged between 20 and 30 years, group 3 is respondents between 41 and 50 years, and group 4 includes respondents older than 51 years. This implies that older respondents perceive responsibility for people as a greater stressor than younger respondents do. Management roles are usually allocated to more senior employees who possess PhDs and some experience at the university. Because the department's management is associated with the department's performance, it is understandable that being responsible for people creates stress.

INTERPRETATION OF FINDINGS

Overall, the respondents did not perceive the six work-related stressors as causing stress. The data was collected during the COVID-19 pandemic and due to the uncertainty, all regular tasks came to a standstill while planning was by management to move to the online environment. This might have led to a focus was away from the normal work stressors. Another interpretation based on the JD-R model, might be that enough resources were available to deal with the demands according to the job demands-resources model. The university's management was very supportive during the pandemic,

considering the additional challenges that staff experienced, which could have contributed to the low levels of stressors reported.

The finding that men experience more role ambiguity than women is consistent with research by Bako (2014) and Dilshad and Latif (2011). Surdez and Sandoval (2021) also found in their study on role ambiguity with academics that men experience more role ambiguity than women. They explain this in terms of JD-R model, where the demands are more than the resources available. Another explanation provided by Surdez and Sandoval is that the role has evolved and that the role's demands have changed, creating role ambiguity.

Older employees reported higher levels of stress, related to being responsible for people, than their younger counterparts. Management roles are usually allocated to more senior employees with PhDs and some experience working at the university. During the COVID-19 pandemic, academics were subject to tremendous pressure from new sources. They were tasked with holding the rudder – keeping research, teaching and learning on track so that the university could pivot to meet the unique demands of the pandemic. The younger generation of academics embraced the transition from face-to-face classes to online mode, whereas older academics who are more set in their ways found this to be stressful. It was also up to those responsible for people who had to ensure that academics transitioned smoothly to the remote working environment and therefore could experience higher levels of stress because this was unchartered waters.

RECOMMENDATIONS

In this study, the researcher focused on academic staff's perception of various stressors. Workplace stress interventions and stress management are more likely to be successful for academics if they use the interventions to address the sources of workplace stress. During the COVID-19 lockdown, when the data for this study were collected, the institution renewed efforts to ensure employees' mental health. In doing so, management took into consideration the additional stressors that academics faced at that time. The following recommendations for reducing the stress that academics face is made:

The institution must identify the current demands that academics face, how they deal with them, and what they regard as adequate resources. The academics in this faculty currently did not experience a lot of stress, and it is worthwhile for the institution to do further research to identify why the academics in the faculty are so resilient. It might be that the resources already in place are successful, but one also needs to consider resources external to the university. Further research could also look at the protective factors that academics have that could lessen the impact of the stressors. It could be argued that the pandemic provided more flexibility in work arrangements and seeking new solutions to old problems. This needs to be further investigated.

While the situation during the COVID-19 pandemic was novel, the effect of the pandemic on working arrangements and work schedules could be long-ranging. Therefore, strategies need to be devised to enable flexible work schedules that could help address potential stressors, especially for respondents in this specific faculty, who must be physically on campus for laboratory work. The forced change in work schedules might positively impact the work-life of academics and might have assisted them in dealing better with the demands placed on academics and balancing their work-life.

An interesting finding is that men in the faculty experience more role ambiguity than women. This finding needs to be further explored. In research in other countries with academics, the same result was found and it was also indicated as an area for further investigation.

The research shows that the additional role of being responsible for people impacts the potential stress that academic managers can experience. The additional demands on academics should be further investigated to identify specifically what is regarded as demanding in this role so that the necessary resources can be developed, or awareness created of the available resources. Academics do not necessarily have the educational background and skills to deal with the demands of managing people.

CONCLUSION

The objectives of this study were to a) determine the causes of workplace stress at a natural and agricultural sciences faculty at a South African university; b) to determine if there are biographical differences amongst the academics at the natural and agricultural sciences faculty at a South African university. A quantitative research design was followed using the Stress Diagnostic Survey. The study found that academics in the natural and agricultural sciences faculty who participated in this study did not experience daily stress as measured by the SDS. In terms of gender, men experienced more role ambiguity than women, and older employees reported more stress with regards to being responsible for people.

While the results are positive, it would be useful to continuously monitor the stressors faced by academics in the faculty and widen the focus to potential stressors experienced by academics. A limitation of the study could be that the COVID-19 pandemic caused a novel situation. Using a traditional questionnaire might have failed to pinpoint the novelty of the situation and the stressors that were causing stress at that time. The concerted effort of the institution to support staff during the pandemic could also have influenced the results. More than ever, a more holistic view of stress is needed. Further research should focus on developing a holistic view of the stressors that academics experience, not only in the workplace, but also in their personal lives.

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Task-shifting as a response to human resource crisis facing the Ngwelezana Tertiary Hospital in KwaZulu-Natal

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ABSTRACT

The government is committed to improving the health system by providing universal coverage to all South Africans as articulated in national health policies. The biggest threat facing the health sector today is the shortage of well-trained healthcare workers and the increasing demand for healthcare services. A quantitative study was used to examine the role of task-shifting as response to human resource crisis facing the Ngwelezana Tertiary Hospital in KwaZulu-Natal. Data was analysed using descriptive statistics, chi-square tests of association and the Cramer's V test. The results show that task-shifting was adopted to address staff shortages, delays in serving patients, long waiting periods for patients, increased risks of error and patient mortality. However, task-shifting presented its own challenges such as legal and professional risks and staff morale issues. The paper concludes that task shifting should be used as a relief measure for reducing the impact of staff shortages in hospitals.

Keywords: task-shifting; moratoria; health system; public healthcare; human resource

INTRODUCTION

The government is committed to improving the health system by providing universal coverage to all South Africans as articulated in national health policies. The biggest threats facing the health sector today are the shortage of well-trained healthcare workers and the increasing costs and demand for healthcare services. Interestingly, in September 2015, the KwaZulu-Natal (KZN) Department of Health implemented a moratorium restricting the filling of vacant posts within public medical facilities as part of its cost-cutting measures (Circular No. PT (12) of 2015/2016 of 15 September 2015). This was followed by another circular, this time from the national Department of Public Service and Administration (DPSA) also announcing the freezing of posts in the public services sector including health services (Public Service Vacancy Circular No 08 of 2016). The KZN Department of Health followed up on the latter with another circular (KZN DoH Human Resource Management Circular No. 18/2016) all restricting the free recruitment of public

healthcare workers. As stated by the KZN Provincial Treasury, the aim behind the implementation of such cost-cutting measures were to

ensure efficiency savings, prioritising spending on service delivery, and cutting down on wasteful expenditure (Magagula, 2016). The aim of this article is therefore to examine the effectiveness of task-shifting which has been informally adopted by Ngwelezana Tertiary Hospital (NTH) as an attempt to optimise operational efficiency through the redistribution of duties and responsibilities across available human resources to cope with the staffing moratoria and task-shifting strategies from the perspective of the healthcare workers.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

The global human resource shortage in healthcare is widespread. According to the World Health Organisation [WHO] (2019), globally there is a perennial inadequacy of skilled healthcare personnel at a time when there is an elevated need for their services. The WHO projects that worldwide, a total of 9 million healthcare workers is required if Sustainable Development Goal 3 is to be met by 2030 and by 2030, 18 million healthcare workers will also be required to meet global demand (WHO, 2019). This demand is under-developed and developing countries (WHO, 2019). These shortages in human resource for health have given the construct and implementation of task-shifting urgent eminence. There is inadequate training and recruitment of persons in public health facilities. Moreover, in South Africa, the workforce crisis is due to the fact that cost-cutting measures are implemented to meet budget pressures despite a substantial upsurge in the demand (OECD, 2020). In addition, there is an unequal distribution of expert health personnel with the majority in urban communities and employed in the private sector, instead of the public sector (van Rensburg, 2014) and some are emigrating overseas which depletes the public sector workforce (WHO, 2016). The World Health Organisation (2008) provides a comprehensive definition of Human Resources for Health (HRH), described as persons involved in activities intended to improve health (viz. medical and non-medical employees within the health sector). Further encompassed in the definition are managers and support staff, who provide services indirectly and help make the system function effectively and efficiently (WHO, 2008). Erickson, Rockwen, Koltov and MaClean (2017) indicate that task-shifting partly originated from the management of HIV especially in low to middle-income countries where inadequate health personnel in the public sector had increased work pressure. Research has indicated that task-shifting models facilitate improved service excellence, they are cheaper to implement and they are able to reach a large number of patients than physician-centred models (Callagham, Ford and Schneider, 2010; Walsh, Ndubani, Simbaya, Dicker and Brugha, 2010; WHO, 2008).

According to Lehmann, Van Damme, Barten and Sanders (2009) in the past the assigning a job between workers was known as substitution and represents an old practice. Lehmann *et al*. (2009) state that for several decades the practice of substitution has been utilised for emergencies as a strategy to ensure adequate care for primary and secondary facilities. Substitution has spanned numerous countries as a means of cost reduction and improving service excellence. It has also been used to increase staffing levels in understaffed rural facilities (Baine, Kasangaki and Baine, 2018; Lehmann *et al*., 2009). These advantages from task-shifting have spurred the increased attention in research and practice it has received as an answer to enabling accessibility of health service to the public (Kakuma, Minas, Van Ginneken, Dal Poz, Desiraju, Morris and Scheffler, 2011). Task-shifting strategies are aligned to the basic values of equity, access and quality in health service (Baine *et al.,* 2018).

The "WHO advocates and approves task-shifting, which is used interchangeably with task-sharing. It is described as "…the rational redistribution of tasks among health workforce teams. Specific tasks are moved, where appropriate, from highly qualified health workers to health workers with shorter training and fewer qualifications in order to make more efficient use of the available human resources for health" (WHO, 2008: 2). There is a crucial difference between task-shifting and task-sharing, the latter denotes a cooperative method that levels the tiered framework of a "physician centred" theory. Contained in the construct of task-sharing is the notion that similar jobs are done by various healthcare personnel and procedures are carried out collaboratively with mutual accountability (Petersen *et al*., 2012). In both task-shifting and task-sharing, two broad groups of participants can be identified. In the first instance, non-clinicians or administrative staff within medical systems can be given additional roles and responsibilities formerly reserved for clinicians. In the second instance, community health workers who are not part of the healthcare facility can take up clinical roles and responsibilities as if they were employed by the healthcare facility (Smith, Deveridge, Berman, Negin, Mwambene, Chingaipe, Ritchie and Martiniuk, 2014; Cliff *et al*., 2010).

In several African countries, including South Africa, support staff, auxiliary staff and community health workers take up responsibilities and provide interventions lawfully preserved for middle to higher graded personnel because of staff shortages (Baine *et al*., 2018; Buchan and Dal-Poz, 2002). In South Africa, task-shifting is being implemented informally and haphazardly, without health legislation and policies supporting its implementation (Crowley and Mayers, 2015). For task-shifting to do well, structures and personnel backing are needed (WHO, 2008). In highlighting the challenges in the implementation of task-shifting, Lund and Flisher (2009) caution that despite the creative and operational effectiveness of task-shifting in decreasing health service delivery requirements, different professional services will continue to be needed. Kakuma *et al*. (2011) also mention that although the goal of task-shifting is to decrease expenses, and expand inputs, WHO

issues a stern warning on reliance on task-shifting as the only solution to staff shortages. Also, the WHO notes the need to implement measures to improve the number of healthcare personnel (Kakuma *et al.,* 2011). At the same time, task-sharing is most successful if one or more professionals is coordinating and managing task-shifting (Goodrich, Kilbourne, Nord and Bauer, 2013). This does not resolve the human resource for health crisis especially in South African health departments, where specialised doctors and nurses have left health facilities (van Rensburg, 2014).

Feiring and Lie (2018) caution that a problem impeding the utilisation of task-shifting in health care is fear associated with the provision of care below acceptable standards. Nevertheless, there are indications that auxiliary staff and members of the public can be taught to provide efficient mental health interventions for most disorders (Kakuma *et al.*, 2011). Fears that were associated with task- shifting were that most persons enrolled in the programme were not given adequate training to provide sufficient levels of care to patients (Lund and Flisher, 2009). In addition to this little or no training situation, they were also poorly supervised (Lund and Flisher, 2009). Overall, this translated into increased risk for patients (Rustagi, Manjate, and Gloyd 2015). Smith *et al*. (2014) cite cases from Malawi where task-shifting participants lacked a clear understanding of their roles, due to a lack of adequate guidance and poor delegation processes. Smith *et al*. (2014) cite that communities were notably frustrated by the fact that they did not understand the limits of the roles and responsibilities of task-shifting workers. Philip and Chaturvedi (2018) identify four concerns or challenges associated with task-shifting. These are ethical concerns relating to the passing of responsibilities to less qualified cadres; legal concerns associated with laws and regulations that restrict medical practices to professionals; systemic concerns associated with poor policy and strategy management; and training concerns. If task-shifting is to be successful, these concerns needed addressing. Rustagi *et al*. (2015) found that there were risks of power conflicts between clinicians and assistants enrolled in task-shifting programmes. These could emanate from poorly structured roles and responsibilities between the two groups. Rustagi *et al*. (2015) further comment that any structural challenges in the clinician-assistant relationship would affect service excellence offered to the society negatively. A study by Baine *et al*. (2018) hints that conflict can also exist when qualified clinicians begin to believe that their professions were being encroached upon by unqualified persons. A study by Bocoum, Kouanda, Kouyaté, Hounton and Adam (2013) also mentioned protectionism as a hindrance the success of task-shifting. Professionals protecting their domains are less likely to support the recruited task-shifting cadres leading to their disorientation.

Some studies also show that the cadres recruited for task-shifting sometimes do not perform as effectively as envisaged. Walsh *et al.* (2010) point out that the assistants are often exposed to high volumes of work, often with little supervision and assistance from professional healthcare workers.

This exposed them to burnouts that impeded their ability to provide quality service. Traoré, Bocoum, Hounton, Meda and Diagbouga (2011) state that task-shifting cadres do not always have a clear career path, which serves to undermine motivation and reduce job satisfaction. Nabudere, Asiimwe and Mijumbi (2011) argue that task-shifting cadres are likely to feel insecure about their positions, because most lacked a legal backing for their new roles, while Bocoum *et al.* (2013) believe that because they often get little benefit from their jobs, their turnover was considerably high. These factors, as noted, impeded the ability of task-shifting cadres to effectively contribute to the betterment of the health crisis. Bocuum *et al.* (2013) therefore propose judging the effectiveness of task-shifting cadres, while considering the context in which they worked.

The key success factors in task-shifting as drawn from Brentlinger, Assan, Mudender, Ghee, Torres, Martínez and McKinney (2010); Ferrinho, Sidat, Goma and Dussault (2012); and Rustagi et al.'s (2014) studies are that adequate, well-regulated training and supervision must be provided to cadres recruited for tasks shifting and without that the process poses a severe risk to the public. Rustagi *et al.* (2014) add that task shifting must be implemented in consultation with all key stakeholders including communities. They cite the buy-in of medical doctors whose jobs were to be task shifted as being crucial since they provide the overall monitoring and supervision of the process. Without the buy-in of internal staff, task-shifted resources ran the risk of being rejected and isolated. Importantly, Rustagi *et al.* (2014) point out that resistance to task-shifting can be expected even when resources are scarce and therefore encourage greater co-operation among stakeholders. Any strategic changes, including the moratorium in question, that affects the quantity and quality of its staff and has the potential to influence staff morale and motivation is worth studying, owing to the fact that the large population of the district could be exposed to health risks. These risks include lack of access to healthcare services, poor service quality that not only infringes upon the residents' rights to healthcare under the Constitution, but exposes them to high mortality and morbidity risks. Whilst economic challenges facing South Africa are a reality that has to be acknowledged, and while such a reality affects public services funding, it is critical to find a balance between scarce health sector funding and the need to provide quality healthcare services through a committed and motivated healthcare team and resources. Such a balance would be critical in ensuring that the interests of the public sector healthcare workers and the public, both being the major affected parties of the moratoria are considered. The study, therefore, researches the effects of the moratorium at NTH for the purpose of understanding how the balance between austerity and service quality (especially as a function of staff morale and organisational performance) can be approached.

RESEARCH OBJECTIVES

The study aimed to investigate the implications and possible responses to the effects of staffing

moratoria on organisational performance at NTH. This was in response to one such moratorium passed by the KwaZulu-Natal Provincial Treasury in September 2015. The main objectives of this study are:

- To examine the impact of staffing moratoria on healthcare service delivery at NTH.
- To measure the extent to which task-shifting has been able to address the issue of staff shortages at the NTH.
- To assess the current working conditions and the challenges faced by healthcare workers under staffing moratoria at the NTH.

RESEARCH METHODOLOGY

The study adopted a quantitative design and a non-experimental strategy to fulfil its purpose and the study yielded quantitative data. A non-probability sampling was employed and data was then collected using survey questionnaires. This study adopted a probability sampling strategy and used Yamanes (1967: 886) simplified sampling formula to calculate sample size, which is:

$$n = \frac{N}{1 + (N)(e)^2}$$

N = Population
e = Margin of Error n = Sample size

A stratified sampling technique was employed and the sampling process is presented below.

Figure 1: Determining sample size process for NTH:

$$n = \frac{N}{1 + (N)(e)^2}$$

$$n = \frac{1084}{1 + (1084)\,(0.05)^2}$$

$$n = \frac{1084}{1 + (1084)\,(0.0025)}$$

$$n = \frac{1084}{3{,}71}$$

N = 292,18 (The sample size is 292 healthcare workers).

The formula above was used to determine the required sample size that would be a representation of NTH population and allow the researcher to generalize about the population. The research sought to have a 95% confidence level and an expected error margin of 5%. Figure 1 above shows that the required sample size was 292 from a population of 1084 healthcare workers (KZN DoH Human Resource Management Circular No. 18/2016). Out of 292 sample size required for this study, only 177 healthcare workers who were willing to participate and participated in this study. The collected

data was coded and analysed using a statistical software package (SPSS version 25) which was developed by IBM. Once the data was collected and cleaned, the research sought a basic quantitative analysis. The basic quantitative analysis aimed at providing a descriptive and inferential statistical analysis of the variables known as the Chi-square test of independence was used.

The study followed the University of KwaZulu-Natal ethical guidelines and was cleared under protocol reference number: HSS/0807/01D and the data was collected between August and November, 2019. To ensure anonymity and confidentiality of the respondents, their identity was handled with strictest care and assurance was given that the results would be used for academic purposes only. The study strictly operated within ethical guidelines which require the protection of the integrity of every identifiable respondent. Participation was voluntary and participants were free to withdraw at any stage. The research instrument used Likert scales which was divided into four sections, Section A employment particulars; section B possible causes of staffing moratoria in the KZN department of health; section C possible challenges and solutions to staffing moratoria; and section D additional information on staffing moratoria.

RESULTS

The results of the study are presented and discussed. The presentation of results starts with sample distribution by department and management level, followed by the sample distribution by work experience. The perceived impact and challenges of staffing moratoria on staff shortages are discussed. The role of task-shifting as a solution to staff shortages and its potential to increase health worker training capacity at NTH is examined and lastly, the association between department and task-shifting perceptions is presented.

Sample distribution by department and management level

Table 1 shows the sample distribution by hospital department. Ngwelezana Hospital is a 554 bedded hospital which provides District, Regional and Tertiary Services to communities from Uthungulu, Umkhanyakude and Zululand Districts. Ngwelezana Hospital is situated in Ngwelezana Suburb which is 5km's away from Empangeni. The Hospital offers over twenty-five specialist medical services and paramedical services. Considering the diversity of services offered at the Hospital, only seven departments were conveniently selected to be included in the study.

TABLE 1:

Percentage distribution of respondents per department

Variables and response categories		Seniors/supervisors		Junior	
		N	%	N	%
Department	Finance Department (FD)	4	12.9	7	4.8
	Human Resources Management (HRM) Department	6	19.4	9	6.2
	Medical Services and Professional Allied to the Med. Dep (MSPAM)	6	19.4	17	11.6
	Systems Management Department (SMD)	7	22.6	15	10.3
	Case Management Department	0	0	2	1.4
	Monitoring and Evaluation Department	1	3.2	0	0
	Nursing Services Department (NSD)	6	19.4	86	58.9
	Other, (Please specify)	1	3.2	9	6.2
	I prefer not to say	0	0	1	.7
	Total	**31**	**100.0**	**146**	**100.0**

Table 1 above shows that in total, 31 respondents who participated in this study were in senior/supervisory positions and 146 were junior staff members. The inclusion of both seniors/supervisors and juniors' in the sample was purposefully done to enhance the study's ability to provide a balanced view from supervisors and junior staff members on the issue of staffing moratoria, and its impact on the delivery of healthcare services at NTH. The Nursing Department had the most supervisors at the hospital and the highest number of respondents represented in the sample.

Sample distribution by work experience

Table 2 below shows the distribution of the sample by work experience. The interviewees' years of experience were not collected during the interviews.

TABLE 2:

Percentage distribution of respondents according to work experience

	Managers		Non-managers		Total	
	N	%	N	%	N	%
0-5	8	25.8	60	41.1	68	38%
6-10	11	35.5	41	28.1	52	29%
11-15	7	22.6	23	15.8	30	17%
16-20	0	0	6	4.1	6	3%
21-25	2	6.5	5	3.4	7	4%
26-30	1	3.2	9	6.2	10	6%
31 and longer	2	6.5	2	1.4	4	2%
Total	**31**	**100.0**	**146**	**100.0**	**177**	**100%**

Table 2 above shows that in total, 38% of the study sample had five years or less of work experience, 29% between 6 and 10 years of experience and 17% between 11 and 15 years. Therefore, it can be concluded that 62% of the sample had over 5 years of experience. From this observation, it can be

implied that most of the respondents had experience in working within both staffing moratoria and non-staffing moratoria conditions over the years as the staffing moratoria were implemented in September 2015. They were therefore in a position to provide comparative views of the pre and post- moratoria periods. Overall, the respondents in this study judging from work experience, had the ability to give insightful views and experiences based on their long service at KZN Department of Health in general and NTH in particular.

The perceived impact of staffing moratoria on staff shortages

Figure 1 below shows responses to statements on the impact of staffing moratoria on staff shortages.

FIGURE 1:

The impact of staffing moratoria on staff shortages
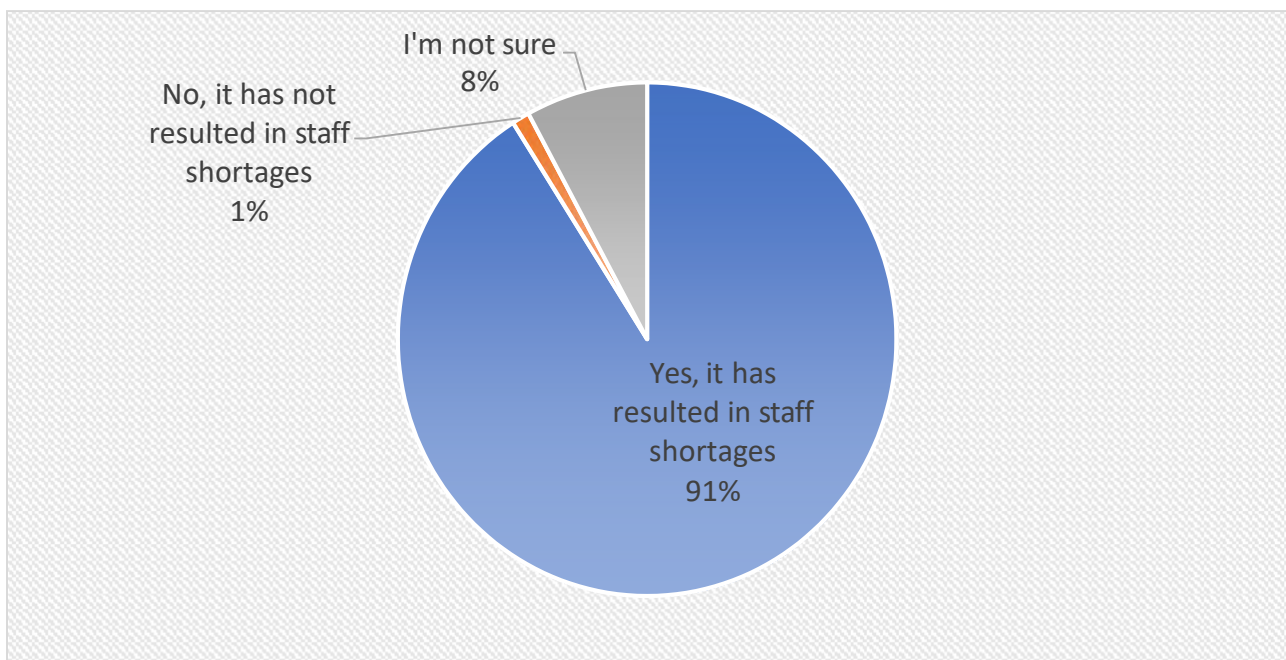
As shown in figure 1 above, out of 177 respondents, 91% were of the view that staffing moratoria had resulted in staff shortages. Another 8% were not sure, and 1% believed that it had not resulted in staff shortages. Staffing moratoria were therefore seen as a major cause of staff shortages at the hospital by the majority of the respondents. Outside the study, shortages in critical medical staff can

be explained by the labour dynamics of the South African health industry. Rawat (2015) explains that even outside moratoria, South Africa generally has health staffing gaps, emanating from low training capacity of medical professionals versus high demand for such professionals. Rawat (2015) cites the *Human Resources for Health South Africa: Strategy for the Health Sector 2012/13-2016/17* as a national strategy that was formulated before the 2016 moratoria as an attempt to decrease staff shortages in the public health sector. Thus, some of the discussed views on staff shortages emanate from beyond the moratoria, although interviewed respondents vehemently believed that the moratoria had added to these challenges.
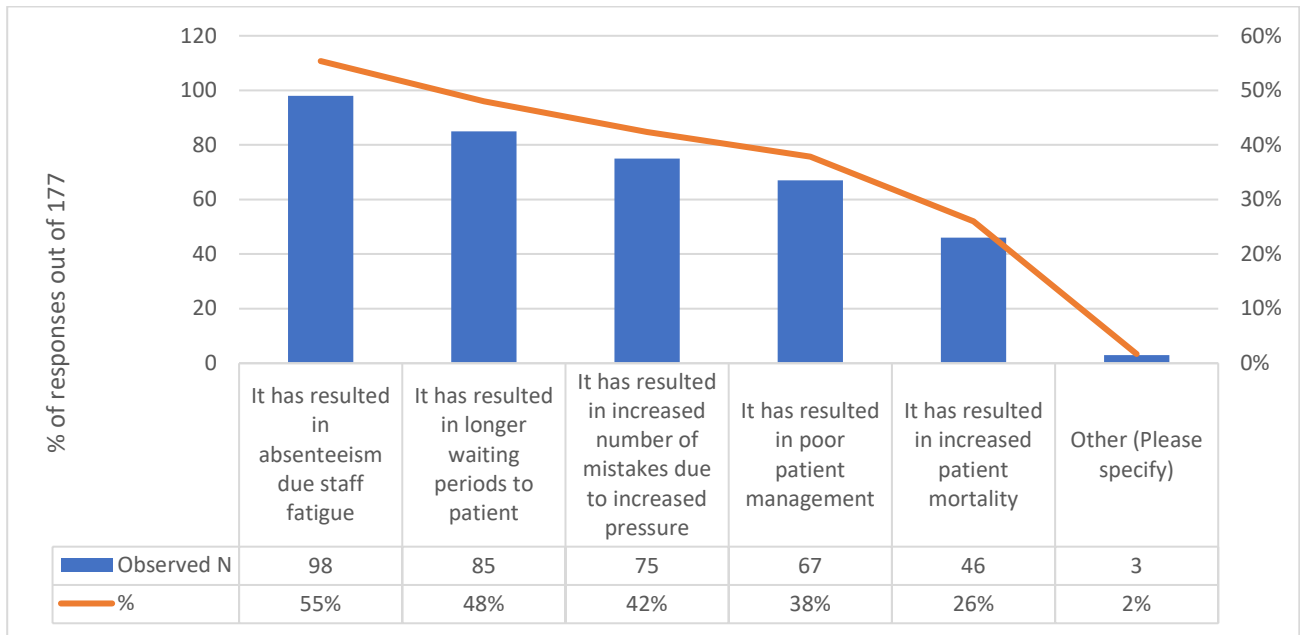
The above findings on the implementation of staffing moratoria in public health care systems that are already suffering from staff shortages resemble findings by Economou, Kaitelidou, Katsikas, Siskou, and Zafiropoulou (2014), Dieleman, Watson, and Sisimayi (2012) and MacDermott and Stone (2013). When different countries implemented staff freezes there were policy-acknowledged deficiencies in the public healthcare staffing. For instance, Zimbabwe continued with its staffing moratorium even when it had 10 public health care workers for every 10,000 persons compared to the required 23 health care workers for every 10,000 persons (UNICEF, 2018) and Greece had the lowest ratio of nurses per population in the European Union. As is the case in South Africa, these labour shortage dynamics were overshadowed by the need to manage costs. Such findings appear to suggest that countries sometimes prioritized budgetary performance over public health.

The challenges of staff shortages at NTH

This section presents data analysis results relating to the perceived impact of staff shortages at Ngwelezana Tertiary Hospital. It also looks at the challenges that the two samples associated with the staffing moratoria. Figure 2 shows the respondents' responses to the statement: 'Impact of staff shortages on healthcare services and services in the hospital.

FIGURE 2:

Impact of staff shortages on healthcare services in the hospital

	It has resulted in absenteeism due staff fatigue	It has resulted in longer waiting periods to patient	It has resulted in increased number of mistakes due to increased pressure	It has resulted in poor patient management	It has resulted in increased patient mortality	Other (Please specify)
Observed N	98	85	75	67	46	3
%	55%	48%	42%	38%	26%	2%

As shown on figure 2, out of all the 177 respondents, 98 (55%) believed that the moratoria had resulted in absenteeism due to staff fatigue. Among the respondents: 85 (48%) believed that it had resulted in longer waiting periods for patients; 75 (42%) that it had increased mistakes among practitioners due to increased work pressure; 67 (38%) that it resulted in poor patient management; and 46 (26%) that it had resulted in increased patient mortality.

Task-shifting and training in the KZN Department of health

Figure 3 below shows respondents' perceptions of task-shifting as a response to staff shortages in the hospital. The responses were recorded using a Likert scale and respondents were offered a choice of six coded responses, namely: 'strongly agree', 'agree', 'strongly disagree', 'disagree', 'uncertain or not sure', and 'I don't know'. Below are the results.

FIGURE 3:

Task-shifting has increased health care worker training capacity at nth.
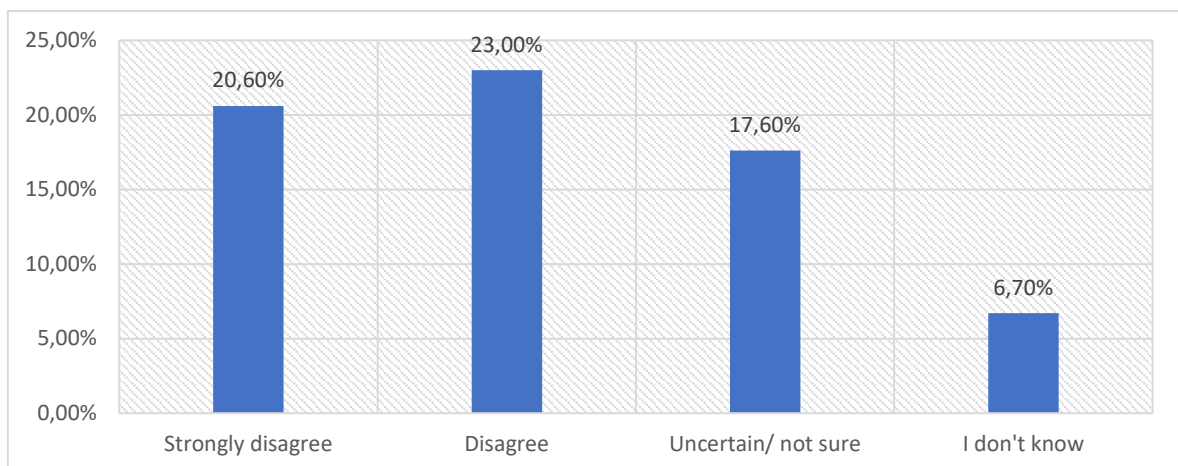
Figure 3 above shows how task-shifting has assisted in increasing health worker training capacity at NTH. Respondents were asked to rate the extent to which task-shifting has assisted in increasing health worker training capacity at NTH. This statement was presented to assess if task-shifting had resulted in more training opportunities, a feature that would possibly result in fewer staff shortages in the future. Amongst the respondents, 23% disagreed that task-shifting has assisted in increasing health worker training capacity at NTH, while another 20.6% strongly disagreed with the same statement. While the hospital had embraced internship programmes and in-service training as a way of increasing staff capacity, these were not long-term enough to fully alleviate skills shortages at the hospital. Personnel trained under the moratoria and task-shifting arrangements were not there to permanently augment the hospitals' staff numbers.

In the literature, several studies conflict on the question of whether task-shifting is a solution for staffing shortages in the healthcare sector. For instance, Fulton, Scheffler, and Sparkes (2011) see it as a solution to shortages of qualified healthcare professionals in sub-Saharan Africa. On the other hand, Okyere, Mwanri, and Ward (2017) doubt the effectiveness of task-shifting as a stop-gap measure for the shortages of professionals in the same Sub-Saharan context. The respondents' views mostly align with those of Okyere *et al.,* (2017), who, like the respondents, doubt the effectiveness or non-effectiveness of task-shifting, just like many studies exemplified above. The above results on task shifting as a strategy for healthcare staff shortages concurs with the Manpower Planning Theory (MPT). The theory consists of projecting future manpower requirements and developing manpower plans for implementation of the projections. This planning cannot be rigid or static. It is amenable to modification, review and adjustments in accordance with the need of an organisation or the changing circumstances. Similar to this study, healthcare workers at NTH have made adjustments by implementing task-shifting in accordance with the changing circumstances caused by freezing of posts and staff shortages facing the department of health in the KZN province. Shifting of tasks from lower level staff to experienced workers is one of the requirements of the MPT which requires the formulation and implementation of strategies that ensure that there is an equilibrium between demand and supply of healthcare labour.

FIGURE 4:

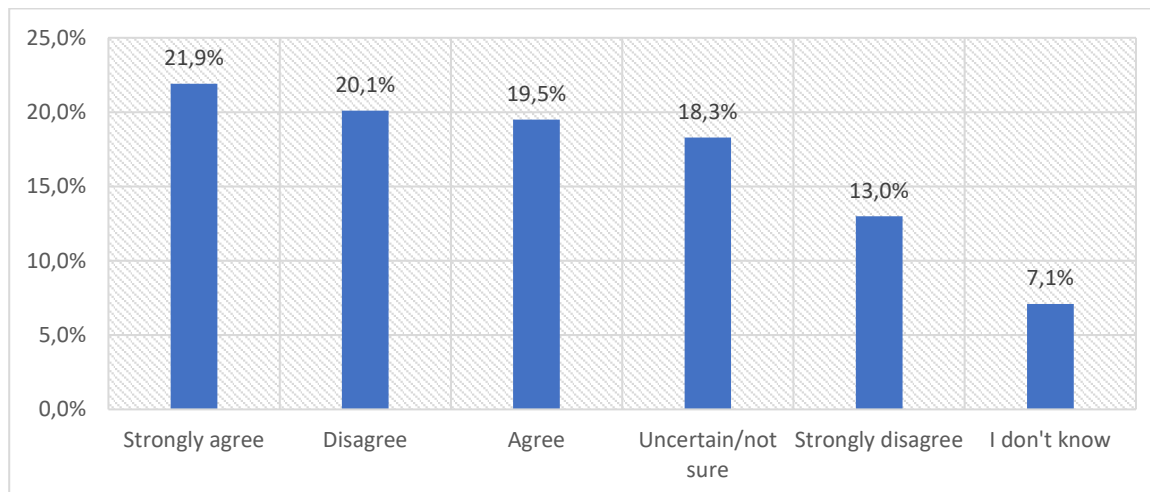**Task-shifting as a solution to staff shortages in rural health facilities**

Figure 4 shows that out of 168 respondents, 21.9% and 19.5% strongly agreed and agreed (respectively) that task-shifting has supported or encouraged the implementation and continuation of staffing moratoria, with 20.1% disagreeing and 13% strongly disagreeing with the same view. The results show that most respondents believed that task-shifting had elevated the moratoria although there was also a comparatively sizeable number that did not agree with this. The view that the presence of task shifting as a potential solution to staff shortages has encouraged the department not to replace staff suggests mistrust and disgruntlement over the process. In the literature, there is a stronger view that task shifting should not be a justification for the downsizing of healthcare professionals. Task-shifting is mostly viewed as a stop-gap measure that is meant to provide support to professional healthcare workers working under high-pressure and low-resourced conditions (Vaughan, 2015). Vaughan (2015), Polus, Lewin, Glenton, Lerberg, Rehfuess, Gülmezoglu (2015) and Siedman and Atum (2017) believe that task-shifting can reduce public healthcare costs but do not recommend its elevation ahead of hiring skilled staff.

TABLE 3:

Statement	Department	N	Mean	Std. dev.	Chi-square	Sig.	Cramer's V	Sig.
Task-shifting implementation has resulted in the achievement of desired health outcomes	FD	10	2.80	1.398	70,5	0,02	0,294	0,02
	HRMD	13	3.00	1.291				
	MSPAM	19	3.58	1.610				
	SMD	15	3.60	1.682				
	NSD	92	3.46	1.362				
	Other	10	3.00	1.764				
Task-shifting has addressed staff shortages in the Department of Health	FD	10	3.10	1.197	68,3	0	0,289	
	HRMD	13	3.38	1.805				
	MSPAM	19	3.63	1.461				
	SMD	16	3.19	1.471				
	NSD	92	3.14	1.434				
	Other	10	2.90	1.969				
Task- shifting strategy has improved the overall quality of health services in the Department of Health	FD	10	3.30	.675	60,2	0,02	0,271	0,02
	HRMD	13	3.46	1.330				
	MSPAM	19	3.53	1.307				
	SMD	16	2.94	.854				
	NSD	92	3.42	1.393				
	Other	10	3.30	1.947				
Task-shifting has assisted in reducing expenditure on employee compensation	FD	10	2.40	1.506	79,3	0,03	0,28	0,03
	HRMD	14	3.29	1.326				
	MSPAM	21	4.10	.944				
	SMD	18	3.33	1.534				
	NSD	92	3.72	1.865				
	Other	10	3.80	1.814				

Association between department and task-shifting perceptions

Based on the Likert Scale1 – 6, where 1 = strongly agree, 2 = agree, 3 = strongly disagree, 4 = disagree and 5 = I don't know, 6 = I refuse to answer

Table 3 above indicate that there was a statistically significant association between the statement *task-shifting has addressed staff shortages in the Department of Health* and department (X^2=68.3, $p<0.05$). Medical Services and Professional Allied to the Medical Department (MSPAM) respondents, on average, were more negative regarding this statement when compared to the other groups. Finance Department (FD) respondents had been, on average more inclined to agree with this statement. The association was strong (Cramer's V=0.294, $p<0,05$). Chi-square tests showed a statistically significant association between respondents' departments and the statement task-shifting strategy has improved the overall quality of health services in the Department of Health (X^2=60.2, $p<0.05$). FD, Human Resource Management Department (HRMD) and Nursing Services Department (NSD) respondents on average, leaned towards the strongly disagreed option in comparison to the other groups. Cramer's V tests showed a strong association between department and this factor (Cramer's V=0.271, $p<0.05$).

There was also a statistically significant association between the statement task-shifting implementation has resulted in the achievement of desired health outcomes and department (X^2=70.5, p<0.05). NSD respondents, on average, strongly disagreed with the statement task-shifting implementation has resulted in the achievement of desired health outcomes. FD respondents had been, on average more inclined to agree with this statement. The association was strong (Cramer's V=0.294, p<0,05). The Chi-square between the statement, task-shifting has assisted in reducing expenditure on employee compensation and department was 79.3(p<0.05). FD respondents were more inclined towards the "strongly agree" response compared to other groups. HRMD respondents, on average, strongly disagreed with the statement while NSD respondents agreed. The tested associations had a Cramer's V of 0.28(p<0.05). and were therefore strong.

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The paper has shown that task-shifting is an important method to cope with inadequate HRH, hence, where its practised there should be structures with enough controls for the healthcare personnel and patients (Smith *et al.,* 2014). The results showed that staffing moratoria led to staff shortages (91%). To successfully employ staffing moratoria, there must be laws and or policies that facilitate and control task shifting (WHO, 2006:6). In some government health institutions, certain duties are limited to certain health workers and cannot be performed by certain workers. For instance, staffing moratoria resulted in absenteeism due to fatigue (55%). Despite task-shifting being allowed in several countries, in the South African context, legislative protection is not accorded to personnel performing beyond their scope of practice. Respondents disagreed that task-shifting has assisted in increasing health worker training capacity at NTH (23%). In addition, formalised control for nurse management of ART (ART53), is absent or a practice scope for auxiliary personnel. Despite section 56(6) of the South African Nursing Act (33 of 2005) permitting ART prescription by nurses, the non-existence of authorisation from the South African Nursing Council is concerning. The view that the presence of task shifting as a potential solution to staff shortages has encouraged the department not to replace staff suggests mistrust and disgruntlement over the process. WHO (2006:7), warns countries practising task-shifting as an imperative solution to health personnel inadequacies, in situations where service needs supersede regulation procedures which are sluggish and burdensome. For task-shifting to be implemented smoothly and to yield the desired outcomes, checks and balances are essential to avoid conflict with the systems that is already in place.

In Ethiopia and Malawi, the state of affairs has become urgent as such, creating an impetus to assist in the creation of an innovative facilitating environment. The governments in both countries have removed the legislative and controlling statutes on doctors only prescribing ART (WHO,

2006). In other parts of the country, task-shifting occurs outside the legislative structures because statutory instruments do not outline tasks to be performed and the person performing them, or due to task-shifting occurring beyond public facilities like in not-for-profit organisations. Padmanathan and De Silva (2013) reviewed the possibility and adequacy of task-shifting for mental healthcare in developing and under-developed countries among patients and healthcare providers. Their findings warn about perceiving task-shifting as the absolute answer to staff shortages. These authors highlight many critical aspects for consideration if task-shifting will be suitable and possible.

The factors encompass, paying attention to the degree of distress of workers, individual worker perceptions of ability, how other cadres in the workforce accept benefits given to retain staff (Padmanathan and De Silva, 2013). If practised in a healthcare system that is overwhelmed and not functional, in solitary task-shifting will not enhance service excellence and effectiveness (Crowley and Mayers, 2015; Smith *et al.,* 2014). For instance, the manpower planning theory (MPT) can be used in the forecasting of healthcare labour demand and supply (Smits *et al.* 2010). The application of MPT require the formulation and implementation of strategies that ensure that there is an equilibrium between demand and supply of healthcare labour. The equilibrium can be current, particularly when health authorities plan to meet occurring health needs and objectives. The equilibrium can also be planned for the future and in this case forecasting the supply and demand needs of health care workers, based on foreseen future dynamics becomes necessary (Smits *et al.,* 2010). Manpower planning should focus on providing the right number of employees with the right skills, and expertise at the right time and place. In the theory, if the supply of labour is below the equilibrium i.e. supply is less than demand, there is a risk that set health objectives will not be met. At the same time, an oversupply of labour will result in the wastage of scarce resources. Thus, it is critical to ensure that there is an equilibrium position where the supply of healthcare labour is just equal to demand. Before considering implementing staff shifting, internal and external policies need to be considered. On one hand, internal factors are those that originate within the health facility or health system and are to an extent under the control of the system. On the other hand, the external factors originate from outside the system but have far-reaching effects on the supply and demand for labour in the healthcare system. In view of the findings, opinions varied from deperment to department, and this being the limitation of the study, more studies could be explored based on departmental level task-shifting implementation at the specific institution. This is a limitation at the moment.

CONCLUSIONS

The paper has shown that task-shifting has significant impact on staff shortages, in any case task-shifting was associated with more problems, such as burn-out amongst staff, legal and professional risks, and reduction of staff morale. There was evidence that some negative views on task-shifting stemmed from the resistance to process. The results show that health care professionals were forced to engage in task-shifting, with most professionals taking on lower-level tasks, although scenarios of personnel taking higher-level responsibilities were also reported. Personnel were therefore shifting upwards and downwards depending on the situation which resulted in overworked and poorly motivated staff. Whilst task-shifting was proposed as a solution to staff moratorium, the process has not been successful as a remedy to staff shortages emanating from the moratoria. The paper concludes that regulatory and procedural framework that guides the implementation of task-shifting should be developed taking into account the implications of re-skilling, job enlargement, job enrichment and aligning task-shifting requirements to broader facility processes. Therefore, task-shifting should be used for nurturing highly skilled healthcare professionals and as a relief measure for reducing the impact of staff shortages in public healthcare facilities.

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The influence of diversity climate on employee outputs: A South African exploratory study

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ABSTRACT

This study investigated the impact of diversity climate on employee outputs at selected South African organisations in the Gauteng Province. Respondents completed measures of diversity perception, organisational commitment, job satisfaction, intention to quit and organisational citizenship behaviour (OCB). Criteria for selecting these employee outputs were based on the Interactional Model of Cultural Diversity (IMCD) and the organisational advantages of each employee output. A convenience sample was used to collect 230 responses from organisations found in the financial, retail, manufacturing, and industrial sectors in the Gauteng Province ($n = 230$). A correlation analysis revealed that a conducive diversity climate was positively associated with organisational commitment, job satisfaction, OCB, and non-intention to quit. A valid and reliable model showed that improving diversity climate would result in lower turnover intentions, improved organisational commitment, greater job satisfaction and enhanced OCB.

Keywords: diversity climate; organisational commitment; intention to quit; job satisfaction; organisational citizenship behaviour

INTRODUCTION AND BACKGROUND

Our world and our organisations are becoming increasingly diverse. Modern workforces are individuals from different cultural backgrounds, religions, ages, sexual orientations, and educational backgrounds (Deepak and Perwez, 2019). While a diverse workforce is more beneficial for any modern organisation, it requires constant and effective management (Deepak and Perwez, 2019). Employees form perceptions of organisational efforts to manage diversity – also known as a diversity climate (McKay and Avery, 2015). In short, a diversity climate is considered to be the shared views of employees on fairness and inclusivity (McKay, Avery and Morris, 2008). A favourable diversity climate may hold several promising benefits for both the employee and the organisation. Positive associations with diversity climate include improved job satisfaction, organisational commitment, employee engagement, reduced employee withdrawal, decreased turnover intentions, and improved organisational performance (McKay and Avery,

2015). However, the opposite is also absolute, where a toxic diversity environment may be detrimental for both the organisation and the employee (Cox, 1994).

A limitation of current diversity climate literature and reported studies is that most samples were collected from Western or European populations. While current literature on diversity climate and its associated consequences is relevant for South African organisations, one should keep in mind that South Africa has a unique history of legalised segregation. Its consequences may still be reflected in our inherited labour imbalances (Statistics South Africa, 2020). For this reason, South African organisations could benefit from the results of a South African empirical study to effectively design and implement diversity-related interventions and ultimately improve diversity-related perceptions (Mor Barak, 2015).

Homogeneity poses dangers for organisations as the perceptions formed around a lack of diversity have been associated with narrow perspectives and reduced creativity and innovation, which may eventually negatively impact organisational performance (Deepak and Perwez, 2019). Furthermore, South African employees continue to report workplace harassment and discrimination (Stoermer, Hitotsuyanagi-Hansel and Froese, 2019). Previous studies have found that workplace discrimination may impact organisational diversity climate, which may also affect workgroup performances (Boehm, Kunze and Bruch, 2014). It seems, therefore, imperative for South African organisations to continue to effectively manage diversity in order to improve diversity climate and benefit from expected positive consequences associated with an enhanced diversity climate. Consequently, an up-to-date empirical investigation is required to formulate a clear view of the current status concerning diversity climate and employee outputs at South African organisations.

LITERATURE REVIEW

The following section is dedicated to reviewing the literature on diversity climate and employee outputs. Employee outputs comprise job satisfaction, intention to quit, organisational commitment, and OCB.

Diversity climate

As diversity climate is determined by the shared perceptions of how committed an organisation is towards diversity (Holmes *et al.,* 2020), it would be accurate to argue that effective diversity management would impact how employees form these perceptions (Mor Barak, 2015). Diversity climate, as a concept within diversity management, depends on how employees perceive the equal application of policies for all staff, fairness of organisational justice, and how they need to diversify is demonstrated and supported (Hayes, Oltman, Kaylor and Belgudri 2020).

Furthermore, diversity climate has been defined as "the shared perceptions of the policies and practices that indicate to what extent the organisation is committed to eliminating discrimination and to valuing diversity" (Pugh, Dietz, Brief and Wiley 2008: 1422). Diversity climate has also been viewed as the "degree to which a firm advocates fair human resource policies and socially integrates underrepresented employees" (McKay *et al*., 2008: 352). From these two definitions, it is evident that a diversity climate will depend on eliminating discrimination and the valuation of diversity, fair policies, and social integration.

While mainstream research suggests that more diverse organisations and positive diversity climate perceptions demonstrate improved organisational performance (McKay and Avery, 2015), post-apartheid research from South African organisations reveals contradictory results. For example, a study from Gyapong, Monem and Hu (2016) provides evidence to suggest that a company's valuation would be higher if it had three or more females on its board. The same study explains that one or two non-white directors would also positively influence a company's valuation (Gyapong *et al.,* 2016). However, a recent study offers contradictory results when examining board diversity and the influence on organisational performance concerning return on assets (ROA) (Bryant, 2018). Its investigation did not find any evidence to suggest that more diversified company boards would improve ROA (Bryant, 2018). The study by Bryant (2018) further notes with concern that South African companies remain resistant to diversifying board membership as some company boards still do not have adequate gender and/or race representation.

The contradictory findings by Bryant (2018), in comparison to the findings by Gyapong *et al.* (2016), set against the rationale that a diversity climate is a direct representation of how employees perceive diversity (Pugh *et al.,* 2008) and will impact organisational performance (Cox, 1994), warrant an examination of the impact of diversity climate on employee outputs in South African organisations. It seems that there are currently limited South African studies investigating the impact and consequences of effective diversity management. A recent qualitative study by Joubert (2017) provides considerable evidence to suggest that effective diversity management may lead to benefits for both the employee and organisation. While this study provides valuable insight from a South African qualitative perspective, a research opportunity remains to be explored by a quantitative examination. Therefore, as a contribution towards the literature on diversity climate, the current study will empirically examine the impact of the perceptions of diversity on employee outputs from a quantitative perspective at selected South African organisations.

Employee outputs

The present study acknowledges that several employee outputs may exist. The selection of organisational commitment, turnover intentions, job satisfaction, and OCB is based on the Interactional Model of Cultural Diversity (IMCD) as Cox (1994) developed and on the managerial advantages associated with each employee output.

Concerning organisational commitment, employees are considered committed when they demonstrate loyalty towards their organisation and embrace a willingness to expend effort to advance organisational objectives (Nitesh, Nandakumar and Kumar, 2013). Organisational commitment further represents the extent to which an employee nurtures an attachment and feels a sense of allegiance to their employer (Liu and Wang, 2013). Traditionally, organisational commitment has been conceptualised to comprise three features: continuance commitment, normative commitment, and affective commitment (Meyer and Alien, 1991). Continuance commitment refers to an employee's commitment to an organisation based on acknowledging the costs of leaving the organisation. In contrast, normative commitment refers to an employee's commitment to an organisation because the employee feels obliged to demonstrate commitment. Finally, affective commitment refers to identification with the organisation, involvement, and emotional attachment to the organisation (Meyer and Alien, 1991).

Intention to quit, also known as turnover intention, is the action an employee undertakes before the actual turnover and is considered an employee's intention to voluntarily depart from an organisation (Cohen and Golan, 2007). Therefore, intention to quit is regarded as the final step in the reasoning-about-withdrawal process before the actual withdrawal or turnover (Cho, Johanson and Guchait, 2009). Several reasons may influence an employee's intention to leave their current employment. These factors may include human needs, such as higher salaries, training, and autonomy; job-related factors; and organisational factors (Azharudeen and Arulrajah, 2018).

Job satisfaction can be considered as a pleasurable emotional state resulting from the appraisal of one's job or job experiences (McShane and Von Glinow, 2018). In more simple terms, job satisfaction reflects an individual's emotional state, response to, and satisfaction concerning their job (Judge, Nwafor and Tsaras, 2017). Consequently, job satisfaction can be considered an internal state resulting from an employee's perception of conducive working conditions and regular, rational, and emotional outlook (Clark, 1996). Traditionally, job satisfaction can consist of two satisfaction features, namely intrinsic satisfaction and extrinsic satisfaction (Peng, 2014). Intrinsic satisfaction refers to the more qualitative or subjective aspects of an employee's job content, such as autonomy, variety of skills, supervision, and degree of responsibility. In contrast, extrinsic satisfaction is associated with work incentives, rewards, promotion opportunities, safety, and reasonable working hours (Peng, 2014).

The final employee output concerns extra-role behaviours, also known as organisational citizenship behaviour (OCB). According to McShane and Von Glinow (2018), OCBs can be considered voluntary employee activities that may or may not be rewarded, but that contribute to the success of an organisation by improving the overall quality of the setting in which work takes place. OCB is also considered an employee's natural behaviour when they go beyond the call of duty, without expecting any reward, by supporting and assisting their colleagues with tasks that may not necessarily form part of their daily tasks (Sharma and Jain, 2014). Furthermore, it is considered unrestricted behaviour and focused on a person, mostly a colleague, with no expectation of extrinsic reward (Sharma and Jain, 2014).

Diversity climate, employee outputs and their organisational benefits

Based on existing literature, diversity climate is an essential aspect of any organisation and impacts employee outputs. However, literature is limited on how diversity climate will impact job satisfaction, organisational commitment, intention to quit, and OCB in a non- Western sample at a single point in time. As indicated before, the conceptual framework of the present study is based mainly on the IMCD as developed by Cox (1994). According to the IMCD, diversity climate influences individuals (job and career satisfaction, organisational commitment, job involvement, compensation, promotion, and mobility rates). The improvement of diversity climate and individual career outcomes would eventually improve organisational effectiveness (attendance, turnover, productivity, work quality, recruitment, and creativity). Organisations should also see an improvement within and among workgroups, resulting in a gain of market share and profitability (Cox, 1994).

The employee outputs under investigation have also demonstrated additional managerial advantages for both individuals and organisations. Results from a South African aviation study indicated that organisational commitment was strongly related to reduced levels of intention to quit (Satardien, Jano and Mahembe, 2019). Organisational commitment has also been associated with the achievement of strategic organisational objectives (Lesabe and Nkosi, 2007), while increased job satisfaction has been accompanied by an improvement in performance, reduced turnover intention, reduced absenteeism, and a more positive working atmosphere (Labrague, Nwafor and Tsaras, 2020). Job satisfaction has been associated with overall customer satisfaction and increased quality of service (Choi and Joung, 2017). Enhanced OCB's and employee participation have been associated with improved work performance (Podsakoff, Ahearne and MacKenzie, 1997), task performance and organisational outcomes (Podsakoff, Whiting, Podsakoff and Blume, 2009).

PROBLEM INVESTIGATED

A current South African labour force report indicates that the South African labour force remains dominated by certain demographical groups (Statistics South Africa, 2020). Although considerable efforts have been made to improve this situation, it is evident that South African organisations still experience labour imbalances. Regrettably, South African organisations remain plagued by racism, prejudice, and stereotyping (Mazibuko and Govender, 2017).

As a diversity climate represents the perceptions of how well an organisation is doing in terms of diversity (Pugh *et al.,* 2008) and a toxic diversity climate is characterised by negative employee and organisational outputs (Cox, 1993), labour imbalances, prejudice, racism, and stereotyping should undoubtedly have an impact on diversity-related perceptions. Arguably, such a climate should also have a detrimental impact on organisations and ultimately affect employee outputs negatively.

STUDY OBJECTIVE

Considering the preceding paragraphs, the objective of the present study is to examine the type and nature of the relationship between diversity climate and employee outputs (organisational commitment, intention to quit, job satisfaction, and OCB). The study aims to reach this objective by answering the following research questions:

- *What is the relationship between diversity climate and employee outputs (organisational commitment, intention to quit, job satisfaction and OCB)?*
- *What is the impact of diversity climate on employee outputs (organisational commitment, intention to quit, job satisfaction and OCB)?*

RESEARCH METHODOLOGY

The following sections briefly describe the research design, approach, procedure, sampling and participants, measurements, and statistical analysis.

Research design and approach

The present study followed a quantitative approach with a cross-sectional design, as it was viewed as the most appropriate method to achieve the study objective. Cross-sectional studies are especially valuable as data is collected at a single point in time to determine the current views of respondents (Spector, 2019). All variables were measured at a single point in time, and there were no plans for interventions. Primary data was collected through self-administered questionnaires.

Procedure

The study was submitted for ethical clearance at the institution where the study was registered. The study obtained a minimal risk classification (EMSPBS09/09/16-01/01). Once ethical clearance was obtained, the researchers contacted team leaders, human resource managers, and department heads to obtain gatekeeper permission to distribute questionnaires. Once permission

was obtained, the study's instructions and anonymous nature were explained and emphasised while the questionnaires were distributed. Respondents were given 30 days to complete the questionnaires. The completed questionnaires were collected from a central point as was agreed with participating organisations.

Sampling and participants

Data was collected from employed individuals at South African-based organisations through a non-probability convenience sample. In total, 853 questionnaires were distributed across several Gauteng-based organisations in South Africa from the financial, retail, manufacturing, and industrial sectors. A total of 230 usable questionnaires were returned with a 30.83% response rate. The majority of respondents within the sample group were males (52.9%) and were born between 1981 and 1990 (38.1%). Most respondents were white (69.3%), with 35.4% of respondents indicating they had a postgraduate qualification. Regarding employment, 45.1% indicated they were part of middle/line management; 35.4% held a postgraduate qualification, and 82.6% were permanently employed.

Measurements

The questionnaire consisted of three main sections. The first section collected data on biographical information, the second section collected information on diversity perceptions, and the final section collected opinions on employee outputs.

The diversity climate variable was assessed with a one-dimensional nine-item diversity climate scale (McKay, Avery and Morris, 2007). The scale uses a five-point Likert scale where 1 = well below expectations and 5 = well above expectations. It includes statements such as "I believe diversity is a strategic business issue". A higher score indicates a conducive diversity climate. This questionnaire's previous South African application recorded adequate internal consistency (α = 0.91) (McCallaghan and Heyns, 2016).

The intention-to-quit dimension was measured by the "intention to quit" construct in the PSYCONES questionnaire (Psychological Contracts across Employment Situations) as developed by Bernhard, Rigotti, Jong, Cuyper and Clinton (2002). The four-item scale uses a five-point Likert scale where 1 = strongly disagree, and 5 = strongly agree. It includes statements such as "Despite the obligations I have made to this organisation, I want to quit my job as soon as possible". A higher score indicates that respondents are likely to quit or leave their current employment, while a lower score indicates no intention to quit. A South African application of the measuring instrument recorded an acceptable Cronbach's alpha score (α = 0.93) (Walters, 2008).

The employee commitment variable was examined to apply the "organisational commitment" construct in the PSYCONES questionnaire (Bernhard *et al.,* 2002). The organisational commitment scale consists of five items and makes use of the same five-point Likert scale. It includes statements such as "I am quite proud to be able to tell people who it is I work for (organisation or client)." A higher score indicates the presence of organisational commitment. A previous South African application of the measuring instrument reported an adequate Cronbach's alpha ($\alpha = 0.72$) (Walters, 2008).

The job satisfaction dimension was measured using the short version of the Minnesota Satisfaction Questionnaire (MSQ) (Weiss *et al.,* 1967). The short version consists of twenty items. The MSQ scale offers five options for each statement, namely (1) Very dissatisfied, (2) Dissatisfied, (3) Neither satisfied nor dissatisfied, (4) Satisfied, and (5) Very satisfied. A typical item in the questionnaire is: "The way my job provides for steady employment". A previous South African application of the short version of the MSQ reported an acceptable Cronbach's alpha ($\alpha = 0.96$) (Buitendach and Rothmann, 2009).

The OCB dimension was measured with the 24-item Organisational Citizenship Behaviour scale developed by Podsakoff *et al*. (1990). The scale uses a seven-point Likert scale where 1 = strongly disagree, and 7 = strongly agree. It includes statements such as "Willingly helps others who have work-related problems". During the development of the OCB scale, all elements were reported to exceed the traditional reliability threshold ($\alpha = 0.70$) (Podsakoff *et al.,* 1990).

Statistical analysis

The data was captured and analysed with SPSS version 26 (IBM Corp. 2019) and the lavaan package (Rosseel, 2018) installed in R (R Core Team 2020). Descriptive statistics were calculated to determine central tendencies (mean scores) and standard deviations. Internal consistency was determined with calculations of Cronbach's alpha (α). Adequate internal consistency was set at $\alpha = 0.70$ (Taber, 2018). A confirmatory factor analysis (CFA) was conducted to examine the validity of a model constructed in lavaan (Rosseel, 2018). The maximum likelihood (ML) estimator was used, including a set of fit indices as validity criteria (Nye and Drasgow, 2011). The following criteria were set as fit-indices: $\chi 2/df < 3.0$ (Byrne, 1998), root mean square error of approximation (RMSEA) < 0.08 (Hooper, Coughlan and Mullen, 2008), standardised root mean square residual (SRMSR) < 0.08, comparative fit index (CFI) > 0.90 and Tucker-Lewis index (TLI) > 0.90 (Hu and Bentler, 1999).

Correlation coefficients were calculated in order to examine the relationship between diversity climate and the selected employee outputs. Correlations were firstly assessed for statistical significance ($p < 0.05$) and secondly for practical significance. Practical significance was

interpreted as follows: 0.10 = small effect, 0.30 = medium effect, and 0.50 = large effect (Steyn, 2002).

The final analysis was an examination of standardised regression coefficients. The diversity climate was considered the independent variable, while the selected employee outputs were the dependent variables.

RESULTS

Reliability, descriptive and correlation analyses

Table 1 below contains the results obtained from the reliability, means (M), standard deviation (SD) and correlation analyses.

TABLE 1:

Reliability, descriptive and correlation results for diversity climate and employee outputs

Variable	α	M	SD	1	2	3	4	5
Diversity climate	0.76	2.60	0.70	1				
Organisational commitment	0.79	3.94	0.69	0.25*	1			
Intention to quit	0.91	2.50	1.15	-0.35*	-0.44*	1		
Job satisfaction	0.92	3.64	0.62	0.48*	0.54*	-0.51*	1	
OCB	0.90	5.36	0.77	0.29*	0.33*	-0.27*	0.49*	1
α = Cronbach alpha; M = mean; SD = standard deviation * Significance was considered at p < 0.05 Practical significance: follow: 0.10 = small effect, 0.30 = medium effect and 0.50 = large effect (Steyn, 2002)								

As depicted in Table 1, the results indicate that all variables under investigation met the minimum set threshold for internal consistency ($\alpha = 0.70$). It can therefore be confirmed that the measurements as applied in the present study could be considered reliable. The central tendency for each variable was within each scale's "positive" range. Consequently, as far as the sample group is concerned, it can be confirmed that there was a presence of positive levels of diversity climate, organisational commitment, non-intention to quit, job satisfaction, and OCB.

Table 1 further depicts the results obtained from the correlation analysis. According to the results, all variables under investigation had a statistically significant relationship. Diversity climate revealed a significant relationship with organisational commitment ($r = 0.25$; $p < 0.01$), job satisfaction ($r = 0.48$; $p < 0.01$), OCB ($r = 0.29$; $p < 0.01$), and an inverse relationship with intention to quit ($r = -0.35$; $p < 0.01$). All of these correlations were considered as of medium practical effect. The results of the correlation analysis translate into a situation where conducive levels of diversity climate would be associated with positive levels of organisational commitment, lower levels of intention to quit, improved job satisfaction, and positive levels of OCB.

Confirmatory factor analysis (CFA)

A model whereby diversity climate was considered as the independent variable and the selected employee outputs (turnover intentions, organisational commitment, job satisfaction, and OCB) as dependent variables was constructed in lavaan (Rosseel, 2018), which was installed in R (R Core Team, 2020). The model with the ML estimator met all of the CFA fit- indices (RMSEA = 0.07; SRMRS = 0.07 χ2/df = 2.34; CFI = 0.91 and TLI = 0.90), and was therefore deemed valid.

Standardised regression coefficients

Table 2 below contains the results attained from the standardised regression coefficients as computed in lavaan (Rosseel, 2018). Diversity climate was considered as the independent variable and employee outputs as the dependent variables.

Table 2:

Linear regressions, diversity climate and employee outputs

Pathway	Estimate	SE	*p*-value
Diversity climate → Turnover intentions	-0.40	0.14	$p < 0.01$
Diversity climate → Organisational commitment	0.27	0.06	$p < 0.01$
Diversity climate → Job satisfaction	0.32	0.07	$p < 0.01$
Diversity climate → OCB	0.26	0.10	$p < 0.01$
SE = standard error OCB = organisational citizenship behaviour			

According to Table 2, diversity climate can be considered as a statistically significant predictor for organisational commitment ($β$ = 0.27; $p < 0.01$), intention to quit ($β$ = -0.40; $p < 0.01$), job satisfaction ($β$ = 0.32; $p < 0.01$), and OCB ($β$ = 0.26; $p < 0.01$). This result translates into a situation where an improvement in diversity climate would result in an improvement in organisational commitment, job satisfaction and OCB. An improved diversity climate would also result in lower observations of turnover intentions.

PRACTICAL MANAGERIAL IMPLICATIONS

The study's main objective was to examine the type and nature of diversity climate on the employee outputs of organisational commitment, intention to quit, job satisfaction, and OCB. The results of the correlation analysis indicate that a conducive level of diversity climate would be associated with favourable levels of organisational commitment, non-intention to quit, and favourable levels of job satisfaction and OCB. These results are consistent with the IMCD model of Cox (1994) and a model for positive diversity climate (Hicks-Clarke and Iles, 2000; McKay and

Avery, 2015). According to Hicks-Clarke and Iles (2000), a diversity climate improves employee outputs, including organisational commitment, reduced turnover, and enhanced job satisfaction. Previous research on the relationship between diversity climate and OCB also found that constructive levels of diversity climate were associated with OCB (Ashikali and Groeneveld, 2015).

The findings of the standardised regressions suggest that diversity climate is a significant predictor of organisational commitment, reduced intentions to quit, job satisfaction, and OCB. Similar previous studies also found evidence to suggest that an enhanced diversity climate would be able to reduce turnover intentions (Buttner *et al.,* 2010), increase job satisfaction (Hofhuis *et al.,* 2016), and improve organisational commitment (Hicks-Clarke and Iles, 2000), and OCB (Ashikali and Groeneveld, 2015).

As McKay and Avery (2015) suggested, organisations would benefit from a conducive diversity climate resulting in improved job satisfaction, organisational commitment and engagement, reduced withdrawal and turnover intentions, and improved organisational performance. An enhanced diversity climate has also been associated with increased profitability and market share (Cox, 1994).

Improved organisational commitment has been associated with reduced levels of intention to quit (Satardien *et al.,* 2019) and greater achievement of strategic objectives (Lesabe and Nkosi, 2007). Job satisfaction has been related to improved performance and decreased turnover intentions (Azharudeen and Arulrajah, 2018). An improvement in OCB has been associated with achieving organisational outcomes (Podsakoff *et al.,* 2009).

Therefore, South African managers and organisations who intend to improve organisational commitment, reduce intentions to quit, and improve job satisfaction and OCB should note the empirical results of this study. Not only would organisations and managers benefit from the associated advantages of diversity climate, but they would also benefit from improved employee outputs.

CONCLUSION

Although South African organisations may demonstrate labour imbalances, prejudice, racism, and stereotyping, the results of this study demonstrate that respondents are still of the opinion that their organisations are doing well in terms of valuing diversity and implementing both fairness and inclusion. The findings further indicate that constructive levels of diversity climate are not only associated with improved employee outputs in Western and European samples but are also associated with improved employee outputs in samples from an environment that has previously been subjected to legalised segregation and labour imbalances.

Limitations and future research

The present study only collected data from one South African province, namely Gauteng. Future studies should include data from other South African provinces. This would enable researchers to compare diversity climate and employee output perspectives across provinces. As the sampling method and design do not allow for the generalisation of results, future studies should consider alternative methods in order to draw more comprehensive conclusions. Self-report questionnaires will always pose a risk in terms of common method bias. In order to address this limitation, future studies should include a qualitative aspect as part of a mixed-method study. Structured interviews could also be utilised in order to compare individual opinions with empirical results.

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The influence of engagement on employees in a post-restructuring mining organisation: A dominance analysis

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ABSTRACT

Work engagement is an important managerial component for both the organisation and employee. Its benefits are also important during a post-restructuring phase. A quantitative cross-sectional study was conducted to collect 266 responses from a convenience sample of retained employees of a mining organisation in the North West province. Respondents completed self-report questionnaires on work engagement and their views on restructuring. Data analysis included descriptive, reliability, validity, correlation and dominance analyses. A dominance analysis is useful when examining which feature contributes the most towards an independent variable. The study results demonstrated adequate reliability and validity. The correlation analysis shows work engagement, including vigour, absorption and dedication, to be positively associated with employee views on post-restructuring. The dominance analysis found absorption contributed 41% towards views on post-restructuring. The study concludes that mining organisations will benefit from enhancing work engagement, especially enhancing an employee's total immersion in their work.

Keywords: Dominance analysis; mining; post-restructuring and work engagement

INTRODUCTION

The constant economic challenges and changes in global market conditions prompt the mining sector to continuously seek new ways to improve profitability and operational efficiency. As a result of this volatility, mining organisations embark on frequent restructuring (Manowska *et al.,* 2017). While restructuring may be beneficial for organisational performance, the change may impact on employees' behaviour and well-being (Ofori and Antwi, 2020). The restructuring process also has an emotional impact in the form of lack of job security, reduced organisational commitment, increased feelings of work-related pressure, reduced well-being, and increased reports of intentions to leave (Probst, 2003). Employees are not only affected during the restructuring process itself, but also during post-restructuring (Carbery and Garavan, 2005). Employees might

be affected to such an extent that their trust in the organisation is dented which in return will impact on work engagement (Marais and Hofmeyr, 2013).

Work engagement is an important employee aspect for any organisation (Schaufeli, 2013). In simple terms, work engagement refers to the involvement, commitment, passion, enthusiasm, absorption, focused effort, dedication and energy an employee may demonstrate within any organisational context (Knight *et al.,* 2017). While organisational restructuring might impact on employee well-being, work engagement has the opposite effect (Borst *et al.,* 2020). The attitudinal advantages of work engagement may further include greater organisational commitment, reduced burnout and increased job satisfaction (Borst *et al.,* 2020). Those organisations who continually seek improved work engagement may focus on the widely accepted antecedents of work engagement, namely vigour, dedication and absorption (Schaufeli *et al.,* 2019). Although work engagement has shown great promise in large organisational interventions, the literature has been unenthusiastic about which antecedent would contribute the most towards the success of an intervention (Knight *et al.,* 2017).

LITERATURE REVIEW

The following sections briefly examine the relevant work engagement and post-restructuring literature.

Work engagement

Work engagement is considered as a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption (Bakker *et al.,* 2008). Vigour is considered as "high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties" (Schaufeli, Salanova, González-Romá and Bakker, 2002: 74). Dedication is considered as "feelings of a sense of significance, enthusiasm, inspiration, pride, and challenge", while absorption is best described as "being fully concentrated and deeply engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself" (Schaufeli *et al.*, 2002: 75).

From a change-managerial perspective, work engagement is viewed as an important contributor towards a successful restructuring. This can possibly be explained due to the close relation between work engagement, commitment and motivation of employees (May *et al.,* 2004), all of which can be considered important employee behaviour during and after restructuring.

Organisational restructuring

Organisational restructuring can hold positive and negative consequences for both the organisation and employees (Brand and Wilson, 2000). Organisations embrace restructuring in order to improve

financially and to enhance operations. Normally organisations restructure aspects such as ownership, business processes and business units (Cashen and Chadwick, 2018) with the objective of reducing costs and maximising revenue (Davutyan and Yildirim, 2017).

Unfortunately, in selected situations, organisational restructuring can negatively influence employee well-being (Ofori and Antwi, 2020), and employees may also demonstrate lower indications of commitment and increased perceptions of job insecurity (Ugboro, 2003). These negative consequences are not only witnessed during the actual restructuring, but may also be seen in employees during the post-restructuring phase (Alien *et al.,* 1995).

Implications for employees and organisations in the post-restructuring phase

The restructuring process may be beneficial for the organisation and positively influence several key behaviours of employees. From an organisational perspective restructuring ensures enhanced efficiency, improved responses to changing market conditions and long-term increased value for shareholders (Hirsch and De Soucey, 2006). Unfortunately, the organisational benefits often come at the expense of employees. Employees retained after a restructuring, have shown declined levels of psychological well-being, amplified feelings of job insecurity, lower satisfaction and inferior opinions of organisational efficiency (Burke *et al.,* 2015), which may all be detrimental for organisational efficiency. A managerial solution might be found in work engagement (Borst *et al.,* 2020).

Work engagement has been proven as a worthy contributor towards effectiveness and positive perspectives during the restructuring process (Seppälä *et al.,* 2018) and even during post-restructuring (Marais and Hofmeyr, 2013). Work engagement is further a very important managerial concept, especially due to its close association with positive organisational outcomes, such as productivity, job satisfaction, motivation, commitment, lower turnover intention, customer satisfaction, return on assets, profits and enhanced shareholder value (Rothmann and Rothmann Jr, 2010).

Taking into consideration the often negative attitudinal consequences associated with restructuring, coupled with the theoretical relation between enhanced work engagement and positive perspectives on restructuring, organisations should arguably benefit from knowing which features of work engagement may contribute the most towards positive perspectives on restructuring. This knowledge will allow for more focused and better directed interventions.

PROBLEM INVESTIGATED

Findings from non-related industries show that employees' work engagement will be an important facet during restructuring (Seppälä *et al.,* 2018). Moreover, work engagement fulfils a fundamental

role in the South African mining environment, mainly as a worthy contributor towards growth and productivity (Catteeuw *et al.,* 2007) and enhanced safety outcomes (Nahrgang *et al.,* 2011).

Due to continued change (that could lead to restructuring), the challenge for the South African mining industry is that it remains volatile and would require continuous knowledge to positively facilitate any adverse changes which may occur. Unfortunately, the South African mining industry is notorious for labour instability that might lead to violence (Twala, 2012). Additionally, as the industry is shrinking, it is struggling to re-invest in new expansions or attract foreign direct investment (Mbazima, 2020).

It is recommended that mining organisations should embrace change, especially to stimulate growth and become competitive again. This would involve the restructuring of mining organisations in order to become more profitable, focus on core business, and attract foreign investment (Mohamed, 2020). It is evident that the South African mining industry will have to continue embracing change and will have to manage the negative consequences associated with restructuring. For that reason, the mining industry would benefit from a study which examines the influence of work engagement on the views of retained employees post-restructuring.

To the best of our knowledge, a similar study examining the influence of work engagement features (vigour, dedication and absorption) on post-restructuring perspectives in a South African mining organisation does not yet exist. However, a meta-analytic study has found that all features of work engagement are critical for organisational interventions (Knight *et al.,* 2017). Although the study by Knight *et al*. (2017) made valuable contributions and confirmed the value of work engagement as an intervention for organisational improvement, it encouraged the current research question. In the study by Knight *et al*. (2017) all features of work engagement demonstrated a direct impact on a selected intervention; however, post-restructuring was not an independent variable and none of the previous studies examined which feature of work engagement contributed the most towards a certain intervention (Knight *et al*., 2017). Consequently, the objective of the present study was to examine this research gap by investigating the following research questions:

1) *What is the type and nature of the relationship between work engagement and post-restructuring perspectives; and*
2) *Which characteristic of work engagement (vigour, dedication and absorption) contributes the most towards post-restructuring perspectives?*

RESEARCH METHODOLOGY

A quantitative approach with cross-sectional design was considered to be the most appropriate to answer the research questions. Data on work engagement and post-restructuring perspectives

was collected at a single point in time. A cross-sectional study is valuable when data is collected at one single point in time with no planned intervention (Spector, 2019).

Measuring instrument

The measuring instrument comprised three sections. The first section collected data on biographical information from respondents. The second and third sections collected views on work engagement and perspectives on post-restructuring.

Work engagement

The Utrecht Work Engagement scale (UWES) is a self-report instrument (Schaufeli and Bakker, 2004). The nine-item scale collects responses on vigour, dedication and absorption. The UWES makes use of a five-point Likert scale where 1 = strongly disagree and 5 = strongly agree. An example of an item is: "I am enthusiastic about my job". The UWES has previously demonstrated adequate reliability (α = 0.86) (Bakker *et al.,* 2008).

Perspectives on post-restructuring

Perspectives on post-restructuring were assessed with a five-item scale as developed by Marais and Hofmeyr (2013). The scale records opinions of retained employees post-restructuring. The five-item scale deals with the perceived fairness of the restructuring, communication during the restructuring process, change efforts and leadership during the restructuring process (Marais and Hofmeyr, 2013). The instrument makes use of a five-point Likert scale whereby 1 = strongly disagree and 5 = strongly agree. An example of an item is: "Restructuring affected each department in a fair way". The measuring instrument previously demonstrated sufficient internal consistency amongst a South African sample group from the mining sector (Marais and Hofmeyr, 2013).

Research procedure and ethics

A covering letter explaining the aim and objectives of the study was sent to the general manager and human resource manager of the South African mine situated in the North West province in order to obtain permission to collect data. Once permission was acquired, questionnaires were handed to the general manager and human resource manager who facilitated distribution. Completed questionnaires were collected from the mine after a period of two weeks. In order to adhere to ethical considerations, participants were informed that participation is voluntary, and they were provided with clarity on the research. To ensure anonymity and confidentiality the questionnaire did not require any personal information. Throughout the process, the questionnaires of respondents were identified with a unique participant number and not the participants' names. The questionnaire handed to the participants included an introductory letter confirming anonymity and confidentiality of results as well as contact details of the researchers should participants have

any queries. The North-West University Ethics Committee approved the study and assigned an ethics number: EMSPBS16/02/16-01/62.

Statistical analysis

Data was captured, cleaned and analysed with the Statistical Package for Social Sciences (SPSS) (IBM Corp., 2019) and the Analysis of Moment Structures (AMOS) (Arbuckle, 2017). Descriptive statistics (means and standard deviations) were calculated in order to examine central tendencies. Internal consistency was assessed by computing Cronbach alphas (α). An adequate threshold was set at $\alpha = 0.70$ (Taber, 2018). Data was considered as a normal distribution when the skewness and kurtosis scores were below 3.29 (Field, 2013).

In the next step a confirmatory factor analysis (CFA) was conducted in order to assess validity. The CFA process, as described by Sun (2005), was followed with traditional fit-indices set as criteria: RMSEA < 0.08 (van de Schoot *et al.,* 2012), $\chi2/df$ < 3.0 (Byrne, 1998), CFI and TLI > 0.90 (Wang and Wang, 2012). A significant χ^2-statistic was not considered as an absolute fit index due to sensitivity to sample size (Vandenberg and Lance, 2000). Factor loadings should preferably be above 4.00 (Hinkin, 1998).

Correlation coefficients (*r*) were calculated in order to assess the type and nature of the relationships between investigated variables. Correlations were firstly analysed for statistical significance ($p < 0.05$) and secondly for practical significance. Practical significance was considered at $r \geq 0.10$, medium effect at $r \geq 0.30$, and large effect at $r \geq 0.50$ (Steyn, 2002).

In order to determine which, work engagement feature contributes the most towards post-restructuring perspectives a dominance analysis was conducted (Budescu, 1993). Dominance analysis compares the additional R-square (R^2) for each predictor across all subset models and therefore allows for ranking of predictors (Azen and Budescu, 2006). Complete domination of the predictor is only possible if the additional R-square (R^2) contribution per predictor dominates across all subset models (Amirkiaee, 2016). Previous studies have demonstrated the value of dominance analysis over traditional linear and stepwise regression for examining the dominance of predictors (Kim *et al.,* 2010, Zhang *et al.,* 2019).

Participants and sampling

A non-probability convenience sample was used to collect 266 responses from retained employees at a major mine situated in the North West province of South Africa. The mine recently underwent restructuring in order to optimise operations in an attempt to improve profitability. A dominant number of participants indicated they were males (65%), with the remainder of the participants being females (34%). Only 1% of the participants did not specify their gender. In terms of ethnicity,

57% of the participants were African, 25 % White, 5% Asian, 11% Coloured and 2% of the respondents did not select a category. The majority of respondents indicated they had between 5 to 20 years of experience (67%).

RESULTS

The results are presented in four sections. The first section reports on descriptive statistics, reliability and normality. The second section reports on validity and the third section reports on the correlation analysis, while the final section reports on findings pertaining to the dominance analysis.

Descriptive statistics, reliability and normality

A summary of the descriptive, reliability, skewness and kurtosis results is depicted in Table 1 below. A closer inspection of Table 1 indicates that the perspectives on restructuring tend to the disagree range, while work engagement, including its characteristics, tends towards the agree range of the scale. All reliability scores were within the set threshold (α = 0.70) and the applied measuring instruments were considered reliable (Taber, 2018). The skewness and kurtosis scores were also below 3.29 which are indications of normality (Field, 2013).

TABLE 1:

Descriptive statistics, reliability, skewness and kurtosis

Variable	Mean	Standard Deviation	Cronbach Alpha	Skewness	Kurtosis
Vigour	2.10	0.94	0.77	0.74	0.27
Dedication	1.93	0.97	0.78	0.81	0.18
Absorption	2.13	0.84	0.70	0.56	-0.14
Work engagement	2.04	0.80	0.89	0.85	0.28
Restructuring	2.48	0.98	0.85	0.11	-0.90

Confirmatory factor analysis (CFA)

The CFA analysis was conducted in AMOS (Arbuckle, 2017). The results for the fit statistics indicated the variables under investigation could be considered valid (RMSEA = 0.07; $\chi2/df$ = 2.36; CFI = 0.94 and TLI = 0.92) (Sun, 2005). In addition, factor loadings ranged from 0.47 to 0.83 and were therefore considered adequate (Hinkin, 1998).

Correlation analysis

The results from the correlation analysis are depicted in Table 2 below. A closer inspection of the correlation results indicates that restructuring has a positive relationship with vigour (r = 0.29; p < 0.05; small effect), dedication (r = 0.25; p < 0.05; small effect), and absorption (r = 0.30; p < 0.05; medium effect). Restructuring also has a positive relationship with work engagement (r = 0.31; p < 0.05; medium effect). The correlation results indicate that signs of work engagement (including its

characteristics) would also be associated with positive perspectives on restructuring within the specific sample group.

TABLE 2:

Correlation analysis

Variable	1	2	3	4	5
Vigour	1				
Dedication	0.71*	1			
Absorption	0.70*	0.78*	1		
Work engagement	0.90*	0.91*	0.91*	1	
Restructuring perspective	0.29*	0.25*	0.30*	0.31*	1
*Note: Correlation is significant at the 0.05 level (2-tailed) Results were interpreted as: 0.1 = small effect; 0.3 = medium effect; and 0.5 = large effect (Steyn, 2002).					

Dominance analysis

The results of the dominance analysis are depicted in Table 3. In each subset model, perspectives on restructuring were considered as the dependent variable. According to calculations, absorption dominated both vigour and dedication. Absorption accounted for 41% change in perspectives on restructuring, followed by vigour with 38% and finally dedication with 21%. The results indicate a complete dominance of absorption (Amirkiaee, 2016).

TABLE 3:

Dominance analysis – features of work engagement as predictors of perspectives on restructuring

Subset model	R^2	Vigour	Dedication	Absorption
Null predictors		0.084	0.060	0.087
Vigour	0.084	-	0.003	0.018
Dedication	0.060	0.027	-	0.029
Absorption	0.087	0.015	0.002	-
Average – 1 predictor		0.021	0.003	0.024
Vigour and dedication	0.087	-	-	0.017
Vigour and absorption	0.102	-	0.002	-
Absorption and dedication	0.089	0.015	-	-
Average – 2 predictors		0.015	0.002	0.017
Vigour, dedication and absorption	0.104			
Overall average		0.040	0.022	0.043
Percentage		38%	21%	41%
R^2 - R-square				

PRACTICAL MANAGERIAL IMPLICATIONS

The aim of the study was to examine work engagement in relation to perspectives on post-restructuring. The results indicate that all characteristics of work engagement had a positive relationship with employees' views on post-restructuring. The specific result would imply that a

positive presence of work engagement, including vigour, dedication and absorption, would also be accompanied by positive views on post-restructuring. The result from a post-restructuring mining organisation is consistent with previous views on a relationship between work engagement and organisational restructuring (Marais and Hofmeyr, 2013). Dominance analysis found further evidence to show that absorption contributed the most towards post-restructuring views in the South African mining sample. These findings contribute towards the current views on the importance of work engagement with regard to successful organisational interventions (Knight *et al.,* 2017).

Previous examinations of work engagement in the South African context indicated that work engagement was an important contributor to both organisational advantages and employee well-being (Rothmann and Rothmann Jr, 2010). The finding of the present study is important for organisations who wish to embark on organisational change. Restructuring within the mining industry in order to optimise operations and ultimately shareholder value will be inevitable (Rybak and Rybak, 2020). Consequently, mining organisations planning on restructuring would benefit from the enhancement of work engagement. The enhancement of absorption by encouraging mining employees of a restructuring organisation to be fully focused and genuinely occupied by their work will further contribute towards positive views on organisational restructuring. In addition, organisations who wish to further benefit from the managerial advantages associated with work engagement, such as improved efficiency and productive employees, should invest in the development and implementation of transformational leadership practices (Monje *et al.,* 2020), supervisory coaching and regular performance feedback (Lee *et al.,* 2019).

LIMITATIONS AND RECOMMENDATIONS

While the study has made valuable contributions towards work engagement and post-restructuring perspectives of employees, there are important limitations. Firstly, the sampling technique does not allow for generalisation of the results and a future study using a stratified sampling strategy should facilitate further understanding for mining organisations. The cross-sectional quantitative study does provide a valuable snapshot of current views on work engagement and organisational restructuring; however, causality cannot be determined with the current study design and approach. A future longitudinal study examining the influence of work engagement and views on restructuring will allow for the determination of causal effects.

Common method bias remains a reality for self-report data collection (MacKenzie and Podsakoff, 2012). A future study should consider conducting a Harman's single factor test to detect common method bias (Jordan and Troth, 2020).

The study was restricted to a single mining organisation in the North West province. Future studies of multiple mining organisations in diversified geographical locations will further advance the knowledge of the effect of work engagement among retained mining employees. Future studies should also collect more data on biographical information, specifically on the duration of employment and service at the current organisation. Previous research found evidence to indicate younger staff members is much more accommodative towards organisational change (Shah and Shah, 2010).

CONCLUSION

Work engagement is not only beneficial during non-restructuring phases but can also be beneficial during post-restructuring phases. Organisations will benefit from stimulating and developing work engagement characteristics and should even benefit more from enhancing and developing employees' total captivation in their work during a post-restructuring phase.

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The potential use of labour brokers in an engineering company in Gauteng: A case study

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ABSTRACT

The use of temporary workers remains popular for its perceived benefits of cost-savings and improved operational flexibility in volatile times, driven by a desire for competitiveness and operational efficiency. Sadly, worker exploitation has been at the centre of criticism and controversy around this practice, with the labour union federation, COSATU (Congress of South African Trade Unions), calling for the abolition of all labour brokers. But labour brokers enable desperately needed job creation and labour mobility. The researchers were interested in understanding why a large engineering organisation in Gauteng continues to use labour brokers, despite concerns raised in the media, among workers and their unions. Following a qualitative case study research design, temporary and permanent employees and managers working at the engineering organisation were interviewed. The resultant themes explained various perspectives, motives and the reasons that there is still scope for temporary employment services in South Africa. Less ambiguous regulation and compliance checks are recommended as a means of regulating this form of employment for the benefit of all concerned parties.

Keywords: externalisation; labour brokers; South Africa; temporary employment services

INTRODUCTION AND BACKGOUND

Temporary employment services (TES) or labour broking, results when a labour broker employs workers, and makes available the workers' services to a commercial organisation (Dickenson, 2017). This staffing arrangement, also called externalisation, affords an organisation the flexibility to adapt its labour requirements to changes in demand for its goods and services, and to seek larger profits in the presence of flexible human capital requirements (Mara, 2021; Lindquist, 2018). South Africa's Gauteng Province continues to attract many more migrant workers than any other province, and these workers make use of labour brokers to obtain temporary positions (Vosloo, 2020).

In South Africa, TES, as a practice, is not free from criticism or controversy, ranging from the interpretation of the law to indistinct control and accountability (M&G, 2020). Employers are not contractually bound to temporary workers, and, thus, such workers forfeit their rights, protection and bargaining power (Dickenson, 2017). Labour brokers are frequently in the news and blamed for exploitive practices − a case in point being the opportunity cost of 9 000 nursing positions in favour of broker fees (Rispel and Angelides, 2014). Another example is the South African Post Office (SAPO) that has never fully recovered from its labour unrest in 2014 (Dickenson, 2017). SAPO causal workers, almost one third of the workforce, rebelled against practices that unfairly benefitted their permanent counterparts. Despite exploring all avenues, their plea remained unheard and, after protracted strikes by the casual workers, many of which were unprotected, the SAPO terminated the use of labour brokers (Sowetan, 2012). The Labour Relations Act (LRA) 66 of 1995 was amended in 2015 to protect workers employed for longer than three months, and Section 198A of the Act stipulates that workers employed for longer than three months are entitled to permanent employment. After three months, the primary employment contract shifts from being between the broker and the worker, to between the employer and the worker (Dickenson, 2017). Labour brokers then no longer act as intermediaries between workers and employers and their role, as well as their fee, became redundant, for which they challenged the law (M&G, 2020). Although labour brokers do not create jobs, they are considered a countrywide platform through which first-time job seekers can find opportunities for temporary and, perhaps, permanent employment (Zondi, 2020; Van Arsdale, 2013). These practices, therefore, cannot simply be removed as called for by COSATU (Congress of South African Trade Unions), South Africa's largest trade union federation (Zondi, 2020).

Employers may enjoy the benefits of consistency in output from permanent employees, but with that comes a shift in worker bargaining power away from the broker to the employer, introducing the possibilities of unionisation, strikes, loss of production and, as is often experienced in South Africa, violent labour action (Dickenson, 2017). Research conducted on the relationships between permanent and temporary employees found that TES negatively impacted organisational climate (Llore´ns-Montes, Ortega-Egea and Ruiz-Moreno, 2013). Overall, there appears to be mixed opinions about the efficacy and fair labour practices of labour brokers and further exploration into why South African organisations would use their service is warranted.

PROBLEM STATEMENT

According to Odeku (2017) labour brokers need to be more closely regulated, and better relationships between brokers, their customers and employees should be encouraged. Continued reports of the poor treatment and exploitation of workers, not only from South Africa, but indeed

globally, have increased the calls for the total disbandment of labour brokers (Dickenson, 2017). The two sides of the debate are both powerful and important to consider, especially because the disappearance of labour brokers may cause an increase in unemployment, a phenomenon which sadly is already high in South Africa (Delius, 2017). To delve deeper into the argument of the ethics and practice of labour broking, together with whether they add value, are efficient, or indeed even necessary, empirical evidence needed to be gathered. A large Gauteng-based engineering organisation, by which the second author was employed, was the setting where the research was conducted. The investigation centred on the reasons this organisation uses labour brokers as placement agencies, instead of other traditional recruitment methods such as gate-taking or referrals. To understand these reasons, the following research question was posed:

Are labour brokers effectively used by a Gauteng-based engineering organisation?

To empirically explore the stated research question, a primary objective may be stated as follows: Primary objective: to explore the efficacy of labour brokers at worker placement in an engineering organisation.

The following secondary research objectives have been formulated to support the primary objective:

1. To determine the motives for using labour brokers.
2. To identify and explore specific examples of how the use of TES impacts various stakeholders.
3. To explore labour brokers' experience of legislation.
4. To make practical recommendations regarding the effective use of labour brokers.

By exploring the effective and efficient use of labour brokers in an engineering organisation we intend to contribute theoretically and practically to the body of knowledge on this sporadically investigated topic in South Africa (Delius, 2017). This study is significant because it is an important feature of the South African economy that faces the dual challenges of high unemployment and labour unrest among the employed. Research conducted in South Africa in relation to labour matters may be valuable to African and international researchers in the future.

LITERATURE REVIEW

The literature reviewed for this study commences with an overview of TES, its use globally and in South Africa, continues to a discussion of the benefits and drawbacks of TES, and concludes with a discussion of stakeholders' perceptions of TES.

TES through the world

Labour brokering started after World War (WWII) and has grown steadily since then. For example, in the United States of America (USA) temporary employment services agencies employed 2.8 million temporary workers per day on average in 2012. The growth in labour broker agencies resulted in the formation of major labour broking organisations in that country (Rispel and Angelides, 2014). Similarly, other industrial nations in Europe and the Pacific Rim have also gradually moved from permanent to temporary employment arrangements (Lindquist, 2018). The use of temporary workers in South Africa has increased rapidly over the past two decades because local organisations increasingly outsource the recruitment of labour to TES, replacing the conventional full-time, permanent, employer-employee relationships into a tripartite labour connection. During that period South Africa saw a noticeable increase in labour brokers offering such services (Dickenson, 2017).

The rise in the use of TES in post-Apartheid South Africa was brought about by an increase in the demand for temporary workers (Vosloo, 2020; Bhorat and Van Der Westhuizen, 2013). Both the number of temporary workers and the demand for their services by organisations ranging from the mining sector to retail, office administration and nursing, continues to grow at a high rate, even though labour unions are putting pressure on the government and the employers to stop this practice (Zondi, 2020; Rispel and Angelides, 2014). In pursuit of sustainability and cost-cutting measures, employers defied the pressure from the trade unions to stop employing temporary workers. Furthermore, employers tend to use temporary workers because, compared to their permanent counterparts, they do not earn fringe benefits and the burdens of disciplinary action, performance management and payroll administration are significantly reduced (Lindquist, 2018).

Benefits and drawbacks of TES

The intention of externalisation is for a labour broker to provide workers to their clients when their services are needed temporarily and, during which period, duties and supervision will be assigned to them (Rispel and Angelides, 2014). A labour broker contracts the services of employees, administers their payroll and is supposed to take the responsibilities of deducting tax from their salaries, as well as overseeing disciplinary action when necessary (Bhorat and Van Der Westhuizen, 2013). The contract continues for as long as the client requires the service of the temporary employee (Van Eck, 2010). The labour broker also takes responsibility for removing and replacing an employee should the client wish to terminate that employee's service. However, herein lies opportunity for neglect because neither the client (employer) nor the labour broker, is held responsible for unfair dismissal. These temporary employees should still be able to join a union but, if the client prefers non-unionised labour brokers, the broker will discourage unionisation to gain favour with clients (Dickenson, 2017). Fair labour practice is a constitutional right in South

Africa and, in the event of competing interests between employers and employees, the LRA (Labour Relations Act 66 of 1995) provides employees with the right to belong to a trade union, to strike and to collectively bargain with employers (Bhorat and Van Der Westhuizen, 2013). However, externalisation has negated collective bargaining, because employees are not 'attached' to their place of work, but rather to their labour broker (Harper, Mulligan and Horn, 2020).

Internalisation, as opposed to externalisation, affords the organisation increased predictability, coordination and control over human capital, but externalisation reduces administrative and labour costs, while giving the organisation the flexibility to increase or reduce labour supply in response to changing demands (Bhorat and Van Der Westhuizen, 2013). This aspect is especially relevant in, for example, the nursing industries, in which technical skills and expertise are vital and compromising the quality of staffing may result in illness, death, lawsuits and reputational damage (Dahl and Olsson, 2013). Other factors that may influence the quality of nursing is absenteeism as well as the current unreliable regulation of nursing industry labour brokers by the Department of Health in South Africa (Rispel and Angleides, 2014).

However, temporary workers interviewed have expressed negative experiences of TES, because not everyone enjoys the climate of flexibility in the workplace and may feel insecure and at risk of being replaced (Llore´ns-Montes *et al.*, 2013). Although interconnected, it is important to bear in mind that organisational climate is not the same as culture in an organisation (Dahl and Olsson, 2013). Culture refers to shared beliefs, orientations and perceptions, but climate refers to the feelings and behaviour of members within an organisation (Auzoult and Gangloff, 2018). Employees who perceive flexible work arrangements as negative will adjust their behaviour to match their feelings, and such dissatisfied employees may negatively impact performance (Dickenson, 2017; Rispel and Angleides, 2014).

Labour brokerage fees have not been well documented in South Africa (Rispel and Angelides, 2014) despite its importance in costing and management decision-making. Rispel and Angleides (2014) found that this expense may be as high as 35% of the monthly human resources (HR) budget, and this expense needs to be reconsidered and compared to the alternative of permanent employment (Hurst and Smith, 2011). Rispel and Angleides (2014) have found that globally, the use of temporary employees and the fees charged by labour brokers could be as much as three times higher than the employment of permanent personnel (Zondi, 2020; Moore, 2013).

Stakeholder perceptions of TES

In South Africa stakeholders in favour of labour brokers argue that they create job opportunities for millions of unemployed, often newcomers to the labour market. Small businesses cannot afford to

hire permanent employees at peak times and dismiss them when demand is low. Automation is costly and also not the ideal solution (Sowetan, 2012). The anti-labour broker forces argue that labour brokers are sources of workers' exploitation because temporary workers usually earn a fraction of their permanently employed counterparts for the same work (Dickenson, 2017). Although it is expected that organisations employ brokers to save costs, in highly unionised workplaces, permanent and temporary employees earn the same salaries and enjoy the same allowances, while the broker fee as an added expense, is still honoured. When the union is weak or absent from the workplace, however, the workers lose their bargaining power and are at the mercy of the employer (Zondi, 2020).

Internationally, for example, in Thailand and Malaysia, both countries in which the use of migrant workers is common, many agencies are calling for stricter regulation of labour brokers, with the aim of eliminating migrant exploitation (Lindquist, 2018; Kaur, 2014). These countries make extensive use of migrant workers to compensate for labour shortages and their governments adopted 'guest worker policies' to place foreign workers, who fill the cheap labour gap in the construction, agriculture and service sectors of their economies (Lindquist, 2018). In addition, these governments also took on the responsibility of regulating illegal migration and the labour brokers who make the migrant workers available. In both these countries, the migrant workers placed in this manner are not compensated equally with the local employees and do not enjoy the same protection and privileges as their local counterparts (Kaur, 2014). On a national level, South Africa, due to its high level of domestic unemployment, no longer employs migrant workers (Bank, 2017). Historically though, this practice was common when mining capitalists recruited mostly male migrant workers from rural areas to work in rich mining towns such as Johannesburg. These workers lived in sub-human conditions, largely removed from their families and support systems (Delius, 2017). The much-needed changes in the political and economic landscape of South Africa have seen the termination of these practices and all the social ills they caused during the Apartheid era (Vosloo, 2020).

Temporary employees may perform similar functions and operate under the same working conditions as permanent employees, yet earn a fraction of the latter's salary and other benefits (Kaur, 2014). Even when the client (employer) compensates both equally, only a fraction of that benefit would reach the temporary employee, via the broker who has taken a large part of the compensation to cover 'expenses' (Llore´ns-Montes *et al*., 2013). In addition to this discrepancy, there are the allowances afforded only to permanent employees, and the imminent potential for a tense and toxic working environment (Llore´ns-Montes *et al*., 2013). In the case of the South African Post Office, (referred to earlier in this paper) the final outcome of the temporary workers' rebellion, was the eventual termination of labour brokerage, but not before a number of

unprotected and seemingly fruitless strikes, court action and disruption of mail delivery had occurred (Dickenson, 2017).

The most prominent labour union federation in South Africa, COSATU, called for the complete banning of labour brokers, but the government has not treated this call with any sense of urgency (Zondi, 2020). Amendments to the LRA, notably Section 198A, imply that TES are still allowed to operate in South Africa and that they are further regulated to protect the rights of temporary workers. Since the introduction of Section 198A, which came into effect in January 2015, labour broking is terminated when an employee has worked uninterrupted for a client for a three-month period (DOL, 2021). After that period, the LRA (Section 198A) considers a worker as a permanent employee. In essence, using TES will now be more costly and both employers and brokers are negatively affected because they are obliged to pay temporary employees the same salary and benefits as their permanent counterparts (Harper *et al.*, 2020). Despite the third amendment to the LRA in 2019, legal experts (Harper *et al.* 2020; van Wyk, van Heerden and Roux; 2019) believe that the amendment is ambiguous in its interpretation of whether the client (employer) or the broker is responsible for the worker.

The South African Board for People Practices (SABPP) offered a different solution to the issue of flexible work practices, labour broking, decent work, and youth employment. The SABPP (2012) suggested that temporary employees should only be employed for temporary jobs such as project jobs, for sudden job-openings, when permanent employees are absent from work or there is an unexpected increase in the demand for goods and services. Labour brokers do not create jobs but provide opportunities for people to complete work that their clients already have and, therefore, such agencies still have a role to play in creating jobs. SABPP (2012) further stated that TES can also employ workers in administrative positions, thereby, providing services to their clients.

In summary, there appears to be mixed opinions on the use of TES and, considering all the stakeholders involved in various industries, fluctuating demand for labour and the critical role labour brokers play in labour mobility, the topic remains worthy of research attention and exploration. To that end, this research aims to explore the reasons for using labour brokers in the setting of an engineering organisation, the workplace of the second author of this paper. Practical steps were followed to empirically investigate the research problem (Welman, Kruger and Mitchel, 2010). An organisation was chosen as the research subject, a sample was selected and interviewed, collected data was analysed to find codes, categories and themes, with which the research objectives could be addressed (Saldaňa, 2016).

The findings of this study, which are a new contribution to the existing related literature, may support the engineering organisation in its efforts to optimise its use of labour brokers as recruitment agencies. Such enhanced use of labour brokers may create financial savings for other projects, it may facilitate improved policies and relations between the stakeholders involved, and overall, add value to its profitability and sustainability for the benefit of all stakeholders, including employees.

RESEARCH METHODOLOGY

As the attention of this paper is focused on the experiences of various stakeholders in TES and their perceptions of the efficacy of TES, ontologically, social constructivism was the best research approach. By exploring the reasons for using TES in this engineering organisation, rather than counting instances, as in the case of quantitative research, the researchers could gain access to an in-depth understanding of the situation from the perceptions of the participants (Guercini, 2014). The researchers expected that perceptions would vary and the social constructivist research philosophy was consistent with the research question posed (Creswell and Creswell, 2018). The researchers further attempted to make comprehend the participants' reality and, therefore, epistemically, this study was also placed within the social constructivist paradigm (Welman, Kruger and Mitchell, 2010).

A case study is used as a research strategy in a variety of situations to gather information about knowledge of individuals, groups, political, social, organisational and related phenomena. The case study is also a common research strategy in fields such as social work, political science, psychology, sociology, business, as well as in economics. A given industry's structure, or the economy of a geographic area may be explored by using a case study method. A single case study method helps in understanding complex social phenomena and allows researchers to be holistic and meaningful (Yin, 2014).

Qualitative researchers typically hold the epistemic stance that interviews' data collection techniques enable data analysis procedures such as categorisation of data that generates or uses non-numerical data (Saunders, Lewis and Thornhill 2012) and, for that reason, qualitative semi-structured interviews were the most suitable research method (Welman, *et al*., 2010). Cross-references between the outcomes of the different interviews were used for this study, because with that technique the internal validity of the gathered data was enhanced.

This case study organisation employs 335 employees, comprising the case study population. The population considered for this study comprised 20 senior managers, 30 middle and line managers and 25 employees in non-managerial positions. For the purposes of this research, a total of 11

participants, that is, five permanent employees, four temporary employees, one labour broker manager and one HR manager, were specifically approached to participate in the study. These participants were purposefully selected for their involvement and understanding of TES (Welman, *et al*., 2010). All four temporary employees on the premises at the time of the research study were included in the sample. The five permanent employees in the sample had recently been appointed permanently. Using stratified purposive sampling, the purposely selected participants were first divided into four strata in order to pose different questions per stratum (Welman, e*t al*., 2010).

This sample was interviewed face-to-face using four different self-developed, semi-structured interview guides for the following personnel: the HR Manager, the labour broker manager, one for permanent workers and for temporary workers, one per stratum. The interview guides consisted of a section to capture biographic data and a main section, which contained the interview questions. Due to the flexibility in terms of order of questioning and the variation it offered us as novice researchers, semi-structured interviews were well-suited as a data collection tool (Welman, *et al*., 2010). Data collection was terminated when saturation was reached when responses per stratum were found to be similar (van Rijnsoever, 2017). For each stratum, saturation was reached at different stages. For instance, there was only one HR manager and one labour broker and only four temporary employees at the premises during the time of the interviews, all of whom were interviewed. The interviews with the five permanent employees were terminated at the point when diminishing returns were experienced (van Rijnsoever, 2017).

Data analysis

Interviews were personally conducted, recorded and transcribed by the second author and manually analysed (Welman, *et al*., 2010). Interviews, transcribed from field notes and audio recordings, were coded manually to find commonalities and relationships (Saldaňa, 2016). Codes were tallied and reduced and, while the less frequently appearing codes were reduced, the codes that appeared more often were clustered together in categories which would help the researchers develop themes. Themes were chosen for their ability to explain the research objective. Due to a small volume of data, limited time and the ease of analysis, manual thematic analysis was considered to be best suited to this study, based upon the results of a masters' dissertation (Creswell and Creswell, 2018).
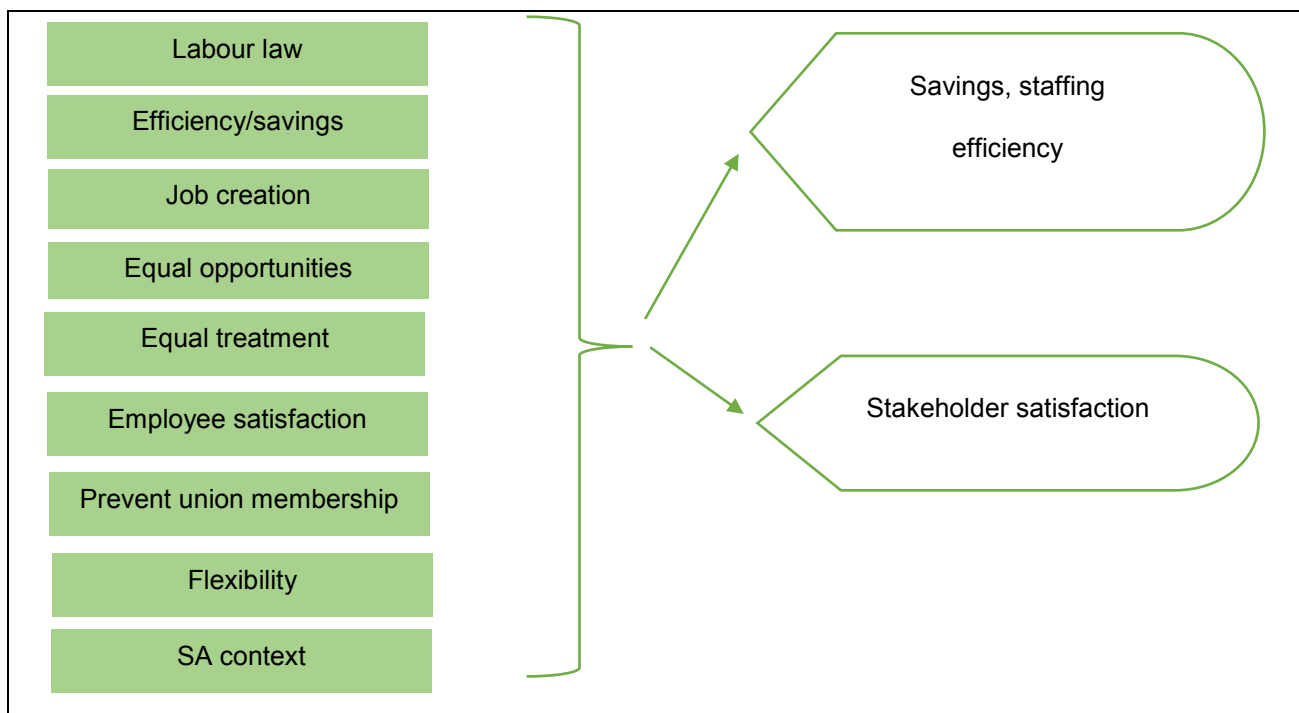
Findings

Most participants were males, and while the temporary employees' age ranged from 20-35, the permanent employees were older, i.e. ranging from 28-40. The HR manager and broker fell within the 40-45 age group. The HR manager holds an Honours degree and the broker, the only female in the sample, holds an HR diploma. The temporary employers were more qualified than the

permanent employees, holding matric certificates. None of the permanent employees held qualifications higher than Grade Eight. As mentioned previously, to improve the trustworthiness of the interviews, a separate interview guide was developed for each stratum. Recorded interviews were analysed and transcribed verbatim, after which they were printed and copies given to participants for member checking (Creswell and Creswell, 2018). The temporary employees held very junior posts, thus, their knowledge of the work environment was limited. Despite these constraints, the second author took pains to improve the trustworthiness of the findings (Welman, *et al.,* 2010).

In the interest of brevity, the discussion of findings will be limited to the themes and subthemes uncovered from collected data. Following the interview transcript process, 43 codes could be produced, which were further reduced to 18 categories. These categories were further reduced to ten secondary and two primary themes, as illustrated below:

FIGURE 1:

Ten secondary themes reduced to two primary themes

As Figure 1 above illustrates, ten secondary themes emerged from the data, and helped summarise the perceptions of the various study participants. What was most profound from the findings was that temporary employees earn the same wages as permanent employees for completing the same work. In this regard the organisation does not save pay-related costs, and, in fact, incurs more costs, because the broker fee is raised in addition to the salaries paid. This interesting finding is in contrast to what was discovered by many other researchers (Dickenson,

2017; Kaur, 2014; Llore´ns-Montes, *et al*., 2013). The study findings offer new insights with regard to labour brokers and temporary employees and contributes new knowledge to current literature. Furthermore, on-the-job training is given to new employees, regardless of their employment status, implying further training related costs. Dickenson (2017), found similar evidence in his study of the SAPO. The organisation provides temporary employees with free personal protective equipment (PPE), just as it does for permanent employees and, therefore, does not save costs in this area, which is the perceived reason for employing temporary workers (Rispel and Angelides, 2014). The provision of such equipment is, however, a statutory requirement in an engineering organisation and, therefore an accepted cost. The SAPO has followed the same practice, by providing similar uniforms to both permanent and temporary employees (Dickenson, 2017). The researchers could not ascertain the reasons for the payment of similar wages to temporary and permanent employees, and could not obtain an interview with a more senior manager within the engineering organisation in which this study took place. This problem should be stated as a limitation to this research and could be explored in further research. However, as explained by Dickenson (2017) the strong presence of a union representative within the case study organisation may be the reason.

The verbatim comments of three of the participants illustrate our findings and may shed further light on the matter:

HR Manager: *"We source employees from the TES to fill vacancies left by permanent staff as well as employees who are temporarily absent from work due to illness, maternity leave and other short-term absences"*.

Labour broker: *"We save the company costs because they don't pay benefits such as transport and housing allowances"*.

TE (Temporary Employee) 4: *"The union has a strong presence here, stronger than I have seen at my previous job. I feel that my shop steward will take my issues to management if I asked him"*.

According to Creswell and Creswell (2018) and Yin (2014) the use of verbatim comments is common in qualitative research, because it presents a realistic expression of the participants' perceptions and helps to improve the richness of data.

Implications and recommendations to managers

To managers:

TES could be used more effectively, and the case study organisation may consider the following:

➢ Deciding whether to continue using TES and reassess the value added by the relationship.

➢ Diversify pay packages by paying new labour entrants an entry wage which is smaller than the wage paid to permanent employees completing the same job.

➢ Implementing a flexible labour schedule in which only sections that are affected by fluctuations in the demands for products are able to employ temporary workers. These workers should be paid lower wages than the permanent workers and also should not be eligible for fringe benefits payments.

➢ Sourcing temporary employees who will need less training on the job.

➢ Brokering an agreement with TES for the provision and maintenance of personal protective equipment to the employees, which will include sharing the costs thereof.

To policy and lawmakers:

➢ Be transparent and build good rapport with the shop steward as union representative.

➢ Encourage labour union visibility and the visibility of labour inspectors, to indicate empathy with the plight of temporary workers who continue to be exploited in the workplace.

➢ Ensure and enforce the legitimacy of labour brokers, especially in particular in fields such as nursing.

A final, practical recommendation to researchers is the use of a single case study: the analytical outcomes derived from this research could also be used for more general and conceptual conclusions. The outcome of this case study presents very useful recommendations, which provide common ground for general understanding. However, more in-depth research is necessary in future studies.

CONCLUSION

Through studying prior literature and empirically investigating the problem posed, the stated research objective was achieved, which was to explore the efficacy of labour brokers in an engineering organisation. The authors contributed first-hand thinking to the existing body of knowledge on the use of labour brokers. This research concurred with the 2013 study of Llore´ns-Montes *et al*., which found that the relationships between permanent and temporary employees tainted organisational climate. The current study further added the perspectives of different corporate stakeholders. The use of labour brokers is not always negative, but the removal of ambiguity from labour legislation may improve the interpretation of the letter and spirit of the law. This research study, which was limited to one case, may help South African employers improve their use of labour brokers as recruitment agencies. By optimising the use of labour brokers such employers may be able to create value, conserve financial resources and, thus, add value to its

profitability and sustainability. However, they may also be in a better position to satisfy the needs of various stakeholders, contribute to labour mobility and job creation, thereby, helping the country to create wealth and equality.

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The Relationship between High-Performance Work Practices and Work Engagement: An Importance Performance Map Analysis (IPMA) Test

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ABSTRACT

The purpose of this study was to identify key indicators of High-Performance Work Practices (HPWPs) necessary for improving work engagement (WE) levels using Importance Performance Map Analyses (IPMA). A total of 435 responses from millennial FLEs working in four and five-star hotels in the context of Kenya were used to examine the proposed relationships using Partial Least Squares-Structural Equation Modelling (PLS-SEM). Results show that training, rewards, empowerment, career opportunities, and job security are significant indicators of HPWPs. HPWPs has manifested by training, rewards, empowerment, career opportunities, and job security constructs were also found to have a positive association with WE. Through, IPMA, the construct empowerment was found to have high importance (impact) in influencing WE, but exhibit low performance, therefore warranting managerial action for improvement. Findings from the IPMA imply that managers should primarily focus their attention on empowerment as an indicator of HPWPs in order to enhance WE.

Keywords: high performance work practices (HPWPs), work engagement, importance performance map analysis (IPMA), millennial frontline employees

INTRODUCTION

The enhancement of employee and organizational performance is dependent on an organization's capacity to manage its human resources (Ogbonnaya and Valizade, 2018). As such, Human Resource Management (HRM) practices, such as High-Performance Work Practices (HPWPs) continue to play a critical role in empowering employees to contribute positively towards organizational performance (Ogbonnaya and Valizade, 2018). In a business climate that places emphasis on workplace innovation, HPWPs have been recognised as success factors that foster the attraction and retention of employees (Rubel, Kee and Rimi, 2020).

HPWPs have been attributed to strengthening the knowledge, skills, and abilities of employees (Karatepe and Vatankhah, 2014) through the implementation ability enhancing practices such as

selective staffing and training (Obeidat, Mitchell and Bay, 2016), which in turn results in an increase in their motivation levels (Valdivia, Montes and Moreno, 2018). Training, empowerment, career opportunities, rewards, selective staffing, and teamwork are examples of frequently cited practices that are referred to as HPWPs (Farruk, Ansari, Raza and Wang, 2021; Karadas and Karatepe, 2019; Nadeem, Raza, Kayani, Aziz and Nayab, 2018; Ogbonnaya and Valizade, 2018). Such practices have been shown to trigger employee's motivation to perform effectively in their work roles (Karatepe and Olugabde, 2016; Karatepe, 2013). In prior empirical studies, researchers have demonstrated a strong relationship between HPWPs and employee productivity, commitment, lower turnover intention, innovative work behaviours, organizational citizenship behaviour, and financial performance (Garg, 2019; Karadas and Karatepe, 2019; Karatepe and Olugbade, 2016; Karatepe, 2013). Moreover, researchers have also found a positive linkage between HPWPs and work engagement (WE) (e.g. Karatepe and Olugabde, 2016; Karatepe, 2013). As a motivation factor, WE among employees is considered a strategic pillar for an organization's competitive advantage, given the complexity of today's business challenges (Aboramadan, Albashiti, Alharazin and Dahleez, 2020).

In the hospitality industry in particular, WE among frontline service employees (FLEs) continues to receive empirical attention due to an increasing need for organizations to retain a cohort of individuals who are dedicated, enthusiastic, and heavily invested in their work (Huertas-Valdivia, Montes and Ruiz-Moreno, 2018). FLEs, described as employees who engage in constant face-to-face interactions with the customer, are regarded as a significant link between an organization and its customers (Karatepe and Olugbade, 2016). However, despite their unique role in the service delivery process, FLEs are reported as among the least engaged category of employees (Karatepe, Ozturk and Kim, 2019). This may be attributed to the numerous challenges and job demands in the hospitality industry emanating from inter alia, excessive workload, long working hours, inadequate pay, emotional exhaustion, and lack of rewards (Huertas-Valdivia *et al*., 2018).

In light of their low levels of engagement, it is imperative that hotel organizations continue to sustain their competitive advantage by leverage high levels of WE among millennial FLEs through the use of effective performance enhancing work practices such as HPWPs. Although HPWPs have been acknowledged as salient in organizational behaviour and management research (Rana, 2015), focus on identifying key HPWPs that are of critical importance in enhancing WE using Importance Performance Map Analysis (IPMA) remains scant. IPMA is a useful tool that allows the researcher to identify specific areas of improvement that management can prioritize and address through managerial activities (Ringle and Sarstedt, 2016).

The purpose of this study is, therefore, to identify HPWPs indictors that not only have a high level of importance (impact) in enhancing WE among millennial FLEs, but also require improvement through

managerial intervention. With the use of IPMA, findings from the study will result in a priority map that specifies which HPWPs require managerial attention for improvement in relation to influencing WE among millennial FLEs.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

High Performance Work Practices (HPWPs)

HPWPs are described as a set of distinct, interrelated work practices, devised to enhance both individual and organizational performance through employee competence, attitudes, and motivation (Ogbonnaya and Valizade, 2018). Such practices as frequently cited in literature and are not limited to training, empowerment, rewards, selective staffing, and teamwork (Karadas and Karatepe, 2019; Nadeem, Raza, Kayani, Aziz and Nayab, 2018; Ogbonnaya and Valizade, 2018). Although evidence from existing literature denotes an absence of consensus on the specific HR practices that should be collated together to form a specific functional and beneficial HPWP system (Ogbonnaya and Valizade, 2018), researchers posit that these practices result in greater performance only if they are deemed as interrelated and complementary to each other (Huertas-Valdivia *et al*., 2018). As such, HPWPs are best explained as a bundle of HRM practices that are distinct and mutually reinforcing, but may also differ due to contextual factors (Rubel *et al*., 2020). A review of the extant literature shows that conceptualization of HPWPs at the organizational level is indicative of the Ability–Motivation–Opportunity (AMO) Model which specifies three key dimensions of performance enhancing practices, that is, *ability-enhancing*, which focuses on strengthening employees skill (training), *motivation-enhancing*, focused on employee motivation (rewards), and *opportunity-enhancing*, concerned with enabling employees to contribute to work and organizational outcomes (employee involvement) (Ogbonnaya and Valizade, 2018). Accordingly, researchers have come to rely upon the AMO model to explain the influence of specific HR practices, that is, HPWPs, on employee behaviour (Garg, 2019; Ogbonnaya and Valizade, 2018).

As inferred, HPWPs are regarded as essential practices among service-oriented organizations in the hospitality industry because of the role they play in empowering employees to offer exceptional customer service and enhancing skills, attitudes and knowledge (Farruk *et al*., 2021). Extant literature has shown positive behaviour and performance outcomes such as job satisfaction, employee productivity, service recovery, reduced absenteeism, creative performance, job performance, and reduced turnover intention (Rubel *et al*., 2020; Ogbonnaya and Valizade, 2018; Karatepe and Olugabde, 2016; Karatepe, 2013), as a result of the adaptation of HPWPs in organizations.

Thus, this study focuses on training, empowerment, rewards, career opportunities, and job security as HPWPs indicators, given their relevance and significance to frontline jobs in the hospitality industry, as demonstrated in the existing literature (Karatepe and Olugbade 2016; Karatepe, Baradarani, Olya, Ilkhanizadeh and Raoofi, 2014). Training is centred on the need to improve

FLEs capabilities to deal with customer demands (Karatepe, Yavas, Babakus, and Deitz, 2018), while empowerment affords FLEs the authority to make decisions regarding customers in an effort to meet their expectations (Karatepe *et al.,* 2018). Rewards and recognition are essential in motivating FLEs to exhibit positive behaviours and attitudes (Karatepe and Vatankhah, 2014), while a sense of job security promotes their commitment and engagement (Karadas and Karatepe, 2019). Furthermore, affording FLEs career advancement opportunities fosters their motivation and retention within organizations (Karadas and Karatepe, 2019).

WORK ENGAGEMENT (WE)

WE has become a fundamental concept in employee motivation, productivity, and competitiveness (Park, Johnson and Chaudhuri, 2019). As defined by Schaufeli, Salanova, Roma and Bakker (2002), WE refers to a fulfilling, positive, work-related state of mind characterized by high levels of energy (*vigour*), enthusiasm (*dedication*), and deep involvement (*absorption*) in ones work. When employees are engaged, they are emotionally, physically, and cognitively bound to their job-roles, thus leading to higher job satisfaction, job performance, positive customer ratings and reduced turnover intention (Park *et al*., 2019). Engagement itself is bound to result in such positive work outcomes mainly because it denotes an employee's positive work-related experience and mental state, which fosters positive emotions and behaviours that are instrumental in driving positive outcomes (Breevaart, Bakker, Demerouti and Heuvel, 2015).

Specific to the hospitality industry, hotel managers continuously strive to retain high performing FLEs who are engaged due to the employee-customer relationship that is central to the success of service organizations (Park *et al*., 2019). FLEs who are engaged in their work roles tend to display positive job outcomes such as increased extra-role customer service behaviour, career satisfaction, job performance, and service recovery performance (Karatepe *et al*., 2018; Karatepe and Olugade, 2016). Despite the numerous positive outcomes associated with engaged employees, Andrew and Sofian (2012) cautions that disengaged employees can also result in organizational costs associated with low employee productivity, high rates of absenteeism, and increased turnover costs. As such, mitigating against factors that may led to the disengagement of employees is essential for hotel organizations that seek to remain competitive.

Notably, engagement levels of employees can change on the basis of the conditions of the work environment including the availability of job resources. Evidence from existing literature shows FLEs are more inclined to be engaged and remain engaged in an environment where job resources are available (Karatepe and Olugbade, 2016). For example, job resources such as co-worker support and supervisor support were found to have a positive impact of WE among hotel FLEs in Cameroon (Karatepe, 2012). Additional resources such as job autonomy (Slatten and Mehmetoglu, 2011) and psychological climate (Lee and Ok, 2015) have also been found to

positively influence WE levels of FLEs. Given the importance of WE among employees in the hotel industry, it is imperative that WE and its potential antecedents be examined further (Park *et al*., 2019), particularly in a non-Western context.

RELATIONSHIP BETWEEN HPWPS AND WORK ENGAGEMENT

HPWPs are essential practices that have an impact on employees by improving their skills and increasing their motivation (Huertas-Valdivia *et al.,* 2018). HPWPs have been shown to have a strong and positive linkage with WE among FLEs (Karatepe, 2013). Empirical research in the hospitality literature shows that when FLEs work in an environment in which such HPWPs are prevalent, they are more energized and inspired, and as a result, become more involved in their work roles (Karatepe and Olugbade, 2016). This relationship can be explained by the Social Exchange Theory (SET). SET proposes that when organizations avail job resources such as HPWPs, employees are more likely to respond in kind with high levels of WE which in turn, results in positive behavioural and performance outcomes (Karadas and Karatepe, 2019; Karatepe, 2013). For example, a study by Karatepe (2013) showed that resources such as HPWPs as indicated by training, empowerment, and rewards, positively influenced WE among FLEs in the Romanian hotel industry. In a similar vein, Huertas-Valdivia *et al*. (2018) found that that HPWPs as manifested by selective staffing, training, rewards, internal mobility, employment security, broad job design, appraisal, and participation, had a positive association with WE among hotel employees. These findings confirm that the availability of HPWPs sends a strong message to employees that management is willing to support and invest in them and in turn, employees experience more engagement levels (Huertas-Valdivia *et al*., 2018).

Although evidence from existing literature shows that HPWPs have a positive impact on work engagement, empirical evidence of the determinants of work engagement, with strong theoretical underpinnings in the hospitality literature, is still limited (Karatepe and Olugbade, 2016). This is particularly the case in developing economies in the region of Sub-Saharan Africa. In this regard, the present study focuses on five HPWP indicators including training, empowerment, rewards, job security, and career opportunities, as potential antecedents of WE among FLEs in a Sub-Saharan African context. These practices were selected due to their relevance and significance for frontline service jobs in the hotel industry (Karatepe and Olugbade, 2016). Additionally, these practices have important implications for hospitality managers to enhance service quality as they are regarded as effective HRM practices in the hospitality industry (Farruk *et al.,* 2021).

To address this knowledge gap, the empirical relationship between High-Performance Work Practices (HPWPs) posited as potential determinants (antecedents) of work engagement will be investigated among millennial FLEs. Millennial employees (born between 1980 and 2000 (Lu and Gursoy, 2013), are described as the least engaged cohort in the workplace (Gallup, 2016). With the

influx of millennial employees into the workplace (Deloitte, 2019), hospitality industry managers face a significant challenge in keeping this generational cohort engaged. In this study, we will empirically assess training, rewards, empowerment, career opportunities, and job security, as significant indictors of HPWPs. Subsequently, we will empirically test the relationships between HPWPs and WE using PLS-SEM techniques. Thereafter, a construct and indicator level IPMA test will be conducted to identify which specific dimension of HPWPs has the highest importance on influencing WE.

Research Questions

To address the knowledge and evidence gaps identified, the following research questions are formulated:

1) What are the high-performance work practices that determine work engagement among millennial FLEs?

2) To what extent do these high-performance work practices impact work engagement levels among millennial FLEs?

SIGNIFICANCE OF THE STUDY

Against the backdrop of the foregoing discussion, this study signifies a contribution to the existing hospitality literature in several ways. First, WE remains a key topic among researchers and practitioners. It has been shown that disengaged employees are unable to perform productively, thus giving rise to substantial direct and indirect costs (Karatepe and Olugabde, 2016; Andrew and Sofian, 2012). Therefore, examining HPWPs as antecedents of WE among FLEs is relevant and significant (Karatepe and Olugbade, 2015). Second, an examination of which HPWPs indicators are of the highest importance in influencing WE among FLEs remains under-researched. Therefore, in the present study, we employ IPMA to examine which HPWPs, that is, training, empowerment, rewards, career opportunities, and job security, not only have a significant impact on WE but also demand managerial attention for improvement. Third, the relationships between HPWPs and WE will be examined through a survey of FLEs from the millennial generational cohort. A review of the extant literature shows that generational-cohort-focused research in the hotel management literature is limited (Lub, Bijvank, Blomme and Schalk, 2012). Fourth, the mainstream studies conducted on WE and HPWPs have largely been centred on developed Western economies, with minimal attention afforded to developing countries (Karatepe, 2012). This study therefore extends the stream of research to developing African countries.

Research Objectives

To answer the formulated research questions; the following study objectives are specified:

1) Identify and develop a relevant set of variables to empirically assess high-performance work practices as determinants of work engagement among millennial FLEs.

2) Test the effects of the selected high-performance work practices on work engagement.

3) Identify which significant HPWPs variable requires managerial attention to enhance WE among millennial FLEs.

Research Hypothesis

The following hypothesis are proposed for the study:

Hypothesis 1 (H1): Training, rewards, empowerment, job security, and career opportunities, are significant indicators of High-Performance Work Practices (HPWPs).

Hypothesis 2 (H2): HPWPs as manifested by training, empowerment, rewards, job security, and career opportunities, are positively related to work engagement.

RESEARCH METHODOLOGY

Sample and Data Collection

Data for the study were gathered from millennial FLEs working in four-star and five-star hotels in the counties of Nairobi and Mombasa in Kenya using a self-reported structured questionnaire as a survey instrument. FLEs who worked as front desk staff, stewards, bell attendants, door attendants, guest relations representatives, spa attendants, housekeeping staff, concierge staff, and hotel and conference sales executives, were included in the sample. Permission for data collection was obtained from human resource managers of the respective hotels using email correspondence that detailed the purpose of the study. Permission was granted for a total of sixteen (16) hotels. A total of 485 hard copies of the survey instrument were distributed to millennial FLEs with the help of the human resources personnel in the respective hotels. Participation in the study was voluntary with anonymity and confidentiality assured. Of the 485 questionnaires distributed, 435 responses were obtained accounting for a response rate of 89.7%. The sample comprised 47.2% men and 52.1% women. This response rate is not unprecedented and is similar to those obtained in previous empirical studies (e.g. Karatepe and Olugbade, 2016; Karatepe, 2013).

INSTRUMENTATION

Pre-validated measures adapted from prior empirical studies were used to design the survey instrument. Specifically, training was measured using a six-item scale, with rewards measured on a five-item scale (Boshoff and Allen, 2000). A five-item scale was used to measure empowerment (Hayes, 1994). Job security and career opportunities were measured using a four-item scale adapted from Delery and Doty (1996). WE was measured using the 17 item Utrecht Work Engagement Scale (UWES) (Schaufeli *et al*., 2002), encompassing vigour, dedication, and absorption. Vigour and absorption were both measured using six-item scales, with dedication being measured using a five- item scale (Schaufeli *et al*., 2006). Responses to HPWPs and WE scale-items were elicited using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Karatepe and Olugbade, 2016; Karatepe, 2013; Boshoff and Allen, 2000). A pilot test was

conducted among 30 millennial FLEs working in one five-star and one four-star hotel. No alterations were made to the questionnaire. The questionnaire used did not require translation, as English is Kenya's official national language.

DATA ANALYSIS PROCEDURE

Partial Least Squares – Structural Equation Modelling (PLS-SEM) was used to empirically examine the proposed hypotheses of the study and conduct an IPMA test. First, Explanatory Factor Analysis (EFA) with the use of Harman's single factor test (Podsakoff and Organ, 1986) was conducted to establish common method variance, as data were collected using a self-reported survey questionnaire. Second, all measures were subjected to Confirmatory Factor Analysis (CFA) to establish validity and reliability. Third, the hypothesized relationships were tested to establish their significance. Lastly, with the use of PLS-SEM, IPMA was used to extend path coefficient analysis to ascertain which HPWPs indicator is important in determining WE among millennial FLEs.

RESULTS

Results of PLS-SEM testing comprise two components, the outer (measurement) and inner (structural path) model.

MEASUREMENT MODEL

Reliability and validity of the measurement model was first tested through CFA. Results are shown in **Table 1.** Composite reliability (p_c) was examined to establish scale reliability. As per Hair, Hult, Ringle and Sarstedt's (2017) recommendation, all composite reliability (p_c) values were above 0.70 (Hair et al., 2017). Average Variance Extracted (AVE) were also examined to confirm convergent validity. AVE values for each of the variables were found to be greater than the recommended threshold 0.50 (Hair *et al*., 2017), signifying that the constructs explained more than 50% of variance.

TABLE 1:

Confirmatory Factor Analysis (CFA)

Constructs	Cronbach's Alpha (α)	Composite Reliability (CR (pc)	Average
Training	0.90	0.92	0.66
Empowerment	0.86	0.90	0.64
Rewards	0.92	0.94	0.77
Job Security	0.82	0.88	0.65
Career Opportunities	0.72	0.84	0.64
Vigour	0.86	0.90	0.65
Dedication	0.88	0.92	0.73
Absorption	0.76	0.85	0.58

Discriminant validity was assessed to ensure that constructs were discrete from other constructs.

Assessment of indicator cross-loadings, the Fornell-Larcker criterion (1981) and Heterotrait-Monotrait (HTMT) ratio (Henseler, Ringle and Sarstedt, 2015) were used to affirm discriminant validity. First, no cross-loadings were observed. Second, the square root of the AVE values for each construct were greater than correlations between the construct and other constructs. The HTMT ratio was also used as a more reliable criterion to confirm discriminant validity (Henseler *et al.*, 2015). HTMT ratios were below the prescribed threshold of 0.85 (Henseler *et al.*, 2015). Results in **Tables 2 and 3** confirm discriminant validity.

TABLE 2:

Heterotrait-Monotrait (HTMT) Ratio of Correlations

Construct	ABS	CO	DE	EMP	JS	RW	TR	VI
Absorption (ABS)								
Creative Performance (CRP)	0.10	0.13						
Dedication (DE)	0.66	0.34						
Empowerment (EMP)	0.40	0.47	0.34					
Job Security (JS)	0.30	0.57	0.27	0.32				
Rewards (RW)	0.27	0.63	0.31	0.43	0.37			
Training (TR)	0.36	0.45	0.46	0.48	0.28	0.45		
Vigour (VI)	0.65	0.38	0.73	0.23	0.25	0.30	0.29	

Heterotrait-Monotrait (HTMT) Ratio of Correlations; HTMT ratios < 0.85

TABLE 3:

Fornell–Larcker Criterion

Construct	ABS	CO	DE	EMP	JS	RW	TR	VI
Absorption (ABS)	**0.76**							
Career Opportunities (CO)	0.26	**0.80**						
Dedication (DE)	0.52	0.27	**0.86**					
Empowerment (EMP)	0.34	0.39	0.32	**0.80**				
Job Security (JS)	0.23	0.45	0.23	0.28	**0.81**			
Rewards (RW)	0.22	0.51	0.26	0.39	0.32	**0.88**		
Training (TR)	0.31	0.36	0.41	0.43	0.24	0.41	**0.81**	
Vigour (VI)	0.53	0.31	0.64	0.22	0.22	0.27	0.26	**0.80**
Mean	3.94	3.49	4.31	3.47	2.87	3.42	4.20	4.04
Standard Deviation	0.64	0.84	0.64	0.91	0.99	0.99	0.65	0.69

Diagonal values (in **bold**) represent the square root of the AVE of each construct.

STRUCTURAL MODEL

Path analysis was conducted to test the hypothesized relationships. First, the model was examined for collinearity. Tolerance values were above 0.20, and VIF values below 5.00 (Hair *et al*., 2017). Thus, collinearity was not considered an issue. Second, standard errors and t-values were obtained through bootstrap resampling (5000 resamples) to determine the significance of the hypothesised relationships. Results of structural path model estimation are summarised in **Table 4.**

TABLE 4:

Structural Path Relationships and Hypothesis Testing

Path	Path Coefficient	*t* value	Sig. Level	95% CI
Training ← High-Performance Work Practices	0.75	28.69	***	[0.69, 0.79]
Empowerment ← High-Performance Work Practices	0.71	24.05	***	[0.64, 0.76]
Rewards ← High-Performance Work Practices	0.79	35.29	***	[0.74, 0.83]
Job Security ← High-Performance Work Practices	0.57	13.35	***	[0.48, 0.65]
Career Opportunities ← High-Performance Work Practices	0.71	21.80	***	[0.63, 0.76]
High-Performance Work Practices ❼ Work Engagement	0.45	10.83	***	[0.37, 0.53]

ns = not significant, *p < 0.10 (*t* > 1.65), **p < 0.05 (*t* > 1.96), ***p < 0.01 (*t* > 2.57) (Hair et al., 2017).

Results show that training, empowerment, rewards, job security, and career opportunities, are significant and positive manifest indicators of HPWPs. Rewards (path coefficient = 0.79, *t* = 35.29, p < 0.01) is the most salient significant HPWPs indicator, followed by training (path coefficient = 0.75, *t* = 28.69, p < 0.01), empowerment (path coefficient = 0.71, *t* = 24.05, p < 0.01), career opportunities (path coefficient = 0.71, *t* = 21.80, p < 0.01), and job security (path coefficient = 0.57, *t* = 13.35, p < 0.01). Thus, **Hypothesis 1 (H1)** was supported. The results further denote that HPWPs significantly and positively influences WE (path coefficient = 0.45, *t* = 10.83, p < 0.01). Therefore, **Hypothesis 2 (H2)** was also supported. The structural path model of the hypothesised relationships is illustrated in Figure 1.

FIGURE 1:
Structural Path Model Results
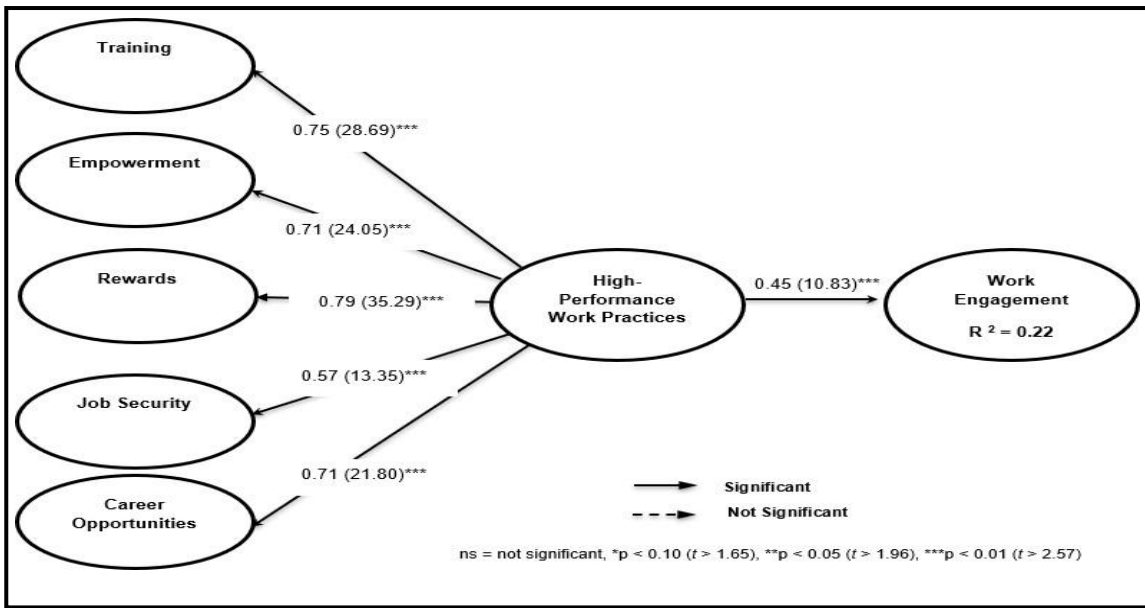
Importance Performance Map Analysis (IPMA)

IPMA was utilised to examine which HPWPs indicators have the highest importance in influencing WE. IPMA is a useful tool used for managers and decision makers to prioritize managerial action where needed (Ringle and Sarsdtedt, 2016). Specifically, for a particular target construct, IPMA is used to compare the structural path model total effects (importance) to the average values of the latent variable scores (performance) of its predecessor constructs to establish the most important areas for managerial attention (Ringle and Sarsdtet, 2016). In essence, the total effects signify the antecedent constructs' importance in influencing the target construct whereas the latent variable scores signify their performance (Hair et al., 2017). As such, these results elicit the recognition of those antecedent constructs with high importance for predicting the target construct, and low performance for subsequent managerial intervention. For the present study, a structural path model with HPWPs indicators that is, training, empowerment, rewards, job security, and career opportunities, and WE as predictor and target construct respectively, were examined. IPMA analysis was run using PLS-SEM to compute the importance and performance values.

TABLE 5:

IPMA Results

Construct	Importance Effects (Total Effects)	Performance (Index Values)
Training	0.20	80.20
Empowerment	0.09	62.53
Rewards	0.04	60.45
Job Security	0.06	46.98
Career Opportunities	0.07	62.22
Mean Value	0.09	62.56

Results of the IPMA are shown on **Table 5**. Compared to other predictor constructs, empowerment

was found to have the highest importance (0.09) with a below average performance (62.53). As such, managerial attention to improve WE should be focused on the empowerment. Focusing on **Figure 2,** empowerment appears to be closest to the bottom-right quadrant of the importance-performance map plot, thus representing the greatest opportunity to achieve improvement (Hair et al., 2017). Specifically, ceteris paribus, an increase in the performance of empowerment by one-unit (that is, from 62.5 to 63.5) would result in an increase in performance of WE by the magnitude of the total effect (0.09 points) of empowerment. These findings demonstrate a relatively high potential for improving the performance of empowerment to influence work engagement, thus making empowerment relevant for managerial attention.

An IPMA test of the indicators (constituent dimensions) of empowerment (EMP) was further conducted for additional insights on how to best improve the performance for empowerment. **Table 6** shows results of IPMA for indicators of the empowerment construct.

TABLE 6:

IPMA Results - Indicators

Construct Indicators	Importance (Total Effects)	Performance (Index Values)
EMP 1	0.01	69.06
EMP 2	0.01	56.24
EMP 3	0.02	52.05
EMP 4	0.02	63.72
EMP 5	0.02	67.76
Mean Value	0.02	61.76

Results of the IPMA test showed indicators EMP 4 (i.e., I can exercise control over how I solve customers' problems) and EMP 5 (i.e., I am empowered to solve customer problems) to exhibit high importance relative to the mean (average) importance (0.02). Indicator EMP 3 (i.e., I am allowed to do almost anything to solve customer problems) exhibited the lowest performance (52.05) in comparison to other indictors despite its average importance (0.02). As such, management should focus attention on ensuring that greater autonomy is afforded to FLEs in exercising their judgement in resolving customer problems. This intervention would enhance and reinforce the performance of empowerment (EMP) as a work practice indicator. **Figure 3** shows a graphical representation of the empowerment (EMP) indictors.

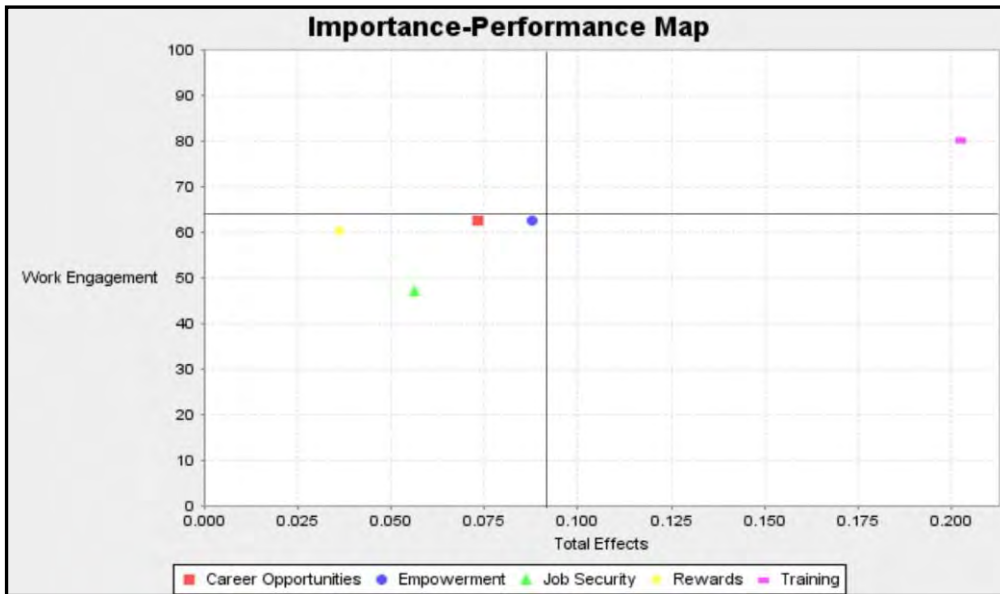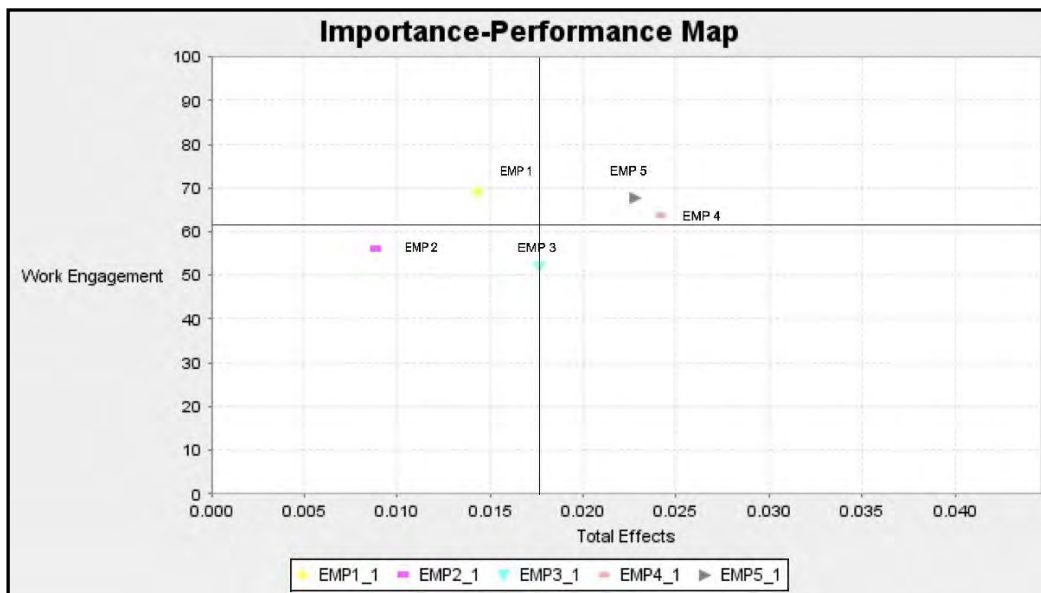**Importance Performance Map for the Work Engagement (WE) Construct**

FIGURE 3:

Importance performance map for the indicators of the empowerment (emp) construct

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Practical Implications

This study has serval implications for management. First, the results showed that training, empowerment, rewards, job security, and career opportunities are significant indictors of HPWPs. These findings emphasise the need for hotel managers to focus on HPWPs as effective human resources practices in the hospitality industry. The use of such performance-enhancing practices will increase millennial FLEs performance by enhancing their abilities and skills, and motivate them to perform at a higher level (Karatepe, 2013). Moreover, such job resources will aid millennial FLEs

in managing the numerous job demands experienced in the industry (Huerats-Valdivia *et al*., 2018) as well as help hotel managers to attract and retain a cadre of high performing FLEs, thus guaranteeing the organization's competitive advantage.

Second, the results indicate that HPWPs as manifested by training, empowerment, rewards, job security, and career opportunities, have a positive impact on WE among millennial FLEs. These findings underscore the need for hotel managers to avail worthwhile resources that have a significant impact on employee engagement (Bakker, Demerouti and Vergel, 2014). Specifically, hotel managers can avail both formal and informal training and re-training programmes that enhance technical abilities, decision-making capabilities, and behavioural skills of FLEs. Such programs can either include mentoring or on-the job-rotational training. Hotel managers should also provide FLEs with fair rewards policies and grant them authority to make service-related decisions. Fair rewards policies for excellent service efforts are not only indicative of management's support but also management's appreciation and value of FLE's efforts. Attractive avenues for career progression for both current and prospective hires should be considered as a motivational factor by hotel managers. Availability of future potential career prospects empowers FLEs to have long term plans, thus curtailing their intention to leave the organization and consolidating a pool of qualified and engaged millennial FLEs. Management should therefore, offer job security to high performing FLEs. Stability in the workplace will motivate FLEs to be more dedicated and involved in their work.

Third, our study suggests that hotel managers should be aware of HPWPs indicators that can play a more significant role in enhancing WE among millennial FLEs. With the use of IPMA, hotel managers can effectively prioritize improvement actions that impact millennial FLEs engagement. Based on the findings of the present study, empowerment was found to be more important in explaining WE as compared to career opportunities, rewards, and job security, relative to their performance metrics. Hotel organization would therefore benefit more by prioritizing managerial activities that are focused on improving the empowerment of millennial FLEs, given that empowerment was observed to be of high importance yet also low in performance. More specifically, hotel managers should mainly focus on granting millennial FLEs greater authority to exercise their judgement in resolving customer problems. Allowing millennial FLEs the autonomy to resolve customer-related problems, will to a great extent, reinforce their empowerment levels and consequently, increase their work engagement. Notably, these results lend credence to Karatepe's (2013) study in which empowerment was found to be a critical factor for the enhancement of WE level in the hospitality industry.

RECOMMENDATIONS

Like most empirical studies, this study has some limitations. First, a cross-sectional survey design was used thereby limiting causal inferences from the proposed relationships. Second, data were collected with the use of self-reported questionnaires thus presenting the risk of common method variance. Although we controlled for common method variance with the use of a Harman's single factor test to mitigate against this possible risk, future researchers should consider using more than one source of data as an additional check. Third, training, rewards, empowerment, career opportunities, and job security were selected as HPWPs indictors in the context of this study. However, there are additional HPWPs indicators such as teamwork, staff selection, and work-family balance (Karatepe, 2013) that could be included in future extended research models that would provide additional insights into the relationships between HPWPs and WE. Fourth, findings for the present study may not be generalizable to other hospitality contexts, given that research situated in other geographical locations may yield different results. Lastly, future researchers can use this model for further augmentation with similar or other antecedents of WE that suit different cross-industry and cross-country contexts in order to perform IPMA thereby using data as empirical evidence with which to direct mangers to critical areas of improvement.

CONCLUSIONS

With the use of the underpinning Social Exchange Theory (SET), a conceptual model to examine HPWPs and its impact on WE was empirically tested. These relationships were investigated with data elicited from millennial FLEs working in the hospitality industry in a Sub-Saharan African context. Training, empowerment, rewards, job security, and career opportunities as manifest HPWPs indicators were found to be relevant and significant HRMs in the hospitality service industry, as well as significant predictors of WE. With the use of robust methodologies and rigorous analyses, the empirical findings of the study provide an in-depth and nuanced understanding of HPWPs associated with WE. Results from the present study underline the importance of IPMA analysis in identifying areas of improvement for managerial practice. By combining importance and performance values, IPMA allows researchers to pinpoint and prioritize predictor constructs that improve a specified target construct. Extending the analysis to the indicator-level further identifies the most essential areas (dimensions) for specific managerial action (Ringle and Sarsdet, 2016). Given the capabilities of IPMA testing, this study serves as a basis for future researchers to extend standard results of path coefficient estimates for proposed relationships between antecedents of WE and WE as a target construct for additional insights.

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Visually impaired students' perception of career success

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ABSTRACT

This research describes the findings of a qualitative study that focussed on the perceived career success of visually impaired students. People with disabilities (PWD) are part of a minority group who may struggle to find employment, let alone achieve career success. Understanding career success is important as it has been shown to influence organisational commitment, job satisfaction, motivation and performance, to name but a few. Semi-structured interviews were conducted with 19 visually impaired university students. The findings indicate that both objective and subjective career success are important career success criteria. Financial security was the most important factor for the participants as it leads to independence and the means to cope with their disability. Other important career success criteria included job satisfaction, having a positive impact on their community, being employed based on merit, being part of society and recognition. The findings have implications for selection, employment, training, development and human resources management within organisations.

Keywords: People with disabilities; career success; objective career success; subjective career success; financial security

INTRODUCTION

Career success is a priority that is important not only to the individual but also to organisations to strategically attract and retain employees (Visagie and Koekemoer, 2014). In the current study, career success refers to the achievement of personally meaningful goals in the context of work (Dries, 2011). Regardless of their position or job specifications, all workers, are invested in a career in which they may or may not experience career success.

Calls have been made to reconceptualise career success to include various groups in the workplace in line with our current understanding of what the concept of a career means (Mulhall, 2011). This is emphasized by the considerable changes in what can be viewed as a career since the 90's (Visagie and Koekemoer, 2014). The idea of success that is coupled to upward advancement may not be applicable or attainable in the modern protean or boundaryless career (Mayrhofer, Briscoe, Hall, Dickmann, Dries, Kaše, Parry, and Unite, 2016).

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What constitutes success in one's career has been shown to be a complex multidimensional construct that is individualistic and influenced by contextual factors (Mullhall, 2011). This implies that career success will differ between individuals in the same workplace. Career success is also regarded differently between cultural groups (Shen, Demel, Unite, Briesoe, Hall, Chudzikowski, Mayrhofer, Abdul-Ghani, Milikic, Colorado, Fei, Las Heras, Ogliastri, Pazy, Poon, Shefer, Taniguchi, and Zikic, 2015). In South Africa, organisations are mostly multicultural and include both majority and minority groupings. Research focussing on the career success of underrepresented groups such as people with disabilities (PWD) have been limited (Sullivan and Baruch, 2009).

PWDs are defined as a minority group who were incapacitated due to an illness or accident (Wahat, 2011). In South Africa, disability is defined as a long-term or recurring physical or mental impairment that substantially limits successful employment (Department of Labour, 2015). Progressive legislation has been implemented after apartheid in South Africa to regulate the inclusion and development of disability in the workplace. This includes the Labour Relations Act (1995), the Employment Equity Act (1998), the Promotion of Equality and Prevention of Unfair Discrimination Act (2000) and the Skills Development Act (1998).

The current study focusses on how disabled students perceive career success. Understanding their perceptions informs the ~~facilitation~~ of pathways to, and through employment, within educational institutions, workplaces and communities, as well as at the social-political and policy level" (Gardiner, 2006: 6). This is especially true for PWDs, who often fail to achieve career success (Östlund and Johansson 2018; Douglas and Hewett, 2014) and may benefit from specifically designed interventions that can aid the transition between school or university and work as well as human resource management practices in companies (Wolffe, Ajuwon and Kelly, 2013; Chan, Strauser, Gervey and Lee 2010).

The specific disability group that this study focusses on is the visually impaired, as referring to students who are blind or have low vision (McDonnall, 2011). Previous studies of visually impaired youth have mainly explored their job-seeking behaviours (Antonelli, Steverson and O'Mally, 2018). Although an understanding of students' perceptions of career success in general sheds light on how it can be facilitated in their future workplace, illuminating the career success expectations of the visually impaired student is especially important when one considers the various workplace challenges that have been shown to impede this specific minority groups' career success. They include discrimination, a lack of accessibility, inappropriate workplace accommodation, a lack of education, skills, experience and resources (including adaptive material or equipment and assistive technologies, equipment and information, as well as immobility and transportation problems)

Continued Table 1

Career success theme	Description
Learning and development	Developing and improving the self through learning and other types of personal development, such as taking on challenges
Work-life balance	Being able to find balance between the work and non-work domains of one's life
Positive relationships	Having good relationships with one's supervisors, colleagues, subordinates, clients and other work-related parties
Positive impact	Doing work that makes a positive difference to other people, organisations and society at large
Entrepreneurship	Running one's own business, starting new organisations or being in business for oneself

Adapted from Shen et al. (2015) and Mayrhofer et al. (2016)

Understanding career success from both an objective and subjective point of view, as well as from a multidimensional perspective, could assist in gaining a more holistic understanding of how people with disabilities, in this case the visually impaired, experience and understand career success.

Visual impairment

According to the World Health Organization (WHO) (2019), there are at least 2.2 billion people across the globe who have a visual impairment. A visual impairment refers to the "functioning of the eye that deviates from the norm" (Salleh and Zainal, 2010: 382). It could be described as a condition in which a person experiences a loss of vision that could range from mild to severe and everything in between (Bell and Mino, 2013). Roy and Mackay (2002) assert that someone is blind when he or she has to rely predominantly on the sense of touch and hearing, while someone with low vision can still use his or her sight to some degree in order to learn and do things.

Learning and development	Continuing informal learning on the job or formal training and education
Work life balance	Having a good balance between work and non-work relationships, activities, and interests
Positive relationships	Enjoying working with people you respect and admire
Positive impact	Helping others in one's immediate social environmental or more widely and leave a legacy
Entrepreneurship	Finding one's own enterprise or being able to invent and develop one's own projects within the work context.

Source: Summarised from Mayrhofer *et al.* (2016)

A person's perception of career success is fluid and may change with time; it can also be influenced by contextual variables such as culture or organisational culture (Heslin, 2005; Shen *et al.,* 2015). In more community-orientated cultures (e.g., African cultures) employees may focus more on relational aspects of career success that are orientated towards others (i.e., the society, community, or family) as opposed to more individualist indicators such as self-fulfilment (Ituma *et al.,* 2011). As a result of their research Ituma and colleagues developed a model of four domains of career success that not only differentiate between objective and subjective career success but include the personal and relational dimensions highlighted by Heslin (2005). In this way both objective and subjective indicators of career success may be either personal or relational, depending on whether they are focussed on personal benefit or the benefit of others (Ituma *et al.,* 2011). The inclusion of a relational perspective makes the model of Ituma *et al.* (2011) more applicable to the more collective cultures often found in Africa.

Career success of PWDs

Individual differences such as career lifecycle, age, job level and organisational and economic climate can also have an impact on the meaning a person attaches to career success (Visagie and Koekemoer, 2014). For disabled employees, career success can be influenced by the type of disability, its severity and its visibility (Kadir and Jamaludin, 2012). In general, PWDs tend to experience less career success than able bodied employees (Kulkarni and Gopakumar, 2014). They also experience different barriers to career success, for example stereotyping and negative attitudes of co-workers (Burgsthaler and Chang, 2007; Wolffe et al., 2013). Kulkarni (2016) notes that despite legislation to include PWDs in the workforce, they remain in lower-level jobs with lower salaries.

Both objective and subjective indicators of career success are important to PWDs (Shah, 2005). However, the traditional conceptualisation of career success as applicable to the workforce in general may be less so for the PWD since their career may take a different form. Wahat (2010)

notes that the traditional linear progression of career success, for example, may not be applicable to the PWD who may require flexible, part-time employment. Strategies for career mobility like social networking may also be less fitting for the PWDs (Kulkarni, 2012). It is therefore important that research highlights the conceptualisation of career success by PWDs, as in this study of the perceptions of the visually impaired themselves.

The current study aimed to explore and describe how career success is perceived by visually impaired students at a South African university. The specific research question for the study was: How do visually impaired students from a South African university conceptualise career success?

RESEARCH OBJECTIVES

The research question evokes the following objectives:

1) By means of hybrid thematic analysis of semi-structured interviews, identify and describe the career success criteria important to the visually impaired students.
2) Determine the relative importance of the different career success criteria as reflected in the number of participants who mentioned each of them.
3) Compare the findings from the thematic analysis with the framework proposed by Mayrhofer *et al.* (2016) as applied by Ituma *et al.* (2011).

METHOD

Participants

A qualitative inquiry was used in this study as it allows for naturalistic data while the context of each individual respondent remains important (Leedy and Ormond, 2010). Semi-structured interviews were conducted with 19 visually impaired students at a comprehensive university in Gauteng, South Africa, during the 2016 academic year. Selection was based on the student's disability category and their willingness and availability to participate (Cleary, Horsfall and Hayter, 2014). Permission for this research was obtained from the institution. Students who were partially sighted (limited vision) or blind (no sight) were approached through the disability unit at the institution. With the effect of albinism on visual impairment in mind, two participants were included who had albinism, with visual impairment as their main disability. In total, 11 males and eight females between 18 and 26 years of age and from various degree programmes were interviewed (see Table 2).

A summary of participants

Interviewer	Gender	Age	Field of study	Year of study	Cause of disability
P1 (Pilot interview)	Female	26	History, heritage, and cultural tourism	Final	Partially sighted due to congenital glaucoma; sight deteriorating since age 6
P2	Male	22	Public administration	Final	Blind
P3	Female	20	Drama	1st	Partially sighted since birth
P4	Female	20	General	1st	Blind since birth
P5	Female	24	Social work	Final	Partially sighted since age 12
P6	Male	20	Law	1st	Blind since age 12
P7	Male	24	Law	5th	Blind since birth
P9	Male	26	Music	Not indicated	Blind since birth
P10	Female	20	Education	1st	Partially sighted since birth
P11	Male	22	Human Resource Management	2nd	Partially sighted since high school
P12	Male	18	Law	1st	Partially sighted since birth
P13	Female	18	Information Science	1st	Partially sighted since birth. (Albinism)
P14	Male	21	Law	3rd	Partially sighted since birth
P15	Female	22	Law	3rd	Blind since birth
P16	Male	20	Music	2nd	Partially sighted, deteriorating since birth
P17	Male	22	Law	3rd	Partially sighted since age 7 due to Glaucoma
P18	Female	20	Languages	1st	Partially sighted since birth
P19	Male	22	Computer Science	2nd	Blind since high school
P20	Female	22	Political Science	2nd	Partially sighted since birth (Albinism)

The semi-structured interviews were conducted by the second author in a quiet space on campus. The interviews were continued until saturation was reached (Burns and Grove, 2005).

Procedure

All participants provided informed consent to take part in the study. A pilot interview was conducted prior to data collection to ensure that interview questions would elicit good participant response.

The interview was used as part of the data analyses since it solicited usable information and no changes were made to it after the pilot interview.

With the permission of the participants, interviews were recorded through electronic voice recordings while the interviewer made field notes (Hesse-Biber and Leavy, 2010). Interview data were transcribed directly after each interview and checked for content accuracy. All the identifiable particulars of the participants were taken out of the transcription and names were replaced with participant numbers. Each interview also provided an opportunity for reflection by the interviewer and prompted inputs into the interviews to follow (Terre Blance, Durrheim, and Painter, 2006). Owing to their impairment, transcriptions could be sent to the students with limited vision who had assistive technology on their cell phones or computers, but not to those who are blind. Member-checking with the blind students was conducted using voice notes and WhatsApp messages (Shenton, 2004; Golafshani, 2003).

Data analysis

Thematic analysis was used to analyse the data, using the hybrid approach of (Fereday and Muir-Cochrane, 2006). Data driven thematic analysis using open coding was conducted first to identify themes related to participants' conceptualisation of career success (Boyatzis, 1998). After this process the themes were aligned the seven domains of career success developed by Shen *et al.* (2015) and Mayrhofer *et al.* (2016). This provided a framework for comparing the theory of career success with the actual experiences of the visually impaired students. Because of the initial use of open coding, the narrow frame of an a priori approach was overcome (Saldaña 2013).

The frequency of occurrence in the data is noted as an indicator of the importance of the theme. Since the frequency of occurrence alone may give a skewed view of importance because some participants may mention a particular theme numerous times, the number of participants indicating the theme is also indicated in the results. To reach the third objective of this study, the final themes were aligned with the framework of objective and subjective career success used by Ituma *et al.* (2011).

FINDINGS

Objective 1: career success criteria identified

We identified the following ten themes from the semi-structured interviews: financial achievement, financial security, being part of society, job satisfaction, having a positive impact, learning and development, work life balance, being recognised, being employed based on merit and entrepreneurship (See Table 3 for a description of each theme as well as data extracts).

From the themes it is apparent that the participants identified both objective and subjective career success. The objective indicators include financial achievement and security, receiving recognition and being employed based on merit. Subjective indicators included being part of and contributing to society, job satisfaction, having a positive impact on other people in the society and organisation, and entrepreneurship.

Our themes (see Table 3) overlapped with the career success criteria of Mayrhofer *et al.* (2016) (see Table 1) with the inclusion of financial achievement, financial security, learning and development, work life balance, and having a positive impact. Entrepreneurship and positive relationships as defined by Mayrhofer *et al.* (2016) did not emerge in the data.

TABLE 3:

Themes of career success generated from the data.

Theme	Theme definition	Frequency across the data	Number of participants noting the theme	Example quotations from the data
Financial achievement	Having a good income, wealth, incentives, and perks—more than is needed for sustaining your living.	11	7	Then obviously I'm human so I would like to make money as well, live relatively as comfortably as I can but I think that's all what it's about (P7)
Financial security	Being able to provide the necessities for living consistently and being independent.	31	14	I think the importance of career success is independence. I have seen my siblings rely on others and I am seeing it even now, you know including in marriages whereby, my sibling would rely on her husband and it wouldn't be, I don't want that so I feel like being independent enough to be able to get what you need even if it is not what you want but at least to have all that you need so you don't have to be dependent on anyone else including family because I'm the last born at home by the time I get to work my parents will be old, they already are old so (P3)
Being part of society	Contributing to society at large by working; not being seen as an "outsider" or different	18	8	If you on a social level the, the company I keep like... consists of people who are you know looking forward to be... to occupy in a good positions in a workplace, maybe diplomats you know good uhh successful business people, entrepreneurs or any politicians you know so I also see myself as one of them ... And you know to fit in that social circle that I created for myself and to be proud of myself like self-fulfilment and satisfactory (P17)
Job satisfaction	Being satisfied with the work you do because you enjoy it and/or are living out your passion in life.	18	11	...and I know for a fact it's not a thing about money it's about passion for me so. (P1)
Having a positive impact	Helping others in the community or society and	33	13	I believe I am a person that, I only dreamt of helping other I don't know yet, but I think as more time progresses and I have the right

	leaving some sort of legacy			skills and I have identified the opportunities to help people somehow with success in my personal career I will be able to help someone or some people out there. (P2)
Learning and development	Continuing learning growth and development to become better at what you do	9	5	...so I can grow and set other personal goals within that industry (P2)
Work life balance	Having a good balance between work and non-work relationships, activities and interests	2	2	And I think to some degree if you balance your career success properly, you're successful in your career and all other aspects of your life are also balanced, it fulfils you as a person. (P6)
Being recognised	Receiving recognition either by promotion, thanks or being recognised in society for what you do in the workplace	12	9	I think it's more the ok, obviously as a person after working and working really hard you can actually, if you see that you are actually succeeding it is a personal satisfaction of some sort that you actual see your hard work like ja basically the results of your hard work and stuff like that but like ahh (P12)
Being employed based on merit	Being employed based on merit and not because of disability policy fulfilment	11	8	Yes exactly, that's what I like, I feel like don't take me because, if I was living with this so then does it mean that I'm not good enough or does me having a disability mean that I am good enough because I have this thing so ja (P5)
Entrepreneurship	Starting or developing a business	1	1	There are only so many psychologists, most of them have their own practices and that's eventually what I want to do, but you have to start with a business, you have to start working for someone. [P4]

Financial achievement and security

Although participants mentioned financial achievement, most of them stressed financial security more than financial achievement. Most of the participants view financial gain in a career as a means of independence and stability:

> —.*well obviously money will always be a factor because you need money to survive*" (P19)

> —.*not a lot of money I just want to have just a little more than I need because I don't want to merely survive."* (P17)

Financial stability by means of an income is important to accommodate living with the disability and being independent. It was noticeable that the participants who mentioned financial security all coupled it with independence; as one participant noted, *as a disabled person, one may already be dependent on others*". Participant P6 added that *"money whether you like it or not in today's society you must really try and make as much money as you can but it's not the most important thing that I would just want to trample over all of my values just to make a quick buck but at the end of the day to some degree I must make enough money to provide financial security for myself and if I have a family*". Participant P8 echoed this: *Literally what it boils down to is that I want to be as independent as possible.*"

Positive relationships and contributing to society

Positive relationships, which are defined by Mayrhofer *et al.* (2016) as enjoying work with people you respect and admire, were part of a larger theme that emerged from our data, namely being part of society. This was grounded in 18 quotations and mentioned by eight of the participants; being part of society meant moving forward in life, having a life like any able-bodied person and being able to work with a wide variety of people:

> *"…because I mean you'll be able to raise a family, buy a house you know you will be able to appear uhh appear as a normal person you know…you can be someone who's accepted in society if your career... if you are successful in your career."* (P9)

> *well know it's just that I really wanna do a job like everyone else, I mean I want to be not equal but you know what I mean I want to be as equal as anyone else*" (P4)

> *[career success] that is how we make headway in life"* (P7)

The idea of not being distinguished or different because of your disability was evident in the responses. This was also true for the theme *Being employed based on merit*, which means that they did not want to fill the quotas specified in policies. As noted by Participant P1:

"…..stop thinking that they (people with disabilities) are just part of the, 2% that you know. Business employed us just for the whole government policy…"

From the interviews it was evident that making a positive impact on the organisation, other PWDs and society at large was a main dimension of career success. Many current South African students will be the first generation to obtain a tertiary qualification. For example, Participant P12 explained that

"people from home from my family don't really have tertiary education so they are stuck with like mine jobs and the supermarket jobs and whatever…(making a success of studies and my future career)…I always remind myself you are not only doing this for yourself but uhm those people or whoever they are also looking up to you…to show them as well, this (the way of life back home with no education and career) is not the only way of life."

For the participants, adding value in society and in the organisation implied that they would create awareness of visual impairment. Participant P9 noted that it was important to show both able bodied and PWDs that a visually impaired person could do what most visually abled people can do. This was an important aspect alluded to by several participants, for example participants P7, P14, P20 and P5. Participant P14 wanted to be a role model to others who were visually impaired. Raising awareness among employees about visual impairment was also an important aspect of career success, and having an impact went farther than that: Participant P11 mentioned making a difference in the organisation itself by improving the performance of the company and helping other employees to fulfil their work roles.

Job satisfaction

Job satisfaction or doing what you enjoy or have a passion for, seemed to be more important to participants than financial achievement:

"Hopefully I'll enjoy what I do one day" (P19)

"Ja I think it's more, I think both factors (money and job satisfaction) are important, but I think the most is that you're happy in your career and that you like what you do ja and that's important." (P18)

Learning and development

Learning and development in one's career is an ongoing form of career success (Mayrhofer et al, 2016). Participant P2 echoed this in saying *"I can grow and set other personal goals within that industry"*. Participant 5 reflected on his own experience in this regard:

I just had my matric and I went into this workplace, and it also became a thing of I'm not, I'm not ready for this I don't have the proper skills to actually do this and I also needed the qualifications to actually help me succeed and also I realize, I realize that I can't just go into any job."

Learning and development was also about overcoming the various barriers to career success in their future jobs: *It shows you that whatever circumstance that whatever challenges that come, come along your able to just ja surpass them ...*" (P5).

Work-life balance

Work life balance was the least mentioned factor related to career success. The life course phase in which the participants found themselves at the time of the study might account for this (Diewald & Mayer, 2009). All of the participants were still in their 20's and none were married. Research that included older participants shows work life balance to be an important consideration in career success (Ituma *et al.,* 2011).

Being recognised

Besides financial achievement, the participants also mentioned that success implied reaching other achievements in their career, including formal recognition such as promotion. Participant P12 illustrated this: *"obviously as a person after working and working really hard … you are actually succeeding it is a personal satisfaction of some sort that you actual see … the results of your hard work".*

Participant 17 specifically referred to career progression as a form of recognition: *I'll be happy if maybe I could be head of a department, or you know a director of a department or something*". For this participant, upward mobility did not only imply public recognition but also a means of independence and, more importantly, a manifestation of independence. He added: *I need to be recognised because I feel that there are so many situations where people with disabilities do not have jobs, do not seem to always try to get a job and therefore they are relying on other people to, umm, to get by on a daily basis.*" [P7]. Similarly, Participant P5 noted that achievements in the workplace that were coupled with public recognition would show *that despite, despite of this I can still do the same thing as they're (able bodied people) able to do or even better."*

Being employed based on merit

It was important to the participants that their employment and opportunities in the workplace were based on merit, not quotas; as Participant P1 put it, *being employed as part of the 2%...just for the governmental policy*". Participants P2 and P17 talked about promotional opportunities being equal to those available to able bodied workers. They noted that promotion based on your disability status or on the organisation wanting to place someone with a disability (P17), *will not be great*"

(P2) as it would reinforce the idea that PWDs were not able to work as well as able bodied employees. Instead, the need for the visually impaired was impartiality; as Participant 4 insisted: *I really wanna do a job like everyone else, I mean I want - to be not equal, but you know what I mean, I want to be as equal as anyone else*".

Entrepreneurship

The concept of entrepreneurship was noted by only one of our participants. It would seem from the data that the participants viewed entry into the workforce to mean access through formal employment at an organisation. However, in the current South African economic context, where work may be scarce, entrepreneurship may provide work opportunities; it was therefore surprising that so few of the participants included it in their conceptualisation of career success. Previous research on entrepreneurial orientation has linked it to education and training (Al-Awlaqi, Aamer, and Habtoor, 2021); it may be that the students in our sample were not exposed to it as part of their education. In the South African context people living with disabilities such as visual impairment may experience barriers to starting their own business in addition to the barriers to being employed (Loose, Mazirir, Choto, and Madinga 2017). Students may therefore see finding a job at an organisation as the first step on entering the labour market, as noted by Participant 4: *you have to start working for someone.*" [P4]

Objective 2: the relative importance of the criteria identified

Ranking career success in terms of the number of participants mentioning each of the themes places financial security first (14 participants) followed by, followed by having a positive impact on society/community/people (13 participants), job satisfaction (11 participants) and receiving recognition (9 participants). Being part of society and being employed based on merit were noted by eight participants each; both factors related to being perceived as equal to able-bodied workers (See Table 3).

Objective 3: comparing the results to Ituma *et al.* (2011)

Ituma *et al.* (2011) classify five career success factors as objective and four as subjective. Table 4 lists the corresponding outcomes as coded in this research, ranking them in importance from 1 to 8 (two outcomes are ranked equal). With an average ranking of 4.0, the subjective outcomes were marginally more important to the participants than the objective outcomes, whose average ranking was 4.4. In both groupings a distinction was made between relational and personal factors. The relational orientation appears to be more important to participants if one takes into account the relative frequency of the theme having a positive impact" and that financial security was related to providing for others (i.e. family, community at home).

TABLE 4:

Comparison of the themes to the objective and subjective criteria applied by Ituma *et al.* (2011)

Factors by Ituma et al (2011)	Factors identified from the current study	Importance
Objective career success		
Pay and salary	Financial achievement	6
	Financial security	1
Promotion	Being recognised	4
Career progress/ascendancy	Being recognised	4
Acquisition/development of occupational skills	Learning and development	7
Subjective career success		
Personal fulfilment/meaningful work	Job satisfaction	3
Work-life balance	Work-life balance	8
Contribution to society	Positive impact on society	2
Career satisfaction and identity	Job satisfaction	3

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Perceptions of career success illustrate the ultimate work goals with which aspiring employees will be satisfied in the future work place. Because career success is a multidimensional concept that is both dynamic and individualistic it is important for organisations that include a diverse work force to understand the meaning that the various groups ascribe to career success (Shen *et al.,* 2015; Visagie and Koekemoer, 2014). In South Africa the drive towards an inclusive workplace obliges organisations and management to understand the diverse views on career success as it relates to PWDs and in particular to the visually impaired who will be part of the work force.

Various implications related to the management, recruitment, selection, training and development of the visually impaired can be formulated from the findings. Firstly, the importance of financial security implies that visually impaired employees would prefer a fixed rather than a variable compensation, and incentives in the form of financial rewards and fringe benefits rather than non-financial rewards such as days off or vacation leave. However, taking into account the barriers to employment of visually impaired workers, such as access to workplaces, career success for this group can be promoted through arrangements such as flexible working hours and location (Lysaght, Townsend, and Orser, 1994).

Secondly, the importance placed on making a positive impact implies a need for the visually impaired worker to know the impact they make in the organisation, for example to its performance. Formal and informal recognition of work done should be part of management practices where these workers are involved. Although upward career advancement and promotion are also important to the visually impaired worker, it is important that it should be based on merit as judged against their able bodied colleagues. Disabled employees do not want to be treated differently, for if their careers conform to social norms their disabilities will be less apparent in the workplace (Sutherland, 1981). The latter implication is also related to general managerial practices. For the visually impaired, being part of society, being treated as normal and being employed on merit implies fair procedures and equal treatment in the workplace.

Thirdly, the importance of job satisfaction in career success places emphasis on proper person-job-fit that can be assessed through proper career counselling during secondary education. Finally, the results indicate that entrepreneurship is not considered as part of the career success criteria for visually impaired students. This points to a possible lack of entrepreneurial orientation. At South African universities, entrepreneurship education should be part of the preparation programmes for students with disabilities as it may widen their access to the job market.

CONCLUSION

Our results contribute to the conceptualisation of career success in that it provides a descriptive profile of the perceived career success of students with disabilities. By focussing on students, it allows both educational institutions and prospective employers to understand the needs of new employees with disabilities. This will allow transitional programmes to be aligned with the needs of the visually impaired and facilitate better adaptation in organisations.

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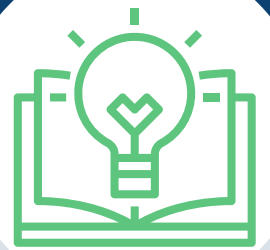
Management Education

The relevance of National University of Lesotho programmes of study to employment

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ABSTRACT

In the context of increasing competition in the education sector, universities need to respond to this change by providing avenues for graduates to gain competencies that will prepare them for the demands of employment. This study evaluated National University of Lesotho graduate"s perception of relevance of the university programmes to employment. A stratified random sampling was used to draw elements to the sample from the seven university faculties and Institute of Extra Mural Studies. From each stratum, simple random was used to select respondents who were finally interviewed. Data were analysed using the SPSS. Graduates perceive programmes studied as relevant to their current work in most respects. However, the programmes were lacking relevance in terms of preparing them for promotion, employment, entrepreneurship and computer skills. Universities need to understand trends associated with the future of work and what they mean in terms of competencies students need in preparation for employment.

Keywords: higher education institutions; graduates; competencies; employment; quality teaching

INTRODUCTION

As higher education system develops and diversifies, society is increasingly concerned about the quality of teaching and the relevance of programmes to the employment and professional careers. On the other hand, the Higher Education Institutions (HEIs) are concerned with the development of the programmes and their delivery to the learners' satisfaction and need. This means that HEIs are expected to develop individual's capabilities so that they grow intellectually, emotionally and contribute effectively to society, and be well-equipped and be ready for employment (Brennan, 1985). In order for HEI's to contribute effectively to society, they need to acquire information concerning the competencies required by the labour market so that they can respond to such requirements. This is very critical because currently the fundamental nature and structure of work and economy are changing at an ever-increasing rate (Tom, Mom, Ilan and Henk, 2012). This change is influenced by increased competition due to technology, changing customer needs and attention on people as a competitive advantage (Nabi and Holden, 2008). Therefore, students need to acquire pertinent skills and competencies that will allow them to be employable and

competitive in the turbulent economic environment in which organisations and HEIs operate.

In the context of increasing competition in the education sector, HEIs need to respond to this change by providing avenues for the graduates to gain certain general competencies and talents that will make them wholly geared up to the real demands of the world of work (Evers, Rush, Berdrow, 1998). As such, HEI"s are expected to develop not only subject specific skills but also employability competencies to allow graduates to be both generalist and specialists (Falconer and Pettigrew, 2003). These skills should be developed within the specific programmes that students are pursuing.

Quality Teaching (QT) has also become an issue of importance as the landscape of HEIs has been facing continuous changes due to increased international competition, increasing social and geographical diversity of the student body, increasing demands of value for money and introduction of information technologies in HEIs (Jones, 2003). Quality teaching, in every institution reflects and impacts the overall quality of the institution and the potential of the student"s employability and marketability (Wei, Darling-Hammond, Andree, Richardson and Orphanos, 2009). Research has shown that QT improves employability. In line with other researchers, Simon *et al.* (2010) argue that good teaching staff acts as modellers of practices and dispositions that are appropriate for the workplace and stress the importance of constructing an employable habitus for students. Therefore, in order to enhance students learning of both subject skills and required generic competences effectively, the focus of QT initiatives should not always be on the lecture (Biggs, 2001). Rather it should encompass the whole institution and the learning environment. The definition of QT adopted for the current study is the one used by most analysts and policy makers in higher education which is that of fitness for purpose, the purpose being that of the institution, for instance, getting students to learn subjects efficiently, and having different options to choose from and providing students with both generic and subjects specific competences.

THE CURRENT STUDY

The National University of Lesotho (NUL) had previously enjoyed a monopoly in the higher education space up to 2008. Although NUL seems to have lost some monopoly to a certain degree, it still retains the highest market share of 42% of total tertiary student population in Lesotho (Mokhethi *et al.,* 2020). The establishment of the Council on Higher Education (CHE) by section 4 of the Higher Education Act of 2004 (whose main mandate is to promote and assure quality in all tertiary institutions in Lesotho) made it a requirement for all tertiary institutions to be subjected to accreditation process. In addition to 18 standards that were traditionally used to evaluate institutions of higher learning for the purposes of accreditation in Lesotho, CHE has added four more standards, namely, student satisfaction, social development, personal development and graduate employability. These additional standards put pressure on institutions

of higher learning to make follow-ups with former students to find out more about the quality and relevance of programmes and courses offered by NUL. That notwithstanding, there is a school of thought having reservations with the quality of teaching and relevance of NUL programmes in assisting graduates to be ready for work. As such quality of teaching and acquired competencies at NUL are perceived as not assisting graduates to become ready for work and value adding employees on completion of their programmes. This clearly indicates that there is a perception that NUL graduates are inadequately trained for employment and yet university programmes are designed to develop student"s competences as well as the subject-specific knowledge (Kee-Cheok Cheong, Fernandez-Chung and Yin-Ching, 2016). One of the main goals of HEIs is to prepare students for the workforce, so assessing the graduate"s perception with regard to the QT, relevance of programmes and courses offered by an institution is extremely critical. Graduates who are efficient on the working place are often those who benefited from teachers for which QT and programmes were a priority. It is against this backdrop that study seeks to evaluate NUL graduate"s perception of relevance of NUL programmes to employment in assisting graduates to become well prepared for work. Specifically, the study aimed to achieve the following objectives:

- To evaluate the graduates" acquisition of competences and their relevance to employment
- To evaluate the quality of NUL programme in terms of teaching
- To evaluate the quality of NUL programme in terms of options offered

LITERATURE REVIEW: EMPLOYABILITY COMPETENCIES

The term employability competency has no single definition (Artess, Hooley and Mellors-bourne, 2016; Palan, 2005). It varies according to roles, positions and even organisations (Lucia and Lepsinger, 1999; Thomson and Mabey, 1994). Brewer (2013) considers employability competency as the attributes of employees, other than technical competencies, which make them an asset to an employer. In support of Brewer (2013) views, Caballero and Walker (2010) argue that employability is the extent to which graduates are perceived to possess the competences and attributes that make them prepared for success in the work environment. As such, the extent to which graduates are employable is seen as symbolic of potential in terms of job performance, success, and potential for promotion and career advancement (Okolie *et al.,* 2019; Hambur, Rowe and Luc, 2002; Hart, 2008). Casner-Lotto and Barrington (2006) maintain that employability is a selection criterion for predicting graduates potential for work. Sarfraz *et al.* (2018) posited that employability competencies are categorised as higher-order thinking competencies, personal qualities and basic academic skills and they are important across all levels of positions from the job entrants to senior officers in any organisation. As such, they are deemed important for graduates in order to perform their job well and to achieve organisational excellent competitive advantage. As such, acquired competences should enable graduates to use them successfully in their work. However, Okunuga and Ajeyalemi, (2018) maintain that employability competencies include

effective management of resources, communication and interpersonal skills, team work, problem-solving skills and the acquisition and retention of a job. Employment competencies, acquired competencies/skills, workforce readiness, work-readiness skills, employability skills, workplace know-how, transferable skills and career skills are some of the terms used to describe the generic skills needed by job entrants to be successful in the world of work (Brewer, 2013).

HEIs are globally shifting their central business from knowledge transfer towards a more practical and work-focused curricula that prepare students to be ready for employment (Moore and Morton, 2017). In order for HEIs learning to prepare students for work they need to be provided with competencies that will broadly prepare them for a successful transition into the workplace. These are the basic areas in which employers will expect them to be competent for any job requiring a university degree, regardless of their major or career path. In agreement with Atlay and Harris, (2000); Okolie *et al.* (2019); Lisá, Hennelová and Newman (2019); Sarfraz *et al.* (2018) argue that apart from being skilled, from having the required knowledge in a specific discipline and from having the up-to-date technical skills required in a profession, graduates also need generic skills. These are skills that apply across a variety of job and life context and some of such skills are ability to work under pressure, entrepreneurship skills, decision-making, computer skills, communication skills, time management, team work / team orientation, negotiation thinking, creativity / creative, ability to work independently thinking, leadership skills, problem solving, promotion, employment and professionalism/work ethic.

Canning, (2013) argues that in addition to acquiring technical skills, employees in different sectors, professions and occupations are expected to develop a broad range of employability skills. These skills includes IT, team work, problem solving, communication and numeracy, leadership, motivation, discipline, self-confidence, self-awareness, networking, entrepreneurship and capacity to embrace change (Belwal, Priyadarshi and Al Fazar, 2017). These skills are very important as they can apply in a wide range of employment. These skills are actually the basis for a flexible and multi-skilled workforce and the HEIs should incorporate them in their curriculum (Assiter, 2017). Blackmore and Kandiko, (2012) suggested that HEI should include the following generic skills, setting priorities, entrepreneurship, time management, critical thinking and team spirit in their curriculum for graduates to be successful in the workplace.

RESEARCH METHODOLOGY

This study used a quantitative description approach to assess the NUL graduate‟s perception of the relevance of programmes in helping graduates to be ready for work. A sample of 590 graduates was drawn from 11,233 total graduates from the NUL academic office data base who graduated between 2012/2013–2016-2017. The study used a stratified random sampling technique to draw elements to the sample from the seven NUL Faculties and Institute of Extra Mural Studies

of (IEMS) NUL. This was done in order to obtain an equal sub-sample from each study stratum and to get a representative sample. From each stratum, a simple random sampling was used to select respondents who were finally contacted through their telephone numbers that were captured into the university system during registration when they first joined the university. A total of 467 respondents provided useable responses translating into 79 percent response rate. The pre-tested structured questionnaire adapted from Chorvy (2015), and the University of Trinidad and Tobago (2015) were administered. The questionnaire comprised of closed ended questions related to respondents" demographic details, respondent"s perception on the relevance of their programme to work, the QT and range of courses offered at NUL.

RESULTS

Characteristics of Graduates and General Study information

The respondents for this study consisted of 467 graduates. Table 1shows the distribution of graduates by sex, faculty and year of award of the degree. It could be seen that majority of the graduates were from the Faculty of Education (37.6%) followed by Faculty of Social Sciences (29.5%) and Faculty of humanities (7.3%). The results further reveal that 63.9% of respondents were females while 36.1% were males. The results are consistent with NUL overall statistics enrolment (2018/19) by gender whereby female"s students account for a larger percentage (63%) than males with (37%) (NUL Statistics enrolment by gender academic year, 2018/19). It is also revealed from Table 1: that most respondents graduated in the year 2014 (23.2%) followed by 2017 and 2016 with 18% and 17.6% respectively. Those who reported having graduated in other years were the least with 11.1%.

Table 1:

GRADUATE DISTRIBUTION BY SEX AND FACULTY

Faculty	Number of Graduates		Percentage of Graduates		Total Graduates	Percentage Total
	Female	Male	Female	Male		
Agriculture	12	9	57.1	42.9	21	4.5
Education	118	57	67.4	32.6	175	37.6
Health	13	6	68.4	31.6	19	4.1
Humanities	26	8	76.5	23.5	34	7.3
Law	4	4	50.0	50.0	8	1.7
FOST	4	13	23.5	76.5	17	3.7
FSS	84	53	61.3	38.7	137	29.5
IEMS	36	18	66.7	33.3	54	11.6
Total	**297**	**168**	**63.9**	**36.1**	**465**	**100**
Year of Award of the degree						
2013	45	25	64.3	35.7	70	15.0

2014	65	43	60.2	39.8	108	23.2
2015	37	34	52.1	47.9	71	15.4
2016	54	28	65.9	34.1	82	17.6
2017	56	28	66.7	33.3	84	18.0
Other	40	12	76.9	23.1	52	11.1
Total	**297**	**170**	**63.4**	**36.6**	**467**	**100**

Mokhethi *et al.* (2020)

The graduates‟ distribution by sex and faculty portrays the overall picture of the targeted population as the sample size tends to follow the population pattern. For instance, the larger sample (Education) had the highest percentage of graduates in the years 2013-2017.

Graduates ratings on the relevance of their programme of study to their work

Graduates were asked to provide feedback on the relevance of their programme of study to their employment. Table 2: presents their views with regard to 14 competencies or aspects of programme‟s relevance on their work in terms of employment, promotion, and problem solving and leadership skills. The most reported positive aspect on the relevance of programme of study with regard to graduates‟ work is team work/ team orientation, with 85.8 % of the graduates grading this aspect as high or very high. Team work/ team orientation also had the highest mean of 4.3. The other nine aspects which were rated highly were: communication skills (79. %), ability to work independently (76.6%), ability to work under pressure (76.5), time management (76.2%), decision making (75.4%), creativity/creative thinking (73.8%), leadership skills (72.3%), problem solving skills (70.3) and negotiating skills (66.3%). On the other hand, the following four aspects were, on average rated relatively low by the respondents: promotion, employment, entrepreneurship skills and computer skills. This analysis shows that, in general, the programmes studied by the graduates were relevant to their current work in most respects. However, the programme was lacking relevance in terms of preparing then for promotion, employment, entrepreneurship and computer skills.

Table 2:

IMPORTANCE OF ACQUIRED COMPETENCIES TO EMPLOYMENT

Items	N	Very Low	Low	Medium	High	Very High	Mean	Std. Deviation
Employment	461	24.3	14.8	20.4	22.8	17.8	2.945	1.435
Promotion	461	27.8	16.9	21.5	21.0	12.8	2.742	1.393
Problem solving	472	3.8	6.1	19.8	33.5	36.8	3.930	1.073
Leadership skills	470	3.4	4.5	19.8	35.5	36.8	3.989	1.036
Ability to work independently	471	3.8	3.6	15.9	35.0	41.6	4.070	1.030
Creativity / creative thinking	472	1.9	4.9	19.5	36.7	37.1	4.021	0.966

Negotiation thinking	472	3.2	6.8	23.7	35.6	30.7	3.839	1.038
Team work / team orientation	472	1.3	1.5	11.4	33.5	52.3	4.341	0.835
Time management	470	2.3	3.8	17.7	39.6	36.6	4.043	0.952
Communication skills	472	1.9	3.6	15.0	33.3	46.2	4.182	0.947
Computer skills	472	11.0	21.6	25.2	21.8	20.3	3.189	1.287
Decision-making	472	1.5	3.2	19.9	41.7	33.7	4.030	0.893
Entrepreneurship skills	472	14.4	17.8	31.4	18.2	18.2	3.081	1.289
Ability to work under pressure	472	2.5	2.5	18.4	32.6	43.9	4.127	0.969

Mokhethi *et al.* (2020)

Quality and relevance of the programme of study to employment

Graduates were asked to rate the quality of their programme of study in terms of teaching and options of courses offered in the programme. They were asked to make their assessment on a 5- point Likert scale ranging from 1(very low) to 5(very high). The data indicates that graduates were satisfied with quality of their respective programmes of study in terms of teaching (Table 3). It is worth noting that only 11.1% of the respondents rated the quality of teaching as either Low or Very low. In terms of option of courses offered, graduates are still positive as only 14.6% of the respondents rated the quality in terms of courses offered as either low or very low.

Table 3:

GRADUATES' RATING OF QUALITY OF PROGRAMME IN TERMS OF TEACHING AND COURSE OFFERED

Quality of programme in terms of teaching	Number of Graduate		Percentage of Graduates		Total Graduates	Total Percentage
	Female	Male	Female	Male		
Very low	10	6	62.5	37.5	16	3.4
Low	25	11	69.4	30.6	36	7.7
Medium	81	55	59.6	40.4	136	29.1
High	114	62	68.4	35.2	177	37.9
Very high	67	35	65.7	34.3	102	21.8
Total	**298**	**169**	**63.8**	**36.2**	**467**	**100**
Quality of programme in terms of options offered						
Very low	11	8	57.9	42.1	19	4.1
Low	25	24	51.0	49.0	49	10.5
Medium	98	41	70.5	29.5	139	29.8
High	105	59	64.0	36.0	164	35.1

| Very high | 59 | 37 | 61.5 | 38.5 | 96 | 20.6 |
| **Total** | **298** | **169** | **63.8** | **36.2** | **467** | **100** |

Mokhethi *et al.* (2020)

DISCUSSION

The objectives of the study were three hold: to evaluate the graduates‟ acquisition of competences and their relevance to employment, to evaluate the quality of NUL programme in terms of teaching and options offered by the programmes. With regard to graduates‟ acquisition of competences and their relevance to employment, the most prominent nine competencies identified by graduates as very relevant to their employment are team work/ team orientation, communication skills ability to work independently, ability to work under pressure, time management, decision making, creativity/creative thinking, leadership skills, and problem solving skills and negotiating skills. This results confirms the research by Velasco, (2012) on employability skill which indicated that effective communication skills, interpersonal and effective teamwork are the mostly rated as important and relevant for employment. Teamwork and effective communication are also identified by Falconer and Pettigrew (2003) as the most relevant skills for employment with specific reference to the financial service profession. Ross, Changhee and Matthew (2021) also strongly agreed with other authors that teamwork and effective communication are the competencies that respondents rated as highly important for employment. However, Maripaz, Ombra, and Imam, 2013 results are different as they found that fundamental skills and team work skills are considered as moderately assisting to graduates to do their work effectively. However, (Suleman, 2016) argues that there is little consensus on which skills actually fosters employability. Wide agreement exists on the need for relational skills, namely interpersonal, communication and teamwork abilities, which are reported in many research papers including the current paper. The literature suggests that some employers find that some graduates may be poorly prepared for teamwork but prepared for IT related competencies (Tymon, 2013).

On the other hand, the promotion, employment, entrepreneurship skills and computer skills were on average rated relatively low by the respondents. While NUL Strategic Goal 2 (a university of choice providing high quality educational experience and relevant scholarship) of Strategic Plan 2015-2020, especially objective 2.2 (to inculcate entrepreneurial skills in students) expresses the need for entrepreneurship prowess among NUL graduates, there is paucity with regard to implementation to this goal. However, efforts have been made to introduce a general entrepreneurship course for all students in line with the new revised semesterised programmes. Lastly, on the issue of quality education, graduates are very positive about the way they were taught and different options and majors offered by NUL.

CONCLUSION, MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The graduates were positive that their programme of study had equipped them with a number of competences that were useful and relevant to work. Of the fourteen (14) competencies, nine (9) were rated highly, namely, communication skills, ability to work independently, ability to work under pressure, time management, decision making, creativity/creative thinking, leadership skills, problem solving skills and negotiation skills. But the programmes were considered lacking relevance in terms of promotion, entrepreneurship and computer skills. Entrepreneurship and computer skills have been raised as some of the major areas in which NUL should improve. Generally, it is very clear that there are different views regarding competencies offered by NUL programmes to graduates. As such, it is important for HEIs to understand trends associated with the future of work and what they mean in terms of the knowledge and competencies students need in preparation for future employment. HEIs also need to support students during the learning process to translate their acquired knowledge and competencies for the workplace. Specifically, NUL management should instil the culture of regular follow-up research by faculties to determine the needs of the society with the aim to match them with programmes and courses that will provide students with required competencies needed in the workplace. The university management should also use the results of such follow up studies to inform regular programme review to improve the quality of its curriculum to ensure its relevance and responsiveness to the needs of the market, both locally and internationally.

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Track:

Tourism, Events, and Hospitality

A product diversification framework assessing potential of expanding ecotourism products in Botswana

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ABSTRACT

Tourism in Botswana is principally based on wildlife products and heavily concentrated in the northern parts of the country. The reliance on a narrow product range and exclusive dependence on the western market has generated generic supply-side research advocating diversification. The study, therefore, focused on developing a demand-based diversification framework for ecotourism products in Botswana. Quantitative data was collected through self-administered questionnaires at Kasane and Maun airports. Findings showed high demand for wildlife, nature, and wetlands products, focusing on education, resource preservation, and co-creation of experience. Adventure and Cultural products registered moderate demand whilst events and hunting had the least demand. This calls for a related diversification strategy focusing on product add-ons, service enhancement and an innovative mixture of activities to create new and unique experiences. The study provides a holistic demand-based diversification strategy that identifies specific needs, activities and product types that should be developed.

Keywords: diversification framework; ecotourism products; diversification strategy; tourism demand

INTRODUCTION

Tourism has been cited as one of the industries experiencing rapid growth since the end of World War II. It has been regarded as a vehicle for economic growth and development (Cooper and Hall, 2019), especially in developing countries. Nawijn, Peeters and Van der Sterren (2008) argue that focus has increased on tourism due to perceived low levels of investment required to start a tourism enterprise compared to primary and secondary industries. The situation is compounded by persistent negative macroeconomic growth projections and constrained participation in liberalised global markets by most developing countries. Despite the perceived earnings and related economic progress, the tourism industry is subject to high volatility, fragmentation, dynamism and dependence on other sectors (Cooper and Hall, 2019). These attributes have been greatly magnified by the outbreak of COVID-19 (Gössling, Scott and Hall, 2021; Hall, Scott and Gössling, 2020). In response to these characteristics, tourism product diversification has been adopted in

many countries to sustain viability, increase foreign currency earnings, and use resources sustainably (Weidenfeld, 2018:10; Giampiccoli and Mtapuri, 2015; Farmaki, 2012). Just like the global trends, tourism in Botswana registered massive growth to become the second largest source of foreign currency revenue before the COVID-19 outbreak (World Travel and Tourism Council (WTTC), 2018; Stone, Stone and Mbaiwa, 2017b). The phenomenal growth has been highly skewed towards wildlife tourism products in the northern parts of the country, mainly Okavango Delta and Chobe. Tourism authorities and Destination Management Organisations (DMO's) consider Botswana as a prime ecotourism destination given the dependence on wildlife tourism in mostly fragile riverine ecosystems. There have been increasing calls to diversify and widen product options however research has been mainly supply-led (Mbaiwa and Hambira, 2020; Nare, Musikavanhu and Chiutsi, 2017; Saarinen, Moswete and Monare, 2014; Mahachi and Ketsabile, 2013; Mbaiwa, 2005a). Based on these trends, the study assessed and determined demand for current and new ecotourism products to develop a diversification framework.

LITERATURE REVIEW AND PROBLEM INVESTIGATED

Tourism products must be diversified and linked to the local economy to ensure competitiveness (Ritchie and Crouch, 2011). It is important to note that diversification is an early concept stretching back to the 1950s, especially in strategic management however, the application in tourism is relatively new and fragmented (Weidenfeld, 2018: 2; Farmaki, 2012: 186; Wang and Xu, 2009: 192). Generically, diversification is defined as part of corporate-level strategy involving action to gain competitive advantage by selecting and managing a mix of businesses competing in several industries or product markets (Hitt, Ireland and Hoskisson, 2017: 176). In the tourism context, Benur and Bramwell (2015: 214) define diversification as the development or modification of new or existing tourism products and services that can attract or widen the experiences of new and existing tourists. Diversification strategies (Evans, 2020) are generally divided into two main groups related (concentric) and unrelated (conglomerate). In concentric diversification, the firm/business ventures into new related industries either vertically or horizontally whereas conglomerate diversification occurs when the firm ventures into a completely different form of activity (Vu and Ha, 2021; Zheng and Tsai, 2019). Conglomeration is considered the riskiest since there is little or no synergy with the core business or technology. Diversification of tourism products has been adopted by many private and public organisations to distribute tourism population, promote sustainable tourism development, and spread the wealth, especially to marginalised areas (Weidenfeld, 2018: 5; Benur and Bramwell, 2015: 215; Farmaki, 2012: 186). The adoption has resulted in diversification being part of tourism policy for many countries, including Botswana (Evans, 2020; Mbaiwa and Hambira, 2020). A review of literature review shows that research on diversification (Farmaki, 2012: 185) is biased towards the supply side, especially on the advantages and identification of products or services that could be modified or introduced. Empirical demand-side research, crucial for informing diversification options, is limited.

Tourism in Botswana is nature-based, focusing on ecotourism (Mbaiwa, 2015). Ecotourism has been defined and classified countless times in literature (Cobbinah, 2015; The International Ecotourism Society [TIES], 2015). This study adopts the Botswana definition where ecotourism is regarded as responsible travel to natural areas that conserve the environment and sustain the well-being of local people. Emphasis is placed on the country's cultural and natural heritage, active involvement of host communities and other Batswana in all aspects of the industry's management and development (Stevens and Jansen, 2002: ii). Over the past three decades, there have been increasing calls to diversify this rich ecotourism base to maintain a competitive edge over other African countries, and to keep pace with changing tourist tastes (Stone and Nyaupane, 2019; Human Resources Development Council, 2014 (HRDC), 2014: 14; WTTC, 2007: 49; Leecher and Fabricius, 2004: 29). The diversification drive is also aimed to reduce pressure on fragile resources in the Delta, extend length of stay, and spread tourism benefits to all communities (Morupisi and Mokgalo, 2017; Mbaiwa, 2015; Saarinen, *et al.,* 2014: 8).

Despite the adoption of diversification to widen the product base, little empirical research was found in Botswana on specific strategies to diversify, the nature of tourism demand and products to develop (Vumbunu, Viviers and du Plessis, 2021). Available literature on diversification mostly identifies and discusses the potential for alternative forms, Saarinen *et al.* (2014: 11) for example focused on cultural tourism, listing cultural sites and activities that could be developed, whilst Mahachi and Ketshabile (2013) examine the potential of diamond mining as a new tourism product. Additionally, the tourism literature of Botswana is largely centred on the Okavango Delta (Mbaiwa, 2017b; Moswete and Lacey 2015; Mbaiwa and Stronza, 2011; Mbaiwa, Thakadu and Darkoh, 2008; Mmopelwa and Blignaut, 2006; Mbaiwa, 2005a and b), dwelling on aspects such as cultural and heritage tourism, the impact of tourism, community-based tourism, environmental sustainability and human-wildlife conflict. Focus is on supply-side factors, but equally important demand-side factors have been given scant attention. It is essential to point out that wildlife tourism is not performing poorly in Botswana, however, the product is one-dimensional and vulnerable to changes in demand, seasonality, drought, and tourist tastes.

The study focuses on developing a diversification framework within ecotourism products because the country identifies itself as an ecotourism destination and has great potential, given the abundance of natural tourism resources that are hardly developed. Given this background, the study identified eight ecotourism categories to serve as diversification options namely, wildlife/wilderness, nature, wetlands, adventure, cultural/historical/traditional, events, hunting, and ecotourism accommodation (Fossgard and Fredman, 2019; Afanasiev, Afanasieva, Seraphin and Gowreesunkar, 2018; Kruger, Van der Merwe and Bosch, 2018; Mbaiwa, 2015). Ecotourism accommodation was considered as an ecotourism product given that it is a principal factor in motivating ecotourists to visit ecotourism-based destinations. With prudent management,

ecotourism conserves resources, promotes rural development and increases local participation.

Given the paucity of a detailed empirical study based on the demand side that would form a basis for identifying specific diversification strategies/options, the study seeks to develop a diversification framework for existing and new ecotourism activities and products.

To reach the goal of the research, the objectives were to:

- determine the international demand (needs and preferences) of ecotourism activities/products
- identify possible diversification options and ultimately to
- develop a framework towards diversification of ecotourism products in Botswana.

RESEARCH METHODOLOGY

The study was based on positivist research philosophy to compare and determine tourist views and demand for current and potential ecotourism products. Positivism views the world as being guided by scientific rules where quantitative methods are employed to explain the interaction of variables and how they shape events and result in specific outcomes (Morgan, 2014; Saunders, Lewis and Thornhill, 2012). The study was largely based on descriptive research design blended with causal design to develop a diversification framework for ecotourism products. Descriptive research was employed to identify and describe product diversification from a tourism perspective and demographic characteristics (age, gender, income status, purpose of travel and country of origin), whereas causal design was used to determine diversification and ecotourism activities, and products that could be added.

Sampling and data collection

A study permit obtained from Department of Wildlife and National Parks (DWNP) enabled access to Kasane and Maun airports for data collection. The study focused on respondents who agreed to participate based on ethical principles of informed consent, voluntary participation, confidentiality and anonymity. Maun and Kasane airports were selected as data collection sites based on findings that the Okavango Delta and National parks (Chobe and Moremi) accounted for more than 80% of visitors to Botswana (Van Zyl, 2019:3). The airports are therefore principal entry and exit points for international tourists. Airports were also convenient given that the respondents' holiday experience would still be vivid thus provided reliable and accurate data (Martin, Saayman and du Plessis, 2019:5). The data was collected from December 2018 to April 2019. Convenience sampling was used to select respondents in the departure lounge.

Respondents were issued a questionnaire after answering a screening question on whether their visit to Botswana was for tourism. The sample size for quantitative analysis was selected using Krejcie and Morgan (1970) graph that plots sample size against the population. The graph shows

that, as the population increases, the sample size increases at a diminishing rate and remains relatively constant at slightly greater than 380. A population that has (N) = 1 000 000 has a sample size (S) = 384. According to WTTC (2018), Botswana registered about 2.5 million tourist arrivals in 2017; the Krejcie and Morgan graph, therefore, yielded a sample size of approximately 400 respondents.

The questionnaire was divided into three sections where section A captured socio-demographic data such as gender, age group, level of education, length of stay and expenditure based on research literature focusing on preferences (Kruger, Van Der Merwe and Bosch, 2018; Saayman and Van der Merwe, 2017; Botha, Saayman and Kruger, 2016). Using a 5- point Likert scale from strongly interested to strongly disinterested, section B captured participation and level of interest in different ecotourism activities that helped determine demand. The ecotourism products were divided into eight categories based on analysis of ecotourism literature. The diversification option areas are namely, Wildlife/Wilderness, Nature, Wetlands, Adventure, Culture/Historical/Traditional, Events, Hunting and Ecotourism Accommodation. Finally, section C captured information on supporting services such as the provision of facilities for children and quality of customer service. Knowledge of these characteristics assisted in identifying areas requiring improvement and aspects to include when establishing related ecotourism products.

Data analysis

Descriptive statistics were used to summarise all variables in the questionnaire. The 5-point Likert scale was used as basis for calculating means for level of interest to participate in an ecotourism activity by participating and non-participating respondents. Participants are respondents who engaged or partook in activities whilst non-participants are those who did not take part during the visit. The higher the mean the greater the interest to participate in an activity. An exploratory factor analysis was run for each category to identify important factors that determined preference for certain activities, using varimax rotation. The analyses condensed ecotourism activities and supporting services into manageable constructs that simplified findings under each ecotourism classification. The conclusions provided a basis for developing a diversification framework for ecotourism products.

RESULTS/FINDINGS

The findings of the study focused on descriptive and factor analyses as a foundation for developing an ecotourism product diversification framework. The profile of respondents revealed fewer females (47%) as compared to males (53%). The majority of the respondents originated from neighbouring South Africa (21%), closely followed by the United States of America (19%) whilst the other countries contribution was less than 10% that is United Kingdom (9%), Australia

(6%), France (5%) and Germany (4%). Domestic tourism is very low since only 3% of the tourists originated from Botswana. Excluding South Africa, very few tourists originated from other African countries. The rest of the world (other) contributed (31%). Respondents from other countries mainly originated from developed countries such as New Zealand, Switzerland, Italy, Spain, Norway and Netherlands. Few respondents came from eastern countries such as China, India and South Korea.

Descriptive analysis of Ecotourism products and supporting services

The descriptive analysis followed respondents' order of preference that provided the basis for developing a diversification framework. Activities related to Wildlife/Wilderness products generated the highest levels of participation and interest when compared to activities in all categories of ecotourism products. The pattern of engagement displayed a greater preference for activities that involved direct interpretative engagement with wildlife given the high mean values of photographic tours (x = 4.05), guided mobile safaris (x = 4.02) and animal trekking (x = 3.86). Wetland products mostly involved passive engagement and participation was high coming second to wildlife. Activities that generated the greatest interest were boat cruising (x = 3.81) and bird watching (x = 3.72). Nature products were also highly popular and generated a high level of interest in the activity from both participants and non-participants especially sunset viewing (x = 4.30) and scenic flights over Delta (x = 3.86). Based on the mean values cultural products generated moderate interest. Respondents were interested in non-consumptive activities such as sampling local food (x = 3.86), learning local language (x = 3.41), viewing and learning about ancient art (x = 3.39) that improved knowledge about culture and tradition of locals. Events and Hunting products had the lowest participation rates and generated least interest as reflected by fly fishing festival (x = 2.78) and trophy hunting (x = 1.91) activities respectively. Respondents were clearly against activities that could result in injury or death of wild animals.

All forms of accommodation were utilised to some extent, however, respondents preferred staying in places where wildlife was easily accessible, staying in a lodge (x = 4.03) and staying in National Park accommodation (x = 4.01). Supporting services that promoted conservation, conservation and education were rated as very important that is knowledgeable guides and interactive services during walks/game drives (x = 4.38), introduction of a variety of game (x = 4.05) and green practices (waste management) (x = 4.06). Activities not related to ecotourism with potential of environmental harm were rated least important namely Golf course (x = 2.16) and amusement park (roller coaster, ferris wheel) (x = 1.97).

Factor Analyses

Exploratory Factor analyses were done to condense the ecotourism activities into manageable constructs and explore important factors under each option, thereby revealing the main theme

within the activities. The analyses were done using Bartlett's test of sphericity and Kaiser-Meyer-Olkin measure for sampling adequacy. The total variance explained, considered for analysis components that had an Eigenvalue of equal to and greater than 1. The factors had acceptable factor loadings of at least 0.3 and Cronbach's Alpha above 0.5 indicating high correlations and acceptable reliability among identified factors. Inter-item correlations were used as an alternative measure of reliability. Clark and Watson (1995) observed that acceptable inter-item correlations between 0.15 and 0.5 were acceptable, while those above 0.5 were more than acceptable. Table 1 summarises factor analysis results from the nine categories identified in the study. The analyses identified critical factors that determined preference for certain ecotourism products thereby forming the basis for developing a diversification framework.

TABLE 1:

Factor analysis summary

Name of factor analysis	Cronbach's Alpha	Mean of inter-item correlation	Mean	Factors identified
Wildlife products				
Factor 1: Novelty and self	0.68	0.26	3.14	Archery using traditional bow and arrow-0.740, Interacting with animals-controlled patting and feeding-0.664, Learn about Ostrich rearing programs-0.642, Self-drive mobile safaris-0.597, Horseback riding-0.547, Eco-volunteering-0.480
Factor 2: Guide	0.53	0.19	3.89	Animal trekking-0.661, Participation in wildlife conservation programs-0.622, Guided mobile safaris-0.613, Guided walks-0.575, Photographic tours- 0.391
Nature products				
Factor: Nature	0.75	0.37	3.68	Participation in tree planting and conservation activities-0.790, Botanic tours in forest reserves-0.754, Visiting organic farms-0.743, Scenic flights over the Delta-0.674, Sunset viewing-0.542
Wetlands products				
Factor: Wetlands	0.84	0.39	3.20	Rowing-0.847, Windsurfing-0.844, Kayaking-0.841, Fly fishing-0.780, Sailing-0.754, Canoeing-0.655, Bird watching-0.414
Adventure products				
Factor 1: Extreme adventure	0.88	0.42	3.00	Rafting and tubing-0.866, Scuba diving with crocodiles-0.817, Swimming-0.694, Jet skiing-0.656, Sky diving-0.601, Underwater photography-0.578, Ziplining-0.570, Wilderness training survival courses-0.432, Motorboat rides-0.379, 4x4 trails-0.335
Factor 2: Soft adventure	0.80	0.51	3.5	Walking expeditions-0.812, Landform and landscape viewing-0.790, Hiking-0.488, Stargazing-0.499

| Factor				Items
Factor 3: Motion adventure	0.91	0.49	2.78	Mountain biking-0.845, Donkey cart rides-0.797, Cycling-0.752, Obstacle courses-0.681, Rope courses-0.631, Ballooning-0.620, Powered paragliding-0.610, Caving-0.561, Quad biking-0.533, Backpacking-0.428, Camel riding-0.355
Cultural products				
Factor 1: Cultural attractions	0.86	0.5	3.16	Crafting workshops: baskets, ceramics, hats, pottery, weaving-0.848, Farm stay: experience farm life (milking, yoking, ploughing, harvesting)-0.768, Visiting museums-0.751, Learning and participation in traditional games-0.747, Viewing and learning about ancient art: rock paintings-0.512
Factor 2: Traditional	0.85	0.51	2.9	Consulting traditional healers- 0.897, Learning about traditional medicines-0.847, Learning local folklores, legends, myths and spiritual beliefs-0.656, Attending traditional wedding ceremonies-0.607, Participation and learning about traditional dancing-0.582, Attending traditional court sessions (Kgotla) -0.411
Factor 3: Cultural experience	0.81	0.47	3.4	Sampling local food-0.875, Staying in a cultural village-0.762, Preparing traditional dishes-0.661, Learning local language-0.587, Learning about desert survival techniques -0.462
Hunting products				
Factor: Hunting	0.87	0.63	2.11	Trophy hunting-0.936, Biltong/ game meat hunting-0.921, Bow hunting-0,876, Learning traditional hunting methods-0.684
Events products				
Factor: Events	0.88	0.49	3.02	Attending biodiversity and conservation workshops-0.809, Fun run-0.798, Participation in annual race for rhinos-0.784, Attending Cultural festivals (Domboshaba, Dithubaruba and Kuru dance)-0.782, Arts and crafts markets/festivals-0.769, Participation in indigenous food festivals-0.757, Desert/Y-Care walks for charity and wildlife/heritage conservation-0.655, Participation in fly fishing festival-0.579

Accommodation				
Factor 1: Alternative accommodation	Staying at a cabin-0.864, Staying at tree top eco-lodge (tree house)-0.805, Staying at a bungalow-0.671, Staying at an eco-friendly accommodation establishment (hotel)-0.608	3.56	0.37	0.77
Factor 2: Traditional accommodation	Staying at a National Park-0.798, Staying at a lodge-0.698, Staying at eco-certified accommodation-0.652, Staying at a tented camp-0.595	3.85	0.37	0.69
Factor 3: Commercial/Budget accommodation	Staying at a backpackers-0.858, Staying at a guesthouse-0.542, Staying at a campsite-0.423	3.31	0.48	0.65
Supporting Services				
Factor 1: Facilities	Facility for outside cooking-0.750, Availability of facilities for the physically challenged-0.722, Facility must be graded and eco-certified-0.689, Provision of facilities for children-0.681, Souvenirs are readily available for purchase-0.624, Outdoor recreation area-0.590, Availability of business facilities (conference facilities)-0.378	3.04	0.31	0.81
Factor 2: Conservation	Green practices (waste management)-0.770, Value for money of ecotourism products-0.723, Usage of environmentally friendly water and energy saving techniques-0.667	3.90	0.49	0.73
Factor 3: Additional services	More modern accommodation facilities-0.773, Restaurant/open air restaurant-0.759, Water facilities (pool/ water slides/super tubes)-0.553, Gym facility-0.453, Bird hides-0.380, Golf course-0.446, Spa facility-0.320	2.74	0.32	0.77
Factor 4: Entertainment	Interpretation centre-0.811, Theatre facilities with cultural performances-0.782, Combined tour packages with other tourism products/attraction-0.701, Amusement	2.5	0.44	0.79

Factor 5:Wilderness	0.71	0.56	3.86	Park (roller coaster, ferris wheel)-0.627, Cinema facilities (Wildlife education videos)-0.544
				Introduction of a variety of game (e.g. the big 5)--0.657, Water holes/hides-0.654
Factor 6: Information	0.65	0.38	3.84	Affordable and easily available Internet services-0.754, Education on appropriate behaviour from guides, notices or magazines,-0.515, Information centres in strategic places such as camps and lodges-0.406

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Ecotourism products Diversification framework

Findings revealed that the Wildlife/Wilderness was the most sought product as it attracted the highest interest levels from both participants and non-participants. The ecotourism products were analysed in order of preference as determined by the respondents: Wildlife (x = 4.62), Nature (x = 4.37), Wetlands (x = 4.15), Adventure (x = 3.74), Cultural (x = 3.70), and Hunting (x = 1.85). The ranking was vital since it provided a clear insight into products and activities to focus on. A diversification framework shown in Figure 1 below was developed basing on findings and the following considerations. The seven diversification options within the ambit of ecotourism formed the foundation of diversifying ecotourism products and services. Ecotourism accommodation was considered an additional diversification option given its rising importance and prominence as a principal factor in motivating travel to ecotourism destinations. Supporting services were included in the framework given their direct impact on production, consumption and overall experience of offered products and activities. The framework considered factors from exploratory factor analysis and all activities that generated respondents' interest with a mean score of 3.5 or more (strong interest). Also included were activities that respondents participated in and showed high levels of interest in (x > 3.5). The activities that respondents did not participate in but showed strong interest in were correlated with activities respondents participated in and included in the framework.

FIGURE 1:

Framework for diversifying ecotourism products
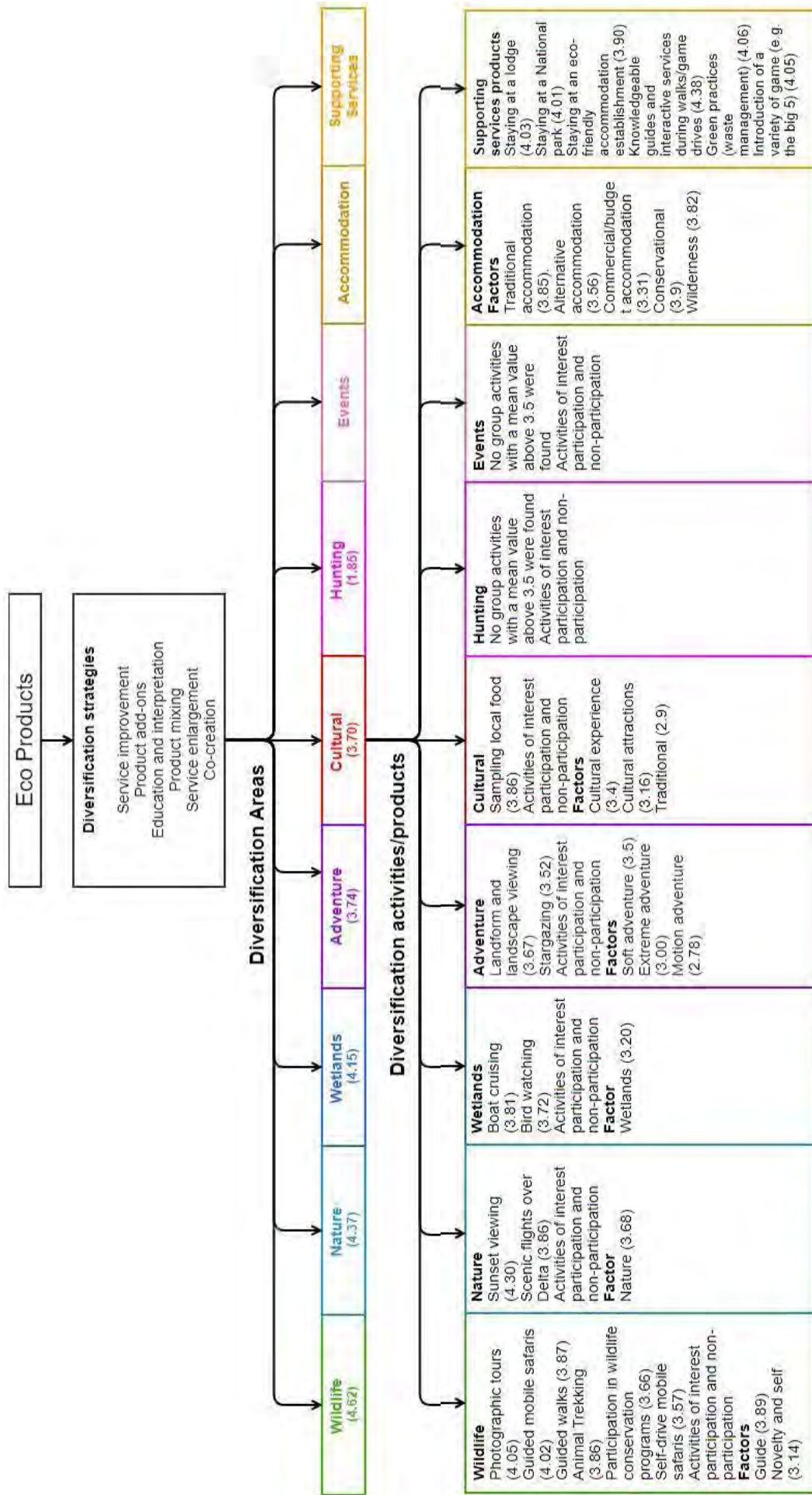
Application of diversification framework

The framework has 4 interrelated levels where; the first part shows the Eco-products whilst the second level indicates ways of implementing diversification strategy. The third level represents diversification areas beginning from most to least important as reflected by the mean values, whilst the fourth levels show activities/products options in descending order. The strategy combined integrative and related diversification to ensure close relation of new activities/products to existing ones based on study findings and literature.

Wildlife ecotourism is the principal product, and findings revealed a strong preference for guided tours, conversant guides and interpretation related to environmental conservation. Diversification should therefore focus on upgrading guides to enhance professionalism and staying abreast with contemporary trends such as managing the impact of COVID-19. The focus should be on product add-ons and co-creation through activities that enrich service experience such as increased interaction with local communities, basic art safaris and photography lessons.

Demand for nature (4.37) and wetland (4.15) ecotourism products is high and there was no significant difference between participants and non-participants. Just like wildlife diversification efforts should focus on strengthening product add-ons and service improvement to activities such as sunset viewing and boat cruising that are mostly consumed passively. Blending activities with extras like sunset workshops (learning about local traditions, guided walks and yoga) amplifies experience and widens sources of revenue. Participation and interest levels for fly fishing, wind surfing and kayaking were low such that they were disregarded for inclusion of add-ons. Adventure activities registered low demand and factor loading was biased towards soft adventure (3.50). Diversification strategies should therefore focus on combining with activity elements from other categories to yield more appealing products. Night game drives for example can be combined with star gazing where service experience can be enhanced by specialist guides able to explain star formations such as comets, planets and milky way. A significant feature of Adventure ecotourism products was that those who participated were more interested than those who did not hence focus of diversification strategy should be mainly on retaining and enhancing the interest of participants. Although interest was subdued as compared to Wildlife, Cultural products have the greatest potential especially activities that have a strong element of learning, conservation, interpretation and knowledge acquisition. Findings revealed that low participation was mainly caused by a lack of product awareness as most packages excluded comprehensive cultural activities and distant location of community-based organisations from core tourism areas in Okavango Delta and Kasane. Diversification should be centred on factors and activities that generated the highest interest, visiting museums, learning local language, sampling local food and staying in a cultural village.

Hunting and events were the least popular activities mainly due to the impact of hunting ban and occurrence of events at specific times and places that were usually distant from the main tourist destinations. Hunting status as an ecotourism activity is controversial and in Botswana, this was greatly amplified by its banning in 2014 and reintroduction in 2019 (LaRocco, 2020; Mbaiwa, 2017a). Diversification should be based on taking a balanced approach of highly regulating hunting and focusing on activities that promote knowledge about the product as conservation tool and generator of income and source of sustenance especially for local communities. The remote location and size of most lodges and camps greatly restrict hosting of events, therefore, attention should focus on utilising nearby settlements, Kasane and Maun, for event hosting arrangements.

Over the years, accommodation, especially lodges, has evolved to become an ecotourism product; hence knowing preference will inform types to provide. Basing on the popularity of Wildlife, traditional accommodation in lodges and national parks which offers proximity recorded the highest interest. Diversification should focus on improving product quality and service experience by adopting strategies that aim to satisfy ecotourism principles such as increased usage of local materials, water conservation, environmentally friendly waste management and eco-certification. Supporting services are crucial in enhancing the delivery and consumption of products. These elements should guide findings of highly rated green practices, conservational factors, knowledgeable guides and service delivery, diversification of products and services to ensure maintenance of product/service appeal. The focus should, therefore, be on activities that satisfy ecotourism principles because entertainment was the least of respondents' concern.

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The proposed framework is the first comprehensive demand-based research on diversification of ecotourism products in Botswana. The framework provides criteria of when, how and what to diversify by focusing on a specific tourism type: ecotourism. Insights are provided of specific strategies that can be pursued to diversify. The framework can be adapted and applied to other parts of the country using other forms of tourism. The study contributes to destination image enhancement, increasing competitiveness by coming up with new products that will ultimately result in attracting more tourists and generating foreign currency. The diversification framework provides a platform that can be used to monitor progress in diversification at national level. This will assist in coming up with a comprehensive diversification checklist document to determine performance periodically. The main research limitation was the restriction to Kasane and Okavango Delta due to logistical challenges of collecting data in other destinations hence limiting effective generalisation of findings. Future research can focus on using other variables such as different forms of tourism and combining supply and demand factors in analysing diversification.

The study developed a demand-side diversification framework for ecotourism products in a field

where research literature has concentrated on the supply perspective. The study, therefore, opens avenues for demand-based research on other tourism products. Given the impact of COVID-19 on both domestic and international travel, it is vital to have a thorough understanding of tourists' tastes and preferences so that relevant and appropriate products are developed.

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Determining the attributes trail runners seek when choosing an event

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ABSTRACT

In South Africa the number of official trail running events has increased rapidly and trail running has become one of the fastest growing segments of the sport tourism industry. The goal of this study was to determine which event, destination and trail attributes trail runners seek when choosing an event. Surveys were conducted at three different trail running events during 2019 and 2020 where 528 questionnaires were collected. The results show that trail runners have distinctive demographic, behavioural and spending characteristics. Furthermore, five attribute factors that trail runners deemed as important when choosing an event were found, including: *trail attributes*; *event expenses and accessibility; trail technicality; destination attributes*, and *event management.* This research can assist event managers in meeting the needs of the trail runners (e.g. providing accessible trail courses; accommodation packages), and creating a memorable participation experience.

Keywords: sport tourism; endurance sport; trail running; event attributes; destination attributes; trail attributes

INTRODUCTION

South Africa is a celebrated sport tourism destination and has become very popular for its endurance sport events held throughout the country mainly because of the climate and different landscapes (Myburgh, 2017: 122). Endurance sport is a physically and mentally challenging sport and requires the ability to endure longer strain, because of the time, distance and the level of intensity/fitness required (Ferreira, 2015: 17). One type of endurance sport that specifically challenges participants over extended periods of time is trail running. The adoption of a „fitness culture" and the rise of social media has been some of the factors driving the growth of trail running, which together have created a reason and a means to promote trail running (McKay, McEwan and Baker, 2019). Furthermore, a study by Boudreau & Giorgi (2010) found that trail running helps to reduce job stress and improve work-productivity.

Trail running is described as "pedestrian races open to all, in a natural environment (mountain, desert, forest, plain) with minimal possible paved or asphalt road (which should not exceed 20% of

the total course) and the route must be properly marked" (International Trail Running Association (ITRA), 2019). Some examples include Addo Elephant Trail Run, Two Oceans Trail Run, and the Salomon Magaliesberg Challenge (Trail Magazine, 2018). With the annual growth of trail running events hosted in South Africa, it becomes important to understand what attributes trail runners seek when choosing a trail running event.

Knowledge of the different attributes will help improve the quality of trail running events as it will assist event marketers and managers in creating more targeted marketing campaigns and also assisting with product (event) development (Getz and McConnell, 2014: 70). Another benefit includes that the event management can use the identified attributes to create event satisfaction by expanding and maintaining the event"s facilities and trail routes (Bull, 2006: 260). Consequently, well-organised and successful events are beneficial for the sport tourism industry in South Africa. It can help spread additional income geographically across the country and extend the tourism season, because these events take place throughout the year (Siyabulela, 2014: 3). Also, it is important to have a good understanding regarding which attributes attract a trail runner to an event (e.g. affordability, technical layout), seeing that these specific attributes can be used to positively influence a trail runner"s travel behaviour (e.g. spend more nights in host destination; higher total spending and travel further distances to participate in trail running events) (Van Vuuren and Slabbert, 2011: 296). Furthermore, according to Ferreira (2015: 191), it is important that the host destination benefits from sport tourism and therefore it is also important for the specific endurance event to stay competitive at all times. It is therefore important for the event marketers to incorporate the attributes trail runners find important, because it will create a positive memorable experience, meaning the participants are more likely to return to the event and host destination; which will lead to loyalty towards the event and host destination.

To the researchers" knowledge, a limited number of studies in a South African tourism context have focused on trail runners and which attributes they seek when choosing an event. Therefore, the endeavour of this study is to make a contribution to endurance sport tourism literature; by gaining valuable knowledge specifically about which event, destination and trail attributes a trail running participant finds as important when selecting a trail running event to participate in.

LITERATURE REVIEW

To realise the gap with regard to trail running event attributes, the literature review will include discussions on two aspects that need to be considered: (1) Characteristics of the typical trail runner, and (2) Event, destination and trail attributes and previous research that have been done on attributes.

Characteristics of trail running participants

Previous trail running research has focused on performance and training (Matos, Clemente, Silva, Pereira and Cancela Carral, 2020); event sport tourism business models (Perić and Slavić, 2019), and small-scale sports tourism (McKay *et al*., 2019).

Different previous studies by Perić, Dragičević and Škorić (2019: 31); McKay *et al*. (2019: 936); Hodeck, Kuehnast and Wohlfart (2018: 203), and Getz and McConnell (2014: 82) respectively found that the typical general profile of trail running participants are that they have an older average age (43 years); which means that trail running is a lifestyle sport, and therefore participation can be extended to older ages. Trail runners also travel to events in groups of two people, stay between eight to nine nights in the host destination area and travel an average distance of 190km from their place of residence. Furthermore, trail runners usually spend an average between R900 and R1000 per day when travelling specifically to participate in the trail running event, meaning that they only spend on the necessities (Perić *et al*., 2019: 31; McKay *et al*., 2019: 936; Hodeck *et al.,* 2018: 203; Getz and McConnell, 2014: 82). In addition, the Outdoor Foundation (2010: 8) released a Special Report on Trial Running 2010 that focused on American trail runners and creating a profile for these participants. It was found that most participants were males, had college degrees and it was very likely that they participated in multiple outdoor activities and not just one type of activity. The next section gives a discussion on previous research regarding event, destination and trail attributes.

Previous research regarding event, destination and trail attributes

An attribute can be described as a quality or characteristic that something or someone has. Attributes can often have either a positive or negative influence on decision-making (Qiu, Hsu, Li and Shu, 2018: 396). Event attributes refer to all the aspects associated with what the event offers, in other words the event organisation and event management. Event attributes give an event character and clarifies what the event entails (e.g. event logistics; event scheduling etc.) (Zarei and Ramkissoon, 2020: 2). Destination attributes are seen as extrinsic features of a destination which attract and motivate tourists to visit a destination (e.g. variety of affordable accommodation; variety of tourist attractions etc.) (Güzel, 2017: 129). Trail attributes have no universal definition, but in the context of this study, trail attributes can be defined as trail characteristics of a specific trail route that motivate trail runners to participate (e.g. a trail with a very technical layout) (Robillard, 2014).

With regard to event attributes of sport events that are specifically deemed as important in previous literature included accessibility and affordability; a variety of marketing used; challenging courses; the reputation of an event, and the competitive outcome of an event. Furthermore, when choosing a destination where sport events are held, participants and/or spectators usually find the following destination attributes important: the location and climate, capacity of transport, quality sport and

training facilities, favourable political situation and effective marketing (taken from Myburgh, Kruger and Saayman, 2018: 284; Aicher and Newland, 2018: 132; Ferreira, 2015: 104; Kruger and Saayman, 2012: 66). Regarding trail attributes trail runners view as important, the chance to experience nature and adventure and participation in a challenging trail are seen as the most important trail attributes (see Perić and Slavić, 2019: 171; Hodeck *et al*., 2018: 204; Timothy and Boyd, 2015: 116). Previous research regarding attributes also found that there are a few event, destination and trail attributes that overlap with one another, in other words the attribute is included in more than one category. These overlapping attributes include location and climate, accessibility and affordability, and a variety of marketing used. Most previous studies have therefore focused more on event and destination attributes; while fewer studies have specifically focused on the trail itself (Hodeck *et al.,* 2018: 204; Myburgh *et al.,* 2018: 284; Aicher and Newland, 2018: 132; Ferreira, 2015: 104; Kruger and Saayman, 2012: 66). By identifying the attributes that participants take into consideration when choosing an event, event and destination marketers can implement specific marketing strategies (e.g. bundling) that collaborate to trail runners" needs and promote the event and host destination as a whole (Perić and Slavić, 2019: 172). The next section discusses the problem investigated.

PROBLEM INVESTIGATED AND RESEARCH OBJECTIVES

Currently, there is insufficient research focusing on trail runners globally and specifically in South Africa from a sport tourism perspective. Furthermore, as mentioned a significant number of endurance sport tourism studies have focused either on event, destination and/or trail attributes (for example, Perić and Slavić, 2019; Aicher and Newland, 2018; Myburgh *et al.,* 2018; Timothy and Boyd, 2015; Kruger and Saayman, 2012), but the combination of all these attributes (event, destination and trail) measured in a single study is very limited. In addition, there are also a limited number of recent sport tourism studies on trail runners and specifically attributes (see McKay *et al*., 2019; Hodeck *et al*., 2018: 203). Although literature on event, destination and trail attributes that trail runners seek when choosing an event is insufficient, research is essential, firstly because trail running is rapidly increasing in popularity (Angermeier, 2018). This creates a highly competitive environment between different trail running events. Furthermore, trail runners have become more selective and therefore they want diverse and more challenging types of trail events (Du Toit, 2007). These aspects can lead to trail running events not attracting enough participants for each race and therefore only get hosted for a year, or few years at most.

The following objectives were set to reach the overall goal of the study:

Objective 1: *To describe trail runners' socio-demographic profile; participant behaviour and spending behaviour.*

Objective 2: *To determine the event, destination and trail attributes that they deem as important when choosing an event.*

RESEARCH METHODOLOGY

The research was exploratory in nature and due to the fact that the researchers wanted to form a general idea of who the trail runners in South Africa are, this study followed a quantitative approach. Destination-based surveys were conducted using a structured questionnaire to collect data. In this section the questionnaire, the sampling method and survey, and the statistical analyses are described.

The questionnaire

The questionnaire used in the survey had seven sections. For the purpose of this study, information from Sections A, B, C and E are included. This study‟s questionnaire was developed based on an existing questionnaire used by Myburgh (2017) that focused on the sport tourism commitment framework for endurance sport athletes. The questionnaire was however refined and adapted to be more applicable to trail runners and the specific attributes that can be important for trail runners when choosing an event. Section A focused on socio-demographic information of the participants. Section B measured the participants‟ behaviour with regard to their event participation (e.g. how many hours do they train per week). Section C captured the spending behaviour of the trail runners. Lastly, Section E measured the event, destination and trail attributes that influence their decision to participate in trail running events. In this section, an Importance Likert-scale from 1-5 (where 1 represented not important at all and 5 extremely important) was used to measure 35 statements based on studies by Myburgh *et al*. (2018), Myburgh (2017), Boit and Doh (2014) and Getz and McConnell (2014).

Sampling method and survey

This study employed non-probability sampling in the form of convenience sampling. Data was collected from trail runners taking part in different distances at the different trail running events. Participants were randomly selected during the registration process at each one of the three trail running events (Forever Resorts Loskop Ultra Marathon; Cool Ideas Kloofzicht Winter Trail; Addo Elephant Trail Run) which all took place in different provinces. The field workers were trained in the manner in which to approach the participants. This included being polite and giving a brief overview of the purpose and importance of the survey. Certain quotas had to be filled including international, national, local, professional, male and female participants in order to ensure a representative sample. When using Krejcie and Morgan‟s (1970: 607) suggested formula, the average population size for this study was calculated by taking the number of participants at the three above-mentioned trail running events and dividing the total by three (Addo Elephant Trail Run (550) + Loskop Marathon (2000) + Kloofzicht Winter Trail (300) / 3). This indicates that the average population size for the three events was calculated at 950; while the applicable sample

size was calculated at 274. A total of 600 questionnaires were obtained from the three events, and 528 questionnaires were completed in full and included for further analyses.

Statistical analysis

The data was captured using Microsoft Excel®, the statistical analyses were performed in SPSS Version 24 (2017) and Version 25 (2019). The initial data analyses (descriptive statistics) focused on the socio-demographic profile, participant behaviour, and spending of trail runners. The data analyses also examined the attributes that trail runners deem as important when selecting an event (Section E) by making use of an exploratory factor analysis.

RESULTS

Descriptive results

Profile of respondents

Table 1 summarises the main findings from the descriptive analyses regarding the socio-demographic profile; the participant behavioural profile and the spending behaviour of the participants.

TABLE 1:
Profile of the respondents

Categories	Trail running participants
Socio-demographic profile	
Gender	Male (51%); Female (49%)
Age	<21 years (1%); 21-25 years (6%); 26-35 years (22%); 36-45 years (32%); 46-55 years (23%); 56-65 years (13%); 66+ years (3%) **Average of 43 years**
Language	**English (49%);** Afrikaans (40%) Other languages (11%) *(Other languages include: Zulu, Sotho, Ndebele)*
Province of residence	**Gauteng (45%)**; Eastern Cape (15%); Western Cape (8%); Mpumalanga (21%); KwaZulu-Natal (3%); Free State (0%); Limpopo (4%); North West (1%); Northern Cape (1%); Other countries outside RSA borders (2%) *(Other countries included: United Kingdom, Argentina, Botswana)*
Distance travelled	0 – 100km (54%); **0-100km (54%);** 101-200km (18%); 201-300km (11%); 301-400km (2%); 401-500km (0%); 501+km (15%) **Average distance of 282.45km**
Marital status	Not married (18%); In a relationship (13%); Divorced (4%); Widow/er (1%); Living together (2%) **Married (62%)**
Average times previously participated	Average of 1.35 times
Average nights spent at the event location	Average of 1.23 nights
Average number of people in group	Average of 4.73 people
Participant behavioural profile	
Trail running as primary endurance sport	Yes (50%); No (50%)

*Other endurance sport(s) that participants partake in	Road running (23%); Mountain biking (5%); Triathlon (5%) Road cycling (4%); Other (Other popular endurance sports included: hiking, swimming and trail adventures)
*Trail running events	Oxpecker trail run (23%); Otter African trail run (4%); Ultra-trail Cape Town (3%) Other (Other popular events included: Karkloof, SkyRun, Kalahari Augrabies extreme marathon, Ultra-trail Drakensberg, Runtheberg trail run, etc.)
Hours training per week	Less than 4 hours (25%); **4-8 hours (46%);** 8-12 hours (20%); More than 12 hours (9%)
Average years participating in trail running events	Average 4.71 years
Trail running events per year	Average 4.34 events
Commitment level	Not committed (10%); Committed to a lesser extent (28%); **Committed to a moderate extent (31%);** Committed (23%) Extremely committed (8%)
Type of athlete	Beginner (14%); Average athlete (21%); Social participant (23%) **Intermediate athlete (32%);** Hard-core athlete (6%); Veteran athlete (4%)
Spending behaviour and preferred accommodation of the respondents	
Average spending per person per year on each of the spending categories	Event registration (R3 545.20); Club membership (R717.83); Nutritional products (R2 518.72); Equipment and gear (R4 019.59) Sport clothes and accessories (R2 383.39); Magazine subscriptions (R337.20); **Travel-related expenses (transport to event and accommodation) (R5 649.13)**; Gym membership (R3 159.63); **Medical services (physiotherapy, medical aid, hospital) (R11 350.96);** Other (e.g. yoga, coaching) (R4 944.12)
Total average spending per year	R16 232.87
Type of accommodation	Local resident (22%); Friends & Family (14%); **Guesthouses and Bed and Breakfast (B&B) (38%)**; Hotels (5%); Camping (15%); Airbnb (4%); Other (e.g. self-catering, backpackers) (2%)

*These question formed part of a multiple response answer; therefore, the percentages do not add up to100%.

Table 1 shows that respondents are equally divided into male and female participants, these athletes have an average age of 43 years, are mostly married, English speaking individuals that reside in Gauteng. The trail runners that took part in the survey travel in large groups to trail running events, but stay less than two nights in the event location. They travel an average of 282km to participate in an event and have participated less than two times in the event. With regards to their behaviour half of the trail runners indicated that trail running is not their primary sport. A high percentage indicated that road running was the other endurance sport they take part in. Trail runners train on average between 4- 8 hours per week, they have just under five years of experience taking part in trail running events and participate in almost 5 events per year. Trail runners mostly see themselves as *intermediate athletes*, meaning they are still progressing in their sport and this is also shown in their lower commitment levels towards trail running. With regard to their spending, trail runners have a high average spending per year on their sport, which medical

services being the category on which they spend the most money. When traveling to trail running events their preferred type of accommodation is Guesthouses and B&B.

Table 1 corresponds with findings from prior research conducted in an endurance sport events context. There were an equal number of male and female respondents; which corresponds with Ferreira (2015: 128) as well as Rauter and Topič (2014: 912), although most of previous endurance event research has found that the majority of endurance athletes are male. The older average age of respondents; as well as the fact that most respondents speak English and are married corresponds with McKay *et al*. (2019: 936); Myburgh *et al*. (2018: 280), and Hodeck *et al*. (2018: 5). The unique characteristics of trail runners that took part in this study are that they have less years of experience, have participated in less previous events and have participated in less trail running events per year compared to other endurance sport athletes (Kruger, Myburgh and Saayman, 2015: 393). The spending associated with trail running both matched and differed from previous endurance studies. The average total spending of R16 232.87 of trail runners was either higher (e.g. triathlons, cycling, mountain bikers) or lower (e.g. road cyclists) compared to the total average spending for different endurance sport participants (Myburgh, 2017: 171; Myburgh, 2014: 106; Kruger and Saayman, 2014: 146).

Results from the factor analyses

The pattern matrix of the principal component factor analysis using a Varimax rotation with Kaiser Normalisation identified five (5) attribute factors that were labelled according to similar characteristics (Table 2). These factors accounted for 60% of the total variance. All the factors have relatively high reliability coefficients (Cronbach"s Alpha), ranging from 0.77 (the lowest) to 0.93 (the highest) for the attribute factors. The inter-item correlation coefficients" values for the attribute factors were between 0.43 and 0.55. All the factors fell into the recommended range for reliability. Considering the factorability of the data, the Kaiser-Meyer-Olkin measure of sampling adequacy measured at 0.92 for the attribute factors, exceeding the recommended value of 0.60 (Kaiser, 1974: 31). Bartlett"s Test of Sphericity also reached statistical significance ($p < 0.001$) supporting the factorability of the correlation matrix (Pallant, 2016: 104).

Factor scores were calculated as the average of all items contributing to a specific factor in order to interpret them on the original 5-point Likert scale of measurement. The attribute factor, *trail attributes* (Factor 2), obtained the highest mean value (4.14) and was rated the most important attribute factor that trail running participants seek when selecting an event. This factor had a reliability coefficient (Cronbach's Alpha) of 0.84 and an average inter-item correlation of 0.43. This means that trail runners find attributes such as *a clearly marked trail*; *a trail that provides memorable experiences (e.g. beautiful views or wildlife)*; *a trail that offers a sense of fun* as extremely important when selecting trail running events to take part in. Previous researchers also

found that the trail is seen as an extremely important motivator that can have an influence on the sport event which a participant will choose (Perić and Slavić, 2019: 171; Kim, 2014: 39). *Event expenses and accessibility* (Factor 4) had the second highest mean value (3.76). Numerous previous studies done on event attributes found that *accessibility* and *affordability* are particularly a significant attribute factor that influence the endurance sport participants" choices to part take in a specific endurance sport event (Aicher and Newland, 2018: 132; Myburgh *et al*., 2018: 284; Myburgh, 2017: 191; Ferreira, 2015: 103). *Trail technicality* (Factor 3) had the third highest mean value (3.73). Currently, there is very limited research that has specifically measured trail-related attributes (Atlas, Nuraini Putit, Puem and Enggong, 2018: 226). There are however previous studies that support this factor, and have shown that „trail-related attributes/motivations" (e.g. a *challenging route*) are very important for endurance sport participants (Myburgh *et al*., 2018: 284; Atlas *et al*., 2018: 226). Furthermore, the studies specifically on trail running also indicated that trail technicality attributes are extremely important, because the trail itself is one of the attribute factors that motivate trail runners to take part in the event (Getz and McConnell, 2014: 81). *Destination attributes* (Factor 1) received the second lowest mean value of 3.61. A previous study by Aicher and Newland (2018: 140) found when researching endurance sport events that *destination attributes* are the most important interpreter for the intent to revisit the endurance sport event. In other words, compared to this study, *destination attributes* is important, but not the most important reason why participants choose a trail running event. *Event management* (Factor 5) had the lowest mean value (3.56) and was rated as the least important attribute when choosing an event. Similar to the current study, Getz and McConnell (2014: 81) remarked while studying mountain bikers and trail runners that the factor *event management* which included similar items to the current factor was also seen as a slightly important attribute and had a lower mean value compared to the other factors.

TABLE 2:

Factor analysis results from the event, destination and trail attribute factors of trail running participants in South Africa

Important event, destination and trail attributes endurance trail running participants seek when choosing an event	Factor 1: Destination attributes	Factor 2: Trail attributes	Factor 3: Trail technicality	Factor 4: Event expenses and accessibility	Factor 5: Event management
An event destination with a variety of high quality entertainment options	.794				
An event destination with good quality sporting and training facilities	.776				
An event destination that has a variety of tourist attractions	.771				
An event destination that is ideal in terms of climate and altitude	.756				
An event destination with many things to do and see	.755				
An event destination that has a good transportation system	.753				
An event destination with friendly residents and excellent service	.727				
An event destination that provides me with the opportunity to visit a new area	.706				
An event destination with a municipality that supports the hosting of sport events	.632				
An event destination that provides enough accommodation	.631				
An event destination that is affordable	.541				
A clearly marked trail		.751			
A trail that provides a memorable experience (e.g. beautiful views or wildlife)		.702			
A trail that offers a sense of fun		.605			
A trail with a high level of safety and security		.589			

	Overall	1	2	3	4
A well-maintained trail		.584			
A well-organised event		.550			
A trail with different landscapes and natural features		.517			
A trail with a very technical layout			.798		
A trail that features different sections with rocks, roots and other obstacles			.788		
A trail with many single-track sections			.736		
A challenging trail			.706		
A trail with various uphill and downhill sections			.634		
The distance of the trail route (e.g. 44km)			.530		
The travel costs associated with participating in the event				.822	
The affordability of event registration				.791	
The proximity of the event to my home city or town				.596	
The effectiveness of the registration process				.565	
An event that helps me qualify for other events					.711
A well-marketed event					.617
An event that assists with travel arrangements					.562
An event with excellent logistics					.554
Total variance explained (Eigen value > 1)	60%				
Average inter-item correlation	0.55	0.43	0.48	0.47	0.46
Reliability coefficient (Cronbach's Alpha)	0.93	0.84	0.84	0.77	0.77
Mean Value	3.61	**4.14**	3.73	3.76	3.56

*Note: scale used 5-point Likert-scale of importance (1 = not at all important, 2 = slightly important, 3 = neutral, 4 = important and 5 = extremely important)

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Based on these findings, this research has the following managerial implications:

1. This study"s results correspond with the findings of previous research with reference to endurance sport participants" socio-demographic profiles, participant behaviour and spending (Hodeck *et al*., 2018: 7; Kruger *et al*., 2015: 395). However, based on the times of previous participation it is clear that trail running is a relatively new endeavour for most of the respondents. Trail running is a sport where most events are still in the development phase, especially in South Africa. Therefore, trail running events must aim to do two things: firstly, event managers must ensure that participants, who recently started participating in events, return each year. Secondly, events must aim to target participants who are not yet aware of trail running as an endurance sport alternative. Event marketers can focus on the attributes identified in this study (e.g. trail attributes and trail technicality) and especially the attributes that make trail running unique compared to other endurance sport types.

2. The average age of trail runners and the smaller percentage of respondents that participated in the younger age categories might be an indication that less young participants are traveling to participate in trail running events. By focusing on aspects such as the different distance categories as well as the less-known destinations with well-kept natural environments in which these races take place, the events can start attracting a larger younger market. It is also important that events have a strong social media presence and that the events have special promotions and packages that younger participants can afford.

3. It is clear from the results that a large percentage of respondents were married and that they tend to travel in larger groups. This implies that an event cannot forget about the spectators that travel with the participant as they also become an important part of the success of the event. Unlike with road running and cycling events, spectators in most cases cannot access the majority of the trail in order to support their partner. The *events expenses and accessibility* was the second most important attribute, this is an attribute that an event, must also consider with regards to the spectators that travel with the participant. Ensure that the event is accessible and affordable for the whole family or traveling group. Events can offer all-inclusive packages that include the expenses of the spectators at a more affordable price. Also ensure that there is pre- and post- event entertainment where the family member(s) and/or friends can be entertained while waiting for their family/friends to finish participation in the trail running event. Consequently, this may lead to more trail runners travelling with larger groups; which will lead to a bigger economic impact in the area.

4. The study contributes to endurance sport literature by identifying five distinctive attributes that trail runners consider before selecting an event. It is clear from the high mean values of each attribute, that all these factors are important for trail runners. The event should therefore ensure that all these attributes are present in both the marketing and management of their events. Nevertheless, *trail attributes* can be seen as the most important attribute that trail runners consider when

choosing an event. From a trail management perspective, it is therefore crucial that: (a) the trail and the natural environment in which this trail is located should be well-maintained. A trail runner will be discouraged to participate is the natural environment which is not in its most pristine condition. Environmental protection and maintenance should therefore be top priority. (b) Ensure that the trail is well-organised and that there are no technical issues in terms of GPS tracking, checkpoints, water points and all signage on route. A well-organised trail will make trail runners feel safe and secure, but also will give them the opportunity to have a memorable experience. (c) Keep the trail fun and interesting by changing the route every few years – this will keep the event challenging, which will motivate trail runners to return.

5. As seen in Table 2 the *destination attributes* (Factor 1) is also an important attribute for the trail runners; which means that the host municipalities and/or local governments that are aware of trail running events in their area should appoint local individuals to work with the events‟ marketers to ensure that the events as well as the host destinations are well represented and promoted. This means that both national and international trail runners should be made aware of holiday and other tourism opportunities within the host destination of a trail running event. This can lead to trail runners who combine their holidays with their event participation (e.g. accommodation, restaurants and visiting tourist attractions in the area). This may also lead to more participants visiting less-known cities and towns in South Africa, staying more nights, visiting tourist attractions in the area and spending more money in total. Furthermore, other tourism product owners will also benefit from the event leading to a greater economic impact of sport tourism on the hosting areas. There is also a chance that the participants will be more likely to consider travelling with their family and friends and to revisit the host destination in the future.

6. External factors such as the Covid-19 pandemic have shown that constant future research is necessary. Although many trail running events could continue during the pandemic, seeing that these events attract smaller groups of participants compared to other endurance sports, many events where cancelled, while others hosted very small numbers of participants. Trail running events cannot survive without a sufficient number of participants entering each year. Research is therefore crucial to ensure events understand how the pandemic has influenced participants‟ needs and also how it has influenced the attributes they anticipate from these events. It is also important that during this time events become innovative, by using the pandemic to motivate people to start taking part in trail running, seeing that it adheres to social distancing with only a limited number of participants taking part, but also gives people the opportunity to be outdoors and explore the different landscapes South Africa has to offer.

CONCLUSION

The main goal of this study was to determine which event, destination and trail attributes trail runners seek when choosing an event. The main contribution of this study, with regard to trail running literature, was a demographic profile that was established for trail runners in South Africa

and this profile had many similarities with previous endurance athletes, but trail runners also had unique characteristics not previously found. Additionally, this study"s results contributed to trail running events; as well as to the host destination marketers by identifying the attributes they should implement in their events and destination marketing, so as to fulfil the trail runners" needs and thereby encouraging the development of sustainable trail running events in South Africa. As mentioned, this study concluded that *trail technicality* is a unique attribute that trail runners pursue; therefore, the trail running event; as well as the host destination organisers and marketers should make this attribute a priority in the events" and host destinations" marketing and management plans. Constant future research is, however, still necessary to determine which attributes trail runners seek when choosing an event, especially, seeing that trail running is still a developing endurance sport event and that trail running participants" needs are continually changing.

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Factors encompassing a marine wildlife tourism experience

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ABSTRACT

The aim of this research is to identify the factors influencing the experience of marine wildlife tourism participants. Specific reference is made to whale watching and shark cage diving. Quantitative research was conducted amongst the participants in Hermanus and Gansbaai. A total of 303 usable questionnaires were collected and used to analyse the demographic details of participants, and a principal component analysis was conducted to determine the factors that influence their experience. Participants value the proximity of marine wildlife, while emphasising the need for an educational element and additional service offerings to enhance and tangibilise the experience. The conclusions practically demonstrate the use of the tourism experience in correlation with the profile of the participants to tailor a marine wildlife tourism experience to emphasise both conservation, and meeting participants' expectations.

Keywords: marine tourism; marine wildlife tourism; experience economy; tourism experience; marine wildlife experience

INTRODUCTION

South Africa boasts a long coastline and a variety of marine species. The country's coastline also plays host to many shark species, specifically the great white shark (*Carcharodon carcharias*) and whales, such as the southern right whale (*Eubalaena australis*), migrating annually during the months of July to December. This variety has stimulated popular interest in marine wildlife tourism, with whale watching and shark cage diving being two of the most prominent marine activities in South Africa (Jonas, Radder and Van Eyck, 2020: 2). This increased interest has caused a small, specialised tourism niche, largely inaccessible to the masses, to grow into a commercialised sector accessible to a large portion of the population (Buckley, McDonald, Duan, Sun and Chen, 2014; Pomfret and Bramwell, 2014). Along with this change, two prominent themes have come to the front that seem to be the overarching goal for the majority of operators within marine wildlife tourism, namely inauthentic experiences and economic value (Antón, Camaréro and Laguna-

García, 2017).

The fact that more and more people are interested in watching marine wildlife in their natural habitat, in experiencing an element of risk or have a unique experience, has driven operators to be more focused on visitors' satisfaction (Bell and Lyall, 2002). In addition, the experience economy dominates the tourism industry, as tourists are more interested in making memories rather than purchasing memorabilia (Pine and Gilmore, 2013). The experience economy highlights the shift in the economic climate towards one where experiences are valued higher than goods and services (Pine and Gilmore, 1999) (this is further discussed under section 2). This shift has benefited operators of marine wildlife tourism in the sense that tourists prefer experiences; however, operators need to look at tourists' preferences to ensure a tailored experience is offered that meets the needs of the market.

Authors have been fascinated with the question of which factors make up a tourism experience, and many have attempted to define it (Godovykh and Tasci, 2020; Kastenholz, Carneiro, Marques and Loureiro, 2017; Loureiro, 2014; Chen and Tsai, 2007; Ooi, 2003; Kozak, 2002; Deng, King and Bauer, 2002; Lengkeek, 2001; Buhalis, 2000). From these sources, it was identified that there are overlapping factors on which authors seem to agree, such as socialisation, proximity and diversity of the animals. This is addressed in more detail under section 2, literature review. Identifying the factors that encompass the tourism experience for marine wildlife tourism in South Africa can enhance the quality of what operators offer, thereby attracting participants from across the country and international destinations (Yin, Cheng, Bi and Ni, 2020). However, to ensure this is balanced with conservation efforts and the decrease of commercialisation, certain factors from the tourism experience literature can be tailored to suit the needs of both the operators and tourists (Hsieh, Chiu and Chang 2018; Rather, 2018). While the experience economy is beneficial to marine wildlife tourism operators, the challenge is to offer an experience that will satisfy participants, while ensuring no harm comes to the marine environment and the animals. Research into the factors that make up a great marine wildlife tourism experience, from the perspective of the participants, will assist operators in structuring their offerings accordingly.

Therefore, the aim of this study is to identify the factors that encompass a marine wildlife tourism experience from the participants' (tourists') perspective. Specific reference is made to whale watching and shark cage diving in South Africa, as these are the two most popular marine wildlife tourism activities (Mabaleka, Ntloko and Swart, 2020; Jonas, Radder and Van Eyck, 2020: 2; Rogerson and Rogerson, 2019). The objective of the research is to analyse existing literature and conduct primary data collection on the demographic details of marine wildlife participants and data surrounding the topic of marine wildlife tourism experiences. By looking at the demographic results and the factors influencing a marine wildlife tourism experience in parallel, conclusions can be

drawn based on detailed information on the participants of this type of tourism activity. The aim is to provide operators of marine wildlife tourism activities, managers, and policymakers with recommendations on how to develop an experience that meets the expectations of participants (tourists), while also ensuring value for operators and conservation activities.

LITERATURE BACKGROUND

The term 'tourism experience' is a multifaceted concept made up of factors both within and outside of the marine wildlife tourism operator's control. The concept of an experience at a destination, or at a nature-based activity, is an amalgamation of factors such as the activity itself, facilities and services offered to participants, the social aspect of the activity and the environment itself (Kim and Koo, 2020; Ooi, 2003; Deng *et al.*, 2002; Kozak, 2002; Lengkeek, 2001; Buhalis, 2000). Accordingly, Rather (2018) defines a tourism experience as a social-psychological phenomenon comprising expectations set by tourists, personal standards and perceptions, environmental stimuli and destination attributes.

Loureiro (2014) states that a tourist experience is created through the process of visiting, learning and enjoying an activity that takes place outside of the tourist's usual environment, which appeals to the tourist's interests and offers unique and memorable experiences. These experiences will further be influenced by the tourist's previous travel experiences, motivations for participation, their level of interaction with the environment as well as their perception of the destination or activity (Loureiro, 2014). The experience economy, introduced by Pine and Gilmore (1999), states that experiences are memorable events in which an individual engages, in an inherently personal manner (Pine and Gilmore, 2013). Therefore, the value of an experience is intrinsic as the experience and memories linger in the participant's mind (Pine and Gilmore, 2013). According to Hwang and JungHoon (2018), buying experiences has a more significant impact on the well-being of an individual and adds a component of happiness. In contrast, the value of buying goods depreciates as the product itself depreciates. With regards to marine wildlife tourism, the basic offering remains consistent (tourists are taken out by boat to view marine animals in their natural habitat). Still, the conditions during the delivery of the experience, guides' attitudes and approach, and availability of animals in the area, for example, influence the experience. Similarly, the participant's intrinsic experience will affect how the experience is remembered as well as the participant's degree of satisfaction with the overall experience (Loureiro, 2014).

It is, therefore, a combination of both the tangible and intangible elements associated with the activity. Tangible aspects, such as facilities, infrastructure and equipment are important assets that are within the operator's control (Schoeman, Van der Merwe and Saayman, 2016), whereas intangible aspects leave tourists with unforgettable memories relating to the environment in which the activity took place and are not within the control of the operator (de Freitas Coelho, de Sevilha

Gosling and de Almeida, 2018: 11).

While the operator has no control over whether whales and sharks will be spotted on any given trip, there are other aspects that can be focused on to make the experience the best possible for the tourist. These aspects include an element of discovery (viewing marine animals in the wild), a social element (spending time with friends and family and meeting new people), an element of adventure (boat ride, diving, being in an unknown environment) and lastly, a natural element (remoteness, natural environment, solitude) (Chandralal and Valenzuela, 2013; Du Plessis, Van der Merwe and Saayman, 2012; Powell and Ham, 2008; Bresler, 2007; Reynolds and Braithwaite, 2001). These elements can be viewed individually to heighten the experience, but for the participant, however, all these elements contribute to an overall experience (Chen, Chen and Kim, 2020; Jonas, 2018).

According to Chhetri, Arrowsmith and Jackson (2004), the tourist's experience relies on various stimuli and sensory experiences provided by the natural environment, in this case, the marine environment. Once the decision is made to participate in marine wildlife tourism activities, the tourist harbours positive feelings and excitement over what is to come (Clark, Mulgrew, Kannis-Dymand, Schaffer and Hoberg, 2019: 650). The expectation is therefore set, and the experience is perceived to match the expectation. A positive experience and one that matches the level of expectation is one where complete satisfaction is experienced by the tourist and one that adds value to their quality of life (Cole, 2001). The tourist's perception and expectation should be considered to manage marine wildlife tourism experiences appropriately (Solis-Radilla, Hernandez-Lobato, Callarisa-Fiol and Pastor-Duran, 2019: 5).

From the literature, it can be deduced that the tourism experience for marine wildlife tourism is made up of the following overlapping factors, as identified by various authors. These factors have been grouped into three categories, namely tourist factors, operator factors and natural factors, as portrayed in Figure 1.

FIGURE 1:

Factors influencing an experience
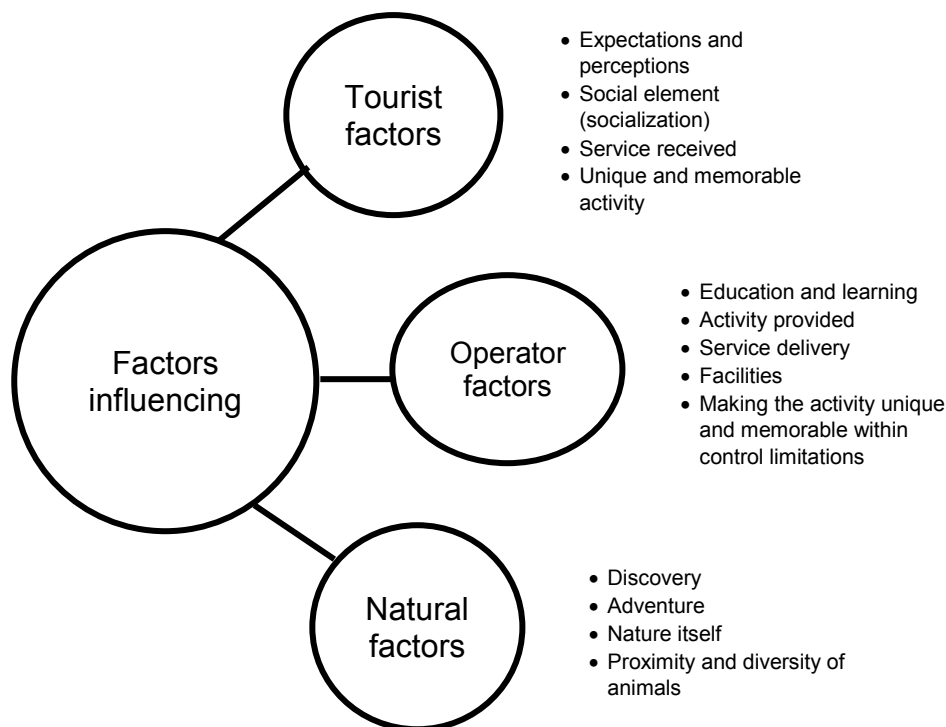
Source: Adapted from Buhalis (2000); Lengkeek (2001); Deng *et al.* (2002); Kozak (2002); Ooi (2003); McCool (2006); Han and Patterson (2007); Du Plessis *et al.* (2012); Loureiro (2014)

TOURIST FACTORS

The first group of factors that should be considered consists of the tourist's expectations and perceptions, socialisation, the service received and the uniqueness and memorability of the experience. Curtin (2010) added that several aspects relating to the tourist and nature would have an impact on the marine wildlife experience, such as the ability to make memories, charisma and appeal of the animals, large numbers of wildlife, first-time sightings, spontaneity, being mesmerised by nature and the proximity of the animals to the vessel. However, special conditions (such as being able to spot animals easily), interpretation (relating once again to education and learning), meeting the tourist's expectations, diversity and quantity of animals, the authenticity of the experience, ambience created, and attributes of the operator should be added to the experience for marine wildlife tourism (Zhang, Wu and Buhalis, 2018; Van der Merwe and Saayman, 2014).

According to Curtin (2010), the services received by tourists are ranked among the most important factors of the experience. This mostly comprises the knowledge, helpfulness and attitude of tour guides and crew members who deliver the service (Moscardo and Saltzer, 2014; Curtin, 2010). The author (Curtin, 2010) states that tourists perceive the guides and crew members as a crucial

interface between the tourist and the marine environment and will look to these leaders for a great experience. This is often influenced by the tourist's perceptions and expectations of the activity and operator formed prior to the actual participation (Gursoy, Chen and Chi, 2014).

The expectancy theory (Jacobsen, Iversen and Hem, 2019; Manning, 2011; Pearce, 2006; Todd, Graefe and Mann, 2002) explains that, in turn, expectations are closely linked to motives of tourists as being determined by the attractiveness of the outcomes of participation in a tourism activity as well as the expectation resulting therefrom (Todd *et al.,* 2002). The theory argues that a tourist's expectations of an activity may influence the overall satisfaction and experience of the activity and service delivered (Jacobsen *et al.,* 2019). Accordingly, this theory will result in the perception of the desired outcomes, which is gained from participation and a positive attitude with the tourist, which results in a positive experience. Furthermore, the expectancy theory also states that tourists will have more than one motive for participation in tourism activities, such as socialisation, education, conservation aspects, proximity to nature, good service delivery, and standardised facilities (Meyer, Thapa and Pennington-Grey, 2002; Todd *et al.,* 2002).

OPERATOR FACTORS

Operators play a significant role in the experience, as they are responsible for bridging the gap between the tourist and the marine environment (Moscardo and Saltzer, 2014; Curtin, 2010). Aside from offering the experience, the operator is mainly responsible for education and learning during the excursion, offering quality infrastructure, facilities and service delivery, and ensuring that the activity is unique and memorable (Randall and Rollins, 2009; Zhang and Chow, 2004). To ensure these four responsibilities are covered sufficiently, operators should firstly pay attention to individual or client factors, such as ensuring that clear briefing and instructions are given, personal characteristics of participants, physical fitness levels, as well as taking the correct safety measures (Bently, Page and Laird, 2001). Secondly, equipment used for the activity should be of high quality and not low budget or cost-saving. It should also be well maintained, and equipment should be fitted to the participant (Page, Bentley and Walker, 2005). Thirdly, environmental factors should be monitored, such as the weather and ocean conditions (Page *et al.,* 2005).

NATURAL FACTORS

The marine environment is a natural setting, and one that is often protected and regulated. Tourists will therefore have certain expectations and perceptions of the activity and the environment in which it is offered, such as the expectation that the water is free from pollution and the environment is of high quality (Du Plessis *et al.,* 2012). Even though these aspects form part of the tourist's expectations and factors that influence the experience, the operator has little control over the environment. However, the operator can contribute to the increased quality of the environment

through the practice of conservation and preservation (Tonge and Moore, 2007; Smith and Newsome, 2002). For example, collecting any waste or pollution drifting on the surface of the ocean during the trip will not only contribute to a cleaner environment, but will also serve to educate tourists on the importance of removing pollution. This can also be part of the educational component. According to Tonge and Moore (2007), ill-managed tourism experiences based on the natural environment can contribute to a lower quality environment, which, in turn, will result in a negative or tedious tourism experience. Once again, an element of education during the trip can be implemented to adjust tourists' behaviour and to inform them why it is important to keep the marine environment litter-free. By leading through example, operators are simultaneously contributing to a cleaner marine environment and educating tourists on the importance of keeping the environment clean (Mutanga, Vengesayi, Chikuta, Mukobo and Gandiwa, 2017).

Furthermore, Moscardo (2001) identified that close viewing of unique animals (such as whales and sharks) behaving naturally in a natural environment is one of the most significant influencing factors for an excellent marine wildlife experience (Moscardo, 2001). Higham and Lück (2008) agree that the perceived naturalness or authenticity of the encounter and the elements of animal attributes, surprise encounters, natural environments, as well as new animals should be regarded as key features of a marine wildlife experience.

With the above in mind, there seems to be specific overlaps between authors on operator and natural factors of a marine wildlife tourism experience, which include education, proximity and socialisation. Therefore, these are discussed in more detail below.

Education

Firstly, education is mentioned often as an important contributing factor (Tiberghien, Bremner and Milne, 2020; Mainolfi and Marino, 2020; Pratt and Suntikul, 2016; Van der Merwe and Saayman, 2014; Curtin, 2010; Lück, 2008; Zeppel and Mulion, 2008). Educating tourists before, during and after a marine wildlife activity serves three primary roles. Firstly, it eliminates disorientation from the participant's viewpoint, as they can ask questions, eliminate uncertainty and learn about the animals and environments (Tiberghien *et al.*, 2020). Secondly, it educates tourists on the importance of actions such as conservation initiatives and the importance of the marine environment and the animals. Lastly, education drives the authenticity of the experience, as participants can see and experience the activity while learning more about important concepts (Mainolfi and Marino, 2020).

Pratt and Suntikul (2016) go further to suggest that educational experiences can also be entertaining. Education can be offered by providing an engaging learning experience that can drive tourists to undertake environmentally friendly actions in their personal lives, such as conservation

efforts, recycling or being more conscientious of their actions (Pratt and Suntikul, 2016). Placing this into context, the tourist will be left with lifelong memories from their marine wildlife experience if a shark breaks the surface or a whale breaches close to the boat. This will provide the operator with a chance to educate tourists on the behaviour displayed and elaborate on the species' behavioural markers.

Proximity

Another protuberant factor that researchers agree on is the proximity to the animals and nature, as well as the diversity of animals encountered on a trip (Van der Merwe and Saayman, 2014; Curtin, 2010; Dicken and Hosking, 2009). The proximity of the animals and the diversity of animals encountered are beyond the operator's control, but there are some factors that the operator can control to an extent. It is important that the operator does not create an expectation of animal sightings being a given. Rather, the operator can point out that marine animals are wild, outside of human control, and sightings are weather dependent. While not ideal from a business perspective, it serves to reiterate the importance of conservation and preservation, while not raising tourists' hopes (Dicken and Hosking, 2009).

Socialisation

The last element that seems to be an overarching factor in the marine wildlife tourism experience is the social element (Triantafillidou and Petala, 2016; Du Plessis *et al.*, 2012; Powell and Ham, 2007; Bresler, 2007; Reynolds and Braithwaite, 2001). While tourists are participating in the chosen activity for purposes other than socialisation, it is important to note that spending time with friends and family or introducing loved ones to a new activity is an important component in the marine wildlife tourism experience and should be driven by the operator rather than disregarding it. Tourists will enjoy engaging with fellow participants on the trip, making memories with their loved ones and engaging with the guides and crew members on board (Chandralal and Vanezuela, 2015). Enabling social interaction during the trip is, therefore, another important factor to consider for marine wildlife tourism experiences.

Therefore, this research aims to identify the factors that influence a marine wildlife tourism experience, with a specific focus on shark and whale tourism in South Africa. With the literature in mind, primary data was collected, as outlined below.

METHOD

The research followed a quantitative, descriptive approach to identify the factors encompassing a marine wildlife tourism experience. The data was gathered by means of a self-administered questionnaire, distributed among marine wildlife tourists in Hermanus and Gansbaai, South Africa. These areas were selected as they are seen as marine tourism hotspots for whale and shark tourism

(Rogerson and Rogerson, 2019). As indicated, the two marine wildlife tourism activities selected as a focus for this research are shark cage diving and whale watching. A total of 303 usable questionnaires, out of a total of 350, were collected. The population consisted of all participants in whale watching and shark cage diving in Hermanus and Gansbaai. A non-probability sampling method was used, namely convenience sampling. This method was used to ensure that as many participants are included in the survey as possible, across all cultures, and types of tourists who formed part of the various trips (Bryman, Hirschon, Dos Santos, Du Toit, Masenge, Van Aardt and Wagner, 2014). Four operators (two in Hermanus and two in Gansbaai) agreed to partake in the research, which lasted from October 2016 to January 2017 (peak season). While the data was collected in a pre-pandemic context, the results are still relevant as operators can use the findings to create an experience tailored to the marine wildlife market, including domestic and international participants, to ensure successful operations in the future.

Fieldworkers were trained in the nature of the research and distributed the questionnaire among participants after the activity was conducted. Each boat trip consisted of between 10 and 20 participants, and approximately two trips were conducted each day. Anonymity was ensured as no personal details were required from participants, and participation was voluntary. The questions asked in the questionnaire were based on previous work by Reynolds and Braithwaite (2001), Saayman and Slabbert (2004), and Geldenhuys, Van der Merwe and Slabbert (2014) and further included aspects obtained from the work of Deng *et al.* (2002), McCool (2006), Han and Patterson (2007), Du Plessis *et al.* (2012) and Loureiro (2014). Aspects measured were the demographic profile of marine wildlife tourists and factors influencing their experience regarding whale watching and shark cage diving. Demographic aspects encompassed gender, age, language, country of origin, annual income, and spending behaviour (Geldenhuys *et al.,* 2014; Saayman and Slabbert, 2004). Other aspects tested on a five-point Likert scale were their attitude towards animal conservation (Reynolds and Braithwaite, 2001), their view on client service, their overall experience and the influence of ocean conditions, proximity to marine nature, conservation education, and additional service offerings, such as photos and videos, on their experience (Loureiro, 2014; Du Plessis *et al.,* 2012; Han and Patterson, 2007; McCool, 2006; Reynolds and Braithwaite, 2001).

The data was analysed using the Statistical Package for Social Sciences (SPSS, 2020). Descriptive statistics were generated to determine the profile of marine wildlife tourists, while a principal component analysis and a factor analysis was used to determine the factors that influence a marine wildlife tourism participant's experience.

RESULTS OF THE STUDY

The results of this study are discussed as follows; firstly, the profile of marine wildlife tourists,

followed by the results from the principal component analysis and factor analysis on the factors influencing the experience.

DEMOGRAPHIC DETAILS

Descriptive statistics were used to draw up the profile of marine wildlife tourists. A relatively equal number of females (57%) and males (43%) participated in the survey. Participants have an average age of 38 years and have obtained a diploma or degree from a tertiary institute (37%). While a relatively equal number of respondents are observed for both genders, females tend to be the prominent gender for whale watching and shark cage diving activities (Catlin and Jones, 2010).

The country of origin shows that most respondents are from international destinations, such as Germany, Sweden, the UK and the USA (62%), which is consistent with the findings of Apps Dimmock, Lloyd and Huveneers (2016) as well as Dicken and Hosking (2009). The native language of most of the respondents is English (57%), and they have an annual income (33%) of more than R672 001 (US$50 439.35 at the time of this study). Most (38%) responded that it was their first time to the area (Gansbaai and Hermanus), and they were spending an average of one day there (38%) while on holiday in the surrounding area, categorising them as day visitors. In general, these participants pay for two people to experience either shark cage diving or whale watching (33%). Most participants have never taken part in either shark cage diving or whale watching before (61%), proving the fact that these activities are once-in-a-lifetime or bucket list activities (Malcom and Duffus, 2008). Participants indicated that they were willing to pay for the conservation of sharks and whales (79% and 81%), respectively. The information regarding the demographic profile of marine wildlife tourists is valuable in gaining a deeper understanding of who will participate in such activities, and therefore tailor experiences accordingly.

FACTORS CONTRIBUTING TO A MARINE WILDLIFE TOURISM EXPERIENCE

To identify the factors that encompass a marine wildlife tourism experience, with specific reference to whale watching and shark cage diving, a principal component analysis was conducted. The Bartlett's test of sphericity was significant ($p < 0.001$), and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.883 (considered to be meritorious) (Watkins, 2018). To determine the appropriate number of factors to retain, a visual scree test, parallel analysis and minimum average partials were used (Watkins, 2018). The most appropriate number of components to retain were identified to be five, given that other numbers of component extractions yielded less reliable results (Watkins, 2018). An eigenvalue of 1.0 was used for factor extraction criterion and loadings of 0.30 were used for item inclusion. A factor analysis with Oblimin-Kaiser normalisation as the rotation method was performed to yield five factors. The factors identified (Table 1) explained 59% of the variance (for which the accepted variance should explain between 50% and 60%) and were labelled

as client expectations, sea conditions, education, marine animals, and amenities. Twenty-six aspects were measured to yield the five factors, with eigenvalues ranging from 1.12 to 8.52 and Cronbach's alpha coefficients (α) ranging from 0.714 to 0.855. According to Field (2009), these values are highly acceptable. Indicated in Table 1, the mean values of the five factors range from 2.94 to 3.84, while the inter-item correlations range from 0.357 to 0.468, making these values just as reliable. The values achieved from this factor analysis are statistically and theoretically acceptable (Taber, 2018; Watkins, 2018; Field, 2009).

The first factor, labelled as client expectations, consists of underlying aspects such as helpful and knowledgeable guides, knowledge and skills of the skipper, the professionalism of the staff or guides, quality of the environment, the reputation of the operator, prompt service and response, and price of the trip. With a mean value of 3.68, this factor is ranked as the second most important aspect contributing to a valuable experience of whale watching or shark cage diving. Similar factors have been rated very highly by participants of whale shark diving (Dicken and Hosking, 2009). These participants identified the overall quality of the operator and the dive as very important to their overall experience (Dicken and Hosking, 2009).

The second factor was labelled *sea conditions* and consisted of aspects such as *calm conditions of the sea, seasickness, location of the operator,* and *atmosphere on land and on-board.* This factor is ranked as least important to the experience of participants due to a mean value of 2.94. This factor has not been identified as an influencer from previous research, making this finding unique. South Africa and the area where the research was conducted are known for its rough seas (Cowley, Bennett, Childs and Murray, 2017), and this may be the reason why this was not identified in existing literature, as previous research might have been in areas where the waters are not that rough.

The third factor, education, consists of aspects such as to learn more about the animal, to learn more about the viewing process, friendliness of staff, ease of accessibility of the operator, the comfort of the boat, and variety of animals. The mean value of this factor is measured at 3.51, therefore ranking it as the third most important factor for a marine wildlife tourism experience. An educational experience has been identified as important for tiger shark divers in the Aliwal Shoal, South Africa (Dicken and Hosking, 2009), as well as for scuba divers in Sodwana Bay, South Africa (Geldenhuys *et al*., 2014). Furthermore, Saayman (2017) states that educational programmes and opportunities are important for visitors to Blue Flag beaches in South Africa. This implies that strong indicators of a good experience for marine tourists, in general, are that they are no longer satisfied with passive activities, but prefer to be actively involved in the service delivery process, such as through educational activities (Saayman, 2017).

Fourthly, *marine animals* are ranked as the most important factor that can enhance the experience for marine adventure participants. This factor consists of aspects such as *being familiar with the animal, experiencing a closeness to nature, to be in close proximity to the animal,* and *the behaviour of whales and sharks*. This factor has a Cronbach's alpha coefficient of 0.71 and a mean value of 3.83, both highly acceptable values. Furthermore, Pearce, Strickland-Munro and Moore (2017) state that the presence of marine animals, such as whales and sharks, contributed greatly towards the creation of an awe-inspiring experience for whale watching participants in Australia. The evidence, therefore, indicates that being able to see the animal in their natural habitat and being close to the animal are a determining factor for having a great experience. Kruger and Saayman (2017) also identified similar results from a study conducted on the aspects influencing the experiences of nature tourists in Canada. The study focused on determining the target markets for a large salmon run event in Canada, which included an analysis on the market segments for this event based on the factors participants deemed important for a memorable experience (Kruger and Saayman, 2017). The authors (Kruger and Saayman, 2017) identified that being close to nature and animals greatly influenced the experiences of these tourists.

The last factor, *amenities,* has a Cronbach's alpha coefficient of 0.79 and a mean value of 3.05, ranking this factor as the fourth most important factor for marine adventure participants. The underlying aspects for this factor include *being able to purchase photographs and videos of my experience, extras received on the trip (such as coffee and lunch), individual attention, the internal appearance of the boat,* and *the people who I share the experience with.* Amenities, such as lunch and purchasing photos and videos of the trip, are not as important for marine wildlife tourists, but it does contribute to the overall experience of the trip. In contrast to this result, Neuhofer, Buhalis and Ladkin (2014) explain that technological tools such as photographs and videos have a great influence on the experience of tourists in general. This, therefore, enhances the fact that marine wildlife tourists are not conventional tourists, as additional amenities to the experience have little influence on their overall experience.

TABLE 1:

Experience factors of marine wildlife tourists

ASPECTS	Factor 1: Client expectations	Factor 2: Sea conditions	Factor 3: Education	Factor 4: Marine animals	Factor 5: Amenities
Helpful and knowledgeable guides	0.81				
Knowledge and skills of the skipper	0.69				

The professionalism of the staff/guides	**0.67**				
Quality of the environment	**0.65**				
The reputation of the operator	**0.64**				
Prompt service and response	**0.6**				
Price of the trip	**0.51**				
Seasickness		**0.78**			
Calm conditions of the sea		**0.78**			
Location of the operator		**0.57**			
The atmosphere on land and on-board		**0.43**			
To learn more about the animal			**0.81**		
To learn more about the viewing process			**0.71**		
Friendliness of the staff			**0.54**		
Ease of accessibility of the operator			**0.51**		
The comfort of the boat			**0.49**		
Variety of animals			**0.45**		
Being familiar with the animal				**0.59**	
Experiencing a closeness to nature				**0.59**	
To be in close proximity to the animal				**0.50**	
The behaviour of the whales/sharks				**0.49**	
Being able to purchase photographs/videos of my experience					**0.79**
Extras received on the trip (lunch/coffee)					**0.75**

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Individual attention					0.7
Internal appearance of the boat					0.41
The people who I share the experience with					0.32
Cronbach's alpha	0.86	0.72	0.77	0.71	0.79
Mean	3.68	2.94	3.51	3.83	3.05
Inter-item correlation	0.47	0.4	0.36	0.39	0.43

*Extraction method: Principal component analysis with Oblimin-Kaiser normalisation

**Total variance explained: 59.64%

DISCUSSION

The aim was to determine the factors encompassing a marine wildlife tourism experience, focusing on whale watching and shark cage diving. From the primary results obtained, the most influencing factor on the experience of marine wildlife tourism is to experience these animals from close proximity in their natural habitat (*factor 4, marine animals)*. From the profile of marine wildlife tourists, most tourists only participate in whale watching or shark cage diving once, which can lead to the conclusion that the closer participants are to marine wildlife, the better the experience will be. Marine animals, as a factor of marine wildlife tourism experiences, have also been identified in previous studies as an important factor (Mutanga *et al.*, 2017; Ballantyne, Packer and Suth, 2011). This factor has also been identified with land-based wildlife, and therefore seems to be an important element in experiencing wildlife (Van der Merwe and Saayman, 2014). Accordingly, this research reiterates the importance of this element within the South African marine wildlife context.

However, operators need to keep good ethical and sound conservation practices in mind. Rather than encroaching on the animals' space, other methods of enhancing the *marine animals* factor can be implemented, such as enhancing tourists' familiarity with the animals or relaying information about their current behaviour, providing education about the species' behaviour and why it is not recommended to be too close to wildlife. Having marine biologists or educated guides move between participants on board, answering questions and pointing out interesting components in the surrounding environment, will remind participants of their closeness to marine nature. Furthermore, pointing out the behaviour of animals, such as the playful nature of whales or the calm nature of a dormant shark, can enhance the element of *the behaviour of whales and sharks* (*factor 4, marine animals)* for participants.

Secondly, *client expectations* were identified as another key element in providing an experience that takes service delivery into account. Delivering a good service remains one of the most important factors within the tourism industry, as much of the offerings are dependent on the service delivered, and this study proves this once more.

Ensuring the pre- and post-service delivery experience is of a high standard and meets clients' expectations is important to the overall experience. Chhetri *et al.* (2006) suggest that the tourist considers the overall experience when determining the level of satisfaction with the experience, which includes the level of service tourists received, were treated, and sent off. Operators should therefore pay attention to the staff, guides, and skippers' training on client service delivery. Engaging in training workshops and seminars to improve service will enhance staff, guides and skippers' level of knowledge, service delivery and how they pay attention to tourists' needs. For example, offering participants a ginger ale to help curb nausea while on board the vessel, if they seem ill, will enhance service delivery in terms of *helpfulness, prompt service and response* and *professionalism*. Furthermore, the profile implies that participation in either whale watching or shark cage diving forms part of a greater tour or tourism excursion. Operators should keep this in mind when developing the experience. Arranging transportation from areas where tour buses stop would assist with accessibility and add to the convenience of the tourists, as most are international tourists.

Thirdly, results showed that respondents are well educated, as most have a tertiary education, implying that knowledge is of importance to these tourists. Learning more about the marine environment and the marine animals has been rated as the third most important influencing factor (*factor 3, education*) and provides operators with an opportunity to include education and interpretation into the overall offering. Once again, this study concurs with the findings of existing literature, as education has been found to be an important factor in wildlife tourism, land-based tourism and marine-based tourism (Mainolfi and Marino, 2020; Tiberghien *et al*., 2020; Kruger and Saayman, 2017; Pratt and Suntikul, 2016; Van der Merwe and Saayman, 2014; Curtin, 2010; Luck, 2008; Zeppel and Mulion, 2008). As stated by Baba Dioum, *"In the end we will conserve only what we love, we will love only what we understand and we will understand only what we are taught"* (Hosey, 2012:7). As most tourists are also from international destinations and have never been to the destination before, further education can be offered on the South African marine environment. With the digital age in which we live, developing a mobile application where tourists can upload photos of their discoveries and make notes on some of the animals' behavioural features can contribute to both education and making the trip memorable. It can allow participants to follow the updates of other participants and refer to their personal profiles in future. From the literature review, marine wildlife tourism is intangible in nature, but combining society's interest in mobile applications with such an activity can further contribute to make the experience a tangible

one.

Fourthly, a new finding identified by this study is the influence of *sea conditions*. The South African coastline is notoriously rough, especially along the greater False Bay region where this research was conducted (Cowley *et al.,* 2017). This factor is, therefore, unique to the Western Cape of South Africa. Many operators are upfront about the impact of the sea conditions on the trip, stating that the trip may be cancelled due to rough conditions (Earth Observatory, NASA, n.d.). Another negative aspect in terms of sea conditions includes seasickness. Many participants will fall ill on board the vessel due to the movement of the water (Dicken and Hosking, 2009). While this is not something that the operator can manage, the experience surrounding this factor should be managed properly. For example, trip cancellations should be communicated early on to ensure tourists have adequate time to make different arrangements if needed. Refunding the tourist for the trip, or offering a voucher for future return, is also something that should be implemented, as this will not leave a sour taste in case of cancellations. Posting this information on the website will also allow participants to read up on the expected trip before arriving for the journey. Furthermore, operators can also offer information to participants on how to avoid seasickness prior to the trip, or offering amenities on board, such as ginger ale beverages. With rougher waters, the chance of spotting marine animals also decreases slightly.

Lastly, the way that the experience is packaged (*factor 5: amenities*) is another important factor for marine wildlife tourism. While participants are mostly on holiday to the area, participation in a marine wildlife activity is a once-off experience (most are foreigners), relaying the need for amenities that will make the offering tangible and as appealing as possible to tourists. Further tangibilising the offering by providing videos, photographs, healthy snacks on-board, towels and wind jackets, as well as mementoes of the trip, can contribute to the overall experience. A surprise offering, such as a printed photograph when the tourist disembarks the vessel, will heighten the experience, and leave them with a tangible element of their memories. Keeping in mind that marine wildlife will not always be where the operator anticipates and sightings may not happen at all, delivering an exceptional service on aspects that can be controlled by the operator, such as the participant's comfort, will enhance satisfaction and the overall experience. Participants will walk away knowing they will return to that specific operator in the hopes of spotting marine wildlife or will recommend the operator to friends and family.

PRACTICAL MANAGERIAL IMPLICATIONS

The management implications of this study are the following: Firstly, operators would be able to tailor their offering according to the factors that influence a great marine wildlife tourism experience. In turn, this will help provide tourists with a better experience and, therefore, increased satisfaction levels. Secondly, it includes the rough sea conditions of the Cape and the

impact on management if the conditions are not satisfactory; operators must therefore have management plans in place to handle the situation correctly.

CONCLUSION

The aim of this study was to identify factors that encompass a marine wildlife tourism experience, with specific reference to shark cage diving and whale watching. The study made three contributions to the field of research, namely marine wildlife tourism. Firstly, the factors influencing a marine wildlife tourism experience have been identified within a South African setting. With this knowledge as a building block, researchers can further correlate the findings from various marine tourism activities and thereby build a substantial contribution to the literature on marine tourism in South Africa. Secondly, the influence of ocean conditions and seasickness is identified for the first time as a factor influencing the experience of marine wildlife tourism activities. The findings, therefore, make a new contribution to the literature and indicate that the factors influencing an experience will differ from destination to destination. Thirdly, the findings from this study provide a good starting point for operators to ensure that the experience meets the needs of participants. Understanding the characteristics of participants can assist in designing educational material or an interpretive element. Operators can also use the factors encompassing a marine wildlife tourism experience to ensure that the needs of participants are adequately addressed in the offering, thereby enhancing the value of the excursion, and leaving participants with great memories.

However, given the dynamic nature of tourism experiences, the various factors that influence it, as well as the current disruptions experienced as a result of the Covid-19 pandemic, further research is required on operators' abilities to stay up to date and provide a service that changes with society and its demands. While it can further be concluded that operators, managers, and policymakers should carefully consider the experience in accordance with conservation and preservation, further research is required on the sustainability of marine wildlife operators and the level to which marine conservation operators are involved. Along with this, research on the influence of education, encompassed in marine wildlife tourism, as well as on the attitudes and behaviour of tourists, should also be researched to further determine the impact of marine wildlife tourism on conservation and preservation of the marine environment.

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Identifying and grouping the experience dimensions that will lead to a satisfying guesthouse stay

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ABSTRACT

In the contemporary business environment, knowledge required to allocate resources to strategic areas and maximise customer‟s satisfaction, has become crucial for business sustainability and growth. The purpose of this study is, firstly, to identify the experience dimensions that contribute to customer satisfaction within the guesthouse sector in Ghana and, secondly, to group the experience dimensions to help managers decide where to allocate their resources. The latter will assist guesthouse managers in allocating resources to areas that might offer maximum satisfaction. A quantitative research methodology was used to obtain data from guests. Analysis of data provided by 541 guests that stayed in selected guesthouses in four cities in Ghana, showed that *Hedonics, Peace of mind, Involvement, Recognition, Entertainment, Efficiency, Excellence,* and *Economic value* are basic satisfiers, while *Atmospherics, Enjoyment* and *Escape* represent excitement satisfiers. Based on these findings, practical recommendations are offered to enhance the provision of basic and excitement factors.

Keywords: Basic satisfiers; customer experience; customer satisfaction; excitement satisfiers; guesthouses; performance satisfiers

INTRODUCTION

The accommodation sector is an important strategic sector for every country, as it offers access to a destination, sustainability of other businesses within that destination, tourism development, and economic growth (Anguera-Torrell and Cerdan, 2021; Tiku and Shimizu, 2020). The accommodation sector includes, amongst other, hotels, guesthouses, BandB‟s, lodges, AirBnB‟s, and motels (Ampofo, 2020; Anguera-Torrell and Cerdan, 2021; Mensah, 2006; Owusu-Mintah and Dacosta, 2017; Tiku and Shimizu, 2020). Apart from offering a place to sleep, some accommodation sectors offer additional services such as the provision of transportation, as well as conference facilities to host meetings, banquets, and conventions (Ampofo, 2020; Owusu-Mintah and Dacosta, 2017). Ghana, as a developing country, benefits immensely from the accommodation sector, as it is predominantly driven by enterpreneur‟s, which assists in employment creation and economic growth (Ali, 2018; Amarteifio and Agbeblewu, 2020; Ampofo,

2020). The number of new accommodations in the industry has increased tremendously, resulting in intense competition (Eduful and Hooper, 2015). The focus of this study is guesthouses in Ghana. A guesthouse in Ghana is an accommodation facility which has the same "requirements of a 2-star facility but has only up to ten rooms" (Akyeampong, 2008/2009). Guesthouses are one of the fastest-growing businesses in the country. Given the unique nature of the accommodation sector, such as high customer expectations, it is important for guesthouse managers to proactively employ strategies that ensure customers are satisfied. In the past, businesses were mostly concerned with selling their products and providing quality services. More recently, however, the focus has shifted to building and maintaining positive experiences for customers (Muthiah and Suja, 2013).

Offering positive experiences enhances customer satisfaction (Nowacki and Kruczek, 2021). A satisfied customer might return to the organisation or, disseminate and report positive information about the services they received to their family and friends (Nowacki and Kruczek, 2021; Wu, 2015). Conversely, a dissatisfied customer will display negative behavioural intentions (Kitapci, Akdogan and Dortyol, 2014). Due to the favourable outcomes of positive customer experiences, such as customer satisfaction, it is important to identify the experience factors that lead to customer satisfaction. Secondly, it is vital to group the identified factors in some form that will assist in identifying areas for improving guest experience. (Pijls, Groen, Galetzka and Pruyn, 2017; Tapar, Dhaigude and Jawed, 2017). The findings of this research are intended to disseminate knowledge-based information that can assist guesthouse managers to allocate resources to those sectors that will maximise customer satisfaction and, offer a satisfying experience to their guests.

RESEARCH PROBLEM

Studies focusing on the guest experience and satisfaction within guesthouses in Ghana are limited. In addition, several guests consider guesthouses in Ghana to be offering poor services, specifically in aspects such as unpleasant staff attitude towards guests, lack of entertainment facilities, maintenance and cleanliness of guestrooms, meals related complaints, and unfunctional equipment (e.g. air-conditioners, Wi-Fi, water heaters, television etc.) (Asirifi and Senya, 2020; Tripadvisor, 2021). These challenges render most guesthouses incapable of attracting guests and maintaining loyal customers. It is in this vein that knowledge of the factors contributing to guests" satisfaction and, allocating the appropriate resources to where they are needed, might enhance customer satisfaction. The latter could strengthen the competitiveness of guesthouses in the broader accommodation industry.

RESEARCH OBJECTIVES

To address the research problems, the following study objectives were formulated:

- To identify the experience dimensions that might contribute to customer satisfaction within the guesthouse sector in Ghana.

- To group the experience dimensions in a way that could help managers decide where to allocate their resources to improve customer satisfaction.

LITERATURE REVIEW

This section presents the relevant literature on customer satisfaction and customer experience dimensions in the context of this study.

Customer satisfaction

Customer satisfaction is important for any business because, without satisfied customers, there would not be any business (Dam and Dam, 2021; Yi, Yeo, Amenuvor and Boateng, 2021). Therefore, a business needs to ensure that customers" expectations are met. Customer satisfaction occurs when the products, or services, matches or exceeds the customer"s expectations (Dam and Dam, 2021). Despite the important role that customer satisfaction plays in an organisation, various models, or metrics, are used to measure customer satisfaction without a consensus. The "three-factor theory" of satisfaction, which was originally developed by Kano (1984), was adopted as the foundation theory for the current study.

The three-factor theory of satisfaction is aimed at assisting researchers to identify the attributes of a product, or service, that requires improvement to enhance customer satisfaction (Davras, 2021). The three-factor theory of satisfaction consists of three sets/categories of factors, namely *basic*, *excitement*, and *performance* factors (Davras, 2021; Füller and Matzler, 2008; Jou and Day, 2021). *Basic factors* are essential attributes of a product, or service, that a customer anticipates being present in a product or service offering (Jou and Day, 2021). If these attributes are not found to be present, the customer will be dissatisfied. The provision of basic satisfiers, however, will not necessarily cause the customer to be satisfied (Füller and Matzler, 2008). For example, the guesthouse guest expects to stay in a clean room, in a safe environment, and with good service. Therefore, ensuring that the room is clean will not contribute to customer satisfaction, but the customer will be dissatisfied if the room is untidy. *Excitement factors* are attributes of a product or service that are not expected to be present. The provision of these attributes, however, will increase customer satisfaction (Li, Liu, Han and Hu, 2020). On the contrary, the absence of these attributes will not lead to customer dissatisfaction (Davras, 2021; Füller and Matzler, 2008). With respect to guesthouses, providing entertainment facilities in the guestroom (such as spa"s, boat cruises), a cultural experience might excite customers and increase satisfaction. The third category of factors is *performance/hybrid factors.* Performance factors relate to how a product, or service, accomplishes desired expectations (Füller and Matzler, 2008; Li *et al.*, 2020). Customers will be satisfied when the performance attributes are high, while a poor performance will lead to customer

dissatisfaction (Wu, Tang and Shyu, 2010). In the guesthouse context, efficient staff, and functionality of equipment in the guestroom, might contribute to performance satisfiers.

The three-factor theory was selected over other satisfaction models for several reasons. Firstly, the guesthouse stay is essentially a service-based experience but, given the idea that experiences go beyond products and services, and include more abstract and emotional components, the argument by Hirschman and Holbrook (1982) is supported. This argument states that in the service sector, services are based more on qualities that cannot be observed by the consumer after purchase, making it complex to examine customer satisfaction. It is argued that guests would not necessarily be able to predict the guesthouse performance concerning escape, entertainment, hedonics, and enjoyment. Secondly, the purpose of the study was to group the experience dimensions in a way that can help managers decide where to allocate their resources to improve customer satisfaction. Allocating resources to sections that are most needed will help guesthouse managers to meet the expectations of guests and be able to enhance guest satisfaction. Finally, as far as could be determined, the three-factor model has not been applied to the guesthouse context, specifically in Ghana, and this study would thus serve as an important contribution in this regard, both on a practical and theoretical level.

Customer experience and dimensions

The current study finds its roots in the concept of customer experience (Berry, Carbone, Haeckel, 2002; Meyer and Schwager, 2007). Berry *et al*. (2002) state that an organisations primary step of managing the total customer experience is to identify the attractions it is conveying to the customer. With these attractions, organisations will be able to avert customer dissatisfaction. The attractions encompass every aspect of what an organisation offers to the customer (e.g., the quality of customer care, advertising, packaging, product and services features, ease of use, and reliability (Meyer and Schwager, 2007). Kuppelwieser and Klaus (2021) concur with Becker and Jaakkola (2020) that customer experience is important for organisations, as it involves how customers evaluate each interaction with an organisation and compare it with their expectations and alternatives. When positive interactions are experienced, a satisfying experience is formed which stimulates the customer to recommend the organisation to potential customers (Becker and Jaakkola, 2020; Wang and Hung, 2015). A satisfying experience results when organisations use services and goods as a special platform to engage target customers in creating lasting personalised memories (Pine and Gilmore, 1998). No precise dimensions of customer experience exist. This study sourced eleven dimensions from the literature as the basis of the investigation (see Table 1).

Proposed dimensions of customer experience

No.	Dimensions	Description	Sources
1	Hedonics	Experiences that are emotionally rewarding. In the context of guesthouses, hedonics might imply creating activities that are rewarding (e.g. simplified check-in facilities) and empathetic attitude of staff.	Alba and Williams (2013)
2	Peace of mind	Customer experiences regarding safety, security, and privacy at a destination. For example, tightening security measures at the guesthouse.	Chan and Lam (2013)
3	Involvement	Experiences that are personally relevant, meaningful and towards which consumers have an intense attitude. For example, involving guests to co-create their own experience might lead to a favourable guest stay.	Kim (2014); Yeh (2013)
4	Recognition	Experiences that engage the consumer with, but not limited to, exchange of information. For example, the ability to recognise regular guests by their names and attending to their needs swiftly might improve the guest experience at the guesthouse.	Shy and Stenbacka (2013)
5	Atmospherics	The general outlook and appealing nature of the physical environment. In the context of guesthouses, atmospherics include the cleanliness (guestrooms and outside environment), cleanliness of the bedding, and a general good fragrance of the environment.	Amoah, Radder and van Eyk (2017)
6	Enjoyment	Emotional experiences from joyful feelings and excitement. In the context of guesthouses, providing facilities such as a spa, providing guestrooms with exciting and attractive views on TV, may arouse a feeling of excitement for the guest.	Wong, Osman, Jamaluddin and Yin-Fah (2012); Lin, Fernandez and Gregor (2012)
7	Entertainment	Activities that can provide consumers with a sense of fun and increase their feelings of identity and self-concept. Most guesthouses ignore entertaining guests. Therefore, incorporating facilities that generate and entertain guests might improve the guesthouse experience. For example, the provision of a bar, pools, and a restaurant which showcases a variety of menu and traditional entertainment display, may contribute to entertaining a guest.	Teng and Chang (2013)
8	Escape	Where consumers fantasise that they have lived in an extraordinary place. In the context of guesthouses, providing an unexpected experience such as offering some amenities free of charge (e.g. one free breakfast and Wi-Fi), offering complimentary items (stocking room refrigerators with free beverages), greeting guests with a cold drink (or a hot drink in cold weather) when they arrive, might impress the guest and alter his/her preconditioned thinking about their journey.	Song, Lee, Park, Hwang and Reisinger (2015); Triantafillidou and Siomkos (2014)

9	Efficiency	This is concerned with operational performance. It is the quality of being able to do a task successfully, without wasting time. For example, the provision of basic amenities of a guesthouse such as a bed, hot shower, housekeeping services, an employee"s swift approach in attending to guests, might create a positive customer experience.	Hwang and Chang (2003); Shieh, Hu and Gao (2014); Xu and Chi (2017)
10	Excellence	Consistent and outstanding services offered to customers. This is visible from the skills, abilities and competency level of employees in the guesthouse.	Murtaza (2015)
11	Economic value	Customers" evaluation of what has been spent compared to what has been received. For example, within guesthouses, the guest would compare the money spent and services received. Guest would feel satisfied when the experience received exceeds the money spent to occupy the guesthouse.	Amoah *et al*. (2017)

Source: Researchers own compilation

Song *et al*. (2015) investigated the influence of selected factors on perceptions of functional and emotional values, including the tourist satisfaction with temple stays in different Korean provinces. The findings of the study indicate that *escape, entertainment,* and *aesthetics (atmospherics)* positively influence tourist satisfaction. Ali, Ryu and Hussain (2016) conducted a study with selected resort hotels in the Malaysian states of Terengganu and Kedah, and found that *escape, recognition, peace of mind*, and *unique involvement* of guests are enablers of creative tourism experiences which influence customer satisfaction. Triantafillidou and Siomkos (2014) studied the effects of consumption experience by investigating how various experience dimensions affect consumers during the post-consumption stage. The study focused on large cities in Greece such as Athens and Thessaloniki, and established that *hedonics* had a positive influence on satisfaction. Zaman, Botti and Thanh (2016) examined the relationship between managerial efficiency and customer satisfaction of Parisian boutique hotels and found that there is an inverse relationship between *efficiency* and customer satisfaction. This implies that, to "improve efficiency, implies a reduction in guest"s satisfaction and vice versa" (Zaman *et al*., 2016). Marinkovic, Senic, Ivkov, Dimitrovski and Bjelic (2014) sampled guests in four restaurants in Kragujevac in Serbia. Their study was aimed at investigating the factors that influence satisfaction and revisit intentions among guests of a restaurant. The findings of their study showed that *atmospherics* within the restaurant influence customer satisfaction (Marinkovic *et al*., 2014). Wu and Liang (2009) investigated the effects of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants and found that *efficiency* and *excellence* has a positive influence on customer satisfaction. Lim, Widdows and Park (2006) conducted a study among consumers in the United States of America (USA) on the determinants of satisfaction and loyalty in the use of mobile services. Analysis of the data was restricted only to consumers who had subscribed to national

service providers. The authors assert that the level of satisfaction increased with improved *economic value* (Lim *et al.,* 2006). Cole and Illum (2006) conducted a study to examine the interrelationship between performance quality, experience value, overall satisfaction, and behavioural intentions in a festival-based activity. The findings proved that *enjoyment* is an antecedent of experience quality which, in turn, influences overall customer satisfaction. Although these studies did not focus on guesthouses, the dimensions identified were found to contribute to customer satisfaction. Therefore, based on the objectives of the current study, these factors were adopted to help investigate the dimensions that would lead to a satisfying guesthouse stay.

RESEARCH METHODOLOGY

This study formed part of a comprehensive study focused on the guesthouse industry in Ghana. The research area was confined to four major cities, namely Accra, Cape Coast, Koforidua, and Kumasi. The target population involved guests who have stayed in a guesthouse in these cities for at least one night. By means of the Ghana Tourism Authority website, 534 registered guesthouses were identified. Three hundred and seventy-nine of these guesthouses were located in Accra, Kumasi, Koforidua and Cape Coast. A total of 51 guesthouses (24 from Accra, 15 from Kumasi, 7 from Cape Coast and 5 from Koforidua) were proportionally sampled for the study, and the respondents were recruited using convenience sampling. The questionnaires were self-administered to the guesthouses, where copies were placed in the guestrooms with the assistance of guesthouse staff and reception desks, inviting respondents to complete them at their convenience. In some cases, the researcher approached the respondents as they were exiting the guesthouse. A total of 650 questionnaires were distributed over a period of three months, of which 541 were completed and used for analysis purposes. This represented a response rate of 83 per cent. The questionnaire was divided into three sections. The first section contained the letter introducing the investigator and purpose of the study to the potential respondent. The introductory letter also assured respondents of confidentiality during the entire research process. The second section of the questionnaire contained the items/statements investigated in the study. An initial pool of 87 items/statements, describing the 11 experience dimensions cited in Table 1, were utilised for the purposes of the investigation. Most of these items were sourced from the research by Hosany and Witham (2010), Otto and Ritchie (1996), and Wu and Liang (2009). The items/statements were constructed on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The third section of the questionnaire requested the profile details of the respondents. All the questions in the third section of the questionnaire were closed-ended, or dichotomous questions. Subject experts from Ghana and South Africa, together with four guesthouse managers in Ghana, evaluated the items for relevance and content validity, resulting in 48 items being retained. The final questionnaire was tested in a pilot study with 50 respondents, followed by a reliability assessment for each of the dimensions. The Cronbach"s alphas for all dimensions were above 0.80, thus exceeding the generally accepted limit of 0.70 and above (Hair,

Black, Babin and Anderson, 2010). These coefficients, therefore, suggest that the scale was internally reliable. The Pearson Product Moment of Correlation, Multiple Regression Analysis (MRA) and the „three-factor theory of satisfaction" were used as a basis for grouping the experience dimensions.

RESULTS

Demographic profile of respondents

The data indicated that 58 per cent of the respondents were males, and over 50 per cent of the respondents were between 18-30 years of age. In terms of the country of residence (nationality), most of the respondents were Ghanaians (94%), and 47 per cent held a diploma, or a degree certificate.

Reliability test

Cronbach's alpha coefficients were calculated to assess the internal consistency of each of the 11 dimensions and overall satisfaction identified for the study. These results were *Hedonics* (0.84); *Peace of mind* (0.84); *Involvement* (0.86); *Recognition* (0.88); *Atmospherics* (0.91); *Enjoyment* (0.87); *Entertainment* (0.90); *Escape* (0.84); *Efficiency* (0.89); *Excellence* (0.89); *Economic value* (0.86); *Overall satisfaction* (0.87). All Cronbach's alpha was in the excellent range of above 0.80, thus exceeding the generally accepted limit of 0.70 and above (Hair *et al*., 2010). These coefficients suggest that the scale was internally reliable.

Relationships between the experience dimensions and overall satisfaction

The Pearson Product Moment of correlation was used to determine the relationship between the 11 experience dimensions and overall satisfaction. Figure 1 demonstrates that a strong positive relationship exists between each of the experience dimensions identified and overall satisfaction (correlation ranging from r=0.631 and r=0.783).

Relationships between the experience dimensions and overall satisfaction
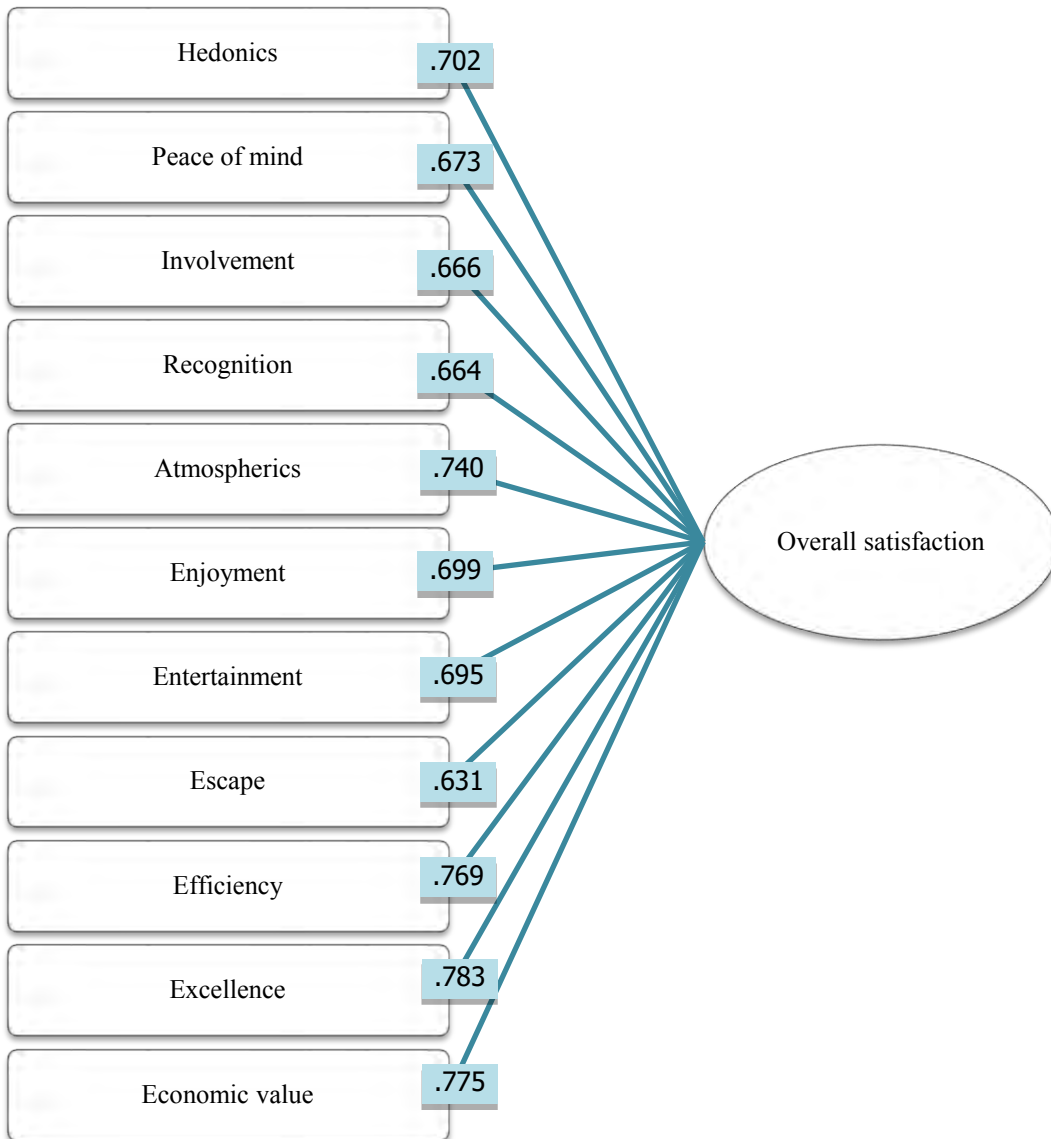
Source: Researcher"s own compilation

Grouping the dimensions into the three categories of satisfaction

The first step in the grouping process was to obtain dummy variable regression analysis data (Füller and Matzler, 2008). One set of variables was made to represent dissatisfiers, and another set denotes satisfiers. Table 2 summarises the results of the dummy variable regression analysis. It must be noted that all the experience dimensions represent potential *dissatisfiers,* as well as potential satisfiers. The dummy regression results show that six *dissatisfiers*, namely *Entertainment* (p<.0005), *Efficiency* (p=.001), *Excellence* (p<.0005), *Hedonics* (p=.006), *Recognition* (p=.002), and *Economic value* (p=.002), exert a significant influence on *Overall satisfaction*. Only two *satisfier* variables, namely *Excellence* (p=.002) and *Economic value* (p=.039), have a significant influence on Overall satisfaction.

Results of dummy variable regression analysis

	Coefficient	Std. Error	t(518)	p-value
Intercept	4.126	0.055	74.818	<.0005
Dissatisfiers				
Dd. Hedonics	-0.217	0.080	-2.733	.006*
Dd. Peace of mind	-0.127	0.078	-1.623	.105
Dd. Involvement	-0.035	0.077	-0.460	.646
Dd. Recognition	-0.261	0.084	-3.092	.002*
Dd. Atmospherics	0.043	0.089	0.476	.635
Dd. Enjoyment	-0.024	0.084	-0.288	.774
Dd. Entertainment	-0.298	0.080	-3.722	<.0005**
Dd. Escape	0.011	0.068	0.169	.866
Dd. Efficiency	-0.292	0.086	-3.397	.001**
Dd. Excellence	-0.335	0.093	-3.610	<.0005**
Dd. Economic value	-0.277	0.089	-3.126	.002*
Satisfiers				
Sd. Hedonics	0.090	0.066	1.354	.176
Sd. Peace of mind	0.098	0.070	1.392	.164
Sd. Involvement	-0.020	0.072	-0.278	.781
Sd. Recognition	-0.022	0.065	-0.338	.736
Sd. Atmospherics	-0.054	0.068	-0.796	.426
Sd. Enjoyment	-0.032	0.070	-0.461	.645
Sd. Entertainment	0.035	0.069	0.510	.610
Sd. Escape	0.097	0.067	1.439	.151
Sd. Efficiency	0.033	0.068	0.487	.626
Sd. Excellence	0.218	0.069	3.180	.002*
Sd. Economic value	0.149	0.072	2.074	.039*

*p<0.05; **p<0.001; Dd=Dissatisfiers; Sd=Satisfiers
Note: R= .834; R²= .695; Adjusted R²= .682; F(22,518)=53.744; p<0.0005; Std. Error of estimate=0.545; n=541

The second step was to group the experience dimensions into the three-factor model of satisfaction. Table 3 presents the results. Column 1 lists the dimensions of the customer experience, while Column 2 (low satisfaction) represents the Dd (*dissatisfier*) coefficients, and Column 3 (high satisfaction) represents the Sd (satisfier) coefficients. Column 4 (ratio impact of high and low satisfaction) was obtained by dividing the high satisfaction value by the low satisfaction values. In all cases, the figures were rounded to two decimals points. According to Füller and Matzler (2008), if the ratio is below the value of one, the dimension is grouped under *basic satisfier;* if the ratio is equal to, or close to one, the dimension is grouped under *performance/hybrid factor* and, if the ratio is higher than one, the dimension is grouped under *excitement satisfier*. The guideline provided by Füller and Matzler (2008) was adopted to group the dimensions into basic, excitement, and performance factors. The resulting grouping is indicated in Column 5 (factor grouping).

TABLE 3:

Dimension grouping into the three categories of satisfaction

Dimensions	Dummy variable regressions coefficients		Ratio (impact high/low)	Factor grouping
	Low satisfaction	High satisfaction		
Hedonics	-0.22**	0.09n.s.	0.41	Basic
Peace of mind	-0.13n.s.	0.10n.s.	0.77	Basic
Involvement	-0.04n.s.	-0.02n.s.	0.56	Basic
Recognition	-0.26**	-0.02n.s.	0.08	Basic
Atmospherics	0.04n.s.	-0.05n.s.	1.27	Excitement
Enjoyment	-0.02n.s.	-0.03n.s.	1.34	Excitement
Entertainment	-0.30***	0.04n.s.	0.12	Basic
Escape	0.01n.s.	0.10n.s.	8.45	Excitement
Efficiency	-0.29***	0.03n.s.	0.11	Basic
Excellence	-0.33***	0.22**	0.65	Basic
Economic value	-0.28**	0.15*	0.54	Basic

*P<0.001

The results in Table 3 show that *Hedonics, Peace of mind, Involvement, Recognition, Entertainment, Efficiency, Excellence, and Economic value* are basic satisfiers. *Atmospherics, Enjoyment, and Escape* are excitement factors. No dimension in the context of this study was identified as a *performance/hybrid* factor.

PRACTICAL MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The study sought to identify experience dimensions relevant to customer satisfaction within the guesthouse industry in Ghana; and group the dimensions in a way that can help managers decide where to allocate their resources to improve customer satisfaction. Based on the results, relevant satisfaction dimensions include *Hedonics, Peace of mind, Involvement, Recognition, Atmospherics, Enjoyment, Entertainment, Escape, Efficiency, Excellence, and Economic value.* The results of the study indicate that *Excellence* (r=0.783) had the strongest influence on overall satisfaction, followed by the *Economic value* (r=0.775), while *Escape* (r=0.631) showed the lowest influence on overall satisfaction. The findings suggest that providing an excellent service plays an important role in contributing to guest overall satisfaction. Similarly, when the perceived experience matches, or exceeds, the cost paid, the guest would be highly satisfied. The findings, in respect of service excellence, are in line with a previous study conducted by Wu and Liang (2009) on the effects of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants. In their study, the authors concluded that *Service excellence* has a positive influence on customer satisfaction. Furthermore, the findings relating to *Economic value* support the results in the study by Lim, *et al*. (2006), which found that the level of customer satisfaction is maximised when the *Economic value* experienced by customers is improved. From a managerial perspective, it is recommended that guesthouse managers should always maintain outstanding service and strive to employ qualified staff. For example, people with a hospitality background, and those who

possess a high sense of responsibility in dealing with customers, should be employed. It is also recommended to equip employees with the right knowledge and skills to deliver excellent service on the standard set for employees. This can be achieved through effective training workshops and interventions aimed at empowering employees to act in a professional way. In addition, providing and maintaining comfortable beds and furniture, providing appropriate and attractive facilities, offering guarantees for quality service, good food and providing good personal security and safety, may contribute to value for money.

While *Hedonics, Peace of mind, Involvement, Recognition, Entertainment, Efficiency, Excellence,* and *Economic value* proved to be basic satisfiers, *Atmospherics, Enjoyment* and *Escape* were found to be excitement satisfiers. In the context of the current study, no dimension could be grouped as a performance/hybrid satisfier. This could imply that providing basic and excitement factors within guesthouses in the selected study sites would adequately enhance guest satisfaction. Given the list of basic satisfiers as mentioned, the following recommendations are offered. To enhance the *Hedonic* experience, a simplified computer application (computer App) that allows a guest to check-in and check-out at their convenient time and place, should be provided. The App should be customised to meet the specific needs of the customer. The provision of the App should allow a guest to have complete access and control of their own experience. Furthermore, guests should be provided with adequate and accurate information regarding the guesthouse (e.g., time of breakfast, security operations, and value-added offers at the guesthouse), as this might enhance *Peace of mind*. Guests should be informed and imbued with a sense of cooperation to co-create their own experience (*Involvement and Recognition*). For example, providing a guest with an opportunity to select their own room, and prepare their own breakfast in the kitchen, might lead to greater guest involvement and increase guests" interest in revisiting the guesthouse. Employees work performance and effectiveness towards customers should be monitored. This could be achieved through regular workshops for employees in specific areas such as how to maintain customer service, customer satisfaction and customer relationship management. Such workshops might enhance the *Efficiency, Excellence*, and *Economic value* offered to guests. It is also important to provide functional *Entertainment* facilities. This could be achieved through the provision of high definition (HD) televisions with functional DSTV in all rooms, with attractive channels and views, the introduction of minor indoor games among guests (e.g. chess or table pool games), a discount on the guest room rate on the next visit, and offering one free breakfast and Wi-Fi.

Atmospherics, Enjoyment, and *Escape* were found to be excitement factors. Guesthouse managers in Ghana should strive to maintain an attractive environment inside and outside of the guesthouse (*Atmospherics*). Surprise gifts such as free coffee, personalised welcoming letters to repeat visitors, provision of spa and bar facilities, stocking room refrigerators with free beverages),

and birthday gifts to guests could also be used to enhance guest *Enjoyment* and *Escape. This will* eventually excite customers to patronise the guesthouse.

CONCLUSIONS

The current study has contributed to the body of knowledge, specifically on customer satisfaction by identifying 11 specific satisfaction factors that can help guesthouse managers decide where to allocate their resources to improve customer satisfaction. *Hedonics, Peace of mind, Involvement, Recognition, Entertainment, Efficiency, Excellence,* and *Economic value* are basic satisfiers, while *Atmospherics, Enjoyment* and *Escape* represent excitement satisfiers. The grouping of the experience dimensions into the three-factor theory also contributes to the current debate in research into the relevance and applicability of the three-factor theory of satisfaction and customer experience. However, the following limitations were identified and serve as focus for future research. The first limitation relates to the sample. About half of the respondents were 30 years old and younger, which might have skewed the results. Due to this, the results of this research should be generalised with caution, and it is suggested that future studies should strive to obtain the perception of a more equal distribution of age groups. Secondly, only Accra (Greater Accra region), Koforidua (Eastern region), Cape Coast (Central region), and Kumasi (Ashanti region) were selected for the study. These four cities were selected because of their rich history and culture, and the fact that these cities are the most visited by tourists in Ghana. Future research could repeat the study in the remaining other regions of the country, in the quest to generalise the findings to guesthouses in Ghana. The study could also be extended to other cities in other countries where the findings could be compared to establish differences or similarities. Furthermore, only 11 experience dimensions were examined in this study. While this is not regarded as a limitation, and the reliability of all the dimensions were confirmed as forming part of the overall guesthouse experience, future research could investigate additional dimensions that might form part of the guesthouse experience.

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Libreville residents' perspective on tourism at Akanda National Park

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ABSTRACT

Akanda National Park (ANP) is one of thirteen national parks in Gabon. ANP was established in 2002 in support of the Gabonese government strategy to diversify the country‟s hydrocarbon dependent economy by developing a tourism industry. However, ANP remains one of the less popular of Gabon‟s tourism attractions despite its natural assets and geographical location in close proximity to Gabon‟s capital, Libreville. This study investigated residents‟ opinions about the tourism industry at ANP in terms of both leisure and business opportunities. Semi-structured interview schedules were employed for data collection from residents in residential areas of Libreville abutting ANP. Findings revealed that local people saw no value in the ANP either as a leisure pursuit or to generate a business leveraging the park as a business resource. This study recommends that the Gabonese government and relevant stakeholders need to redevelop tourism strategies with community stakeholders promoting the role of ANP for all Gabonese not only foreign tourists. Furthermore, there is a need to provide tourism infrastructure at ANP with facilities that help to foster the tourism environment.

Keywords: Akanda; national park; tourism; Libreville; Gabon

INTRODUCTION

Gabon like African countries such as South Africa (National Tourism Sector Strategy, 2017), Rwanda (Nielsen and Spenceley, 2010), Kenya (Njoya and Seeteram, 2018) and Botswana (Lenao and Saarinen, 2015), has adopted tourism to develop and diversify its economy (Chand, 2005, Agence Nationale des Parcs Nationaux ANPN, 2013).

Tourism has been perceived as a pillar to strengthen and diversify the local economy that has long relied on the country‟s natural resource revenues, from oil, manganese and timber for several decades (Zarfar, 2004). But these latter have been in production decline, putting the country in the need of alternative sources of income as could be provided by national parks tourism industry (Keskinarkausetm, Matilainen,Barbone and Makela, 2014; Mthembu & Mutambara, 2018; Shabalala

and Thomas, 2019). As such, the Gabonese government, during the 2002 United Nation Earth Summit (WSSD, 2019) in Johannesburg (South Africa), proclaimed the creation of a network of 13 national parks including Akanda National Park (ANP) to preserve the country"s rich biodiversity, and so to develop a tourism industry. Highly motivated by the need to tackle socio-economic problems, the network of national parks is vast but as yet under utilised as a tourism asset (30 000 square kilometers, approximately 11 per cent of Gabon"s entire territory).

ANP is a marine and land park located in the north west of Gabon, not far from the capital city Libreville within the Mondah Bay region. ANP covers 540 square kilometres and is one of the most important resting sites of migratory birds travelling from Europe to Africa and back, annually. Its fauna includes mammals and, a large variety of birds and reptiles (Weghe, 2005). Its vegetation includes mangroves, littoral and swamp forests, some lowland evergreen forests and a small savanna pocket (Pauwels and Rodel, 2007).

Despite these advantages as a tourism attraction, ANP remains relatively unknown abroad and locally for use by tourists (Laurance, Alonso, Lee and Campbell, 2006). Very little academic research is available on ANP in relation to tourism, and no study until this research, has been conducted to assess residents" perceptions of ANP using this park for tourism. Most researchers have focused only on the bio-conservation aspects of ANP.

This study reflects on the question – how effective are current strategies in terms of creating business and leisure opportunities for residents abutting ANP? Therefore, this study offers an exploratory framework that assesses Libreville residents" opinions to understand the lack of popularity of ANP for tourism at a local level. Moreover, this study adds to the limited body of knowledge on national park tourism in Gabon. This study firstly presents a review of the limited literature pertaining to Gabon"s park. The qualitative research methodology adopted is then described and the findings discussed. The findings highlight the challenges encountered by local residents in availing themselves of business and leisure activities from the tourism assets such as presented in ANP by Gabonese national parks.

LITERATURE REVIEW

The literature review examines the role of a tourism environment for residents close to a national park. The tourism development of the ANP in Gabon is then reviewed against the strategies used to-date to develop it, and the challenges that affect Gabonese national parks" tourism growth.

The importance of national parks for local communities

Establishing a national park network allows protection of natural resources for current and future generations while promoting business activities such as tourism to alleviate socio-economic challenges (Butler and Boyd, 2000; Hubert, Tchemambela, Johnson and Christy, 2005; Dupeyras and MacCallum, 2013; Mtapuri, Giampiccoli and Jugmohan, 2017) and poverty (Haretsebe and Tumelo, 2019; Mthhembu and Mutambara, 2018; Medina-Munoz, Medina-Munoz and Gutierez-Perez, 2016). National Parks, offer opportunities for tourism, which is an industry that encourages and inhabited by a cluster of small and medium enterprises (SMEs) providing work for many local residents (Frimpong, 2013; Inversini and Rega, 2016). Research shows that local community participation and empowerment is beneficial to local and international tourism promotion while having the potential to address issues of improved local community development, planning, and, management of collective resources (Scheyvens, 1999; Walpole and Godwin, 2000; Garrod, 2003, Tosun, 2006; Moswete, Toteng and Mbaiwa, 2008; Muganda, Sirima and Ezra, 2013). Local community stakeholders in tourism development are perceived as the most authentic and proper stakeholders of tourism activity development (Jamal and Stronza, 2009; Haukeland, 2011; Moumaneix and Nkombe, 2017) so local residents should play an important role in the promotion of tourism for a park (Israr, Shaukat, Shafi, Ahmad, Baig and Nasir, 2009).

Tourism in Gabon

According to Laurance, *et al.* (2006), Wilkie, White and Curran (2007) and ANPN (2013), Gabon has incredible potential for tourism due to the unique diversity of its natural environments. Gabon is a premier destination for African rainforest tourism because of its pristine rainforest abundant with wild flora and fauna (French, 2009). In this sense, the Gabonese government adopted tourism as one of main pillars of the „Gabon vert" („green Gabon"), of Gabon"s sustainable development strategy together with "Industrial Gabon" and "Gabon of services" (Keskinarkaus *et al.,* 2014). Indeed, tourism together with other pillars of the Gabon vert (agriculture, forestry and national parks) aims at ameliorating Gabonese"s living conditions by encouraging micro, small and medium tourism enterprise (SME) growth (Doumenge, Palla, Scholte, Hiol Hiol and Larzilliere, 2015; Mousavi, Doratli, Mousavi and Moradiahari, 2016).

The intention of Gabon"s government policy for national parks and community engagement was stated at the establishment of Gabon"s parks in that local residents (Wildlife Conservation Society, 2007) would use these ecological assets in both a leisure and business manner.

FIGURE 1:

Map of Gabon showing all National Parks and in red, Akanda
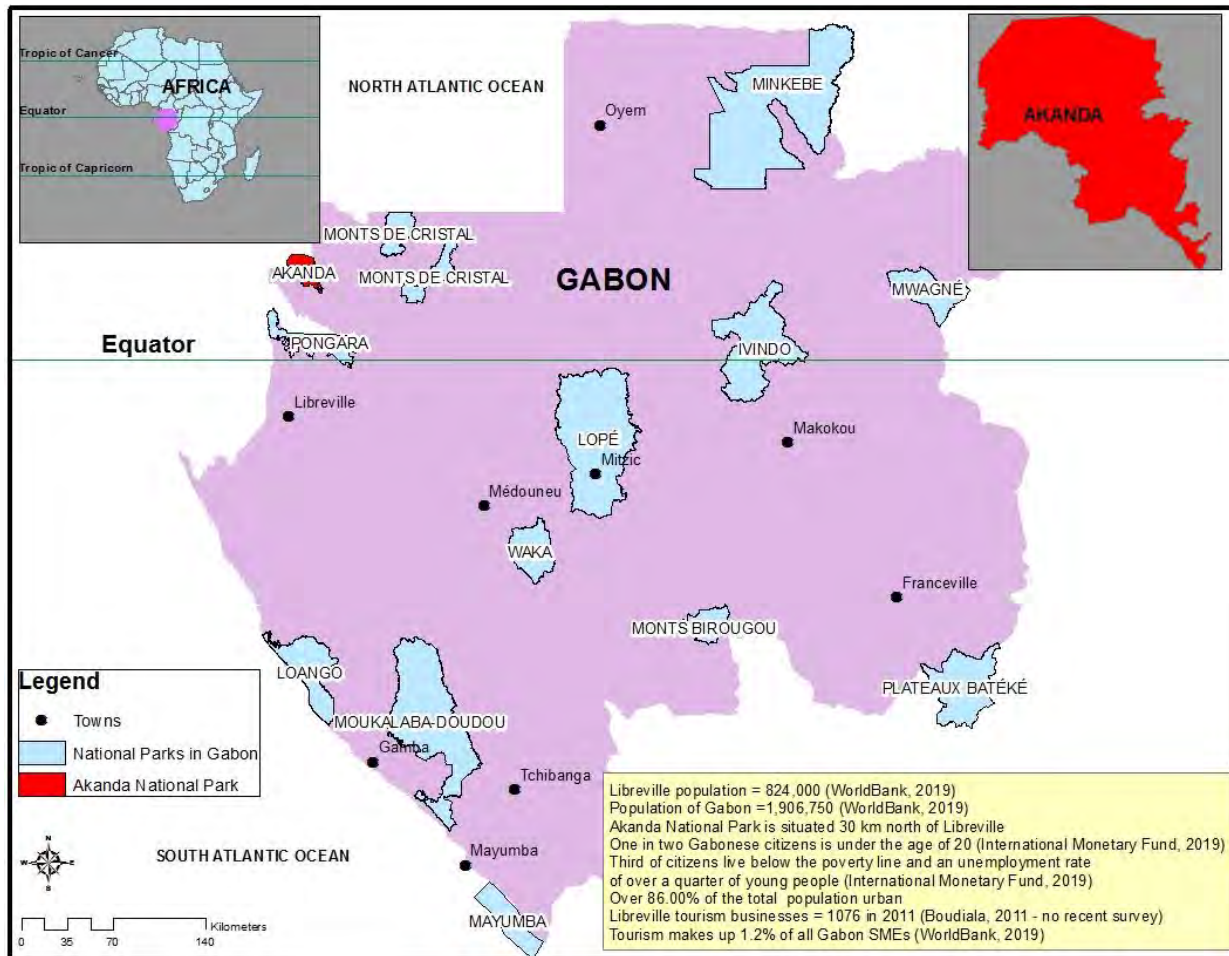
Source: Authors own compilation, 2020

Up-to-date data on the population and other aspects of Gabon is extremely limited but latest figures available from 2019 have been represented in Figure 1. Figure 1 shows the position of Akanda national park within 30 kilometres of Gabon"s capital of Libreville which has a population of approximately 800 000 people. This paper highlights how to-date, the park is seemingly of little use either as a work or a leisure option to local residents even though it was intended as such when created. Gabon is still known internationally as an oil-producing state rather than a tourist destination.

Strategies for improving the role of parks for communities

In Gabon, two key policies have been adopted to protect the forest cover from degradation at the parks and to protect the park biodiversity. The government felt that both policies were essential for the potential of tourism to be realised. These policies are: the Forest Code N°16/01 of the 31st December

2001; and, the National Park Law N°03/2007 of the 27th August 2007 (Doumenge *et al.,* 2015). These policies according to Yobo and Ito (2015) aim to regulate the forestry resources of the parks in terms of access, use and forestry product trade while refocusing development away from the forest harvesting by redirecting business development through a new tourism marketing management thrust. In addition to these policies, Wight, Mehta, Sholley, Lefrancois, Sebunya, and Christ (2004) affirmed over a decade ago and more recently Penn, Thomas and Goldman (2019), that non-governmental organisations (NGOs) together with the government of Gabon must create local residents" SME sustainability by developing a comprehensive tourism plan for the country"s national parks system through their NGO training and education initiatives. This said, there is still a considerable hiatus between the government development policies to encourage ANP sustainable economic and leisure usage and, their implementation (Laurance *et al.,* 2006; Doumenge *et al.,* 2015).

As a result, Jedrusik, Lisowski, Mouketou-Tarazewicz, Ropivia, and Zagajewski (2015) claim that many government development initiatives have generally remained on paper with no action. Marketing was aa fundamental strategy identified by the government to boost tourism in Gabon as it creates visitation and return visit expectations from tourists (Carter and Lowman, 1994). Tourist satisfaction determines the viability of the destination (Wearing and Neil, 2009). Fyall, Kozak, Andreu, Gnoth and Lebe (2009) perceive marketing as a fundamental necessity for a tourism destination with it being a key determinant of attracting tourists. The objectives for tourism in Gabon were according to Wight et al. (2004) initially designed to establish Gabon as an international tourism destination greatly expanding international investment opportunities in Gabon"s tourism sector. Gabon could then build a strong international conservation consistency in its marketing messages, creating an excellent tourism model that promotes conservation linked to sustainability in related local community developments.

Gabon Wildlife Conservation Society (2007) went on to identify four aspects for the Gabonese parks marketing strategy suggesting these be widely adopted by Gabon"s government. Firstly, targeting marketing to two specific groups of clients. One target group being tourists who are well educated and high spending to encourage their expenditure while experiencing the country"s unique biome offerings. The second target group being tourists with specialties such as birding or adventure. Secondly, ensure the promotion of activities that create enthusiastic but reasonable expectations by visitors about the cultural and natural attractions that Gabon offers so as not to sell something the country cannot provide. Thirdly, adopting marketing themes that present Gabon as a compelling tourism destination by promoting the country"s safety, stability, and undiscovered natural assets. Finally, encouraging tourists to experience Gabon"s rain forests to help the related strategy of conserving the forests from timber cutting but rather as an animal and biome experience. There was no mention made in these four goals of encouraging local residents as tourists to enjoy their national heritage, or, of local

residents contributing through their own tourism-related business ventures to national marketing efforts. The absence of the mention of local communities was not conducive to promoting the sustainability of related community SMEs derived from the park presence. Moussavou (2014) points out that even with these guidelines, tourism at the parks has so far attracted low numbers of international visitors consequently having little impact on the economic development for abutting populations.

Challenges in developing tourism in national parks in Gabon

Current challenges faced in Gabonese national parks are several. There are often unfavourable park conditions for visits caused by natural phenomena such as frequent high winds, flooding by tides and, heavy rain causing general soil erosion (Wilkie *et al.,* 2007). Human activities such as illegal hunting for bush-meat and ivory by neighbouring country residents and locals alike continue which creates long-term damage to the animal numbers (Ukizintambara, White, Abernethy and Thébaud, 2007; Weghe, 2005; Van Gils, Ingram, Midoko Iponga and Abernethy, 2019). There continues unsustainable exploitation of park timber from parks while inside the park, there is local community agricultural expansion associated with slash and burn farming methods plus associated, increasing community infrastructure development. Finally, mining exploitation within park boundaries continues (Laurance et al., 2006; CIFOR, 2013). There is also a problem of poor road accessibility both to and within national parks in Gabon with a lack of basic tourism infrastructure such as tourism signage and toilets (Laurance *et al.,* 2006; Ross, 2004; Chand, 2005; Cloquet, 2013).

Jerusik *et al*. (2015) commented there is frequently a lack of qualified park personnel in Gabon‟s parks to support tourism activities. One reason for the lack of local residents‟ participation in establishing tourism SMEs has been attributed to the high cost to set up tourism SME activities so control of tourism activities is predominantly by foreign tourism and hospitality businesses targeting foreign tourists not locals (Chand, 2005; Moussavou, Tengeh and Cupido, 2016). Research also shows that tourism has been affected negatively by government‟s lack of local community inclusive consultation on how to develop tourism especially from those communities displaced due to the establishment of national parks in Gabon (Pimbert and Pretty, 1995; Agrawal and Ostrom, 2001; Okello and Kiringe, 2004; West, Igoe and Brockington, 2006; Moussavou, 2014; Pyhala, Orozco and Counsell, 2016; Cultural Survival, 2017).

A further challenge to tourism is the country‟s occasional political instability. A country‟s internal instability usually results in a notable decline of tourists (Chand, 2005; Issa, 2006). A report by the European Union Election observation mission to Gabon (2016) after the 2016 Gabonese presidential election, presented Gabon as unstable politically with extreme violence resulting from curtailment of

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citizens" fundamental rights (Norris and Gromping, 2017). Cauwzenbergh (2017) notes that this type of media worsens the tourism outlook for the country. This research aimed at gaining an insightful view from local Libreville residents to understand their perspectives on ANP tourism development impetus for themselves as recipients.

METHOD

This study adopted an interpretivist, inductive approach using a qualitative methodology to gather empirical primary data (Jennings, 2010). A qualitative study produces findings not arrived at by statistical analyses (Strauss and Corbin, 1988). Interviews provide information of participants" experiences and viewpoints on a topic in a specific context (Turner, 2010; McGuirk and O"Neil, 2016). Starks and Trinidad (2007) and, Dwyer, Gill and Seetaram (2012) indicate that one-on-one interviews gather information from participants. This study used semi-structured, one-on-one, interviews with Libreville residents selected for convenience with the inclusion criterion that they were living on the borders of ANP. Etikan, Musa and Alkassim (2016) define convenience sampling as non-random sampling, where the selection of participants for a study is based on their accessibility for participation (Vosloo, 2014). An interview schedule characterised by a mix of open-ended (questions such as what, how, and why) and closed-ended questions (questions requiring a yes or no answers followed by further discussion of the why of yes/no) was developed using reviewed literature themes to guide the course of each interview. Seventeen Libreville residents were conveniently selected according to their willingness to participate over a period of 3 months. Dwyer *et al.* (2012) believe that qualitative research is not about interviewing a specific numbers of participants, but about including participants who have relevance to the research focus. In this research, interviews were conducted until saturation was attained through repetition of ideas, content and concepts by participants (Jennings, 2010). Morse (2015) notes that data saturation should be sought whenever possible. In other words, data saturation in qualitative research is the criterion for the discontinuing of data collection and/or analysis (Saunders, Sim, Kingstone, Baker, Waterfield, Bartlam, Burroughs and Jinks, 2018). The ethics of participant anonymity and confidentiality were explained to each participant together with the option to opt-out at any point in the study. Participants were informed that this research had academic purposes. The interview schedule was available for participants to review the questions to be posed. Swain (2017) likens the research ethics adopted (transparency of the research process for all stakeholders) to moral principles of conduct, which should guide the conduct of the researcher. A cellphone was used to record each conversation with the authorisation of the participants and the researcher transcribed the interviews in English to Microsoft Word™ for analysis. Pakhare, Bali and Kalra (2013) believe that the use of a mobile phone speeds capturing of reporting with accuracy and has the potential for enriched data collection. This study adopted content analysis as the technique for

interpreting the findings obtained from empirical material collected. Rodrigues (2016) argues that content analysis is a research technique that helps the researcher to validate theoretical issues integral to answering the research question posed while strengthening comprehension about the unique context of the collected data.

FINDINGS AND DISCUSSION

The demographic characteristic of participants of this study was as follow: seventeen participants constituted of eight females and nine males. The age range of participants: 18-29 years, three females and two males; 30-39 years, three females and three males; 40-49, two females and four males. All participants had finished high school and five of them have postgraduate qualifications. Eight participants were unemployed while seven worked for the public sector and two for the private. All participants live geographically close to ANP (within 0.2 to 5 kilometers).

One participant disclosed that Akanda was named after the Sekiani groups who were living in and round ANP with the Benga people. The participant further revealed that the Sekiani people felt threatened as they saw their historic activities in the ANP being restricted and controlled after ANP was designated. Another participant agreed that generally, there was ethnic dissatisfaction with the way the ANP had to-date not been beneficial to displaced ethnic communities and as such, each of these displaced communities have different but antagonistic feelings towards the park according to their displaced interests. A participant stated the Benga people specifically felt threatened as they had to respect the new park rules that meant that they could no longer enter the park at whatever point they chose as they had previously done for centuries, and which they perceived as not being beneficial to their future survival. The displacement of communities around Gabon‟s national parks and its impact on tourism is discussed in literature in terms of trying to balance the displacement with new opportunities for livelihoods (Pimbert and Pretty, 1995; Agrawal and Ostrom, 2001; Okello and Kiringe, 2004; West *et al.,* 2006; Moussavou, 2014; Pyhala, *et al.,* 2016; Cultural Survival, 2017). A third participant revealed that there are still regular altercations between the ANP perimeter guards and members of the local communities due to the communities undertaking what were traditional but which are now illegal activities within the ANP such as fishing and hunting. Van Gils *et al.* (2019) highlight this problem of the removal of bush-meat hunting from a national park when there is no other food or job alternatives, as common to many parks. A participant suggested that the link between conservation and tourism and its value to the community is not clear and the illegal activities by the community around the park will continue until this park becomes of practical value to the community. These types of illegal activities are ongoing challenges to the development of tourism in national parks in Gabon (Ukizintambara *et al.,* 2007; Weghe, 2005; Van Gils *et al.,* 2019).

A fourth male participant said local community individuals still felt dissatisfied with the creation of ANP as although compensation had been paid for the ancestral land, since that compensation no further work or business opportunities had arisen for them from having the ANP. This participant added that while some participants felt abandoned by government after the establishment of ANP, he also felt that the 2015 creation of a consultation body representing these disenchanted ethnic groups to meet regularly with government representatives of the park, has helped the ethnic groups to better understand the opportunities the park presence might create. This liaison group known as CCGL (Comité Consulatif de Gestion Local) a participant noted, is now seen as a permanent communication channel between the ANP governing body and representatives of the local communities. This liaison has also extended to encouraging a partnership between ANP and the local community in terms of training local eco-guides and encouraging community craft sales to tourists. As regards this liaison between communities and park, the other sixteen participants stated they knew nothing of such a liaison. It is emphasised by several authors that local community participation and empowerment is beneficial to local tourism promotion (Scheyvens, 1999; Walpole and Godwin, 2000; Garrod, 2003, Tosun, 2006; Moswete *et al.,* 2008; Muganda, *et al.,* 2013). Therefore, if ANP‟s local community feel left out of ANP development strategies, they are less likely to participate in supporting ANP tourism development.

All the participants had a very limited understanding of how the protection of the environment in ANP could lead to park tourism and related SME development. Knowledge about the unique tourism biome assets of the park was limited amongst the participants with participants agreeing that this lack of information limited their understanding of what sort of SME business they could develop using the park. A male participant mentioned the lack of banks, automatic teller machines or, currency exchange around ANP. This meant that ANP foreign tourists could not purchase anything from local people unless they had brought local cash currency.

Three participants had heard of ANP from school, television, and discussion about the park with friends who knew of it so they felt that the park reputation as a tourism attraction was gradually being understood by local residents which in turn helps residents understand the role that park tourism could play in their community‟s business development and as a leisure activity for locals. The fourteen other participants indicated an overall sentiment of lack of proper marketing and communication strategies used at present to promote the park to locals. According to participants the main marketing strategy they believed was available for themselves as local residents, was word of mouth. One male participant said as far as he knew the park was to-date known only as a conservation area to locals, not a tourist site for locals to visit for leisure. All participants felt little effort has been made to attract

local residents as tourists. Moreover, thirteen said they knew nothing about what the park had to offer, as they had never gone inside its perimeter. Only two male participants had ever accessed information about the park through the ANP website. However, one participant amply highlighted this lack of information about the value of the park in terms of environment and potential tourism stating, "We all have a village with wild animals [that come and go through it] so I am not sure what the ANP has to offer that is different".

Three noted a lack of understanding of how the park could promote tourism and jobs epitomised in the following quote, "It is not understood in our culture at the moment why we should visit national parks for fun or what work can come from them". Five knew that ANP was home to a wide range of uniquely Gabonese biodiversity and while proud of this fact, they too were unsure how to develop a tourism job or SME for themselves that could utilise this diversity.

Two participants indicated that they had heard Gabon was to establish a school of tourism but did not know if the school yet existed or what sort of training it would offer that would create Gabonese jobs from undertaking tourism activities. In addition, all participants indicated they would like to visit the park regularly indicating they understood that the ANP belonged to all Gabonese people but all made the point that as such ANP should be physically accessible to them. They pointed out, physical accessibility was a huge challenge as the roads were not in good state, and there was no exact road signs on main roads that can lead them to the park or within the park. One participant stated, "We need a private 4x4 car to get there as a Libreville taxi cannot arrive at the park" inferring a taxi would not be allowed to enter the park.

All would have liked to spend a night in the park but had concerns over personal safety of sleeping in the park with relatively unknown wild animals plus the implications of the cost of such an activity. None of the seventeen had any idea if indeed accommodation was available in the park or what price they would have to pay to use it. The interviews showed unanimous agreement by all participants that ANP tourism services and facilities are not known to them as local residents. One man noted that, "Tourism is an activity for the rich and foreign tourists, so only these people will know about the parks in Gabon - ANP seems to have been designed for other people, not Gabonese". Additionally, all participants said the park entry seemed very expensive when the researcher disclosed the cost, with one participant indicating that the entry for a single person was the same as her monthly salary.

Suggestions were made by participants as to what marketing was required for local residents to understand what opportunities the park could offer in terms of both jobs and leisure. Suggestions included having easily accessible information on ANP activities and assets through television, radio,

social media, national magazines, street sign-boards and flyers. Some participants suggested free workshops and open days with free entrance to attract people so that local residents could become informed on what the park offers to the public. As far as any of the participants knew, there had never been free workshops about what the ANP had to offer local tourists, or free access to view the park even for a day. It was also suggested as a method of marketing, that school-children need more exposure to the park with day excursions. All agreed entry fees affordable by all social classes would rid the perception of tourism being for the rich. Participants all felt that the ANP could hold the potential to drive the development of roads, accommodation and restaurants to facilitate tourism development for local people. This was summed up by a participant as, "Gabonese people could work with ANP as guides in the tourism generated by ANP as well as run hotels and restaurants serving the park". Participants noted that as far as they knew all ANP tourism activities were currently run by foreign owned companies. This supports an argument by Njerekai that there is currently a movement in Africa of national parks business opportunities undergoing a privatisation exercise as regards who runs them and this generally excludes local participation due to high barriers of entry to start up (Njerekai, 2020).

RECOMMENDATIONS

Although participants were very unclear as to how jobs in tourism would eventually arise from the ANP having never been tourists themselves, one participant noted, "I do think that the development of ANP could help to heal the economic crisis that Gabon is facing by generating jobs". Another said, "ANP would be added to our national heritage if it were developed for Gabonese to access for tourism activities and tourism work". Participants agreed that they would also be happy to create SMEs that supplied tourist SMEs with such products as fish, fruit, vegetables, cleaning services and car repair if invited to although they are not currently invited to do so by foreign run tourist operations. The results obtained in this research confirm the argument of Moussavou (2014) that in many cases, local communities are not consulted or informed of the strategy and ongoing establishment of national parks. The unpopularity of ANP with some local residents was in large part due to a lack of knowledge of what the ANP could deliver in return for the trade for ancestral land and its accompanying access to food. ANP as yet had not yielded tourism opportunities through jobs and SME business.

Inclusive stakeholder consultation is key to succeeding with gaining citizens buy-in. As Fyall *et al.* (2009) indicated, marketing is also fundamental for success at a tourism destination. The tangible business proposition for local community SME development is that ANP development strategy needs to encourage the investment of every existing third party including NGOs, tour operators, government, and the local population of Libreville abutting the ANP. The intangible value creating proposition for

long-term park sustainability is that Gabonese people have access to enjoy parks as their own leisure activity.

Based on these results, this study argues that comprehensive communication campaigns need to target Libreville residents about ANP to give them the inclusion they believe necessary to adopt the ANP into their vision of a natural heritage. Marketing of a destination involves many persons including government agencies, tourism enterprises and, the residents of the destination"s host community (Hsu, Killion, Brown, Gross and Huang, 2008). Accessibility to the park for locals has to be part of future development while the prices for tours lowered so that Gabonese from all social classes could take part in tourism at ANP. Once local residents understand the value of the park through the eyes of a tourist, then they can gain full value from understanding how to develop tourist related businesses. The Gabonese interviewed believed tourism to be an expensive activity reserved for the rich. These findings reinforce Chand (2005) who emphasised fourteen years ago that the cost of local tourism participation in Gabon (park entry and tours prices) was too high because tourism was developed for foreign markets with strong currencies. Citizens of Gabon have to be encouraged to use their national parks and this would be helped with activities that make this possible such as one week a year free entry or, decreased entry fee for Gabon residents. The lack of easily available physical access to the park (road and signage infrastructures) highlighted by participants is in line with the research findings of Laurance *et al*. (2006) of over a decade before which indicated that tourism was hampered in many national parks in Gabon because they are difficult to access. The government has to step in and upgrade road access to encourage tourism. Positively, despite the challenges of getting ANP marketed and getting tourists to visit, participants did believe that ANP could have potential for local job creation, and tourist related SME business while offering them personally a site for leisure relaxation as residents of Libreville if their concerns were addressed.

CONCLUSION

The study aimed to evaluate Libreville residents" perspective of tourism development at ANP nearly two decades after the park"s establishment in 2002. Current strategies to create business and leisure opportunities for residents abutting ANP are not successful. Current government policy has yet to establish outcomes that promote the rights and job security of local communities through tourism activities. This supports Yobo and Ito"s (2016) assessment of park influence on SME and leisure prospects for local residents in that opportunities for local peoples have really not developed as yet from ANP"s presence. The success of a tourism industry lies on the policies and planning that are put in place to support its industry development but the policies need to be rethought to deal with gaps in their delivery as regards sustainability of the ANP for both biodiversity and the local communities.

Kerr (2003) and Fennell (2008) suggest that all countries should endeavor to create overarching tourism policies to guide strategic planning of the development of tourism making sure to apply the policies consistently throughout a region such as ANP using available resources to do so efficiently and effectively. The World Conservation Society (2007) recommended Gabon must ensure that all park visitors have a positive experience, encouraging return visits. Findings from this research emphasis that for local residents there is little park experience with a lack of communication and information about the park and, the belief that tourism is for the rich, being key challenges for ANP development policies to deal with when considering local support for the park and job creation from the park. This study attempts to contribute to the limited body of knowledge available on Gabon‟s national parks in relation to producing opportunities for communities and can be used by relevant Gabon‟s tourism stakeholders to understand the failure of the parks tourism initiatives to currently involve local people.

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Successful visitor market transition for the hospitality industry. A case study of Christchurch, New Zealand

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ABSTRACT

Knowledge of, and experience in the market are key determinants in decision-making for any business. However, when a disruption occurs, similar to COVID-19, businesses need to rapidly respond to the situation to survive. This paper considers how hospitality businesses within the Christchurch, New Zealand, economy supported heavily by international visitors, were able to pivot from a substantial international market injection to a predominantly local market, and succeeded. The local industry experienced several disasters recently, which likely prepared the industry for a successful transition. Their success in transitioning the focus from a largely international target market to a domestic market is measured over time through point-of-sale card spending data and supported by a survey that captured initial concerns and the perceived impact that closed borders would have on their ability to operate during 2020 and beyond. The hospitality industry"s ability to transition from a denpendency on significant international visitor spending injection to a predominantly domestic market exceeded their own expectations, suggesting that factors outside the business experience played a role in their success.

Keywords: hospitality; New Zealand; COVID-19; disruption; market transition; visitor

INTRODUCTION

The ability of businesses to adapt is key to success (Athota, 2021; Heinrich and Betts, 2003; Astrachan and Kolenko, 1994). This ability relies on a good understanding of the current market climate and an ability to envisage what lies ahead. Experience and learnings from the past are often the only and best tools to managing future expectations (Stutz and Schrempf-Stirling, 2020; Swetnam, Allen and Betancourt, 1999). Applying the knowledge and insight gained from experience could help guide decision-making during times of disruption.

COVID-19 has forced the hospitality industry to adjust to a more fluid and unconstructed environment for decision-making. The imposed regulations to limit the spread of the pandemic from governments worldwide were novel in most economies and certainly in New Zealand (Hall, Prayag, Fieger and Dyason, 2021). On a worldwide scale, the only previous and comparable event would be the effect and aftermath of the global financial crisis (GFC) of 2008/2009 (Maliszewska, Mattoo and Van Der Mensbrugghe, 2020; Edey, 2009); while, within the Christchurch economy, businesses, including the hospitality industry, had experience of the GFC, as well as a devastating earthquake during 2010/11 that forced them to adjust.

This paper examines the performance of hospitality business owners within Christchurch, New Zealand through transactional point-of-sale data with expectations on their business performance during and after the lockdown of 2020. The paper continues by comparing the expectation from business owners in the hospitality industry sourced with primary data, in the form of surveys, with hospitality retail sales data over the same period. Such a longitudinal analysis of events combined with expectations could shed light on how businesses react and potentially outperform their expectations when confronted with challenging events and disruption, which has led to the successful transition to a domestic-oriented market.

MANAGING DISRUPTION IN THE HOSPITALITY INDUSTRY

Tourism is an important industry in New Zealand. Along with the dairy industry, tourism generates country"s largest foreign exchange earnings , contributing 20.1 percent to total New Zealand exports of goods and services by March 2020 (MBIE, 2021a). The spending generated by visitors amounts to NZ$17.5 billion, only slightly below that of domestic visitor spending of NZ$24.4 billion for the year ending March 2020 (MBIE, 2021a). The spending by international visitors flows through the economy and benefits various industries, with hospitality the largest beneficiary receiving 21 percent of all visitor spending during 2019/20 (MBIE, 2021a). The ability of the tourism industry to overcome the disruption from COVID-19 is illustrated by the strong spending rebound within the industry considering that travel restrictions remain in place for New Zealand in 2021 (New Zealand Customs Services, 2021). Total tourism spending rebounded to $12.1 billion by June 2021, up from $11.5 billion in 2020 and slightly lower than the $12.7 billion in 2019 (MBIE, 2021b).

This ability to rebound and respond to disruption is not new to New Zealand, especially not for Christchurch. The city has been subjected to localised disaster and disruption in recent history, markedly as a consequence of the 2010/2011 series of earthquakes that had profound impacts on the Christchurch hospitality sector (Prayag, Fieger and Rice, 2019). The paper postulates that knowledge and experience gained through these events are expected to play a role in managers"

ability to predict the outcome of similar disruptions. In other words, applying past insight to predict and manage what lies ahead. Within this context, and considering the responses from business owners to a survey to estimate the impact that COVID-19 might have on their business, it is useful to refer to the impact previous events have had on the hospitality industry in Christchurch. The two recent major events that impacted the Christchurch hospitality industry were the global financial crisis in 2008/9, where growth was negative for three consecutive quarters with the lowest growth of -4.3 percent (see Figure 1). The second event were the 2010/11 earthquakes, with significant damage to infrastructure within Christchurch, which resulted in a extended period of rebuilding of most of the central city. This event translated into seven consecutive quarters of negative spending growth for the hospitality industry and the lowest growth rate of -14.8 percent. The earthquake effect translated into nearly two years of negative hospitality spending for the industry (see Figure 1). These historical events provided insights for the business owners within the hospitality industry and were likely affecting their expectations of how disruptions from crises influence business performance.

FIGURE 1:

Hospitality growth rate, quarter on quarter, Christchurch City, 2006-2016
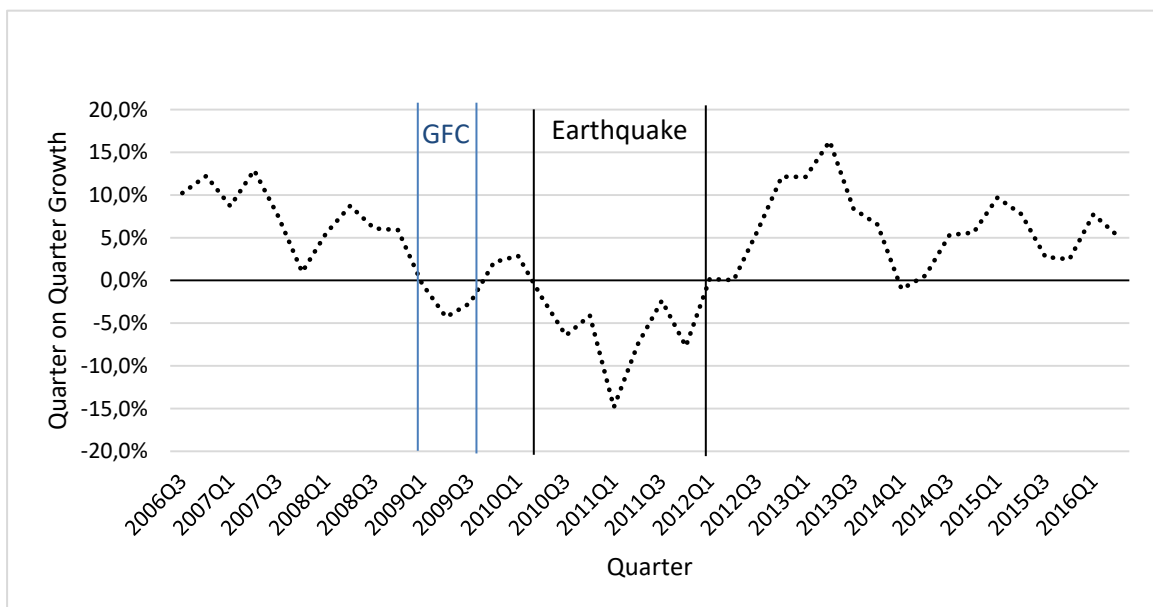
Source: Statistics New Zealand, 2021a

DATA & METHOD

Post hoc methods such as interviews and surveys are often used once a disruption has passed to reveal the decision-making process for business managers during times of disruption and provide a historical account of the process, after the event (Sharif, Irani and Love, 2005). Alternatively, and aligned with literature related to investment decisions, investors apply real-time decision-making techniques referred to as policy capturing, where the investor or business owner would evaluate

the probable future outcomes based on the existing or new policies employed by the government (Zacharakis and Meyer, 1998). The surveys utilised in this research capture the expected future outcomes at various times during the early stages of the COVID-19 crisis, at the onset of the disruption and then again two months later. Although the question was not directly asked within the survey itself, our study postulates that previous experience of dealing with disasters and disruption (i.e. GFC and earthquakes) within the local economy is a likely contributing factor to business owners" ability to estimate the impact of COVID-19-related regulations on their business performance and plan accordingly. The survey data is supplemented by retail spending data, sourced through Verisk New Zealand, a data service provider that tracks point-of-sale transaction data from credit and debit cardholders (Verisk, 2021).

The series of surveys was commissioned by ChristchurchNZ, Christchurch"s economic development agency, and the Canterbury Chamber of Commerce between 16 March and 11 May 2020 to provide insight into the perceived effect of the disruption caused by COVID-19 on businesses. The anonymous surveys provided information regarding the perceived current and future impact on cashflows, employment, and market shifts for businesses within Christchurch. Business owners who were members of the Canterbury Chamber of Commerce were asked to reveal their perceived impact on their business over the next three months, while an identical follow-up survey targeted the same respondents. A total of 655 business owners responded to the first survey in March 2020, of which 162 responses were from businesses belonging to the hospitality industry. The second survey, in May 2020, received 472 responses, of which 56 were from hospitality businesses. These surveys captured business owners" perception of the business environment during a period of uncertainty and significant financial strain, which may account for the lower response rate for the latter survey. The response rate to the first survey was surprisingly high given the uncertainty at the time. Given the overall number of hospitality businesses of 2,175 in Canterbury in 2020 (Statistics New Zealand, 2021b), the responding numbers of 162/56 can be considered a fairly good representation of the sector.

The survey content remained the same for both surveys to allow for comparison in feedback over time. The questions in the survey were predominantly quantitative in nature and respondents were asked to indicate a percentage change from the same time a year ago in their cashflow, employment and market penetration. Table 1 provides a timeline of the events from early 2020, and the timing of the surveys is also provided for context.

The survey responses are compared to retail spending on hospitality goods and services within Christchurch over the corresponding period. The data spans between January 2018 and October 2020. The benefit of point-of-sale data is that it enables analysis of actual spending at the

hospitality premises and excludes online sales. The Verisk retail spending data is furthermore divided into domestic and international visitor spending. This separation enables an analysis of the performance of the industry comparing the perceived impact of business owners from the survey results to the actual market response from consumers from the retail sales data.

RESULTS

Surviving a disruption

A disruption is bound to change the behaviour of those who are directly affected (Trentman, 2020). A timeline of events during early 2020 is provided in Table 1 along with the survey dates. In early February of 2020, the New Zealand government announced a travel ban for Chinese visitors. In 2019, this market was rapidly growing (Fieger & Rice, 2018) and represented 13% of visitor spending within the Christchurch economy and therefore a significant impact was expected due to lost spending (MBIE, 2021). By the time the first survey was distributed, the government had introduced mandatory 14-day self-isolation measures for all arrivals into the country (Radio New Zealand, 2020). The additional stricter requirements imposed on visitors added to the uncertainty for hospitality businesses, and unsurprisingly, survey data revealed that the majority of businesses expected a decrease in international visitor arrivals as a result.

TABLE 1:

New Zealand Covid-19 lockdown timeline and Christchurch longitudinal expectation survey

Date	Restrictions	Survey
3 Feb 2020	NZ impose a travel ban for Chinese visitors	
14 March 2020	Arrivals, 14-day self-isolating mandatory	
		Survey 1: 16-21 March
23 March 2020	Lockdown level 4 announced	
26 March 2020	**Lockdown level 4 initiated** • Stay at home • No gatherings • All business closed, except for essential services	
28 April 2020	**Move to lockdown level 3** • Regional travel is restricted • Gatherings up to 10 people allowed • Public venues must close • Work from home where possible • Restriction on business operations	
		Survey 2: 5-11 May
14 May 2020	**Move to lockdown level 2** • Physical distancing • Gatherings with a 100-person limitation	
9 June 2020	**Move to lockdown level 1** • Border restriction with 14-day mandatory isolation • Face coverings on public transport	

**Source: Radio New Zealand, 2020 and authors**

The announcement of lockdown level 4 (see Table 1 for description) on 23 March 2020 came after

the first survey closed and the restrictions applied by the government meant that all hospitality businesses had to close during this time as they were not regarded as essential services. The lockdown restrictions within New Zealand mirrored the restrictions placed by other countries, with similar restrictions affecting the hospitality industry worldwide.

The results from the first survey reveal that most business owners expected a significant reduction in their cashflow in the short term due to COVID-19 (see Figure 2). Expecting the worst does not necessarily lead to the same result (Rockmann and Northcraft, 2010). It could be argued that the experience of comparable disruption events such as the GFC or the Christchurch earthquakes was taken into consideration by respondents when predicting future outcomes. The damaging 2010/11 earthquakes led to a significant negative long-term effect as visitor numbers declined (Wilson, 2016:59; Parker and Steenkamp, 2012). The results from the first survey highlight that business owners expected the impact from COVID-19 to immediately negatively impact their cashflow. The government measures that were already introduced before the announcement of the level 4 lockdown pointed to a significant disruption in international travel to the region.

FIGURE 2:

Survey 1 March 2020: The expected impact from Covid-19 over the next three months (March to June) on finances and cashflow
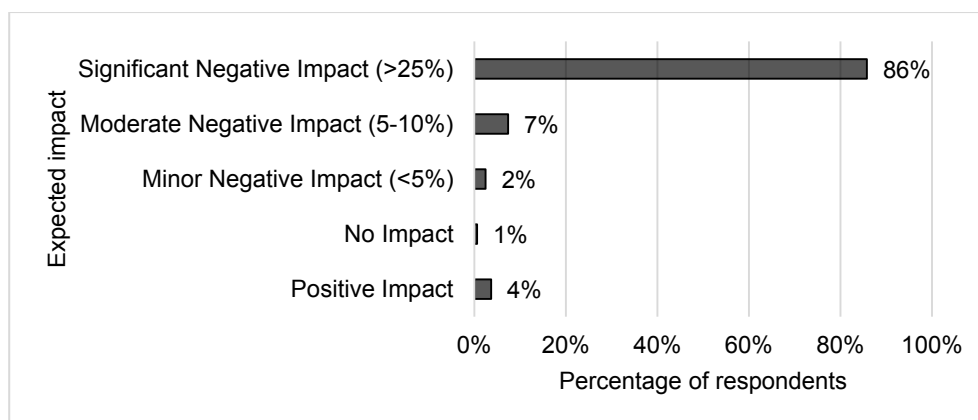
Source: Authors' calculations from survey responses

Survey feedback revealed that disruption was expected to be in both the domestic and international markets with lower spending expected for the next three months, from March to June 2020 (see Figure 3). The higher share of respondents expecting no impact from international customer markets suggests that the 14-day isolation impact was anticipated to support their cashflow, while the introduction of a wage subsidy from the government to support employee remuneration was also expected to support their cashflow position. A wage subsidy announced on 15 March 2020 as part of the 2020 budget was introduced to support businesses that have been affected by the changing business environment (Molyneux, 2020).

FIGURE 3:

Survey 1 March 2020: The expected impact from Covid-19 over the next three months (March to June) on the domestic and international market, March 2020
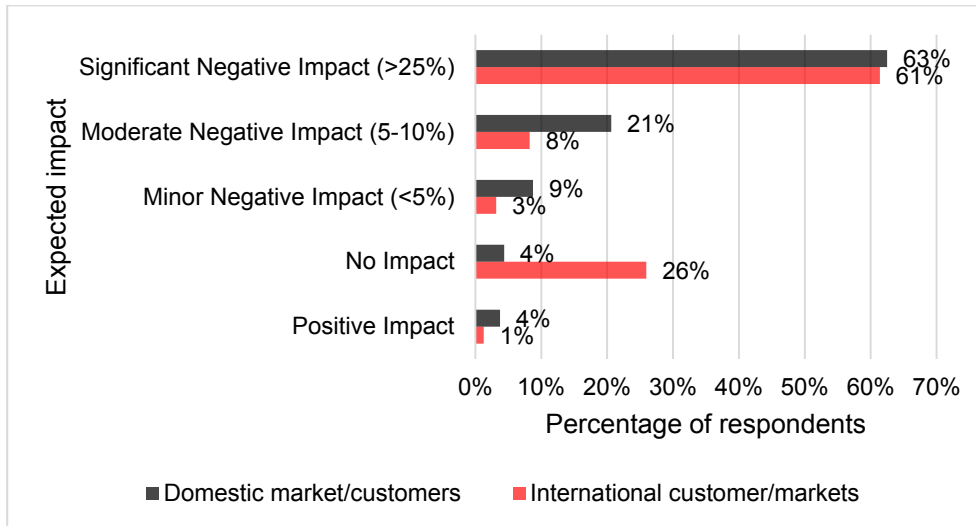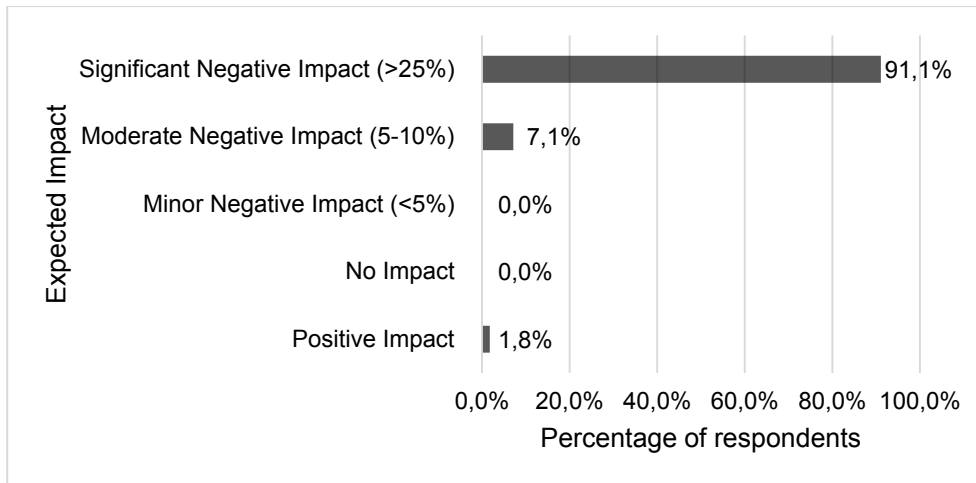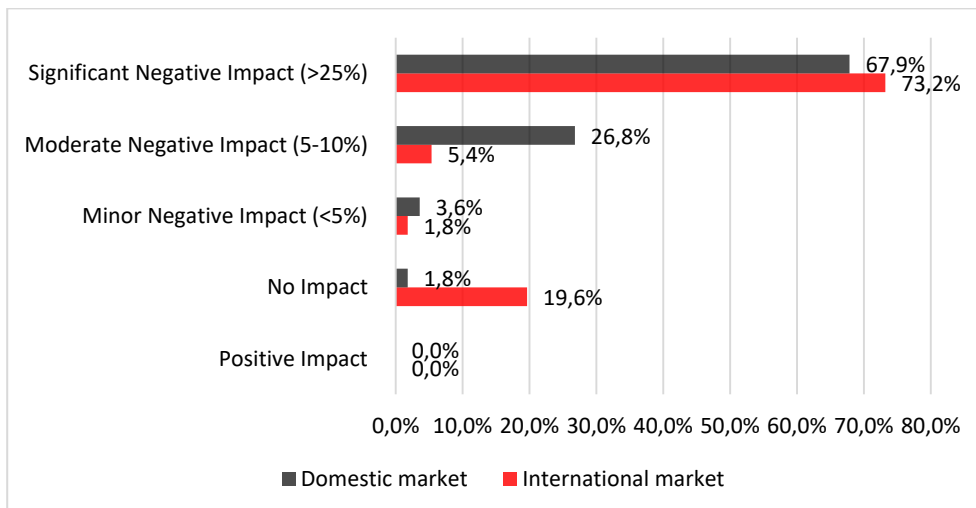

Source: Authors' calculations from survey responses

The second follow-up survey was distributed between 5 and 11 May 2020. Nearly two months had passed since the first survey and the country was still in lockdown, albeit with decreasing numbers of COVID-19 community cases. Since 26 March, the lockdown restrictions had eased slightly, thereby enabling more non-essential activities to operate within a safe environment. This loosening in restrictions was expected to translate into a better outlook from the hospitality industry. However, this was not the case in the May 2020 survey as the responses from hospitality owners continue to expect negative effects on their revenue even with loosened restrictions (see Figure 4).

FIGURE 4:

Survey 2 May 2020: The expected impact from Covid-19 over the next three months (May to July) on finances and cashflow, May 2020


Source: Authors' calculations from survey responses

The May results revealed that the majority of business owners expected the impact to remain significant for the next three months from May to August 2020. The largest negative effect would be on the international market, while the domestic market expectation remained mostly negative (see Figure 5).

FIGURE 5:

Survey 2 May 2020: The expected impact from Covid-19 over the next three months (May to July) on finances and cashflow, May 2020

Source: Authors Calculations from survey responses

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Experience vs. insight

The survey results reveal the expectations from the hospitality business owners, while the hospitality retail spending reveals the trend in consumer spending over the corresponding period. Combining the results from the survey and the spending data reveals how expectations aligned with consumer spending patterns. Figure 6 reveals the hospitality spending trends from January 2018 to October 2020 for Christchurch, separated between domestic and international visitors. The regular seasonality of international spending is visible within the spending data for 2018, 2019 and the beginning of 2020, with higher spending during the summer months. Domestic spending remains more constant, peaking during the December holidays each year.

FIGURE 6:

Retail spending on hospitality within Christchurch, 2018-2020
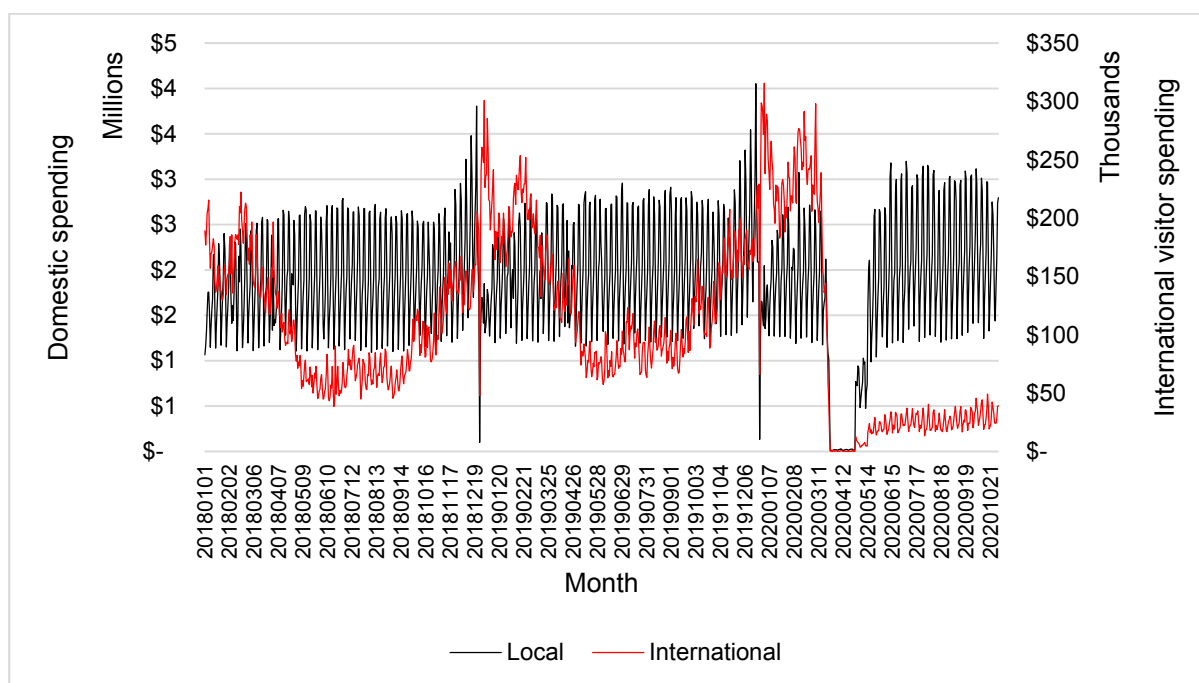
Source: Versisk New Zealand

Business owners" expectations of the disruption from previous comparable events mentioned earlier, were able to correctly estimate the impact to be high and negative for their business in the short term, i.e. the first two months. Retail spending in hospitality was reduced by 87% between 26 March 2020 and 13 May 2020, the first two months after the lockdown was introduced, compared to the same period in 2019.

The follow-up survey in May 2020 found that owners expected this negative impact on cashflow to continue for much longer (see Figure 5); however, this did not transpire. The spending data reveals that domestic hospitality spending improved significantly from 14 May 2020 as restrictions were eased to level 2 (see Figure 7). This represented a quick rebound to spending levels comparable

to the start of 2020 and even earlier. While domestic spending experienced an immediate increase, international spending remained low with border restrictions in place.

FIGURE 7:

Retail spending on hospitality within Christchurch, 2020
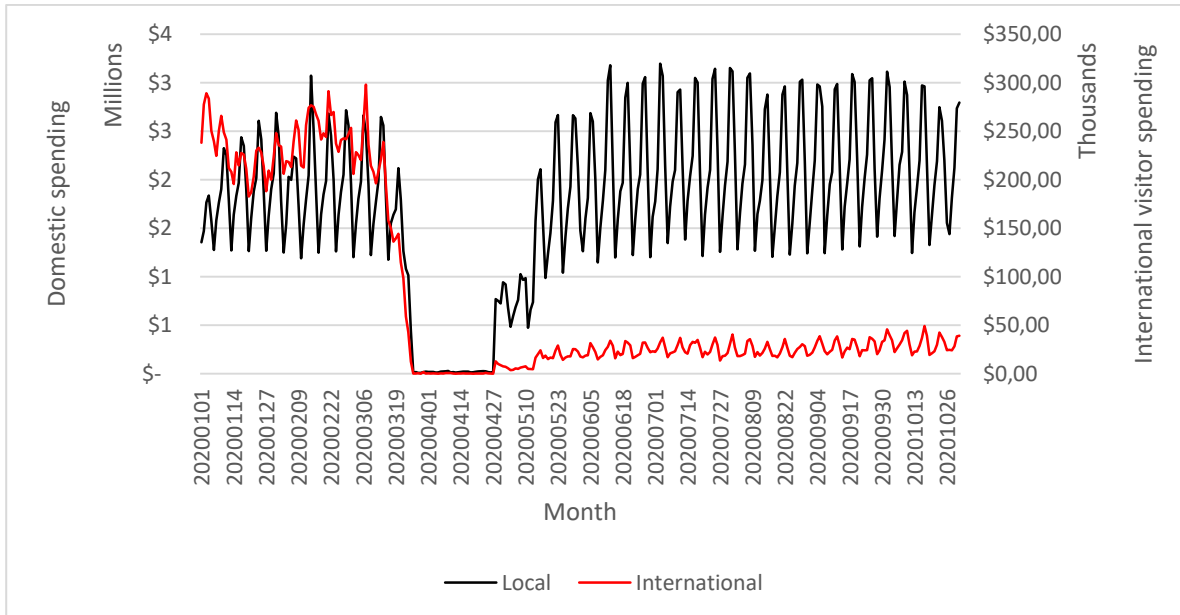
Source: Versisk New Zealand, 2021

A comparison between the business owners" cashflow expectation for the three months between May and July 2020 with actual transaction data reveals that the domestic market spending outperformed the expectation from the hospitality industry (see Figure 8). The majority of owners expected a significant negative effect on cashflow for the three months following May. However, the hospitality spending data shows that, in the three months from 14 May to 14 August, total sales were 0.8% higher than the corresponding period in 2019, which included the spending by international visitors. The positive response from the domestic market, with a 4.1 percent growth over the corresponding period in 2019, is the main reason for the growth.

Figure 8 allows for a comparison of the business owners" expectations of spending and the actual spending that took place within the industry during the time both surveys were conducted. The ability of managers to predict the outcome of the disruption and what lies ahead for the first next three months (March to June 2020) seems to be aligned with actual spending. The red line in Figure 8 represents the reduced cashflow expectation of more than 25% compared to the same period in 2019. It can be assumed that the business owners in the local hospitality industry applied previous knowledge of similar disruption events to forecast the impact of the current disruption, initially.

Results from the follow-up survey in May 2020 suggested that business owners continued to

consider the impact of COVID related policy measures to remain significant and negative; however, they seem to have under-estimated the response from the domestic market. The response from the market ensured cashflow levels increased, in line with spending values of the previous year, and well above the downward expectations of the industry (indicated by the blue downward arrow in Figure 8). The novelty of the disruption, a pandemic at a scale the world has not experienced for over 100 years, resulted in an underestimation of the ability of the market to respond and support the industry. This positive, higher spending enabled the industry to pivot to a mainly domestic dominated market.

FIGURE 8:

Comparison of survey expectations and actual hospitality spending within Christchurch, 2020
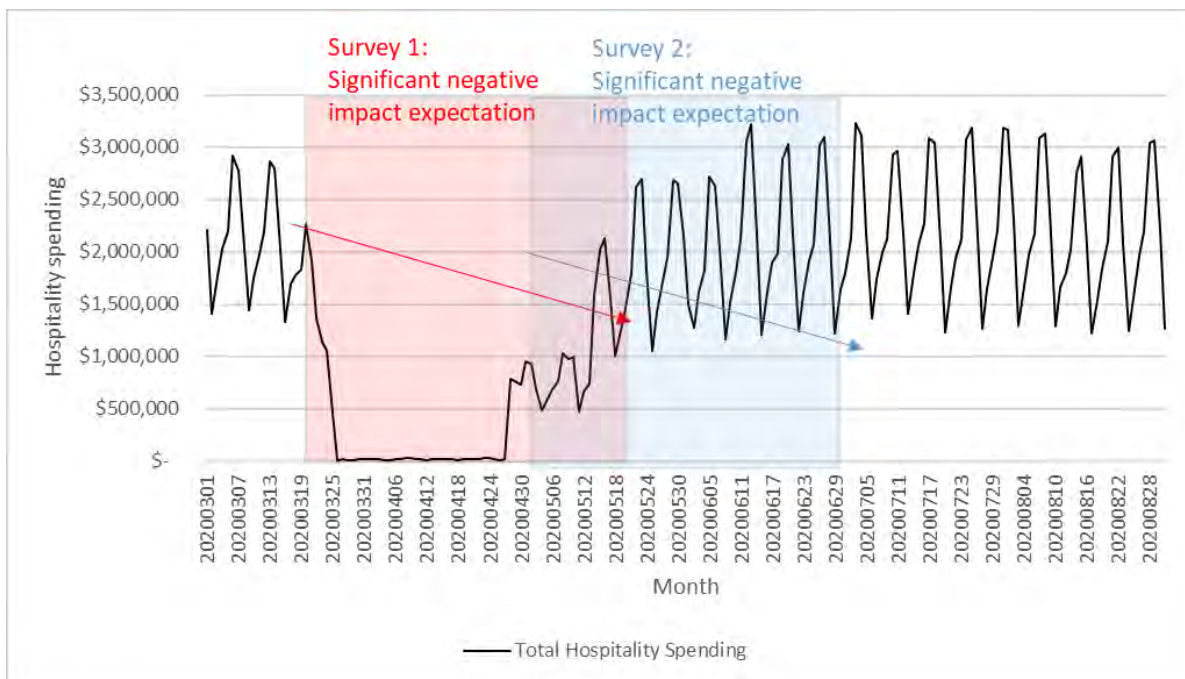
Source: Versisk New Zealand, 2021 & authors' calculations

Managing the transition to a local market

The reasons behind this exceptional growth of the domestic market are likely due to a combination of different measures, some of which we can identify.

A call to action

In the week leading up to moving down from lockdown level 3 to level 2, regional economic development agencies, the media and government started campaigns with the aim of promoting the support of domestic hospitality businesses. This call to action was promoted within the Christchurch economy through the media, the council and local businesses (Harris, 2020a; b). The local government took a leading role in driving the campaign, which was necessary given that

cashflow disruptions restricted the ability of business owners within the hospitality industry to promote their business (Yost, Kizildag and Ridderstaat, 2021).

Strong government fiscal support

The New Zealand government supported businesses with a wage subsidy. The support provided by the government subsidised all businesses, including hospitality businesses, by reducing the financial burden of wages from businesses. Since most hospitality businesses were restricted to operate during the strict lockdown period, the wage subsidy substituted business originated remuneration payments with government-supported remuneration for staff. The scheme allowed businesses to claim up to NZ$585.80 per week per full-time employee and NZ$350 per part-time employee for up to 20 weeks, which was paid to the employees (New Zealand Government, 2020).

The closed borders

With the long-term closure of international borders and with limited air travel during 2020, most New Zealanders had limited choice for travel destinations. This likely resulted in displaced spending to the local hospitality industry as lockdown levels lifted from May 2020 (Hall, Fieger, Prayag and Dyason, 2021; Dyason, Fieger and Rossouw, 2021; Dyason and Kleynhans, 2021). Additionally, the unexpected but welcomed effect of pent-up demand (Kostynets, Kostynets and Baranov, 2020) during the initial months after the lockdown, is a further support measure to transitioning to the domestic market.

CONCLUSION

The City of Christchurch and its business community have in the last decade been exposed to several crises events that required the hospitality sector to react in order to minimise the implications of these events for its viability. These events included the GFC, and a series of earthquakes throughout 2010/2011, and most recently the economic shock that was exerted by the emergence of the COVID-19 pandemic. Within the context of the COVID 19 pandemic, we demonstrated in this paper how business owners were able to predict, with a high level of accuracy, the short-term effect of lockdowns on their cashflow. The results suggest that the experience of local businesses of similar disruptions is a likely reason for this. Although their outlook beyond the short term was not matched, as spending in hospitality exceeded expectations, the results prove that hospitality businesses can transition their focus from a domestic/international market to a domestic only-focussed market and succeed. A combination of support measures by central and local government, activities by regional tourism organisations, and localised promotion campaigns were important drivers that enabled this transition. The successful transition to a dominant domestic market mitigated the potentially disastrous effects of the pandemic on the hospitality sector of a region heavily dependent on tourism. While there were undoubtedly several business closures, the Christchurch hospitality sector has emerged from the economic effects of

the disruption in better standing than was initially expected. It is suggested, but remains to be validated by future research, that the preceding disruptive crises events earlier in the decade lead to increased resilience of the city"s hospitality sector.

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The influencing role of willingness to pay and habit in travellers' choice of green hotels: Using the theory of planned behaviour

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ABSTRACT

The purpose of this paper was to determine and conduct a thorough investigation of the factors that influence travellers' choice of 'green' hotels and it extends TPB through additional constructs. Moreover, this study will contribute to the limited literature that currently exists and address the gap to determine travellers' choice of green hotels in the South African context. This study used a cross sectional descriptive approach by conducting quantitative research using self-administered questionnaires, from which 209 usable responses were obtained. For data analysis, SPSS version 26 was used to test the proposed hypothesis for this study. A multiple regression analysis was conducted and showed that R^2: 0, 544. The results further revealed that there was a significant and positive relationship between four of the five constructs with the exception 'willingness to pay a premium. The results are anticipated to assist hotel managers, government and green hotel managers to develop educational and marketing strategies to target tourists who are seeking green hotels. Limitations and future research suggestions are made using only the Gauteng province as a sample, in order to improve the research results and more representative sample size is needed

Keywords: Behavioural intention; green hotels; travellers' choice; habits and willingness to pay a premium

INTRODUCTION

The challenge of being aware of the degradation of the environment has led consumers to require the hospitality industry to look for more ways in which to offer their consumers green accommodation (Wang, Wang, Xu, Wang and Li, 2018). In recent years, the natural environment and the hospitality sector have been involved in a series of complex engagements (Hudson and Miller, 2005). Both are under pressure from the growing segment of green travellers to adopt eco-friendly practices (Barr and Prillwitz, 2012). These practices include using a considerable proportion of non-renewable natural resources to supply fuel, electricity, and water (Verma and Chandra, 2016; Rosenbaum and Wong, 2015). A study conducted by Merli, Preziosia, Acamporaa and Alib (2019) suggested that the accommodation industry had implemented an extensive variety

of green practices to alleviate the pressure the industry placed on the environment and to respond to the growing distress of consumers about the environment.

A study conducted by Thomson (2017) revealed that 93% of Chinese travellers, 83% of Brazilian travelers, and 80% of Spanish travellers were most likely to opt for green hotels, and were willing to pay a pay a premium for them; however, this was not the case for travellers from Australia, Japan, and the USA. A study conducted by Bender (2013) reported that, of 1,300 travellers, almost two-thirds (62%) of them frequently considered environmentally sustainable hotels when choosing accommodation. Only 17% of the travellers said that they were willing to pay a premium for hotels with environmentally sustainable practices, whereas 58% said that they were not willing to pay a premium for green hotels.

According to Kun-Shan and Yi-Man (2011), research in the past has only used the TPB theory to determine travellers' choice of green hotels, and has not used the additional constructs of willingness to pay and habit. In addition, De Freitas (2018) argued that the TPB theory and the additional constructs of willingness to pay and habit had not been much researched in South Africa to determine travellers' choice in green hotels. A review by *De Freitas* (2018) showed that previous studies were not comprehensive when using the additional constructs of willingness to pay and habit. Thus there is a gap in the research to determine travellers' choice of green hotels; and that gap can be filled by extending the TPB theory with the constructs of willingness to pay and habit.

Therefore, this study addresses the following research question:
How do the TPB constructs and the additional constructs of willingness to pay and habit influence travellers' choice of green hotels?

## LITERATURE REVIEW

Pro-environmental behaviour

Green marketing ought to appeal to the needs of environmentally conscious consumers (Chan, 2014: 915-936). The term 'pro-environmental behaviour' refers to an individual's deliberate action with the prime intention of enhancing environmental wellness (Steg, Bolderdijk, Keizer and Perlaviciute, 2014: 106). Pro-environmental behaviour is divided into public and private behaviours (Stern, 2000: 407-424). Public pro-environmental behaviour involves citizenship behaviours such as environmental activism, while private-domain behaviour refers to consumers' pro-environmental behaviour such as sustainable consumption (Ho, Liao and Rosenthal, 2015: 78). Of concern in this study is travellers' pro-environmental behaviour, specifically in the hotel and/or travel industries.

Over the years, researchers have developed and used different theories to ascertain the factors that impact the performance of individual pro-environmental behaviour. The main theory that is

applied to understand travellers' choice of green hotels, and that is also relevant to this study, is the theory of planned behaviour (TPB), with the additional constructs of willingness to pay and habit. The theory and constructs are discussed below.

CONCEPTUAL MODEL AND HYPOTHESES FORMULATION

FIGURE 1:

Conceptual Model
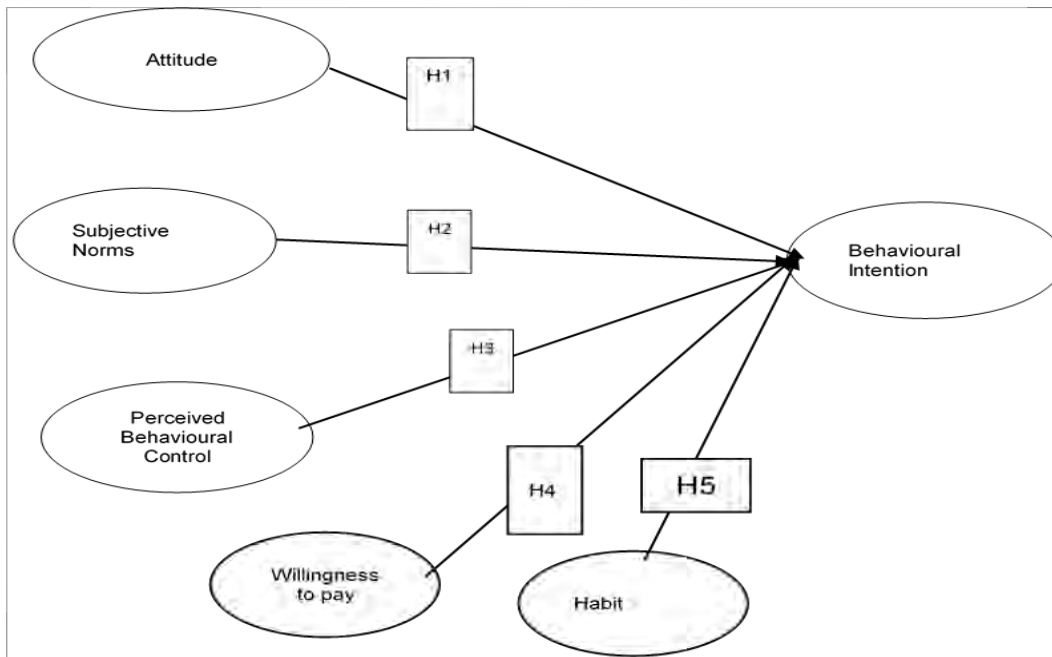
Source: Authors own compilation

INTEGRATED CONCEPTUAL MODEL

Hypotheses formulation

Attitude

'Attitude' refers to the examination of a behaviour, as described by Ajzen (1991). Attitude has an influence on the intention whether or not to perform a certain behaviour; thus the more positive the attitude, the stronger the individual's intention to undertake that behaviour (Mkhize, 2021; Verma and Chandra, 2018; Lindqvist and Anderson, 2015; Ajzen, 1991). In the context of green hotels, as this would impact their behaviour in choosing a green hotel. By contrast, travellers with negative attitude towards choosing green hotels are most likely not to choose a green hotel. Studies have established that attitude is a significant antecedent of behavioural intention (Mkhize, 2021; Verma and Chandra, 2018; Manganari, Dimara and Theotokis, 2016; Whitmarsh and O'Neill, 2010). Research has proven that, if the behaviour of individuals is repeated, this behaviour might end up as a habit and so be activated automatically by a situation (Yadav, Balaji and Jebarajakirthy, 2019; Eirini and Antonia, 2014; Whitmarsh and O'Neill, 2010).

H1: Attitude positively influences travellers' behavioural intentions when choosing green hotels.

Subjective norms

Subjective norms can be described in different ways. In previous studies, subjective norms were explained as the thought-out social pressure of whether or not to perform a particular behaviour (Ajzen, 1991: 183). This theory is conceptualised as the degree to which individuals are easily influenced by people close to them or by community members to choose a green hotel. The TPB assumes a direct association between behavioural intention and subjective norms (Zimmermann and Straub, 2017; Ajzen, 1991: 183). Based on the above discussion, the following hypothesis is proposed:

H2: Subjective norms positively influence travellers' behavioural intentions when choosing green hotels.

Perceived behavioural control

Perceived behavioural control relates to an individual's judgement about their competencies and capabilities to take part in a particular behaviour (Ajzen, 1991: 183). This construct refers to the consumer's perception of available resources, such as the buying power that they have to choose green hotels, which are more expensive than conventional hotels (Yeow, Dean and Tucker, 2014: 97). The variables 'behavioural intention' and 'perceived behavioural control' can directly forecast behavioural success in a positive way (Nimri, 2018). This phenomenon can be expanded to travellers' choice of green hotels. If individuals have a sense that they find it easy and have the necessary resources to choose green hotels, they will be motivated to do so. Agag (2019) contend that, if green travellers have significant control over their behaviour as a result of having sufficient opportunities or resources, their intentions will be positive and stronger. Based on the above discussion, the following hypothesis is proposed:

H3: Perceived behavioural control positively influences travellers' behavioural intentions when choosing green hotels.

Willingness to pay

The willingness to pay a premium is used to determine whether travellers have the financial resources to pay for green hotels. It is important to determine whether they have the money to pay for green hotels and, if they do, how much they are willing to pay. How much customers value environmental sustainability and desire green hotels' practices will be the determinants that drive them to pay a premium for green hotels. Kucher, Hełdak and Raszka (2019) argue that

environmentally sustainable practices are one of the factors that influence environmentally conscious customers' willingness to pay. Based on the above discussion, the following hypothesis is proposed:

H4: Willingness to pay positively influences travellers' behavioural intentions when choosing green hotels.

Habit

'Habit' has been well-defined by numerous researchers as the extent to which consumers tend to carry out behaviours habitually because of their learning (Limayem, Hirt and Cheung, 2007), while Kim, Malhotra and Narasimhan (2005) link habit with automaticity. habit has also been classified in two different ways: first, habit is understood as previous behaviour (Kim *et al*., 2005); and second, habit is measured as the degree to which consumers believe a behaviour to be perceived automatically (Limayem *et al*., 2007). Kim *et al.* (2005) and Hsiao, Chang and Tang (2016) found that earlier usage was a solid indicator of future innovation use. Furthermore, behavioural intention is established in the mind of the consumer. When recognisable signals are observed, the relationship between the prompts and the reaction will be apparent (Soror, Hammer, Steelman, Davis and Limayem, 2015).

Moreover, consumer behaviour is executed because of the programmed affiliation; thus the process of developing or building a habit becomes a crucial part of determining a consumer's behavioural intention (Lewis, Fretwell, Ryan and Parham, 2013: 26; De Guinea and Markus, 2009: 439). In an investigation of online business, Liao, Palvia and Lin (2006) included a habit in the TAM, and found that, as consumers created habitual practices (for example, in relation to a specific website), they were progressively disposed to keep visiting that site. Venkatesh *et al*. (2012) included the construct of 'propensity' in Unified Theory Acceptance Use of Technology 2 (UTAUT2), contending that behavioural intention is affected by oblivious activities just as much as by conscious intentions. Based on the above discussion, the following hypothesis is proposed:

H5: Habit (continuous behaviour) positively influences travellers' behavioural intentions when choosing green hotels.

RESEARCH METHODOLOGY AND DESIGN

This research adopted a cross-sectional, quantitative, and descriptive research design. The research philosophy guiding this study was positivist in nature (Saunders, Lewis and Thornhill, 2016). A pilot test was conducted in order to pretest a self-administered questionnaire for issues that might arise around the length of time it takes to respond to the questionnaire and to ascertain whether there were any problems with the language or ambiguity. The pilot test proved that the

questionnaire was reliable, and feedback from the pilot test was used to improve the research instrument. A research expert was asked to review the questionnaire to confirm that the research instrument was effective in answering the research question.

Research instrument

Survey research commonly uses structured questionnaires as the basis of data collection. Thus a structured paper based questionnaire was used in this study to obtain information from the target population (Travellers in Gauteng) aged 18 and above. 250 questionnaires were distributed to travellers in Gauteng province and 209 were deemed valid. The targeted population in Gauteng was used because it provided easy access to the respondents from different provinces and cultural backgrounds, thus results would give a true representation of South Africa.

The chosen respondents who decided to participate in this survey had the option to complete a copy of the paper-based questionnaire on their feet, or the questionnaires were dropped off at their selected location and times for collecting the complete questionnaires were agreed upon with the respondents. The researcher visited the respondents in various places around the Johannesburg, Ekurhuleni East, Tshwane households and universities in order to obtain responses from travellers of different backgrounds. In approaching the participants, the researcher provided an introduction and explained the purpose of this study, and asked the participants to voluntarily participate in this study. The data collection was done over two months, in June and July 2019.

The data collection for this study is divided into two sections. The first section contained questions that measured the characteristics or features of the sample: age, gender, race, number of stays at a green hotel, and so on. These questions were primarily measured on interval or nominal scales. The second part of the questionnaire contained items that measured the constructs in the integrated conceptual model. These items were selected and adopted from previous related studies, and measured habit, attitude, and subjective norms; perceived behavioural control was selected and adopted from the original study of the theory of planned behaviour (TPB) by Ajzen (1991). The items identified above were applied to measure behavioural intention. A seven-point Likert-type scale of responses that ranged from '1' (strongly disagree) to '7' (strongly agree) was used to measure these items and obtain the data through a self-administered paper-based questionnaire.

DATA ANALYSIS AND RESULTS

The data analysis was guided by the research aim of the study. The SPSS Statistics software, version 26, was used to analyse data on this study. The data analysed on SPSS allowed the researcher to produce various statistics, including descriptive statistics, the validity test, and the multiple regression analysis.

Descriptive statistics of sample

The population for this study includes travellers over the age of 18 in South Africa. This can be explained by the target population which are travellers over the age of 18 currently residing in Gauteng. The selection of a sample from a population can be built on probability or non-probability sampling methods. Probability sampling is a method that signifies that each item has an equal chance to be selected from the target population whilst non-probability sampling contains methods that do not make use of probability philosophy to select sample items (Babbie, 2016: 195). Non-probability sampling in a form of convenience sampling was used in this study as all respondents were selected because they are easily accessible. 250 questionnaires were distributed to travellers in Gauteng. However, 209 responses were deemed valid and used for the analysis, representing an effective response rate of 83.6%. Furthermore, the gender split was representative of the South African population within Gauteng, consisting of more females (54.5%) than males (45.5%). The response rate gave a true representation of the South African population as reported by Stats SA (2019), which indicated that 51.2% were female and 48.96% were male. The results confirmed that the survey had a higher response rate from females than from males.

Measuring reliability and validity

To measure the reliability of the conceptual model's constructs, Cronbach's alpha was computed and examined for each construct for the purposes of determining the internal consistency of the measurement items to confirm the validity of the data collected, in order to measure and evaluate the hypotheses of the study. For constructs to be deemed reliable, they need to be equal to or above the minimum threshold of 0.7 (Trizano-Hermosilla and Alvarado, 2016). Table 1 below outlines the reliability results of the constructs.

TABLE 1:

Cronbach's Alpha reliability test results

Constructs	Number of items	Cronbach's alpha
Attitude	5	0.761
Subjective norms	3	0.745
Perceived behavioural control	3	0.814
Willingness to pay	3	0.761
Habit	4	0.740
Behavioural intention	4	0.737

Source: Researchers' own compilation

The Cronbach's alpha values for the different constructs as depicted in Table 1 above shows attitude,0.761, subjective norms,0.745, perceived behavioural control,0.814, willingness to pay,

0.761, habit, 0.740, and behavioural intention is 0.737). Santos (1999), Gliem and Gliem (2003), and Taber (2018: 1288) have suggested that, when variables are above the minimum Cronbach's alpha threshold of 0.7 then the scale or constructs that are being measured are reliable. Thus the results of the study confirmed the reliability and validity of the proposed conceptual model.

Model testing

After confirming the validity of the research model, a multiple regression analysis was conducted to test the proposed hypotheses of this study. The results presented in Table 2 below indicated that willingness to pay had a significantly high p-value of 0.633, which was above the 0.05 threshold. The authors of this study thus concluded that willingness to pay had a significant influence on travellers' choice of green hotel. Perceived behavioural control had the second-highest p-value of 0.018, which was higher than the minimum threshold. The authors of this study thus concluded that perceived behavioural control had a significant influence on travellers' choice of green hotel. In conclusion, the variables attitude, subjective norms, and habit revealed no significant influence on travellers' behavioural intention towards green hotels.

TABLE 2:

Multiple regression analysis

Model	Unstandardised		Standardised	t	Sig.	VIF
	B	Std error	Beta			
(Constant)	-1.263	1.909	-	-.662	.509	-
Attitude	.461	.075	.363	6.164	.000	1.348
Subjective norms	.247	.072	.222	3.412	.001	1.644
Perceived behavioural control	.315	.132	.130	2.385	.018	1.151
Willingness to pay	-.041	.086	-.031	-.479	.633	1.636
Habit	.199	.057	.246	3.517	.001	1.910
Equation						
R	0.788					
R-squared	0.544					
F	15.94					

Source: Researchers' own compilation

The findings of the regression analysis presented in Table 2 above indicated that attitude had a significant and positive influence on behavioural intention; this was confirmed by the results in Table 2 showing that the beta value was 0.363 and the p value was <0.05. According to Mascha (2015), the beta value compares the strength of each independent against the dependent variable; the higher the beta value, the stronger the relationship between the variables (Lipsman, Kaping,

Westendorff, Sankar, Lozano and Womelsdorf, 2014). Because attitude had a higher beta value (0.363), attitude had a significant influence on travellers' choice of green hotels. Therefore, the hypothesis H1 – Attitude positively influences travellers' behavioural intentions when choosing green hotels – was accepted. Studies conducted by various researchers have shown the same result as this study – that attitude is a significant antecedent of behavioural intention (Verma and Chandra, 2018; Manganari, Dimara and Theotokis, 2016; Whitmarsh and O'Neill, 2010). Moreover, research has proven that, if the behaviour of individuals recurs, it can end up being habitual and so be activated automatically by a situation (Yadav, Balaji and Jebarajakirthy, 2019; Eirini and Antonia, 2014; Whitmarsh and O'Neill, 2010). Eirini and Antonia (2014) showed results that confirmed the inverse – that travellers with an undesirable attitude towards choosing green hotels are most likely not to choose green hotels.

The finding of this study confirms that willingness to pay had no significant influence on travellers' behavioural intention towards green hotels (β=-0.031; p>0.05). Therefore, forhypothesis H4 – Willingness to pay positively influences travellers' behavioural intentions when choosing green hotels – was rejected. According to Masiero, Heo and Pan (2015), willingness to pay showed the same results as this study by highlighting how consumers value environmental sustainability, and that the desire for green hotel practices is the determinant that drives travellers to pay a premium for green hotels. In contrast, Kucher *et al*. (2019) argued that sustainable environmental practices are one of the factors that influence environmentally conscious customers' willingness to pay.

Perceived behavioural control showed a significant influence on travellers' behavioural intentions towards green hotels (β=0.130; p>0.05). Therefore, for hypothesis H3 – Perceived behavioural control positively influences travellers' behavioural intentions when choosing green hotels- was accepted. Nimri (2018) showed the same results as our study: the variables behavioural intention and perceived behavioural control directly predicted behavioural success positively. In contrast, Agag and Gomaa (2019) argued that, if green travellers have significant control over their behaviour because they have many opportunities or resources, their intentions will be positive and stronger.

Subjective norms showed a significant influence on travellers' behavioural intentions towards green hotels (β=0.222; p<0.05). Therefore, according to Ajzen (1991: 183), H2 – Subjective norms positively influence travellers' behavioural intentions when choosing green hotels – showed the same results as this study, stating that subjective norms are conceptualised as the degree to which individuals are easily influenced by people close to them or by community members to choose green hotels.

Habit showed a significant influence on travellers' behavioural intentions towards green hotels (β=0.246; p<0.05). Therefore, forH5 – Habit (continuous behaviour) positively influences travellers' behavioural intentions when choosing green hotels – was accepted. Venkatesh *et al.* (2012: 161) showed the same results as our study, that habit occurs in natural settings, and forms part of consumers' subconscious behaviour. Venkatesh *et al.* (2012) also contended that behavioural intention is affected by unconscious activities just as much as conscious intentions.

TABLE 3:

R-Squared (r²) analysis

R-squared value including all constructs	(R^2) 0,544
R-squared value excluding the constructs willingness to pay and habit	(R^2) 0,444

Source: Researchers' own compilation

Table 3 above indicates that the original TPB model without the added constructs (willingness to pay and habit) had an R-squared (R^2) of 0,444, which was not a better fit that that of the proposed conceptual model, with its R-squared (R^2) of 0,544 when including willingness to pay and habit. Thus the proposed conceptual model supported the role of willingness to pay a premium and habit on travellers' intention to choose green hotels. The model's variance explains 54.4% of the intention of travellers to choose green hotels.

FIGURE 2:

Tested conceptual model
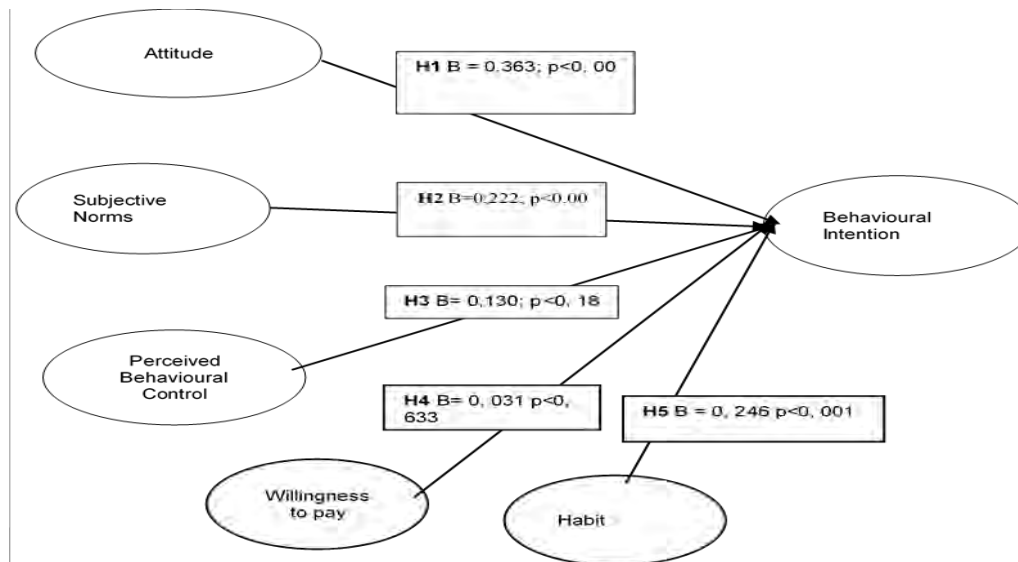
Sources: Researchers' own compilation

SIGNIFICANCE OF THE STUDY

Theoretical significance

Empirical studies (Verma and Chandra, 2018; Chen and Tung, 2014) holistically researched the topic of travellers' choice of green hotels using the theory of planned behaviour. However, only limited research has used the theory of planned behaviour extended with the constructs of willingness to pay and habit to determine travellers' choice of green hotels. This study has thus achieved the goal of addressing this gap by extending the TPB theory with the constructs of willingness to pay and habit.

The construct of willingness to pay determines whether or not travellers choosing green hotels are willing to pay a premium for their environmentally sustainable decision. The construct is unpacked, along with its competing constructs, to outline the pivotal issues about why travellers are or are not willing to pay a premium.

Past studies of the habit construct (Chuang, Chen and Chen, 2018) show that the construct is used mostly in the UTAUT theory, where it outlines the habits of individuals adapting to technology. This study aims to address the habit of travellers who choose green hotels; and, unlike previous researchers who used the UTAUT theory to determine habits, this study has addressed the gap by looking at the habit construct solely to determine the continuous need for travellers to choose green hotels.

Managerial/practical significance

Based on the descriptive statistics, attitude does not affect travellers' choice whether or not to visit green hotels. This means that understanding the attitudes of travellers to choosing green hotels will give hotel managers and marketers insights into how to understand the green traveller better. Hotel managers could also get insights by asking for green travellers' input to determine their attitudes to staying in green hotels. Subjective norms indicate that there is no significant relationship that influences travellers' need to visit green hotels. This could assist hotel managers and marketers on how to build meaningful relationships with green travellers and with the people who influence these consumers' social decisions. For hotel managers to build meaningful relationships with green travellers, they could introduce loyalty points and rewards cards for guest.

The willingness to pay positively influences travellers' choice in staying at green hotels. This could assist hotel managers to know how to create green hotel practices that create value for their consumers' money. Habit shows a negative influence on travellers' choice about green hotels, which means that travellers are not in the habit of visiting green hotels. This could assist hotel managers to develop practices that would make customers form the habit of visiting green hotels. These practices require hotel managers to consider the green travellers customer segments and

recent trends in green hotels. This study would also assist the government and policymakers to formulate policies for travellers' choice relating to green hotels – for example, providing subsidies to hotels that have green practices.

Limitations of the study

As is with any study, limitations were experienced. This study focused on the factors that influence travellers in Gauteng, South Africa to choose to stay at green hotels. This province was chosen because it is seen as the most multicultural or diverse in South Africa, with feature of the sample population that echo or reflect those of the whole country. To collect the data necessary for this study, convenience sampling was used to conduct the survey in Gauteng, South Africa; thus the sample might not have truly represented the South African population as a whole.

The study received 209 responses, which is a small population. However, to improve the results, future research could include a larger sample size of 500 or more respondents from the South African population as whole. This would allow managers better to develop feasible strategies to attract travellers to green hotels, and to retain them. By using a larger size sample, researchers would gain a better understanding of the factors influencing travellers' choice to stay at green hotels. In addition to increasing the sample to a substantially larger size that is more representative of the entire South African population, the method of sampling could also be altered to enhance the results.

As previously stated, convenience sampling was employed for this study. However, random stratified sampling could be used to improve the results of the study. With stratified random sampling, the size of each layer is proportional to the population size of the strata when surveyed across the entire population. The strata selected for the study would need to represent the number of individuals living in South Africa (Gupta, Dash and Mishra, 2019). Although the review of the existing literature revealed that the TPB had been extensively used as a theoretical framework, on the basis of the fundamental principle of attempting to gain a better understanding of the behaviours of travellers (Rahman and Reynolds, 2016), improvements were made by using the constructs of habit and willingness to pay as a framework.

CONCLUSIONS

This research study examined travellers' choice whether or not to stay in green hotels in the South African context, and explored the extent to which several independent variables – attitude, subjective norms, perceived behavioural control, habit, and willingness to pay – had a positive influence on the dependent variable – behavioural intention – thus leading travellers to choose green hotels. The results empirically confirm the hypotheses that attitude positively and significantly influences the behavioural intention to choose green hotels.

This study also confirms that using the TPB to formulate the proposed conceptual model helps in comprehensively understanding and further elaborating travellers' behaviour in choosing green hotels. Moreover, the findings of this study have practical implications for managers and for government. They should thus support green hotels because people are willing to pay for them.

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Track:

Family Business

Entrepreneurial orientation as a source of heterogeneity in African family businesses

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ABSTRACT

This paper was motivated by the dearth of empirical research on understanding entrepreneurial orientation (EO) in African family businesses, and because these businesses can leverage entrepreneurship to respond to and take advantage of opportunities in the marketplace, reduce unemployment, as well as dealing with a global crisis. Using a survey method and cross-sectional research design, the research examined five dimensions of EO amongst 122 family businesses from 9 African countries. The results revealed that African family businesses demonstrate strong *Innovativeness*, *Proactiveness* and *Autonomy*, while the *Risk-taking* and *Competitive aggressive* dimensions were much weaker. The economic perspectives of respondents post Covid-19 was positively correlated with *Innovation*, *Autonomy* and *Proactiveness*. *Autonomy* and *Proactiveness* were found to be significant predictors of *Turnover*. Significant differences in the average score of the EO dimensions according to country were obtained for the *Overall EO*, *Innovativeness, Proactiveness* and *Competitive aggressiveness*, illustrating heterogeneity amongst African family businesses.

Keywords: entrepreneurial orientation; family business; African family businesses; heterogeneity

INTRODUCTION, PROBLEM STATEMENT, PURPOSE AND CONTRIBUTIONS OF THE STUDY

It is widely acknowledged that entrepreneurial orientation (EO) is an important concept in the fields of business and entrepreneurship due to its influence on the growth, value and performance of a business (Dele-Ijagbulu, Eresia-Eke and Moos, 2020; Hernández-Linares, Kellermanns, López-Fernández and Sarkar, 2020; Fredyna, Ruíz-Palomo and Dieguez, 2019). The extant literature acknowledges the potential for entrepreneurship to advance economic growth and serves as a vehicle for job creation (Dele-Ijagbulu *et al.*, 2020; Acs, Estrin, Mickiewicz and Szerb, 2018), particularly in developing African economies where unemployment remains a huge challenge (Dele-Ijagbulu *et al.*, 2020).

Family businesses play a significant role globally (Miroshnychenko, De Massis, Miller and Barontini, 2020) and in the context of African economies (Acquaah, 2016). However, it is still an ongoing debate whether characteristics of family businesses enhance (Hernández-Linares *et al*., 2020; Short, Payne, Brigham and Broberg, 2009) or restrict their entrepreneurial activities (Nordqvist, Habbershon and Melin, 2008; Naldi, Nordqvist, Sjöberg and Wiklund, 2007; Dyer, 2006). Certain characteristics of family businesses, such as their centralised organisational structure and business culture, could help these businesses develop entrepreneurial tendencies, which in turn fosters proactivity and innovation (Nordqvist *et al*., 2008), and provides an environment where EO flourishes (Miller, Lee, Chang and Le Breton-Miller, 2019; Zahra, 2005). On the other hand, family businesses" greater aversion for risk and their resistance to change tend to reduce the EO exhibited by them (Stanley, Hernández-Linares, López-Fernández and Kellermanns, 2019; Naldi *et al*., 2007).

Even though increased attention is being paid to the entrepreneurial potential of African family businesses and more studies are focusing on the mechanisms through which EO affects firm performance in emerging markets (e.g., Cui, Fan, Guo and Fan, 2017), limited research has been conducted to investigate the nature and importance of EO in the context of African family businesses. Family businesses are known to vary across national cultures (Benavides-Velasco, Quintana-García and Guzmán-Parra, 2013) and because family businesses operate within and across diverse national settings, they are an excellent basis for studying how a common organisational form can adapt and evolve in different institutional contexts (Matchaba-hove, 2020).

Against this background, our paper aims to address several research gaps identified in current research on EO in the African family business context. Firstly, we respond to calls to develop a deeper understanding of EO in both a global (Wales, Gupta, Marino and Shirokova, 2019), as well as a non-Western, African context (Urban and Verachiam, 2019; Urban, 2018; Neneh and Van Zyl, 2017; Acquaah and Eshun, 2016). Secondly, there is still an ongoing debate regarding which dimensions should be included when measuring EO (Hernández-Linares and López-Fernández, 2018). Lumpkin and Dess (1996) and Hernández-Linares *et al*. (2020) emphasise that risk-taking, innovativeness, proactiveness, and competitive aggressiveness may have a positive or negative influence on family business performance, depending on the context, and therefore highlighting the need to differentiate between them, which is the case in this study. Thirdly, considering the heterogeneity of African family businesses, this study was conducted amongst nine African countries with different national contexts. Fourthly, this study was conducted during the first few months of the Covid-19 pandemic. Businesses may have a different perspective of EO and its dimensions during times of economic and other crises, when businesses face acute market uncertainty and instability (Kraus, Rigtering, Hughes and Hosman, 2012).

LITERATURE REVIEW: ENTREPRENEURIAL ORIENTATION IN FAMILY BUSINESSES

For the purpose of this study, five dimensions of EO were used to explore the nature of EO in an African family business context, which is in accordance with recent studies investigating EO in a global (e.g., Hernández-Linares *et al*., 2020; Wales *et al*., 2019; Zhang, Zhang, Cai, Li, Huang and Xu, 2014) and African context (e.g., Teles and Schachtebeck, 2019; Matchaba-hove, Farrington and Sharp, 2015). Each of these dimensions will be briefly discussed.

INNOVATIVENESS

Simply put, innovativeness as the first dimension of EO, refers to a business"s willingness and capacity to engage in innovation activities (Gunawan, Jacob and Duysters, 2016; Dai, Maksimov, Gilbert and Fernhaber, 2014). In a family business context, various authors have established a significant positive relationship between innovativeness and family firm performance (e.g., Stenholm, Pukkinen and Heinonen, 2016; Hatak, Kautonen, Fink and Kansikas, 2016; Craig, Dibrell and Garrett, 2014; Kellermanns, Eddleston, Sarathy and Murphy, 2012; Casillas, Moreno and Barbero, 2010; Naldi *et al*., 2007). Other scholars are of the opinion that family businesses tend to show less innovative behaviour than non-family businesses because the dominance of the family suppresses innovativeness (Short *et al*., 2009). Hernández-Linares *et al*. (2020) and Kallmuenzer, Strobl and Peters (2018), did not find any significant relationship between innovativeness and family business performance. Boling, Pieper and Covin (2016) also accentuate that family businesses tend to engage in less radical product innovations than non-family businesses, with family businesses often favouring "incremental product innovations", as they are less risky and more long-term orientated.

PROACTIVENESS

The proactive element of EO focuses primarily on the readiness of businesses to seek and engage in innovation, as well as the timing of said innovation in relation to market conditions (Covin and Wales, 2018; Nasution, Mavondo, Jekanyika and Oly, 2011). Boling *et al*. (2016) are of the opinion that proactiveness is an important dimension of EO in family businesses, since these businesses are often less bureaucratic and more flexible than their non-family counterparts and are thus capable of making decisions more quickly and responding quickly to new opportunities, which has consequences for their performance (Hernández-Linares *et al*., 2020). Several authors also suggest that the long-term orientation of family businesses boosts proactiveness (Hernández-Linares *et al*., 2020; Stenholm *et al*., 2016; Lumpkin, Brigham and Moss, 2010) and that proactiveness a key source of sustained growth and performance for family businesses (Hernández-Linares *et al*., 2020; Kallmuenzer *et al*., 2018; Stenholm *et al*., 2016; Casillas and Moreno, 2010; Casillas *et al*., 2010).

RISK-TAKING

Simply put, risk-taking is the willingness to commit resources to projects with unknown outcomes (Hernández-Linares *et al*., 2020). Given that innovation is an extremely risk intense activity, businesses are required to accept at least some degree of risk should they wish to implement innovation successfully (Mihić, Umihanić and Fazlović, 2015). Several researchers have concluded that family businesses appear to take fewer risks than non-family businesses (Zellweger and Sieger, 2012; Short *et al*., 2009; Nordqvist, *et al*., 2008; Naldi *et al*., 2007; Zahra, 2005). While some have found a non-significant effect of risk-taking on family business performance (e.g., Hernández-Linares *et al*., 2020; Kallmuenzer *et al*., 2018; Stenholm *et al*., 2016; Casillas *et al*., 2010; Casillas and Moreno, 2010), others have confirmed a negative effect of risk-taking on family business performance (e.g., Naldi *et al*., 2007). Often, family businesses realise that risk-taking is necessary if the business is to earn an income and grow (Matchaba-hove, 2020; Zachary, Payne, Moore and Sexton, 2017), which suggests that entrepreneurially orientated businesses tend to take more calculated risks when the chances of success are high.

COMPETITIVE AGGRESSIVENESS

Competitive aggressiveness refers to an intense effort by a business to outperform industry rivals. It is characterised by a combative posture and an aggressive response aimed at improving position or overcoming a threat in a competitive marketplace (Zhang *et al*., 2014). Several scholars (Farrington and Venter, 2016; Le Roux and Bengesi, 2014) suggest that being competitively aggressive is associated with successful businesses. According to Hernández-Linares *et al*. (2020), this dimension of EO has largely been neglected by family business literature and that the scant research on this issue reports that this EO dimension is associated with neither family firm growth nor performance, thus confirming the low relevance of competitive aggressiveness in the family business context. Furthermore, Nordqvist *et al*. (2008) reveal that competitive aggressiveness is generally less important in family businesses because these businesses focus more on survival into future generations than on being competitively aggressive. Matchaba-hove (2020) also highlights that the lack of competitive aggressive behaviour often exhibited by African family businesses could also be explained by the low levels of individualism and high levels collectivism embedded in indigenous African culture.

AUTONOMY

Autonomy refers to the "independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion" (Lumpkin and Dess, 1996). In the context of family businesses, this dimension has also received little theoretical and empirical attention (Hernández-Linares *et al*.,

2020). The findings of limited studies conducted on the influence of autonomy have demonstrated mixed results. Some scholars (Matchaba-hove, 2020; Bammens, Notelaers and Van Gils, 2015; Arzubiaga, Iturralde and Maseda, 2012) stress that family businesses who create a work environment that encourages employees to come up with creative ideas, tend to have more motivated employees and more innovative businesses. Casillas and Moreno (2010) found no positive association between autonomy and family business growth (Casillas and Moreno, 2010), while Kallmuenzer *et al*. (2018) reported a marginally significant and positive relationship.

RESEARCH DESIGN AND METHODOLOGY

This study adopted a positivist research paradigm and a quantitative methodological approach that was deductive in nature. The methodology adopted to collect the primary data was an analytical survey of a cross-sectional nature. The data was collected by means of a structured questionnaire and analysed statistically.

POPULATION AND SAMPLE

The population consisted of all African family businesses who were available and willing to participate in the online African Barometer survey. Convenience sampling was used to ensure that potential respondents met the specific criteria of a family business. No database currently exists on African family businesses. A total of 122 questionnaires were used for the statistical analyses.

SCALE DEVELOPMENT, OPERATIONALISATION OF VARIABLES AND DATA COLLECTION

The dimensions of Entrepreneurial Orientation were operationalised and measured using scales from the research of Covin and Wales (2018), Hosseini *et al*. (2013) and Dess and Lumpkin (2005). The online survey was facilitated by KPMG South Africa and the Nelson Mandela University Family Business Unit during the period 1 June 2020 to 20 July 2020.

EMPIRICAL RESULTS

Demographic profile of respondents

In total, 9 African countries participated in the study with most respondents from Kenya, followed by South Africa and Ghana. Other countries that participated in the study included Uganda, Tanzania, Egypt, Madagascar and Gabon. Of the African family businesses participating, the majority (56%) indicated that they are still in the first generation, while 46% are owned by the second or third generation. The majority of ownership (74%) is still in the hands of the family. Most of the respondents employ less than 50 people (62%), with 18% employing between 50 and 250 people, and 13% employing between

250 and 1000 people, while only 7% have more than 1000 employees.

VALIDITY AND RELIABILITY RESULTS

The validity and reliability of all five dimensions of EO were assessed. All of the dimensions were deemed to be both valid and reliable, as shown in Table 1.

TABLE 1:

Validity and reliability results of the five dimensions of EO

Dimension	Parameters	Reliability	CMIN/df	GFI	SRMR	CFI	Outcome
Innovation	Significant	0.94	4.76	0.90	0.05	0.96	Adequate
Proactiveness	Significant	0.96	4.45	0.92	0.03	0.97	Adequate
Risk-taking	Significant	0.94	3.16	0.92	0.03	0.97	Adequate
Competitive Aggressiveness	Significant	0.91	2.63	0.96	0.03	0.98	Adequate
Autonomy	Significant	0.92	0.89	1	0.01	1	Adequate

Descriptive statistics

The highest mean score was reported for *Innovativeness* (4.24). Respondents agreed that their family business actively introduces improvements and innovations (66%) and is creative in its methods of operation (64%). They were also in agreement that their family business has brought several products and/or services to market in recent years (63%). However, only 36% agreed that changes in product and/or service lines have been radical.

The second highest overall mean score was reported for *Proactiveness* (3.98). When assessing their perception of *Proactiveness*, most respondents agreed that their family business is proactive in closely monitoring technological trends and identifying future needs of customers (62%). Most also agreed that their family business excels at identifying opportunities (60%) and usually initiates actions which their competitors respond to (60%). However, less than half of respondents agreed that their family business is often the first to introduce new products, services and management techniques (44%), new administrative techniques (44%) or new operating technologies (39%).

Autonomy had the third largest mean score in this study (3.97). Most respondents agreed that their family business supports the efforts of individuals/teams that work autonomously (66%), and that employee initiatives and input play a major role in identifying and selecting entrepreneurial opportunities (56%). However, less than half of the respondents agreed that in their family business, the best results occur when individuals/teams decide for themselves what business opportunities to pursue (44%), and

when individuals/teams pursuing business opportunities make decisions on their own without constantly referring to their supervisors (30%).

When assessing the *Risk-taking* dimension of EO, it revealed a lower mean score (3.48) than the previous three dimensions. Most respondents agreed that their family business commits a large portion of its resources in order to grow (53%), and that employees are encouraged to take calculated risks with new ideas (56%). However, less than half of the respondents agreed that their family business emphasises both exploration and experimentation for opportunities (42%), and that the family business adopts bold, wide-ranging acts necessary to achieve the firm"s objectives (42%). Even fewer agreed that when faced with uncertain situations, their family business"s directors prefer to adopt an aggressive bold stance to gain the maximum benefit from opportunities (32%), invest in major projects through heavy borrowing (23%), and the business directors tend to choose high-risk projects to obtain high returns (20%).

Like many family businesses in other parts of the world, the African family businesses participating in this study did not view themselves as *Competitively aggressive* which also received the lowest mean score of the five dimensions (3.47). Less than half agreed that their family business copies the business practices or techniques of successful competitors to enhance a competitive position (45%), adopts a price-cutting strategy to enhance a competitive position (33%), and uses unconventional strategies to challenge competitors (33%). The majority did, however, agree that their family business is aggressive and intensely competitive (51%).

ECONOMIC PERSPECTIVE AND TURNOVER POST-COVID-19

In order to assess the relationships between the EO dimensions, economic perspective, and turnover post-Covid 19, Spearman"s correlation was performed and is illustrated in Table 2. All five dimensions of Entrepreneurial Orientation were significantly correlated with one another. The strongest relationships were between *Innovativeness* and *Proactiveness* (rho = 0.709, p < 0.001), as well as between *Innovation* and *Autonomy* (rho = 0.697, p < 0.001). The *Economic perspective* post Covid-19 was positively and significantly correlated with *Innovation* (rho = 0.359, p < 0.001), *Autonomy* (rho = 0.215, p < 0.001), and *Proactiveness* (rho = 0.320, p < 0.001). *Turnover* was positively and significantly correlated with *Innovation* (rho = 0.253, p < 0.001), *Autonomy* (rho = 0.205, p < 0.001), and *Proactiveness* (rho = 0.241, p < 0.001).

In order to determine whether any of the dimensions were significant predictors of *Turnover,* an ordinal regression was performed. According to the results, *Autonomy* (B = -0.46, Wald = 5.299, df = 1, p = 0.021, Odds = 0.631) and *Proactiveness* (B = 0.585, Wald = 5.974, df = 1, p = 0.015, Odds = 1.795)

were found to be significant predictors of *Turnover* (χ^2 = 11.5, df = 5, p = 0.042). These results indicate that an increase in the score for *Proactiveness* is associated with an increase in the likelihood of *Turnover* being higher, with an odds ratio of 1.795 (95% CI, 1.123 to 2.87). However, an increase in the score for *Autonomy* is associated with a decrease in the likelihood of *Turnover* being higher, with an odds ratio of 0.631 (95% CI, 0.427 to 0.934).

TABLE 2:

Relationships between EO-dimensions, economic perspective and turnover post-Covid-19

Correlations – Spearman's rho									
	IN	AT	PA	RT	CA	Turn-over	Economic perspective Pre-Covid	Economic perspective Post-Covid	Impact of Covid-19 on firms
Innovation (IN)	1	.7**	.71**	.61**	.52**	.25**	.22*	.36**	0.05
Autonomy (AT)		1	.63**	.5**	.44**	.21*	0.16	.22*	0.14
Proactiveness (PA)			1	.71**	.64**	.24**	0.14	.32**	-0.08
Risk-taking (RT)				1	.67**	0.10	0.06	0.15	0.11
Competitive Aggressiveness (CA)					1	0.14	.23*	.30**	0.05
Turnover						1	.52**	.36**	0.14
Economic perspective Pre-Covid							1	.58**	.31**
Economic perspective Post-Covid								1	.19*
Impact of Covid-19 on firms									1

Difference in EO for different African countries

A Post-hoc test was performed to determine whether there were any significant differences in the average scores of the Entrepreneurial Orientation dimensions according to country. Significant differences were obtained for *Innovation* (Welch = 3.409, df = 5, p = 0.012), Proactiveness (Welch = 3.892, df = 5, p = 0.006), *Risk-taking* (Welch = 3.843, df = 5, p = 0.006), *Competitive Aggressiveness* (Welch = 4.503, df = 5, p = 0.002) and *Overall EO* (Welch = 4.436, df = 5, p = 0.003). For the *Innovation* dimension, the differences were obtained between Kenya (mean = 5.198) and Ghana (mean = 3.4514) (p = 0.061). Therefore, Kenya had a significantly higher level of *Innovation* compared to Ghana. For the *Proactiveness* dimension, the differences were obtained between Nigeria (mean = 2.5227) and Uganda

(mean = 4.5417, p = 0.04), as well as with Kenya (mean = 4.8065, p = 0.003). Therefore, Nigeria had a significantly lower level of *Proactiveness* compared to both Uganda and Kenya.

For the *Risk-taking* dimension, the differences were obtained between Nigeria (mean = 2.3247) and Uganda (mean = 4.1429, p = 0.04), as well as with Kenya (mean = 4.3134, p = 0.013). Therefore, Nigeria had a significantly lower level of *Risk-taking* compared to both Uganda and Kenya. For the *Competitive Aggressiveness* dimension, the differences were obtained between Nigeria (mean = 2.0182) and Uganda (mean = 4.2, p = 0.005), as well as with Kenya (mean = 4.2323, p = 0.002) and Other (mean = 4.1556, p = 0.012). Therefore, Nigeria had a significantly lower level of *Competitive aggressiveness* compared to both Uganda, Kenya and Other countries. Finally, for the *Overall EO* score, the differences were obtained between Nigeria (mean = 2.7375) and Uganda (mean = 4.3547, p = 0.045), as well as with Kenya (mean = 4.65, p = 0.003). Therefore, Nigeria had a significantly lower level of *Overall EO* compared to both Uganda and Kenya.

DISCUSSION OF RESULTS

The results revealed that African family businesses demonstrate strong *Innovativeness*, *Proactiveness* and *Autonomy*, while the *Risk-taking* and *Competitive aggressive* dimensions were much weaker. The economic perspectives of respondents post Covid-19 was positively correlated with *Innovation*, *Autonomy* and *Proactiveness*. *Autonomy* and *Proactiveness* were found to be significant predictors of *Turnover*. Significant differences in the average score of the EO dimensions according to country were obtained for the *Overall EO*, *Innovation*, *Proactiveness* and *Competitive aggressiveness*, illustrating heterogeneity amongst African family businesses.

The African family businesses in this study generally have a strong viewpoint on *Innovativeness*, believing that their family business actively introduces improvements and innovations, as well as is creative in its methods of operation. The changes in product and/or service lines however have not been radical. African family businesses being less likely to be involved in radical innovation is consistent with research conducted in a global (Boling *et al*., 2016) and African (Matchaba-hove, 2020; Tchamyou, 2017) research setting. Matchaba-hove (2020) also found in his study, that the nature of the activities undertaken by the participating African family businesses do not meet the traditional definition of innovation and innovativeness. Most African family business respondents in this study agreed that they are *Proactive* in closely monitoring technological trends and identifying future needs of customers. Their family business usually initiates actions, which their competitors respond to, and they excel at identifying opportunities. Our results are in line with other studies conducted in an African context. Matchaba-hove (2020) found that the businesses in his study exhibited proactiveness in anticipation of challenges and changes in the macro business environment and are mostly concerned with being the „first mover", as

well as undertaking actions aimed at securing and protecting their market share.

Most of the African family business respondents agreed that their family business supports the efforts of individuals/teams that work *Autonomous*ly, and that employee initiatives and input play a major role in identifying and selecting entrepreneurial opportunities. Matchaba-hove (2020) found that all African businesses in his study promote and encourage autonomy amongst their employees, as well as in their businesses. Bammens *et al*. (2015) and Arzubiaga *et al*. (2012) likewise found that family businesses who create a work environment that encourages employees to come up with creative ideas, tend to have more motivated employees and more innovative businesses. In addition, the majority of the African family businesses in our study indicated that even though their family business commits a large portion of its resources to grow, and that employees are encouraged to take *calculated Risks* with new ideas, the minority revealed that their business emphasises both exploration and experimentation for opportunities and that the family business adopts bold, wide-ranging acts necessary to achieve the firm"s objectives. Matchaba-hove (2020) found that growth and risk-taking can occur by exploiting current resource bases rather than developing new products, and that the African family businesses in his study were willing to take risks when the perceived financial rewards were worth it or when the need arises.

Like many family businesses in other parts of the world, the African family businesses participating in this study did not view themselves as *Competitively aggressive*. Less than half agreed that their family business copies the business practices or techniques of successful competitors to enhance a competitive position; adopts a price-cutting strategy to enhance a competitive position; and uses unconventional strategies to challenge competitors. Our findings are in line with those of Matchaba-hove (2020) and Landström, Crijns, Laveren and Smallbone (2008), who contend that competitive aggressiveness is generally less important in family businesses than are the other dimensions of entrepreneurial orientation.

CONCLUSION AND MANAGERIAL IMPLICATIONS

As research in the field of EO among African family businesses is still in its infancy, future research on EO should include all five dimensions of EO. This study has also demonstrated that EO and its dimensions are a source of heterogeneity between African family businesses. The traditional way of doing business should be challenged and a culture of open innovation and collaboration should be implemented. A learning orientation should be created, where owners and managers continuously strive to educate and upskill themselves and their employees, to be equipped to come up with innovative ideas.

A work environment that encourages employees to come up with creative ideas combined with the empowerment of employees to take these ideas forward should be created. Such an environment will increase motivation, morale and build trust. Proactive behaviour should focus on scanning the environment in order to identify business opportunities, monitor technological trends, and identify future needs of customers, and actions to which competitors respond should be initiated. Emphasis should be placed on building and maintaining a good business reputation and good relationships with competitors.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Because there is no complete list of family businesses in Africa, the researchers were compelled to use a non-probability sampling technique. As the sampling technique was not random, the results of this study cannot be generalised to the whole population of African family businesses. Researchers in the field of African family businesses should collaborate to develop a comprehensive list of family businesses in each country in Africa.

Although the use of cross-sectional designs is common for survey-based research in family businesses (Stanley *et al*., 2019), it constrains the strength of the causal inferences that can be made. Therefore, more longitudinal studies would enable us to have a better understanding of the factors that influence African family businesses to adopt different strategic orientations. In addition, future research should assess whether there are differences between the importance attached to EO during different economic conditions.

When critically reviewing the latest research on EO among family businesses, it was emphasised by several authors (Hernández-Linares *et al*., 2020; Gómez-Mejía, Patel and Zellweger, 2018; Berrone, Cruz and Gómez-Mejía, 2012; Gómez-Mejía, Cruz, Berrone and De Castro, 2011) that emotional factors in general and socio-emotional wealth (SEW) in particular influences EO, either positively or negatively in family businesses. Therefore, future studies investigating EO should consider the influence of the family and SEW on the EO of African family businesses.

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Track:

Specialised Topics

Challenging mainstream management scholarship in South Africa: a provocation using Plato's cave as running metaphor

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ABSTRACT

The scholarly discipline of management is dominated by capitalist doctrine and positivist method. Yet, like the prisoners in Plato"s Cave, the majority of management academics are not aware of this. Through critical dialectical reasoning and introspective self-reflection, this conceptual provocation employs Plato"s allegory of The Cave as running metaphor to emphasise the nature of our capitalist and positivist dominated discourse, and the effect this has on academics and the discourse in general. The argument posits that the nature of the discipline of management contains serious limitations that need to be understood by academics if true re-imagining is to take place. However, this can only occur if academics themselves understand these limitations and the associated need for epistemic diversity in management.

Key words: Plato"s Cave; management scholarship; provocation; intellectual activism; Critical Management Studies

'DON'T TAKE OFFENSE AT MY INNUENDO[1]' – INTRODUCTORY PROVOCATIONS

When one receives Calls-for-Papers for conferences, the conference theme immediately catches the eye. Usually a thought provoking phrase, eloquently worded, and the product of meticulous thought. So, too, the theme for the 2021 SAIMS was no different. "*Re-imagining management research: Past insights for future foresights*" was emblazoned on the Call-for-Papers. This got me thinking. For once I was actually going to write a conference paper with the conference theme in mind. However, this was not going to be a „run-of-the-mill" conference paper. I don"t like writing those. This would be a conceptual paper. Any other approach would not allow me the liberty to argue my point freely. But I"ll get into that detail in the next section, which will deal with things methodological. I also wanted this paper to deal with a topic that is not „run-of-the-mill" either. Yet again, the conference theme provided me with some impetus. This paper would deliberate the dominance of the capitalist ideology and positivism in management scholarship, and contemplate the limitations of this dominance on the

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[1] Lyric excerpt from 'Innuendo' (1991) by Queen

concept of „re-imagining". Furthermore, the underlying assumption and implications of „past insight for future foresights" would also be analysed from the perspective of critical theory.

But why, you may ask, would it be necessary to write a paper on this topic in the first place? In my view, it is necessary to interrogate these issues because the management discourse in South Africa is held captive in Plato"s Cave. Plato presents his allegory of the cave in The Republic, and is a metaphor to remind us of the effect of education, or the lack thereof, on human nature (Lahav, 2016). In short, Plato"s Cave describes a group of people who have lived their entire lives chained to the wall of a cave. From a fire behind them, images are cast on the cave wall (Plato, 2000). These images are produced from objects passing in front of the fire, made and carried by the protectors of the cave. These prisoners see the shadows and believe this to be reality, because they literally do not know any better (Lahav, 2016; Plato, 2000). One day, one prisoner breaks free, and after a perilous journey escapes the cave. After initially being blinded by the sunlight, she is amazed by the beauty of the actual things that the shadows in the cave were based on (Plato, 2000). Wanting to share her newfound insights with the others, she re-enters the cave to tell the others about what she has seen, but they do not believe her, and ostracise her as a heretic (Lahav, 2016; Plato, 2000).

We, the management scholars, we are these prisoners. The images projected on the wall is our discourse we observe projected to us through a particular lens. Management is portrayed as fulfilling a specific function, and serving a specific purpose. And it does so in a specific fashion. But who decides on these „specificities"? Who, in other words, decides what should be projected against the wall? Who are the Protectors of our cave? These Protectors take the form of beefy capitalism, its" modern hipster cousin neo-liberalism, and their nerdy side-kick, positivism. And lurching around in the shadows are the Ghosts of colonialism and apartheid.

So what, exactly, am I getting at? The point is this: Whether we like it or not, we are oblivious and unknowing prisoners trapped in Plato"s cave. The reigns of western capitalism keep us, as South African management scholars, tightly reigned in, intellectually speaking. Our history – our colonial and apartheid legacies – resurface from time-to-time in different guises (such as decolonisation), and seems to evoke a range of diverse reactions…and engaging with these Ghosts constructively is not one of them. In short, our management discourse functions in a bubble. It is dictated to by capitalism, dominated by positivist logic (Sousa, 2010), is self-serving, and not really in a space where any re-imagining takes place. Yet, like the prisoners in the Cave, we seem to think that all is okay…

'EFFECT WITHOUT A CAUSE, SUB ATOMIC LAWS, SCIENTIFIC PAUSE…[2]' – ON THE METHODOLOGY EMPLOYED IN THIS PAPER

This paper challenges „mainstream" management thinking as a field of inquiry in South Africa. It draws upon both Critical Theory and Critical Management Studies not only in its" critique of capitalist thinking and ideology, but also in its critique on the current state of the management discourse in South Africa and the dominant role of positivism in this discourse (Sousa, 2010). Central to this critique is employing reasoned dialectical argumentation (How, 2003) as method of intellectual inquiry, which, for this paper, will comprise not only a synthesis of literature, but also introspective self-reflection.

Literature was sourced from Google Scholar, which, when compared to other search engines, is the most efficient search engine for sourcing literature (Gusenbauer, 2019). Many parameters were used for sourcing literature, these included „capitalism and apartheid", „positivism and capitalism", „critical theory and positivism", „critical management studies", and „Plato"s Cave allegory". It is important to emphasise that my personal involvement in academia allows for meaningful self-reflection on the nature of the South African management discourse, as I have been an academic in the discipline of management for 27 years.

As the title of this paper suggests, it is a provocation, and should be interpreted as such. Kashin (2019) describes a provocation as an intellectual process of lateral thinking, whereby established patterns of thinking and knowing are challenged, as we seldom venture beyond these established patterns. Provocations make deliberately rousing, over simplified, rudimentary, or blunt statements, in which the underlying assumptions of what we know are affronted (Hibbert, 2013; Learmonth, 2007). Provocations need to have a „shock value" in order to jolt people"s minds out of existing ways of thinking, suspend judgement, and to serve as a starting point for new ideas (Hibbert, 2013). In that vein, this paper uses a running analogy – in the form of Plato"s Cave – to make these provocations.

The argument presented in this paper will firstly will expound upon the reasons for the strong entrenchment of capitalist thought and positivist thinking in the discourse of management. Thereafter the consequences of this capitalist/positivist entrapment will be explored, especially in terms of management scholarship and research in South Africa. The paper will conclude with suggestions on alternatives that could be acted upon in an effort to bring about real advancement of management as a field of inquiry in South Africa.

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[2] Lyric excerpt from 'Synchronicity' (1983) by The Police

'I HAVE BECOME COMFORTABLY NUMB[3]' – CAPTALISM, POSITIVISM, AND THE MANAGEMENT DISCOUSE IN SOUTH AFRICA

The winds of industrialisation that swept through Europe in the 18th and 19th centuries, and lead to the rise of capitalism, also found its" way to the „colonial outposts". These colonial dominions needed to be reoriented to adhere to western standards (Olutayo and Omobowale, 2007). Things forthcoming from these annexed parts of the world were viewed as inferior – their history, their culture, their language, their knowing (Phiri, 2020; Nkomo, 2011). This all had to be denounced and replaced with superior, European ways (Phiri, 2020; Nkomo, 2011; Olutayo and Omobowale, 2007).

In South Africa, colonial structures were perpetuated during the era of apartheid (Modiri, 2017). The apartheid era government associated itself ideologically with capitalism (Koorts, 2014). During apartheid, the relationship between apartheid and capitalism was complex and uneasy (Koorts, 2014; Lipton, 1986). Yet, it was a relationship that, outwardly at least, gave the impression that apartheid and capitalism were allies in facing the threat of communism in a post-World War II world (Koorts, 2014). The „threat of communism" was used by the apartheid government to supress any opposition to their policies, which almost exclusively ran along racial lines (Longford, 2016). It can be argued that this situation filtered through into academia, where notions that contradicted capitalism were discouraged. Management scholarship and the management curriculum in South Africa reflected – and still reflects – capitalist principles and ideology, under the watchful eye of the apartheid government (Ruggunan and Spiller, 2018), when the first business schools were established in the late 1940"s (Arnold, 2017).

However, broader, systemic issues exist in the discourse of management. The first of these issues is that management history is basically overlooked and disregarded in order for the discourse to claim legitimacy as being current and topical (Cummings and Bridgman, 2011; Lamond, 2005). Management history has been relegated to a chapter early on in the textbook in the first year curriculum, dealing with the evolution of management thought (Cummings and Bridgman, 2016; Smith, 2007) which is skimmed over at lightning speed. It is often misinterpreted or downright factually incorrect (Cummings and Bridgman, 2011; Stewart, 2009). What history is portrayed, is a western, and specifically American, claim to the management discourse (Cummings and Bridgman, 2016; Gantman, Yousfi and Alcadipani, 2015). Where does that leave us as South African scholars in terms of agency in our discourse? Framing management as being grounded in the west ignores our own history and the effect this history had on management thought and scholarship in South Africa.

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[3] Lyric excerpt from 'Comfortably numb' (1979) by Pink Floyd

A second issue stems from the need of capitalism, as an ideology, to create governance structures to perpetuate itself (Means, 2018; Bazzul, 2012). Management curricula seem like a good place to start (Ehrensal, 2016). Undergraduate curricula in the western world seems to have converged to a point where they convey the same basic message built upon European and American validations (Kociatkiewicz, Kostera and Zueva, 2021). This basic message is saturated with capitalist ideology (Parker, 2018; Ehrensal, 2001), breeding model capitalists that are accepting of the rules of the „capitalist game" (Kociatkiewicz *et al*., 2021). South African curricula intrinsically mirror this western message (Ruggunan and Spiller, 2018; Nkomo, 2011). Scholarship and research is dominated by positivism, with very little room – or appreciation – for alternate epistemologies.

Ideologically, a strong connection is evident between capitalism and positivism (Ruggunan, 2016; How, 2003), and in South Africa, positivism dominates management scholarship (Goldman, 2016a; Remenyi, 1996). In an article by Goldman in 2016, three prominent South African management journals" published manuscripts were scrutinised over a ten year period from 2005 – 2014 (Goldman, 2016a). During this period, these journals published 61% – 76% quantitative focussed articles, and 22% – 33% qualitative focussed articles (Goldman, 2016a). These figures need to be seen in the context of time. The time-frame in question represents a period when qualitative and interpretive inquiry in management in South Africa was on the increase, albeit slowly (Goldman, 2016b).

It would also appear as though the legacy of what Ruggunan (2016) refers to as the „colonial double bind" of colonial subjection followed by apartheid rule, has directly influenced the management discourse in South Africa (Ruggunan and Spiller, 2018; Ruggunan, 2016). It has influenced how we think about our discourse, how we intellectually engage with our discourse, how we practice our discourse through teaching and learning, and how we advance our discourse through research and supervision. And whether we like it or not, the effect of this influence, has kept us tightly, yet very comfortably, chained up as the prisoners in Plato"s Cave.

The Protectors of our Cave, capitalism, neo-liberalism, and positivism, make sure that what is projected on the wall of the Cave for the prisoners to see, reflects global trends in capitalist thinking. This represents „mainstream" management, dominated by western capitalist thought and positivist methods (Ehrensal, 2016; Nkomo, 2015). So we keep abreast of developments in our field, and so we are comfortable in the knowledge that we are fulfilling our purpose as scholars. But, as Plato reminds us, this is an illusion. The Protectors determine what we see, and our history – shaped by Ruggunan"s (2016) „colonial double bind" – has added to our Cave the Ghosts of colonialism and apartheid.

In summary, the nature of our management scholarship in South Africa is dominated by capitalist ideology and positivist methodology. Although the recent past has seen a slow upsurge in Interpretive/qualitative scholarship, most of this scholarship adopts a regulatory ontology that falls within the parameters of „mainstream", capitalist thinking. Scholarship outside the domain of capitalist thinking, such as critical scholarship, is virtually non-existent (Goldman, 2020). South Africa, bar for the Ghosts of colonialism and apartheid, seems to go about management scholarship and education as any western country does (Nkomo, 2015).

One might ask: what is the problem? Surely there is a reason why a certain discourse is viewed as „mainstream" and others as „peripheral". A discourse would not be dominant if there is no merit in what it tries to achieve and how it functions as a system of knowledge creation. That might be so, but as scholars, we need to understand why, and how, a dominant discourse has attained dominance. The pervasiveness of a discourse leads to a state of taking things within the discourse for granted, and no longer questioning underlying assumptions (Kociatkiewicz *et al*., 2021). Thus, the stature of the discourse becomes a *habitus* (Ehrensal, 2016), and the assumptions that underlie it are taken for granted. The issue is exsserbated by the notion that discourses are underwritten by particular ideologies. Discourse, therefore, provides the perfect mechanism for an ideology to perpetuate and sustain itself (Kociatkiewicz *et al*., 2021).

The other issue, of course, is that we are not part of the global west. We are part of Africa. In many respects, and especially concerning our discipline, we are IN Africa (referring to location), but we are not OF Africa (referring to our thinking). That is why colonialism and apartheid appear as ghosts to us in the Cave. They are there, but we choose not to treat them as real. They „rear their ugly heads" from time to time and we all have our respective knee jerk reactions in shying away.

''CAUSE THEY DON'T WANT YOU ANY WISER, YOU'RE JUST TOEING THE PARTY LINE[4]' – ENTRAPMENT AND THE LIMITATIONS OF OUR SCHOLARSHIP

In a crude sense thus, we as South African management academics find ourselves in a state of entrapment in our Cave. This is a fine state of affairs for the Protectors, of course, but it is not an optimal state of affairs for the progression of our discipline. Nor is this ideal in terms of providing a well-balanced education to our students.

The Protectors don"t mind such a situation. The capitalist ideology flourishes, and rational-analytical, positivist orientated „science" generates factual knowledge that ignores the social condition

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[4] Lyric excerpt from 'Word of mouth' (1991) by Mike And The Mechanics

surrounding these facts (How, 2003). Through verification, the cornerstone of positivist logic (Kalelioglu, 2020; McNamee, 2005), this factual knowledge is taken as the only reality that exists, expelling all other realities to the periphery (Park, Konge and Artino, 2020; Sousa, 2010). As management scholars, thus, we cannot conceive anything beyond the regulatory confines of the capitalist ideology (Goldman, 2020; Means, 2018). The nett effect is that this thinking perpetuates in our students and graduates.

This brings me back to "*Re-imagining management research: Past insights for future foresights*". Does the Cave we are in allow for *re-imagining*? I suppose the Protectors want us to believe that, as long as we remain true to capitalism. However, If we do not dare to, or want to, venture beyond the confines of a regulatory, capitalist orientated ontology, what are we seeking to re-imagine? If we extend the Cave analogy yet again, and imagine that the objects the Protectors make and pass before the fire to cast their shadows on the cave wall represent our collective management body of knowledge, then we need to ask what influence do we have as scholars on which objects are made and projected? Can we as the prisoners request the Protectors to make new objects? Can we ask them to hold the objects differently to cast different shadows?

There, firstly, needs to be a willingness amongst scholars to re-imagine. If we like what we see projected in the Cave, and if it does not cause us unhappiness or discomfort, why would we – or should we – express a need for anything else? Although this „don"t fix it if it ain"t broken" stance might find favour with some, this would be something that Socrates would be vehemently opposed to. Socrates professed "radical discourse" (Wall, 2005), whereby people should constantly question the world around them, and is perhaps most famous for the phrase „the unexamined life is not worth living" (Maller, 2013). This notion requires us as academics to reflect upon our role within our discourse. Are we disseminators of knowledge, or creators of knowledge? Are we something more? Do we „go with the flow" in our discipline, without questioning it? What is our responsibility as „intellectual activists"?

Back to the Cave, let"s assume we feel the need to pursue a degree of intellectual activism. We can rattle our chains and cause a commotion by shouting and screaming until the Protectors sit up and take notice. In other words, we can make our voice heard, however small it might be in the larger system we operate in. Voice has the potential to make a difference. Our remonstrations in the Cave can result in action. Make enough noise, and the Protectors, in an effort to stem the dissent, will create a new object or two. For example, we have seen a slow and steady rise in Interpretive scholarship in South African management scholarship in recent times, as eluded to earlier. The Protectors have also learnt that they can keep us entertained if they show us different angles of the same objects over and over. This is tantamount to the positivist notion of replicating studies over time, and in different

contexts (Kalelioglu, 2020; Park *et al*., 2020) for the purpose of establishing if findings are valid and generalisable over time and context. In this vein, research merely confirms what is already known, over and over again (Tourish, 2020). Is this true re-imagining? It might create the illusion that it is. If the Protectors hold the objects at different angles before the flames, the images projected are going to seem different, but in essence the prisoners are still looking at the same thing.

Looking at dictionary definitions of „re-imagine", the following is apparent:

- From the Merriam-Webster online dictionary (merriam-webster.com, 2021):
  "…to imagine again or anew…to form a new conception of **:** re-create",
- And the Oxford online dictionary defines it as (lexicon.org, 2021);
  " reinterpret imaginatively"

According to these definitions, looking at the objects in the Cave from different angles (the „replication" type studies so common to our discipline) can be seen as re-imagining, as one obviously needs to form a new conception of which angle to view the object from. From a narrow perspective, thus, this does contribute to knowledge creation, which in turn clarifies our discourse. Yet, the point is, surely re-imagining can imply so much more. Why should we pursue incremental advances when major leaps and revolutions in thinking are not improbable? But this can never happen if we are happy to sit in the Cave. This can only happen if we as academics act as „intellectual activists", break free from our shackles, dodge the Protectors and confront the Ghosts, and emerge into the world beyond the Cave.

'I'M LOOKING FOR ANSWERS FROM THE GREAT BEYOND[5] – REIMAGINING BEYOND OUR LIMIT(ATION)S

This section draws primarily from own self-reflection as a management scholar to formulate the arguments presented.

Over time, some prisoners have escaped our Cave and caught a glimpse of the real world, the world upon which the Protectors have based their objects to show to those in the Cave. Plato contended that these „enlightened" ones, impassioned with their newfound wisdom, are eager to return to their companions to tell them what they have found (Wall, 2005; Plato, 2000). But their journey back is perilous. The Protectors can recapture them and force them into bondage. Having eluded the Protectors, their companions in the Cave brand them as heretics and ostracise them (Wall, 2005; Plato, 2000).

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[5] Lyric excerpt from 'The Great Beyond' (1999) by R.E.M.

In the discipline of management, some academics have undertaken this journey and ventured beyond the Cave. There are not many of them, and they are trying to share what they have seen „out there". But they also know what Plato meant when he warned of the difficulties faced by the „enlightened" person re-entering the Cave. Firstly, as prisoners, we don"t know what we don"t know. Accordingly, we can"t fathom the consequences of the thing we do not know. The point is this: we are so imprisoned in the Cave, that the majority of management academics in South Africa do not understand the negative effects of our positivist dominated discourse. Bluntly stated, quantitative studies aimed at replication and verification do nothing more than test theory (Kalelioglu, 2020; Sousa, 2010). Although there is nothing wrong with that in itself, this needs to be understood as such. But what does this mean in terms of re-imagining? I"m afraid not much… as testing theory and building theory are two distinctly different intellectual exercises (Sousa, 2010). Theory testing is not going to lead to proper re-imagining, only true theory building will get us there.

It has been purported that positivism is not an optimal paradigm for building theory, and that other paradigms are better suited to that, such as interpretivism, post-modernism and critical theory (Goldman, 2016c; Sandberg, 2005). However, positivism venerates the „scientific method" as the only plausible truth, thereby relegating all other epistemologies as „invalid" (Kalelioglu, 2020; Park *et al*., 2020; Sousa, 2010). This fuelled an uncomfortable stand-off between different research paradigms, which resulted in the so-called „paradigm wars". However, as Goldman (2016c) purports, there is ample room for paradigms to compliment one another. However, this requires that scholars broaden their horizons to acquire an appreciation of different paradigms and the possibilities offered by each (Prasad, 2015; Sousa, 2010; McNamee, 2005).

If we profess to be academics, we need to be concerned with metatheory just as much as we are with our areas of specialisation (Sousa, 2010; McNamee, 2005). Yet, many of us are not. If we are researchers, then we need to know about research methodology – which rests upon the basic assumptions of metatheory – to the extent that expecting every faculty member with a PhD to be able to lecture research methodology as an instructional offering should not be an unfair expectation. Yet, for most it is. This is a consequence of positivism. Positivists do not engage in metatheoretical discussions, it is seen as a useless exercise, and metatheory is taken for granted (Park *et al*., 2020; Kalelioglu, 2020; Sousa, 2010). This is symptomatic of „intellectualist prejudice", disregarding other forms of human knowledge and other epistemologies (How, 2003, Sayer, 1984). Our positivist enslavement has robbed us of the ability to engage on metatheoretical issues such as, reality, knowledge, and science. The ability to, for example, metatheoretically reflect on the suitability of a research approach for a potential PhD study is beyond many scholars (McNamee, 2005). The

following might clarify the point. We encourage potential PhD students to „find a gap in literature" as basis for their potential research problems. Yet, we do not consider the methodological ramifications of identifying gaps in existing literature. A well-defined gap in literature implies that a dearth of literature exists around this specific issue, implying in turn that this area is not well understood, and therefore needs to be understood in more detail. The only logical methodological course of action to follow here would be Interpretivism. Only through the application of qualitative methods can understanding be achieved. Positivist research employing quantitative methods is a science of verification, relying on a well detailed body of knowledge to formulate hypotheses which are then to be tested. Simply put, identifying a gap in literature and developing a quantitative methodology around that is conceptually flawed. This represents what Sousa (2010) refers to as inadvertent slides into ontological or epistemic incoherence.

In our Cave, the ghoulish Ghosts of colonialism and apartheid scare many of us into submission, even if we break free and manage to elude the Protectors. For example, mention „decolonisation" to most management scholars and reactions vary between sidestepping it, downplaying it, becoming defensive, dismissing it as a fad, and blatant window-dressing. Almost any reaction apart from dealing it. Again, this is a consequence of our positivist dominated tradition. Positivism insists upon upholding the values of neutrality, autonomy and impartiality in scholarship (Kalelioglu, 2020; McNamee, 2005), which leaves no room for the cultural, political and social realities that the discourse functions within (Prasad, 2015). This is a serious drawback in the South African context, where the historic, political, and cultural realities of our context cannot – and should not – be separated from any discourse (Nkomo, 2011). Yet, in the management discourse it is (Goldman, 2016a). That is why six years after #FeesMustFall, precious little has happened in terms of decolonisation in management (Goldman, 2020). We just don't know how.

What type of weaponry then, do we as South African management scholars need to face the challenges associated with escaping the Cave? First and foremost, it is a question of will. If the will exists to challenge the confines of the Cave, action will follow. If will does not exist, reasons will abound to stay put. But will alone is not enough. Will needs to be paired with purpose for action to materialise. In this sense, purpose would imply understanding the limitations of the Cave we find ourselves in. As management scholars, this would imply understanding the nature, possibilities and limitations of positivism from a meta-theoretical perspective. It also implies understanding the nature, possibilities and limitations of other research traditions such as Interpretivism, Post-modernism, and Critical Management Studies (CMS) on a meta-theoretical level (Goldman, 2016c; Sousa, 2010). Meta-theoretical engagement and an appreciation for the philosophy of science is crucial for

understanding the complementary interplay that is evident between scholarly traditions, instead of viewing these traditions as mutually exclusive, opposing, and stand-offish (Goldman, 2016c).

To fully re-imagine, we need more interpretive and critical scholarship in management. Theory testing research, which is basically replicating the same thing over and over, only refines our understanding of reality, but the basic picture remains the same. Positivist scholarship cannot give us a new picture. But then again, neither can Interpretive scholarship. Interpretive research will fill in the blank areas on the current picture, and might lead us to redraw the picture (Sandberg, 2005). However, it not a new picture, but tantamount to asking Van Gogh and Picasso to paint the same scene. Both will produce paintings that look different, but they represent the same scene. This is because Interpretive research accepts a regulatory, capitalist ontology, but ascribes to a subjective, value laden epistemology (Goldman, 2016c).

True re-imagining would imply a totally new picture, suggesting novel, and not necessarily tested, conceptions and well-argued speculations of what such a new picture could look like. Stated simplistically, it entails a well-argued aspiration. This conceptual type of re-imagining is the realm of critical scholarship. CMS is an application of critical theory in the discipline of management. As such, CMS challenges the pervasiveness of capitalist ideology in the scholarship of management and is sceptical of positivist knowledge claims (Goldman, 2016a). CMS scholars view organisations as mechanisms that perpetuate the doctrine of capitalism, and therefore inherently exploitative, with an uneven balance of power that is oppressive toward workers (Goldman, 2016a; Prasad, 2015). CMS scholars are therefore also sceptical of mainstream management literature, and constantly strive for alternate conceptions of management reality, contained in this type of conceptual scholarship.

This is where true re-imagining lies. This type of scholarship is necessary to imagine new possibilities and conceive new realities (Prasad, 2015). According to Goldman (2016c) this type of scholarship can be seen as the first step in the „evolution of knowledge". Once such plausible conceptualisations and „re-imaginings" are presented, it would follow that Interpretive scholarship steps in to understand the dynamics of the newly conceptualised theory and build a body of literature around it, whereafter positivist research would take over and test more detailed aspects thereof (Goldman, 2016c).

Lastly, re-imagining also goes along understanding the context we find ourselves in as management scholars. In other words, we need to know our history, our political and cultural contexts insofar as it effects our discourse (Goldman, 2016a; Ruggunan, 2016; Nkomo, 2011). This is the only way we will be able to make our discourse South African and confront those Ghosts in the Cave head on.

'OPEN MIND FOR A DIFFERENT VIEW[6]' – CONCLUDING THOUGHTS

This paper has attempted to provoke thought about the nature of our discourse. As management scholars, we need to realise the limitations and associated challenges posed by a discourse that is dominated by capitalist ideology and positivist method. The nature of our discourse places restrictions on our ability to re-imagine that we are not necessarily aware of. As true academics and intellectual activists, we have a responsibility to question, challenge, and provoke thinking. Sitting comfortably and subdued, quietly watching the images projected on the wall of the Cave is not growing our discipline. That is actually a disservice to those we train, to ourselves and to our discipline in general.

Herein also lies a challenge. If we want to come out of the Cave, we will have of endure a bit of discomfort, that is part and parcel of the journey. Co-author that qualitative paper with a qualitative colleague if you have never done so before. Dive in and co-supervise an Interpretive study with a colleague who is an interpretive researcher. Read more classic works. Read Adam Smith, Karl Marx (yes…Karl Marx!). Read the original Taylor, Maslow, Fayol, and Weber. Read philosophy. Read management history journals. Explore critical theory and CMS. Search for how we can make our discourse more African. Read up on post-colonialism. And bring all these things into the classroom. You will be surprised how enriching this can be.

I have started each section of this paper with a lyric excerpt and I end this paper with a passage by Alanis Morissette[7], which sums up my journey since I got a glimpse of what lies outside the Cave:

> *The moment I let go of it, was the moment I got more than I could handle*
> *The moment I jumped off of it, was the moment I touched down*

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[6] Lyric excerpt from 'Nothing Else Matters' (1991) by Metallica

[7] Lyric excerpt from 'Thank You' (1998) by Alanis Morissette

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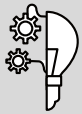## Session: Innovation - Chair: Prof. Y. Jordaan

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