Proceedings of the 9th International Conference on Social Sciences

ADVANCING INTER-DISCIPLINARY & MULTI-DISCIPLINARY STUDIES ON SOCIAL SCIENCES

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Preface

These proceedings contain full papers submitted to the 9th International Conference on Social Sciences held at the Fancourt Hotel in George on 29-31 August 2018. The conference was organised jointly by the Faculty of Economic and Management Sciences of the North-West University, South Africa and Social Sciences Research Society, Turkey.

The aim of the conference was to bring together a wide audience of academics, policy makers and practitioners around clearly circumscribed topics, engage participants in fruitful debate, and facilitate mutual understanding. An additional goal of the conference was to provide a platform for academics and professionals with inter-disciplinary/multi-disciplinary interests related to social sciences to meet and interact with members inside and outside their own particular disciplines.

The keynote speakers for the conference were Dr Supa Pengpid, a Professor at the ASEAN Institute for Health Development, Mahidol University, Thailand and Dr Terrence Kommal, CEO of a leading Healthcare Services Group, and a Director and Non-Executive Director in a range of businesses.

The conference solicited and attracted research submissions related to all aspects of Social Sciences. Following the call for abstracts, a total of 227 submissions were received. Initial selection of the abstracts was on the basis of significance and for the purpose of the conference. Subsequently a total of 207 abstracts were peer-reviewed by reviewers drawn from the scientific committee and external reviewers. Following the review process 158 submissions were accepted for presentation at the conference. Authors of accepted submissions were subsequently invited to submit full papers for the conference.

The 9th International Conference for Social Sciences proceedings records peer-reviewed full papers drawn from the papers submitted to the conference. Reviewers were selected from the scientific committee and external reviewers depending on the subject matter.

The Organising Committee of the 9th International Conference for Social Sciences would like to thank the Scientific Committee, External reviewers, Session Chairs and presenters for their contribution to the conference.

9th ICSS Organising Committee
9th INTERNATIONAL CONFERENCE ON SOCIAL SCIENCES

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This document was compiled by extracting the information from the original documents submitted by the relevant authors. The ICSS committee did not change the content. The responsibility for opinions expressed in this publication rests solely with their authors. This publication does not constitute an endorsement by the ICSS scientific committee of the opinions so expressed in them.
SCHOOL MANAGERS’ CAPACITY NEEDS FOR LEADING COLLABORATIVE IMPLEMENTATION OF HEALTH POLICIES IN 4 SELECTED GAUTENG PROVINCE SCHOOLS

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ABSTRACT
Introduction: South Africa is experiencing a global movement towards the development of health policies that promote healthy school environments. The process of the implementation of these policies is influenced by structural changes in the public administration towards decentralisation, devolution of responsibilities, partnerships and the restructuring of accountability relationships. Thus, collaborative processes are said to be inevitably linked to school health promotion.

Aim: The aim of this paper was to explore the school managers’ capacity needs that would have enabled them to lead collaborative health policy implementation effectively.

Methods: This is a qualitative research study which included eighteen (n=18) participants from four selected schools in Gauteng Province: school managers (n=8), teachers responsible for health programmes (n=6), district official in charge of support services (n=1) and parents in the school governing body (n=3). In-depth interviews were conducted with each participant at school after teaching hours. The analytical focus of the research is on unearthing the complex web of relations between the participants and non-humans through which the collaboration is held together and made durable. Data was collected using multiple data collection tools: narratives, interviews and document analysis and analysed using the Actor-Network Theory (ANT).

Results: This study revealed limited attraction devices to lure the partners which would have ensured stronger alliances between the actors. The goals of the policies were not shared widely by the school managers with the potential actors because of lack of knowledge of the policy goals and of negotiating skills.

Conclusion: In view of the findings, it is recommended that an investment in capacity-building strategies that would enable human actors to be effective in strengthening collaborations intended for the implementation of health policies be made.

Key Words: Actor-Network theory, school leadership, multiple actors, context of policy implementation, attraction of human actors, school health policies

JEL Classification: I. Health, Education, and Welfare
JEL codes: 121; 128

1. INTRODUCTION
Globally, the process of policy implementation is influenced by structural changes in the public administration towards decentralisation, devolution of responsibilities, partnerships and the
restructuring of accountability relationships in service delivery (Kettl, 2000; O’Toole, 2000; Pal, 2006). The same applies to a shift towards collaborative implementation of policies in education. The European context suggests “collaborative approaches as not only desirable in the twenty-first century education policy arena but also imperative” (Kamp, 2017:2). More and more countries internationally implement wellness policies to guide school health promotion initiatives. South Africa is gradually catching up in terms of the development of health policies. These policies have two main goals: improving academic success rates and preventing drop out for learners especially from disadvantaged communities. It is on this basis that the Ministry of Education formulated a series of such policies over the years to make the promotion of healthy school environment initiative a reality. The National HIV/AIDS policy (1996), the school nutrition policy (1996), the newly developed Integrated School Health Policy (2012) and the DBE HIV and TB policy (2017) which revised the National HIV/AIDS policy are examples. The implementation of policies that demand for collaborations with community members, other governmental organisations, parents and non-governmental organisations provides a new and complex terrain for school managers, leading to challenges in policy implementation. These are additional leadership directives placed on school managers that exceed their traditional capacity for action.

Additionally, the South African Standard for Principalship (2014) urges principals to build and maintain effective collaborative relationships with other agencies in the community which are concerned with the wellbeing of children and their families. It can be argued that providing leadership in collaborations is difficult (Vangrieken, Meredith, Packer & Kyndt, 2017), as it ups the ante on the school managers, it is an appeal for a more skillful leadership. On the one hand role players are self-regulating teams (Health professionals, parents, NGOs, community members) which have authority to make decisions themselves. On the other hand, school managers need to enact top-down or vertical leadership to provide structure, clarity and quality during the process of the collaborative implementation of a policy. It is important to note that implementers shape implementation of policy (Honing, 2006), so whatever approach school managers adopt it will affect policy implementation negatively or positively. This article argues that collaborative policy implementers need the knowledge and competences to translate the policy intentions into operational strategies and actions.

Although leadership capacity is increasingly seen as a necessary supporting condition for sustainable change and improvement in schools (Hallinger, 2011; Hallinger & Heck, 2010), the OECD (2017) argues that at the centre of challenges regarding policy implementation in education is the actors’ capacity. The expectations concerning schools’ capacity to implement policies often exceed reality (OECD, 2010), the same can be said about the capacity of school managers in leading collaborations for policy implementation. Recent shifts in school health policies towards collaborative implementation, increase the urgency to fill this knowledge gap. Problems pertaining to collaborative implementation of policies point firstly, to ambiguity in education policies with regards to who is responsible to do what in the systems, how to hold them accountable and how the implementation process itself can contribute to enhancing education (Burns, Köster & Fuster, 2016) complicates collaborations further. Secondly, loyalty which can be regarded as commitment to execution of a policy is crucial in collaborations. Loyalty in policy implementation according to De Leon and De Leon (2002:475), is a battle to ensure a correct reading of the mandate and its accurate execution. However, Gallie (2007)
contends that for the South African Education system to expect loyalty from collaborative partners is naive as most education institutions are faced with a challenge of incapacity.

It is common knowledge that the trend of collaborative implementation of policies in education is still to continue. The health policies that call for the participation of multiple actors in their implementation are more and more becoming a norm in schools calling for a whole new set of skills from school managers. It is therefore important to understand the capacity school managers have to lead collaborations.

2. CONCEPTUAL AND THEORETICAL FRAMEWORK

School policy implementation entails assembling elements required to produce a particular outcome (Mokhaba, 2005:113). According to Schofield (2001:254), implementation equates to converting public policy into action. Policy implementation is perceived to be a conversion of mainly physical and financial resources into concrete service delivery outputs aimed at achieving the policy objectives (Brynard & De Coning, 2006:163). This suggests the use of human capital and designed programmes to achieve outcomes. Implementation therefore requires planned and perceptive management (Fox et al., 2006:58) to deal with challenges that accompany collaborations. It can be argued that policy implementation in schools hinges on the school management capacity and vision. It is for this reason that Mhlongo (2008:35) argues that a clear compelling purpose, a concrete vision, strong ownership, broad capacity and skills and tangible organisational support are at the helm of effective policy implementation. There are five critical variables for studying policy implementation in schools, namely: context, content, commitment, capacity and collaborations. The significance of these variables also known as 5-C protocol according to Mokhaba (2005:128), is that they shape the direction of the policy implementation. The focus of this study is on the capacity of the school managers.

Grindle and Hilderbrand (1995) define capacity as “the ability to perform appropriate tasks effectively, efficiently, and sustainably”. Studying the factors facilitating the implementation of a new curricular reform in Hong Kong, Cheung and Man Wong (2012) found that teachers' professional development and principals' leadership skills both significantly affected effective implementation. Practitioners will have to develop new skills and dispositions, notably the popular refrain of “this too shall pass” will have to be abandoned (Puddy & Wilkins, 2011). Malen (2006) ascertain that capacity is measured by the actors' resources (such as prestige, connections, individual attributes) and their skill and will to make these resources a tool for political influence.

There are as many definitions of what constitute a collaboration as there are collaborations in operation in the human services, but a useful definition for starting to examine collaborations is one put forward by Bardach (1998:8), who defined collaboration as “any joint activity by two or more agencies working together that is intended to increase public value by their working together rather than separately.”. This definition is useful in that it specifies discrete elements of the institutional structure of collaborations that can be used to examine the capacity of school managers for collaborative policy implementation.

The Actor-Network Theory (ANT) was used in this research. The Actor network theory offers concepts that illuminate dynamics of educational reform including how actors emerge within the play of heterogeneous linkages among humans and nonhumans, and how the different actors
that appear are performed into being by these linkages. As Law (1992:386) explains: a concern with how actors and organizations mobilise, juxtapose and hold together the bits and pieces out of which they are composed; how they are sometimes able to prevent those bits and pieces from following their own inclinations and making off; and how they manage, as a result, to conceal for a time the process of translation itself and so turn a network from a heterogeneous set of bits and pieces each with its own inclinations, into something that passes as a punctualised actor.

An actor in the ANT theory is conceived as a heterogeneous amalgamation of textual, conceptual, social, and technical actors, in this research the actors include the people, the site where the policy is implemented and the health policies. The inter-definition of these actors who together make up a network is synthesized below. These definitions are intended to establish the identities of actors and links between them.

- A principal of a school is vested with executive and administrative authority to implement policies and run the school on a day-to-day basis. A team of school managers is a group of teachers that exercise the management responsibilities of a school and assist the principal with the execution of the professional management function, including policy implementation (Department of Basic Education, 2017). For capacity building the policies state that school managers are to collaborate with external stakeholders to access the much required resources that are essential for effective implementation of such policies. If the school managers hope to achieve the goals of the health policies then they must have the capacity to join forces with the external stakeholders, understand the requirements of the health policies and provide a conducive environment for their implementation.

- The community members including parents of learners in public schools get recruited to be actors in policy implementation. These people do not have any knowledge about policies in general or health policies in particular. Their role is to support and advance the intervention strategy which has been proposed at national level and perhaps, if all goes well influence the processes of policy implementation to such an extent that the policies include a bottom-up approach. This strategy involves a hands-on approach and direct involvement in the planning, implementation and evaluation of policy implementation. Their intentions however, can include self-interest and self-gain as some of these policies target schools in poor communities. The learners whose parents form part of such communities are beneficiaries of programmes that are developed as means of intervention.

- The health policies are kind of top-down in nature, but as earlier indicated the bottom-up approach can be achieved if the policies are implemented effectively by people who understand the goals of the policies. The goals of the policies are stipulated in the documents. The school nutrition policy even provides schools with a document for implementation. However, with the DBE HIV and TB policy (2017) there is a promise by the Department of Basic Education that some of the detail that is lacking in this policy will be elaborated on in a strategic framework that is still to be developed. The Integrated School Health Policy (2012) however, does not outline the roles and functions of school structures. All health policies that are the focus of this research call for a collective implementation. These are policies that: improve nutrition, provide access to sanitation and hygiene practices, and those that promote physical activity, health and safety in
school environments. The survival of these policies relies on the capacity of human actors and the context.

- The schools which the health policies target are in poor communities. These are schools with limited resources that rely on the subsidy of the Department of Basic Education to function. Learners that attend come from disadvantaged communities that are distressed because of social ills. The readiness of schools for the enactment of the health policies is the responsibility of the school managers. A conducive environment would entail the advocacy and leadership, alignment with other policies, management and coordination.

The capacity of the key actors to collaborate is tested in their ability to lead and manage the complex relationships between all the actors. The school managers have to filter out and explain the policy, deciding and then announcing what must be done, what can be done, and what cannot (Ball, Maguire, Braun & Hoskins, 2011). This discussion argues that the continuing merits of ANT is one approach to study the collaborative implementation of health policies in education.

An empirical investigation was conducted to determine the school managers’ capacity to forge alliances with all other actors, as actors in collaborations cannot attain what they want by themselves.

3. EMPIRICAL RESEARCH

3.1 Research design and methodology
A qualitative case study design was used to gather data from four primary schools in different areas of the Sedibeng West district. The case study design was preferred as it provides opportunity to describe, define and analyse a phenomenon that little is known about.

3.2 Participant selection
The population of this study is all school managers, coordinators of health programmes and district officials implementing health policies in Quintiles 1-3 schools. All public schools in South Africa are mandated to implement some or all health policies depending on the classification of the school. Schools in affluent communities that are classified as Quintiles 4 and 5 for instance do not implement the school nutrition policy and the Integrated School Health Policy (2012) is only catering for Quintiles 1-3 schools.

The purposeful sampling method was used to select the four schools which formed a single case. The sampling framework included schools with infrastructure for health programming that was similar with regards to the number of health programmes, coordinators of the health committees (teachers within schools) and policies that were implemented. In all four schools principals were assisted by School Management Team members (deputies and Heads of Departments) in leading the collaborations. As indicated, participants were made up of school managers (n=8), coordinators of health programmes (n=6), a district official in charge of support services (n=1) and parents in the school governing body (n=3) who participated on a voluntary basis. School managers and coordinators led policy implementation for more than two years. The latter group of participants were included because their children were the recipients of the health programmes and they had also at some point been committee members of health programmes. The sample was selected from a number of Quintile 1-3 schools that fell under one district which were managed by the district official, a key informant (a PhD student) who also participated in the research. The recruitment of the schools and the participants was done
by the author as a measure to deal with the hierarchical risk posed by the fact that the district official was managing the schools. The recruitment phase provided an opportunity for relationship building.

### 3.3 Data gathering

Data collection tools included narratives, document analysis and interviews. Document analysis of the health policies and written reports that had information on capacity demands on school managers was done. I used these documents to better understand the roles that school managers were expected to play in leading the collaborative implementation of the health policies.

Narratives were used as tools to gather data on the capacity needs of school managers. The aim of using narratives was to understand the contexts in which the narrations were constructed and the factors that produced effectiveness and motivated or demotivated the actions of the actors. Participants were guided by prompts to narrate stories about their experiences and perceptions of the capacity demands of the policies and the needs of school managers. The coordinators and school managers had to tell stories starting from the time the programmes were initiated to the time when they were actually implementing the policy together with the collaborators. The stories had to include information on how school managers recruited collaborators, what knowledge did they have of forming collaborations for the sake of policy implementation, the challenges they encountered and their capacity needs. The narratives of the district official and parents were slightly different as they were grounded on their experiences as observers of how the health committees and school managers operated. Their prompts were based on their perceptions of the effectiveness of the collaborations for policy implementation and of the capacity needs of school managers. The narrations of experiences and observations provided the participants with an opportunity to reflect on the past while trying to deal with the future.

Semi-structured group interviews were conducted with school managers (group 1) and coordinators (group 2), and individual interviews with the parents and the district official. After transcription each narrative was read several times to check for gaps in the information provided by the participants. Questions were formulated from each narrative to gather more data on the phenomenon under investigation. Other questions were formulated from the roles of the primary implementers of the policies, these were added to the questions from narratives. Questions from the narratives of school managers and policies formed an interview guide for their group interview, the same procedure was followed with the coordinators. The in-depth interviews were designed to elicit explicitly more data from the narrative accounts. The questions were focused on capacity to participate in collaborative education policy implementation, the context in which the policy is implemented, their perception regarding the engagement of collaborators, their motivation and their level of commitment in the achievement of the outcomes. For the district official and parents I focussed on their perceptions of the effectiveness of health programmes.

### 3.4 Data analysis

Analytical procedures were fixated on texts in terms of their linguistic and conceptual structuring. Firstly, each story was transcribed in such a way that it was easy to sort through the components of the story such as: the events including the sequence of what happened and the evaluative where participants evaluated the events. Separating the events that were said to
have happened from the evaluations assisted in formulating the questions for the in-depth interviews and also in analysing the two segments separately and then combined as a coherent story. The data analysis phase was also guided by the ANT theory in terms of searching for information on how actors emerge in collaborations, linkages between actors and how the different actors that appear are performed into being by linkages.

3.5 How trustworthiness was ensured
Data from multiple sources: school managers, teachers, parents, the district official and documents were triangulated. Data triangulation is common in case study designs. Research indicates that the use of triangulation may increase the credibility of research.

4. RESULTS
The participating schools adopted similar strategies of implementing policies; that of having two to three committees (named as health committee, wellness committee, school beautification committee etc) each focusing on one or two health policies. For instance, one committee would focus on nutrition and the other on issues pertaining to HIV and orphans. The community members are expected to work together with teachers in these committees.

The attraction of human actors and the forging of ties
The school managers as initiators and key role players in policy implementation communicated the policy strategies in parents meetings and staff meetings verbally. This platform was regarded as the most preferred and the least effective. This attraction device also excludes all other “might be interested” groups outside the parent cycle, automatically limiting the pool of potential collaborators.

“In some parents meetings about 30 minutes would be allocated for communication about a health policy that has to be implemented”; “Most parents do not attend the meetings and this information would be communicated to about a quarter of the total parents of the school, another problem is that even parents who attend do not do so regularly. The principal would be talking to people who hear about the policy for the first time in each parents meeting”; “We once tried using WhatsApp but we are not sure if all the cell numbers we have are active, we prefer face-to-face”; “I communicate more with the parent component of the school governing body, they help in convincing other parents to participate, this strategy work for our school”; “It is rare that we manage to have other stakeholders other than parents in our committees, we struggle to convince them to participate”; “We use similar methods with all the policies where other collaborators have to be recruited” “It is in interactions with NGOs and community members that they would be recruited to partner with the school in implementing the policy, mostly by word of mouth”.

The only device of attraction of human actors that was indicated in all the schools was that of inviting parents in a meeting to participate. The same method was used with the external stakeholders. Mostly the strategy included simple solicitation. The meetings are rarely called specifically for communication about a health policy, but this information becomes part of everything else that needs to be said to parents. In such a strategy the chances of getting total commitment from these human actors are slim.

“Mostly the parents, community members and NGOs are just given information verbally and they decide on their own on whether they want to be part of the committee or not.”, “I do not
think our strategies work, yes maybe for the first six months afterwards collaborators dissapear”; “In the school nutrition there are quite a number of parents that participate. The majority is parents that are unemployed that get interested as there is a prospect of getting a contract as a food handler and at least a stipend from the department”. “A list of all the parents that would like to be part of school nutrition is compiled each year. These parents attend the meetings without fail”. “I think being given information helps one in deciding whether to be involved or not”. “The parents in the SGB are requested to target and convince some parents to get involved, they do this diligently, but sometimes without much success.”

The information communicated was about the importance of cooperation and the benefits of effective policy implementation to the learners and the school community as a whole. The messages were always from school managers and teachers to parents even in the case of SGBs. This attraction strategy does not create a favourable balance of power that is preferred in collaborations on policy implementation. Such a device is intended to lure only the concerned members of the parent community to partner with the school management and teachers in enacting the policy/policies.

“We tell them that the school cannot implement the policy/policies alone it needs the assistance of parents and community members”. “The parents do not voice their suggestions on how the policy can be implemented as they rely on the information they are given by the school”. “It is the school that gives us guidance on what is to be done, when and by whom”.

**Defining of roles and coordination**

The roles and actors are pre-established in some of the health policies. This situation is helpful in ensuring that unsuitable actors are not chosen to perform roles that they have no interest in. It also leaves room for use of own discretion in the attraction and enrollment of suitable candidates with expertise that will support and push the agenda of health in schools. It is in such cases that the capacity of school managers is put to test. Their ability to organise and match the right people to the right positions and to have an understanding of the demands of the policy that will enable them to assess the abilities of the “to be actors” becomes under scrutiny. This is a period of continuous negotiations.

“The roles are assigned to parents who showed interest in partnering with the school”. “.....it depends, most of the time it is the parents themselves that assign roles to others, we assume that they know each other but we have realised that sometimes they choose the most vocal person and not necessarily a person with expertise”. “It is the responsibility of the school managers to ensure that roles are assigned to parents who are to work with any health committee”. “It is better when we as teachers know the parents through learners in our classes, then we are able to influence the vote”. “This is the most important stage of the policy implementation without parents who are willing to take part in the activities, the policies cannot be successfully implemented”. “The parents in the SGB help in identifying parents that can play major roles among those that volunteered”.

The assignment of roles and acceptance of them by actors guarantees neither the smooth enactment of the policy nor a strong collaboration. Some of the disturbances pertain to aspects school managers cannot do anything about but others can be curbed. On the one hand some of the forces that work against the alliance that school managers cannot do much to avoid include
the “to be actors” who suddenly get employment and or relocate to other places immediately after they have committed to partner with the school. It is in such situations that school managers can be interactive as opposed to being reactive. On the other hand, there were challenges of demotivation, pre-occupation with other activities and being tired as the enactment of the health policy can continue for years until the problem is dealt with.

“It is an uphill battle, today we have parents and tomorrow they are not there”; “We only go back to parents to re-elect, we never get to a point where we have a pool where we can just contact parents who have already indicated that they are interested”; “as they pull out we try to convince others, but this sometimes gets to a point where we no longer have parents that are interested”; “the voting can continue for the whole year as we fill up the gaps”; “the principal is good with people, she usually has these one-on-one talks with them, they do stay I can say for two years maximum”; “there are a number of reasons why they quit, getting employed moving to other areas, other just get tired, teachers also get demotivated”; “the only way to keep them motivated is to talk to them, and share the successes of the committee in parents meetings and staff meetings, we acknowledge their work in such gatherings”.

There was also the question of representation in the health committees that were given the mandate of executing the policies. Only a few rare individuals get involved whether the parents, teachers or the schools. A few parents are considered to be the representatives of the parents of the whole school. The health programmes are for learners, it is therefore their official representatives, the parents that give the green light to the programmes and support of the project of resourcing the schools. The school managers represent the department, the school, teachers and learners. The teachers represent the school, other teachers, the school and learners, while the parents represent the parent body, the community and learners in the school. In all these cases a few individuals have been interested in the name of the masses they are supposed to represent.

“there is nothing we can do, parents are few in our committees, sometimes you can have one or two that have interest”; “we have tried everything, nothing works, this situation is like this with every policy that demands for participation of parents”; “It is difficult to approach the community, we just think they won’t have interest as they do not have children that attend in our school”

5. DISCUSSION OF FINDINGS
The first finding in this research pertains to the limited attraction devices to lure the partners, this would have provided a stronger alliance between the actors. The parents that entered into collaborations with the schools established a fact: that parents get attracted to collaborations about policy implementation in schools when approached. It can be argued that the number of parents that get attracted to the idea of coalition for policy implementation is not accidental as there are parents that continue with the projects for some time until they move out. However, their commitment did not seem to last for various reasons rendering the relationships unpredictable. There is acknowledgement that the parents that commit are limited in number and they get involved for a limited time. The implementation of each health policy yielded the same catastrophic results. The school managers were aware of the situation but lacked understanding of how to deal with it in order to harness the influence of various actors. Non-involvement of community members who were not parents is also indicative of a lack of mobilising skills that are much needed in such endeavours. Technology was one of the
resources that managers could have made use of to communicate the goals of a policy but their capacity to use them was limited.

As the goals of the policies were not clearly stipulated in parents meetings, the second finding was on the lack of knowledge and skills. The lack of knowledge of what the policy goals are, is not in line with Datnow’s (2002:77) stipulation that educational policy implementation is depicted as a multidirectional process of constant negotiations. The negotiation is based on what the key actor knows, what s/he understand about the policy and what s/he believes the course of action should be. The goals of the policies were not shared widely by the school and potential actors because of the lack of the negotiating skill. The key actor has a responsibility to coordinate the different actors, negotiating and compromising through the implementation process. The participants were aware of the stipulations of the policies pertaining to the distribution of roles, but failed to retain a substantial number of parents for continuous execution of tasks.

I also found that there was a lack of aspiration towards balancing of power. From the start, when the attraction was initiated, the communication was vertical and never horizontal. The stage of enrolment was no better as it neither leaved room for their contribution on the roles they would like to play nor actions they thought could be taken to implement the policies better. The roles that collaborators were assigned to were predetermined by the policy or the school. One could argue that if there were more parents that were attracted to the committees there would have been a balance of power. There was no indication of willingness to deal with this issue on the side of the school managers. Furthermore, there was no indication of a leadership shift from school managers to the organisation (including parents, community members and NGO representatives). This finding is corroborated by that of Emihovich and Battaglia (2000) whose study found that most principals still perceived their primary roles to be building and programme managers rather than collaborative professionals. Harris (2003) opines that it is the hierarchical organisational structure with its clearly defined roles and communication channels that prevent principals from sharing leadership. Ogawa and Bossert (2000) refer to such a structure as a technical-rational model that does not allow for distribution of power. It seems that the success of school managers in collaborations for policy implementation depends on power sharing that runs counter to the hierarchical perspective and procedures.

6. CONCLUSIONS AND RECOMMENDATIONS
The ANT theory theory provided a lense to understand actors in colaborative implementation of health policies and how the actors emerge and interact. This research only focused on the preliminary stages of policy implementation and the procedures and challenges of initiating such collaborations. This stage is regarded as crucial in this research as the strength of the collaboration going forward depends on it. It is the foundation upon which all other phases are built.

The key capacity needs that have been identified through the lens of the ANT theory include:
- the lack of skills for mobilisation of community members as a way of forming strong alliances that would allow for effective collaborative enactment of policies.
- inability to communicate policy goals to the potential collaborators, thereby failing to promote their competence.
• failure to share power with other partners, which could be attributed to their incapacity to deviate from the hierarchical model in matters pertaining to collaborative policy implementation. It can be understood that skills are needed to exercise flat management, but it can also be argued that in addition school managers need to a new mind-set for ability to exercise flexibility or various styles of leadership and approaches for effective health/health policies.

As the findings of this research indicate that school managers did not fully embrace the collaborative policy implementation, capacity building is imperative.

REFERENCES


JUDICIAL REVIEW AND DEMOCRACY - A CRITICAL ANALYSIS WITH REFERENCE TO RECENT SOUTH AFRICAN EXPERIENCE

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ABSTRACT
The Constitution of the Republic of South Africa 1996, (hereinafter, the Constitution), expressly allows for judicial review. The Constitution requires the judiciary to examine both the procedural and substantive elements of legislative and executive decisions. Where these conflicts with the Constitution, the judiciary have the power to overrule such decisions. A problem emerges on the issue of the co-existence of democracy and judicial review. A shadow of doubt is cast when inter alia legislation that emanates from a parliament, that is supposedly representative of the wishes of the majority is struck down as unconstitutional by the courts. Against this backdrop, this study proposes to provide a detailed exposition of the counter-majoritarian dilemma. The objective of the study is to analyse and re-synthesize the concepts of judicial review and democracy. The qualitative method of research will be employed in this study. The reason is that it is best suited to this type of study which entails a critical analysis of legal issues. The study inter alia makes the finding that in South Africa, implicit in the provisions and tone of the Constitution are values of a more mature society which relies on moral persuasion rather than force; on example rather than coercion. Thus, the invalidation of a statute by judges on the ground that such statute violates rights entrenched in the Constitution is not undemocratic. What needs to be understood is the fact that where the will of the legislature declared in the statutes, stands in opposition to that of the people declared in the Constitution, the courts are governed by the latter rather than the former. The researcher concludes by submitting that while judicial review may be inconsistent with pure democracy, it is quite compatible and even mandated by constitutional democracy. Judicial review shows that the nation is not merely a democracy, but a democracy which in the last resort has a special institutional guarantee for the rule of law.

Keywords: Judicial review, democracy, constitution, judiciary

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1. INTRODUCTION
South Africa has a system of constitutional supremacy. Inherent in this term is the idea that the Constitution is the supreme law. Section 2 of the Constitution of the Republic of South Africa provides that that the constitution is the supreme law of the land and that any law or conduct inconsistent with it is invalid (Constitution, 1996). The power to declare law or conduct inconsistent with the Constitution invalid, rests with the court in accordance with section 172 of the Constitution. This power is known as judicial review. Section 172(1)(a) states; “When deciding a constitutional matter within its power, a court must declare any law or conduct that is inconsistent with the Constitution invalid to the extent of its inconsistency.” Judicial review places the legislature, executive officials and all state departments under the scrutiny of the courts to determine whether they have acted within or without their powers (Speaker of the
**National Assembly v De Lille**. Judicial review protects the Constitution and individual rights in three ways namely, (i) through review of legislation to ensure that laws are constitutionally compliant; (ii) through enforcing accountability in the executive by review to ensure that executive decisions are lawful, reasonable, proportional and procedurally fair; and (iii) through legislative interpretation which favours individual rights. This is important because, for example, in a democratic body politic, minorities, like individuals, require protection as they may, in some instances, not be sufficiently powerful to make their influence felt in the institutions and forums of government. It is thus up to the courts to ensure that their rights guaranteed in the Constitution, are upheld in letter and spirit. In *S v Makwanyane* the Constitutional Court justified judicial review as follows, “The very reason … for vesting the power of judicial review of all legislation in the courts, was to protect the rights of minorities and others who cannot protect their rights adequately through the democratic process.” This role of the court that centers on rights protection, however, creates tension between democracy, manifested as majority rule and judicial review which is thereby seen to undercut the people as self-governing.

In a constitutional democracy, the majority cannot trample on the rights of the minorities or individuals. The courts must interpret and apply the provisions of the constitution and cannot, in so doing, merely defer to whims and capricious public opinion, particularly where the public may feel aggrieved on a contentious issue. It then becomes problematic to have majority rule and yet have constraints that are imposed on the majority that stems from outside of the majority. Hence, the fundamental question has always been, “why should judges have the power to strike down policies enacted by democratically elected and accountable legislatures?” The tension between judicial review and democracy highlighted by this question is raised in public debates that surround highly unpopular decisions. When unelected judges defy the public will in order to do what they believe the South African Constitution requires, raises problems. The choice to disregard the majority’s opinion or inclinations in the name of a higher source of law invariably raises questions of legitimacy in a nation that traces power to the will of the people.

A shadow of doubt is thus cast when legislation that emanates from a parliament, that is supposedly representative of the wishes of the majority is struck down as unconstitutional by the courts. It is in this regard that judicial review has been held to be undemocratic. A problem therefore, exists on the issue of the co-existence of democracy and judicial review. This problem arises because; (i) there actually are disagreements about what it means to construe the Constitution or what it is justices should do in constitutional cases; and (ii) there is a problematic aspect of the relation between judicial review and democracy, namely the counter-majoritarian dilemma. Against this backdrop, this study proposes to provide a detailed exposition of the counter-majoritarian dilemma.

The objective of the study is to analyze and re-synthesize the concepts of judicial and democracy. In particular, the study will endeavor to simplify the concepts of pure and constitutional democracy. This is so that these concepts can be readily understood by even those who profess no special and comprehensive knowledge in the field of law or politics that while judicial review may be inconsistent with pure democracy, it is quite compatible and even mandated by constitutional democracy. This is particularly important, considering the raging debate in South Africa about the role of the judiciary, seen against those of other organs of state and also, in light of the fact that, for our democracy to thrive and become alive to the ordinary citizens, public confidence in the judiciary system is crucial.
2. DEMOCRACY
There are many definitions of democracy such as government which is conducted with the freely given consent of the people, or a system of government in which supreme authority rests with the people and generally, a system of government of the people, by the people and for the people (Davis, 1999). There are also diverse types of democracy such as pure democracy and constitutional democracy. Pure democracy refers to a system of government in which all citizens, rather than certain individuals or groups, have the right and opportunity to participate. In a pure democracy, the people are sovereign. The people are the ultimate source of authority. Pure democracy is extremely dangerous as the majority would have complete control over every decision made and would have the power to do away with any opposing viewpoint or any individual that threatens their power. There is, in fact, no difference between the tyranny of a single dictator and the tyranny of the masses. Both have no respect for the rights of the individual and both lead to the oppression of opposing viewpoints and freedom. The only system of government which protects the rights of the individual is a constitutional government where the Constitution is the supreme law of the land and cannot be changed by an arbitrary whim.

The Constitution does not define democracy but refers to the principles of democracy. Section 1 of the Constitution provides that the Republic of South Africa is a sovereign, democratic state founded on inter alia, the values of human dignity, the achievement of equality and the advancement of human rights and freedoms, supremacy of the Constitution and the rule of law, universal adult suffrage, a national common voters roll, regular elections and a multi-party system of democratic government, to ensure accountability, responsiveness and openness. One of the insoluble dilemmas inherent in a democracy is that after the identification of the governed, how are governors to be restrained from acting in the interests of the governed. Indeed, one does not need to argue that, democratically elected legislatures would never abuse their powers, in order to hold the view that the legislature does not need external supervision. On the contrary, the writer submits that the overall risk that the state abuses its powers, if given the opportunity to do so, is higher than the risk that alternative institutions designed to prevent such an abuse, for example courts, would abuse their powers (either by failing to constrain the government when they should do so, or by constraining it unjustifiably when they should not do so). Constitutionalism is thus, a means to limit state power, with special attention to individual rights. Constitutionalism inter alia, means that the government to be instituted shall govern only according to its terms and subject to its limitations, only with agreed powers and agreed purposes.

The idea of limited government is central to any understanding of constitutionalism. Most often constitutionalism is defined negatively, as a system of legal limitations of state power. Its opposite in this sense is arbitrary, absolutist, authoritarian or totalitarian government. Constitutionalism is based on the principles of law and law state idea. It implies a system in which the law rules and human rights are highly valued, guaranteed and protected through institutional means. It is also a system of effective, systematic and institutionalized limitations of political power, the aim of which is to protect human rights. However, it is important to note that the concept of constitutionalism is a double-edged sword. A constitution both empowers and delimits power, both grants authority and specifies its scope and purpose. There are five main elements of constitutional democracy. The first element is limited government. The idea that all
government power, no matter how democratic should be limited and controlled is of the essence of constitutionalism. This doctrine of limited government regards governments as a threat to liberty. Constitutionalism incorporates a demand for government which will not be whimsical, subjective and arbitrary. One way of limiting governmental authority is by a tabulation of fundamental rights, which are not to be trespassed upon by governments and which therefore sets limits to their authority. The second element of constitutional democracy is consent of the governed. The test of constitutionalism at work is whether the constitution establishes genuinely representative instructions, bolstered by the freedom to form political parties, ready access to the ballot and free and robust debate on public issues (Dick Howard, 1991). The third element is the existence of higher law. Constitutionalism presupposes the existence of a system of constitutional rules which are superior to all other laws created by any body of the state, and which are binding on all state bodies. Constitutionalism includes the idea of a constitution or fundamental law, which means that the state or any system of government must be founded upon law, while the power expressed within the state should conform to definite legal rules and procedures. The fourth element of constitutional democracy is the protection of human rights. Human rights are of the essence and purport of constitutionalism. The existence of constitutionalism is confined when human rights are guaranteed and protected. The sanctity of the individuals and the protection of their rights comprises of the matrix of constitutionalism. To the extent that commitment to rights is a necessary condition of constitutionalism, the thesis is circular – constitutionalism is necessary for rights and rights are necessary for constitutionalism (Peerenboom, 1993).

3. SEPERATION OF POWERS
The doctrine of separation of powers is one of the pillars on which constitutional democracy is anchored. The doctrine of separation of powers assumes that power corrupts, and that separation of powers is essential to liberty and democracy. Montesquieu rightly held that, “all would be in vain if the same person, or the same body of official, be it the nobility or the people, were to exercise these three powers: that of making laws, that of executing the public resolutions, and that of judging crimes or disputes of individuals” (Cooper, 1994). The end result of the concentration or accumulation of all powers is despotic government, tyranny or suppression of all form of liberty (Levi, 1976). The doctrine of separation of powers therefore, seeks to prevent the abuse of power within different spheres of government and to foster the accountability of government to the people. The doctrine of separation of powers entails that governmental functions are divided between the legislature, executive and judiciary. The legislative organ makes laws, the executive implements them, and the judiciary interprets laws and adjudicates over disputes. The three organs of government (legislative, executive and judiciary) have equal authority and are independent from one another. They are confined to their constitutional powers and are prevented from usurping power from one another through a system of checks and balances. This system is a countervailing measure for the separation of powers. While the legislature and the executive exercise checks and balances over each other through various methods which foster and promote accountability, the courts perform their part through judicial review of *inter alia*, legislative and executive action. In this regard, judicial review entails the power of the courts to scrutinize and declare unconstitutional any type of legislation or state conduct that infringes on the rights entrenched in the Constitution. It is thus an important means to the attainment of transparent and accountable government (Davis, 2006).
Before the constitutional dispensation, South Africa did not have a framework that constituted a system of effective checks and balances (Mojapelo, 2013). During this period, the South African judiciary was used as an institution that gave effect to oppressive laws enacted by the apartheid government. As a result, the judiciary suffered a legitimacy crisis and people lost confidence in it (Hlophe, 1995). When the interim Constitution, (Act 200, 1993) was enacted into law, South Africa became a constitutional democracy. While the interim Constitution did not mention the term ‘separation of powers’ its structure denoted a division of power between the branches of the state. Furthermore, the Constitutional Principles, which acted as a benchmark for the Constitutional Assembly in drawing the Final Constitution – entrenched the separation of powers in Constitutional Principle VI: “There shall be a separation of powers between the legislature, executive and judiciary, with appropriate checks and balances to ensure accountability, responsiveness and openness.” Like the interim Constitution, the final Constitution does not explicitly refer to the doctrine, though the constitutional design however, clearly embraces and entrenches it. Section 8(1) of the Constitution provides, “The Bill of Rights applies to all law, and binds the legislature, the executive, the judiciary and all organs of state.” There is thus, not only a differentiation of the three spheres of government but also a vesting of these functions in different organs of state. Furthermore, Chapters 4 to 8 of the Constitution provide for a clear separation of powers between three spheres of government. Section 43 vests the legislative authority at the national level in Parliament and at the provincial level in the provincial legislatures. Section 85 and 125 respectively vest the executive authority of the Republic in the President and of the provinces in the premiers of the provinces. Section 165 vests the judicial authority in the court.

In South African Association of Personal Injury Lawyers v Heath, Chaskalson P (as he then was) stated as follows: “In the first certification judgment this Court held that the provisions of our Constitution are structured in a way that makes provision for a separation of powers …”. There is therefore, no doubt that the doctrine of separation of powers forms part of our constitutional system. The doctrine may be regarded as an unexpressed provision that is implied in or implicit to the Constitution. Separation of powers prohibits organs of branches of the state and their personnel from exercising functions within the executive domain of other organs of state. However, it is evident from the constitutional architecture that the three branches (acting as checks and balances) are not hermetically sealed from each other and exhibit a degree of overlap. The overarching scheme of constitutionalism in a supreme Constitution would therefore allow for judicial intrusion into the majoritarian sphere. The First Certification case noted that there is no “universal model of separation of powers” and denied a strict reading of such. The South African model of separation of powers is influenced by the historical context within which the Constitution was adopted (Ex Parte Chairperson of the Constitutional Assembly: In Re Certification of the Constitution of the Republic of South). The Constitutional Court has therefore, been developing a model of separation of powers suited for addressing apartheid injustices, promoting and protecting the rule of law and human rights. Such model would include a transformative mandate on the part of the court and yet leave space for the political to achieve its democratic vision of transformation.

The view of upholding the fundamental values undertaken by South Africa would envision a greater role for the court and such an extensive role must be considered in the design of the separation of powers model and the counter-majoritarian claims that would emerge from such a role. The starting point in this regard is to recognize that constitutional adjudication has a far-
reaching impact on the way the country is and should be governed in all spheres and at all levels. Courts are obliged to decide on disputes of diverse nature, with and between organs of state most of which have political implications in the sense that they relate to the conduct of politically elected or appointed executive or legislative functionaries. It is thus self-evident that conflict between the judiciary and the executive or the legislature is inevitable. However, this contestation is foreshadowed by the Constitution which has installed courts as independent and subject only to the whim of the Constitution. Section 165 of the Constitution states *inter alia* that, “the courts are independent and subject only to the Constitution and the rule of law, which they must apply impartially and without fear, favour or prejudice; no person or organ of state may interfere with the functioning of the courts; an order or decision issued by a court binds all persons to whom and organs of state to which it applies.” The courts are thus the gatekeepers as they demand authority for the exercise of all powers by other organs of state. In the case of *The Southern Africa Litigation Centre v Minister of Justice and Constitutional Development and Others*, the court rebuked the conduct of the government to ignore a court order which prevented President Al Bashir of Sudan to leave the country by allowing him to do so. The court reasoned, “A democratic State based on the rule of law cannot exist or function if the government ignores its constitutional obligations and fails to abide by court orders. A court is the guardian of justice, the corner-stone of a democratic system based on the rule of law. If the State, an organ of State or State official does not abide by court orders, the democratic edifice will crumble stone-by-stone until it collapses, and chaos ensues.” Government should therefore, have complied with the court order as courts are vested with judicial authority and the constitution is clear that court orders must be complied with by the organs of the State. Alternatively, in anticipating that the arrival of Al Bashir would require it to comply with its international commitments, government could have indicated politely to Al Bashir that it would not be in his best interest to attend the AU Summit as a possibility existed that the courts would order his arrest.

4. THE COUNTER MAJORITARIAN DILEMMA
Prior to the enactment of the Interim Constitution of 1993, South Africa followed the principle of Parliamentary supremacy. The judiciary was subordinate to parliament and hence could not challenge any enactment emanating from Parliament. This period saw the courts having the capacity to interpret and apply parliamentary statutes without the mandate to question the validity thereof (Devenish, 1998). Parliament could thus, enact any laws whose validity the courts were not allowed to review but had to apply. Due to this fact, the courts were reduced to paper tigers with a ferocious capacity to snarl and roar, but with no teeth to bite and no sinews for judicial review (Bickel, 1962). It can be argued that the courts acted as puppets of the sovereign in ensuring that the law as it emanated from the legislature, was applied as such. It is thus not surprising that although there were gross violations of human rights, there was no legal recourse to overturn laws enacted by parliament. In this regard, it can therefore be said that the counter majoritarian dilemma was not an issue in apartheid South Africa since the courts were seen as one with Parliament. With the coming into existence of the constitutional dispensation, the Constitution, as has been highlighted, is now the supreme law of the Republic and all other laws or conduct inconsistent with it is invalid. Furthermore, an independent judiciary vested with the power of judicial review has been interposed between the legislature and the people. The immense power of the courts to challenge Acts of Parliament fuels the counter majoritarian dilemma in a democratic jurisdiction. In this regard, Fisher and Devins assert that the intersection between politics and constitutional decision-making lies at the heart of judicial
review and the concept of this review give rise to the counter-majoritarian difficulty (Fisher & Devins, 2010). In following discussion, a few selected cases considered to be at odds with popular sentiment, thereby giving rise to the counter-majoritarian dilemma are discussed.

In S v Makwanyane (CC, 1995), the ruling by the Constitutional Court, which investigated the provisions of the Criminal Procedure Act, and the findings by the bench unanimously declared the death penalty unconstitutional. In declaring capital punishment unconstitutional, the court emphasised that the transitional constitution established a new order in South Africa. One in which human rights and democracy are entrenched and in which the Constitution is supreme. In the Makwanyane case, each of the other ten justices joined Chaskalson in giving explicit and great weight to the introduction of judicial review. They emphasized that the court, “must not shrink from its task of review, otherwise South Africa would revert to Parliamentary sovereignty” and by implication, to the unrestrained violation of rights so common under previous parliaments. The recognition that public opinion seemed to favour the retention of the death penalty was met with a clear statement that the court would “not allow itself to be diverted from its duty to act as an independent arbiter of the Constitution by making a choice on the basis that they will find favour with the public.” Chaskalson further held in his judgment in S v Makwanyane that “public opinion may have some relevance to the inquiry, but, in itself, it is no substitute for the duty vested in the courts to interpret the Constitution and to uphold its provisions without fear or favour.” Chaskalson argued, “If public opinion were to decisive, there would be no need for constitutional adjudication.” There was therefore, a recognition that the courts should not be swayed by public opinion.

In National Coalition for Gay and Lesbian Equality v Minister of Justice (hereinafter referred to as National Coalition) the Constitutional Court found the common law crime of sodomy and section 20A of the Sexual Offenses Act 23 of 1957 to be inconsistent with the Constitution, and therefore invalid because of the infringement of the rights to equality, dignity and privacy. This case was the first in a series of Constitutional Court rulings advancing lesbian, gay, bisexual and transgender rights in South Africa which culminated in the case of Minister of Home Affairs and Another v Fourie and Another; Lesbian and Gay Equality Project and Others v Minister of Home Affairs and Others. In this case the common law definition of marriage and section 30(1) of the Marriage Act were found to be inconsistent with the Constitution to the extent that they did not allow to same sex couples the status and benefits of marriage allowed to opposite sex couples, in conflict with section 9(1) of the Constitution, and resulting in same sex couples being subjected to unfair discrimination by the State, in conflict with section 9(3) of the Constitution. Furthermore, the same sex couples right to dignity in terms of section 10 of the Constitution was also violated. The violation of the equality and dignity rights of same-sex couples was not justified as contemplated in section 36 of the Constitution. The Constitutional Court therefore, ruled unanimously that same sex couples have a constitutional right to marry. This judgment led to the legalization of same-sex marriage in South Africa by the Civil Union Act, 2006. This case underscored the need for the rights of minorities to be protected and upheld by the court as their vulnerability increased by the fact that they are a political minority not able on their own to use political power to secure favourable legislation for themselves.
In the case of *Western Cape Legislature v President of the Republic of South Africa* (CC, 1995) at the center of the dispute was the Local Government Transition Act of 1993. The enactment set out the powers and procedures for the demarcation of areas pending the nationwide local government elections in 1995. Although the Act transferred powers of demarcation from the erstwhile central government to the nine provinces, section 16A empowered the President to amend the Act by proclamation. Acting in terms of the statute, the National Party government in the Western Cape Province appointed its own representatives unto its demarcation board to make electoral delimitation. This aroused the suspicion of the national government. Dominated by the rival African National Congress, the national government feared the composition of the board might result in gerrymandering. Consequently, the President invoked his powers in terms of section 16A to amend the parent legislation by proclamation. In the court a quo and the Constitutional Court, the Western Cape government contested the constitutional validity of the proclamation. At issue then was the issue whether it was competent for parliament to vest in the President the power to amend an enabling legislation by a subordinate legislation. In a carefully reasoned judgment, the court reversed the decision of the lower court and thereby invalidated the presidential proclamation. The judgment was hailed as revealing an independent court, making its decision without fear or favour.

In the case of *Economic Freedom Fighters and Others v Speaker of the National Assembly and Another*, (CC, 2017) the Constitutional Court handed down a judgment in the matter connected with the *Economic Freedom Fighters v Speaker of the National Assembly and Others; Democratic Alliance v Speaker of the National Assembly and Others* regarding the former president's failure to implement the Public Protector's remedial action. The majority of the justices found that the National Assembly failed to put in place mechanisms and processes to hold the president accountable for failing to implement the Public Protector's remedial action, and issued an order compelling the National Assembly to convene a committee to investigate whether then President Zuma was guilty of any impeachable conduct under section 89 of the Constitution. The section deals with the removal of the President from office on grounds of a serious violation of the Constitution or the law; or serious misconduct; or inability to perform the functions of office. The impeachable conduct considered under the section relevant to this matter is the serious violation of the Constitution or the law. In the context of the judgment, the National Assembly had failed in its constitutional duty to scrutinise and oversee the actions of the executive. Therefore, the intrusion into the affairs of Parliament by the judiciary was one mandated by the Constitution in terms of its powers of review.

5. **FINDINGS**

The study *inter alia* makes the following findings. Firstly, that in South Africa, implicit in the provisions and tone of the Constitution are values of a more mature society which relies on moral persuasion rather than force; on example rather than coercion. Thus, the invalidation of a statute by judges on the ground that such statute violates rights entrenched in the Constitution is not undemocratic. This is because where the will of the legislature declared in the statutes, stands in opposition to that of the people declared in the Constitution, the courts are governed by the latter rather than the former. Courts are bound by the democratic will of the people as expressed in legislative instruments that are constitutionally compliant. Secondly, that constitutional democracy is a complex phenomenon of political and legal morality, in which the majority, minorities and individuals have rights and obligations which the courts must interpret,
apply and protect. Thirdly, that courts exercise judicial review in order to ensure that organs of state operate in accordance with the Constitution. Thus, in performing their function of judicial review, “the courts safeguard the public interest and help preserve and deepen the democratic project,” (Mosenke, 2015). Fourthly, that the judiciary is a necessary counter-weight to the tyranny of the majority and that judicial intervention into the democratic workings may be necessary to uphold the fundamental commitments undertaken in a supreme Constitution that transcends all spheres of government and private relations. Fifthly, that as the Constitution is a product of the will of the people, the exercise of the power of judicial review by the courts should not be seen as violating the principle of democracy. Thus, when exercising their power of review, the judges are merely assuming a role that has been given to them by the people to act as the guardians of the Constitution. Finally, in a nutshell, judicial review is democratic. Judicial review facilitates a better reflection and implementation of the will of the people. Hence, enforcing limitations on the power of the legislature by establishing a system of judicial review should not be understood as imposing limitations on the power of the people. Instead, enforcing these limitations simply facilitates or enhances participation by providing mechanisms for a faithful implementation of the will of the people. In this regard, it is not an overstatement to submit that judicial review is ultimately a mechanism for protecting and realizing majoritarianism rather undermining it.

6. CONCLUSION

Judicial review will necessarily entail a curtailment of the will of Parliamentary majority at a given moment. However, this should not be seen as imposing a limitation on democracy. Judicial review is not a threat to but part of the democratic system of our country. In this regard, it is submitted that the judiciary, which undoubtedly is not alien to, but part of the democratic ethos which the Constitution has put in place, must give effect to the democratic will of the people as expressed in the Constitution and in other legislation. The judiciary must remain alive to the collective mindset of the people over which it presides. It must find the careful balance between the dictates of the Constitution and public opinion that may be regarded in resolving contested social claims. This is especially important in light of S v Mamabolo in which the court reasoned, “Having no constituency, no purse and no sword, the judiciary must rely on moral authority. Without such authority it cannot perform its vital function as the interpreter of the Constitution, the arbiter in disputes between organs of states and, ultimately, as the watchdog over the constitution and the Bill of Rights.” The court’s ultimate power therefore, rests on the esteem in which the judiciary is held within the psyche and soul of a nation. The public belief in the legitimacy of the court is thus the only arsenal available to the court. Thus, despite the assertions that the court should not be swayed by public opinion, (S v Makwanyane), the importance of public opinion as being necessary for judicial legitimacy cannot be completely ignored. This need for legitimacy provides the checks and balance for the judiciary, offers a constraining force and the answer to the question “who guards the guardians?” The researcher concludes by submitting that while judicial review may be inconsistent with pure democracy, it is quite compatible and even mandated by constitutional democracy. Judicial review shows that the nation is not merely a democracy, but a democracy which in the last resort has a special institutional guarantee for the rule of law.

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THE INFLUENCE OF DYNAMIC CAPABILITIES, SERVICE QUALITY AND RELATIONSHIP LONGEVITY ON THE SUPPLY CHAIN PERFORMANCE OF SMALL TO MEDIUM ENTERPRISES IN SOUTH AFRICA

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ABSTRACT
The understanding of supply chain performance is the goal to supply chain management in the business enterprise. Supply chain performance is better understood and can be monitored through five measurement metrics, namely cost, time, quality, flexibility and innovativeness. In SMEs, those involved in monitoring supply chain performance typically focus on those metrics that result in increased competitiveness since greater competitiveness results in the decrease of costs associated with supply chain management. This makes the subject of supply chain performance central to the operation of the modern-day SMEs. Due to the importance of SMEs business performance in South Africa, this study sought to determine the influence of dynamic capabilities, service quality and supply chain longevity on SMEs performance within a supply chain. Descriptive statistics were analysed using the Statistical Packages for Social Sciences (SPSS version 23.0) software. A confirmatory factor analysis (CFA) was conducted to determine the psychometric properties of the measurement scales. Hypotheses were tested using structural equation modelling (SEM), which demonstrates and tests any theoretical linkages of a proposed study and significance of the relationship between the constructs. Both the CFA and SEM techniques were achieved using AMOS software. The result of the study showed a positive relationship among the research variables. The results of the study may be used by SME owners and managers to improve performance of their enterprises and their respective supply chains.

Key words: SMEs, service quality, dynamic capabilities, relationship longevity, supply chain, performance

JEL Classification: L1

1 INTRODUCTION
Over the years, the South African government has considered the promotion of small and medium enterprises (SMEs). This was prompted by the view that SMEs are the backbone of the economy and an essential pillar in addressing the challenges of unemployment and poverty (Mahadea 2008; Anand 2015). This view supports by Charles’ (2009) assertion that SMEs are
commonly regarded as the factor of economic development, which reduces poverty through job creation. With this understanding in mind, various policies and other initiatives intended to advance the creation and growth of SMEs in South Africa were formulated and implemented (Nieman & Nieuwenhuizen 2009; Maduku, Mpinganjira & Duh 2016; Fombang & Adiasi 2018). Such policies include, among others, improved access to finance, expanded access to business information and advice, strengthened access to training, improved business infrastructure relevant for SMEs and improved access to markets and public procurement for SMEs (Kampel 2004). The success of some of these initiatives shows that national efforts towards a new SME support strategy is possible in South Africa and that it can pave the way for a paradigm shift in perceptions about the role and potential of the SME sector in the country (Amra, Hlatshwayo & McMillan 2013).

SMEs by nature, are flexible and adaptable organisations that can respond quickly to market changes (Hudson & Smith 2008). In South-Africa, SMEs are widely considered to be heterogeneous groups of businesses ranging from a single artisan worker in a village market to a more sophisticated firm selling in the market (Christensen & Poullot 2010; Asah, Fatoki & Rungani 2015). However, for them to survive, SMEs have to adopt supply chain management practices (Bayraktar, Gunasekaran, Koh, Tatoglu, Demirbag & Zaim 2010). Supply chain management is the flow of materials, information and services from the original supplier until the stage of consumption (Branch 2009). It may also be defined as the material and informational interchanges in the logistical processes, stretching from the acquisition of raw materials to the delivery of finished products to end users (Vitasek 2008). The adoption of supply chain management is important in that it enhances the productivity of shorter life cycle products, encourages stronger competitiveness amongst businesses and leads to levels of customer satisfaction in the vast and uneven global market (Manzouri, Rahman, Arshad & Ismail 2010).

Within SMEs, supply chain management practices are renowned for increasing effectiveness and efficiency in operations (Trkman & McCormack 2010). This makes the adoption of supply chain management practices an important priority for SMEs. However, a long-standing debate exists, focusing on whether involving suppliers in a long-term relationship of the buying firm (SMEs) will help the business to secure better service quality, resources and capabilities needed for product innovation, which the buying firm does not have (Lau 2011; Chin, Hamid, Rasli & Baharum 2012; Kherbach & Mocan 2016). This matters still need further empirical attention to find sustainable answers.

Given the challenges of maintaining a competitive edge by SMEs, various research endeavours (Adams, Khoja & Kauffman 2012:20; Chinomona & Chinomona 2013:57; Mafini & Omoruyi 2013:145) have been made, which are directed to the implementation of supply chain management activities to enhance SMEs supply chain performance. This fact notwithstanding, there is scant evidence of previous studies that attempted to test the conceptual framework put forward in this research within the South African economic sector. Hence, the previous literature has very little content regarding the impact of dynamic capabilities, relationship longevity and service quality on the supply chain performance of SMEs in South African. The establishment of the relationship between these research constructs and its influence on SME performance is the aim and objective of this research.
2. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

Figure 1 represents the conceptual model tested in this study. The research model consists of four basic constructs, which are dynamic capabilities, relationship longevity, service quality and supply chain performance. The research hypothesis developed for this study explains the relationship among the constructs in more detail.

Figure 1: Conceptual model

Dynamic Capabilities

Service Quality

Relationship Longevity

Supply chain Performance

2.1 Dynamic capabilities and supply chain performance

Another emergent issue that is important to supply chain management in SMEs of today is the subject of dynamic capabilities. Augier and Teece (2008) have described dynamic capability as the tool that is concerned with how the SMEs create new knowledge, distribute it internally, plant it into new services or products and launch them into the market. Dynamic capabilities enable an organisation to create new combinations of ordinary capabilities (Pavlou & Eisawy 2011). A brief example is when the product development processes or routines are higher-order dynamic capability that are employed to reconfigure the types of products as a firm manufactures or produces the service it offers (O’Dwyer Gilmore & Carson 2011). In the context of SMEs, dynamic capability explore how changes in the world are likely to result in changes in the SMEs and improve their capabilities (Augier & Teece 2008). This means that introducing dynamic capability will give SMEs opportunities to acquire new skills and improve the existing ones (Terziovski 2010; Thorgren, Wincent & Ortonqvist 2012). This will enable SMEs to achieve their goals and implement their plans.

Capabilities are said to be dynamic when they provide organisations with the ability to implement different strategies to adapt to varying market conditions (Barreto 2010). A firm’s dynamic capability are characterised by its capacities to sense and shape opportunities and threats, grab opportunities and maintain competitiveness through enhancing, combining, protecting and when necessary, re-configuring the business enterprise’s intangible and tangible assets (Teece 2007). Dynamic capability also includes the ability to identify the need for change, to formulate a response and to implement appropriate measures, which is necessary for the success of the enterprise (Drnevich & Kriauciuinas 2011). The dynamic capability concept and supply chain concept examines management strategies to adapt to sudden changes, risks and opportunities in the market environment (Kale & Singh 2007). Research is increasingly validating a direct link between dynamic capability and supply chain performance (Nedzinskas, Pundzien, Buozziute-Rafanaviciene & Pilkieviciene 2013). Teece (2007) argues that dynamic capability enables SMEs to achieve competitive advantage through the creation and
deployment of intangible and non-tradable assets, which support superior SMEs performance. According to Wang and Ahmed (2007) and Pavlou and Eisawy (2011), dynamic capabilities are helpful to organisational performance through supply chain. The findings of Drnevich and Kriauciunas (2011) suggest that dynamic capabilities have a positive influence on the establishment of new organisational processes, products and suppliers and that the heterogeneity of dynamic capability contributes positively and indirectly to relative organisational performance. Nedzinskas et al. (2013) define dynamic capability as the means to integrate, reconfigure and release resources to match market change. Taken together, this line of reasoning indicates that greater dynamic capability might result in greater positive organisational supply chain performance. Hence, the study proposes that:

**H1**: SMEs dynamic capabilities have a positive influence on supply chain performance.

### 2.2 Service quality and supply chain performance

For SMEs to retain their customers, they should render a satisfactory standard of service quality, which is the degree to which the service delivery levels match or exceed stakeholder expectations (Kassim & Zain 2010). Service quality is an important tool in a firm’s struggle to differentiate itself from its competitors (Ladhari 2008). As observed by Miguel-Davial, Cabeza-Garcia, Valdunciel and Forez (2010), service quality is an antecedent to customer satisfaction, because when excellent service is provided to customers, their needs and expectations will be met, which is an important goal for all SMEs. This, in turn, assists in the creation of a good image or reputation for company and brings positive transformations to the attitude and perceptions for potential customers (Negei 2009). Service quality can be defined as a performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything (Kotler & Keller 2010). Service quality can also be defined as the overall assessment of service by customers (Eshghi, Roy & Ganguli 2008). In any economy, SMEs tend to be the backbone to general business health (Supyuenyong, Islam & Kulkarni 2009). This being the case, SMEs that intend to remain relevant, competitive and constant must persevere towards delivering the best high-quality service to customers (Ladhari 2008). Service quality is very important to maintain economic growth as service sector increases day by day. It is helpful to know that it is very easy to calculate the loss due to poor sales, but it is very difficult to calculate the loss due to poor service quality. Good service always built up the confidence of the customer in the SMEs.

Supply chain strategies have become a primary business process for service sector to achieve competitive performance (Prakash 2011). Supply chain is the network of organisations that are involved, through upstream (suppliers) and downstream (distribution) activities. Supply chain is defined by Gupta and Singh (2012) as “the connected series of activities concerned with planning, coordinating and controlling material, parts and finished goods from suppliers to the customer”. Service quality refers to collective effort of service performance, which determines the degree of satisfaction of user of all the services (Lau 2011; Chinomona & Hove 2015). If the five dimensions of service quality are provided on time and with better understanding of the business operations by SMEs, then benefits are achievable (Trkman, McCormic, de Oliveira & Ladeira 2010). Hence the hypothesis that:

**H2**: Service quality has a positive effect on supply chain performance.
2.3 Relationship longevity and supply chain performance

According to Monczka, Handfield, Giunipero Patterson and Waters (2010), most of the SMEs are increasingly recognising the need for stronger relationships with suppliers as the best way to reduce costs and ensure quality, delivery, time and other measures of performance. Relationship longevity with the supplier refers to the value and inclination of both parties towards the relationship (Akyuz & Rehan 2009). It includes both investigative and experimental approaches to the relationship-based exchange transactions between both parties (Fink, Edelman & Hatten 2007). Most companies seek long-term relationships with fewer suppliers in order to secure valued resources and technologies, harness supplier skills and strength and gain from quality and process improvements (Gilbert, Judith & Daniels 2010; Lai, Wong & Cheng 2010). The relationship is two sided, as both parties have the power to shape the nature of future direction (Swafford, Ghosh & Murthy 2008). Relationship longevity can be defined as the way in which the firms relate with suppliers. Relationship longevity with the supplier can also be referred to as the value and inclination of both parties towards the relationship, as they consider the required levels of commitment, advantages, limitations and the possibility of exchange, which emanate from the relationship (Fink et al 2007). According to some authors (Mishra 2011:27; Prajogo & Olhager 2012), given that firms such as SME firms are getting more focused on their core competences, there are three key aspects of long-term relationships with suppliers. First, the trend is to build a long-term relationship with suppliers rather than shorter contracts. Secondly, SMEs now tend to use fewer suppliers over longer periods rather keeping a large base of suppliers, which allows them to change suppliers at almost every contract. Thirdly, the relationship with suppliers has been enhanced into strategic levels where the suppliers are now considered as integral parts of the firm operations. Relationships with suppliers are likely to improve once these three parameters are satisfied.

The existing literature shows that SMEs enjoys significant benefits by placing a larger volume of business with fewer suppliers using long-term contracts (Beetles & Harris 2010; Lau 2011; Hess Story & Danes 2011; Chinomona & Hove 2015). Long-term relationships between buyer and supplier have a long-term effect on the competitiveness of the entire supply chain (Trkman et al. 2010). De Toni and Nassimbeni (2000) revealed that a long-term relationship between the buyer and the supplier stimulates the intensity of buyer-supplier coordination, which in turn, enhances SMEs performance. Carr and Pearson (1999) also found that a well-managed long-term relationship with key suppliers have a positive influence on supplier performance of SMEs. Based on the above empirical evidence, this study posits:

**H3:** Relationship longevity has a positive relationship on SMEs supply chain performance.

3. METHODOLOGY

A quantitative method was used since the study aimed at testing the nature of relationships between various constructs. Supporting this quantitative strategy, a single cross-sectional descriptive survey design was adopted. Cross-sectional survey collected data make inferences about a population of interest (universe) at one point in time (Davies 2007:84).

3.1. The sample description

The target population for this study is identified as SMEs owners and managers in the Gauteng province of South-Africa, specifically in the Vaal Region. According to Razaq (2010:326), SMEs are the most important sector for growth in the economy in Gauteng province. The historical
sampling method was used to determine sample size. Previous studies conducted by several scholars (Adams, Khoja & Kauffman 2012; Chinomona & Chinomona 2013; Mafini & Omoruyi 2013; Jain, Khalil, Johnston & Cheng 2014) that examined various supply chain management issues in the SME sector used sample sizes ranging between 200 and 425 elements. Therefore, using the historical reference approach, the sample size for this study was pegged at n=425 respondents. The sampling frame was made up of various lists that include a register from the Gauteng Enterprise Propeller (GEP) and the Vaal Triangle business directory.

3.2 Demographic profile of respondents
The demographic section of the data analysis describes the SMEs’ profile with regards to the type of business, nature of business in which the SMEs operate as well as the number of employees. Out of the 288 questionnaires that was usable, 28 percent and 22 percent of the participants were either in partnership or private companies, respectively. From the sampled respondents, most of the SMEs belong to the transport sector with 21 percent, followed by finance/insurance, tourism, manufacturing and retail institutions with 13 percent respectively. 66 percent of SMEs employed between 1-25 workers, followed by 16 percent who employed between 26-50 workers.

3.3 Measuring instrument and data collection
In this study, data were collected by means of a self-administered, standardised questionnaire, which make the coding, analysis and interpretation of data relatively easy. The measuring instrument was designed in such a way that suits the South African context. Section A of the questionnaire consisted respondents’ demographic information. Section B of the questionnaire measured dynamic capability using questionnaire items adapted from a study by Teece, Pisano and Shuen (1997). Section C consisted questions designed to measure service quality, using items adapted from a study by Ihtiyar and Ahmad (2012:12). Section D of the questionnaire comprised of questions focusing on relationship longevity, using questions adapted from Ganesan (1994). Section E of the questionnaire consisted questions eliciting information on how supplier chain performance is measured using questions adapted from Prajogo, Chowdhury, Yeung and Cheng (2012). The measurement items in Section B to E were in the form of five-point Likert-type scales, with one denoting strongly disagree, to five denoting strongly agree because they are easy to construct and administer and participants find it easier to access (Bradley 2010). Out of the 426 questionnaires that were distributed, only 288 were usable for final analysis. This yielded a valid response rate of 68 percent. An analysis, interpretation and the discussion of empirical findings is presented in the in the next section.

4. DATA ANALYSIS AND RESULTS
The data analysis begins with the coding of the data from the questionnaire into a Microsoft Excel spreadsheet. Descriptive statistics were analysed using the Statistical Packages for Social Sciences (SPSS version 23.0) software. A CFA was conducted to determine the psychometric properties of the measurement scales. Hypotheses were tested using SEM, which demonstrates and tests any theoretical linkages of a proposed study and significance of the relationship between the constructs (Bush, Hair, Wolfinbarger & Ortinau 2010:20). Both the CFA and SEM techniques were achieved using AMOS software.
Scale Accuracy Analysis
The Psychometric properties of the measurement scale are reported in Table 1, which presents the research constructs, Cronbach alpha test, composite reliability (CR), average variance extracted (AVE) and item loadings.

Table 1: Accuracy analysis statistics

<table>
<thead>
<tr>
<th>Research constructs</th>
<th>Descriptive statistics</th>
<th>Cronbach’s test</th>
<th>Cr. R.</th>
<th>AVE</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev.</td>
<td>Item-total</td>
<td>α Value</td>
<td></td>
</tr>
<tr>
<td>DYNAMIC CAPABILITIES</td>
<td>DC1</td>
<td>3.79</td>
<td>0.989</td>
<td>0.771</td>
<td>0.766</td>
</tr>
<tr>
<td></td>
<td>DC2</td>
<td>0.845</td>
<td>0.855</td>
<td>0.834</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DC3</td>
<td>0.845</td>
<td>0.855</td>
<td>0.834</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DC4</td>
<td>0.845</td>
<td>0.855</td>
<td>0.834</td>
<td></td>
</tr>
<tr>
<td>SERVICE QUALITY</td>
<td>SQ1</td>
<td>3.87</td>
<td>1.025</td>
<td>0.797</td>
<td>0.760</td>
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<tr>
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<td>SQ2</td>
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<td>0.629</td>
<td>0.656</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SQ3</td>
<td>0.660</td>
<td>0.629</td>
<td>0.656</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SQ4</td>
<td>0.660</td>
<td>0.629</td>
<td>0.656</td>
<td></td>
</tr>
<tr>
<td>RELATIONSHIP LONGEVITY</td>
<td>RL1</td>
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<td>0.907</td>
<td>0.740</td>
<td>0.757</td>
</tr>
<tr>
<td></td>
<td>RL2</td>
<td>0.849</td>
<td>0.859</td>
<td>0.825</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL3</td>
<td>0.849</td>
<td>0.859</td>
<td>0.825</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL4</td>
<td>0.849</td>
<td>0.859</td>
<td>0.825</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL5</td>
<td>0.844</td>
<td>0.810</td>
<td>0.757</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL6</td>
<td>0.844</td>
<td>0.810</td>
<td>0.757</td>
<td></td>
</tr>
<tr>
<td>SUPPLY PERFORMANCE</td>
<td>SCP1</td>
<td>3.96</td>
<td>0.949</td>
<td>0.880</td>
<td>0.804</td>
</tr>
<tr>
<td></td>
<td>SCP2</td>
<td>0.853</td>
<td>0.725</td>
<td>0.667</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP3</td>
<td>0.853</td>
<td>0.725</td>
<td>0.667</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP4</td>
<td>0.853</td>
<td>0.725</td>
<td>0.667</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP5</td>
<td>0.834</td>
<td>0.612</td>
<td>0.891</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP6</td>
<td>0.834</td>
<td>0.612</td>
<td>0.891</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP7</td>
<td>0.834</td>
<td>0.612</td>
<td>0.891</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCP8</td>
<td>0.656</td>
<td>0.656</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cronbach’s alpha, composite reliability and Average variance extracted (AVE) Reliability
The literature asserts that a higher level of Cronbach’s alpha with a recommended threshold higher than of 0.7 indicates good reliability of the measurement scale (Nunally & Berstein 1994:43). According to the results as indicated in Table 1, the Cronbach’s alpha for each research construct ranges from 0.757 to 0.804. The composite reliability and AVE tests were
also conducted to further validate the internal reliability of each research construct. Table 1 indicates that the composite reliability ranges from 0.757 to 0.805, while the AVE values range from 0.533 to 0.717, respectively. These values which should be greater or above 0.6, authenticate good representation of the latent construct by the items (Sarstedt, Ringle, Smith, Reams & Hair 2014).

Validity Test
The construct reliability of the scale was assessed by the computation of the Cronbach’s alpha coefficients for the scale of 0.757 to 0.804, which are acceptable, since they are above the benchmark value of 0.70, an indication of construct validity (refer to Table 1). Convergent validity determines the degree to which a construct converges in its indicators by explaining the items’ variance (Sarstedt et al. 2014). Apart from assessing the convergent validity of items through checking correlations in the item-total index (Nusair & Hua 2010), factor loadings also were examined to identify convergent validity of measurement items as recommended by Sarstedt et al. (2014). A loading that is above 0.5 signifies acceptable convergent validity. In this regard, the final items used in the current study loaded well on their respective constructs with the values ranging from 0.523 to 0.880 (see Table 4.1). This indicates good convergent validity where items are explaining more than 50 percent of their respective constructs. Lastly, discriminant validity was ascertained to assess the extent to which a measure does not correlate with other constructs from which it is supposed to differ. In this case, as indicated in Table 2, the inter-correlations between constructs are less than 1.0, which confirms the existence of discriminant validity (Hair, Hult, Ringle & Sarstedt 2014:18).

Table 2: Correlations: dynamic capability, service quality, relationship longevity and supply chain performance.

<table>
<thead>
<tr>
<th>RESEARCH CONSTRUCTS</th>
<th>DC</th>
<th>SQ</th>
<th>RL</th>
<th>SCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>DYNAMIC CAPABILITIES</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERVICE QUALITY</td>
<td>0.404**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RELATIONSHIP LONGEVITY</td>
<td>0.408**</td>
<td>0.413**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>SUPPLY CHAIN PERFORMANCE</td>
<td>0.500**</td>
<td>0.428**</td>
<td>0.433**</td>
<td>1</td>
</tr>
</tbody>
</table>
Table 3: Confirmatory factor analysis model fit results

<table>
<thead>
<tr>
<th>CFA indicator</th>
<th>Acceptance level</th>
<th>Default model value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>&lt; 3.00</td>
<td>2.341</td>
<td>Accepted level</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt; 0.900</td>
<td>0.900</td>
<td>Accepted level</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt; 0.900</td>
<td>0.962</td>
<td>Accepted level</td>
</tr>
<tr>
<td>RFI</td>
<td>&gt; 0.900</td>
<td>0.926</td>
<td>Accepted level</td>
</tr>
<tr>
<td>IFI</td>
<td>&gt; 0.900</td>
<td>0.962</td>
<td>Accepted level</td>
</tr>
<tr>
<td>TLI</td>
<td>&gt; 0.900</td>
<td>0.955</td>
<td>Accepted level</td>
</tr>
<tr>
<td>NFI</td>
<td>&gt; 0.900</td>
<td>0.938</td>
<td>Accepted level</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.08</td>
<td>0.067</td>
<td>Accepted level</td>
</tr>
</tbody>
</table>

A chi-square test usually is used to examine the general fit of the model (Chen & Lin 2010). A chi-square value over degree of freedom of value that is below three is an indication of acceptable model fit. In Table 3, the indicator value for chi-square over degree of freedom is 2.341, which signifies acceptable model fit because it is below the required threshold of 0.3. According to Tabachnick and Fidell (2007:125), GFI, CFI, RFI, IFI, TLI and NFI value that is greater than 0.9 is an indication of good fit. Looking at Table 3, all measurement criteria meets the recommended threshold and confirms good fit. A TLI value that meets or exceeds fit.

Table 4: Structural equation model fit results

<table>
<thead>
<tr>
<th>CFA indicator</th>
<th>Acceptance level</th>
<th>Default model value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>&lt; 3.00</td>
<td>1.318</td>
<td>Accepted level</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt; 0.900</td>
<td>0.951</td>
<td>Accepted level</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt; 0.900</td>
<td>0.926</td>
<td>Accepted level</td>
</tr>
<tr>
<td>RFI</td>
<td>&gt; 0.900</td>
<td>0.972</td>
<td>Accepted level</td>
</tr>
<tr>
<td>IFI</td>
<td>&gt; 0.900</td>
<td>0.969</td>
<td>Accepted level</td>
</tr>
<tr>
<td>TLI</td>
<td>&gt; 0.900</td>
<td>0.978</td>
<td>Accepted level</td>
</tr>
<tr>
<td>NFI</td>
<td>&gt; 0.900</td>
<td>0.950</td>
<td>Accepted level</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.08</td>
<td>0.044</td>
<td>Accepted level</td>
</tr>
</tbody>
</table>

Table 4 reports the structural equation model fit results. The results show the acceptable goodness-of-fit of the model. The acceptable models are indicated by the chi-square value
(CMIN/DF) of 1.318, which is less than the recommended threshold level of <0.3, RMSEA value of 0.044, GFI, CFI, RFI, IFI, TLI and NFI with the values of 0.951, 0.926, 0.972,0.969,0.978 and 0.950 respectively. These results are within the recommended level of greater than 0.900 (Malhotra 2010:19). The statistics for the model fit provided were above or below the recommended thresholds, indicating that the proposed conceptual framework converged reasonably well with the underlying empirical data structure.

Table 5: Hypotheses results

<table>
<thead>
<tr>
<th>Construct Measured</th>
<th>Hypothesis</th>
<th>Path Coefficient</th>
<th>P-value</th>
<th>Rejected/Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic Capabilities → Supply chain performance</td>
<td>H1</td>
<td>0.889</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Service Quality → Supply chain performance</td>
<td>H2</td>
<td>0.765</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Relationship Longevity → Supply chain performance</td>
<td>H3</td>
<td>0.861</td>
<td>***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

* Significance level p<0.05; ** significance level p<0.01; *** significance level p<0.001

5. DISCUSSION OF EMPIRICAL FINDINGS

As indicated in Table 5, all the hypothesised relationship proposed in the study model are significantly supported. Hypothesis (H1) stated that SMEs dynamic capabilities have an important influence on supply chain performance. The hypothesised result shows the strongest predictive relationships of (path estimate=0.889; p=0.00<0.05). This indicates that SMEs dynamic capabilities thus influence more on their supply chain performance. This is consistent with the findings of Dothan and Lavie (2016) that Dynamic capabilities is ability of SMEs within supply chain to combine both existing knowledge with the new knowledge to supplement, remove, recombine and redeploy resources to enhance business performance. A firm’s dynamic capabilities are characterised by its capacities to sense and shape opportunities and threats, grab opportunities and maintain competitiveness through enhancing, combining, protecting and when necessary, re-configuring the business enterprise’s intangible and tangible assets (Teece 2007). Dynamic capability also includes the ability of SMEs to identify the need for change, to formulate a response and to implement appropriate measures, which is necessary for the success of the enterprise (Drnevich & Kriauciunas 2011).

H2 was also significant with the acceptance level of (path estimate=0.765; p=0.00<0.05) in the model implying that service quality has a positive effect on supply chain performance. This is not surprising as service quality though intangible can either make or breaks a firm if it is not strategically tailored to enhance customer satisfaction. According to Kassim and Zain (2010), service quality is an essential strategy for any organisation that seeks to differentiate itself competitively and to bring about positive transformation. Therefore, service quality is an antecedent to supply chain performance. Some of the benefits that SMEs stand to enjoy by emphasising service quality include gaining a competitive edge, high customer satisfaction, excellence in design, all of which lead to high overall SME performance (Ghylin, Green, Drury & Chen 2008).
In $H_3$, relationship longevity has a positive relationship on SMEs supply chain performance and also has the second strongest predictive relationship with the acceptance level of (path estimate = 0.861; $p = 0.00 < 0.05$). This therefore indicates that a higher supply chain performance will emerge because of its member’s relationship longevity. However, nurturing long-lasting relationships requires communication effectiveness, cooperation and transparency, which constitute key factors for trust development between buyers and suppliers (Paiva, Phonlor & D'avila 2008). In turn, once such mutually reciprocal relationships are established, they lead to improvements in such areas as process integration, collaboration, information sharing and usually lead to high levels of client satisfaction (Cousins, Lawson & Squire 2008). Furthermore, improvement in costs, quality, delivery, flexibility and operational performance may be realised when the supplier is committed to the buyer (Chinomona 2013). Recently, majoring of the SMEs seek long-term relationships with fewer suppliers to secure valued resources and technologies, harness supplier skills and strength and gain from quality and process improvements (Gilbert, Judith & Daniels 2010; Lai, Wong & Cheng 2010). In this case, SMEs should embrace relationship longevity within their supply chain.

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The purpose of this study was to investigate the influence of dynamic capability, service quality, relationship longevity and supply chain performance among SMEs in the Gauteng Province. Gauteng was targeted mainly because there are numerous SMEs in this area. The study has contributed towards the frame of theoretical work available on the topic for future studies. This research focused on four main constructs, namely dynamic capability, service quality, relationship longevity and supply chain performance. The findings of this study suggest that in order for SMEs to perform well in the emerging and dynamic business environment, it is important that SMEs acquire necessary capabilities. Dynamic capabilities can enhance SMEs’ relationship longevity and help aid the quality of service rendered, which is very important in many businesses operating within a supply chain. Both the theoretical and empirical review of this study confirmed that dynamic capabilities, service quality, and relationship longevity have a positive relationship on supply chain performance. With long-term relationship, it is believed that SMEs will develop new skills and ideas that will help sustain competitive advantage that is valuable to the entire supply chain, thus improving and maintaining supply chain performance. An SME that intends to remain relevant with the competitive environment must constantly improve its capabilities; constantly persevere towards delivering the best and highest quality service throughout the supply chain.

7. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

After the discussions of the significant importance of this research, it is evident that the research is not without its limitations. This study focuses on only three variables as determinants of supply chain performance. However, there may be other variables such as resource reconfiguration, resource redeployment, learning, market factors as well corporate strategy that may further strengthen the significance of this research. Apart from the quantitative method of data collection and analysis that was used in this study, a qualitative or a mixed method of data collection and analysis could be used in future research. Since the research findings are based and focused on SMEs in South Africa, other studies could advance the study into other African countries while making use of other sampling techniques different from the convenient sampling used in this study.
8. REFERENCES


Chinomona, R. (2013). ‘Information technology resource as a facilitator of suppliers’ collaborative communication, network governance and relationship longevity in supply


BRIDGING THE GAP BETWEEN IMAGE PROJECTED BY AN OIL COMPANY AND THE REPUTATION HELD BY COMMUNITY STAKEHOLDERS

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ABSTRACT  
The study analyses the gap between the corporate social investments (CSI) projected by a petroleum company, and the community expectations about the company’s CSI and consequently on the impact these perceptions have on the company’s reputation among these stakeholders. Two-step qualitative research design was used for this study. During the first stage of content analysis of a sample of news releases about the company’s CSI initiatives, available on the company’s website were analysed to identify how the company projects its CSI identity. In the second stage, three focus groups were conducted with the community members to identify the community perceptions about the company’s CSI initiatives and their impact on the company’s reputation among the community. Data collected from the study revealed that the CSI initiatives implemented were effective in contributing to the social transformation; however, the organisation did not address the local community’s concerns regarding environmental concerns. Communicating CSI image effectively can assist in building a company’s reputation and developing a positive perception from the stakeholders, which can result in a good organisational reputation. The value of the study is to understand the impact of communicating CSI to stakeholders has in building perceptions of the organisation in a community where the oil company operates. For ethical purpose, the authors used a pseudonym to disguise the name of the organization and host community.

Key Words: Corporate social investment, Environmental sustainability, corporate image, reputation, Stakeholder perceptions

JEL Classification: M14

1. INTRODUCTION  
In the twenty-four years of South Africa’s democracy, organisations have slowly shifted from being merely profitable entities to taking accountability towards developing the society where they operate in. Companies have important responsibilities to ensure that they contribute towards improving the economic disparities previously perpetrated by the apartheid regime, which can reinforce their public image through communicating their CSI to stakeholders. Golob, Lah and Jancic (2008:83) argue that modern business practices use corporate social
investment (CSI) to form a feasible strategy for companies; however, Rindell (2013:208) suggests that these companies use various means to influence stakeholders while creating a positive tactic to communicate organisational identity with their stakeholders. Communicating CSI has played a noteworthy role in contributing towards social and economic issues. However, with the severity of environmental impacts; companies can no longer use CSI communication as a tool to deviate from being held accountable for environmental concerns. Lim and Yang (2016:400) argue that stakeholders that view CSI aim as only benefiting the company can react negatively towards the activities, while CSI initiatives with attributes such as trust, honesty, and goodwill have the potential to strengthen the organisation’s image positively.

Communities need businesses that care about people and preserving the environment and not organisation’s whose existence is merely based on making a profit. The study investigates the impact of slow social and economic growth in a host community with one of South Africa’s most profitable petrochemical business, by looking at how they communicate and engage stakeholders in their corporate social investment initiative. Communication discourse should not be taken for granted, as it can be used as a tool to articulate the challenges of corporates and encourage organisational openness. In support of the above, Crumpton (2011:126) thinks that communication is the first point of helping to drive transparent behaviour which keeps people from having uncertainties and presents them with sufficient information which is reliable. Public relations practitioners who are the driver of corporate communication have a responsibility to report information on CSI initiatives without creating impractical impressions.

1.1. Background to the study
The data collected in this study was part of a master’s dissertation conducted and submitted to the Vaal University of Technology. The community stakeholders selected was from the surrounding areas of Nokeng, which is in the Vaal Triangle in the Free State province. The township of Nokeng has one of the oldest plants for petrochemical production in South Africa, which forms a core industry for the area and surrounding townships and is the source of most households’ incomes. The researchers set out to conduct an analysis on the way a global oil-company in an area called Nokeng in South Africa, communicate its image through CSI with the community stakeholders as means to build their organisational image. Ako (2012:13) states that global companies in the developing countries battle to see the value that corporate social responsibility (CSR) brings to local communities, and often have a misconception of thinking CSR structures can only be successfully implemented in developed countries.

In the early 1950’s near the Southern banks of the Vaal River, a town in the Free State area called Nokeng came to existence due to a petrochemical industry called Kwena (SA places, 2017). Nokeng falls under the Metsimaholo Local municipality which has a population of approximately 149 108 people, with 32.1% of the unemployment rate – and the youth’s unemployment standing at a high rate of 41.6% (Statistic SA, 2017). In South Africa, the youth unemployment stands at about 73% and the rise of unemployment in the country was recorded at 25% to 36% with the inclusion of discouraged workers (Labour Force Survey, 2011:08). The alarming youth unemployment statistic threatens the socio-economic growth of the community, and private organisations such as the petroleum company have a commitment to give back to the community by empowering the people to have a better quality in life. When businesses structure their CSI projects to work in line with the community stakeholders, the initiatives can reinforce the community relations and foster a stable business environment.
Stakeholders often overlook the company’s CSI activities and construct their views based on the superiority of products and services, which can convey a positive image regarding the business (Poolthong & Mandhachitara, 2009:422). The oil company uses narratives as an impression management approach to constructing a positive image. An increase in CSI studies since 2006 in public relations research, indicate challenges that need to be addressed regarding the studies around CSI practices and communication, which creates a gap for future research to investigate this phenomenon (Lee, 2017:217); it is imperative to try and understand how CSI can influence the opinions of stakeholders’ responses when the company has issues with the community (Park, 2017:190). In this study, the researchers investigate how the CSI programmes influence the community’s perceptions of the company’s image. The study analysed whether the Nokeng community stakeholders’ perceptions are congruent with the projected corporate image as represented in Kwenas media releases (MR). One of the roles of public relations is to manage and strengthen stakeholders’ relations through communication, and this can be achieved by executing corporate social investment activities.

Organisations use corporate social investment (CSI) activities as a strategic approach to assisting in decreasing poverty and inequality, building or improving infrastructure, creating job opportunities, providing primary healthcare, enhancing skills training and education. However, there is a gap between the organization’s CSI activities’ deliverables and the local community’s expectations on corporate social investment initiatives. The study identified the following research questions to address:

RQ1: What is the petrochemical company’s projected CSI image towards the local community?
RQ2: What do stakeholders expect from CSI activities implemented in the communities by the petrochemical company?

The study is pertinent to understanding community relations by identifying the community’s perceptions of the firms’ CSI and aligning them with the organisations’ CSI activities, which are communicated through MR.

2. LITERATURE STUDY
2.1. The South African context of CSI
South Africa as a developing country faces enormous economic, political and social challenges, which is a result of former racial discrimination dating back from the apartheid era. Skinner and Mersham (2008:240) explain that the concept of CSI is new for South African businesses, and it is a business phenomenon that is implemented to help tackle the socio-economic disparities in the country. In South Africa, the historical background has influenced a shift of the meaning of CSR and adopted a new concept of corporate social investment (CSI), which can be used as a good example on the success of public sector in implementing a strong policy support for good CSR practices (Mersham & Skinner, 2016:111). Replacing “Responsibility” with “Investment” encourages businesses to have a paradigm shift in social responsibility, and to adopt an optimistic perception of working with community stakeholders on a long-term basis. Socio-economic challenges have stimulated the government to take necessary measures by formulating a national development plan (NDP) which is a strategy to be carried out till 2030 and seeks to create equal opportunities for all people from previously disadvantaged backgrounds. Ako (2012:13) believes that countries have a different approach in how they plan and theorize
CSR structures, which creates confusion of which strategy is best in achieving an effective CSI framework that meets community expectations due to the differences in economic statuses. Corporate social investment is a long-term commitment by companies to constantly contribute in ensuring that they use a margin of their profit to help develop the surrounding communities and improve infrastructure to better the quality of external stakeholders’ life. Organisations achieve respectable perceptions from stakeholders when they engage in applicable CSI activities and are likely to change their behaviors and influence reputation beliefs through the organisations' quality service; however, CSR initiatives don't acquire much credit in increasing organisational reputation, in comparison to the way consumers trust and perceive the quality of products/service presented (Poolthong & Manhachitara, 2009:422). Companies in South Africa need to start prioritizing and emphasizing the importance of CSI practices for economic growth and personalize CSI activities to influence the community stakeholder’s perceptions. CSI projects need to be planned and arranged in a way that it contributes to the uplifting of the communities and meet the expectations of the society.

2.2. Communicating CSI to achieve community trust
Access to information such as company information or MRs has increased due to the developments in technology, and it has become easy to search or access information about a certain company using the internet. One of the most important task for a communications professional is to always uphold trust in the public and trust will ultimately influence individual’s views (Bekmeier-Feuerhahn & Eichenlaub, 2010:349). Although there is a huge absence of face-to-face interaction, trust can be established through consistent reliable information exchange. Just like reputation, trust takes time to develop and can easily be lost. Campbell, Herman and Noble (2006:193) argue that an individual’s lack of trust can be based on personal experiences about the company, which can influence their perception of the company’s image. An everyday interaction with the organisation creates a relationship that can foster the legitimacy of the organisation through feedback or two-way communication.

Communication is imperative in informing stakeholders about the CSI plans, and to ensure that the community stakeholders understand and engage in the activities carried by the organisation. Golob, Lah and Jančič (2008:93) state that the manner of how companies identify the value and expectations of stakeholders is crucial in communicating CSI. Organisations need to first try to analyse or comprehend the conditions affecting the society; to be able to contribute towards building a community and helping to tackle socio-economic challenges. Communication also plays a role in instilling community relations and can help strengthen relationships between the company and its community stakeholders.

2.3. Managing impression and stakeholder approach
Businesses need to take in consideration the needs of the society in which it operates in, and cultivate relationships with the society in order to grow. Maier (2015:30) defines stakeholder theory as a strategic approach by organisations to be responsible towards the community in which they operate in and to assess how they impact the host communities and the people without being profit driven. The stakeholder theory looks at how organisations can treat their stakeholders or foster relationships with targeted groups to be able to assist in dealing with societal problems which may hold back the success of the business. Stakeholder theory was developed in the 1980s through the effort of Freeman and was later popularized in the 1990s.
According to Freeman (1984:46) any group or individual that is directly or indirectly affected by the organisation or affects the way business may operate, is known as a stakeholder.

Businesses are highly dependent on stakeholders for survival, primary stakeholders (consumers, internal managers or employees) and secondary stakeholders (governments, Non-government organisations or media outlets) are important target groups that are influenced by companies. Businesses convey different messages to different stakeholders; this can influence the stakeholders to perceive the company in a certain way and gain their trust. Benson, Brau, Cicon and Ferris (2015:841) believe that Impression Management (IM) is used as a communication tool, with the intent to use narratives to influence the stakeholders to have a positive perception towards the organisation. Impression management is used to convey messages in a favourable manner, to persuade stakeholders and create a positive reputation. Businesses can sometimes mislead the stakeholders by using impression management to report on environmental issues, this can influence actions and behavioural changes by communicating positive messages only (Sandburg & Holmlund, 2015:679).

3. METHODOLOGY
The data was collected in a two-step qualitative research design. The first step was through document analysis, and the second step was focus groups. Document analysis of the media releases (MR) pertinent to the organisations’ CSI was conducted. Purposive sampling was used in selecting the MRs that contained content on Nokeng area. Media releases were retrieved from the Nokeng website during the 27 months of data collection. The researchers collected data from 2015 to 2017, and only considered MRs related to the Nokeng community, other areas were excluded and only focused on the CSI category.

The focus group discussions were used as the second source of information, and data was collected by means of three focus groups conducted with the community stakeholders. The first sample identified was the oil company’s CSI MRs. Thirteen (13) MR articles were downloaded from the company’s website, which reported on the corporate social investment activities around the Nokeng area. The MRs analysed were downloaded from January 2015 to April 2017, and all other MRs from outside that period were excluded.

The researchers used a qualitative research design to collect and analyse data. When researching about real experiences in a community setting, qualitative research is a leading method in trying to understand and extract information about the population's involvements concerning the research phenomena investigated (Guercini,2014:663). Tortorella, Viana, & Fetterman (2005:231) believe that qualitative research used in the study is effective when gathering people with the same characteristics to answer the research question through focus groups.

The advantage of using focus groups is that they create an open and cooperative space for dialogues, and make it easier for participants to be able to clearly recall their experiences with the organisation (Harding, 2013:23). The sample of 18 individuals was chosen from the population of Nokeng area. Stokes & Bergin (2006:28) suggest that to gather information about experiences of stakeholders from different backgrounds, the researchers must consider group dynamics as means to allow a flowing setting with participants willing to contribute their ideas on the research topic. The researchers segmented the groups according to age, gender, education
level, and employment status, to get different viewpoints from different local community members. Each group consisted of six individuals who were permanent residents from Nokeng and were purposely selected from different townships in the Nokeng area. Purposive sampling was used to justifiably select the targeted sample population; to assist the researchers to obtain viewpoints from the society regarding the research topic investigated (Leedy & Ormrod, 2014:221). The sample which was identified included community activists from a Non-profit organisation (NPO) in the area. According to the National Development Plan 2030 Executive summary (2011:27), Non-governmental organisations (NGO) play a vital role in poor communities and other societies through encouraging unity and enhancing social and employment projects. Secondly, undergraduate students residing in Nokeng took part in the second focus group which was conducted at a university in Vanderbijlpark. University students were mostly informed about social issues and were involved in social activities such as community outreach programmes. Lastly, the unemployed community members formed the third focus group, and were selected due to the alarming unemployment rate in the area. The researchers reached data saturation after conducting three focus groups and had initially set out to interview 24 participants. The focus group discussion took place in Nokeng and a university in the Vaal Triangle.

The discussions took roughly about 60 minutes per group. Before taking part in the conversation, each participant was handed an information leaflet explaining the purpose of the research. The focus groups discussions were recorded and were later transcribed. Data was analysed using the thematic analysis. Data was simplified using an analytic method, which categorised raw data into eloquent components which were further expanded and grouped into themes representing a broader notion (Denscobe, 2004:270). The themes were subsequently expanded and formed new subjects aligned with the study, which was later validated with findings from other authors.

4. FINDINGS
4.1 Media release analysis
On the first step of the analysis, the communication areas of the MRs of the Kwena firm were analysed. The below diagram indicates the findings from the documents analysis from the MRs published by the organisation, from their website communication about CSI identity.

Figure-1: Kwena's CSI communication themes in media releases (2015-2017)
Figure 1 indicates the different CSI areas communicated by the petrochemical company, which was identified through the thirteen published MRs. The researchers analysed the messages communicated in the organisations’ CSI activities, and identified the key areas of involvement by the organisation. The grouping of the key areas of involvement developed major themes from the organisations’ CSI communication, which were environmental conservation, primary healthcare, sports and active lifestyle, education and skills development, and socio-economic development. The National Development Plan 2030 Executive summary (2011:28) has identified a framework of key capabilities needed for improving life and assisting with standard living as nutrition; housing, water, sanitation and electricity; transport; education and skills; safety and security, healthcare; employment; recreation and leisure; and clean environment. The key capabilities identified by the NDP 2030 are also reinforced and similar to the CSI areas which the petroleum company is involved in through their CSI initiatives. The findings reveal how the organisation positions itself as being supportive towards contributing to social and economic growth, through their CSI initiatives but lacks informative communication about preserving the environment. In line with the findings, the researchers further analysed the perceptions of the community stakeholders based on the image, reputation and environmental aspect.

4.2 Focus group analysis
Perceptions regarding the organisations reputation
On the second stage of analysis, the researchers analysed the focus group discussions on how the participants felt about the different CSI initiatives performed by the petroleum company and opinions on how these projects can be improved.

Environmental preservation
One of the concerns identified by the respondents was regarding the organisations’ overwhelming smell coming from the fumes emitted from the plants. Below were responses from the groups about their opinion on whether the petroleum organisation cares about the environment or not:
Participant F in Group 2 (PFG2) explained: “...it [smell] becomes so overwhelming for Nokeng. That's where I feel like they do not care about the environment, the people that are living in the environment because the fumes are all going towards the location direction.”

PDG2 suggested: “They can look for ways in how they can control the pollution that they are making every day.”

PAG3 mentioned: “The image that they are portraying is not really the truth when it comes to the environment”.

According to Aghalino and Eyinla (2009:177), in the oil industry it seems that the ultimate repercussions of companies helping to develop the community are accompanied by pollution. Unfortunately, there are no good ramifications related to polluting the environment, but only leads to health-related issues and damaging the environment. The complaints from the respondents point out an important element about pollution which seems to be ignored by most petroleum organisations and has become a matter which needs to be addressed. The organisation needs to change the dialogue about pollution and contribute towards conserving the environment, and participating in projects that will reduce the environmental pollution. Operating in the oil industry can come with dreadful impacts to the environment, economy and the society, and if the organisation implement or manage its CSI initiatives effectively this may add to avoiding community agitation in the future (Ako, 2012:12). The outcomes from the focus group expressed concerns regarding pollution created by the oil-company around the community, and raised questions on how the company aims to control or reduce air pollution.

Image and reputation

The findings from the data extracted from the focus groups discussion indicate that a bulk of respondents hold the following views about the oil company:

PCG1 explained: “[My] Perception is that Kwena is trying hard to assist, on their obligation on social development.”

PDG3 revealed: “Well I can say that Kwena has contributed to the economic development, to a job creation and educational development.”

The manner, in which the external stakeholders describe the organisation, is a clear indication of how they feel about the organisation and the work that the company does around the community. McDonald (2016:07) requests businesses to show interest in becoming more closely involved in developing a personal or community relationship, through participating in socially responsible initiatives that will help build trust and benefit the society at large. The finding from respondents expresses the general perception from the respondents about the organisational image, and in most cases is inversely related to the way the organisation communicates or engages with the stakeholders.

PFG2 mentioned: “Some [people] have positive feelings towards Kwena. Some [people] have negative”.

PDG3 stated: “Kwena is not a bad company; it is a company that one would work for but in terms of the image if they could just work on certain issues”.

Although few people did not have the same confidence in the organisation as demonstrated by participant F in group 2, however, the findings show that most people are cheerful about the image that the organisation portrays through their communication and the corporate social investment activities. Corporate social investment offers room for evaluation and improvement, and this must be linked with the community's expectations. The respondents widely held the notion that the organisation is doing a good job through their corporate social investment projects.
5. DISCUSSION
The communication approach by the petroleum company includes publishing MRs via their website, about the different CSI activities which they are involved in around the Nokeng community. The organisation published 13 MRs from the period of January 2015 to April 2017, which were directly linked to the CSI activities which were performed in the Nokeng community. The findings indicate that the key areas of CSI represented in the MR were: environmental conservation, primary healthcare, sports and active lifestyle, education and skills development, and socio-economic development are areas of communication identified which are communicated by the company. All the areas above are linked to the NDP 2030 key capabilities which are aimed at decreasing inequality and poverty, by tackling social issues which affect the economy of the nation.

The image projected through the CSI themes identified is very important in the positioning of the organisation as being socially responsible. The messages in the MRs are proactively constructed to make the petrochemical firm look like a company that cares about the community in which they operate in, which is one of the powerful means to project an image using CSI.

In South Africa, companies are expected to be responsible towards their communities due to the high gap of inequalities in socio-economic variables. The challenges of creating job opportunities create a predicament which follows a slow growth of the economy. Lack of young people contributing to the economy in South Africa has affected the growth of the Gross Domestic Product (GDP), which is a major constraint in the transformation of the nation's economy (Labour Force Survey, 2011:10). It is vital that the organisation communicates their true identity and subsequently implement CSI activities which will have a positive impact on the society.

Interestingly, the majority of the community was impressed about Kwena’s CSI activities and were familiar with most of the organisation’s CSI programmes. The CSI activities shaped their views about how important the organisation’s contribution to the community is, which has influenced the community stakeholders’ perceptions of the value that Kwena creates in developing the community. Due to the growth in socio-economic inequalities, the communities’ expectations are relatively increasing. Companies that communicate their CSI activities effectively with the community and engage stakeholders in decision-making processes can strengthen their community relationships. Creating an interactive platform with community stakeholders can assist the organisation to create a dialogue about various concerns that the community encounters, and cultivate further discussions about possible resolutions to meet the expectations.

The community expresses the view that there is minimal interaction between the community and Kwena make it hard for the people residing in Nokeng to voice out their opinion about the issues pertaining to environmental damage, in particular, air pollution. Participants in the study indicated that the organisation does not engage with the community about their expectations regarding CSI activities, which hinders with a multi-stakeholder approach to overcoming socio-economic challenges. There is no platform that allows the organisation to engage and consult with stakeholders before implementing their CSI initiatives. Idemudia (2011:02) state that in
South Africa and other developing countries, companies generally focus highly on improving public infrastructures such as roads, hospitals and community centers due to the lack of reporting or creating awareness concerning environmental sustainability. Kwena is one of the South African firms which it has neglected to report on environmental sustainability or engaging the community on CSI activities which address concerns about the environmental pollution. However, the community was content about the contribution made by Kwena in improving public infrastructure, providing healthcare, developing incubation hubs for supporting small businesses, building community centers and educational facilities.

Environmental degradation impacts the community in multiple ways and is associated with health-related issues. Respondents seem to be happy with the organisational image and are expecting the organisation to report on the means to manage or reduce the air pollution. Lim and Yang (2016:400) state that if the society believes that the reasons for CSR are merely to benefit the organisation, this can prompt stakeholders to have negative responses, but if the business wants to create a positive corporate image then it must ensure that its CSI activities imprint trust and honesty in the society. This paper forms part of a growing development around research in South Africa and Africa, which is related to lack of environmental sustainability reporting and CSI communication implications and reputation management. Due to the limitation of resources, the study was only conducted in the Sasolburg area. Future studies can conduct research with a larger sample and conduct research on other provinces with a petrochemical company.

6. CONCLUSION
Corporate social investment communication is an integral part of building relationships and supporting the socio-economic structure of a nation. Petroleum companies in developing countries that operate in low- and middle-income communities have a huge responsibility to meet the expectations which come from local communities and must establish their CSI framework to empower the community by contributing towards the socio-economic growth. Businesses that have minimal communication or interaction with their stakeholders can increase lack of interest from a society about their products or services, which may threaten the growth of the company and affect its corporate reputation. To achieve responsibility, the organisation needs to nurture their relationships with stakeholders and engage in an authentic dialogue to share information about CSR (Siltaoja, Malin & Pyykkönen, 2015:456). Stakeholder engagement is important when the company wants to consult with the local community and encourage a multi-stakeholder approach, to understand the community expectations and strengthen community relations. Petroleum companies need to communicate more often about environment sustainability plans and measures, to proactively avoid triggering community unrest in the future.

7. REFERENCES


ANALYSIS OF SUPERVISOR AND SUPERVISEE COOPERATION IN PERFORMANCE MANAGEMENT IN A PROVINCIAL GOVERNMENT DEPARTMENT IN KWAZULU-NATAL

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**ABSTRACT**

Studies have shown that employees and their supervisors rarely cooperate in the various stages of performance planning including the setting of their performance targets. This study has sought to explore the cooperation of supervisors and supervisees in the implementation of performance management, commonly known as the *Employee Performance Management and Development System* (EPMDS), in a provincial government department in KwaZulu-Natal (KZN). Drawing on the pragmatist philosophy, the study employed a mixed-method approach which involved in-depth interviews (six), documentary analysis and survey methods (83 questionnaires) to elicit the views of workers on the implementation of EPMDS in a provincial government department in KZN. Through documentary analysis, this study established that there are proper and systematic procedures for EPMDS. A further analysis has revealed that the central tendency is evident when supervisors give performance scores, with most workers being given average scores and only a few scores being above the average, which adversely affects their motivation. These findings have critical implications for human resources managers in the public sector. The consequence of this is that there is a need to balance the tensions between time constraints and proper Performance Management by involving workers in the whole cycle of Performance Management. Without such involvement, workers will continue to be suspicious of the EPMDS which may defeat its purpose.

**Key words:** Public sector, performance management, performance review, personal development plan

**JEL Classification:** M12

1. **INTRODUCTION**

The pincer movement of managerialism and marketization resulted in significant public sector reforms, inspired by the New Public Management (NPM). One significant off shot of such reforms was the pervasive implementation of hitherto private sector management techniques into the public sector. One such technique is performance management. Research has shown that in recent years there has been an increased interest in implementing systems which seek to improve the performance of employees in the public-sector departments in delivering services promptly to the public (Mosoge & Pilane, 2014). The narrative and the arguments for performance management are compelling and irresistible. Performance management is afforded a high priority in both the private and public sector. A case is often made that performance management should be implemented in order to contribute to the productivity of employees. Faced with service delivery backlog and the austerity measures in the public sector,
the post-apartheid democratic government of South Africa embraced most of the tenets of the NPM, including performance management (Administration, Public Service Regulations, 2016). According to Mosoge & Pilane (2014), the underlying rationale for introducing such mechanisms was that employees would deliver services effectively and efficiently.

Unfortunately, the implementation of the EPMDS is not as developmental and consultative as is prescribed by the relevant legislation because there is little evidence to show that supervisors and employees hold consultation meetings to discuss and agree on the objectives and goals to be achieved (Van Dooren, Bouckaert et al., 2015). The requirement regarding communication between supervisors and employees is not well understood, as there is limited interaction to provide ongoing feedback about the attainment, non-attainment, and achievement of goals. Furthermore, there is little training on the EPMDS, so there is always tension between the employees and their supervisor. This is particularly so when it is time for measuring the attainment of their objectives by the employees. There is tension between the measurement of performance and commitment to developing human capacity and skill. Often, employees complain that they are not acknowledged for work well done either formally or informally, and this discourages them from performing well (Human Capital Institute, 2009). The implementation of the process in municipalities is compromised by the lack of political will, leadership, and human power to implement the Performance Management system.

Although there has been increased scholarly attention given to EPMDS in particular and performance management in general, there has been a frustrating dearth of literature based on studies that sought to elicit the understanding of workers who are at the coal face of service delivery and who bear the brunt of any inadequacy of the performance management system. Without such an understanding, it would be difficult to determine the success or failure of these NPM inspired reforms. Consequently, the decisions to improve productivity and impact of public services are based on mere speculation and conjecture.

Drawing on a case study of a provincial government department in KwaZulu-Natal (hereafter called the Department) and using the theoretical bases of Michel Foucault’s Panopticon and John Locke’s Goal Setting Theory (GST), this paper demonstrates that workers’ and supervisors’ views on the purpose and processes are not always the same. Such conflicting views on the key instrument that is designed to improve productivity could affect the implementation of EPMDS. Unsurprisingly, the implementation of EPMDS has been mired in challenges such as proper planning of performance; proper performance monitoring and development; performance review; and improved management of rewards and incentives to be employed in the Department.

This paper is divided into five sections. The next section explores the NPM in order to provide a backdrop of the performance management in the public sector. In part two of this section, we explore the panopticon concept and the goal setting theory as theoretical bases by means of which the implementation of the EPDS is deconstructed. The fourth section explains the approach that was employed to glean the perceptions and understandings of Departmental employees in the implementation of the EPMDS. Lastly, the final two sections present findings of empirical research and discussions on the implementation of EPMDS before drawing conclusions.
2. LITERATURE REVIEW
2.1 The Panopticon and the EPMDS
This study draws on Foucault’s elaboration of Bentham’s Panopticon metaphor (opticon - that which sees; pan – everything) to make the argument that knowledge is always a form of power, that it can be gained from power, and that it is forever connected to power (Foucault, 1977) and such power can be used to control the behaviour of the less powerful. The Panopticon was an architectural figure designed by Jeremy Bentham (Foucault, 1977). In the design of the panoptic prison, the building allows the inmates to be watched by a supervisor who stays at the centre of the tower. His positioning in the centre allows him to see what the inmates are doing in their single cells, but they cannot see him. The knowledge that they are being watched at all times make them regulate their behaviour and comply with the rules (Foucault, 1977). Some parallels can drawn between Foucault’s panopticon metaphor and the implementation of EPMDS in the South African public sector. Foucault’s emphasis on knowledge and resources as powerful tools to modify one’s behaviour is especially useful to this paper’s analysis, as it allows one to reason how thorough knowledge of the EPMDS by supervisors they can assist in changing the attitudes of employees towards their jobs, and therefore their behaviour. Drawing on Foucault’s conceptualisation of the panopticon, one can infer that EPMDs are not neutral or apolitical, but that they are an expression of power and dominance. Foucault (1977) claims that power is everywhere, not because it embraces everything, but because it comes from everywhere. The EPMDS as a tool can act as a watchdog over employees by clearly articulating what employees need to do and instilling in them a sense that their actions are always monitored by a panoptic supervisor whom they cannot see and interact with on daily basis. They sense that they must always show good behaviour because the supervisor is always watching over them. The lack of training on the use of the EPMDS and regular meetings with employees can make employees fear the use of the EPMDS as a punitive tool if they fail to act as expected. The EPMDS can be punitive in the sense that during summative assessment there will be no financial rewards for or recognition of workers whose performance scores are below the minimum thresholds. The employees do not see the EPMDS as a developmental tool to nurture and develop their abilities and talents (Department of Public Service and Administration, 2007). To this end, Foucault’s conceptualization of power explains how power can be utilized to alter the operations in the organization, modify employees’ behaviour and mindset, and instill a sense of responsibility and accountability in them. Foucault describes panopticism as a ‘powerful and sophisticated internalized coercion, which is achieved through constant observation of prisoners, in a single cell, where there is no interaction and communication … panopticism can act as a control mechanism’ (Foucault, 1977).

There are many studies that refer to schools and other public organizations as panoptic and substantiate their claims by providing a number of observations (Perryman, 2006). The theory is more of an ideal model of power than about how organizations function in the daily execution of their work. It models one possibility for the power relations between supervisors and subordinates. The supervisors set clear rules and codes of behaviour for the subordinates in the organization and the subordinates are expected to comply with the rules and behave accordingly. The supervisors know what the subordinates are doing and what they should be doing because they are strategically placed in the central tower, but the subordinates are not aware of what the supervisors are doing because the supervisors are invisible to the inmates in the cells (Foucault, 1977).
The ultimate objective of the panopticon in the case of the prison is to prevent the captives from committing crimes or, in society at large, to dissuade members of the community from doing things which might lead to their imprisonment. Goyer (2005) asserts, in a business context, that monitoring enables employers to observe employees' behaviour. The use of monitoring as a panopticon or a panoptic device is to instill a sense of self-discipline into people in order to increase their productivity. It permits organizations to observe their employees' work routines (Miliken, 2012). Goyer (2005) claims that many employers argue that workplace monitoring, such as video surveillance and electronic entry systems, enables them to safeguard their employees not only from intruders but also from themselves, to protect their assets, and to improve the quantity and quality of their products and services. Roseblant, Kneese & Boyd (2014) maintain that the cameras can also act as safeguards against burglary; locate customer movements for analytics purposes; watch employee behaviour, and pinpoint an area in the store that needs to be tidied up.

Unfortunately, the application of the panoptic theory has been challenged vigorously by scholars who argue that parallels between the panoptic and public sector organisations are overemphasised, unfair and provocative. For instance, Ndahinda & Bosman (2014) argue that the panopticon represents an institution which monitors people, and controls and disciplines them, and its intended outcome is to make individuals obey and comply. Similarly, Reeves (2003) asserts that such surveillance of individuals reduces their privacy and integrity. Another criticism is enunciated by Miliken (2012), who holds the view that surveillance and monitoring compromise one's privacy, stress people, make them sick and increases absenteeism and that monitored individuals display low morale and that such surveillance has a negative effect on productivity. The use of Panoptic surveillance can be seen as equating employees with prisoners who are always visible and are subjected to the observation of the supervisor.

In spite of these criticisms, this paper still argues that the behaviour and attitudes of employees in the Department should be closely monitored and observed by supervisors. The supervisor keeps a record of performance of all supervisees. The supervisees are expected to comply with, to exhibit good behaviour, to perform as dictated in the job descriptions, to observe protocol, and to conform to the work ethic of the Department. Although these criticisms are significant, the application of the panopticon theory as a heuristic tool for public sector human resources has persisted (Goyer, 2005; Ndahinda & Bosmans, 2014; Roseblant, Kneese & Boyd, 2014).

2.2 The goal-setting theory
The goal-setting theory will be used as an analytic lens in this study. This study draws on the work of Locke & Latham (2002) to make the argument that there is an important relationship between goals and performance (Lunenburg, 2011). Locke & Latham’s (2002) emphasis on the relationship between goals and performance is particularly useful in this study’s analysis, as it provides the employees and supervisors of the department with an opportunity to set challenging yet attainable goals during the planning performance phase. To this end, Locke & Latham’s (2002) conceptualization of a goal is productive for grasping how, under the right conditions, goal setting can be a powerful technique for motivating the employees of the organization (Lunenburg, 2011). Locke & Latham’s (2002) work in connection with task performance is also of value for showing that goals direct attention and action, and that
challenging goal mobilize energy and lead to the exertion of greater and more persistent effort (Lunenburg, 2011).

Setting goals has become such a common practice that the majority of human beings have come to accept it. Goal-setting is about a willingness to improve an existing situation. It is about doing things differently. Goal-setting influences behaviour in four different ways: goals direct attention to what is most important, they prompt us into action, they increase our persistence, and they direct strategies and action plans. Goal-setting has many benefits in life because goals motivate people to complete tasks and to improve aspects of their lives (Polson, 2013).

Goals drive human beings’ actions, and without a goal, it is argued, an individual can become directionless and clueless. Locke & Latham (2002) argue that goals refer to future valued outcomes. A goal is an objective, a standard, an aim of some action, or a level of performance or proficiency (Polson, 2013). Lunenburg (2011) believes that a goal may be defined simply as what the individual is consciously trying to do and that there is a strong relationship between goals and performance.

3. RESEARCH DESIGN AND METHODOLOGY
This study uses the mixed methods approach which draws on different traditions with different underlying conventions. It offers the possibility of combining strengths of both qualitative and quantitative research and compensating for the weaknesses of each method. Drawing on Creswell’s (2003) work, a concurrent mixed method design where qualitative and quantitative data were collected and used concurrently.

3.1 Participants
The study drew on multiple sources for data, that is to say, from documents, interviews and questionnaires. The official documents used in this study include those from the government, the Department of Public Service and Administration and the Department of Performance Monitoring and Evaluation. However, much of the data were elicited through interviews and surveys. Six interviews were conducted with purposefully selected participants; two unskilled & skilled (Levels 4-6), two highly skilled production (Levels 7-8), one highly skilled supervision (Levels 9-10) and one middle and Senior management (Levels 11-16). Eighty-three (83) questionnaires were distributed and filled in by 34 unskilled & skilled (Levels 4-6), 26 highly skilled production (Levels 7-8), 15 highly skilled supervision (Levels 9-10) and 8 middle and Senior management (Levels 11-16) who were also purposefully selected.

A high percentage of the respondents (28.9%) had experience of working in the Department ranging from 6 to 10 years. The percentage of respondents who had less than 1 year of experience was 4.8%. The percentage of respondents who had 1 to 2 years’ experience in the Department was 15.7%, while the percentage of respondents who had 3 to 5 years’ experience in the Department was 26.5%. The percentage of respondents who had more than 10 years’ experience was 22.9%. Over a quarter of the respondents (28.9%) were well experienced in their work, a fact which might suggest that they require little supervision.
3.2 Instrumentation
An interview guide based on the broad themes of the study was designed to elicit a deep understandings of the employees regarding the implementation of EMPDS through in-depth interviews. Notes were taken during interviews and a digital audio recorder was also used to capture the summary of the interviews accurately. Based on four broad themes of the study, a questionnaire was designed to solicit the employees' insights into how EPMDS are implemented in the Department. The first theme sought to understand the respondents' general views on the implementation of the EPMDS particularly during the planning phase, while the second theme sought to understand how performance reviews were carried out. The last theme in the questionnaire was designed to glean from employees how performance rewards are used as a power tool to modify workers' behaviour and attitudes. The data collection measurement instrument was a five-step Likert scale where respondents were asked to rate their level of agreement in response to different statements regarding the implementation of EPMDS in the Department where 1 = strongly disagree, 2 = disagree, 3 = somewhat agree, 4 = agree 5 = strongly agree). The Cronbach’s alpha coefficient of reliability was 0.73. The questionnaire also contained open-ended questions where respondents could add any views regarding the implementation of the EPMDS.

3.3 Data collection procedures
Following the permission from Department to conduct the study, the researcher went on to do interviews and surveys concurrently. Questionnaires were hand-delivered to purposefully selected participants and collected later which yielded a 100 percent response rate. This was done concurrently with interviews that sought to understand to understand how the EPMDS was implemented and ways in which to might reflect the panopticon metaphor in altering the behaviour of workers in favour of the employers. Days before these interviews, appointments with the selected participants were made telephonically. The face-to-face interviews took approximately 30 to 45 minutes. These interviews were insightful in capturing the non-verbal responses and body language from the participants and were also audio recorded.

3.4 Data analysis
Quantitative and qualitative data were analysed concurrently. Quantitative data analysis was done based on responses from the closed-ended questions in the questionnaire for employee using SPSS Windows version 21 based on the employee. Crosstabs were used to illuminate the similarities and differences in perceptions of respondents based on biographical variables. The Chi-Square tests were used to compare the views of respondents based on their experience, qualifications and other biographical attributes. Thematic content analysis was used to analyse the in-depth interviews. Data from such interviews were transcribed verbatim and then analysed through pattern matching logic, which ‘compares an empirically-based pattern with a predicted one’ (Yin, 2003:116). Then data were analysed on the basis of the theoretical assumptions of the goal setting theory and the panopticon theory. The purpose was to grasp the nuances of the data by identifying manifest and latent themes and patterns emerging from it. This was done repeatedly and each identified unit was labelled with a code.

4. FINDINGS
The broad aim of the paper is to explore the involvement of workers in the implementation of EPMDS in the Department. The findings in this section are presented in accordance with the
EPMDS cycle which starts with performance planning and ends with performance review. The first objective sought to understand the involvement of workers in the planning phase.

4.1 Performance planning at the KZN provincial Department

Broadly, performance planning includes various tasks such as formulating performance expectations and goals, discussing the objectives and targets of the unit and the criteria to be utilized during the assessment of performance. The formulation of goals is a key stage in the performance management cycle. The respondents were asked if they had formulated performance expectations and goals with their supervisors. Approximately half of those who responded (49.4%) disagreed with the statement that they formulated their performance goals and expectation jointly with their supervisors, and (14.5%) strongly disagreed. 18.0% of the respondents ‘somewhat agreed’ that their supervisors formulated performance goals and expectations with them. A small proportion (13.3%) ‘agreed’; while other respondents (4.8%) ‘strongly agreed’. These perceptions are barely distinguishable from findings that emerged from the interviews. In one of the interviews a respondent remarked:

*No, I do not sit down together with my supervisor to discuss Performance Agreements (PA) and Job Description (JD) and agree on what should be done throughout the performance cycle. I usually do it on my own and submit it to the supervisor. She would sometimes engage me, but only when there is a problem. It might be a good thing to have a discussion of what to do beforehand.* (Participant 2)

Data are sufficient to suggest that supervisors do not organize performance meetings to make sure that employees are clear on what is expected of them during the performance cycle. Overall, the findings indicate that the employees complete the performance agreement forms by themselves without the guidance and coaching of their supervisors. The supervisor becomes involved only when there is a crisis.

A further analysis of the data revealed that a high proportion of the respondents (34.9%) felt that the supervisors were not discussing the objectives and targets of the unit with them. A minority of the respondents (9.7%) ‘strongly disagreed’, while 23 percent of the respondents agreed and 16.9% strongly agreed that their supervisors discussed the objectives and targets of the unit with them. Just below a quarter (15.7%) of those who responded to the question reported that they ‘somewhat agreed’ that their supervisors discussed the objectives and targets of the unit with them. These results indicate that there is a gap in the performance planning of the Department, as the results record a high proportion of employees (34.9%) who contradicted the statement. This implies that the majority of the employees were not well-versed in the strategic goals of the Department, as the objectives and targets of the unit are meant to be aligned with the strategic goals of the Department. Furthermore, respondents revealed that they were not informed of the expectations as shown by one participant in this statement:

*There is limited information about what to expect during performance review because for the past three years I cannot recall having a meeting to discuss performance expectations except to fill out the EPMDS forms. Filling out EPMDS forms is what we are good at.* (Participant3)

These two data items, taken together, suggest that meetings to discuss expectations and standards to be evaluated during performance reviews are exceptions to the rule in the unit, which results in the employees not knowing what to expect during performance reviews. Having
limited knowledge of what to discuss in performance reviews limit the interactions that are meant to take place during the meetings.

4.2 Performance monitoring and development
Following a successful performance planning in the EPMDS, there should be a systematic monitoring of the implementation of the agreed upon work plan. This should involve meeting with supervisors to discuss work progress, identifying shortcomings and providing coaching and mentoring, providing feedback on a regular basis, providing constructive feedback, and convening sharing sessions, which motivate the employee to excel. Unfortunately, most respondents (58%) thought that this was not happening in their department. About 48.2 percent of those who responded to this statement disagreed with it, while some respondents (9.6%) strongly disagreed. Other responses (19.3%) to this statement included those who ‘somewhat agreed’. Less than a quarter of the respondents (18.1%) agreed. A minority of the respondents (4.8%) indicated that they strongly agreed with the statement. Data from interviews affirmed this as interviewees stated that:

I have never sat down with my supervisor to get a report on what I have performed. It is a trend in the public service that you rarely have time to discuss performance. ... As a result, they have limited information about my performance and they are not in a position to recommend workshops that would help advance my career. (Participant 1)

I cannot recall an occasion where we formally discussed performance and highlighted some blemishes [mistakes] that have been committed. (Participant 5)

Taken together, these responses indicate that some supervisors had not internalized their responsibilities of coaching and guiding subordinates under their supervision so that they would develop in their careers. This denotes that there is a gap in terms of providing coaching and mentoring to employees. The coaching and mentoring would be significant in developing the careers of the employees and would assist the Department to deliver on its core functions. Visual analysis of the crosstabs shows that there seems to be a relationship between the respondents and their perceptions but a chi-square test ($\chi^2 = 23.554$, df = 16, $p = 0.1$) showed that there was an insignificant association.

4.3 Performance review and development
The final stage in the EPMDS cycle is the performance review and development. One of the research questions sought to determine the extent to which performance development review achieves its objectives. Ironically, most respondents confirmed that this is the stage they get involved the most. But, how effective is this if employees have not been involved properly in the preceding stages? For instance, respondents were asked if the EPMDS were effective in identifying employees training needs or weaknesses in the light of its developmental purpose. Figure 3 displays their perceptions. Most respondents (52%) did not think that the performance review helped them or the supervisors understand their weaknesses and developmental needs. This is also confirmed by the trendline, which rises steeply towards the negative responses. A further analysis reveals that 42.2 percent of the respondents ‘disagreed’. The highest percentage (15.7%) of those who disagreed were at levels 4 to 6. A small proportion (10.8%) ‘strongly disagreed’ and the highest percentage (4.8%) of those who strongly disagreed were at levels 7 to 8. Less than a quarter (20.5%) of the respondents ‘somewhat agreed’. The highest proportion (6.0%) of those who ‘somewhat agreed’ were at levels 4 to 6, 7 to 8 and 9 to 10. Some respondents (13.3%) ‘agreed’ and the highest proportion (9.6%) of those who agreed were at levels 7 and 8. Some respondents (13.3%) ‘strongly agreed’ and the highest
percentage (6.0%) were at levels 7 and 8. However, their views were not significantly associated with their positions in the Department, as shown by the chi-square test ($\chi^2 = 13.625$, df $= 16$, p $= 0.627$).

In some cases, the study reveals that even in the final review, there are few or no meetings between the supervisors. During an interview, one participant explained:

*For the past 6 years, it has never happened, I do not remember a meeting with my supervisor to scrutinize my work identify strengths and weaknesses and provide necessary feedback.* (Participant 4).

Taken all together, it is clear that the supervisors have not been conducting appraisal meetings where the work of the employee is assessed against expectations; where the supervisor acknowledges the employee’s achievement and shortcomings and recommends how the shortcomings can be corrected moving forward. The upshot of this lack of proper involvement of workers could be the ineffectiveness of the EPMDS.

5. DISCUSSION

5.1 Performance planning in the Department

The first question in this study sought to determine the involvement of employees in the performance planning in the Department. Surprisingly, the findings of the study indicate that workers are barely involved in the performance planning. Another observation that emerged from this study is that the whole process is poorly conducted. Supervisors were not involving employees in the formulation of goals and expectations, employees were not informed about the criteria to be used during the assessment, and supervisors did not assist employees to develop performance development plans. If the argument that EPMDS improves productivity (Mbhanyele 2015) is accurate, poor performance and failure to achieve a unit’s objectives is squarely placed on the shoulders of supervisors to discuss expectations and goals with their subordinates. It has been suggested that supervisors should discuss and involve employees at the critical stage of performance planning (Ammons & Roenigk, 2015). Unfortunately, this does not appear to be the case in this Department in KZN. However, these results are barely distinguishable from Mpanga’s (2009) findings in the Ugandan Public Service who found that the majority of employees were not provided with opportunities to participate and to agree on their performance plans and that the majority of the employees also did not understand the goals of their jobs. The lack of employee involvement in the planning phase of EPMDSs is contrary to what is envisaged in the goal-setting theory. Consequently, this could fuel the panopticon metaphor mentality of the EPMDS as employees become suspicious of its real purpose.

5.2 Performance monitoring and development

Regarding the second question that sought to establish the perceptions of workers regarding the Performance monitoring and development, the findings of the current study reveal that there is poor monitoring and employee development in the Department. The results of this study reveal that feedback is not offered on a regular basis and meetings are not frequently convened to discuss performance as required by theoretical arguments upon which EPMDS is based. More than half of the supervisors in this Department are not coaching and mentoring their subordinates. Failure to provide constructive and continuous feedback and a lack of employees participation in this process could perpetuate the disconnect between the planned EPMDS policy and its outcomes. These findings do not seem to support Pulakos’ (2004) and Taylor’s recommendations that employees should be provided with constructive and regular feedback
and that they should be encouraged to participate in discussions as approximately half of the respondents disputed that supervisors had offered constructive and regular feedback. However, some respondents seemed to agree that the supervisor did offer constructive feedback on a regular basis. A possible explanation for this variation could be different units within which respondents worked. Another possible explanation for this inconsistency may be due to experience and qualifications of the supervisors in different units of the Department.

5.3 Performance review and development
The third research question sought to determine the effectiveness of the different elements of the EPMDS in view of the reported poor implementation. Unsurprisingly, the findings suggest that the EPMDS in the Department did not accomplish much in terms of its developmental aspect. Because of a lack of employee involvement in the planning phase and infrequent or lack of performance monitoring, meetings between the supervisor and employees, the EPMDS fail to highlight the shortcomings and strengths of employees, as the scores recorded in the review forms are not a true reflection of their work performance. Although EPMDS is meant to help identify weaknesses and to aid in addressing those identified weaknesses (Balcioglu & Nihinlola, 2014) this study has been unable to find that this is taking place in the Department. Although this study did not measure the effect of EPMDS on productivity, recent scholarship argues that measuring performance increases productivity and efficiency in an organization but this is difficult to infer how such improvement could take place in the face of poor implementation as reported by respondents of this Department.

6. CONCLUSION
The argument presented in this paper is not so much about the effectiveness of EPMDS in particular or performance management in general. Important as these may be, this paper established the lack of participation of employees in the planning and monitoring stages of the EPMDS illustrated how this may affect its usefulness in identifying training or developmental needs of employees. The parallels between the panopticon and EPMDS could be an exaggeration but this study did establish that a lack of adequate understanding of its purpose leads to unfounded suspicions, particularly at the performance reward stage. Although this paper does not pretend to provide a solution to the issues of poor implementation of EPMDS, it has raised critical questions on its implementation in the Department. This paper challenges the assertion that EPMDS is a neutral tool that seeks to improve performance through, among other things, identifying training needs, which could be the reason for its poor implementation. Not only did this paper offer profound insights into the implementation EPMDS but also provides initial tools for asking more precise questions on its implementation in the South African public sector institutions in general.

REFERENCES


THROUGH CONTINUOUS CPD: PERCEPTIONS OF EDUCATORS IN UMGUNGUNDLOVU
DISTRICT, SOUTH AFRICA

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ABSTRACT
Many institutions have embraced professional development as a way of capacity building in
response to external accountability imperatives. Predicated on an envisaged linear relationship
between CPD and educational outcomes, which assumes that an improvement in teachers’
content and pedagogic knowledge would result in the improvement of educational outcomes,
the Department of Basic Education devotes an enormous amount of resources to CPD. This
paper sought to elicit the understandings of educators regarding the implementation and
effectiveness of CPD in the South African Education system using a case study of
uMgungundlovu District in KwaZulu-Natal. Using a mixed methods approach, the study
conducted in-depth interviews with 15 purposively selected school principals and 100
questionnaire surveys with teachers. The study found that CPD is implemented as an
accountability mechanism with much success. However, a significant number of respondents
reported that they do not use what they learn from such CPD. The findings of this research
provide profound insights for training and development in the public sector. Unless the public
sector adopts a systematic CPD that is informed by needs analysis and facilitated by competent
practitioners, quality education and efficient service delivery will not be attained.

Key Words: professional accountability, professional development, skills development

1. INTRODUCTION
In the face of performativity and external accountability mechanisms informed by a pincer
movement of managerialism and marketized public sector across many countries, various
institutions have turned to CPD as a way of capacitating their employees. The theoretical
argument for CPD in the era of accountability is premised on the argument that compliance
without competence is of no consequence to public service delivery. This is the main basis of
professional accountability, which can be defined as ensuring that professionals are held
accountable for their practices and are held answerable for their professional activities. Their
professional training, ethics and standards, as well as national legislation, should at all times
inform their practice. It is the street-level bureaucrats that are at the coalface of service delivery,

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EL Classification: M53
become obsolete. This implies that dependence on initial training as a mechanism of professional accountability becomes questionable. Drawing on this argument, many institutions have embraced CPD as a way of capacity building in response to external accountability imperatives (Hochberg and Desimone, 2010). Such CPD is often content-focused and targets capacity challenges in the employees. The need to meet external accountability demands through CPD has seen the development and implementation of continuous CPD (CPD) in the public sector across the world. For instance, in South Africa, the Health Professions Council of South Africa (2014) requires ongoing lifelong learning by health officials to update the attributes that underpin competent practice. This, however, is not a recent requirement, as it is a legal requirement of the Health Professions Act of 1974 that required such CPD as a way of promoting public interests and accountability. In the education sector, for instance, CPD receives equal recognition. The South African Council for Educators (SACE), a legally constituted institution that upholds the teaching profession, argues that teachers need to deepen their knowledge in order to be responsive to the dynamic educational needs of the post-apartheid South Africa (South African Council for Educators, 2013). The Department of Basic Education (DBE) placed classroom teacher development at the heart of its curriculum delivery in its 2015 – 2016 Annual Performance Plan (Department of Basic Education, 2015). The case for this is predicated on an envisaged linear relationship between CPD and educational outcomes, which assumes that an improvement in teachers’ content and pedagogic knowledge would result in the improvement of educational outcomes. To that end, SACE cautions that, with time, teachers who refuse to take part in CPD could face punitive action in line with the Code of Professional Ethics.

Despite the enormous effort and resources devoted to the CPD of teachers, the educational outcomes are yet to show any meaningful improvement. For instance, the results of the Annual National Assessment and the Trends in International Mathematics and Science Study (TIMSS) show that there is still no significant improvement in educational outcomes (cf. Wilkinson, 2016). Such outcomes seem to refute the theoretical assumptions that underpin CPD. Although several studies have demonstrated the effectiveness of CPD in improving employees’ competencies and the robustness of the theoretical principles that underpin them (cf. Earley and Porritt, 2014), it is difficult to understand why this has not been the case in the South African education system. Insufficient scholarly attention has been paid to the role of CPD as a mechanism of accountability in both the Nigerian and South African politico-administrative systems. Our knowledge on this is primarily based on speculation since there is a paucity of CPD impact studies in the South African and Nigerian street-level bureaucracy. A deeper understanding of the nuances of the current implementation of CPD that is based on empirical studies is useful as it provides profound insight for evidence-based decision-making tools for its effective implementation as a mechanism of professional accountability.

This study sought to uncover the understandings of street-level bureaucrats regarding the implementation of CPD and its effectiveness in the South African Education system using a case study of uMgungundlovu District in KwaZulu-Natal. Against the conventional assumptions of CPD, the results of this study reveal that there is a cosmic gap between its goals and the actual outcomes in the schools. Drawing on data elicited through surveys and interviews in uMgungundlovu District, this paper challenges the linearity assumptions of CPD. The paper argues that although CPD is used as an accountability mechanism, its relationship with service delivery outcomes is far from being linear. In fact, due to contextual issues such as the
economic status of schools, this the paper demonstrates the complexity of CPD in the South African schools.

Following this introduction, this paper is set up as follows. First, the next section explores the concept of professional accountability in the politico-administrative systems. Second, the paper describes the methodological approach employed to glean the data for the case study. Third, in the fourth and fifth sections of this article, a case study is presented to demonstrate concrete examples of the use of CPD as a mechanism in politico-administrative systems in South Africa. Drawing on the case study, the last sections draw some conclusions and implications of the case study for accountability not just in South Africa, but also in politico-administrative systems in general.

2. CONCEPTUALISING CPD AS A PROFESSIONAL ACCOUNTABILITY MECHANISM
The discourse on the relationship between CPD and professional accountability is not a recent phenomenon. In fact, CPD forms a key pillar of Frederick Winslow Taylor’s (1911) seminal work on *The Principles of Scientific Management*. He argues that “...it follows that the most important object of both the workmen and the management should be the training and development of each individual in the establishment, so that he can do (at his fastest pace and with the maximum of efficiency) the highest class of work for which his natural abilities fit him” (Taylor, 1914:3). In this argument, Taylor affirms the role of training and development without which accountability to performance is difficult. Taylor’s work on scientific management has remained critical in public policy management in theory and practice (cf. Wilkinson et al., 2016). It is against this background that scholars often argue that professional bureaucratic accountability should be predicated on competent staff. However, one of the limitations of Taylor’s work is that it tends to be silent or ignores the initial education and training that workers bring to the workplace. Modern bureaucratic organisations employ people with high level of skills gained from post-school institutions. Notwithstanding this limitation, CPD remains a pivotal pillar of professional accountability due to the dynamic nature of the skills needs in the workplace.

Drawing on Taylor’s work, Herbert Simon, in his influential book, *Administrative Behavior*, explains how CPD is useful in influencing the decision-making processes of street-level bureaucrats. CPD equips workers with information and advice. Simon (1944) argues that such *advice and information* can be used to influence the behaviour of street-level workers. Simon draws a distinction between the hard mechanisms and the tacit mechanism of accountability. Unlike the overt and formal accountability mechanisms, Simon says that advice and information may be viewed as internal public relations for there is no guarantee that advice rendered will be used (1997:12). He adds that information and advice may be used as alternatives to the exercise of authority (Simon, 1944:23). Public organisations seek to improve accountability and control of their street-level bureaucrats through training and CPD (Simon, 1997:13; Simon, 1944:24; Lint, 1988:283). Training constitutes a tacit mechanism of controlling workers and attaining accountability. Simon believes that training, like institutional loyalties and other overt accountability mechanisms, influences decisions “from the inside out” (Simon, 1997:13; Simon, 1944:24). In line with this view, Lint, in his study entitled *Regulating Autonomy: police discretion as a problem for training*, demonstrates how training can be a significant tool in restraining discretion and securing accountability in street-level bureaucrats (Lint, 1998:277).
The CPD narrative is theoretically and pragmatically defensible. Owing to this, many bureaucracies require people to undergo some form of training. Training can be pre-service or in-service. Lipsky (1980:200) concurs and adds, “…on the job training is likely to be more effective than classroom learning experiences because the training is provided in the context of actual problem-solving situations”. New members of an organisation are trained in what is appropriate and acceptable in a way that will guide their future decisions in their organisations. Although training does not force a worker to make any decision, it provides the premises on which to make a decision. Training prepares a member of an organisation to reach a satisfactory decision himself, without the need for constant authority and advice (Simon, 1944:24). Simon’s work provides a strong theoretical argument for CPD. CPD can be effective to the extent that Hardy and Lingard (2008:66) argue that it may lead to restricted professionalism. Arguably, this may be an overstatement considering that most street-level bureaucrats enjoy a significant level of discretion and autonomy in their work, nonetheless, it illustrates the perceived influence of training and development in the workplace. However, there seems to be a dearth of empirical studies to confirm these theoretical positions. Despite this lack of empirical studies on CPD as an accountability mechanism, particularly in Africa, there has been a resurgence of interest in Simon’s work on public policy theory and practice in recent years (cf. Jones, 2017). The case study in this paper demonstrates the perceptions of street-level bureaucrats and their response to CPD.

3. LEGISLATIVE FRAMEWORK OF CPD IN SOUTH AFRICA
The theoretical argument for CPD is convincing and finds expression in a number of pieces of legislation passed by the South African parliament in the post-apartheid era. The pieces of legislation are a clear indication that professional accountability without competence is futile. In 1998, the South African legislature passed the Skills Development Act. The main purpose of this Act was to ensure adequate funding for CPD. It required each employer to ring-fence one percent of its payroll for CPD. The same Act requires all employers, with the exception of the public sector, to contribute towards the Sector Education Training Authority of their sectors. The passing of the Skills Development Levies Act in 1995 followed this. The purpose of the Act was to prescribe how employers could contribute to the National Skills Fund. Before that, in 1994, the parliament had passed the Public Service Act to, inter alia, provide for the establishment of a training institute listed as a national department to provide CPD for public sector workers. Section 4(3) (a) of that Act states that the institution shall provide training or cause such training to be provided. These are just examples of the broad Acts the South African parliament passed to ensure that its human resources do not just conform to the set regulations and goals of the public sector without the requisite competencies. In much detail, the Public Service Regulations of 2001 Part IX on training and education specifies that all public sector employees should be undergoing training geared towards achieving efficient, non-partisan and representative public service. The regulations privilege the training needs analysis that ensures that CPD is strategically linked to the broader objectives of each organisation. Consistent with the professional accountability narrative, the South African parliament seems to realise that compliance without competence does not lead to meaningful accountability. The purpose of this section is not so much about giving detailed explanations of all the policies that underpin CPD nor discuss their merits or demerits. Important as this may be, the section illustrates political will to ensure professional accountability in the South African politico-administrative systems. While it is clear that the case for CPD finds purchase in the policy and legislation in South Africa, there is very little evidence to suggest improved public service delivery. In view of the
strengths of the theoretical assumptions of CPD and the policy and financial support accorded it, it is difficult to understand the gap between policy and outcomes. Critical questions on the implementation processes and participants of CPD need answers. It is against these questions that the paper draws on the implementation of a CPD case study in uMgungundlovu Education District to elicit the views and understandings of teachers, principals and district education officers on CPD as a mechanism of professional accountability.

4. METHODOLOGICAL ISSUES
This paper draws on data that were collected through a mixed method approach in the secondary schools of the uMgungundlovu District, which is in KwaZulu-Natal province (KZN) in the eastern part of South Africa. uMgungundlovu District has 547 schools and about 179 (both public and independent schools) of these are secondary schools, which are also known as high schools.

4.1 Participants
The broader project from which this article emerged used data from multiple sources, that is, from documents, interviews, questionnaires, and observation as well as secondary sources. The official documents used in this study include those from the government, the Department of Basic Education (DBE) and Umalusi. This article draws on data that were collected through questionnaire surveys and interviews. Although the schools were purposively selected, participants for the survey were 100 practicing secondary teachers from schools in the uMgungundlovu District that volunteered to participate. Twenty-five of them were from independent schools (private schools), 48 from former Model C public schools (well-resourced formerly white public schools that are largely funded by a governing body of parents and past students) and 27 from townships public schools. Fifty-five of them were black Africans, 20 whites, 19 Indians, four were coloureds [biracial] while two of them did not indicate their race. Six school principals were purposively selected to participate in the face-to-face interviews.

4.2 Instrumentation
A survey questionnaire was designed to solicit the perceptions of teachers regarding the purposes of CPD as an accountability mechanism. Three broad themes were covered in the questionnaire to gain some insights into how CPD has become increasingly embedded in South African education. The aim of this was to analyse and to deconstruct this mechanism at the level of teachers, schools, and administrators. The respondents were asked how they view CPD as an accountability mechanism for schools, teachers and administrators. The data collection instrument was a five-step Likert scale where respondents were asked to rate their level of agreement in terms of the use and effectiveness of CPD in the South African education system (1 = Never, 2 = Almost never, 3 = Sometimes, 4 = Almost always and 5 = Always). The Cronbach’s alpha coefficient was 0.74. The questionnaire also contained open-ended questions where respondents could express themselves further or add any views regarding the use of high-stake testing. An interview guide was also used to gain some deeper insights into the understandings the school principals had regarding high-stake testing.

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1 Council for Quality Assurance in General and Further Education and Training
4.3 Data collection procedures
Following the granting of permission to conduct the fieldwork by the provincial Department of Basic Education in KwaZulu-Natal and permission from specific schools and the pilot test, the researcher went to schools and explained the purpose of the study to the participants that had volunteered. Questionnaires were hand-delivered to each participant and collected later, which yielded a 100 per cent response rate. This was the advantage of the volunteer sampling method although it does not pretend to represent the wider population. This was followed by the interviews that sought to understand CPD as a mechanism of accountability within the context of marketisation and managerialism. For the interviews, appointments with the selected school principal were made telephonically days before. The face-to-face interviews took approximately 30 to 45 minutes. These interviews were useful, particularly in capturing the non-verbal responses and body language. With the permission of the respondents, the interviews were audio recorded.

4.3 Data analysis
Given that the respondents came from three types of schools, the data analysis was done based on responses from the closed-ended questions in the questionnaire for the educators, which were analysed quantitatively, using SPSS Windows version 21, based on the schools they came from. Crosstabs were useful in illuminating the similarities and differences in perceptions of respondents from different schools. The thematic content analysis was used to analyse responses to the open-ended comments in the questionnaires and interviews. Data from the interviews were transcribed verbatim and analysed through pattern matching logic, which ‘compares an empirically-based pattern with a predicted one’ (Yin, 2003:116). Data were then analysed on the basis of the theoretical framework of the study. The purpose was to grasp the nuances of the data by identifying manifest and latent themes and patterns emerging from it. This was done repeatedly and each identified unit was labelled with a code.

5. FINDINGS
5.1 CPD as a means of enhancing professional accountability
In order to respond to external accountability demands, the DBE has been using CPD and training as a way of making teachers accountable. CPD may take the form of pre-service training and in-service training. To what extent can CPD be related to professional accountability? This question was raised in interviews and the findings are presented here.

CPD and accountability are different sides of the same coin - therefore Umalus and other departments are insisting that teachers should not end with an academic degree but there is a need to have a professional qualification and continuous development (Pr1).

If the department was doing proper training and the development of teachers – I mean if I get trained to function properly I can be held accountable to function properly. But if I am not trained properly and come along you ask me why I am not doing this like it should be done. … In another way, I don’t think the department should hold the teachers entirely responsible. It is the department that has not done its job properly in terms of CPD and training (Pr3).

Accountability and training are linked. Training of educators should most definitely involve the adoption or internalisation of ethical standards, responsibility, and accountability (Pr14).
It was quite clear from these interviews that CPD was seen as linked to professional accountability. All the respondents acknowledged the crucial role of staff development in professional accountability. Pr11 highlighted the importance of continuous staff development well after teachers have attained their professional qualifications. This data also revealed that the DBE is instituting a sub-directorate for teacher development. The data has also shown the belief that educated and qualified teachers are likely to perform effectively because of the acquired professional competence. The next section will consider the role of CPD in uMgungundlovu District.

5.2 Use in the classroom of knowledge learned from CPD
Observation showed that at times teachers did not attend the formal CPD workshops out of the desire to learn but rather as a duty. Because of this, some teachers did not apply what they learnt from such workshops. Teachers were asked about this with specific reference to formal workshops and the results are presented in Table 1.

Table 1 Use of knowledge acquired from formal CPD workshops by teachers, according to the type of school

<table>
<thead>
<tr>
<th>Type of school</th>
<th>Formal (workshops and training)</th>
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<tbody>
<tr>
<td></td>
<td>Never</td>
<td>Almost never</td>
<td>Sometimes</td>
<td>Almost always</td>
<td>Total</td>
</tr>
<tr>
<td>Independent</td>
<td>2</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>24</td>
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<tr>
<td></td>
<td>8.3%</td>
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<td></td>
<td>33.3%</td>
<td>24.2%</td>
<td>25.0%</td>
<td>21.4%</td>
<td>24.2%</td>
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<tr>
<td>Public former Model C</td>
<td>2</td>
<td>19</td>
<td>14</td>
<td>13</td>
<td>48</td>
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<tr>
<td></td>
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<td>29.2%</td>
<td>27.1%</td>
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<tr>
<td></td>
<td>33.3%</td>
<td>57.6%</td>
<td>43.8%</td>
<td>46.4%</td>
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<tr>
<td>Public township</td>
<td>2</td>
<td>6</td>
<td>10</td>
<td>9</td>
<td>27</td>
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<td></td>
<td>7.4%</td>
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<td>33.3%</td>
<td>18.2%</td>
<td>31.3%</td>
<td>32.1%</td>
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<td>Total</td>
<td>6</td>
<td>33</td>
<td>32</td>
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<td>99</td>
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A small majority (33.3%) of all the respondents indicated that they ‘almost never’ used what they learned from formal professional development workshops and 32.3% that they did so ‘sometimes’. 28.3% rated this as ‘almost always’ the case while a small proportion (6.1%) thought that they ‘never’ used knowledge acquired from formal professional development workshops. Although the number of negative response was considerable, most teachers indicated that they did apply in the classroom what they learn from workshops. Further analysis indicated that 25% of respondents from independent schools indicated that they ‘almost always’ used knowledge learnt from the professional development workshops, 33% suggested that they did so ‘sometimes’ while another 33.3% felt this was ‘almost never’. 8.3% of respondents from these schools were 33.3% of all respondents who indicated that they ‘never’ use what they learn from the workshops.
Turning to respondents from former Model C schools, 27.1% felt that they used what they learn from workshops ‘almost always’ (46.4% of all such respondents), 29.2% rated this as ‘sometimes’, 39.6% said they ‘almost never’ did so (57.6% of all respondents who held such a view). Only 4.2% said they ‘never’ use what they learn from formal professional development workshops. The response from former Model C schools was largely negative. This is despite the fact that some of the workshops are facilitated by teachers from such schools [noted during observation].

With regard to respondents from public township schools, 33.3% indicated that they used what they learn from formal professional development workshops ‘almost always’ and a small majority (37%) that they did so ‘sometimes’, while to 22.2% it was ‘almost never’ the case. 7.4% believed that they ‘never’ use anything they learn from formal professional development workshops. In general, the response from these schools was positive. It is apparent that most respondents apply what they learn from formal professional development workshops. However, the proportion of teachers who did not use what they learnt from formal professional development workshops was significantly high, bearing in mind the value and resources spent on them.

5.3 Perceived effectiveness of CPD workshops
The respondents were asked about the effectiveness of different CPD workshops in enhancing professional accountability among teachers. CPD workshops were classified according to the areas, knowledge or skills they intended to develop among teachers. Findings showed that a small majority (37.2%) of all respondents indicated that CPD aimed at subject content knowledge was ‘effective’ in promoting professional accountability, 32.1% that it was ‘very effective’ and 15.4% that it was ‘extremely effective’. A small proportion (7.7%) rated this as ‘slightly effective’ and 1.3% (one respondent) believed that it was ‘not effective at all’. Generally, this factor received a positive response from all respondents. Further investigation revealed that 46.7% of respondents from independent schools suggested that CPD aimed at subject content knowledge was ‘very effective’ (28% of all respondent who took such a view), 20% that it was ‘extremely effective’ (25% of all such respondents) and 20% that it was effective (10.3% of all those who held such a position). Only 6.7% rated this as ‘slightly effective’. On the whole, respondents from these schools gave a positive response to this question. A small majority (39%) of those who were surveyed in the former Model C schools rated the CPD workshops based on subject knowledge as simply ‘effective’ (55.2% of such respondents), 24.4% as ‘very effective’ and 17.1% as ‘extremely effective’ (58.3% of all respondents who held such a view). 7.3% believed that it was ‘slightly effective’ and 2.4% that it was ‘not effective at all’ (100% of all such respondents). Most respondents from these schools identified CPD that focused on subject content knowledge as beneficial in enhancing professional accountability. Turning to the public township schools, a small majority (45.5%) of respondents indicated that CPD aimed at subject content knowledge was ‘effective’, 36.4% rated this as ‘very effective’ and 9.1% as ‘extremely effective’ (16.7% of all such respondents). Only 9.1% of these schools felt that it was ‘slightly effective’. Like respondents from other types of schools, respondents from these schools also identified subject content knowledge as crucial in enhancing professional accountability. It is apparent that regardless of the type of school in which the respondents were situated, they all identified CPD that was subject-based as effective in enhancing professional accountability. However, those from independent schools rated the effectiveness more highly than those from other types of schools.
6. DISCUSSION
6.1 The use of CPD as an accountability mechanism

This study has established that the DBE has used training and staff development as a tacit way of securing accountability among educators in uMgungundlovu District. All respondents reported that they had attended various workshops and seminars relating to staff development. This finding seems to draw on Simon’s (1997:308) assertion that, “the behaviour of a rational person can be controlled if the value and factual premises upon which he bases his decisions are specified for him” (1997:308). To that end, Simon argues that “influence is exercised through control over the premises of decision-making” (1997:308). Simon argues that “when persons with particular educational qualifications are recruited for certain jobs, the organisation is depending upon this pre-training as principal means of assuring correct decisions in their work”. This view is barely distinguishable from Lipsky’s observation and recommendation for minimum qualification for entry into teaching (Lipsky, 1980:201).

Staff development and training are used in uMgungundlovu District to equip educators with the requisite skills, knowledge and competence to meet external accountability demands. This is a clear sign that training is an important component of accountability, as noted by Simon (1944:24; 1997:13) who avers that training influences decisions “from the inside out”. Simon further asserts: “training prepares the organisation member to reach satisfactory decisions himself, without the need for constant authority or advice” (1944:24). Put another way, training is an alternative to the use of authority as a means of controlling street-level bureaucrats. Another reason put forward by Riccucci (2005:87) is that “by setting up workshops with managers and staff to discuss the consequences of various behaviours, professional staff is able to see the broader picture of the actual services delivered by their organisation".

When it comes to in-service training, street-level bureaucrats may be given this (such as that carried out in uMgungundlovu District) during school holidays or weekends to enable teachers to perform their task with less supervision. In essence, training provides the street-level bureaucrats with a “frame of reference for thinking” (Simon, 1997:13). This is hardly distinguishable from the minimum qualifications demanded by SACE for a teacher to register as a professionally qualified educator, as discussed earlier.

6.2 The effectiveness of training and CPD

Empirical evidence from this study affirms the theoretical arguments of CPD. The interesting finding in this study was that, generally, most respondents said that the workshops and training were very effective in making them more capable in different CPD. This was not surprising since such findings have been recorded elsewhere. For example, a study of in-service training in Jerusalem’s secular elementary schools revealed that children’s achievement in reading and mathematics improved significantly (Angrist and Lavy, 2001:365). This is also in line with Ngidi’s findings on an evaluation of the Post Graduate Certificate in Education in South Africa (NPDE) in which 70% of the respondents reported a considerable improvement in the effectiveness of their development, which, moreover, was not related to the school or level of qualification of recipients (Ngidi, 2005:37).

However, there was a small proportion of respondents who reported that CPD was not effective. Those who were negative about the effectiveness of workshops also complained about the competence of workshop facilitators and/or the timing of such workshops. These findings are
consistent with Ngidi’s (2005) findings, which also reported that about 30% of the respondents did not find the in-service training effective. Even in Jerusalem’s religious schools, the in-service training was reported to be ineffective, albeit for other reasons that were not related to religion and the main one being the duration of training (Angrist and Lavy, 2001:365). This is not to suggest that CPD is not effective. Rather, the point is that such training must be systematic and informed by properly identified training needs.

Taken together, professional accountability in uMgungundlovu District was both internal and external. Based on their professional training, teachers were expected to make independent judgements about learning in their classes. The SMTs accorded them professional autonomy. What this study concluded is that holding street-level bureaucrats accountable to the goals of the DBE was not an easy task. It required various actors and different mechanisms of accountability in a combined effort. However, it was also seen at times that educators did not have the requisite skills to comply. To address this challenge, professional accountability played a key role in influencing educators’ decisions without resorting to the use of authority through CPD.

7. CONCLUSION
Professional accountability can be viewed as a softer way of holding street-level bureaucrats accountable to the objectives of an organisation. This paper has established that DBE was playing a critical role in enforcing such a form of accountability in uMgungundlovu District. This study has demonstrated that, in order to promote such professionalism, teachers were often targets of CPD programmes. A majority of respondents who apply what they learn from such workshops highlighted its positive effect. Although most respondents had positive views of CPD, its relation with stated outcomes seemed to be far from being linear. A significant number of respondents noted that they rarely use or apply what they learn from such workshops. The importance of CPD in professional accountability stems from its ability to influence the decisions of street-level bureaucrats from the inside out. The findings of this study might have important implications for strengthening professional accountability as a means of securing compliance among educators without resorting to the exercise of authority. Policy makers and education administrators can draw lessons from the realisation that CPD could foster an intrinsic motivation to accomplish their tasks. Further implications relate to the role of human resources managers in identifying training needs and designing appropriate and effective training programmes. Although this study may be limited in terms of a small sample and limited geographical area, it sets an important initial step towards understanding the nuances of CPD as means of accountability and can be used as a springboard for further research.

7. REFERENCES


MARKET INTELLIGENCE FROM THE INTERNET: AN ILLUSTRATION USING THE BIOMASS HEATING INDUSTRY

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ABSTRACT
Extant research on marketing strategy suggests that most companies underuse web intelligence, publicly available data on the Internet are considered hard to access and analyze. This paper demonstrates how biomass home heating businesses can utilize the Internet for data collection and business insights. Market structure of the biomass heating industry was identified using the Google Correlate algorithm. The production rule ‘that newer the product the higher is consumer search for the product’ was operationalized using the correlates of the concept ‘home heating equipment’. Intra-industry competition was assessed using Google’s brand impression analysis, and firm behavior and performance were modelled using a differential equation relating product sales to marketing expenditures. Empirical analysis reveals that: the product form “biomass home heating” is growing, pellet stoves and fireplace inserts top the lists of “stove” searches, there are two competitive clusters of biomass firms and the marketing spending for the industry is well below its optimum needed to increase and maintain sales.

Keywords: market Intelligence; biomass home heating, US biomass markets, marketing optimization; differential equations.

JEL Classification: M-M3-M31.

1. INTRODUCTION
Rapid changes in political, economic, social, and technological domains are impacting businesses around the globe. Global economic growth has slowed to an annual average of 2.1%, a 42% decline from the 2010 average (IMF Research Bulletin, 2016). In this competitive economy, winning companies utilize specific capabilities such as market research to understand and invest in pockets of growth. For example, research by Matsuyama (2017) suggests that companies that outperform peers in categories in which they compete invest considerable time and effort to acquire market structure information and simulate the impact of competitive strategies on firm performance.

Newer options in market research are making the task of gathering market intelligence less burdensome, machines can scan millions of documents on the Internet to generate relevant data and reports. For example, at Clearwell Systems, a Silicon Valley company that analyzes legal documents for pretrial discovery, machines routinely scan millions of documents on the Internet to retrieve data that are relevant for upcoming trials (Zimmerman and Blythe, 2017). Yet most businesses, specifically small businesses, tend to stick to off-the-shelf methods of data
collection and thus fail to gain better competitor and consumer insights (Forsyth and Boucher, 2010; Llave, 2017).

This paper demonstrates how the Internet can be used to gather market intelligence for a business; the biomass heating industry in the US is the unit of analysis. The need to study biomass home heating stems from its potential for growth, unlike fossil fuels biomass heating neither strip resources from the earth nor contribute to pollution and climate change (Athiyaman, 2018; Bullock and Yu, 2016; Gershoff and Irwin, 2012). Furthermore, scientific advancements in synthetic biology is expected to double biofuels usage globally, from its current 2% to 4% by 2020 (Manyika et al., 2013).

1.1 What is biomass?
Biomass is any organic matter – wood, crops, seaweed, animal wastes - that can be used as an energy source. According to the Energy Information Administration (EIA), biomass constitutes slightly more than 5% of the total US energy production. About 50% of the biomass used today for energy production comes from burning wood and wood scraps such as saw dust. According to the American Community Survey, one-in-ten households in the nation burn wood for heating, but few use wood as the only source of heat. Fireplaces, wood/pellet stoves, and outdoor wood boilers are the common heating appliances used at homes. Although most homes burn split logs or cordwood wood pellet use is on the rise. Geographically, households in the Northeast states rely on biomass heat the most. Socioeconomically, while low-income households do burn more wood, it is the upper income households that use most fireplaces and woodstoves (EIA data on renewable energy consumption by sector and source).

1.2 Conceptual Framework
In business, customers are won by fending off competitors. Hence, without proper understanding of both customers and competitors - market intelligence - a business cannot succeed or gain competitive advantage. This is why competitive advantage is defined as a business leveraging a benefit valued by customers that is not easily copied by competitors (Qureshi, 2017; Rossiter, 1996).

How could we gain insights into competitive and consumer behavior? The ideas of Schumpeter (1939) and Fusari (2016) on innovation and business cycle: that product innovation drives competition, can be used to garner insights into competitive behavior. Marketing theory offers insights into consumer behavior.

2. COMPETITIVE BEHAVIOR
When a business creates a new product often other companies in the industry each offer an improved product. This behavior results in “innovations clusters” and consumers respond by buying the innovations (Schumpeter, 1939; Howard, 1989; Lambert, Mattson and Dorriere, 2017).

The concept of product life cycle (PLC) can be used to capture these ideas (Day, 1981; Steinhardt, 2017). PLC postulates four distinct stages in the life of a product: introduction, growth, maturity, and decline. Schumpeter’s “new product” gets introduced in the marketplace. Soon competitors follow, each trying to introduce a better product: the period of “growth” in PLC terminology. In time market saturation or maturity is reached.
The classic PLC holds almost universally for product classes, and very well for product forms (Kotler, 2017). As a product form, biomass was the primary fuel for heating and cooking at homes in the 1860s (Bracmort, 2015). In the early 1900s coal was the preferred mode of heating for city dwellers, the country households stayed with biomass for heating and cooking. In the 1950s electricity and natural gas replaced most biomass and coal usage at homes across the US. Starting in the 1970s biomass heating became popular again due to high world energy prices. Since then biomass home heating has been steadily on the rise, market potential calculations suggest vast potential for growth in certain segments of the population (Athiyaman, 2015a). Note that the form of biomass heating in the 1860s is not the same now, then it was trees and shrubs burnt in fire pits and now it is cordwood and pellets fired in central-air furnaces and stoves. To this supply-side explanation we now add demand or consumer behavior explanations.

2.1 Consumer behavior: Marketing theory
In marketing, consumer behavior is often categorized into three decision stages: (i) extended problem solving (EPS), (ii) limited problem solving (LPS), and (iii) routinized response behavior (RRB) (Howard 1989; Rossiter and Percy, 1997). Each of these stages of decision can be related to a stage of the PLC. For instance, in EPS consumers have much to learn about a product. This learning is the result of consumer encountering a marketplace innovation that is in the introductory stage of its lifecycle. As more new products or variations of the innovation appears in the marketplace consumers become familiar with the product and hence demand much less information — corresponds to LPS in consumer behavior and the growth stage in the PLC. Finally, all consumers become familiar with the products and their behavioral response to the purchase of one or more products become routine: this depicts the RRB of the consumer and the mature stage of the product in the PLC.

2.2 Framework for market intelligence
Since PLC captures both demand and supply side of an industry, we employ it as a framework to garner market intelligence. Based on the industrial organization’s market-structure approach we posit that a product’s position in the PLC defines the state of the industry or industry structure, and this leads to certain competitive behavior on part of the company and its market performance (Aslan, 2017; Bain, 1968).

Marketing expenses in the introduction stage are typically high – a high level of advertising / sales promotion is needed to make people aware of the “innovation” or the newly introduced product and to communicate its benefits for potential buyers’ considerations. This trend of high marketing spending continues during the product growth phase; hits a ceiling during maturity, and declines to a minimal during the “end” stages of the product (Lukas et al 2017; Rossiter, and Percy, 1997).

2.3 Methodology
We employ Google’s search refinement operators and lesser-known features such as “stemming” to gain market intelligence about biomass home-heating products. In line with established search practices (Barker et al 2012) we begin with a basic search by arranging the search words in order that they are likely to appear in the web pages. For example:

- **biomass home-heating product**
Note that a hyphenated word search will also yield pages with the unhyphenated version. Next, we add to the basic search Boolean operator ‘OR’ to recognize that pages may refer biomass product as biomass equipment:

- **biomass home-heating product OR equipment**

To prevent Google from matching variations of the search words (stemming) we enclose the first three words in double quotes:

- **“biomass home-heating” product OR equipment**

However, since home heating is synonymous with residential heating and house heating, we request search for such synonymous words using the tilde operator, “~”:

- **“biomass ~home-heating” product OR equipment**

To this basic search, we add several other refinements:

(i) **site:** Since only governments and companies publish information about biomass heating products we limit our search to “.gov, .com, and .org” domains;

(ii) **fieltype:** Often company or industry data are published in pdf or xls / xlsx format. Hence we restrict our search to documents with these extensions;

(iii) **alilntitle:** as a variation to the basic search we request Google to search for all these words in page titles:

- biomass home heating

(iv) **daterange:** we also restrict the search results to pages added or updated since 2000;

(v) **related:** to build a list of industry associations similar to pellet fuels institute, for example, we use the related operator:

- related:http://www.pelletheat.org

(vi) similarly, we explore webpages linked to biomass industry associations using the “link” operator, for example,

- link:http://www.pelletheat.org

While the above search strategy is expected to yield publicly available pages, we also probe confidential industry documents using both ‘fieltype’ and ‘daterange’ operators:

- confidential "biomass heating" report fieltype:pdf 2009..2014 u.s.a. | usa | u.s.a. | united states | america.

Another unavailable industry-source-of-information is Forrester Research Reports. These reports typically cost around $2,000. In spite of this prohibitive cost some of these reports could have found their way online, albeit by accident uploading of the report by a genuine purchaser or customer of Forrester. To find such reports we make use of the fact that two words often appear in Forrester Reports: grapevine and endnotes (Spencer, 2011). Specifically, using the ‘fieltype’ operator, we search for:

- forrester research grapevine endnotes fieltype:pdf

### 2.4 Google Tools

In addition to document searches we also utilize:

(i) Google Ngram Viewer: it lets one to visualize the frequency of word(s) usage in books over the last 200 years; this measure is a proxy for “popularity” of a concept (product form, product type, brand, etc.). We deploy this tool to assess the popularity of the product form ‘biomass home heating’ and product types such as wood stove and pellet stove.

(ii) Google Trends: It analyzes “search” proportion of search terms; for example, the proportion of “biomass” search as compared to all search terms.
Google Correlate: We utilize this algorithm to visualize the correlates of biomass search terms across the US. The application’s URL is: http://www.google.com/trends/correlate/

Google Public Data Explorer: We utilize this application to view macro indicators of biomass heating: for example, combustible renewables as percentage of total energy in the US, and

Google Think Insights: We use the “Brand Impression” tool to track pictures, words, and actions related to biomass thermal energy.

2.5 Results
The Internet search for biomass heating should be optimal, the results should be the best that could be obtained by the search. To achieve the optimum we utilize WordNet and semantic similarity measures. WordNet is a semantically oriented dictionary of English that is part of the Python NLTK module (Cocos et al., 2017). WordNet defines biomass as ‘plant materials and animal waste used as fuel’. Based on the notion of lexical relations, that concepts are related in superordinate / subordinate structure (cf. the spreading activation model in cognitive psychology), various similarity measures have been calibrated (Saravanakumar, 2014). One such measure is path similarity; it assigns a score in the range of 0-1 based on the shortest path that connects the concepts in the hierarchy. Comparing a concept with itself will result in a perfect score of 1. For example, WordNet’s definition of biomass includes the concept ‘fuel’ and this association produced a similarity score of 0.5. Biomass and product produced a 0.1 score; biomass and heater had a 0.09 score (Table 1). Using the logical process of induction by enumeration we conclude that collocations ‘biomass home-heating product’ would produce the best search engine results.

<table>
<thead>
<tr>
<th>Semantic Similarity</th>
<th>Path Similarity Score</th>
<th>Google Hits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomass and fuel</td>
<td>0.5</td>
<td>415,000</td>
</tr>
<tr>
<td>Biomass and product</td>
<td>0.1</td>
<td>87,900</td>
</tr>
<tr>
<td>Biomass and heater</td>
<td>0.09</td>
<td>17,100</td>
</tr>
</tbody>
</table>

Table 1: Google Hits for Collocations: Biomass Home-heating Product

The basic search with the tilde operator resulted in 79,600 hits. However, with the application of ‘sites’ and ‘filetype’ criteria only seven pages had unique or unduplicated information, and these were largely product ads and brochures. To gain better, more focused search results, we explored Google tools.

2.6 Industry Structure
The conceptual model based on the industrial organization’s market-structure approach suggests that industry subsumes products, for example, SIC code 3433 includes all heating equipment products except electrical ones. In general, products are functional-need satisfiers (Abell, 1980) albeit with different technologies (for example, outdoor hydronic heating systems, indoor pellet furnaces, etc.). To gain insights into the life stages of differing biomass heating equipment we implemented the Google Correlate algorithm. Based on the notion that newer the product higher is consumer search for the product (cf. Howard’s (1989) EPS model), we looked for correlates of home heating. The term ‘stoves’ exhibited one of the largest correlations with ‘home heating’, the correlation coefficient was 0.93. Next, we examined the correlations for “stoves”. This run produced 90 relationships each with greater than a 0.8 correlation coefficient.
Table 2 categorizes these relationships either as a product form (for example, biomass, fuel oil, etc.), product category (for example, wood stove, pellet furnace, etc.) or manufacturer / brand (for example, Lopi Stoves). The correlations in Table 2 reveal that:
(i) Biomass form of home heating is growing;
(ii) Pellet stoves and fireplace inserts top the lists of "stove" searches, and
(iii) Lopi Stoves is the top-ranked and sought-after manufacturer of home heating equipment.

The correlations, when interpreted within a consumer-information-processing framework such as the target-audience’s learning framework discussed by Rossiter and Percy (1997) reveal that ‘pellet stove’ is in the growth stage and biomass furnace is in the introductory stage of its life. This categorization is based on the reasoning that ‘more product awareness leads to more search’ (cf. the Attention → Learning framework of Rossiter and Percy (2013)). Since more product awareness occurs during the growth stages of the product the “search correlations” in Table 2 can be thought of as indicating product’s life-stages: the lowest ranked correlation in the product category, wood/gas fireplaces is the mature product, and the highest ranked correlation (wood / pellet furnaces) is in the introductory stage. This “pattern discovery”, or association rule as Agarwal et al (2001) put it was validated by industry experts at the Pellet Fuels Institute's Annual Conference in 2014 (Athiyaman, 2014).

Table 2: Correlates of ‘Stove’

<table>
<thead>
<tr>
<th>Category</th>
<th>Level</th>
<th>Strength of Correlation</th>
<th>Lifecycle Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product form</td>
<td>Biomass</td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fuel oil</td>
<td>.92</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coal</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electric / Gas</td>
<td>.84</td>
<td></td>
</tr>
<tr>
<td>Product Category</td>
<td>Wood / pellet furnaces</td>
<td>.90</td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Wood and pellet stoves</td>
<td>.89</td>
<td>Growth</td>
</tr>
<tr>
<td></td>
<td>Wood / gas fireplaces</td>
<td>.87</td>
<td>Mature</td>
</tr>
<tr>
<td>Brand (Top three stoves; see Appendix 1 for complete listing of brands)</td>
<td>Lopi Stoves</td>
<td>.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quadra-Fire</td>
<td>.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jotul</td>
<td>.93</td>
<td></td>
</tr>
</tbody>
</table>

2.7 Intra-Industry Competition

Competition among firms occurs when customers regard certain products and/or brands as close substitutes or purchase alternatives. To identify competitors in the wood/pellet-stove category and wood/pellet-furnace category we employed a distance-and-similarity measure. Specifically, based on the principle that competition is intense among firms with strong brand presence: brand presence is analogous to consumers’ brand awareness concept (Biel, 1990)), the brands listed in Appendix 1 were submitted to Google’s “brand impression” analysis. The
resulting brand-visuals-metrics - the most viewed YouTube video of the brand – were scaled for brand-pair similarity using the formulae:

\[ d_{ij} = \sqrt{(x_i - x_j)^2} \]

where, \( x \) is the number of views each for brands \( i \) and \( j \).

A subsequent hierarchical clustering of \( d_{ij} \) resulted in two competitive clusters each for the wood/pellet stove category and the wood/pellet furnace category (Maddala and Lahiri, 1992). On average, competitive cluster 2 firms were larger in size than cluster 1 firms (Appendix 1).

2.8 Firm behavior and performance

The google search “confidential "SIC 3433" report filetype:pdf” took us to the Annual Manufacturing Survey (AMS) website. A search for SIC 3433 in the AMS website produced the information needed to construct firm behavior and performance metrics for small and large firms (Table 3).

**Table 3: Competitive Behavior (SIC: 3433: Heating Equipment, Except Electric)**

<table>
<thead>
<tr>
<th>Competitive Cluster</th>
<th>1 (Small Firms)</th>
<th>2 (Large Firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Materials Cost (proportion of Sales)</td>
<td>.4</td>
<td>.54</td>
</tr>
<tr>
<td>Direct Labor Cost</td>
<td>.047</td>
<td>.057</td>
</tr>
<tr>
<td>Gross Profit (Margin)</td>
<td>.59</td>
<td>.31</td>
</tr>
<tr>
<td>Advertising / Marketing</td>
<td>.005</td>
<td>.005</td>
</tr>
<tr>
<td>EBT</td>
<td>.044</td>
<td>.039</td>
</tr>
</tbody>
</table>

*Source: 2016 Annual Survey of Manufacturers.*

2.9 Discussion

Here is the Internet-driven market intelligence for biomass home heating:

✓ The ‘pellet stove’ product category is in the growth stage of its life and biomass-furnace category (central heating) is in the introductory stage of its life.

✓ Customers regard Jotul and Whitfield wood/pellet stoves as purchase alternatives;

✓ Breckwell and Woodmaster biomass furnaces are perceived as substitutes;

✓ Analysis of performance reports for SIC 3433 suggests a low 0.5% industry expenditure on advertising / marketing.

For products in the introductory or the growth stage of life cycle, not only must the product be readily available, but the buyer must be aware of the product and its benefits. Given a 0.5% sales-to-advertising ratio for SIC 3433 it is doubtful that customers are being educated about biomass home heating.

What should the advertising / marketing expenditure be for the products? Sethuraman and Tellis (1991) posit that the average advertising elasticity for durable product is 0.23. Our interest is in assessing the sales-response of biomass-residential-heating industry’s marketing spending. So we employed a dynamic sales-response model of the Vidale-Wolfe (1957) form:

\[
\frac{dQ}{dt} = \frac{rX(V-Q)}{V} - \lambda Q
\]

where \( Q \) = sales volume expressed in monetary terms;

\[
\frac{dQ}{dt} = \text{change in sales at time } t; \ X = \text{marketing spending};
\]

\( V = \text{market volume or potential in monetary terms;} \)
$r = \text{sales response constant, and}$
$\lambda = \text{sales-decay constant.}$

The model was calibrated using HPBA’s industry data (hearth shipment statistics for the US), market potential data from Athiyaman (2015a), and industry marketing expenditure data from ASM. Table 4 shows data sources and sample values of variables.

**Table 4: Data for Sales Response Model**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sample Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>$30.3\text{mil}$</td>
<td><a href="http://www.census.gov">www.census.gov</a></td>
</tr>
<tr>
<td>V</td>
<td>1,432,390 units</td>
<td>Athiyaman (2015a)</td>
</tr>
</tbody>
</table>

Results of model run suggest a parameter estimate of 10.62 for $r$, the monetary or $\$\text{ value of sales response.}$ The optimal marketing spending required for the sale of 1.43mil units was calculated by setting:

\[
\frac{dQ}{dt} = 0
\]

The results suggest that the industry has to increase their marketing spending to a tune of $16.83 \text{mil}$ from its current spending of $30.5\text{mil}$.

Extant research on business use of market intelligence suggests that companies seldom act on market intelligence (Stephenson and Pandit, 2008). Given the positive impact of marketing spending on industry profits it is hoped that biomass home heating companies will act on the intelligence; the mismatch between industry’s current marketing expenditure and desired marketing expenditure is 55%.

**3. SUMMARY AND CONCLUSION**

A unique feature of this work is the exclusive use of Internet to gather intelligence about the industry. Web business intelligence has two components: content acquisition and knowledge creation (Choo et al 2013). This paper shows how Google Tools can help in information retrieval for industry analysis. Although this is a simple, manual gather – web pages and documents were downloaded by the author, this method gives the highest precision since only relevant information is downloaded (Srivastava and Cooley, 2003). Regarding knowledge creation, we used statistical tools such as clustering to gain insights into industry conduct.

Business decisions won’t get any better without deep market insights. Biomass home heating industry must be open to experimentation to better manage their product lifecycle. Companies prepared to experiment with the strategy(s) recommended in this paper will have the opportunity to gain competitive advantage.
### Appendix 1: Product Category and Brands

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Brand</th>
<th>Competitive Cluster</th>
<th>Brand Impression Score</th>
</tr>
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https://www.imf.org/External/Pubs/FT/irb/2016/01/index.pdf [Accessed May 9, 2018].


ABSTRACT
The Constitution of the Republic of South Africa provides that everyone has the right to access to justice. The Consumer Protection Act 68 of 2008 (hereafter “the CPA”), must adhere to the Constitution and it is therefore necessary to establish if the CPA promotes the realisation of the constitutional right of access to justice and if its regulation of dispute resolution procedures can be improved. The CPA meets the constitutional requirements of access to justice however disputes are not resolved expeditiously and effectively in terms of the various dispute resolution procedures created by the CPA. The peculiarities of the governance and economic system of South Africa will be compared to that of England since consumer protection legislation in the United Kingdom has been developed over many decades and the CPA is modelled on European Union directives.

Key Words: Consumer protection; alternative dispute resolution; Constitution of the Republic of South Africa

JEL Classification: K41

1. INTRODUCTION
Consumer protection is becoming increasingly important in modern society and especially in South Africa where a sector of the population is vulnerable to exploitation. The Constitution of the Republic of South Africa (hereafter “the Constitution”) stipulates that everyone has the right to access to justice -entrenched in the Bill of Rights. The right of access to justice may be limited in accordance with the provisions of section 36 of the Constitution, when the limitation thereof is reasonable and justifiable in the given circumstances.

The Consumer Protection Act 68 of 2008 (hereafter “the CPA”) as enacted in a constitutional democracy, must adhere to the Constitution and in this regard the CPA itself makes mention, in its preamble, of the necessity to develop and employ innovative means to ensure accessible redress for consumers. It further states, in section 3(1)(a), that one of the purposes of the CPA is to establish a legal framework that is, amongst others, accessible (Chirwa, 2013:870).

2. Constitutional principles pertaining to access to justice in South Africa
2.1. Section 34
Section 34 of the Constitution under the heading “Access to courts”, provides that:
Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum.

Various other provisions in the Constitution find application when considering the ambit of section 34. Section 1(c) provides that South Africa is founded on the values of the supremacy of the Constitution and the rule of law and, according to section 8(3), courts must apply and develop the common law to give effect to the Bill of Rights. In terms of section 165(2) the state has to assist and protect the courts in order to ensure, amongst others, accessibility and effectiveness. Section 173 states that the Constitutional Court, the Supreme Court of Appeal and the High Courts must protect and regulate their own processes, and section 174(1) provides that appropriately qualified persons, who are fit and proper for the position, be appointed as judicial officers.

As is the case with all rights entrenched in the Bill of Rights, the right of access to justice may be limited, in accordance with the provisions of section 36 of the Constitution, when the limitation thereof is reasonable and justifiable in the given circumstances (Mupangavanhu, 2012:319).


3.1 Section 69

Section 69 of the CPA provides for access to justice when consumers feel aggrieved. The section determines as follows:

69. Enforcement of rights by consumer. – A person … may seek to enforce any right in terms of this Act …, or otherwise resolve any dispute with a supplier, by –
   (a) referring the matter directly to the Tribunal, if such a direct referral is permitted by this Act…;
   (b) referring the matter to the applicable ombud with jurisdiction, if the supplier is subject to the jurisdiction of any such ombud;
   (c) if the matter does not concern a supplier contemplated in paragraph (b)–
      (i) referring the matter to the applicable industry ombud, … : or
      (ii) applying to the consumer court of the province …;
      (iii) referring the matter to another alternative dispute resolution agent …; or
      (iv) filing a complaint with the Commission …; or
   (d) approaching a court …, if all other remedies available to that person in terms of national legislation have been exhausted.

Section 69 makes provision for various procedural options, available to a consumer who wishes to resolve a dispute. Possibilities include the National Consumer Tribunal, an Ombud – either an ombud with jurisdiction or an industry ombud, a provincial consumer court, an alternative dispute resolution agent, the National Consumer Commission or a court of law (Van Heerden & Barnard, 2011: 131).

Other sections in the CPA then set out the way in which one should go about obtaining access to the various entities mentioned in section 69, and the different powers each hold. Section 52, for example, sets out the powers of a court of law, whilst section 70 deals with the manner in
which disputes are to be dealt with when referred for alternative dispute resolution. Section 71 deals with referrals to the Consumer Commission and section 75 with referrals to the National Consumer Tribunal.

3.2 The National Consumer Tribunal
The National Consumer Tribunal was established in terms of section 26 of the National Credit Act 34 of 2005 (hereafter “the NCA”) to adjudicate on consumer matters. Not all members of the Tribunal need to hold a qualification in law (section 28(2)(b) of the NCA), but each matter being dealt with by the Tribunal must involve one member with “suitable legal qualifications and experience” (section 31(2)(a) of the NCA). As a general rule, hearings by the Tribunal must be conducted in public and must be inquisitorial, expeditious, informal and in accordance with principles of natural justice (section 142(1) of the NCA). Proof is established on a balance of probabilities (section 167 of the NCA and section 117 of the CPA) and the Tribunal must issue written reasons for its decisions “at the conclusion of a hearing” (section 142(4) of the NCA).

The Tribunal may make interim orders (section 149 of the NCA) and orders (section 150 of the NCA). Orders include interdicting prohibited conduct, imposing administrative fines, confirming consent agreements as orders of the Tribunal, repayment to a consumer of any excess amount charged with interest or any other appropriate order required to give effect to a right, as contemplated in the CPA. The Tribunal must make appropriate orders to give practical effect to consumer’s rights in terms of the CPA including, but not limited to, any order provided for in the CPA and any innovative order that better advances, protects, promotes and assures the realisation of consumer rights (section 4(2)(b)(i) & (ii) of the CPA). No provision is, however, made for the awarding of damages to a consumer.

Any decision, judgment or order of the Tribunal may be served, executed and enforced as if it were an order of the High Court (section 152 of the NCA) and any person contravening an order of the Tribunal is guilty of an offence (section 160 of the NCA). Decisions of the Tribunal may be taken on appeal or review, first on appeal to a full panel of the Tribunal and then on appeal or review to the High Court (section 148 of the NCA).

Provincial consumer courts are, according to section 1 of the CPA, established in accordance with provincial legislation. The Gauteng Consumer Affairs Court was established in terms of section 13 of the Consumer Affairs (Unfair Business Practises) Act 7 of 1996 (Hereafter referred to as “the UBP”). The court is based in Johannesburg and consists of a chairperson and between two and four other members. Extensive powers are afforded the court but, as pointed out by du Plessis (Du Plessis 2010:518), there is a need to amend the current provincial legislation to provide for the enforcement and execution of orders of the consumer court in certain circumstances, failing which consumers will end up with unenforceable orders.

Insofar as alternative dispute resolution is concerned, section 70 of the CPA sets out various options in this regard. Mention is made of an “ombud with jurisdiction”, an “industry ombud”, a “person or entity providing conciliation, mediation or arbitration services”, or “consumer courts”. “Ombud with jurisdiction” is defined in section 1 of the CPA as an ombud who has jurisdiction over a supplier in terms of national legislation or, in instances where the supplier is a financial institution, the ombud as defined in the Financial Services Ombud Schemes Act 37 of 2004. “Industry ombud” is not defined but, according to section 82 of the CPA, the National Consumer
Commission may accredit any scheme in any specific industry, that has been voluntarily established and which is equipped to provide alternative dispute resolution services, as an ombud in that industry. (Van Heerden & Barnard, 2011: 131)

A further body, known as the National Consumer Commission, is established. It is described as an organ of state within the public administration, but as an institution outside the public service (section 85(1) of the CPA). It is a juristic person with jurisdiction throughout the Republic (section 85(2)(a) & (b) of the CPA) and is required to exercise its functions in the most cost-efficient and effective manner possible and also in accordance with the values and principles set out in section 195 of the Constitution (section 85(2)(c) of the CPA). A Commissioner is appointed by the Minister who is responsible for all matters pertaining to the functions of the Commission (section 87(1) of the CPA) and is authorised to appoint inspectors and investigators (section 88 of the CPA).

The Commission, according to section 99 of the CPA, is responsible for the enforcement of the provisions of the CPA by promoting informal resolutions of disputes. It may not, itself, intervene in - or directly adjudicate on - any disputes. Complaints pertaining to prohibited conduct are lodged with the Commission, who may then decide to refer the matter to an alternative dispute resolution agent, a provincial consumer protection authority, a provincial consumer court, a regulatory authority (if any) or may also direct an inspector to investigate. It may, conversely, decide not to refer the matter at all.

The Commission may issue compliance notices if it is of the belief, on reasonable grounds, that prohibited conduct is taking place (section 100(1) of the CPA). A compliance notice remains in force until set aside by the National Consumer Tribunal, or by a court on review of a Tribunal decision, or if the Commission itself issues a compliance certificate (section 100(4) of the CPA). In case of failure to comply, the Commission may either apply to the Tribunal for an administrative fine or refer the matter to the NPA for prosecution as a criminal offence (section 100(6) read with section 110(2) of the CPA).

The Commissioner may issue summons, at any time during investigations by an inspector, for any person to appear or to deliver books, documents or other objects for inspection (section 102(1) of the CPA). An inspector or investigator may interrogate and administer the oath or affirmation and may retain any book, document or other object (section 102(3) of the CPA). Warrants to enter and search may only be authorised by a judge or magistrate (section 103 of the CPA), but only a police officer may use force to gain access (section 105(7) of the CPA) and only the registrar or sheriff of the High Court may attach and remove articles or documents if a dispute as to the privileged nature thereof arises. (section 105(6) of the CPA).

If a consent order, reached between the Commission and a Respondent, includes an award of damages, no civil claim for damages may thereafter be instituted in a court. (section 115(2)(a) read with section 74 of the CPA). If no award for damages formed part of the consent order, a complainant may institute civil action, but only after s/he files, at commencement and with the clerk/registrar, a notice from the National Consumer Tribunal certifying that the conduct constituting the basis for the action has been found to be prohibited/required in terms of the CPA, the date of the finding and the section of the CPA that applies (section 115(2) of the CPA).
4. Practical implications of the CPA.
As a point of departure, it is submitted that the above-mentioned procedural options created by the CPA do not always make logical sense and might indeed confuse consumers. It might also mean that, in any given circumstances, a consumer will have to decide as to what procedural option will best protect his or her rights. Each of the procedural options, created by the CPA, provides for different means of protection. How effective and expeditious any chosen procedural option might prove to be in any given situation, will therefore have to be considered by a consumer who wants to resolve a dispute. A party who is dissatisfied with the outcome of a dispute adjudicated on by a Tribunal, for example, will first have to appeal to a full panel of the Tribunal, and only thereafter may the matter be taken on review or appeal to the High Court. This might result in undue delays. The procedure also differs from the procedure to be followed should a consumer wish to, for example, appeal or review an order of the Magistrates’ Court.

Courts of law are probably also more readily within geographical reach of most members of the public, whilst the National Consumer Tribunal is situated in Centurion. Likewise, the provincial consumer courts appear to have only one seat at one specific place within its area of jurisdiction.

Further to the above and insofar as direct access to courts of law is concerned, section 69(d) of the CPA seems to place a limitation thereon in that it provides that only once all other possible remedies existing in terms of “national legislation” have been exhausted, can one turn to the courts for assistance. If this section is interpreted to include the CPA it would thus, as an example, appear to be impossible for a consumer who has a dispute with a supplier about the quality of goods sold to him or her, to take the matter directly to a court of law. S/he would first have to exhaust all other possible remedies provided for in the CPA, or any other national legislation, before approaching a court of law. It will have to be determined how this clause should be interpreted and thereafter what the effect of this limitation would be on the constitutionality of section 69.

It might, as an example, become a constitutional issue if the envisioned tribunals and/or other forums fails to afford consumers the same level of protection they might have enjoyed, had they been able to have direct access to a court of law. (Woolman, Bishop & Brickhill, 2013) with reference to the matter of Zondi v MEC for Traditional and Local Government Affairs 2005 (3) SA 589 (CC), 2005 (4) BCLR 347 (CC), that section 34 is a prerequisite to the enjoyment of other rights (Woolman, Bishop & Brickhill, 2013:page) and concretizes the higher-level values of the supremacy of the Constitution and of the rule of law (Woolman et al., 2013:page).

According to them access should be meaningful (Woolman et al., 2013:page) In this regard, and as a practical example, mention can be made of the fact that it is currently impossible to execute orders of provincial consumer courts, because adequate provincial legislation authorising execution out of said courts, is lacking. This is a problem because “access to justice” entails far more than simply being afforded the right to take a matter to a court, tribunal or forum. If you therefor find, at the end of proceedings in the consumer court, that you have no recourse against the supplier, it cannot be said that you had been afforded access.

“Access” envisions the actual resolution of disputes, if needs be through a process of execution. This was, indeed, clearly stated by the Constitutional Court in the matters of President of RSA
and Another v Modderklip Boerdery (Pty) Ltd and Others 2005 (8) BCLR 786 (CC) and also in Lesapo v North West Agricultural Bank and Another 1999 (12) BCLR 1420 (CC).

In Lesapo v North West Agricultural Bank and Another 1999 (12) BCLR 1420 (CC), at paragraph 13 thereof, it was held that an important purpose of section 34 is to protect the judicial process, which also includes the process of execution. Access to justice thus implies access to the entire process of justice, including affording persons the opportunity to enforce their rights, for example by means of execution, once they have successfully obtained an order from a court, tribunal or forum. Interpreting the right in any other way would diminish the right of access to justice in such a manner that it would hold no value. President of RSA and Another v Modderklip Boerdery (Pty) Ltd and Others 2005 (8) BCLR 786 (CC) seems to support this contention, by providing in paragraphs 15 and 16 thereof that there is an obligation on the State to provide the necessary mechanisms for citizens to resolve disputes, which includes mechanisms to execute orders.

From the above the conclusion is drawn that the various procedural options, created by the CPA, needs to ensure access to justice. This access, in turn, implies far more than simply knowing where to physically locate the court, tribunal or forum. The CPA should comply with the fundamental constitutional values underlying access to justice.

5. Consumer Protection legislation in the United Kingdom
The CPA is modelled on European Union (hereafter “the EU”) directives (for example European Union Unfair Commercial Practices Directive 2005/29/EC) and the United Kingdom Consumer Protection Act of 1987. In addition, consumer protection legislation in the United Kingdom (hereafter “the UK”) has been developed over many decades. (Apart from the United Kingdom Consumer Protection Act of 1987, other pieces of legislation also find application, for example the Unfair Contracts Terms Act 1977 and the Sale of Goods Act 1979). Protection measures utilized in the UK places emphasis being on consumers’ right of redress - through the courts but also by making use of alternative dispute resolution mechanisms, such as arbitration (including small claims arbitration) and the use of the services of an Ombud. The EU itself encourages member states (which includes the UK) to seek judicial and extra-judicial systems to ensure that minor disputes are speedily and effectively resolved (EC Council Resolution of 9 November 1989 (OJ C294, 22.11.89, P 1)) and enforced. As in South Africa, where involvement from the side of provincial government is in certain instances required, the local governments in the UK also has a role to play, especially insofar as enforcement of consumer protection legislation is concerned. Various other offices and bodies have been created to attend to the protection of consumers in various fields. Such bodies include the National Consumer Council and the Office of Fair Trading. These bodies hold powers and responsibilities similar to that of our own National Consumer Commission. (Abbamonte, 2005: 695:page).

Insofar as direct access to courts of law is concerned, there appears to be no prohibition against such direct access, as any person in the UK has a constitutional right of access to the Queen’s courts. To further improve access to justice, litigants appearing in person are allowed to have assistance from another, professional or otherwise. To assist in speedy resolution of disputes, what is known as “the small claims track” has been developed, specifically when dealing with claim of less than £ 5000.
3. CONCLUSION
Section 34 of the Constitution guarantees the right of access to courts, tribunals and other forums and although the CPA promotes the realisation of the constitutional right of access to justice its regulation of dispute resolution procedures can be improved. The CPA does not establish a legal framework that is accessible and does not reduce socio-economic vulnerability in the consumer market, in a way that is conducive to the values set out in the Constitution. Direct access to courts of law should not be prohibited and that alternative dispute resolution options should be explored.

REFERENCES


AN EXPLORATORY DIAGNOSIS ON THE SUPPLY CHAIN MANAGEMENT PROCESSES IN THE SOUTH AFRICAN POLICE SERVICE

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ABSTRACT
This paper articulates the challenges that restrain supply chain management implementation in the South African Police Service. There is a general lack of adequate planning for supply chain management processes and the lack of adherence to the supply chain management processes impact negatively on the organisation. Despite the effort in capacitating supply chain management officials with appropriate skills and knowledge, supply chain management execution remains a challenge. This study aimed to investigate the level of understanding of the supply chain management processes and determine the extent to which this understanding was translated into practice at Head Office Divisions of the South African Police Service. A qualitative research approach was adopted for this study, in which the data for analysis was primarily collected through semi-structured focus group interviews, which comprised 30 participants. The participants were supply chain management officials who had extensive experience and knowledge of supply chain management processes. The findings showed that while the level of supply chain management understanding was generally adequate amongst supply chain management officials, there was room for improvement in relation to how the understanding was translated into practice. The findings also indicated a high labour turnover, which affected capacity and productivity within South African Police Service. Based on these findings, conclusions are drawn and managerial implications are put forward for supply chain management professionals in the South African Police Service.

Keywords: Governance, internal communication, supply chain management, service delivery, public sector

JEL Classification: M19

1. INTRODUCTION
Section 205 (1) to (3) of the Constitution of the Republic of South Africa, 1996 states that the national police service must be structured to function in the national, provincial and, where appropriate, local spheres of government. National legislation was charged with establishing the powers and functions of the police service and enabling the police service to discharge its responsibilities effectively, taking into account the requirements of the provinces (Masilela, 2012:24). The objects of the South African Police Service (SAPS) are to prevent, combat and investigate crime, maintain public order, protect and secure the inhabitants of the republic and their property, and to uphold and enforce the law. This is supported by the vision and mission of the SAPS (South Africa (SA), 1996:124). The Strategic Plan (2010:1) states that the vision of
the SAPS is to create a safe and secure environment for all in South Africa. The SAPS mission is to combat all forms of crime and to investigate all threats to the safety and security of communities (Masilela, 2012:24). The purpose of supply chain management (SCM) is to monitor, balance and facilitate expenditure in respect of the sourcing of goods and services towards enabled of the SAPS to render service delivery to the citizens of the Republic of South Africa. This calls for a good governance.

However, research indicates that there is a significant governance challenge experienced in public sector organisations, due to poor corporate governance (Atieno, 2009: 33-48; Gnan, Hinna, Monteduro & Scarozza, 2013: 907-937). Poor corporate governance has been empirically proven to have a negative impact on public sector performance (Atieno, 2009: 33-48; Shungu, Ngirande & Ndlovu, 2014:93–105; Boon-itt, S., & Wong, 2011:253-276). In a study carried out on parastatal governance problems in Kenya, the following characteristics emerged: inefficiency in operations, huge financial losses and the provision of poor products and services (Atieno, as cited in Mokogi, Mairura & Ombui, 2015:1-11). All these challenges are attributed amongst other things, to poor governance, poor public sector financial management, bureaucratic wastage and pilferage in the management of parastatals, all of which subsequently lead to heavy budgetary burden upon the public (Mokogi et al., 2015:1-11). This article highlighted the challenges of implementing SCM in the SAPS. The SAPS SCM processes suffer from neglect, poor coordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified SCM officials, who are competent to conduct and manage such processes, in a professional, timely and cost effective manner.

2. **PROBLEM STATEMENT**

There is a cycle of uncertainty within the SAPS regarding the SCM processes. In most cases, there are no adequate SCM processes by which information can be fed back into the system to provide data on what goods and services were financed, supplied, and distributed. This could be due to various reasons, amongst others perceived corruption and inefficiencies due to a lack of skill for the SCM officials. Research indicates that there are constant allegations of corruption and inefficiency, often characterized by service delivery failures, poor audit outcomes and financial management challenges including corruption (Munzhedzi, 2013:281). Lack of good governance within the SCM environment, lead to weak service delivery to the communities. The SAPS SCM environment still lacks a visible and coherent anti-corruption strategy, as in many instances, anti-corruption measures adopted by government are not enforced adequately. The on-going involvement of SCM officials in incidents of ignorance on adherence of rules and regulations is one example. For good governance to happen there should be rules and regulations to control the perceived scourge of corruption as well as lack of efficient and effective SCM processes. Improving SCM processes requires a concerted effort to understand current challenges and develop a well-managed processes and procedures. The structure of the supply chain within the SAPS is also, mapped exactly to the administrative structure of the country, resulting in multiple tiers and stopping points along the supply chain. Complexity can negatively influence distribution, resulting in a phenomenon called “the bullwhip effect” and thus negatively affect service delivery (Lee, Padmanabhan, & Seungjin, 1997:546–558). The above challenges motivated this study.
3. **RESEARCH GAPS**
Little empirical research, if any has been conducted with the SAPS environment to address SCM challenges. This study makes an effort to show that challenges regarding SCM processes, with the SAPS, cannot be seen in isolation. If those challenges cannot be identified and solved, it can lead to poor service delivery as well as inefficiency for the SAPS as an organisation.

4. **BACKGROUND TO SUPPLY CHAIN MANAGEMENT PROCESSES REFORMS**
The cornerstones of the SAPS SCM processes is based on Section 217 of the Constitution of the Republic of South Africa (1996), where government contracts for goods and services must be done in a way which is fair, equitable, transparent, competitive and cost-effective (National Treasury (NT), 2015). Effective and efficient SCM processes are central to the SAPS as an extension of the government service delivery system, and promotes aims which are, arguably, secondary to the primary aim of procurement such as using procurement to promote social, industrial or environmental policies (Cane, 2004) as cited in Ambe and Badenhorst-Weiss (2012:11003-11014). Reforms in public procurement were initiated in 1995 to promote the principles of good governance and introduced a preferential system to address socio-economic objectives (Ambe, 2009:427-435). The reform process was initiated due to inconsistencies in policy application, lack of accountability, lack of supportive structures and fragmented processes. Mathee (2006:65) noted that a uniform implementation approach to procurement was required in view of the findings of a report on opportunities to reform procurement processes in the South African government. This report was the result of a 2001 study conducted by the Joint Country Assessment Review (CPAR) and the World Bank (National Treasury, 2003:2). The deficiencies and fragmentations in terms of governance, and the inconsistent interpretation and implementation of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), resulted in the introduction of SCM in the public sector as a policy-implementation tool (NT, 2005:8). Despite the reform processes in public procurement and the employment of SCM as a strategic tool, South Africa continues to face enormous challenges in its public procurement practices (NT, 2015:4).

5. **LEGISLATIVE FRAMEWORK FOR PROCUREMENT**
Section 217(3) of the Constitution of the Republic of South Africa (1996) requires that national legislation prescribe a framework within which the preferential procurement policy must be implemented. The PPPFA was promulgated in response to this constitutional imperative. Procurement by organs of state (national and provincial departments, municipalities, constitutional entities and public entities) governed by a number of other pieces of legislation (Ambe & Badenhorst-Weiss, 2012:11003-11014; Khalo, 2014:226–250; Moeti, 2014; Munzhedzi, 2013:281-292; Pauw, 2011:11003-11014; Pauw & Wolvaardt, 2009:66-88). The PFMA (76[4] permits the NT to make regulations or issue instructions applicable to all institutions to which the Act applies concerning “the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective” (Watermeyer, 2011:3). The procurement provisions of the MFMA are similar to the provisions of the PFMA, but contain more detail on the system. Section 112 of the PFMA Act No. 1 of 1999 as amended by Act No. 29 of 1999, permits the Minister of Finance to issue a prescribed regulatory framework for SCM that covers a number of specific issues. The SCM regulations issued in terms of the PFMA and MFMA Acts lay down the requirements for the governance of procurement processes and establish a high-level government policy. Each organ of state is required to determine its own procedures and policies, which are
consistent with the legislative framework (Ambe & Badenhorst-Weiss, 2011: 11562-11571; Watermeyer, 2011:3).

6. PROCUREMENT PRACTICES IN THE SOUTH AFRICAN POLICE SERVICE

Procurement reforms in South Africa started in 1995, and directed at two broad focus areas, namely the promotion of principles of good governance and the introduction of a preference system to address certain socio-economic objectives. The procurement reform processes embedded in Section 112 of the Municipal Financial Management Act (MFMA) No 56 of 2003 and Section 76(4) (C) of the PFMA Act No. 1 of 1999 as amended by Act No. 29 of 1999 and the Preferential Procurement Policy Framework Act (PPPFA) No 5 of 2000. In 2001, the NT completed a joint Country Assessment Review (CPAR) with the World Bank to assess procurement practices throughout the public sector. The CPAR identified certain deficiencies in the current practices relating to governance, interpretation and implementation of the PPPFA and its associated regulations (Ambe & Badenhorst-Weiss, 2011; NT, 2005). Public procurement in South Africa has been granted constitutional status and is recognized as a means of addressing past discriminatory policies and practices (Bolton, 2006 as cited in Munzhedzi, 2016:2). Procurement is also central to the government service delivery system in South Africa (Ambe & Badenhorst-Weiss, 2012:242).

The systems of procurement and provisioning fragmented, owing to the fact that tender boards were responsible for procurement, whereas provisioning was largely underwritten by norms and standards in the logistics system driven by the NT. Effective and efficient financial management in government continuously questioned. Similarly, the logistics system as a tool for asset management raised concerns because of a lack of proper handling of movable assets in the government environment (Mkhize, 2004, as cited in Ambe & Badenhorst-Weiss, 2011:11565). Public procurement or public sector supply chains can play a key strategic role in the Government’s ability to execute its mandate of service delivery to communities in terms of the construction of roads, the supply of water, sanitation and sewerage systems, and the provision of electricity. This can only happen by way of effective supply chain management frameworks, managed by competent officials (Hanks, Davies & Perera, 2008:4). Hanks et al. (2008, 3) are of the view that SCM operates within a regulatory framework set by the national government and extended by provinces and local government bodies to specific policies, legislation and regulations.

7. METHOD
   a. Design

This case study employs an exploratory-descriptive qualitative research design. Case study research is descriptive, exploratory, and defined as an approach to research that enhances the exploration of a set of variables within a specific context using a variety of data sources (Baxter & Jack, 2008, 544). According to Malhotra (2004:77), the use of this technique as common with exploratory studies where the main focus is on gaining insight into a specific subject and especially on research problems where fewer studies have been conducted (Malhotra 2004:77). Data were collected using semi-structured interviews, with the three focus groups comprising ten participants per group from the Head Office Divisions in the Gauteng Province. A qualitative research design for the purpose of this study, was deemed most appropriate to ascertain participants’ views regarding current practices or the utilisation of the SCM processes in the SAPS, as well as to determine those factors, which can be found to contribute to poor policy
implementation. Through the interview schedule, an attempt made by the authors to determine, if the participants would be able to interpret and apply SCM policies and standards as prescribed by the NT (2015). Only five out of eleven Divisions were approached due to the limited scope of the study, insufficient time as well as the cost implications if a larger study had been conducted.

8. POPULATION AND SAMPLING
Maxfield and Babbie (2012:15) point out that the population for a study is that group, usually people, about whom one attempts to draw a conclusion. The population relevant to the purpose of the study could have been all general SAPS officials deployed in the nine provinces of South Africa. However, due to insufficient time, and the forbidding costs involved in such a study, the researcher focused on a smaller group (target population) of participants in a specified precinct. A sample is a small portion of the total set of objects, events or people of which together comprises the subject of study (Seaberg, 2003:240). The goal of selecting a sample within qualitative design is “gaining a deep understanding of some context experienced by a careful selected group of people” (Maykut & Morehouse, 2003:21). This is the strategy according to which particular settings, persons or events are selected “deliberately in order to provide insight into important information that cannot become as well from other choices” (Maxwell, 2005:70). For the purpose of this study, three focus group discussions (FGDs) conducted as outlined below:

- **FGD 1** - comprised of 5 Colonels and 5 Lieutenant Colonels;
- **FGD 2** - comprised of 10 Captains who are immediate Commanders for Demand and Acquisition Management and Logistics Management, responsible for first line inspection; approval of schedules for payments; and
- **FGD 3** - comprised of 10 Administration Clerks responsible for sourcing of quotations, obtain necessary authorisations, process payments of suppliers and capture data in different related SCM systems.

Thirty (30) participants were interviewed, all of whom had extensive experience with regard to SCM processes and procedures in the SAPS. From the 30 participants interviewed, thirteen (13) were male and seventeen (17) were female. The majority of the participants indicated that they had served the majority of their time within the SCM environment both in the SAPS (N = 17); as well as within the other public sector departments (N = 9). The remaining participants (N = 4), indicated that they had a ‘working knowledge’ regarding SCM processes and procedures. From these FGDs, the researcher was able to assess relevant issues that could be used to probe participants’ perceptions, and to learn from their experiences how to strengthen the SCM strategies. The FGDs took place between January and May 2017. Wimmer and Dominick (2011:110) point out that there are two types of sampling methods: probability (where the probability of selection is known or the universum’s boundaries are known); and non-probability sampling techniques (where the probability of sampling is unknown or the universum’s boundaries are not known). According to Hagan (2000:125), there are seven types of non-probability sampling techniques. These are convenience, purposive (judgemental), quota, theoretical, snowball, partial and the saturation non-probability sampling techniques.

For the purpose of this study, a purposive sampling technique was applied. The reason for this choice was to identify key or knowledgeable participants active within the SCM environment.
Data were analysed according to the eight step descriptive approach suggested by Tesch (1992:117-141). This method enabled the research team to reduce data into themes, sub-themes and categories. During the focus group interviews, the first author made use of audio recordings of the data, by means of a tape recorder. According to Descombe (2010:186-187), the recording of interviews should not depend on human memory only, rather can also be achieved by two ways of recording that can be used simultaneously. One is field notes, when the researcher takes notes during the interview relating to the context of the location, climate and atmosphere of the interview, clues about the intention behind the statements, and aspects such as non-verbal cues. Audio recordings offer a permanent record that is complete. Therefore authors used both methods when conducting the FGDs. Participants were informed about the aims of the research, and they consented to the recording of the interviews. The code of ethics of the Human Science Research Council (HSRC) was adhered to. Care was taken in avoiding to ask offensive questions and permission to conduct the study was obtained from the SAPS. The recorded data was transcribed verbatim, which facilitated the process of data reduction (that is, production into themes and sub-themes).

9. RESEARCH RESULTS

The research culminated in XXXX six themes which are the results of the study. The these are labelled as (1) the effectiveness of the SCM processes; (2) human resources capacity; (3) governance; (4) and (5) suitable SCM strategies for a sound SCM processes within the SAPS. These five themes are discussed below.

9.1 Theme 1: The effectiveness of the SCM processes

When asked for their views regarding the SCM processes in the SAPS, the majority of the participants firstly explained the process involved. The emerging theme from the responses was that in a usual supply chain, raw materials are procured and items are produced at one or more manufacturers or suppliers, shipped to warehouses for intermediate storage, and then shipped to the end-users in the SAPS. From the responses, it emerged that different managers are responsible for the different activities that are part of these processes, and many problems occur due to the lack of communication. The flexibility and change required is often difficult for organisations and their employees. It is, however, the ability to embrace necessary changes that will position a company to take advantage of the benefits of supply chain management. Because the supply chain is a dynamic entity, the implications are that the SAPS should be a learning organisation, in order to adapt and therefore organise its operations towards change. The SCM Managers must anticipate resistance from some of its employees, and be prepared to deal effectively with it. Training in the concepts of SCM will aid in this effort. Also, as with any organisational change, the new ideas must be supported and embraced by all levels of management. Some of the comments in this regard read as follows:

…the processes are in place but they are not running smoothly as compared to the private sector SCM. As a results, there is long chain that cause the process very long and time consuming… (FGDs 1).
Time consuming and not running smoothly because of a lack of communication between the managers and finance department… (FGDs 2).
…the processes are well defined however, the slight challenge is that there is a tendency within the system that leads to delay in processing the requisition… (FGDs 3).
The above responses indicated that there is an outcry from the participants regarding the fact that the introduction of effective communication and coordination are essential, and that the procurement of products with shorter life cycles is needed within the SAPS. Simchi-Levi, Kaminsky and Simchi-Levi (2009) as cited in Naude and Badenhorst-Weiss (2011:70-71) acknowledged that intensified competition in global markets, the introduction of products with shorter life cycles, growing customer expectations, ongoing developments in communications, and transportation technologies, have forced businesses to invest in, and direct attention towards, their supply chains. Consequently, in order to remain competitive, there is pressure on businesses to decrease costs and enhance customer service levels (Naude & Badenhorst-Weiss, 2011:70-71). Arshinder, Kanda and Deshmukh (2008:316-335) concur that the continuously evolving dynamic structure of the supply chain poses many interesting challenges for effective system coordination. The Supply Chain (SC) members are dependent on each other for resources and information, and this dependency has been increasing in recent times, due to outsourcing, globalisation, and rapid innovations in information technologies. This increase in dependency brings some extent of risk and uncertainty too, along with benefits. To meet these challenges, SC members must work towards a unified system and coordinate with one another. There is a need to identify the coordination mechanisms which helps in addressing the uncertainty in supply chain and achieving supply chain coordination. Supply chain members cannot compete as independent members. The product used by the end customer passes through a number of entities, contributing in the addition of value to the product before its consumption.

Research indicates that demand management is integral to the SCM process. It defines the decision-making process that allows departments to procure at the right time, at the right place and at the right cost. However, many government entities are still faced with the challenges of improper planning and linking demand to budget (Ambe & Badenhorst-Weiss, 2011, 2012). Cost-effective procurement depends on a specialist’s skills to ensure that buying requirements are reliably determined, appropriate contract strategies are developed, contracts are well managed, and opportunities are seized so as to secure the best deals at the right time and at the right price. The importance of drawing up accurate and realistic strategic plans cannot be overestimated. At times there is an absence of coherent plans. Some government entities cannot properly quantify the needs of those requiring their services or properly estimate costs, nor can they accurately track, control or report on expenditure (Luyt, 2008 as cited in Ambe & Badenhorst-Weiss, 2011:251). Luyt (2008), as cited in Ambe and Badenhorst-Weiss (2011:251), indicates that there is a need to monitor the delivery of services properly so as to ensure that scarce resources are efficiently and effectively procured. Poor planning and budgeting have also affected the implementation of SCM. It is therefore vital that SCM practitioners adequately link demand planning to budget.

- **Sub-theme 1: Procurement process**

When asked what were the SCM processes when acquiring goods and services, the majority of the participants concurred there is an urgent need for the SAPS to ensure that their internal functions begin to understand the workings of the larger systems to which they belong, and begin to generate a clearer understanding of the scope of supply chain integration. This means that all internal role-players need to start to function together, towards a common goal of being efficient, and ensuring that the process integration becomes effective as well. This could be
achieved by ensuring that a common understanding of supply chain integration is emphasised by SCM Managers. Some of the comments from the FGDs were as follows:

*The process is slow. There are also too many unnecessary documents. It is essential that the process should be computerised...* (FGDs 2).

...*The process takes too long and the end-users are getting impatient when they have to wait for their application to be approved* (FGDs 3).

*The delay caused by the SCM Managers create a red-tape. The process needs to be shortened as some are the duplication of what other sections are performing. There are also many databases at different Head Office Divisions with outdate supplier details. There is also a lack of efficient software to speed up the process...* (FGDs 1).

The above responses indicated that the participants were concerned about the SCM practices at the Head Office the duration it often takes for the end-users to receive goods and services. From the responses, it seems some of the SAPS business units or departments have not yet considered the impact of their actions to function in silos, and the long-term negative consequences towards the performance of the SAPS. It is essential that an effective SCM Performance Management System be developed and implemented in accordance with departmental policies and procedures and applicable legislative requirements. Furthermore, various elements of the SCM cycle should be monitored for adherence to the relevant legislative requirements and internal departmental policy and procedure. This could be realised through successful process integration between SCM managers towards building improved channels of communication and teamwork, as with silo mentality and lack of communication, which was seen as the major obstacle in SCM processes. Organisational culture and human nature will not change overnight. Until parties understand that it is in their own best interest to share information, SCM success will remain an uphill battle.

9.2 **THEME 2: HUMAN RESOURCES CAPACITY**

When asked if SCM personnel have adequate capacity to handle SCM processes, there were divergent views with respect to whether employees possess technically adaptable skills. Despite the fact that the participants indicated they attended internal courses relating to the SCM processes, the emerging theme was that they do not have the requisite technical skills. These findings also validated on Theme 3 below. Participants indicated that although they were provided with adequate training to make full use of SCM processes, others complained that some of the external courses they attended were not relevant to building their technical skills. It is encouraging to note that the SAPS was addressing participants’ skill gaps in the short term, by focusing on in-house and on-the-job training. In the longer-term, this has implications for more pro-active technical skill development and opportunity for the organisation. Organisations, both in the public as well as private sector, have generally developed skill sets internally. While there was an emerging trend to source consultants, the government has largely, discouraged this practice. Therefore, new employees would still require on-the-job training and experience regarding SCM processes in the SAPS.

9.2.1 **Sub-theme 1: The adequacy of current internal courses**

When asked if the current internal courses were adequate to empowering the SCM personnel to perform their duties, the majority of the participants indicated that technical development
courses in the area of SCM processes are essential for supply chain personnel to stay current. It emerged that the most common means of employee development are on-the-job training and external courses, though some of the participants, as highlighted earlier, preferred internal courses. It also emerged that the participants were satisfied with the training they had received, and that it has met their needs. Internal training tended to be focused on technical SCM and logistics development, interpersonal and people management skills (e.g. supervisory skills, team building, negotiations, leadership and coaching) as well as health and safety. There were mixed views regarding the usefulness of the external courses. While there are several courses and programmes related to logistics and SCM being offered, some of the participants indicated that technical training courses that meet the needs of SCM personnel are difficult to find. From the findings, it seems that university and colleges need to discuss with the SCM to understand the needs of the industry. Industry alliances are a common mechanism to develop curriculum or work programmes, and are less common for practical activities. The only challenge though from the findings, was that from it also emerged that there was a high migration of SCM personnel to other government departments. This could be attributed to promotion opportunities. It is the view of the researcher that attraction and retention of talent, particularly of knowledge workers, are vital to the sector’s ability to focus on improvements to the SAPS SCM. This is of paramount importance, as supply chain performance directly impacts the performance of the SAPS. Some of the comments were as follows:

...yes, it definitely makes a big difference when one is nominated and allowed to attend courses. Processes and systems are discussed and this goes a long way to increase ones capacity... (FGDs 1).
...the public aligned courses done internally are adequate. The problem is when the external courses are offered as some of them are not relevant to the public sector environment, as we are governed by National Instructions and Standing Order... (FGDs 2).
...not adequate. More intensive training on lower level is required... (FGDs 3).

9.3 THEME 3: GOVERNANCE
- Sub-Theme 1: Factors contributing to non-compliance to SCM policies and procedures
When asked what factors contributed to non-compliance to SCM policies and procedures, the majority of participants concurred that the lack of the requisite SCM knowledge and competencies in some of the SAPS business unites or departments and the absence of a stricter regulatory framework predisposed or created a culture within departments to non-comply with prescribed SCM requirements. Some of the comments were as follows:

...lack of knowledge and experience including training are some of the contributing factors to non-compliance. Not having access to the prescribed policies and procedures, contributed as well and some level of ignorance create uncertainty... (FGDs 1).
...lack of poor planning and failure to do proper needs analysis by the SCM Managers are the contributed to non-compliance. Abuse of authority by senior officials forces the SCM Managers to ‘cut corners’, due to pressure to procure goods and services within a prescribed timeframe as a result
there are flouting of policies and procedures... Appointment of untrained personnel is also a challenge... (FGDs 2).

...lack of training due to the constant replacement of personnel as a result of promotion and transfers within the SAPS and to the other government departments. Some of the personnel appointed do not have interest in the SCM processes and created unnecessary errors... (FGDs 3).

The above responses from the FGDs confirmed that lack of relevant managerial and planning skills as major challenges for collaborative SCM processes. However, these findings do not necessarily mean that all the role-players or SCM personnel were not adequately trained. This might be one of the areas where it was found that a business unit did not meet the requirements, given its limited skill and capacity. The findings, though, might probably be linked to the previous incidents in respect of demand management. Although not necessarily an area that would prompt non-compliance, it is a crucial decision making process that gives effect to efficiency gains and service delivery improvements. The challenge is more about how to acquire or exchange skills adapted to new and collective SCM processes. Specialised training is therefore needed. The other challenge highlighted by participants was the lack of commitment to timely and accurate data collection and/or reporting by SCM personnel. This could be due to the fact that there was a limited supervision of supply chain management tasks at service delivery points to monitor the performance of the SCM personnel. Unclear guidelines and inadequate training of SCM personnel in procurement processes could contribute to poor performance, which could result inattention to procedures, process quality concerns, and timelines. The implications for the SCM Managers are that training gaps and limited capacity ought to be identified for quantification, so that they are addressed timeously, to improve SCM procurement processes.

Sub-theme 2: Strategies in place within the Division to reduce fraud and corruption related activities when procuring goods and services

When asked what strategies within the Division are in place to reduce fraud and corruption-related activities when procuring goods and services, the majority of the participants indicated that monitoring, evaluation and auditing are in place to curb the occurrence of fraud and corruption. According to Schultz and Søreide (2006), as cited in Heggstad (2010:3) and Frøystad, Heggstad and Fjeldstad (2011:iv), corruption may arise in any step of the procurement procedure if the processes are not structured and managed in a transparent, accountable, and professional manner. Corruption can arise through violations of ordinary procurement rules or through misuse of legal authorisation of discretionary decisions from the rules. Many practices have an unclear legal status. Some of the comments were:

Audits are conducted regularly but the corruption related activities will always be there because of a human factor. There will always be someone who gets away with it... (FGDs 1).

...the procurement officers such as the Public Service Personnel no longer nominate suppliers. The Resource Committee decides who would be the appropriate supplier after tendering process has been concluded... (FGDs 3).
The above responses indicated that regular checks on quality are in place. This is essential because, if appropriate prevention and detection methods are not implemented, the SAPS may suffer loss in terms of fruitless expenditure. Routine checks for non-deliveries, repeat deliveries for the same order and discrepancies between purchase orders and delivery are a few of the procedures needed to reduce fraud risks. Fraud and corruption in the procurement function (such as illicit rebates, kickbacks and dubious vendor relationships) are all too common. While the risk can never be fully eliminated, a company can implement controls to reduce their likelihood. Such controls need to be well considered and robust enough to be relevant to the ever-evolving modus operandi of how procurement irregularities are committed. Instances of fraud and corruption in the procurement cycle are not easy to detect, prove or prosecute. They are often dealt with internally, and implicated employees are allowed to “resign”, with their reputations intact (Deloitte, 2014:1). During a normal business cycle, a high-risk fraud environment is typified by pressure, rationalisation and opportunity. These factors are exacerbated by local and global economic factors, including regulations that affect the ability of citizens to increase their personal debt financing to support lifestyles to which they have become accustomed. Trends show that the current economic factors are increasing the pressure on individuals to meet and maintain double-digit growth experienced in years past. It is this type of mind-set in slower economic times that can contribute to increased fraudulent activity. Employees that are offered a bribe will often ask themselves whether the risk is more than their job is worth, right or wrong, and whether they will be caught. If they do decide to accept a bribe, there will be a high risk of multiplicity in perpetrating the fraud in order to circumvent internal controls (Deloitte, 2014:1).

9.4 THEME 4: SUITABLE SCM STRATEGIES FOR A SOUND SCM PROCESSES WITHIN THE SAPS

When asked what suitable strategies participants recommended for a sound SCM processes to be in place within the SAPS, the majority of the participants indicated effective strategies need to be employed that focus on accountability upon all the SAPS officials, regardless of rank, for any loss incurred as well as more transparency regarding the SCM processes. It also emerged from the findings that, the participants were of the view that the SAPS not yet develop; an understanding of the activities that address sustainability of the SAPS as an organisation. To be more specific, SCM personnel and managers need to comprehend strategies that will ensure the SAPS as the leading, sustainable public service organisation that offers quality of service delivery to its employees, the public and other key stakeholders across government departments. Some of the comments were as cited below:

…the signing of the SCM Code of Conduct, which makes one liable when engaged in fraud and corruption related activities [...] The segregation of duties policy which limits one not to perform all the transactions. Performance inspection should be instituted and sanctions be effected accordingly where necessary… (FGDs 1).
…for the purposes of reducing irregular or unauthorized expenditure within the SAPS, it is essential that adequate training for SCM personnel be provided, so that they will know what to do in all the situations, and the consequences of such actions… (FGDs 2).
…Code of Conduct, should not be signed by SCM personnel only, but monitoring and evaluation should be adequate as well… (FGDs 3).
The above responses indicated that good governance is essential towards the implementation and understanding of new and improved organisational strategies within the SAPS for the purposes of sustainability and proficiency, in order to respond to the needs of the internal and external end users. From the findings, it seems there may not be enough SCM personnel to maintain the full segregation of duties. The minimum level of segregation of duties within the SAPS should therefore be as follows:

**Figure 1**

**Minimum segregation of duties**

<table>
<thead>
<tr>
<th>THE PERSON WHO</th>
<th>SHOULD NOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepares a purchase requisition</td>
<td>Approve that purchase requisition.</td>
</tr>
<tr>
<td>Sends out a quote request and conducts the bid committee</td>
<td>Receive the purchase quote.</td>
</tr>
<tr>
<td>Prepares a purchase order</td>
<td>Approve that purchase order.</td>
</tr>
<tr>
<td>Issues a purchase order</td>
<td>Receive the goods.</td>
</tr>
</tbody>
</table>

*Source: Catholic Relief Services (2011, 7)*

In an effort to address a potential gap in technical skills, the implications for the SAPS are that the organisation ought to consider a development programme in connection with succession planning efforts, in case some key employees decided to leave the organisation. A capacity development programme beyond internal courses ought to focus on the development of potential managers, as well as the support SCM personnel competencies. These strategies towards capacity building should provide support, resources, information and learning opportunities that will systematically target and improve desired performance and behaviours. According to Narasimhan, Kim and Tan (2006), as cited in Arora (2014:15), effective SCM strategy can be viewed as a pattern of decisions related to sourcing products, capacity planning, conversion of raw materials, demand management, communication across the supply chain, and delivery of products and services; thereby, SCM strategies should harmonise with business unit and corporate level strategies. Arora (2014:15) argues that, furthermore, many companies view their supply chain activities strategically, due to factors such as scarcity of resources, turbulence in supply markets, and intensified competition. In a business-strategy context, sustainability of organisations often been viewed in terms of profitability and economic well-being of the shareholders. Organisations are obliged to create wealth and economic value for individuals and entities invested in the organisation.
10. MANAGERIAL IMPLICATIONS

In order for there to be any kind of significant change to the SAPS service delivery challenges, both internally as well as when it comes to responding to the larger public, it is imperative that the SAPS top management implements an effective SCM strategy, supported by the appropriate skills. Unclear protocols where some of the senior managers contravene policies should be attended to urgently. The adequate training of SCM personnel for appropriate data collection and utilisation regarding SCM processes and procedures should be priority. Lack of holistic planning and long-term planning, as highlighted by the participants, should be also be addressed by the SAPS top management and institute accountability on supply chain performance at all levels.

11. CONCLUSION

The main objective of this study was to investigate the level of understanding of the supply chain management processes and determine the extent to which this understanding was translated into practice at Head Office Divisions of the SAPS. The analysis findings established that non-compliance on SCM policy and NT’s regulations; lack of proper communication, as major challenges confronting SCM processes in the SAPS. With an effective SCM governance in place, the SAPS policy makers can detect challenges, non-compliance incidents, identify indicators of decreasing non-compliance early, and proactively work to avoid further damage (Carter & Rogers, 2008: 360-387). The findings from this study amongst others such as; insufficient technical knowledge regarding the SCM processes, lack of communication, and non-compliance from senior SCM management correlate with those by Ellinger, Scott and Hansen (2006: 1-27). Ellinger et al. (2006: 1-27) found five inhibitors to supply chain governance. These include insufficient knowledge of the other function, lack of communication, poor working relationship, conflicting goals and lack of direction from senior management. The above responses from the FGDs confirmed that lack of relevant managerial and planning skills as major challenges for collaborative SCM processes. However, these findings do not necessarily meant that not all the role-players or SCM personnel received adequate technical training. The findings, though, might probably, be linked to the previous incidents in respect of demand management. Although not necessarily an area that would prompt non-compliance, it is a crucial decision making process that gives effect to efficiency gains and service delivery improvements. The challenge is more about how to acquire or exchange technical skills adapted to new and collective SCM processes. Specialised or technical training relating to SCM processes is therefore, needed within the SAPS.

The research findings clarify the main benefits associated with the adoption of SCM best practices for implementation of good governance regarding SCM processes in the SAPS. Effective and efficient SCM processes are interrelationship of organisations where there is flow of services, products, information and finances either upstream or downstream. With the increased demand for better services in the public sector, there is need to manage adequately, the public supply chains to enhance performance, continuity and shared sense of value within the whole organisation (Davis, 2008: 310-327). Conversely, supply chain governance seeks to implement a framework of integrating supply chain plans, which link to both internal and external customers (Crisan, 2012: 10-25). The findings also highlighted that, the majority of the participants indicated effective strategies need to be employed that focus on accountability upon all the SAPS officials, regardless of rank, for any loss incurred as well as more transparency regarding the SCM processes. It also emerged from the findings that, the participants were of
the view that the SAPS not yet develop; an understanding of the activities that address sustainability of the SAPS as an organisation. To be more specific, SCM personnel and managers need to comprehend strategies that will ensure the SAPS as the leading, sustainable public service organisation that offers quality of service delivery to its employees, the public and other key stakeholders across government departments. In view of this, supply chain governance within the SAPS, should consists of the following procedures; SCM planning procedures as well as effective code of ethics. Essentially, once the SAPS adequately enforces code of ethics, it will enhances accountability and improved service delivery to the public.

REFERENCES


ABSTRACT
The major purpose of investing in any business is to have an increase in the value of the invested capital together with a reasonable level of profit. The concept of economic value was developed by Modigliani and Miller in 1961, and was taken over and expanded by Bennet Stewart and Joel Stern. The purpose of this study is to determine how certain company characteristics impact on the company’s ability to generate wealth. Company characteristics, in this study, is defined as the attributes, qualities, possessions, relationships and operational activities that differentiate one company from another within an industry. For this study company characteristic analysed were sub-sector, capital size, capital gearing, product types and market segment. This empirical study was to determine company characteristics that influence wealth creation of the 59 industrial companies listed on the Johannesburg stock Exchange for the years 2005 to 2014. Economic value added (EVA) was used as a measure of wealth while the logistic regression was applied in the analysis. In this study, EVA is the dependent variable and the independent variables are the company characteristics. Results presented by the logistic regression analysis showed that sub-sector, capital size and capital gearing could influence EVA performance of the industrial companies. However, product type and market segment do not influence EVA performance. In conclusion, high volume of manufacturing and retail activities should be encouraged by economic stakeholders through making capital available for investments and expansion of projects. Furthermore, company managers should endeavour to arrange optimal capital structure for their companies at such a level as to minimise risk as well as costs of capital.

Key words: Economic value-added (EVA), industrial companies, wealth creation, Johannesburg Stock Exchange, South Africa.

JEL Classification: M19

1. INTRODUCTION
The major purpose of investing in any business is to have an increase in the value of the invested capital together with a reasonable level of profit (Cunha Pint-pinto & Machado-Santos,
Usually, investors rely on the advice of analysts in making investment decisions. In some cases, making such choices becomes a gamble. Ganea (2014:20) and Vislwanath (2010:40) suggest that identifying a good wealth-measuring tool should include determining factors that impact on wealth creation. As far back as 1979, Porter (1979:214) described industry as a composition of clusters, or groups of companies. It is the opinion of Porter (1979:214) that the attributes specific to a company could influence the company’s profitability. The company characteristics discussed in this study are limited to market segments, capital size, capital gearing, product types and sub-sector. The objective of the study is to determine how these company characteristics influence Eva performance of the industrial companies.

2 THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 The concept of EVA

Vasilescu and Popa (2011:60) suggested that the concept of economic value was developed by Modigliani and Miller in 1961, and was taken over and expanded by Bennet Stewart and Joel Stern. In addition, Visaltanachoti, Luo and Yi (2008:21); Bolek, Kacprzyk and Wolski (2012:1) argued that the concept of EVA is in consonance with the principle of residual income postulated by Alfred Marshal who, in the 19th century had argued that company earnings should be enough to cover costs of both debt and equity.

Van der Poll, Booyse, Pienaar, Buchner and Foot (2011:124) suggest that EVA shows economic profit achieved by a company. Vander Poll et al. (2011:124) described economic profit as the profit created over and above the rate of return required by the owners of the company calculated after making adjustments to the generally accepted accounting principles (GAAP) book values and deducting the cost of equity capital (Van der Poll et al., 2011). Rago (2008:7) suggests that EVA is a measure tying directly to intrinsic market value, measuring the difference between profits derived by a company from its operations and the costs of capital that the company incurs using its credit lines.

Johnson and Kaplan (1987:22) had argued that managers of corporations rely on financial statements in evaluating performance of their business and fail to notice when such statements no longer provide relevant and adequate indicators of the performance of companies. Shil (2009:169) states that EVA is a value-based performance measure, focusing on the importance of value creation by management for shareholders. Ray (2012:261) suggested that the adoption of a financial management system by an organisation might lead to decisions that would create wealth for the owners of the business both in the private as well as in the public sector.

Sharma and Kumar (2010:201) describe the EVA of a company as a measure of the incremental return that the investment generates over the market rate of return. In other words, EVA measures the difference between economic profit and cost of capital. However, Philips (2007:5) described EVA as pointing to the notion that companies do not earn a true profit until all costs, including items such as opportunity costs and cost of capital are settled.

2.2 Company characteristics

Company characteristics, in this study, is defined as the attributes, qualities, possessions, relationships and operational activities that differentiate one company from another within an industry, including the characteristics that companies share. Vislwanath (2010:36) and Ganea (2014:20) motivated linking EVA to company characteristic and suggested that identifying a
good wealth-measuring tool should include determining factors that impact on creating wealth. The company characteristics analysed in this study is discussed in detail in the following sections.

2.2.1 Company capital gearing
The gearing of a company describes the relationship between debt and the equity components in the company’s capital structure commonly calculated in form of percentage (Investopedia, 2017). Bolek et al. (2012:3), De Wet and Hall (2004:56) and Tunji, Adebayo and Tolulope (2015:77) argue that the gearing of a company influence its earnings. The assertion of impact of gearing on EVA hinges on the understanding that gearing indicates the level of risk associated with a company as a highly geared company might be vulnerable to downturn in the economy (Investopedia, 2017). Similarly, Shubita and Alsawalhah (2012:109) found a negative relationship between volume of debt in a company’s capital structure and its profitability.

2.2.2 Company sub-sector
Company sector refers to segments of the economy where companies share products and services (Investopedia 2017). The purpose for dividing the economy into sectors and sub-sectors is to assist in the analysis of the entire economy. Investors, moreover, consider the sectors and sub-sector that perform well in terms of returns when making investments decisions (Investopedia, 2017). Olweny and Shipho (2011:1); Kearney (2012:2) had suggested that the factors that are peculiar to sub-sectors to which a company belongs do impact on profitability. The sectoral specific factors include capital adequacy, asset quality, liquidity, operational efficiency and income diversification (Olweny & Shipho, 2011).

2.2.3 Company industrial and household consumer product types
Marketing mix refers to the four basic marketing categories of product, price, place and promotion (Businessfundas, 2017). Products could be tangible like household items, or intangible, such as services. Products could be valued based on the features, quality, size, design and even brand. It is the opinion of the researcher that product, being a factor in the marketing mix, could also impact on EVA. PBM partners (2008:1), Jahanshahi, Gashti, Mirdamadi, Nawaser and Khaksar (2011:253), Hussein and Gholam (2013:95) suggested a relationship between company products and profitability.

2.2.4 Company local and international distribution market segments
A market is described a geographical location or nominal environment such as the internet, where buyers and sellers of goods and services come into contact (Businessdictionary, 2017). In this study, market is described in terms of products being sold domestically or internationally. Aulakh, Kotabe and Teegen (2000:358) and ITA (2017) suggest that companies could use export to create competitive advantage.

2.2.5 Company operating capital size
Capital size, in the case of this study, refers to the volume or amount of capital available to each of the industrial companies. Gaur and Kesavan (2007:22) suggested that there is a higher inventory turnover in big size companies than small size companies due to economies of scale. Furthermore, Wainaina (2008) and Asimakopoulos, Samitas and Padadonas (2009:930) suggested that there is a relationship between profit and the size of a company’s capital measured in terms of value of the assets employed in the company operations.
3. RESEARCH METHODOLOGY
Logistic regression analysis (Logit) is used in this study to determine the impact of company characteristics (independent variables) on EVA (dependent variable). Logistic regression measures relationship between many independent variables and one dependent variable (Park, 2013:154). A coefficient, also known as intercept, shows the degree of the relationship between each independent variable and the dependent variable.

In the analysis odds were calculated. Odds shows the likelihood of an event happening, for example, how export market segments are more likely to impact on EVA than domestic distribution. Thus, the formula for calculating odds is: Odds = p/(1-p). This is referred to as unconditional odds. In this study, the interest includes how some other variables within the industry structure affect EVA outcome, described as conditional odds. Therefore, the odds ratio (OR) is used instead of the odds. OR is obtained by exponentiating the odds denoted as β. Thus, the formula is e^β. The log of the OR shows relationship between EVA (dependent variable) and company characteristics (independent variables).

However, interpretation of results of the logistic regression analysis for this study was conducted by using the p-value, in conjunction with the odds ratios. Further to that, the odds ratios of the independent variables was converted to statistical probabilities using the formula propounded by Simon (2013) to offer more clarity in understanding the meaning of the logistic regression numbers. However, consolidated tables and analysis showing the p-values and other logistic regression data output for all the years were presented. The population for this study are industrial companies listed on the JSE with a complete set of data for the years 2005 to 2014. 61 companies are listed under the industrial sector of which 59 companies have all the data required for this analysis. All 59 companies where included in the study and therefore no sampling methods were utilised.

4 ANALYSES OF RESULTS
4.1 Testing for the model fit
The following goodness of fit tests to ascertain how appropriate the model describes the outcome variable (EVA) were carried out: the Hosmer and Lemeshow Test, Classification Accuracy, Omnibus Test and Model Summary. Results.

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>0.00</td>
<td>0.00</td>
<td>1.29</td>
<td>3.59</td>
<td>8.37</td>
<td>3.30</td>
<td>6.28</td>
<td>7.66</td>
<td>5.08</td>
<td>4.92</td>
</tr>
<tr>
<td>Degree of freedom</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>P-value</td>
<td>1.00</td>
<td>1.00</td>
<td>0.99</td>
<td>0.89</td>
<td>0.39</td>
<td>0.91</td>
<td>0.50</td>
<td>0.46</td>
<td>0.65</td>
<td>0.66</td>
</tr>
</tbody>
</table>

The Hosmer-Lemeshow test compared predicted outcomes with actual outcomes of EVA. P-values> 0.05, confirms that a model is appropriate for the study. The results in Table 1 shows
that p-values were > 0.05 in all the years, therefore, implying a good fit of the logistic model for this study.

Table 2. Consolidated classification accuracy 2005-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step-0</td>
<td>89.2</td>
<td>91.7</td>
<td>78.2</td>
<td>79.2</td>
<td>55.6</td>
<td>53.7</td>
<td>57.9</td>
<td>56.9</td>
<td>58.6</td>
<td>54.2</td>
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<tr>
<td>Step-1</td>
<td>95.3</td>
<td>97.2</td>
<td>81.4</td>
<td>86.8</td>
<td>72.2</td>
<td>64.8</td>
<td>63.2</td>
<td>67.2</td>
<td>75.9</td>
<td>83.1</td>
</tr>
</tbody>
</table>

Table 2 is a summary of classification accuracy for the ten years covered in the study. Step 0 are the results of the classification with the absence of independent variables (company characteristics), while step 1 contain results of the logistic model with company characteristic added. The improvement on the outcome for each year, comparing the outcome of step 0 and step 1, show a good fit of the logistic model for the analysis for the ten years covered in this study.

Table 3. Consolidated Omnibus test 2005-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
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<td>17.8</td>
<td>26.0</td>
<td>18.8</td>
<td>15.3</td>
<td>16.2</td>
<td>9.23</td>
<td>12.9</td>
<td>19.7</td>
<td>36.7</td>
</tr>
<tr>
<td>Degree of difference</td>
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<td>11</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>p-value</td>
<td>0.33</td>
<td>0.09</td>
<td>0.01</td>
<td>0.09</td>
<td>0.22</td>
<td>0.17</td>
<td>0.68</td>
<td>0.45</td>
<td>0.07</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Table 3 shows the consolidated Omnibus test for the ten years and indicate that only 2007 (p-value 0.011) and 2014 (p-value 0.000) implies that EVA is influenced by company characteristics.

Table 4 show Nagelkerke R Square of 75.0 percent, 89.7 percent, 73.6 percent and 61.9 percent in 2005, 2006, 2007 and 2014 respectively indicating a strong relationship between EVA and company characteristics. Results of the tests for the model fit showed that the logistic regression model established a relationship between company characteristics and EVA.

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Log Likelihood</td>
<td>2.65</td>
<td>2.77</td>
<td>15.3</td>
<td>35.2</td>
<td>58.8</td>
<td>58.2</td>
<td>68.3</td>
<td>66.3</td>
<td>59.0</td>
<td>44.6</td>
</tr>
<tr>
<td>Cox &amp; Snell R Squar e</td>
<td>0.30</td>
<td>0.39</td>
<td>0.45</td>
<td>0.29</td>
<td>0.24</td>
<td>0.26</td>
<td>0.15</td>
<td>0.20</td>
<td>0.28</td>
<td>0.46</td>
</tr>
<tr>
<td>Nagel-kerke R Squar e</td>
<td>0.75</td>
<td>0.89</td>
<td>0.73</td>
<td>0.46</td>
<td>0.33</td>
<td>0.34</td>
<td>0.20</td>
<td>0.26</td>
<td>0.38</td>
<td>0.61</td>
</tr>
</tbody>
</table>

-4.2 Significant company characteristics

A consolidated table for the ten years covered in this study have been prepared for the p-value (Table 5), odds ratio (Table 6) and the coefficients (Table 7). Table 5 reveals that capital gearing factor (p-value of 0.054) and sub-sector factor (p-value of 0.004), show significant impact on EVA for the years 2007 and 2013 respectively. Table 5 shows that manufacturing category of the sub-sector factor was significant in 2011, 2012, 2013 and 2014 with p-values of 0.078, 0.05, 0.013 and 0.011 respectively. In 2014 significant factors were sub-sector, capital size and capital gearing with p-values of 0.016, 0.059, and 0.026 respectively. Though capital gearing factor was significant in 2007 (p-value of 0.054), but there was no category of capital gearing factor that was significant in 2007. The retail category of the sub-sector factor was significant in 2011, 2012, 2013 and 2014 with respective p-values of 0.072, 0.95, and 0.016 (Table 5) In 2010 the industrial raw material category of product type factor was significant with p-value of 0.89 at 10% level of significance.

Small capital size category of the operating capital size factor was significant in 2009 (p-value of 0.065), while large capital size category of the operating capital size factor was significant in 2014 (p-value of 0.059) . High capital gearing category of the capital gearing factor was significant in 2009 and 2014 with respective p-values of 0.072 and 0.008.

The non-significant factors are the market segment and product type factor with p-values greater than 0.05 in all the ten years covered in the study, though industrial raw material category of the product type factor was significant in 2010 (Table 5). The non-significant factors are those whose changes in volume might not bring about any change in EVA. Further calculation of the coefficients of variables and the subsequent discussions focus on three significant factors together with their respective categories such as manufacturing and retail category for sub-sector factor, large capital category for the capital size factor and highly geared category for capital gearing factor. The reason for focusing discussion on the significant factors is that they are the factors that are found to impact on EVA based on this model.

Table 5. Consolidated p-values of factors and the categories 2005-2014
Note: Significant factors * and significant categories **

4.3 Logistic regression model

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market:</td>
<td>0.64</td>
<td>0.64</td>
<td>0.81</td>
<td>0.99</td>
<td>0.88</td>
<td>0.53</td>
<td>0.38</td>
<td>0.82</td>
<td>0.19</td>
<td>0.43</td>
</tr>
<tr>
<td>Export</td>
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<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Domestic</td>
<td>0.93</td>
<td>0.93</td>
<td>0.16</td>
<td>0.67</td>
<td>0.96</td>
<td>0.15</td>
<td>0.11</td>
<td>0.10</td>
<td>0.00</td>
<td>0.01</td>
</tr>
<tr>
<td>Subsector:</td>
<td>1.00</td>
<td>0.99</td>
<td>1.00</td>
<td>0.67</td>
<td>0.30</td>
<td>0.14</td>
<td>0.07</td>
<td>0.05</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.70</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Retailing</td>
<td>0.65</td>
<td>0.28</td>
<td>0.66</td>
<td>0.74</td>
<td>0.15</td>
<td>0.07</td>
<td>0.09</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Product:</td>
<td>1.00</td>
<td>1.00</td>
<td>0.67</td>
<td>0.85</td>
<td>0.14</td>
<td>0.33</td>
<td>0.98</td>
<td>0.46</td>
<td>0.52</td>
<td>0.6</td>
</tr>
<tr>
<td>Raw material s</td>
<td>1.00</td>
<td>0.99</td>
<td>0.99</td>
<td>0.24</td>
<td>0.08</td>
<td>0.46</td>
<td>0.95</td>
<td>0.66</td>
<td>0.91</td>
<td>0.91</td>
</tr>
<tr>
<td>Consumerables</td>
<td>0.99</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>0.41</td>
<td>0.70</td>
<td>0.71</td>
<td>0.97</td>
</tr>
<tr>
<td>Equipment</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>0.96</td>
<td>0.36</td>
<td>0.56</td>
<td>0.92</td>
<td>0.89</td>
<td>0.18</td>
<td>0.18</td>
</tr>
<tr>
<td>Capital size:</td>
<td>0.89</td>
<td>0.98</td>
<td>0.49</td>
<td>0.64</td>
<td>0.69</td>
<td>0.89</td>
<td>0.70</td>
<td>0.41</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Large capital</td>
<td>0.99</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>0.80</td>
<td>1.00</td>
<td>0.28</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Medium capital</td>
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<td>0.99</td>
<td>0.88</td>
<td>0.14</td>
<td>0.91</td>
<td>0.83</td>
<td>0.77</td>
<td>0.21</td>
<td>0.98</td>
<td>0.98</td>
</tr>
<tr>
<td>Small capital</td>
<td>0.99</td>
<td>0.99</td>
<td>0.41</td>
<td>0.06</td>
<td>0.28</td>
<td>0.90</td>
<td>0.58</td>
<td>0.37</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Capital gearing:</td>
<td>0.99</td>
<td>0.99</td>
<td>0.05</td>
<td>0.25</td>
<td>0.62</td>
<td>0.77</td>
<td>0.24</td>
<td>0.37</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>High</td>
<td>0.95</td>
<td>0.99</td>
<td>0.29</td>
<td>0.57</td>
<td>0.07</td>
<td>0.27</td>
<td>0.98</td>
<td>0.25</td>
<td>0.28</td>
<td>0.00</td>
</tr>
<tr>
<td>Moderate</td>
<td>0.99</td>
<td>0.99</td>
<td>1.00</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>0.39</td>
<td>0.99</td>
<td>0.19</td>
<td>0.19</td>
</tr>
</tbody>
</table>
The odds ratio for the factors that are significant are converted into statistical probabilities to aid interpretation and understanding of results. Statistical probabilities are obtained by converting the odds ratios to probabilities using the formula $\exp(B) / (\exp(B) + 1)$ as suggested by Simon (2013:1-2). Any number closer to 100 per cent means a higher probability.

Table 6 contains the consolidated odds ratios for 2005 to 2014. The odds ratio is applied to explain the degree of impact of the significant company characteristics on EVA. In 2014, the odds ratios for this analysis are 62.774 for manufacturing category, 78845 for extraction category, 13.262 for retail category and 28.449 for large capital size category. Others are 0.982 for medium capital size category, 0.017 for high gearing category and 0.24 for moderate gearing category.

Table 6. Consolidated Odds ratios 2005-2014

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>1.67</td>
<td>0.00</td>
<td>12.6</td>
<td>766</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>3.45</td>
<td>2.80</td>
<td>20.7</td>
</tr>
<tr>
<td>Domestic</td>
<td>2.61</td>
<td>4.72</td>
<td>728</td>
<td>1.67</td>
<td>0.705</td>
<td>0.733</td>
<td>0.319</td>
<td>7.70</td>
<td>9.61</td>
<td>26.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.67</td>
<td>2.17</td>
<td>3.86</td>
<td>0.46</td>
<td>3.98</td>
<td>6.73</td>
<td>7.70</td>
<td>9.61</td>
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<td>62.7</td>
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<tr>
<td>Extraction</td>
<td>0.61</td>
<td>0.68</td>
<td>1.79</td>
<td>0.30</td>
<td>0.69</td>
<td>0.76</td>
<td>3.41</td>
<td>2.70</td>
<td>2.40</td>
<td>13.2</td>
</tr>
<tr>
<td>Retailing</td>
<td>0.00</td>
<td>0.00</td>
<td>1.55</td>
<td>0.92</td>
<td>2.73</td>
<td>0.20</td>
<td>0.10</td>
<td>0.45</td>
<td>1.06</td>
<td>0.87</td>
</tr>
<tr>
<td>Raw materials</td>
<td>0.00</td>
<td>0.00</td>
<td>0.68</td>
<td>0.00</td>
<td>0.20</td>
<td>4.27</td>
<td>0.45</td>
<td>0.24</td>
<td>0.50</td>
<td>0.90</td>
</tr>
<tr>
<td>Consumables</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>1.13</td>
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<tr>
<td>Equipment</td>
<td>102</td>
<td>85.5</td>
<td>434</td>
<td>5.94</td>
<td>0.95</td>
<td>0.42</td>
<td>0.60</td>
<td>0.92</td>
<td>1.13</td>
<td>0.20</td>
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<tr>
<td>Large capital</td>
<td>443</td>
<td>62.9</td>
<td>974</td>
<td>0.07</td>
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<td>0.62</td>
<td>0.00</td>
<td>0.76</td>
<td>0.32</td>
<td>5.14</td>
<td>0.89</td>
<td>0.81</td>
<td>1.31</td>
<td>3.42</td>
<td>0.98</td>
</tr>
<tr>
<td>Small capital</td>
<td>0.00</td>
<td>0.00</td>
<td>0.32</td>
<td>0.29</td>
<td>8.43</td>
<td>3.00</td>
<td>1.13</td>
<td>1.66</td>
<td>0.41</td>
<td>0.01</td>
</tr>
<tr>
<td>High gearing</td>
<td>0.94</td>
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<td>1.77</td>
<td>0.26</td>
<td>0.45</td>
<td>0.98</td>
<td>0.43</td>
<td>0.41</td>
<td>0.00</td>
<td>0.02</td>
</tr>
<tr>
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<td>180</td>
<td>38.2</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.29</td>
</tr>
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<td>1.45</td>
<td>6.17</td>
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<td>0.75</td>
<td>0.34</td>
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Note: * Odds of significant and non-significant factors and categories
On the other hand, coefficients are used to indicate if impact of the significant company characteristics on EVA is positive or negative. Table 7 contains the consolidated coefficients of
the variables in the equation table. A positive impact is indicated by positive value while negative impact is shown by a negative value. The coefficients for factors and categories used in this analysis are 4.14 for manufacturing category, 25.1 for extraction category, 2.59 for retail category and 3.348 for large capital size category. Others are -0.18 for medium capital size category, -4.092 for high gearing category and -3.732 for moderate gearing category.

Table 7 Consolidated coefficients 2005-2014

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<td>0.51</td>
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<td>-0.02</td>
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<td>2.59</td>
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<td>Raw materials</td>
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<tr>
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<td>-1.39</td>
<td>-1.27</td>
<td>-0.55</td>
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</table>

Note: Coefficients of the categories of factors discussed in red colour.

The coefficients (Table 7) for manufacturing category, extraction category, retail category, and large capital size category are positive. The positive coefficients indicate that these categories have positive relationship with EVA. The coefficients for medium capital size category, high gearing category and moderate gearing category are negative. This implies that these categories have negative relationship with EVA. The factors with positive coefficients implies that any changes in those factors would result in an increase in EVA while those that have negative relationship means that their changes would not result in increase in EVA.

4.3.1 Impact of sub-sector on EVA
The Odds for manufacturing in 2014 (Table 6) was 62.774. This implies that manufacturing has 98 percent \( \left( \frac{62.774}{63.774} \times 100 \right) \) chance of impacting on EVA. Therefore, manufacturing, with positive coefficient of 4.14 has 98 percent chance of increasing EVA. The odds for mining and extraction in 2014 (Table 6) was 78845418631.184. This means that extraction has 99.99 percent \( \left( \frac{78845418631.184}{78845418632.184} \times 100 \right) \) chance of increasing EVA with positive coefficient of 25.1. The result agrees with Kearney (2012) who concludes that extraction-related industries are a key driver of the Johannesburg Stock Exchange, representing 42 percent of its value. The odds for retail trade in 2014 (Table 6) was 13.262. This means that retail trade with positive coefficient of 2.59 has a 93% \( \left( \frac{13.262}{14.262} \times 100 \right) \) chance of causing an increase in EVA.

4.3.2 Impact of capital size on EVA
The odds for large capital size category in 2014 (Table 6) implies that large capital size has a 97% \( \left( \frac{28.449}{29.449} \times 100 \right) \) chance of impacting on EVA. The large capital size category with a positive coefficient of 3.348 indicate a positive impact of this category on EVA, all other categories held constant. The result agrees with Wainaina (2008) whose study showed that companies with high capital employed reported higher EVA compared to those companies with smaller capital employed. The odds for medium capital size category in 2014 (Table 6) was 0.982. This implies that medium capital size has 49.546% \( \left( \frac{0.982}{1.982} \times 100 \right) \) chance of impacting on EVA. The medium capital size category with a negative coefficient of -0.018 indicate that a change in this category could have a negative impact on EVA.

4.3.3 Impact of capital gearing on EVA
Furthermore, capital gearing is a ratio of fixed interest capital to total capital of a company. In this study a ratio of 60% debt to 40% equity is a highly geared company, a ratio of 40% debt to 60 per cent equity is moderately geared while ratio of 20% debt to 80% equity is a lowly geared company. The odds for high gearing category in 2014 (Table 6) was 0.017. This implies that high gearing has 1.67% \( \left( \frac{0.017}{1.017} \times 100 \right) \) chance of causing a decrease in EVA. This implies that EVA is affected negatively by a highly geared company capital structure. The result revealed that a high gearing ratio has 1.67% chance of causing a decrease in EVA, as indicated by the negative coefficient of -4.092. The odds for moderately geared in 2014 (Table 6) was 0.024. This shows that moderate gearing ratio has 2.34% \( \left( \frac{0.024}{1.025} \times 100 \right) \) chance of causing a decrease in EVA, as shown by the negative coefficient of -3.732.
5. DISCUSSION
High gearing category was found to have a negative impact on EVA in 2014. That means high capital gearing category impacts negatively on value creation for the owners of the company compared to lowly geared. This finding is consistent with Titman and Wessel (1988:17) who found that debt levels are negatively related to company’s specific line of business.

Value is created through investment activities. Investment, on the other hand, is made possible only if there is capital at the disposal of the investors. Moreover, the size of investment by any company is a function of the capital size at its disposal (Piana 2001:1). Result indicating significant impact of capital size on EVA agrees with Asimakopoulos et al. (2009: 930).

The logistic regression analysis results obtained for this study indicated that local or international market segment was not significant in terms of EVA for the ten years covered in the study. Aulakh, Kotabe and Teegen (2000:358), ITA (2017) have suggested that market where companies sell their goods or services could impact on profitability. It may, therefore, be asserted that there could be country-specific economic characteristics that influences EVA, and that a generic approach would fail.

In terms of product quality, Hussein and Gholam (2013:95) Jahanshahi et al.(2011:253) and PBM partners (2008) conclude that there is a relationship between the product of a company and profitability.

Olweny and Shipho (2011:1) and Kearney (2012:2) suggested that company’s sectoral specific factors which include, but not limited, to capital adequacy, asset quality, liquidity, operational cost efficiency, as well as, income diversification impact on performance. Also, Gebreselasie (2008:121) and Gauteng Province (2012:23) revealed that some sub-sectors of the South African economy contribute significantly to growth and development of the economy.

6. RECOMMENDATIONS
To use both debt and equity capital to maximize company profitability, an optimal capital structure (gearing) must be arranged by company managers, where the company’s weighted cost of capital (WACC) is lowest. The reason to desire the lowest WACC is that it determines the amount that would be spent as payment to providers of capital. If the capital cost is high compared to the amount of profit generated EVA would be minimal. If the cost of capital is too high this could discourage borrowing and eventually discourage further investments. A slump in investment activities due to the shortage of capital means that the amount of value creation within the economy would be minimal. If a company has large amounts of capital at its disposal the company can consider an expansion program to increase its level of operation and hence, EVA.

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JSE see Johannesburg Stock Exchange.


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MANAGEMENT OF FINANCES IN THE IMPLEMENTATION OF INFRASTRUCTURE DEVELOPMENT PROGRAMMES IN THE LIMPOPO PROVINCIAL GOVERNMENT

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ABSTRACT
The Limpopo provincial government is confronted by the challenge of huge backlogs in provision of basic services. The main South African legal framework for management of public finances is Public Finance Management Act (PFMA) (1 of 1999) as amended by Act (29 of 1999). The planning process in the South African public service is centrally managed and every year departments have to compile and submit their strategic plans. In order to advance the standard of infrastructure service delivery in the province, all provincial departments need to improve processes of tracking and recording budget appropriations and their uses. The foundation for management of finances is key to the effective implementation of infrastructure programmes, service delivery expansion efforts, improvements, reliability and frequency of services.

The population are government departments in Limpopo who are allocated budgets for infrastructure development programmes. An open-ended questionnaire was utilised as a data collection instrument, which is accepted as an appropriate data collection instrument for purposes of a survey. Data analysis involves examining, sorting, categorising, evaluating, comparing, synthesising and contemplating the coded data as well as reviewing the raw and recorded data.

The findings revealed that although provincial departments are making strides in terms of delivery for infrastructure projects, the provincial departments are yet to implement capital budgeting. Current infrastructure programmes and projects are not informed by any scientific methodology. There is inadequate monitoring of infrastructure projects by officials, which results in poor workmanship, incurring irregular, fruitless and wasteful expenditure. Currently, each department and IA have its own payment process designed to suit its own circumstances which has the potential to affect payment processes leading to late processing of payments, under or overpayment of service providers. For adequate delivery of infrastructure projects, the province should review its infrastructure development strategy to embrace a capital budgeting model.

Key Words: Infrastructure development, financial management, capital budgeting, supply chain management, service delivery.

JEL Classification: H72
1. INTRODUCTION
The National Development Plan (NDP) proposes to invigorate and expand the economic opportunities through investment in infrastructure, more innovation, private investment and entrepreneurialism (NPC, 2011:5). The anticipation is that the economy will absorb more labour especially of new work seekers and wage moderation at all levels will contribute to rising employment. The infrastructure development programmes create opportunities for job creation through approaches such as maintenance of existing infrastructure in order to retain resources in the local areas. Infrastructure development programmes play a significant role in job creation and stimulating economic growth.

The Limpopo provincial government is confronted by the challenge of huge backlogs in provision of basic services such as water, sanitation, housing, clinics, schools, and roads. However, Public Institutions such as Government Departments, Public Entities and Municipalities continue to underspend the allocated budgets. Key indicators of poor spending on infrastructure programme in the province is the continued service delivery protest that are as a result of incomplete projects and surrender and/or withdrawal of conditional grants funding to the national sphere of government. However, in instances where spending is realised, there are significant amounts reported as irregular expenditure as presented by the Auditor General (AG) in the 2016/17 report where the provincial irregular expenditure more than doubled to R2.6 billion from R1.0 billion in 2015/16 financial year and infrastructure programmes were identified as the main contributor (General report, 2017:182). The most significant reason for irregular expenditure incurred in the province was the non-compliance with the requirements in supply chain management (SCM). Infrastructure programmes were identified as the main contributor to the irregular expenditure.

2. REGULATORY FRAMEWORKS
The main South African legal framework for management of public finances is pronounced by the Public Finance Management Act (PFMA) (1 of 1999) as amended by Act (29 of 1999), which puts together a framework on financial management and has been at the cornerstone of government’s efforts to enhance public financial management and accountability. The PFMA designates heads of departments and constitutional institutions and boards of public entities as accounting officers or accounting authorities and gives them the responsibility for the effective, efficient, economical and transparent use of resources.

The first step to achieve effective and efficient infrastructure service delivery in Limpopo province is for legislation, regulations and policies for proper delivery of infrastructure projects to be in place. De Jager (2000:03) explains that legislation is the most important instrument of government in organising society and protecting citizens. It determines amongst others the rights and responsibilities of individuals and authorities to whom the legislations apply. The rules regulating the interaction between the individual (groups of citizens), society (organisation’s) and authority (the departments) can be perceived as the regulatory dimension to judge the degree of procedural formalisation required to achieve maximum benefits (Fourie & Reuterner 2012:86).

3. INTEGRATING PLANNING AND THE BUDGET PROCESS
The planning process in the South African public service is centrally managed and every year departments have to compile and submit their strategic plans within which service delivery
priorities are identified (Fourie & Jordaan 2007:41). This implies that responsible officials of various departments have to identify Key Performance Areas (KPAs), determine the priorities of the department and the funding thereof. The strategic plan contains measurable objectives with an indication of output-outcome, indicators and targets, which means that the objectives of a budget must be clear. There should be a clear relationship between strategic planning and budgeting to deliver services effectively and efficiently. The National Treasury Framework for Managing Programme Performance Information (2007:4) requires a certain degree of integration between planning and budgeting. Addison and Roe (2004:99) argue that the linkage between planning and budgeting is critical and government lacks a comprehensive expenditure plan where budgets are prepared separately by finance sections.

4. SETTING FINANCIAL CONTROLS
The importance of financial management control is reflected in the Constitution of South Africa. According to section 216(1) of the Constitution (1996), national legislation must establish a National Treasury and prescribe measures to ensure expenditure control in each sphere of government. Limited compliance with laws and regulations by government departments and agencies negatively affects both the quality and quantity of outputs in service delivery. Fourie (2005:684) contends that government has to establish structures that will ensure its policies are carried out without failure or compromising service delivery and that control measures are put in place to ensure that public money is always used in ways that advance the public interest. The Accounting Officers of public institutions have the ultimate responsibility over the following affairs for appropriate delivery of infrastructure programmes:

4.1. Budgetary compliance
The appropriate management processes and systems that allow departments to detect and correct significant deviation in the delivery of infrastructure projects are significant. Imuezerua and Chinomona (2015:366) indicate that strict compliance to the approved annual budget should be adhered to at all times and if there are any expenses not approved, they must be incurred and a full disclosure of such be made. When the legislature approves the budget, government engages in a process of spending public funds. Spending of public funds is done in order to meet stated policy objectives while ensuring value for money is often just as challenging as planning how to spend it. Public institutions are required by section 40 (4) (c) of the PFMA to submit financial reports on the implementation of the budget at each stage of the expenditure cycle and these reports are produced at the end of each month and submitted to the Provincial Treasury.

4.2. Financial controls for infrastructure programmes
Departments in the Limpopo provincial government are required by the PFMA to have a strong system of financial controls in order to implement the tasks of infrastructure planning, programming, budgeting, accounting, reporting, archiving and monitoring as discussed above. This could result in better control of expenditure and possible greater efficiency and effectiveness in implementing policies, programs and projects. Furthermore, the PFMA section 38(1)(j), elaborates that before funds are transferred to any entity within or outside government an AO needs to obtain a written assurance from the entity that the entity implements effective, efficient and transparent financial management and internal control systems. All conditional grants can only be spent in a way consistent with their intended use (Treasury Regulations: 6.4.3.). If provinces under-spend or make improper use of conditional grants the transferring
national department can either delay further payments or withhold funds if there is a serious or persistent material breach of the conditions to which the allocation is subject (SAIIA 2006:136).

4.3. Keeping accounting records
In order to advance the standard of infrastructure service delivery in the province, all provincial departments need to improve processes of tracking and recording budget appropriations and their uses. Abedian, Strachan and Ajam (1998:7) comment that accounting is the component of financial management that is concerned with the recording and reporting of financial information. HM Treasury (2013:17) emphasis that each department should run efficient systems to manage payments and should keep its use of public funds within the agreed budget, taking the limits into account when entering into commitments and generally ensuring that its spending profile is sustainable.

4.4. Preparation of strategic plans for accomplishment of set objectives
To ensure that infrastructure service delivery is as efficient and economical as possible, all government institutions are required to formulate strategic plans, distribute resources to the implementation of those plans, monitor and report the results (National Treasury 2007:1). The department’s ability to align its plans and budgets successfully depends on the legislative framework, departmental systems, structures, processes, leadership responses, organisational culture, information flows and the interaction among these factors (Ajam 2008:48). The linking of the strategic plans, budget and priorities of the department helps to achieve the strategic objectives of the departments. If there is no clear link between the strategic plan and the budget it could result in overspending or underspending by provincial departments.

4.5. Reporting of performance information
The purpose of performance reporting is to report on overall progress made with the implementation of the department’s performance plan, both on a quarterly and annual basis (Tembo 2012:16). The main reason was to move the focus away from reporting on financial inputs to models that are intended to provide a clearer picture of what government achieves for their expenditure on inputs, in other words, the outcomes or the impact sought or expected by government (Australian National Audit Office 2011:13). Governments utilise performance data in the budget process and their budget decision-making processes (Melkers 2003:105-106). According to the National Treasury (2007:4), performance is evaluated at the end of the financial year, though the performance information process begins when policies are being developed and continues through each of the planning, implementation and reporting stages.

5. IMPLEMENTATION OF CAPITAL BUDGETING PRACTICES
The Limpopo provincial government implements infrastructure programmes that are funded through the normal budgeting process. Three-year budget allocations are made available to departments by the Provincial Treasury and infrastructure units are responsible for allocating individual project funding based on estimates determined during the feasibility study. The implementation of capital budgeting practices in maintaining, replacing and acquisitioning of the capital asset is very significant. According to Lukes, Ripoll-Feliu, Giner-Fillol and Silva da Rosa (2015:39), capital budgeting is the method of making planning decisions and analysis of opportunities for long-term investments in assets to produce benefits for more than one year. It is important for Limpopo provincial government to adopt the following capital budgeting practice for guiding the service provision of maintenance, replacement and capital asset:
5.1. The development of capital budget practice
The development of capital budgeting practice plans benefits the departments in ensuring that needed capital assets or improvements receive proper attention in the budget process and the redundant assets are considered for replacement and disposal. Koch, Mayper and Wilner (2009:13), maintain that capital budgeting decisions are among the most important decisions to be made by an organisation, which is essential to their survival and success in the long term; Bennouna et al (2010:226) and Carmona et al (2011:62) affirm this.

5.2. Effective control of capital expenditure costs
Capital budgeting entails effective control on cost of capital expenditure projects and assists departments to avoid over and under investment in the delivery of the projects. According to standards of Generally Recognised Accounting Practices (GRAP 17), cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when constructed or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements. The costs of the capital budgeting project need to be controlled and kept as minimal as possible because departments become tied to the project and lose flexibility during the duration of the project in terms of budget spending.

5.3. Condition assessment of infrastructure projects
It is very important to conduct condition assessment of any capital assets, including the factors that could affect the need to maintain the assets in the future. Ehlers (2014:11) argues that a key obstacle to the emergence of infrastructure as a separate asset class is the heterogeneity in the setup of projects and the lack of readily available data. The findings of this condition assessment should provide details on how well the assets are meeting their intended purpose. The information obtained during condition assessments serves as an important component of evaluating and addressing the community needs and issues (e.g. damaged road or dilapidated hospital). This is supported by the view of Rigopoulos (2015:1), reasoning that capital budgeting decisions are critical for organisation’s performance and future prospects.

5.4. Development of capital project options for addressing capital needs
The establishment of specific capital project options for addressing capital needs that are consistent with financial and asset management policies is required for evaluating alternatives for acquiring and maintaining the capital assets. The evaluation of alternative mechanisms assists in ensuring the best approach for providing use of a capital asset and funding options are reaching consensus on the development of the province. Ehlers (2014:01) points out that mobilising the necessary funds to satisfy the growing demand for infrastructure investments requires new sources and instruments of finance. The department needs to be encouraged to ensure that all capital project proposals meet policies and plans, including availability of funds and conditional grant eligibility.

6. BETTER MANAGEMENT OF INFRASTRUCTURE FINANCES
The foundation for management of finances is key to the effective implementation of infrastructure programmes, service delivery expansion efforts, improvements, reliability and frequency of services. Skelton (2014:4) indicate that a reason for departments to underspend is poor capacity within the departments to plan and manage the size of the infrastructure projects.
Mulenga and Bekker (2015:333) emphasise that the main causes of poor infrastructure delivery are inadequate planning, inadequate funding and discrepancies in the procurement processes and policies. The role-players in the infrastructure delivery such as infrastructure planners, procurement experts and construction experts need to execute their responsibilities diligently in order to clear the infrastructure backlogs.

7. RESEARCH DESIGN

A research design, according to Terre Blanche and Durrheim (2002:29), is a strategic framework for action that serves as a bridge between the research questions and the execution or the application of the research. According to Hammond and Wellington (2013:131) a research design outlines how the research is going to be carried out. There are two research approaches researchers have to select from, namely quantitative and qualitative approaches. This study employs the qualitative research methodology to provide insights and generalisation about the role of financial management in the implementation of infrastructure programmes.

7.1. Population

The population of this study were the departments of Agriculture, Cooperative Governance and Human Settlement and Traditional Affairs, Education, Economic Development, Environment and Tourism, Health, Sport, Arts and Culture, Social Development, Provincial Treasury, Public Works, Roads and Infrastructure and Transport. The departments that constitutes the population are allocated budgets for infrastructure development programmes and the Provincial Treasury is included as the department responsible for monitoring implementation of infrastructure programmes. The representatives of the departments are the infrastructure and budget managers responsible for the implementation of infrastructure projects. There are 40 officials in total, of which 16 are budget managers and 24 are infrastructure managers and specialists.

7.2. Sampling

Non-probability sampling method known as the purposive or deliberate sampling method was used for the qualitative data collection. Palinkas, Horwitz, Hoagwood, Green, Wisdom and Duan (2013:536) contends that purposive sampling is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources. This includes identifying and choosing individuals that are knowledgeable about or experienced with a phenomenon. Wamundila (2008:25) indicates that purposive sampling is a non-parametric sampling technique in which the researcher purposively selects the participants as a source of data. The sample of this study comprised of 20 participants who are responsible for the implementation of infrastructure projects in the departments of Agriculture, Co-operative Governance, Human Settlement and Traditional Affairs, Education, Public Works, Roads and Infrastructure, Health and the Provincial Treasury.

8. DATA COLLECTION

An open-ended questionnaire was utilised as a data collection instrument, which is accepted as an appropriate data collection instrument for purposes of a survey. This type of questionnaire is also known as unstructured or unrestricted type of questionnaire, which calls for a free response from the participant. The participant formulates and supplies the answer to the questions raised in the questionnaires (Annum 2015:03). The open-ended questionnaire was selected because it gives the participants an opportunity to express their opinions from the set of options. The
responses of the participants based on open-ended questionnaire, were recorded exactly the way they have been reflected by the participants.

9. DATA ANALYSIS
According to Neuman (2006:467), “data analysis involves examining, sorting, categorising, evaluating, comparing, synthesising and contemplating the coded data as well as reviewing the raw and recorded data”. This is a process whereby the researcher reduces data to a story and its interpretation. Data analysis consists of processes of reducing the data into a manageable size, developing summaries, displaying the data and drawing conclusions from the collected data. The study used the Creswell’s analytical spiral together with the processes of Marshall and Rossmann (cited in De Vos 2005:334) in a form of planning for the recording of data, data collection and preliminary analysis, organising, reading and writing notes, classification of the identified data and summarising and integration of information to produce a report.

10. FINDINGS AND DISCUSSION
This section provides the discussion of the findings based on the experiences of the 14 respondents (from the sample size of 20) in relation to infrastructure delivery programmes. The findings indicate that five (36%) of the 14 participants are experiencing challenges in terms of implementation of the AG recommendations. This study identified that four (29%) of the 14 participants believed that the province does not have a credible infrastructure development strategy; however, utilises the Infrastructure Delivery Management System (IDMS) developed in 2012.

The findings also indicate that the following shortcomings are experienced during planning and implementation of infrastructure projects:
- Supply Chain Management (SCM) capacity constraints because its processes such as bid evaluation and adjudication delay the start and completion of the projects;
- Lack of development of effective infrastructure project implementation, which hampers monitoring and delivery of quality projects within the required contract period; and
- Non-compliance and non-adherence by the departments to timelines in terms of submission of documents as outlined in the legislation.

All participants in the study demonstrated awareness in their role during the departmental strategic planning phase, ensuring linkages between the Annual Performance Plan (APP) and the budget as well as to monthly and quarterly reporting mechanisms. Eight (57%) of the 14 participants responded by saying that there is no provincial project information system within Limpopo that links financial information to physical progress of projects on site. The study identified that the invoice-processing procedures are a concern because there are no provincial guidelines that departments can adopt. Ten (71%) of the 14 participants believe that the current funding model needs to be improved. The study identified financial management challenges that departments are experiencing in relation to delivery of infrastructure programmes centres around the following matters:

- Delays in awarding of projects by Implementing Agents (IA) (mainly Department of Public Works) resulting in delay of the start of the projects and under spending on the allocated funds;
• Slow/poor performance by some appointed contractors contributing to late completion of projects, under spending of the allocated budget and overlapping commitments;
• Price escalations are also a challenge. The department ends up paying escalated prices and sometimes contracts variations causing the department to pay more than originally planned; and
• Poor workmanship on some projects requires continuous funding of the same projects. The department is unable to compete with the market relating to relevant skills necessary to capacitate infrastructure delivery units.

The responses reflect that the province is concentrated much on the delivery of social infrastructure projects. Most participants (79%) believe that the province provides quality infrastructure while three (21%) had a dissenting view. Findings suggested that financial management skills in the infrastructure departments are not adequate for radical delivery of the infrastructure programmes in the province. In addition, the findings illustrated that budgets and plans are based on assumptions because infrastructure departments are not conducting a full condition assessment of their immovable assets.

The findings revealed that although provincial departments are making strides in terms of delivery for infrastructure projects, the provincial departments are yet to implement capital budgeting for improving the long-term planning of infrastructure projects. Therefore, the failure to implement a capital budgeting model affects their operation. Current infrastructure programmes and projects are not informed by any scientific methodology. This implies that there are no scientific assessments for infrastructure projects to establish their worthiness. There is inadequate monitoring of infrastructure projects by officials, which results in poor workmanship, incurring irregular, fruitless and wasteful expenditure. Currently, each department and IA has its own payment process designed to suit its own circumstances. This has the potential to affect payment processes leading to late processing of payments, under or overpayment of service providers and leads to orders variations.

11. CONCLUSIONS AND RECOMMENDATIONS
For adequate delivery of infrastructure projects, the province should review its infrastructure development strategy to embrace a capital budgeting model for addressing the process of acquisition and investment of capital projects. The province should improve in terms of allocation of budget informed by the condition assessments for infrastructure projects. Poor performance by contractors due to inappropriate planning, lack of skills and competence to monitor the projects by provincial departments are the contributing factors of poor delivery of infrastructure projects in the province. Therefore, this article demonstrates the necessity of implementing consequences management in the province to foster a culture of accountability within the provincial departments in accomplishment of infrastructure projects. This includes permitting the provincial departments to have dedicated supply chain units/officials responsible for procurement of infrastructure projects in compliance to related regulatory frameworks.

12. REFERENCES


DETERMINANTS OF TRANSFER PRICING POLICIES: THE CASE OF MULTINATIONALS IN SOUTHERN GAUTENG PROVINCE – SOUTH AFRICA

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ABSTRACT
The conceptualisation and application of transfer pricing policies continues to be a highly controversial and hotly debated issue in the ever-evolving globalised marketplace. Such markets are characterised by an exponential increase of multinational corporations (MNCs) operating in several different tax jurisdictions. The choice and application of an appropriate transfer price is complicated enough as it is when all the related parties transact within the same country and under one set of tax laws. However, when these related parties are based in different countries with different and sometimes contrasting tax laws, issues of tax avoidance and profit shifting arise, making the entire process even more onerous. The methodology of the study included using the survey method which was carried out in the Southern Gauteng Province. Respondents were purposively selected based on their knowledge on the transfer pricing workings of their employers. Factor analysis was used to identify the dominant factors influencing the choice of transfer pricing methods by the MNCs in Southern Gauteng. Results showed that compliance with tax laws and regulations, preoccupation with transfer pricing audit by the tax authority, overall profit of the group, and political and social pressure were the most important domestic determinants of the choice of transfer pricing. Respondents considered the need to comply with tax laws to be the most important determinant of transfer pricing policies both in South Africa and internationally. Ironically, managerial incentives and performance evaluation, both of which are supposedly considered to be core objectives of transfer pricing, only ranked ninth and tenth respectively in South Africa, and fifteenth internationally.

Key Words: Transfer pricing, multinational corporations, determinants, Southern Gauteng

JEL Classification: M41

1. INTRODUCTION
Cross-border trading has been going on since the dawn of time. Dating back to the 1950s, globalisation triggered an exponential increase in such cross-border trading, which in turn created unforeseen levels of interdependence between world economies (Savrul & Incekara, 2015:88; Sikka & Willmott 2010:3). As a result, many countries have had to scale back on their international trade restrictions (Savrul & Incekara, 2015:88). This set the groundwork for the
emergence and proliferation of the multinational corporation (MNC). Cools, Emmanuel and Jorrissen (2008:606) state that at least 60 percent of all international trade is internal and beyond the influence of market forces. The cutthroat competition for market share has compelled MNCs to make use of every possible tool available at their disposal, to gain a competitive advantage (Mehafdi 2000:365). Transfer pricing is such a tool. Transfer pricing refers to the processes and procedures undertaken by a business entity in pricing an intermediate product that is sold by one internal division to another internal division, all within the same entity (Gao & Zhao, 2015:340).

South Africa’s economic landscape underwent a seismic change at the onset of democracy in 1994, engineered principally by the influx of foreign direct investments (Loots, 2006:4). South Africa’s exposure to the multinational corporation in the pre-1994 years was basic at best, thanks largely to the punitive economic sanctions that had been put in place by Western economies in protest against apartheid. Since that time, the number of MNCs operating on the continent in general and in South Africa in particular has grown exponentially, a scenario which has left the country continuously scrambling to enact legislation that will, on the one hand, attract foreign direct investments, and on the other, protect its tax base against illicit capital flight through the use of transfer pricing.

In theory, the objectives of transfer pricing – which are financial and managerial in nature - include the following: provision information for sound decision-making; engendering the autonomy of departments within the entity, the evaluation of managerial performance, and income-shifting between departments (Drury, 2012:510). However, over time, the shifting of incomes by MNCs between different tax jurisdictions in order to minimise tax obligations became the main focus of transfer pricing (Kapnick 2013:2).

In order to protect their tax base, governments across the world have instituted broad-based transfer pricing legislation aimed at regulating cross-border intra-company transactions that are geared towards capital flight (Liu, Schmidt-Eisenlohr, & Guo, 2017:5; Pleune, 2017:23). The cornerstone of the transfer pricing legislation in South Africa, as is the case in the rest of the world, is the arm’s length principle (ALP) as prescribed by Article 9 of the OECD Model Convention (Pleune, 2017:16). The ALP requires transactional parties to a fictional price on any non-market transaction in order to facilitate profit measurement (Kofler, 2013:646). The ability of tax authorities to properly assess the extent to which MNCs are engaged in transfer mispricing would be substantially enhanced if these authorities were able to identify and understand the variables that shape the transfer pricing policies of MNCs. An insight into the driving forces behind a MNC’s transfer pricing policy formulation process would definitely shed light on the extent to which the MNC is willing to comply (or not) with the comparability requirements of the arm’s length principle.

Ratombo and Blumenthal (2017:572) further state that the requirements for transfer pricing compliance represent a substantial portion of the tax costs of most entities, including MNCs. In addition, the significant ambiguity with which trans-national transactions are regulated by developing economies are of serious concern to MNCs (Ratombo & Blumenthal, 2017:572). This exacerbates the extent to which compliance requirements influence the transfer pricing policies of MNCs operating in developing countries. So, on the one hand, host countries have to find the near-impossible balance between establishment of an attractive investment
environment in terms of taxation, and putting measures in place to prevent the unfettered outflow of economic benefits to the detriment of domestic tax revenue. On the other hand, MNCs operating in South Africa have to navigate a minefield of continuously evolving transfer pricing regulations in order to avoid compliance disputes with the South African Revenue Service (SARS). It therefore behoves these MNCs to identify all the possible variables that passively or aggressively play a role in adopting transfer pricing policies that will put them on the right side of the law.

2. LITERATURE REVIEW
Given that transfer pricing plays a crucial role in the profitability of MNCs, the variables that influence the formulation of transfer pricing policies can therefore not be overemphasized. Different authors group these determinants under different umbrellas. There are internal and external environmental factors that determine and influence the adoption and application of transfer pricing policies by MNCs (Lin & Chang, 2010:1219). Lin and Chang (2010:1219) propose that there may be as many as twenty environmental factors that influence transfer pricing manipulation by MNCs. Holtzman and Nagel (2014:58) point to tariffs, tax laws and host country regulations as the principal motives for transfer pricing strategies by MNCs. In a comparative study of Japanese and American MNCs, Borkowski (1997:29) found out that overall profit maximisation, restrictions by the host countries and dividend repatriation were the overriding factors that influenced the choice of transfer pricing methods adopted by MNCs in these countries.

Chan and Lo (2004:94) identify seven environmental factors that are critical to transfer pricing decisions taken in emerging economies: difference in income tax rates; minimization of custom duties; the interests of local partners; foreign exchange control and risks; restrictions of profit repatriation; risks of expropriation and nationalization, and a good relationship with the host government. Relationships with the host government, the interest of local partners and foreign exchange controls and risks took precedence in influencing the choice of the perceived transfer pricing method to be used (Chan & Lo, 2004:96).

Dogan, Deran and Koksal (2013:737), state that in addition to internal variables, external factors like taxation, inflation, competitive advantage, foreign exchange and cash controls are critical for firms that make use of transfer pricing techniques. Dogan et al. (2013:737) also posit that the choice of transfer pricing method to use by MNCs tended to hinge on tax compliance with custom regulations and compliance with the financial reporting rules of the host country. Bartelsman and Beetsma (2001:1) state that for most companies operating in several tax jurisdictions, a ‘race to the bottom’ for tax purposes is becoming an increasingly crucial business strategy concern. This concern is even more acute for MNCs that are profitable, since transfer pricing manipulation is regularly used by MNCs to shield their profits from what they consider to be excessive taxation (Richardson, Taylor and Lanis, 2013:137). This is done by locating earnings in low-tax jurisdictions and inflating tax-deductible expenditures in high-tax jurisdictions (Richardson et al., 2013:137).

From the studies above, it can be deduced that the choice of transfer pricing is influenced by several factors which varies between one MNC to another. The aim of this study is to identify what factors do influence the choices of transfer pricing (TP) specifically in Southern Gauteng.
3. METHODOLOGY
3.1 Data collection and analysis
3.1.1: Study area
The province of Gauteng is the economic hub of South Africa, boasting not only the largest concentration of private enterprises in almost all conceivable economic sectors: Johannesburg is a hub for financial and business services; the eastern and western parts of the province are dominated by manufacturing and mining concerns, and Southern Gauteng mostly features steel, iron and coal production companies (Statistics South Africa 2013:9). Gauteng Province also features the fastest economic growth rate within the country. In 2015 the province contributed more than R400 billion to the economy of South Africa (Gauteng Provincial Government, 2016:xv). In 2016, while the rest of the country suffered from excruciatingly dismal growth figures, Gauteng showed provincial growth of 1.4 percent, and contributed 34.6 percent to the Gross Domestic Product (GDP) of South Africa (Gauteng Provincial Government, 2016:vxi).

2.1.2 Research design
This study made use of a mixed research design: ex post facto and exploratory descriptive design. A mixed methods research design is a procedure for collecting, analysing, and "mixing" both quantitative and qualitative research methods in a single study either concurrently or sequentially (Stange, Crabtree & Miller 2006:292). Consequently, the researcher is able to follow a line of inquiry to understand a research problem (Stange et al. 2006:292).

This study made use of quantitative data-collection methodologies, namely questionnaires.

2.2. Sampling and research site
For the purposes of this study, the units of analysis comprised all Manufacturing MNCs located in Southern Gauteng trading across national boundaries and practicing transfer pricing.

The population group used for this study consisted of all manufacturing MNCs operating in the Southern Gauteng area and that made use of transfer pricing policies in achieving corporate objectives. Products manufactured by these MNCs ranged from petrochemical products dairy products to stationery and heavy duty mining equipment. In view of the fact that the prospective population was rather small, the researcher decided to make use of the whole population as the sample. This negated the need for any sampling technique or sample. The participants in the study were identified by means of a vigorous whittling-down process.

2.3. Data analysis
In this study, environmental variables were introduced to measure their influence and trends in the choice of transfer pricing methods (TPMs) employed by MNCs. Therefore, to discover the realities in practice, nineteen environmental variables were selected in designing an instrument for data collection. A 5-point scale was used by respondent MNCs to rate the importance of each of these possible determinants of TPMs adopted for subsidiaries within Southern Gauteng, outside South Africa and by unrelated companies in the open market. The mean for each variable was based on a 5-point scale using 5 for extremely important; 4 for very important; 3 for important; 2 for slightly important and 1 for not important. Thus the higher the number, the greater the importance of that variable to the MNC.
The standard deviation indicated the extent of agreement in the rating of individual variables among the respondents.

2.4. Results and discussion
The Kruskal-Wallis H test ("one-way ANOVA on ranks") as shown by Table 1 was used to determine if there are possible statistically significant differences in the ranking of the environmental variables.

Results from Table 1 shows that value of $p = 0.006 < .05 = \alpha$, hence we conclude there are statistically significant differences in the ranking of these variables in the three scenarios, with the environmental measure being significant at the 1 percent level.

Table 1: Results of Kruskal-Wallis H Test of significance

<table>
<thead>
<tr>
<th>Environmental variables</th>
<th>N</th>
<th>Median</th>
<th>Ave Rank</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive position of the subsidiary</td>
<td>1</td>
<td>1.369</td>
<td>18.0</td>
<td>1.46</td>
</tr>
<tr>
<td>Comply with tax law and regulations</td>
<td>1</td>
<td>1.166</td>
<td>4.0</td>
<td>-1.10</td>
</tr>
<tr>
<td>Corporate profit of the subsidiary</td>
<td>1</td>
<td>1.089</td>
<td>1.0</td>
<td>-1.64</td>
</tr>
<tr>
<td>Differences in income tax rates</td>
<td>1</td>
<td>1.248</td>
<td>10.5</td>
<td>0.09</td>
</tr>
<tr>
<td>Existence of local partner</td>
<td>1</td>
<td>1.242</td>
<td>9.0</td>
<td>-0.18</td>
</tr>
<tr>
<td>Foreign currency exchange controls</td>
<td>1</td>
<td>1.261</td>
<td>13.0</td>
<td>0.55</td>
</tr>
<tr>
<td>Goal congruence of the group</td>
<td>1</td>
<td>1.167</td>
<td>5.0</td>
<td>-0.91</td>
</tr>
<tr>
<td>Import restrictions</td>
<td>1</td>
<td>1.317</td>
<td>14.5</td>
<td>0.82</td>
</tr>
<tr>
<td>Maintenance of cash flows</td>
<td>1</td>
<td>1.157</td>
<td>3.0</td>
<td>-1.28</td>
</tr>
<tr>
<td>Managerial incentives</td>
<td>1</td>
<td>1.346</td>
<td>16.0</td>
<td>1.10</td>
</tr>
<tr>
<td>Overall profit to multinational group</td>
<td>1</td>
<td>1.228</td>
<td>6.5</td>
<td>-0.64</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>1</td>
<td>1.317</td>
<td>14.5</td>
<td>0.82</td>
</tr>
<tr>
<td>Political and social pressure</td>
<td>1</td>
<td>1.228</td>
<td>6.5</td>
<td>-0.64</td>
</tr>
<tr>
<td>Price controls of host government</td>
<td>1</td>
<td>1.134</td>
<td>2.0</td>
<td>-1.46</td>
</tr>
<tr>
<td>Rates of customs duties</td>
<td>1</td>
<td>1.258</td>
<td>12.0</td>
<td>0.37</td>
</tr>
<tr>
<td>Restrictions on repatriation of income</td>
<td>1</td>
<td>1.248</td>
<td>10.5</td>
<td>0.09</td>
</tr>
<tr>
<td>Royalty restrictions</td>
<td>1</td>
<td>1.422</td>
<td>19.0</td>
<td>1.64</td>
</tr>
<tr>
<td>Tax authority transfer pricing audits</td>
<td>1</td>
<td>1.229</td>
<td>8.0</td>
<td>-0.37</td>
</tr>
<tr>
<td>Overall</td>
<td>19</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 shows result of a Cronbach analysis which was carried out based on an R-type principal components factor analysis that is orthogonally rotated (Varimax procedure) was performed on these data so as to overcome the potential problem of multicollinearity and to identify a relatively small number of underlying dimensions or behaviour traits as well as internal consistency. From Table 2, the Cronbach alpha is 0.54.
Given that factor analysis is concerned with relations among observations, it commonly starts with a matrix of correlations as its input. The following variables were found to be positively correlated, inter alia:

- Overall profit to the group
Corporate profits of the subsidiary
Compliance with tax law
Import restrictions
Competitive position of the subsidiary.

The high correlation of these environmental variables provided justification for performing a factor analysis. Factorial analysis (Table 3) was used to analyze a large number of variables in order to assess the effects of some ‘underlying’ factors that cannot be measured directly (that is, they are not directly observable), when these ‘factors’ influence some variables we can measure. The goal was to summarize a large number of variables into a very limited number of “Factors”. The communality column shows the degree to which the factors account for or explain each of the variables. The Eigen value of each factor is the sum of squares of the factor’s unrotated loadings and is normally used to compute the fraction of total variance in the variable explained by the factor (Camiz, Gomes, Gomes & Senna 2015:127).

### Table 3: Factor Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor3</th>
<th>Communality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall profit to multinational group</td>
<td>-0.601</td>
<td>-0.286</td>
<td>0.106</td>
<td>0.767</td>
</tr>
<tr>
<td>Tax authority transfer pricing audits</td>
<td>0.054</td>
<td>-0.896</td>
<td>-0.132</td>
<td>0.824</td>
</tr>
<tr>
<td>Maintenance of cash flows</td>
<td>-0.046</td>
<td>-0.782</td>
<td>-0.241</td>
<td>0.671</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>0.049</td>
<td>-0.675</td>
<td>-0.061</td>
<td>0.462</td>
</tr>
<tr>
<td>Differences in income tax rates</td>
<td>0.823*</td>
<td>-0.252</td>
<td>-0.157</td>
<td>0.766</td>
</tr>
<tr>
<td>Restrictions on repatriation of income</td>
<td>-0.605</td>
<td>-0.109</td>
<td>-0.492</td>
<td>0.620</td>
</tr>
<tr>
<td>Foreign currency exchange controls</td>
<td>0.131</td>
<td>-0.086</td>
<td>-0.678</td>
<td>0.484</td>
</tr>
<tr>
<td>Existence of local partner</td>
<td>0.016</td>
<td>0.525*</td>
<td>-0.192</td>
<td>0.218</td>
</tr>
<tr>
<td>Rates of customs duties</td>
<td>-0.326</td>
<td>0.122</td>
<td>-0.018</td>
<td>0.122</td>
</tr>
<tr>
<td>Import restrictions</td>
<td>0.931*</td>
<td>0.134</td>
<td>0.025</td>
<td>0.884</td>
</tr>
<tr>
<td>Political and social pressure</td>
<td>0.916*</td>
<td>-0.199</td>
<td>0.239</td>
<td>0.936</td>
</tr>
<tr>
<td>Price controls of host government</td>
<td>0.886*</td>
<td>-0.040</td>
<td>0.166</td>
<td>0.814</td>
</tr>
<tr>
<td>Royalty restrictions</td>
<td>0.929*</td>
<td>0.007</td>
<td>0.145</td>
<td>0.884</td>
</tr>
<tr>
<td>Goal congruence of the group</td>
<td>0.181</td>
<td>0.033</td>
<td>0.522*</td>
<td>0.212</td>
</tr>
<tr>
<td>Managerial incentives</td>
<td>-0.781</td>
<td>-0.086</td>
<td>-0.262</td>
<td>0.686</td>
</tr>
<tr>
<td>Other:</td>
<td>0.641</td>
<td>0.272</td>
<td>-0.183</td>
<td>0.518</td>
</tr>
<tr>
<td>Overall profit to multinational group</td>
<td>0.878*</td>
<td>0.267</td>
<td>-0.019</td>
<td>0.843</td>
</tr>
<tr>
<td>Tax authority transfer pricing audits</td>
<td>-0.102</td>
<td>0.254</td>
<td>-0.493</td>
<td>0.318</td>
</tr>
<tr>
<td>Maintenance of cash flows</td>
<td>0.008</td>
<td>0.082</td>
<td>0.510*</td>
<td>0.175</td>
</tr>
<tr>
<td>Variance</td>
<td>6.7237</td>
<td>2.8275</td>
<td>1.6532</td>
<td>11.2044</td>
</tr>
<tr>
<td>% Var</td>
<td>0.354</td>
<td>0.149</td>
<td>0.087</td>
<td>0.590</td>
</tr>
</tbody>
</table>

The ever-changing environmental conditions of existing markets engender a rather unstable and unpredictable global trading market. It is therefore only rational to expect that the factors which actually govern the policies adopted for TP would vary not only across time but also with geographical location. A single, universally efficacious method of international TP does not exist. If it did, the governments of host countries could marshal their defences with greater effectiveness and the whole issue of international TP would be far less controversial and deeply concerning than it actually is.
The ranking of the importance of each of the environmental variables by the respondent MNCs was done according to the mean scores of the variables as shown by Table 4. For subsidiaries within South Africa, it can be seen that compliance with tax law and regulations was perceived by the respondent MNCs as an extremely important variable influencing transfer pricing decisions. The low standard deviation for this variable indicates that there was relatively significant agreement among respondents on the importance of legal considerations. This variable ranked first most likely because MNCs would go to great lengths to avoid the financial legal and sheer resource drainage that comes with compliance audits.

With regards to unrelated companies trading in the open market, the following variables were deemed to be very important:

- Compliance with tax laws and regulations
- Corporate profits of the subsidiary
- Overall profit to the group
- Competitive position of the subsidiary

Table 4: Comparison of ratings of the importance of environmental variables

<table>
<thead>
<tr>
<th>Environmental variable</th>
<th>South Africa</th>
<th>International</th>
<th>Open Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>Rank</td>
</tr>
<tr>
<td>Comply with tax law and regulations</td>
<td>4.05</td>
<td>1.166</td>
<td>1</td>
</tr>
<tr>
<td>Corporate profit of the subsidiary</td>
<td>3.38</td>
<td>1.09</td>
<td>2</td>
</tr>
<tr>
<td>Competitive position of the subsidiary</td>
<td>3.31</td>
<td>1.37</td>
<td>3</td>
</tr>
<tr>
<td>Overall profit to multinational group</td>
<td>3.04</td>
<td>1.23</td>
<td>7</td>
</tr>
<tr>
<td>Tax authority transfer pricing audits</td>
<td>3.30</td>
<td>1.23</td>
<td>4</td>
</tr>
<tr>
<td>Maintenance of cash flows</td>
<td>3.05</td>
<td>1.16</td>
<td>5</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>2.86</td>
<td>1.32</td>
<td>10</td>
</tr>
<tr>
<td>Differences in income tax rates</td>
<td>3.04</td>
<td>1.25</td>
<td>7</td>
</tr>
<tr>
<td>Rates of customs duties</td>
<td>2.07</td>
<td>1.26</td>
<td>19</td>
</tr>
<tr>
<td>Import restrictions</td>
<td>2.86</td>
<td>1.32</td>
<td>10</td>
</tr>
<tr>
<td>Political and social pressure</td>
<td>3.04</td>
<td>1.23</td>
<td>7</td>
</tr>
<tr>
<td>Goal congruence of the group</td>
<td>3.05</td>
<td>1.17</td>
<td>5</td>
</tr>
<tr>
<td>Managerial incentives</td>
<td>2.96</td>
<td>1.35</td>
<td>9</td>
</tr>
</tbody>
</table>
Based on the rankings in Table 4, the four important variables affecting TP policies in the three scenarios are:
- Compliance with tax law and regulations
- Corporate profit of the subsidiary
- Competitive position of the subsidiary and
- Overall profit to multinational group.

These shared factors vary in importance with the nature of the TP policy. For example, 'comply with tax law and regulations' was considered a very important variable by both the Open Market and International scenarios, whereas it was considered extremely important for subsidiaries in South Africa. 'Overall profit to multinational group' was considered the most important variable. In addition, differences exist in the rankings of each pair of the environmental variables.

3. CONCLUSION
There is no indication that the arguments regarding the highly contradictory nature of transfer pricing will abate any time soon. The number of MNCs bringing their business to the African continent continues to grow. It is therefore essential for both tax authorities and the MNCs themselves, to identify and assess the rationale behind the perceived determinants of transfer pricing methods of relevant MNCs. As far as the tax authorities are concerned, this provides an insight into the inner workings of these MNCs in terms of transfer pricing. It also lays the groundwork for the development or the adaptation of policies such as the Advanced Pricing Agreement (APA), which substantially reduce the documentation requirements from MNCs, and reduces the possible disputes that may arise from perceived non-compliance on the part of MNCs. As the global economy continues to evolve, the major players will continue to adapt and change as well. By inference, the factors that influence or determine the transfer pricing policies used by MNCs will also continue to change. The passage of time will most likely render some of these variables obsolete, paving the way for previously unforeseen factors. Thus the study on the determinants of transfer pricing policies should, for the MNC, be a reiterative process.

REFERENCES


THE IMPLICATIONS OF THE CONSUMER PROTECTION ACT ON TRANSFORMATION AT INSTITUTIONS OF THE HIGHER EDUCATION SYSTEM

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ABSTRACT

Introduction
Higher education in South Africa is undergoing immense transformation, however, in addressing the inequalities of the past, due cognisance must be given to the legal implications of unfair terms in contracts undertaken by South African universities with students. Transformational imperatives have been placed on higher education institutions as service providers to improve access and equality in higher education, however, the legal imperatives imposed by the Consumer Protection Act (68 of 2008) (CPA), are given limited attention, specifically with reference to unfair contract terms. This argument highlights instances where a student’s consumer right to fair, just and reasonable terms and conditions in a contract, the right to equality in the consumer market and the right to fair value, good quality and safety may be infringed by the imposition of certain clauses in higher education system-student agreements. An attempt is made to facilitate an understanding of the challenges that may be faced by institutions of higher education when embarking on transformation with specific reference to the agreements they enter into with students.

Methodology
This is a qualitative study involving comparative national and international case law studies. A literature review study was conducted to compare and contrast the various aspects of law in order to support the argument undertaken. A desktop research approach was adopted, with the projection of cases cited and the application of case studies as a research design, with a literature review as data collection. Data were analysed by way of textual/content analysis. The paper presents a detailed discussion of the common-law position as it currently stands with reference to unfair contract terms, as well as the relevant protections as outlined in the CPA. It then proceeds to outline the potential liability of institutions of higher education with particular reference to unfair contract terms and equality.

Results
Key concerns for institutions of higher learning are balancing the protection of the student as a consumer against unfair contract terms that may be inserted into agreements in order to protect the interests and minimise the potential liability of the institution of higher learning and the issue of maintaining quality in higher education.

Conclusion and recommendations
The lack of a uniform international framework, which governs all cross-border transactions, coupled with the lack of certainty as to the application of the consumer-protecting provisions seems to undermine the true spirit of consumer protection, which was envisaged by the legislature.

Keywords: Transformation, Consumer Protection, Quality, Higher Education

JEL Classification: K12 Contract Law
1. INTRODUCTION
In providing the service of higher education, institutions of higher learning engage in contractual relationships with students. They choose to regulate this relationship by the imposition of standard terms contained in a document drafted in advance, intended for repeated and general use and presented to the student on a ‘take it or leave it basis’ (Morrow, 2011:3).

The legal rationale provided for use of such terms is, inter alia that negotiations with individuals on a one-to-one basis are expensive and time consuming. Standard industry-related terms are set up so transactions can be concluded quickly and efficiently, often without the need to interact with the student or customer. A key concern is the protection of students against unfair contractual terms that may be inserted into these transactions to minimise the potential risks and liabilities of institutions of higher education. The purpose of this article is to facilitate an understanding of the challenges that may be faced by institutions of higher learning when embarking on transformation, with specific reference to the agreements they enter with students and to investigate the implications of the Consumer Protection Act (68 of 2008) (hereinafter referred to as CPA), on transformation at institutions of higher education.

Legal arguments will be raised that in essence the agreements utilised by institutions of higher learning are standard term agreements and enforceable, but fundamental fairness would require that some limitations be placed on the terms that will be enforced in such agreements. Questions are raised as to the form in which these agreements are presented to learners. All too often, they are in legal English, a language which cannot be comprehended easily. This “method of sale” raises questions of fairness and ‘undermines the traditional notion of a contract being a freely negotiated bargain between the parties’ (Clapperton & Corones, 2007:152).

The questions that this paper seeks to clarify are:
1.1. Are students regarded as consumers in terms of the Consumer Protection Act (68 of 2008)?
1.2. What are the implications of the Consumer Protection Act (68 of 2008) on institutions of higher education (as service providers), particularly with reference to unfair contractual terms and quality of the service? Is quality being compromised and are students receiving value for money?
1.3. Why is there a need to address the consequences of unfair contract terms in higher education institutions’ student agreements?
1.4. How can institutions of higher education limit their liability?

The aim of this paper is thus to set out the implications of the CPA on transformation at South African universities particularly with reference to unfair contract terms and quality of service.

The question this paper answers is whether South African law grants adequate protection and redress in the context of transformation at institutions of higher education. Further, whether the CPA grants adequate redress and protection to students as consumers and whether institutions of higher education are able to limit their liability and thus avoid potential litigation and/or disruptions to service delivery while still maintaining quality in education. This paper presents a detailed discussion of the common-law position as it stands with reference to unfair contractual terms, as well as the relevant protections as outlined in the CPA. The paper then proceeds to outline the potential liability of institutions of higher education, with particular reference to unfair
contract terms and quality and concludes that students are indeed consumers in terms of the CPA and as such are subject to its protection. It is thus incumbent of institutions of higher education to be wary of the inroads made by the CPA and to adjust themselves accordingly, without compromising on quality of education.

2. STUDY BACKGROUND
Higher education can be viewed as a service industry and as such has had to change significantly to accommodate the changing needs of society and institutions of higher education. For graduates to contribute to the development of the South African economy and enhance the global competitiveness of our country, institutions of higher education have to provide quality undergraduate and post-graduate education and, furthermore, improve the currently very low through-put rate. Institutions of higher education are thus faced with the “twin challenges of equity and quality” (Govinder, Zondo & Makgoba, 2013:9). However, it will be argued that there exists a disconnection between meeting the transformation challenges faced by higher education institutions and the self-funded competitive enterprises higher education institutions have evolved into (Pathak & Pathak, 2010:166).

Transformational imperatives have been placed on institutions of higher education to improve access to and equality in institutions, while maintaining quality in education. As access to higher education opens, increasing numbers of students seek quality education and value for money. This is coupled with the imperatives of increased knowledge production. In providing an educational service to students in return for payment, institutions of higher education enter into contractual agreements with students. Institutions, therefore, must be aware of the legal implications of such agreements, especially regarding the implications of the CPA. It is incumbent on institutions of higher education to take cognisance of applicable consumer legislation because, on the face of it, some terms in their agreements with students may be deemed to be unfair and thus void. Institutions may be opening themselves up to litigation on a large scale.

To understand the effect and implications of the CPA on transactions with students, one needs to examine the terms of such agreements and whether such terms may be unfair to a learner as a consumer, considering the manner and form in which they are presented to the learner for assent. In this context, the common law needs to be discussed briefly to provide a framework in which these potentially unfair terms may be analysed. Many foreign jurisdictions have provided specific legislative measures to address unfair contract terms. South Africa has provided these measures by means of the CPA.

3. THE PROVISIONS OF THE CONSUMER PROTECTION ACT (68 OF 2008)
Prior to the enactment of the CPA, consumer protection in South Africa was very fragmented and outdated. One of the stated purposes of the CPA is to “promote and advance the social and economic welfare of consumers in South Africa by ‘protecting consumers’ from unconscionable, unfair, unreasonable, unjust or otherwise improper trade practices.”
In order to appreciate fully the impact of the CPA on institutions of higher education, certain concepts need to be defined.
• Supplier: In terms of Section 1 of the CPA “is any person, natural or juristic, who markets any goods or services, in the ordinary course of business for consideration or otherwise. The Act applies, irrespective of whether the supplier resides or has its principal place of
business within or outside the Republic.” This means that the Act would be applicable to online learning and cross-border transactions at higher institutions.

- **Consumer:** In terms of the CPA means:
  a) a person to whom those particular goods or services are marketed in the ordinary course of the supplier's business;
  b) a person who has entered into a transaction with a supplier in the ordinary course of the supplier's business, unless the transaction is exempt from the application of this Act.
  c) if the context so requires or permits, a user of those particular goods or a recipient or beneficiary of those particular services, irrespective of whether that user, recipient or beneficiary was a party to a transaction concerning the supply of those particular goods or services

- **Transaction:** In terms of the CPA means:
  a) In respect of a person acting in the ordinary course of business-
     i) An agreement between or among that person and one or more other persons for the supply or potential supply of any goods or services in exchange for consideration; or
     ii) The supply by that person of any goods to or at the direction of a consumer for consideration; or
     iii) The performance by, or at the direction of, that person of any services for or at the direction of a consumer for consideration.

Thus, from the above definitions it can be deduced that higher education institutions fall within the ambit of the definition of supplier and students within the ambit of the definition of consumers; therefore, their transactions fall within the ambit of the CPA.

A general standard of unfairness is created in the CPA by section 48(1). In terms of this section a supplier must not –
(c) Require a consumer, or other person to whom any goods or services are supplied at the direction of the customer –
(i) To waive any rights;
(ii) Assume any obligations; or
(i) Waive any liability of the supplier on terms that are unfair, unreasonable or unjust, or impose any such terms as a condition of entering into a transaction.

- **Goods include:**
  a) Anything marketed for human consumption
  b) Any tangible object not otherwise contemplated in (a), including any medium on which anything is or may be written or encoded;
  c) Any literature, music, photograph, motion picture, information, data, software.
  d) Gas, water and electricity.

In the context of higher education, this would include relevant meals for students, as well as consumable materials used in some disciplines, text books, laboratory equipment and educational materials, digital information made available to students online such as on Sakai, Moodle or Blackboard, as well as any information or data disseminated to the student during a lecture and/or tutorial.
Section 48(1) applies to unfairness in terms generally and is not limited to standard term contracts or non-negotiated terms. From the aforesaid and the definition outlined in the CPA, students fall into the category of consumers and institutions are the suppliers. To facilitate an informed discussion on the implications of the CPA on institutions of higher education, a brief overview on the common law position as it relates to unfair contract terms needs to be outlined.

4. THE POSITION OF THE COMMON LAW RELATING TO UNFAIR CONTRACTUAL TERMS

Contractual autonomy and the notion of sanctity of contract are paramount in all contractual agreements. This requires that parties be bound to the terms of their agreement, if they have communicated to the offer or an intention to be bound *pacta sunt servanda* (Hutchison, 2009:25).

“Our law does not recognize the right of a court to release a contracting party from the consequences of an agreement duly entered into by him merely because that agreement appears to be unreasonable.” For many years, our courts have relied on this ruling by Innes J in *Burger v Central South African Railways* 1903\(^2\) to validate their stance. According to this judgment, the idea of freedom of contract and the classical theory of contract is based on the suppositions that:

1. “The parties enjoy more or less equal bargaining power;
2. There is perfect or near perfect competition in the market; and
3. The parties actually negotiate the terms of their contract.”

In reality, this theory is not truly the case. Often students, due to social and economic pressure and the desire to further their education, have no choice whether or not to enter into an agreement. Equality of bargaining positions is the exception rather than the rule and negotiation of the terms of the contract occurs only in a few circumstances, if any.

A student often has little choice but to agree to and accept the standard terms offered by the institutions of higher education. However, there are competing values of fairness and good faith in contractual relationships. This implies a degree of social control and reflects a communitarian approach to the law of contracts (Hutchison, 2009:25). Standard terms often work well in some contracts but are open to potential abuse by institutions of higher education that are able to place unreasonable terms upon the learner as a consumer. It can be argued that the enforcement of standard term contracts does not advance contractual autonomy, but rather undercuts it by allowing the supplier to impose its will on the consumer without consent. The enforcement of certain terms, which prejudice a consumer in a standard form contract can be said to undermine the values of dignity and equality and, where it does so, its enforcement should be considered as being contrary to public policy (Hutchison, 2009:26-27). This is in direct contrast to the transformation imperatives imposed by national government on institutions of higher learning. Thus, there exists a dis-joinder between the transformation imperatives and the consumer protection imperatives set by national government on institutions of higher education.

\(^2\) TS at 571
In *Sasfin (Pty) Ltd v Beukes*\(^3\), the court held that an agreement whereby a party placed the company in immediate and effective control of its present and future earnings and rendered him powerless to bring this situation to an end, was clearly unconscionable and incompatible with the public interest. Public policy should “properly take into account the doing of simple justice between man and man. Clauses in an agreement that were so ‘unconscionable’, so ‘grossly exploitative’ and ‘offend against the mores of the public” should be struck down on the grounds of public policy.

The decision in *Sasfin* received support in *Eerste Nasionale Bank van Suidelike Africa Bpk v Saayman*\(^4\), where the minority decision of the court held that the function of good faith was to give expression to the community’s sense of what is fair, reasonable and just.

However, in *Brisley v Drotsky* \(^5\) the Supreme Court held in essence that the notions of good faith, reasonableness and fairness were merely abstract values rather than substantive rules to be employed by judges. These values cannot be employed directly to strike down or to refuse to enforce an otherwise valid contractual term. “To give judges a discretionary power to disregard contractual provisions that offended their personal sense of what is fair and reasonable would give rise to legal and commercial uncertainty.” The principle as laid down in *Sasfin* should be limited to exceptional unfairness.

In terms of this decision, in the concurring judgment of Cameron JA, the court held that the Constitution itself could not be relied upon because

neither the Constitution nor the value system it embodies give the courts a general jurisdiction to invalidate contracts on the basis of judicially perceived notions of unjustness or to determine their enforceability on the basis of imprecise notions of good faith. On the contrary, the Constitution’s (Act No. 108 of 1996) values of dignity and equality and freedom require that the courts approach their task of striking down contracts or declining to enforce them with perceptive restraint. One of the reasons … is that contractual autonomy is part of freedom. Shorn of its obscene excesses, contractual autonomy informs also the constitutional value of dignity. The Constitution requires that its values be employed to achieve a careful balance between the unacceptable excesses of contractual ‘freedom’ and securing a framework within which the ability to contract enhances rather than diminishes our self-respect and dignity.

This was a very traditional stance taken by the Supreme Court of Appeal and many anticipated whether the Constitutional Court would address the issue of fairness in a more liberal manner. In *Barkhuizen v Napier*,\(^6\) the issue that was placed before the court concerned the constitutionality of a time-limitation clause in a short-term insurance policy. The clause purported to prevent the insured party from instituting legal action against the insurance

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\(^3\) 1989 (1) SA 1 (A)  
\(^4\) 1997 (4) SA 302 (SCA)  
\(^5\) 2002 (4) SA 1 (SCA)  
\(^6\) 2007 (5) SA 323 (CC)
company if the summons was not issued within 90 days of the insurer’s repudiation of the claim. The clause was critiqued on the grounds that:

- It violated the applicant’s right under Section 34 of the Constitution to seek legal redress;
- It was contrary to public policy in that it operated in an unreasonably harsh and unfair manner against the applicant.

Ngcobo J delivered the judgment of the majority and held that the proper approach to constitutional challenges to contractual terms is to determine whether the offending term is contrary to public policy. Ngcobo J states, “Public policy imports the notions of fairness, justice and reasonableness.” *Barkhuizen v Napier*, 2007:323.) Thus, while public policy endorses freedom and sanctity of contract a contractual term will not be enforced where such enforcement would be unjust or unreasonable.

Two questions had to be asked by a court when determining fairness:

- “Whether the clause itself was manifestly unreasonable on its face as to offend public policy - this involves the weighing up of the notion of sanctity against competing values or considerations [Objective inquiry].
- Even if the term was reasonable, should it be enforced in the light of the particular circumstances of the case and the relevant situation of the parties? [Subjective inquiry].

The court disappointingly found that based on the facts of the case the enforcement of the time-bar clause had not been unfair.

T(*Barkhuizen v Napier*: 2007:323) J(*Barkhuizen v Napier*, 2007:323), in considering the manner in which standard form contracts are utilised in commerce, concludes that there are two parts to these agreements, the negotiable part actually agreed upon and the other being the standard terms, which have not been agreed to. He surmises that a standard form contract is in reality a super-imposed construction favouring one side and not a record of what was agreed to. He argues that “the holy cow” of sanctity of contract is far removed from reality and to impute assent in the context of standard form agreements is artificial. According to Sachs J, terms, which are unreasonable, oppressive or unconscionable are inconsistent with the values of dignity, equality and freedom and enforcement of such terms would violate public policy. The violation lies in “holding a person to a one-sided bargain to which he did not agree.” *(Barkhuizen v Napier*, 2007:323),

Sach’s judgment is important in that it offers some basis for content control of standard form contracts. He further proposes certain factors to which a court can look to as indicators of substantive fairness, namely parties’ relative bargaining power, reciprocity and conformity to a consumer’s reasonable expectations. It is submitted that these principles be utilised by institutions of higher learning in drafting their agreements with students in order to ensure substantive fairness in agreements and thus minimise litigation whilst adhering to the transformation imperatives placed on them.

*Barkhuizen* (2007:323) is nevertheless an authority on the view that a party to a contract cannot first impose terms on another if it would, if applied, operate unfairly and, secondly, cannot enforce a term in a manner that is unfair. In *Bredenkamp v Standard Bank of South Africa Ltd*, Jajbhay granted an interim interdict against a bank thus restraining the bank from closing a customer’s account. The inquiry before the court was whether a clause in a contract that gave

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7 [2009]JOL 23980 (GSJ)
the bank a “right to terminate the contract on good cause, bad cause or no cause at all” was reasonable in the circumstances. The court considered certain factors in deciding that the clause was unreasonable and operated unfairly towards the customer. Of particular importance in the context of student-higher education agreements, is the factor that the customer had no choice in contracting, as the trends in the industry were similar. All institutions of higher learning have similar terms on which they contract with students and similar policies, which students should adhere to in relation to examinations and disciplinary procedures. The court went on to state that, in terms of the Constitution, the common law had to be developed to prevent large businesses from acting in an unfair and oppressive manner.

Both the majority and minority judgments in Barkhuizen suggest a need for reformation of the traditional law of contract in light of the Constitution. These constitutional values ring true with the sentiments of the CPA. Courts are given a wide discretion as to the interpretation of equity in the context of unfair terms and as we have seen from the above decisions there is a trend by our courts to strike down unfair contracts where public policy deems it just.

5. INSTANCES OF UNFAIR CONTRACT TERMS IN HIGHER EDUCATION AGREEMENTS WITH STUDENTS AS CONSUMERS

Chapter 2 of the CPA outlines the nine fundamental consumer rights as follows:

- Equality in the consumer market
- The right to privacy
- The right to choose
- The right to disclosure of information
- The right to fair and responsible marketing
- The right to fair and honest dealing
- The right to fair, just and reasonable terms and conditions
- The right to fair value, good quality and safety; and
- The right to hold the supplier accountable

As previously stated, the focus of this paper is on the right to fair, just and reasonable terms and conditions, the right to equality in the consumer market and the right to fair value, good quality and safety. Each one will be dealt with in turn and their subsequent implications on institutions of higher education outlined.

5.1. The right to fair, just and reasonable terms and conditions

The implications of Section 48 of the CPA (as set out above) for institutions of higher education is that they may be prohibited from requiring payment of student fees or the cost of accommodation that are unreasonable or setting terms relating to agreements signed with students, which are unreasonable or unjust. It would be advisable for institutions of higher education to re-examine institutional rules and terms and conditions of agreements entered into with students. For example, institutions of higher education often include in their agreements breach clauses, penalties for late registration and consequences for non-payment of fees. What will be deemed as unfair as can be deduced from the case law set out above is unclear.

Section 51(1) further provides for prohibited transactions, agreements, terms or conditions. This can be labelled a ‘black list’ of terms that are deemed unfair, including any term that,
waives or deprives a consumer of a right in terms of the Act (section 51 (1) (b)(i), avoids a supplier’s obligation or duty in terms of the Act or sets aside or overrides the effect of any provision of this Act (Section 51 (1) (b) (ii-iii).

A student, therefore, in terms of Section 48 (c) and Section 51 (1) may not waive any rights. Thus, a clause in a student application form, which reads:

*I/We hereby absolve the institution, its staff, employees, representatives and/or agents from any claims which I/ the student may acquire as a result of any injuries which I/ the student may receive and/or damages which I/ the student may suffer as a result of any happening, incident, accident, injury, illness or death, however, it may have resulted, or as a result of my/his/her participation in any sport/tour/outing/excursion/visit or transport which may take place during my/his/her studies at the University*

is prima facie in violation of Section 48 (c) and unenforceable.

According to Sharrock (2010:308), a term is not unfair merely because it is one-sided; it has to be “excessively one-sided”. The criteria of fairness, according to Sharrock (2010), is whether when obtaining consensus the one party took advantage of the inability of the other party to protect his/her interests, such as being able to obtain independent advice or conclude an agreement elsewhere on better terms. (Sharrock, 2010:311).

It is submitted that a critical flaw in Section 48 of the CPA read with Section 52, is that the consumer must approach the court, which may declare a term to be unfair and sever it from an agreement.

We have unfortunately seen from our recent court decisions that there is reluctance on the part of certain courts to declare a term contrary to public policy and there is a divergence of decisions on when a court will strike down a term on the grounds of equity and fairness. S120 (1) (d) of the CPA does provide for the minister to “make regulations relating to unfair, unreasonable or unjust contract terms”. The minister has made regulations, thus a court seeking guidance can consult the regulations. Further, the CPA itself provides guidelines set out in Section 48(2) that a term or a condition of an agreement is unfair when it is “excessively one-sided in favour of any person other than the consumer” or “so adverse as to be inequitable”. Thus, these are factors that an institution of higher education must consider when drafting student agreements. Higher education institutions need to be advised that the courts, however, have a discretion to decide on the question of unfairness.

Institutions of higher education, thus, should ensure that contract terms are equitable and clearly drafted (Reddy, 2012: 599). Remedies, which may be available to a student should an agreement be declared unfair, include compensation for loss suffered by the student and an order for the institution as the supplier to cease the offending practice and alteration of the agreement. Considering the number of potential number of students at an institution at any given time, this may be a costly setback for an institution.

If a court application is made by a student averring that a provision in a higher education institution agreement operates unfairly, according to Section 52(2), a court, when considering whether such an agreement or provision is unfair, must consider:
a) the fair value of the goods or services in question
b) the nature of the parties to that transaction or agreement, their relationship to each other and their relative capacity, education, experience, sophistication and bargaining position;
c) those circumstances of the transaction or agreement that existed or were reasonably foreseeable at the time that the conduct occurred or agreement was made, irrespective of whether this Act was in force at that time;
d) the conduct of the supplier and the consumer respectively;
e) whether there was any negotiations between the supplier and the consumer, and if so, the extent of that negotiation;
f) whether, as a result of conduct engaged in by the supplier, the consumer was required to do anything that was not reasonably necessary for the legitimate interests of the supplier

g) the extent to which any documents relating to the transaction or agreement satisfied the requirements of section 22.

Institutions of higher education need to take due cognisance of this pertinent section when drafting their agreements with students as most students come from historically disadvantaged socio-economic circumstances; most guardians may have little or no education when signing contracts on behalf of learners. Students have little or no bargaining position in relation to institutions and, in reality, are at the mercy of institutions as they seek to better their circumstances.

Section 4 (1) of the CPA governs the realisation of consumer rights and allows for the institution of a class action by affected consumers or a consumer may, institute an action on his own behalf. Paragraph (c) provides a consumer with a right to pursue a class action. Often customers are individuals with limited financial resources. Class actions offer a way for ordinary disgruntled consumers to approach a court for redress. Thus, institutions must take into account this factor when drafting their agreements because students, as a group, may bring a class action against the institution if their consumer rights have been violated. On the other hand, student representative councils may bring a class action on behalf of a number of students at various institutions.

5.2. The right to fair value, good quality and safety

Section 54 (1) of the CPA states a student as a consumer is entitled to the timely performance and completion of those services and timely notice of any unavoidable delay in the performance of the services, the performance of the service in a manner and quality that persons are generally entitled to expect, having regard to the circumstances of the supply and any specific criteria or conditions agreed between the supplier and the consumer before or during the performance of the services.

In terms of Section 54 (2) of the CPA, should a supplier fail to perform a service to the standards as contemplated, the consumer may require the supplier to remedy the defect in the quality of the services or refund the consumer a reasonable portion of the price paid for the services performed, having regard to the extent of the failure. According to Reddy (2012: 602), in the contest of higher education, this includes “the quality of the learning environment, the quality of
teaching and learning, the administrative and support services and the quality of the accommodation”. Should any institution of higher education fall foul of this provision, for example owing to a student or staff strike, or under-qualified lecturer, or poor quality of the qualification, there would be dire financial implications for the institution.

In this regard, institutions of higher education will be well advised to take cognisance of the seven factors identified by Saunders (2005:152) that have an impact on service quality in higher education:

- Quality of lecturers
- Lecturing arrangements
- Support systems
- Support facilities
- Manageability of programmes
- Physical logistics
- Intellectual value.

These factors should be applied in all domestic and cross-border transactions that institutions may engage in. According to the OECD Review Outcome (2003), a number of policy objectives need to be considered by institutions when addressing quality in institutions of higher education:

- Learners need to be protected from misinformation, low-quality and qualifications of limited validity. Students need to receive qualifications that are “meaningful and valid” (OECD, 2003:6)
- As a result of an increasingly international professional labour marker there is a need for qualifications that are recognised internationally. “Recognition procedures should be transparent, coherent, fair and reliable and impose as little burden as possible on (mobile) professionals” (OECD, 2003:7).
- Qualifications should be readable and transparent.

Section 54 raises serious financial implications for institutions should they fail to provide a quality service, especially in cross-border transactions. This recognises that people invest their time as well as their money in education and expect to gain not only a paper qualification, but also an enjoyable and rewarding life experience. Indeed, you might assume that modern students have become more demanding because there is so much competition, caused by the increased demand for education. Institutions of higher learning, consequently, face increasing pressure to train students in practical, job-related matters to achieve student satisfaction. Thus, the markers of success have moved from intellectual development to employment-related considerations.

Unfortunately, many students at institutions of higher learning in South Africa are clearly underprepared for higher education, yet they are admitted into the system. Large numbers of students are admitted when realistically there is not enough space on campus to host them and provide an environment conducive to learning. Institutionally some institutions of higher education do not have the infrastructure or capacity for these large numbers of students.

One solution is the “quality for purpose” perspective as proposed by Akoojee and Nkomo (2007:394). Here the authors state that for true transformation to be reflected in an institution one has to have “open unfettered institutional access” and this real access cannot be achieved without paying attention to quality. Their proposition, which is based on the insights of Bergquist,
is: “Quality through Access: Access with Quality”. Equity and access issues are thus inseparable and are two sides of the same coin (Badat, 2003:2) and in order to achieve quality one has to increase diversity and access, whilst ensuring compliance with the CPA. (Badat, 2003:2)

Institutions should also be wary of change in course content, without due consultation with students. By not being transparent in the way courses are conducted or fees are increased or in respect of the quality of the qualification offered, institutions of higher learning are opening themselves up to litigation challenges by students.

Chapter 3 of the CPA offers protection for consumers. As a result, should the consumer commission be approached by a student or a group of students, it may issue a compliance notice to an institution of higher education. If the institution fails to comply with such notice, the Commission may apply to the consumer tribunal to impose an administrative fine or refer the matter to the National Prosecuting Authority (NPA).

6. CONCLUSION
It can thus be argued that a “new learning and teaching space has been created in higher education where students are surveyed as part of a choice driven satisfaction evaluation in an assurance-based customer relationship with the student” (Brown and Rayner, 2013:2). Students, in terms of the CPA, are customers and, as such, are subject to the protection to the South African consumer legislation.

The CPA has made tremendous inroads into the protection of consumer rights and institutions of higher learning, as providers of the service of education are not immune to the implications of the Act as they fall within the definition of a supplier. Institutions of higher learning should take cognisance of the provisions of the CPA when contracting with students in order to ensure that they do not fall foul of the law, specifically with reference to the student’s rights to fair, just and reasonable terms and conditions of contract, the right to equality in the consumer market as well as the right to fair value, good quality and safety. It is recommended that institutions of higher education re-visit certain clauses in their agreements with students with a view of protecting themselves against future litigation. It is unclear how our courts will deal with the issue of unfair contracts terms but is clear from what has been forwarded above that certain clauses indeed fall foul of the law and are open to litigation. Institutions of higher education, therefore, should be proactive and take heed of the legislation in order to limit their liability and mitigate potential financial implications.

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**Legislation**

The Consumer Protection Act (Act 68 of 2008)

The Electronic Communications and Transactions Act (25 of 2002)

EC Directive on Unfair Terms in Consumer Contracts

Memorandum on the objectives of the Consumer Protection Bill, 2008

**South African Case Law**

*Bafana Finance Mabopane v Makwakwa and Another* [2006] 4 All SA 1 (SCA)

*Barkhuizen v Napier* 2007 (5) SA 323 (CC)

*Bredenkamp v Standard Bank of South Africa Ltd* [2009] JOL 23980 (GSJ)

*Brisley v Drotsky* 2002 (4) SA 1(SCA)

*Burger v Central South African Railways* 1903 TS 571

*Eerste Nasionale Bank van Suidelike Africa Bpk v Saayman* 1997 (4) SA 302 (SCA)
Jooste v Kohler Packaging Ltd [2003]JOL 12056 (LC)
Sasfin (Pty) Ltd v Beukes 1989 (1) SA 1 (A)
MEDIATING INFLUENCE OF PERCEIVED PRICE AND QUALITY ON AFRICAN GENERATION Y STUDENTS’ ENVIRONMENTAL PURCHASING BEHAVIOUR

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ABSTRACT
Green marketing has enabled organisations to develop differentiated market offerings to gain a competitive advantage in the global green market. In recent times, global research conducted on the environmentally-conscious consumer has increased significantly. Studies show that consumers are becoming more environmentally aware and conscious of environmental issues. However, this does not necessarily translate into positive green purchase behaviour. Nonetheless, green marketing has become an integral tool in many organisations’ marketing strategy. The focus of this study was on determining the effects of perceived price and perceived quality on African Generation Y students’ green purchase behaviours in the South African context.

A sample of 500 full-time students was drawn from four South African HEI campuses situated in South Africa’s Gauteng province. The collected data were analysed using descriptive statistics, Pearson’s Product-Moment correlation coefficient, structural equation modelling and mediation analysis.

The results indicate that African Generation Y students display positive intentions towards environmental purchase behaviour. However, African Generation Y students’ green purchase intentions and their green purchase behaviour are adversely affected by both the perceived price and quality of green products.

The results from this study will aid both business practitioners and marketing academics in forming a better understanding of the African Generation Y consumer in terms of their environmental purchase behaviours. Furthermore, this study outlines marketing strategies geared at effective green pricing policies.

Key Words: Perceived price, perceived quality, Generation Y, environmental purchase behaviour

JEL Classification: M31

1. INTRODUCTION
In today’s society, green marketing has surpassed conventional marketing in the social battle for environmental sustainability (Ottman, 2011; Mostafa, 2007). Organisations have identified this niche as an opportunity and have begun incorporating green marketing strategies in an attempt to differentiate themselves from competitors (Chen & Chang, 2012; Ali, Khan & Ahmed., 2011; Peattie, 2001). This is done through promoting specific green market offerings which lead to a competitive advantage (Peattie & Crane, 2005:366; Ottman, 2011). However, this product transformation has not always upheld its promised gains. Due to various organisations’
exaggerated pricing strategies and poor quality controls, consumers have become both sceptical and cynical, perceiving green products to be of an inferior quality and unrealistically priced when compared to their conventional counterpart products (Chang, 2011; D'Souza, Taghian, & Khosla., 2007).

1.1. Green marketing

In all likelihood, environmental issues will continue to have a significant effect on the marketing industry (Kotler, 2011). These effects include issues such as inputs in the manufacturing process of products, changing consumer consumption habits, and the production of greener or cleaner products (Singh, Chilika, Chikandiwa & Chodokufa, 2016). As no product can ever be classified as 100 per cent environmentally friendly, a green or environmentally friendly product is one that is considered to have a lesser impact on the environment than a conventional product (Pickett-Baker & Ozaki, 2008). There have been many attempts to define a green product, each with a broad outline revolving around three recurring factors: a green product is to fulfil consumer needs, socially accepted, and produced or manufactured in a sustainable manner (Peattie, 1995).

Green marketing aims to satisfy the needs and desires of current consumers but in a sustainable manner with the purpose of ensuring a sustainable standard of living for future generations to come (Sing et al., 2016; Kotler, 2011; Peattie & Charter, 2003). While many organisations have considered incorporating environmentally friendly and sustainable strategies into their marketing agendas, most efforts have concentrated on the definition of the green consumer with contradicting results (D'Souza et al., 2007). Wind (1978) suggests, it would be more practical for an organisation to develop business strategies that identifies consumers' preferences in purchase behaviour rather than identifying consumer generalisations - these generalisations are classified by product attributes such as price and quality. Since Generation Y members have been “born green” and raised in eco-conscious society (Rogers, 2013), it would be deemed logical to understand their attitudes towards green purchasing and the resulting effects of price and quality would have on their possible future decision process.

1.2. Environmental attitude and purchase intentions

Consumers’ environmental attitudes has been on the rise the 1990s. As such, organisations are taking increasing notice of the environmental needs of consumers (Chen, 2009:308). Environmental attitudes are considered to be a strong determinant of environmental behaviour. This is evident from the findings of several studies (Greaves, Zibarras & Stride., 2013:111; Kim, Njite, & Hancera., 2013:258; Polonsky, Vocino, Grau, Garma, & Ferdous, 2012:239-240; Ali et al., 2011:179), which used environmental attitude as the core element in predicting environmental intentions and environmental behaviour. Environmental attitude is a somewhat contradicting phenomenon as studies have found that whilst consumers display highly positive attitudes towards pro-environmental efforts, their actual purchase behaviour remains unchanged (Ali et al., 2011; Chang, 2011; Rahbar & Wahid, 2011). In contrast, other studies (Sodhi, 2011; Gupta & Ogden, 2009; Crane, 2000) have found that consumers not only engage in pro-environmental purchase behaviour, but are also willing to pay premium prices for environmentally-friendly products. Chang (2011:19) attributes these contradictory findings to consumers’ negative (greenwashing) and positive (environment preservation) evaluations of green products, which may lead to ambivalent attitudes towards environmental purchase intentions and behaviour.
Environmental purchase intention is the planned action to behave in a pro-environmental manner. It acts as a driver to satisfy environmental needs by the means of purchasing environmentally-friendly products (Chen & Chang, 2012:20; Abdul-Muhmin, 2007:237). Environmental behaviour is said to be determined by several components; however, the majority of green consumer research agrees that environmental purchase intentions is strongly related to environmental purchase behaviour (Mostafa, 2007:450). Although environmental intentions comprise various aspects, the common and reliant predictor remains environmental attitude (Ha & Janda, 2012:462; Abdul-Muhmin, 2007:245). Therefore, environmental attitudes are almost always positively correlated with environmental intentions (Greaves et al., 2013:113; Levine & Strube, 2012:317; Ali et al., 2011:221). As such, it can be inferred that individuals who display positive environmental attitudes have a greater intention to purchase environmentally-friendly products.

1.3. Price and quality of green products

Consumers do not necessarily spend money on green products even though they claim to be environmentally friendly (Ali et al., 2011; Chang, 2011). Based on this assumption it can be deduced that an individual's environmental concern is not the only factor to consider when a green product is being purchased. This implies that traditional product characteristics such as brand names, price, and quality are still the leading determinants in the purchase decision-making process (Ali et al., 2011; Ottman, 2011:40). Green products have always had many hindrances to their adoption in the market place. A multitude of factors influence the choice of a conventional product over a conventional green product. The intention to by a green product, however, can be attributed to two factors: price and quality (Xie, Wang, Yang, Wang & Zhang, 2015; Lim, Yong & Suryadi., 2014; D'Souza et al., 2007).

Price plays a significant role in the consumer’s choice of a product (Liang, 2016; Dunn, Bórawski & Pawlewiecz., 2014; Kotler & Armstrong, 2012). Setting the price in the green market is a challenging aspect, given that initially higher costs were involved when producing eco-friendly products which are then passed down onto the consumer (Liang, 2016; Peattie & Charter, 2003). It is this initial pricing strategy that has instilled the perception that green products are highly priced commodities (Chang, 2011; Peattie & Crane, 2005; Peattie, 1995). Ironically, Ottman, Strafford and Hartman (2006) explain that there are a plethora of green products available now that have lower operating costs than conventional products. However this is not marketed along with their green benefits and consumers do not recognise them immediately, which results in misperceptions about their benefits.

Similar to price, the quality of a product is another important factor in the choice of a product. Based on the consumer’s point of view, green products should offer similar quality to conventional products while still benefiting the environment (Ali et al., 2011). As a result, quality is a factor which the consumer is not willing to compromise on (Ali et al., 2011; D'Souza et al., 2007). The main perception regarding green product quality is one of inferior or lower performance/quality resulting in ambivalent attitudes toward adopting the products (Chang, 2011). As with price, Ottman et al. (2006) explain that many green products perform better than conventional products and the purchase of green products have become so common and wide spread that consumers do not recognise them as being green products because they are being bought for non-green attributes. This lack of acknowledgment keeps the misconception of poor green product quality alive and thriving.
1.4. Generation Y
Born between 1986 and 2005, today’s youth (Generation Y cohort) symbolise the future of the environment (Eastman & Liu, 2012; Markert, 2004). Thus this cohort is a crucial target market for the success of the green revolution (Lee, 2009). The African segment of this cohort (hereafter referred to as African Generation Y) in South Africa accounts for a staggering 84 per cent of the country’s Generation Y cohort (Statistics South Africa, 2017). This significant proportion of consumers is of great interest to marketers based on the sheer volume of the segment.

Although a rising topic in South Africa, published literature on the South African Generation Y’s consumer behavioural patterns is lacking. In particular, there is a large gap in published research pertaining to the African Generation Y cohort’s attitudes and purchase behaviour regarding pricing and quality of green products. To bridge this gap in the literature, this study aims to investigate the attitudes and purchase behaviours of the African Generation Y cohort regarding the influence that price and quality perceptions have on their green product consumption. This study concentrates on students because a tertiary qualification can be generally linked to a higher potential future income (Taskinsov, 2012; Schiffman, Kanuk & Wisenblit., 2010; Loudon & Della Bitta, 1993; Mowen, 1993) and possibly a higher social standing within a community (Schiffman et al., 2010). Combining these two aspects increases the likelihood that the student portion of this cohort will display a greater opinion-based leadership capacity amongst the wider African Generation Y target market.

2. RESEARCH METHODOLOGY

2.1. Sampling method
African Generation Y students, ranging in age between 18 to 24 years and are registered at a South African public higher education institution (HEIs), were the target population for this study. The sampling frame was gathered from Higher Education South Africa, which comprised the 25 public registered HEIs in South Africa (HESA, 2018). A judgement sample of four HEIs within the Gauteng province was selected from this list. Of the four HEIs, two were traditional universities, one was a comprehensive university and the last was a university of technology. This study made use of a non-probability convenience sampling method that comprised a sample size of 500 full-time African Generation Y students from the selected HEIs. The questionnaires were distributed to students either during or after lectures, upon receiving permission to do so. The questionnaire included a cover letter explaining the nature of the study as well as stating that participation in the study was voluntary.

2.2. Research instrument
The research instrument was implemented via a self-administered questionnaire to collect data required for the study. African Generation Y environmental attitudes were measured using a scale developed and validated by Leonidou, Leonidou, and Kvasova (2010), the scale contained four items. To measure the green purchase intentions of African Generation Y students, the three itemed validated scale of Mostafa (2007) was used. In order to measure the mediating effect of price and quality on green purchase behaviours, scales from D’Souza et al. (2007) were deemed sufficient, both of the scales included one item respectively. African Generation Y students’ environmental behaviour was recorded using a four item scale validated by Lee (2008).
For the purpose of reliability concerns, the questionnaire was subjected to a pilot study. The pilot study encompassed a convenience sample of 50 full-time students registered at a HEI that formed no part in the main study. The results of the pilot study returned a Cronbach Alpha value of 0.665 for the environmental attitudes construct and a 0.745 value for the purchase intention construct. Since the price and quality scales only contain one item, it is impossible to conduct a reliability analysis for those specific scales. The green behaviour construct returned a Cronbach Alpha value of 0.756. Therefore, the reliability recorded from the pilot study indicated that all the constructs exceeded the acceptable Cronbach Alpha level of 0.60 (Zikmund & Babin, 2013:257; Malhotra, 2010) with the exception of the price and quality constructs. As such, the results captured from the data of the pilot study indicate that all constructs were deemed adequate to use in the main study.

3. MAIN STUDY RESULTS

3.1. Sample description
The questionnaire yielded an 84 per cent response rate, i.e. 422 of the 500 questionnaires were returned completed. Once the questionnaires had been cleaned it left 332 of them viable for analysis; translating into an actual response rate of 66 per cent. The majority of the respondents were 21 years of age (23.4%), followed by those who were 20 years of age (18.7%) and 19 years of age (17.2%). The sample contained more female (53%) than male (43%) respondents and 0.3 percent of the sample was unidentified. In terms of participants’ year of study, first year students were the majority (42%), followed by second (26%) and third year students (25%). The remaining 7 percent was up by post-graduate students.

In the main survey, a Cronbach Alpha of 0.662 was returned for the environmental attitudes scale. The green purchase intention scale and the green purchase behaviour scale yielded Cronbach Alpha scores of 0.841 and 0.817 respectively. As is evident, all Cronbach values exceed the accepted level of 0.60 (Zikmund & Babin, 2013; Malhotra, 2010) indicating that the measuring instrument is sufficiently reliable in measuring African Generations Y students’ environmental purchase behaviour.

3.2. Correlation analysis
To determine the nomological validity of the proposed model, Pearson’s product-moment coefficient correlation was computed for the data set. Table 1 illustrates the correlation matrix.

Table 1: Correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental attitude</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived environmental intention</td>
<td>.473**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived environmental price</td>
<td>.272**</td>
<td>.557**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived environmental quality</td>
<td>.361**</td>
<td>.556**</td>
<td>.505**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Green purchase behaviour</td>
<td>.413**</td>
<td>.609**</td>
<td>.650**</td>
<td>.559**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)

Table 1 shows that at the p 0.01 level each pair of latent factors signifies a statistically significant correlation coefficient. As such, nomological validity can be asserted for the proposed effects that perceived price and quality have on the behavioural model (Malhotra, 2010).
Furthermore, there were no correlations that were very high (>0.80) indicating no multicollinearity amongst the constructs, and with the presence of nomological validity it was presumed safe to conduct structural equation modelling (SEM).

3.3. Measurement model specification

To determine if the data set would fit into the proposed model, Confirmatory factor analysis was performed on the data set. The proposed model for measuring the effects that price and quality have on green purchase behaviours was analysed using AMOS, Version 25. The model was specified as comprising the three latent factors of environmental attitudes (four indicators), green purchase intentions (three indicators) and green purchase behaviour (four indicators). The price and quality scales each comprised one indicator and were represented as mediating factors. To identify the model, the first loading of each of the three factors was fixed at 1.0. The results showed 66 distinct sample moments with 25 parameters to be estimated, resulting in 41 degrees of freedom (df) that arose based on an over-identified model and a significant chi-square value of 80.736 with a probability level equal to 0.000. As the model only had three latent factors with a total of 11 indicators, the sample size of 332 participants was regarded as adequate for the use of SEM (Hair, Black, Babin, & Anderson., 2010).

The results of the measurement model were inspected for any irregular estimates such as negative error variances or any standardised loading estimates below -1.0 or above 1.0 (Kline, 2011). Concerning the validity and reliability of the model, both the average variance extracted (AVE) and composite reliability (CR) were computed. The findings are reported in Table 2:

Table 2: Estimates for measurement model

<table>
<thead>
<tr>
<th>Latent factors</th>
<th>Standardised loading estimates</th>
<th>Error variance estimates</th>
<th>Composite reliability</th>
<th>Average variance extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental attitudes</td>
<td>0.476</td>
<td>0.226</td>
<td>0.80</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>0.528</td>
<td>0.279</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.642</td>
<td>0.412</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.625</td>
<td>0.391</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived environmental intention</td>
<td>0.751</td>
<td>0.564</td>
<td>0.75</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>0.783</td>
<td>0.613</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.860</td>
<td>0.740</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green purchase behaviour</td>
<td>0.762</td>
<td>0.581</td>
<td>0.80</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>0.615</td>
<td>0.378</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.800</td>
<td>0.641</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.725</td>
<td>0.526</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlations</td>
<td>F1Attitude↔F2Intention: 0.646</td>
<td></td>
<td>F1Attitude↔F3Behave: 0.662</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F2Intention↔F3Behave: 0.755</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
No problematic estimates were found (i.e. no negative error variances) in the analysis and the model shows statistically significant relationships ($p < 0.01$) between all indicators and their latent factors. The CR values of all of the latent factors exceeded the 0.70 threshold, which suggests composite reliability. With AVE values equal or above 0.50, convergent validity was also evident (Hair et al., 2010; Malhotra, 2010). Once validity and reliability had been established, the next step was to assess the models fit indices. A significant chi-square was computed, due to the large sample size. Despite the significant chi-square of 146.008 ($p=0.000$) and 61 degrees of freedom (df), the remaining fit indices displayed good model fit. The indices recorded the following values: GFI = 0.956, NFI = 0.942, IFI = 0.970, TLI = 0.960, CFI = 0.970 and RMSEA = 0.054. These results are indicative that the proposed model is a three factor structure comprising environmental attitudes, perceived environmental intentions and green purchase behaviour.

The specified structural model tested if environmental attitudes had a significant positive direct influence on environmental intentions. Additionally, the model tested if a statistically positive relationship existed between environmental intentions and green purchase behaviour. The structural model also included the mediated factors of perceived price and quality. The results are presented in Table 3:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Estimates</th>
<th>p-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude $\rightarrow$ intention</td>
<td>0.685</td>
<td>0.000**</td>
<td>Significant</td>
</tr>
<tr>
<td>Intention $\rightarrow$ behaviour</td>
<td>0.458</td>
<td>0.000**</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**Significant at $p < 0.05$ level**

The results indicate that environmental attitude ($\beta = 0.685$, $p = 0.000 < 0.05$) has a positive significant impact on African Generation Y students’ environmental purchase intentions. Similarly, environmental purchase intention ($\beta = 0.458$, $p = 0.000 < 0.05$) has a positive significant impact on Generation Y students’ environmental purchase intentions. Whilst a significant chisquare value of 146.008 was returned with 61 (df) once again, the other incremental fit indices returned acceptable model fit values for the structural model. The values comprised GFI = 0.933, NFI = 0.919, IFI = 0.951, TLI = 0.937, CFI = 0.951 and RMSEA = 0.065.

3.4. Mediation analysis

In terms of mediation analysis the causal variable was environmental purchase intentions and the outcome variable was green purchase behaviour with perceived price and perceived quality acting as the mediating variables. A two-tailed significance level, set at the cut-off point $p=0.05$, was assumed. Figure 1 depicts the mediating variables.
Table 4 contains the results of the mediation analysis.

Table 4: Mediation analysis

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Direct effect without the mediator</th>
<th>Direct effect with the mediator</th>
<th>Indirect effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention → Price → Behaviour</td>
<td>0.773 (***)</td>
<td>0.522 (***</td>
<td>Significant mediated effect</td>
</tr>
<tr>
<td>Intention → Quality → Behaviour</td>
<td>0.773 (***)</td>
<td>0.618 (***</td>
<td>Significant mediated effect</td>
</tr>
</tbody>
</table>

***Significant at p < 0.05 level (2-tailed)

As shown in Figure 1, the direct path C (excluding the mediating variables) from green purchase intentions towards green purchase behaviour was statistically significant reporting a value of C=0.773.

Regarding indirect effect, a bootstrapping analysis was performed whereby 2000 samples were requested set at a 95 percent confidence level. As such, and as per Figure 1, the indirect effect of path AB i.e. environmental intention on environmental purchase behaviour through perceived price was statistically significant. Similarly, the indirect effect of path DE i.e. environmental intention on environmental purchase behaviour through quality was statistically significant. As the direct C path is statistically significant, it may be asserted that perceived price and perceived quality partially mediate the direct relationship of green purchase intentions and green purchase behaviour. These partially mediated relationships can be seen when comparing the direct versus the indirect paths (C=0.773 vs. AB=0.522 and C=0.773 vs. DE=0.618).

4. DISCUSSION

In today’s world, environmental issues continue to play a significant role in the practice of marketing. This is embodied in the need to assure the availability of natural resources for future generations to come. This paper aimed to determine the influence that perceived price and perceived quality have on African Generation Y students’ green purchase intentions and behaviours. The findings of the study indicate that African Generation Y students display positive environmental attitudes, positive environmental intentions and pro-environmental behaviour. The three-dimensional model that measured the attitudinal effects of price and quality towards green product purchase behaviour was assessed and deemed reliable, valid and presented an acceptable model fit. The model included two mediating factors of perceived...
price and perceived quality. The mediation analysis showed that African Generation Y students’ purchase intention to purchase green products was significantly reduced once the mediating factors of price and quality were taken into account. The factor of perceived price reduced green purchase intentions more than that of perceived quality of African Generation Y students.

5. CONCLUSION
The results of this study are pertinent to South African marketers targeting both environmentally conscious consumers, traditional consumers and the African Generation Y cohort in South Africa. When developing any business strategy, generally the most important aspects consumers consider is price and quality of a product. This holds true especially for environmentally-friendly products, as consumer purchase decisions are leaning ever more to health and environmental preservation purchase decisions (Sing et al., 2016:467-468; Lim et al., 2014; Han, Hsu & Sheu, 2010). Various studies show evidence that consumers are even willing to pay premium prices for environmental products (Sing et al., 2016; Lim et al., 2014; Rahbar & Wahid, 2011; Han et al., 2010:327; Gupta & Ogden, 2009). On the other hand, organisations must introduce and produce environmentally friendly products that are of at least the same quality standards into their product lines to be able to gain market share in the environmental product market (D’Souza et al., 2007). Additionally, organisations can refine their production processes to become more cost effective and gain a competitive advantage.

Every study is prone to limitations, this study is no different. This study made use of non-probability convenience sampling methods for data collection. Despite precautionary measures taken in the form of demographic, gender, home language and age screening questions to best represent the target population, it is advised to take caution when generalising the results of this study to the public. In addition, this study followed a cross-sectional design which only offers a single snap shot in time of the Gauteng province.

Degrading at an alarming rate, the earth is at the brink of its capacity posing an ominous threat to the quality of human life (Coleman, 2012; Park, 2001). Green products are a significant marketing tool to incorporate an organisation’s environmental image towards intended target markets. It drives consumers to become more environmentally friendly and subsequently to behave in a more pro-environmental manner. Furthermore, understanding the gap between purchase intention and actual behaviour is pertinent to the success of green marketing, and concentrating on the price and quality of green products will be the stepping stone for green product success. Marketers should be aware of the significantly sized African Generation Y cohort as they are South Africa’s future green movement representatives. Additionally, Generation Y individuals who pursue and obtain higher education degrees are inclined to become pertinent opinion leaders and influential members of society, ready to lead their peers and the future green initiative of South Africa.

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UNDERSTANDING THE RELATIONSHIP BETWEEN HOTEL GUESTS’ SATISFACTION AND TRIP-RELATED VARIABLES: A CASE IN GAUTENG, SOUTH AFRICA

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ABSTRACT
The aging population and economic growth are changing tourists’ behaviour, and results in tourists taking shorter holidays in distance and length. The length of the tourists’ holiday is an essential part of a quantitative study, and can lead to a variety of advantages for hotels. Such an advantage is that it allows the tourists to spend more money through experiencing more at the destination. Furthermore, a variety of theories can be used to understand the process through which tourists form the satisfaction judgement. This article will therefore determine whether there is a relationship between the factors that influence the satisfaction levels of tourists and trip-related variables. A case study approach using quantitative, descriptive and exploratory research and a non-probability method, namely convenience sampling was used. The sample size was 100 tourists at a hotel in Gauteng, South Africa, and a questionnaire was used as the measuring instrument. Ten factors were identified and amongst others, the factors which has the largest impact on the satisfaction level of the tourists include upkeep of the establishment, responsiveness and service delivery of the hotel employees. All of the factors correlate with the trip-related variables. In addition, there is a strong negative correlation between the factor, service delivery of the hotel employees and expectations met. Therefore, if the tourists are satisfied with service delivery of the hotel employees, it will influence their perception to stay longer and ensure that their expectations are met and exceeded. The outcome will result in important aspects, which includes improved perception of the destination image and familiarity of the establishment. This research does conclude that the tourists’ expectations are more likely to be met, if they are satisfied with the service delivery of the hotel employees. Unique to this study, is that it provides South African hotels with factors that influence the tourists’ perception regarding their trip-related variables. It allows the hotels to improve on factors in order to meet and exceed the expectations of the tourists to ensure that they stay longer, gaining differentiation and a competitive advantage.

Key Words: Tourist satisfaction, expectations exceeded, expectations met, length of stay, hotel.

JEL Classification: M31, Z33

1. INTRODUCTION
This study will focus on the relationship between the factors that influence the level of tourist satisfaction and trip-related variables. These trip-related variables are the length of stay, expectations met, and expectations exceeded. Tourist satisfaction is essential, due to the
influence it has on the choice of destination and the decision to revisit (Ramseook-Munhurren, Seebaluck & Naidoo, 2015:254). Tourist satisfaction is defined by Iniesta-Bonillo, Sanchez-Fernandez and Jimenez-Castillo (2016:5003) as a person’s cognitive-affective state that is obtained from a tourist experience. Tourist satisfaction is related to the experience of a service and is acquired once the tourist believes that the service has met their expectations (Marinescu & Ispas, 2012:349).

1.1. Previous studies influencing satisfaction levels of tourists

Ara (2016:88) states that tourist satisfaction is a complicated phenomenon and is an essential outcome for a tourism establishment to achieve. Therefore, it is needed to identify the factors that influence the satisfaction level of the tourists (see Table 1).

Table 1: Factors from previous studies that affect the level of tourist satisfaction

<table>
<thead>
<tr>
<th>Authors</th>
<th>Sectors</th>
<th>Factors</th>
</tr>
</thead>
</table>
| Marinescu and Ispas (2012:350) | Tourism              | • Tangibility  
  • Reliability  
  • Empathy  
  • Receptivity  
  • Secure |
| Arasli and Baradarani (2014:1421) | Tourism              | • Environment  
  • Transportation  
  • Shopping and tourist attractions  
  • Lodging and restaurants  
  • Safety  
  • Transportation   |
| Ramseook-Munhurren et al. (2015:256) | Tourism              | • Attractions  
  • Events  
  • Infrastructure  
  • Sport  
  • Travel environment   |
| Ara (2016:90)            | Hotel                 | • Tangibility  
  • Reliability  
  • Responsiveness  
  • Assurance  
  • Empathy |

Previous studies have identified a variety of factors that influence the satisfaction level of tourists within the tourism and hotel sectors. Each of these studies have obtained different results. Marinescu and Ispas (2012:350) have found that there is a negative value between total perceptions and total expectations, and that the overall quality of the services are not reaching the tourists’ expectations. Arasli and Baradarani (2014:1421) state that there is a positive relationship between destination satisfaction and word of mouth. According to Ramseook-Munhurren et al. (2015:256), tourist satisfaction has a positive effect on the perceived value and loyalty of the tourists. Finally, Ara (2016:90) identified that the tourists are more satisfied with the hotel's services. However, there is limited literature on the effect that tourist satisfaction factors has on trip-related variables. Therefore, the current study will focus on the relationship between the factors that influence the level of tourist satisfaction and trip-related variables. Furthermore, it is needed for a hotel to ensure that it can meet and exceed the expectations of different tourists, to obtain satisfaction and industry differentiation (Saner & Sadikoglu, 2016:359). It is therefore important to understand the variety of customer satisfaction theories, to ensure that tourist satisfaction arises.

2.1. Customer satisfaction theories

The first theory is the disconfirmation theory, which indicates that tourists compare a tourism service with the standard that they have developed. The satisfaction of the tourist arises once
the tourist has direct experience with the tourism service and when the tourist compares perceptions against expectations. (Mill, 2011:8). The second theory is the assimilation theory, which proposes that tourists who are using a specific service makes cognitive comparisons between the perceived performance of the service and their actual expectations. The theory suggests that post exposure rating is an important function for the expectation level of the tourists and if there is a discrepancy between the perceived service performance and expectations, then dissonance will arise (Isac & Rusu, 2014:83).

The second theory is the assimilation theory, which proposes that tourists who are using a specific service makes cognitive comparisons between the perceived performance of the service and their actual expectations. The theory suggests that post exposure rating is an important function for the expectation level of the tourists and if there is a discrepancy between the perceived service performance and expectations, then dissonance will arise (Isac & Rusu, 2014:83). The fourth theory is the assimilation-contrast theory, which suggests that tourist satisfaction is a function of the magnitude of the discrepancy between perceived and expected performance. This theory was developed by Anderson (1973), and states that if the discrepancy is small, the tourists tend to modify the differences in perception about the service performance to line it with their previous expectations (Isac & Rusu, 2014:83). The fifth theory is the generalised negativity theory which was developed by Carlsmith and Aronson (1963) and suggests that any discrepancy of performance from the tourist expectations will disturb the tourist, and negative energy will be produced. Therefore, the tourist will be dissatisfied if the perceived performance is lower than their expectations. (Isac & Rusu, 2014:84).

3. METHODOLOGY
A case study approach using quantitative, exploratory and descriptive research was used, to evaluate the relationship between the factors that affect the satisfaction level of the tourists and trip-related variables. A formal letter was sent to the hotel, stating the purpose of the study and requested permission to conduct the survey on their premises. A non-probability sampling method, convenience sampling was used. The population was the tourists who used accommodation and restaurant services during weekends and the sample size involved 100 tourists. The survey consisted of a cover page, three sections, and 71 questions. The three sections are demographic, trip-related variables, and determining the satisfaction and importance level of the customers. A pre-test was conducted with ten tourists at a hotel and technical shortcomings were corrected. The questionnaire was distributed during weekends, from October 2017 until December 2017. The data from the respondents was captured and analysed in Microsoft Excel spreadsheet, and descriptive statistics were used to analyse the data. Thereafter, the data was captured and analysed in SPSS. The data included the demographic profile of the respondents, the characteristics of the tourists’ stay, and tourist satisfaction. The statistical techniques that were applied are exploratory factor analysis and Spearman Rank Order correlations.

4. RESULTS
The main goal was to identify the relationship between the factors that influence the satisfaction level of the tourists and trip-related variables. The demographic information of the tourists are as follows. Most of the respondents were female (55%) and 45% of the respondents were male. The majority of the respondents were between 30 and 39 years of age (32%), and were married (64%). The highest qualification for the majority of the respondents were matric (33%), received a monthly income between R20 000 and R34 999 (35%) and were full time employees (82%).
Furthermore, the characteristics of the tourists stay are as follows. The majority of the respondents stayed between one and two nights at the hotel (76%) in a double deluxe room with breakfast (40%). Most of the respondents visited for leisure purposes (87%) and identified the hotel through word of mouth (60%). The majority of the respondents visited the hotel more than once a year (52%), would definitely recommend (83%) and revisit (84%) the hotel. Most of the respondents are loyal towards the hotel (64%) and were totally satisfied (69%). The majority of the respondents’ expectations were met (77%) and exceeded (52%). Table 2 identify factors in three areas, namely overall establishment, restaurant facilities and accommodation facilities.

Table 2: Factors influencing satisfaction level of tourists

<table>
<thead>
<tr>
<th>The level of customer satisfaction with the overall establishment</th>
<th>FL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall establishment - Total variance explained: 52.18%</td>
<td></td>
</tr>
<tr>
<td>Child-friendliness of this establishment</td>
<td>.797</td>
</tr>
<tr>
<td>User-friendliness of this establishment's website</td>
<td>.718</td>
</tr>
<tr>
<td>Signage at this establishment</td>
<td>.624</td>
</tr>
<tr>
<td>Location of this establishment</td>
<td>.547</td>
</tr>
<tr>
<td>Convenience of this establishment's booking system</td>
<td>.508</td>
</tr>
<tr>
<td><strong>Factor 2: Upkeep of establishment</strong> - MV: 4.58, CA: .609, IIC: .259</td>
<td></td>
</tr>
<tr>
<td>Maintenance of this establishment</td>
<td>.742</td>
</tr>
<tr>
<td>Safety and security at this establishment</td>
<td>.730</td>
</tr>
<tr>
<td>Availability of parking space at this establishment</td>
<td>.610</td>
</tr>
<tr>
<td>Scenery at this establishment</td>
<td>.595</td>
</tr>
<tr>
<td><strong>Restaurant facilities - Total variance explained: 75.23%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 3: Responsiveness</strong> - MV: 4.63, CA: .964, IIC: .344</td>
<td></td>
</tr>
<tr>
<td>Politeness of the employees at this restaurant</td>
<td>.961</td>
</tr>
<tr>
<td>Individual attention provided by the employees at this restaurant</td>
<td>.892</td>
</tr>
<tr>
<td>Helpfulness of the employees at this restaurant</td>
<td>.877</td>
</tr>
<tr>
<td>Employees’ communication skills at this restaurant</td>
<td>.837</td>
</tr>
<tr>
<td>Attitude of the employees towards customers at this restaurant</td>
<td>.811</td>
</tr>
<tr>
<td>Flexibility of the employees at this restaurant to meet your needs</td>
<td>.794</td>
</tr>
<tr>
<td>Overall services offered at this restaurant</td>
<td>.787</td>
</tr>
<tr>
<td>Professionalism of the employees at this restaurant</td>
<td>.750</td>
</tr>
<tr>
<td>Promptness of the employees at this restaurant</td>
<td>.712</td>
</tr>
<tr>
<td>Reliability of the employees at this restaurant</td>
<td>.708</td>
</tr>
<tr>
<td>Friendliness of the employees at this restaurant</td>
<td>.705</td>
</tr>
<tr>
<td>Number of employees working at this restaurant</td>
<td>.790</td>
</tr>
<tr>
<td>Employees’ appearance at this restaurant</td>
<td>.602</td>
</tr>
<tr>
<td>Atmosphere at this restaurant</td>
<td>.351</td>
</tr>
<tr>
<td>Variety of food and beverages offered at this restaurant</td>
<td>.378</td>
</tr>
<tr>
<td>Quality of the food and beverages offered at this restaurant</td>
<td>.828</td>
</tr>
<tr>
<td>Overall cleanliness of this restaurant</td>
<td>.819</td>
</tr>
<tr>
<td>Attractiveness of this restaurant</td>
<td>.808</td>
</tr>
</tbody>
</table>
**Factor 6: Payment for the restaurant offerings - MV: 4.30, CA: .643, IIC: .000**

- Payment facilities at this restaurant: .844
- Price of the food and beverages offered at this restaurant: .844

**Accommodation facilities - Total variance explained: 75.89%**

**Factor 7: Service delivery of the hotel employees - MV: 4.64, CA: .972, IIC: .417**

- Attitude of the employees at this accommodation establishment: .980
- Professionalism of the employees at this accommodation establishment: .945
- Promptness of the employees at this accommodation establishment: .934
- Reliability of the employees at this accommodation establishment: .898
- Employees' communication skills at this accommodation establishment: .872
- Number of employees working at this accommodation establishment: .845
- Helpfulness of the employees at this accommodation establishment: .826
- Effectiveness of the check in out procedures at this accommodation establishment: .798
- Employees' appearance at this accommodation establishment: .704
- Overall service offered at this accommodation establishment: .669
- Individual attention provided at this accommodation establishment: .636
- Politeness of the employees at this accommodation establishment: .596
- Flexibility of the employees at this accommodation: .579
- Friendliness of the employees at this accommodation establishment: .532

**Factor 8: Ambience at the hotel - MV: 4.52, CA: .663, IIC: .168**

- Attractiveness of this accommodation establishment: .831
- Quality of the rooms at this accommodation establishment: .828
- Atmosphere at this accommodation establishment: .441

**Factor 9: Payment for the hotel services - MV: 4.45, CA: .632, IIC: .000**

- Price of the accommodation: .790
- Payment facilities at this accommodation establishment: .760

**Factor 10: Quality of the hotel rooms - MV: 4.51, CA: .711, IIC: .165**

- Size of the rooms at this accommodation establishment: -.470
- Overall cleanliness of this accommodation establishment: -.551
- Room service at this accommodation establishment: -.667

FL - Factor Loading, MV - Mean Value, CA - Cronbach’s alpha, IIC - Inter-items correlation.

From Table 2, it can be seen that the eigenvalue of the overall establishment is greater than 1.0 and explained 52.18% of the variance, the KMO was 0.816, and Bartlett’s test of sphericity was significant (p<0.000). The eigenvalue of the restaurant facilities is greater than 1.0 and explained 75.23% of the variance, the KMO was 0.897, and Bartlett’s test of sphericity was significant (p<0.000). The eigenvalue of the accommodation facilities is greater than 1.0 and explained 75.89% of the variance, the KMO was 0.972, and Bartlett’s test of sphericity was significant (p<0.000). The ten factors’ loadings range from -0.378 and 0.961 and all reliability coefficients were relatively high, ranging from 0.609 and 0.972. Factor loadings are correlations of items with the extracted factor - these correlations can be either positive or negative and to be of significance, it should either be smaller than -0.3 or larger than 0.3. According to Pallant (2010:192) and Field (2013:684), all of the above is considered acceptable.
Table 3: Relationship between factors and trip-related variables

<table>
<thead>
<tr>
<th>Tourist satisfaction factors (N=100)</th>
<th>Customer convenience</th>
<th>Upkeep of the establishment</th>
<th>Responsiveness</th>
<th>Assurance</th>
<th>Quality</th>
<th>Payment for the restaurant offerings</th>
<th>Service delivery of the hotel employees</th>
<th>Ambience at the hotel</th>
<th>Payment for the hotel services</th>
<th>Quality of the hotel rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length stayed</td>
<td>CC</td>
<td>- .206*</td>
<td>-.042</td>
<td>-.213**</td>
<td>-.293**</td>
<td>-.214**</td>
<td>-.185</td>
<td>-.271**</td>
<td>-.059</td>
<td>-.370**</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0.040</td>
<td>0.677</td>
<td>0.033</td>
<td>0.003</td>
<td>0.033</td>
<td>0.065</td>
<td>0.006</td>
<td>0.563</td>
<td>0.000</td>
</tr>
<tr>
<td>Expectations met</td>
<td>CC</td>
<td>-.540**</td>
<td>-.523**</td>
<td>-.453**</td>
<td>-.505**</td>
<td>-.430**</td>
<td>-.496**</td>
<td>-.553**</td>
<td>-.461**</td>
<td>-.389**</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Expectations exceeded</td>
<td>CC</td>
<td>-.326**</td>
<td>-.469**</td>
<td>-.362**</td>
<td>-.457**</td>
<td>-.379**</td>
<td>-.366**</td>
<td>-.468**</td>
<td>-.449**</td>
<td>-.233**</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0.001</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.020</td>
<td>0.000</td>
</tr>
</tbody>
</table>

CC - Correlation Coefficient, Sig – Sig 2 tailed, ** - Correlation is significant at the 0.01 level, and * - Correlation is significant at the 0.05 level.

The results of the Spearman Rank Order Correlation (see Table 3) showed significant negative relationships between the different tourist satisfaction factors and trip-related variables (Pallant, 2010:134). These trip-related variables have been taken from previous studies (Arasli & Baradarani, 2014:1421; Ramseook-Munhurren et al., 2015:256). Spearman Rank Order Correlation was calculated to determine the strength and direction of linear relationships between the different factors that influence the satisfaction level of the tourists and trip-related variables. Pallant (2010:134) states that a correlation of 0 = no relationship; 1 = a perfect positive relationship and -1 = a perfect negative relationship. The interpretations were done following Cohen’s (1988) guidelines: small rho = <0.10, medium rho = >0.10, and large rho = >0.50.

5. DISCUSSION
From Table 2, it can be seen that ten factors were identified that influence the satisfaction level of the tourists at a hotel in South Africa. There were two factors identified with regards to the overall establishment. Customer convenience (factor 1) consisted of five items, which includes child friendliness and user-friendliness of the website. Upkeep of the establishment (factor 2) comprised of four items, which includes maintenance, and safety and security. According to Ek and Çiğmiş (2015:402) and Csecser (2016:18), customer convenience and upkeep of the establishment is vital at a hotel. Moreover, within the restaurant facilities, four factors were
identified. Responsiveness (factor 3) contained 11 items, which includes politeness of the employees and individual attention provided by the employees. Assurance (factor 4) included four items, such as number of employees working at this restaurant and employees' appearance. These two factors are part of the SERVQUAL model and is needed to evaluate items regarding the tourist's levels of expectation and perception concerning service quality at a hotel (Parasuraman, Zeithaml & Berry, 1998; Huan, Huang, Hung & Hu, 2017:239; Liu, Gan, Ho & Hu, 2017:223). Quality (factor 5) consisted of three items, which includes quality of food and beverages offered and overall cleanliness. According to Ihtiyar, Ahmad and Osman (2014:492), quality can influence an establishment’s marketing strategy, because satisfied tourists will spread positive word of mouth, based on the quality service that they receive. Payment for restaurant offerings (factor 6) comprised of two items, namely payment facilities, and price of the food and beverages offered. Depending on a variety of items including price and payment options, tourists will choose the type of restaurant to use (Kotler, 2001; Ivanovic, Khunou, Reynish, Pawson, Tseane & Wassung, 2009:78).

Furthermore, four factors were identified with regards to the accommodation facilities. Service delivery of the hotel employees (factor 7) contained 14 items, which includes attitude and professionalism of the employees. This factor can be applied to the disconfirmation theory that implies that tourists compare a new product or service experience with a standard that they have developed (Mill, 2011:8). Ambience of the hotel (factor 8) included three items, such as attractiveness of this accommodation establishment and quality of the rooms. The ambience at the hotel is not expected by the tourists but is used as a tool to ensure differentiation in the industry (Ek & Çikiş, 2015:402; Csecsur, 2016:17). Payment for the hotel services (factor 9) consisted of two items, namely price of the accommodation and payment facilities. Depending on items such as price and payment options, tourists will choose the type of accommodation to use, which will influence the satisfaction level of the tourists. This is crucial for the success of any accommodation establishment (Kotler, 2001; Ivanovic et al., 2009:78; Sukiman, Osmar, Muhibudin, Yussof & Mohamed, 2013:79). Finally, quality of the hotel rooms (factor 10) comprised of three items, which includes size of the rooms and overall cleanliness. This factor can be applied to the generalised negativity theory, which implies that tourists will be dissatisfied if the quality of their rooms is lower than their expectations (Carlsmith & Aronson, 1963).

All ten factors that have been identified influence the satisfaction level of the tourists. However, one factor within each area has a greater influence on the tourist satisfaction level. Upkeep of the establishment (factor 2 – overall establishment) has a mean value of 4.58, Cronbach Alpha value of 0.609 and Inter Item Correlation value of 0.259. Responsiveness (factor 3 – restaurant facilities) has a mean value of 4.63, Cronbach Alpha value of 0.964 and Inter Item Correlation value of 0.344. Service delivery of the hotel employees (factor 7 – accommodation facilities) has a mean value of 4.64, Cronbach Alpha value of 0.972 and Inter Item Correlation value of 0.471.

From Table 3, it is clear that the factors have a small to large positive and negative correlation with the trip-related variables. This indicates that the factors are interrelated with the variables. Thus, suggesting that if a particular factor influences the satisfaction level of the tourist, it will result in tourists staying longer. If the tourists are satisfied with certain factors, their expectations will be met and exceeded. For example, there is a strong negative correlation between service delivery of the hotel employees and expectations met. Therefore, the tourists’ expectations are more likely to be met if they are satisfied with the service delivery of the hotel employees.
Moreover, hotels within South Africa should consider these correlations to meet and exceed the expectations of the tourists to ensure they stay longer, gaining differentiation in the industry, obtain a competitive advantage, improve perceptions of the destination image and familiarity of the establishment (Gokovali, Bahar & Kozak, 2007:737; Saner & Sadikoglu, 2016:359).

6. CONCLUSION
To conclude, this study focused on the relationship between the factors that influence the satisfaction level of the tourists and trip-related variables at a hotel within Gauteng, South Africa. It can be seen that tourist satisfaction is related to the experience of a service and is acquired once the tourist believes that the service has met their expectations. Therefore, it is needed to identify the variety of factors that influence the satisfaction level of the tourists at a hotel, by taking into consideration the variety of theories. Within this study, ten factors have identified that influence the satisfaction level of the tourists. Amongst others, the factors that have the largest influence on the satisfaction level of the tourists within three areas at a hotel, include upkeep of the establishment, responsiveness, and service delivery of the hotel employees. These factors are interrelated with the trip-related variables, especially expectations met and service delivery of the hotel employees. From the results, it is clear that hotels within South Africa should take the relationship between the factors and variables into consideration to meet and exceed the expectations of the tourists, to ensure they stay longer, gaining differentiation in the industry and obtain a competitive advantage. Future studies can be done in other tourism organisations using a similar measuring instrument that was employed in this study, to identify whether the trip-related variables are also influenced by the identified factors.

REFERENCES


ABSTRACT
Household poverty is a persistent predicament in South Africa. The typical view is that most of the children living in South African townships experience various deprivations, particularly those residing in poor households. However, child deprivation differs from household poverty; children are not economic agents, as a result, they are vulnerable to poverty and deprivation. This study investigated household poverty and the deprivation of children in Jabulani Township, situated in Soweto. Using survey data, an asset index was constructed to measure the long-term wealth of the households; in other words, the poverty levels of the household. A child deprivation index was used to measure the deprivations children experience. The study found that some of the households in Jabulani have below average poverty levels as defined by the asset index; however, the majority are not severely poor. A major finding from the study is that children experience deprivation, even if the household is not poor and while at the same time children living in the poorest households are in fact not all deprived. Although the government has implemented a number of strategies and policies towards poverty alleviation, more needs to be done to secure a better future for poor households, particularly children. These findings provide considerable acumen regarding the livelihood of children living in Jabulani Township.

Key Words: asset index, child deprivation, child deprivation index, household poverty, Jabulani Township, South Africa

JEL Classification: I31; I32; J10; J13; R2

1. INTRODUCTION
Over the years, international organisations, governments and societies have taken measures to uplift humankind out of poverty. The United Nations (UN, 2008:11) maintains that the global arena has taken part in several assemblies in a bid to create economic participation of the poverty-stricken. Over the last few years, in rural areas, poverty rates have been high among Africans; particularly children, the youth and female adults who have never worked before (Statistics South Africa (StatsSA), 2013; Turner, Cilliers & Hughes, 2015:6). South Africa, in per capita terms is a middle-income country, even though the majority of South African households are experiencing absolute poverty and children are experiencing deprivations (Davids, 2010; Frye, 2006; StatsSA, 2013).

The phenomena of household poverty and child deprivation are structural rather than cyclical in nature. Chronic structural manifestations of poverty are far more difficult to address in terms of
policy interventions (UN, 2007). Regardless of the number of ways the government has implemented interventions, numerous children still go through the challenges of deprivation, specifically children born to poor households (Delamonica, Minujin, Davidziuk, & Gonzalez, 2006:485). Children younger than 18 years are affected the most by household poverty (StatsSA, 2017). Household poverty is an inherited predicament in South Africa (United Nations Children's Fund (UNICEF), 2014:18) and other developing countries (Minujin, Delamonica, Gonzalez, & Davidziuk, 2005:3; UNICEF, 2014). Deprived South African children, who are mostly black and coloured, are situated in the traditionally underprivileged portion of the basic education system and are at risk of spreading the poverty cycle into which they were born to future generations (UNICEF, 2014:18). Years into South Africa’s democracy, race is still a powerful predictor of poverty and deprivation (Hall & Sambu, 2014). For instance, between 2011 and 2015 the percentage of Black and Coloured South Africans who were living below the poverty line took a rise from 43,4 percent to 47,1 percent (Black males and females) and 20,2 percent to 23,3 percent (Coloureds male and female) (StatsSA, 2017:19). Similarly, in 2012 an estimated 63 percent of Black and 28 percent of Coloured children were living in poor households compared to only 1 percent of White and 7 percent of Indian children (Hall & Sambu, 2014).

While existing research projects children who suffer from deprivation as likely to be those residing in poor households (Singh & Sarkar, 2014), more investigation is necessary to ascertain the implied correlation between household poverty and child deprivation. Although research has been done in the preceding subjects (Bárcena, Blázquez, Budría & Moro, 2014; Grødem, 2008), not much has been researched at township level. The study seeks to contribute to socio-economic domains of household poverty and child deprivation by highlighting the overlaps between child needs and household needs in a South African township.

2. LITERATURE REVIEW
2.1. Contextual background
In several societies, poverty is intensely rooted, therefore, it is unrealistic to presume that it can be eradicated utterly (Strauss & Horsten, 2013:296). With the significant rise in globalisation, it is interesting to note that in the world poverty has declined substantially in quantity and percentage (World Bank, 2016). The sustainable development goals are in a bid to end hunger, malnourishment and to sustain the production of food by 2030. The goal is to ensure that people in all walks of life have adequate quality food and live healthily. Even though poverty is deemed a worldwide problem, it is particularly prominent in Africa; a large number of the deprived states are situated in sub-Saharan Africa (Oldewage-Theron & Slabbert, 2010). Several countries have been categorised as countries with low human development based on the human development index (Todaro, 1994).

Poverty rates are gradually declining in South Africa, even so, a number of households still suffer harsh conditions of deprivation (Barnes, Noble, Wright & Dawes, 2008:8). While this phenomenon can be attributed to the apartheid legacy (Francis, 2006; Woolard, 2002), the poverty trend is quite common, several developed and developing countries have high and escalating poverty rates (Barnes et al., 2008:8). In South Africa, the percentage of children living in poverty has since declined from 30 percent in 2002 to 12 percent in 2014 (South African Human Rights Commission (SAHRC) & UNICEF, 2016:7). According to Child Trends (2016:2), the percentage of children living in households with incomes below the poverty line was 22
percent between 2006 and 2010; this percentage fell to 20 percent in 2015. However, it has been noted that compared to male-headed households, a child in a female-headed household is still more likely experience poverty (SAHRC & UNICEF, 2016:7). Children remain disadvantaged because they entirely depend on the household and the society at large; they have no power to make any household and economic decisions.

2.2. Household poverty and child deprivation

Household poverty manifests in many ways; it is predominantly seen as a result of scarcity that affects the livelihood of households and individuals (European Union (EU), 2007:3). Generally, poor people are known as those that are unable to progress or rather live above the poverty line; people who do not have food regularly and sometimes cannot even afford to put their children through schooling, who lack the basic needs and are dependent on the state (National Development Agency (NDA), 2014). The poor perceive poverty differently based on their environment, food affordability, the jobs they occupy and other aspects (Krishna, 2011:12). According to Singh & Sarkar (2014:2) and Grødem (2008:107), there is a link between the notion of household poverty and deprivation. It has been agreed universally that the deprivation experienced by the poor consists of several conditions that are independent of income (Bastos, Fernandes, & Passos, 2004). While the concept of poverty takes into consideration income levels (Spéder & Kapitány, 2005) and is commonly measured using income, sometimes the poverty line is set too low that even families living in poor conditions find they are living above it. Deprivation takes place when people are unable to attain nutrition, facilities, services, physical resources and many other elements necessary to survive (Maré, Mawson & Timmins, 2001; Gordon, Nandy, Pantazis, Pemberton & Townsend, 2003:6). Deprivation is thus multidimensional as it takes into account numerous elements of a person’s life (Lister, 2004:21). Income measures of poverty are relatively straightforward; however, these measures exclude important dimensions, especially when measuring child deprivation (Ciula & Skinner, 2014). Indicators of deprivation offer information on the scope to which a number of necessities are met, whereas money-metric indicators of poverty offer an indication of the financial status of the household. The former is a result of variables that have been combined, comprising the income and resources available to the household and choices of expenditure by the household (De Neubourg, Bradshaw, Chzhen, Martorano & Menchini 2012:1).

Childhood deprivation is different from adulthood poverty; hence, children are referred to as having the utmost susceptibility in the society (Bárcena et al., 2014). Children experiencing poverty are deprived of many elements required for survival, for example spiritual, psychological and material resources. An interrelation in the deprivations that children experience in various dimensions exits (Adetola & Olufemi, 2012:39). When a child lacks the opportunities to get an education or quality education, health care or essential resources necessary for physical and emotional well-being, then the child is considered deprived (Townsend, 1979; Children Society, 2013). The notion of deprivation could similarly apply to an abandoned, homeless or poor child, a child with no parent or guardian, or perhaps a child whose home is an unfit place with limited to no resources necessary for the well-being and development of the child (US Legal, 2014; Singh & Sarkar, 2014). The inter-generational cycle of poverty is created and prolonged when children live in poverty, because there is a good possibility they will grow up to be poor adults. Child deprivation harms children’s opportunities in life and destructs the society in general. Although there has been substantial improvement in identifying, determining and tackling child poverty, there is still a lot to be accomplished (UNICEF, 2014).
3. METHODOLOGY
Primary data was collected using a survey questionnaire conducted in 2015. The household survey was conducted using sample stratification that was designed after maps had been attained for Jabulani Township, a low income township located in South-Western Townships (Soweto). The target population was limited to the households that have children, both poor and non-poor. However, the questionnaire was answered by the heads of the households, that is, individuals above 18 years, both male and female. A total of 200 randomly selected households were interviewed, however only 178 questionnaires were usable. To establish the sample size, the historic evidence method was used in line with previous research studies on the subject of household poverty. Sekatane (2004:8) used a sample size of 250 households, Sekhampu and Niyimbanira (2013) used a sample size of 209 households, while Dubihlela (2012) used a sample size of 313 households. For normal distribution purposes, a sample size greater than 30 is statistically significant (Swanepoel, Swanepoel, Van Graan, Allison, & Santana, 2010:200).

The study used a deprivation index to measure child deprivation in Jabulani Township. The deprivation index was adapted from De Neubourg et al. (2012:4-5). The indicators used by De Neubourg et al. (2012:4-5) to construct the deprivation index are considered significant for the measurement of child deprivation. The study applied Likert scales with anchors ranging from (1) Never to (5) Always. All statements were rephrased to fit the context of the present study. A sum of the child deprivation index was calculated by adding the scores for each child (household). The study considers a child deprived or non-deprived based on the deprivation score, the higher the deprivation score the more deprived is the child, the lower the deprivation score the less deprived the child is.

The study used an asset index to measure household poverty adapted from Prakongsai (2006) and Cordova (2008) who found the asset index to be a reliable measure of household poverty and long-term wealth. In construction of the asset index, households were asked to record if they have certain assets. The responses were coded as (1) for yes and (0) for no. Weights were assigned out of 100 to the assets depending on the value and relevance of the assets in question. Each household was given a score and was considered poor or less poor based on their score. The higher the asset index, the less poor is the household, the lower the asset index, the poorer is the household. The study makes use of descriptive statistics, graphs and cross tabulations to determine the extent of household poverty, explore the prevalence of child deprivation and to analyse the relationship between household poverty and child deprivation.

4. RESULTS
The child deprivation index was divided into three categories, ranging from the lowest score to the highest. As previously mentioned, a child is considered deprived the higher the deprivation score and less deprived the lower the deprivation score. The categories were classified as follows: 1 (11-21), 2 (22-32) and 3 (33-44). Children in category one are less deprived, those in category two are moderately deprived and those in the third category are severely deprived. Similarly, the asset index was divided into five categories, where the lower the asset index score the poorer the household is and the higher the asset index score the less poor the household is. The asset index categories where defined as follows: 1 (12.5-30.5), 2 (31.5-60.5), 3 (61.5-90.5), 4 (91.5-123.5) and 5 (124.5-383.5).
4.1 Child deprivation index
Table 1 illustrates the child deprivation index. The minimum deprivation index is 11 and the maximum is 44. The mean represents the average of the child deprivation index, which is 20.1629.

Table 1: Child deprivation index

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child deprivation index</td>
<td>178</td>
<td>11.00</td>
<td>44.00</td>
<td>20.1629</td>
<td>7.40067</td>
</tr>
<tr>
<td>Valid</td>
<td>178</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data: 2015.
Children often are deprived of a number of resources compared to their peers. Figure 1 illustrates the extent of child deprivation in Jabulani Township. The findings indicate that 62.9 percent of the children in Jabulani Township are not deprived. These children have the lowest deprivation index score (first category). The children in the second category of the child deprivation index are calculated at 29.2 percent and are considered moderately deprived. The third category accounts for the severely deprived children in Jabulani Township, the results indicate that only 9.9 percent of the children are severely deprived. Their deprivation score ranges between the score of 33-44 (highest deprivation score).

Figure 1: Categorised child deprivation index

Source: Survey data: 2015.

4.2 Asset index
Based on the survey data, Table 2 illustrates the descriptive of the asset index. The minimum of the asset index is 12.5 and the maximum score is 383.5. The average of the asset index is 122.74, all households with a score below average are considered poor.

Table 2: Asset index

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset index</td>
<td>178</td>
<td>12.5</td>
<td>383.5</td>
<td>122.7416</td>
<td>68.10756</td>
</tr>
<tr>
<td>Valid N</td>
<td>178</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data: 2015.
As previously indicated, the study uses the assets of the household to determine the economic status of the household and, in turn, poverty levels. Figure 2 illustrates the categorised asset index. The findings indicate that 36 percent of the sampled households in Jabulani Township are not poor; these households have an asset index score ranging from 124.5 to 383.5 (highest score of the asset index). The results show that 41.1 percent of the households have an asset index score that is below average (categories one to three). The fourth category of the asset index accounts for 23 percent of the households, these individuals scored close to the average total score of the asset index or who have an average asset index score. The poorest of the population are found in the first (1.7%) and second (7.9%) categories of the asset index.

**Figure 2: Categorised asset index**

![Asset Index](image)

Source: Survey data: 2015.

Table 3 shows the relationship between the asset index and the child deprivation index, it seeks to establish the relationship between household poverty and child deprivation. This determines if there are any overlaps between household poverty and child deprivation. The first category of the asset index (representing the poorest households) reports that 66.7 percent of the children residing in these households are moderately deprived and 33.3 percent of the children from the poor households are not deprived.

The second category of the asset index also accounts for poor households, those who have the least assets in the sampled population. The results report that in category two of the asset index 7.1 percent of the children are severely deprived (category three of the child deprivation index) and 64.3 percent of the children are moderately deprived (category two of the deprivation index) and 28.6 percent of the children are less or not deprived.

The third category of the asset index represents the households that are neither poor nor well off; they are possibly the working class. The results indicate that 53.6 percent of the children in this category are not deprived (first category of the deprivation index). In this category, 33.9 percent of the children are moderately deprived and 12.5 percent of the children are severely deprived. This is a rather interesting finding because in the first category of the asset index none of the children are severely deprived and those are the poorest households. In the fourth category of the asset index (less/not poor), 2.4 percent of the children are severely deprived, while 19.5 percent of the children are moderately deprived and 78 percent of the children are not deprived.

Category five of the asset index, which calculates the sampled households who are not poor (high asset index score), reports that 70.3 percent of the children in this category are not
deprived (category one of the child deprivation index). The results indicate that 21.9 percent of the children in category five of the asset index are moderately deprived and 7.8 percent of the children category are severely deprived. The households with highest asset index reports severe child deprivation score.

Table 3: A cross tabulation between the asset index and child deprivation index

<table>
<thead>
<tr>
<th>Asset index * Child deprivation index cross-tabulation</th>
<th>Child deprivation index</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1(11-21)</td>
<td>2(22-32)</td>
</tr>
<tr>
<td>Asset index * Child deprivation index cross-tabulation</td>
<td>1 (12.5-30.5)</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>33.30%</td>
</tr>
<tr>
<td></td>
<td>2 (31.5-60.5)</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>28.60%</td>
</tr>
<tr>
<td></td>
<td>3 (61.5-90.5)</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>53.60%</td>
</tr>
<tr>
<td></td>
<td>4(91.5-123.5)</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>78.00%</td>
</tr>
<tr>
<td></td>
<td>5(124.5-383.5)</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>70.30%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td>% within asset Index</td>
<td>62.90%</td>
</tr>
</tbody>
</table>

Source: Survey data: 2015.
Table 4 illustrates the correlation between the asset index and the child deprivation index. Coefficient 1 indicates a perfectly positive correlation of the asset index. The actual correlation coefficient is -0.336 and the p-value is 0.000 indicating that the correlation is statistically significant at 0.01.
5. DISCUSSION

The findings of the current study indicate that most of the children in Jabulani Township are not severely deprived (only 10 percent (9.9%) of the children experience severe deprivation). This implies that the 9.9 percent severely deprived children lack a balanced meal (e.g. meat, fruits, snacks), clothing and shoes (fashionable), reading books (suitable for their age), educational material (e.g. textbooks, stationery), assistance with homework, leisure and leisure equipment (e.g. swimming, playing an instrument, roller skates, bicycle etc.), cell phone/ I pad/ tablet, toys (dolls, cars), birthday celebrations, school trips and a holiday (at least once a year). A study conducted in Ontario based on a similar deprivation index scale (Notten, 2013:10) indicates that 11.7 percent of the children in Ontario experience deprivation compared to 9.9 percent of the entire Ontarian population. This indicates that Ontarian children experience more deprivations than the population at large. This is an interesting finding as it agrees with literature, indicating that children are more vulnerable to poverty than adults are, as a result they tend to be more deprived (Bárcena et al., 2014; Moro, 2014).

A study by De Neubourg et al. (2012) reports a 10 percent degree of deprivation among children in European countries and 25 percent rate of child deprivation in Greece and Italy. These findings are consistent with the findings of this study (9.9%) severe deprivation and (29.5%) percent moderate deprivation. De Neubourg et al. (2012) only classifies children as either deprived or not deprived, the study does not separate the categories as done in the current study. The prevalence of child deprivation in this Jabulani Township is harsh; overall 39.1 percent of the children are deprived (inclusive of the moderately deprived and the severely deprived children).

The current study found that more than 40 percent of the households live below average asset index; therefore, they are classified as poor. This finding is interesting because the study found that overall 39.1 percent of the children are deprived. Could it be that the deprived children are possibly residing in these poor households? Only 23 percent of the households live above average asset index. Therefore, the results indicate that approximately 41.1 percent of the households of Jabulani Township are poor, compared to approximately 23 percent of the households who are average and 36 percent households who live above average. Does the poverty status of the household really have an impact on the deprivation status of the child? A study done by Grødem (2008) found that when a household has low income levels, the child would be highly deprived, but is this true for the asset index? Within the first category of the

### Table 4: Correlations between the asset index and the child deprivation index

<table>
<thead>
<tr>
<th></th>
<th>Child deprivation index</th>
<th>Asset index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Child deprivation index</strong></td>
<td>Pearson's correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>178</td>
</tr>
<tr>
<td><strong>Asset index</strong></td>
<td>Pearson’s correlation</td>
<td>-.336</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>178</td>
</tr>
</tbody>
</table>

Source: Survey data: 2015.
asset index (representing the poorest) 66.7 percent of the children are moderately deprived and 33.3 percent of the children are not deprived. This is inconsistent with theory; it is often assumed that when a household is poor, children will not be well provided for; however, these findings indicate that some households still manage to provide certain items for their children. It was found that 70.3 percent of the children in non-poor households (representing the households with the highest asset index score) are not deprived. However, 29.7 percent of the children in those households are severely deprived (7.80%) and moderately deprived (21.90%). The households with the least deprived children are those in the fourth category of the asset index, these are some of the households with average asset index. Remarkably, the households with scores above average asset index have scored high on the moderate and severe deprivation index categories; compared to those with an average status. This suggests that a well off or non-poor household does not necessarily indicate low deprivation levels for the child. There is a negative correlation between the asset index and the child deprivation index, thus the higher the asset index, the lower the child deprivation index and the lower the asset index the higher the child deprivation index. The p-value (0.000) indicates a statistically significant correlation at 0.01. This suggests that the correlation between the child deprivation index and the asset index does exist. However, correlation between these variables is weak (-0.336) – this could possibly indicate that household poverty does not necessarily equal child deprivation and vice versa. These findings are consistent with a study done in India by Dehury (2013), which found a weak correlation between the asset index and the deprivation index. Even though the relationship between household poverty (asset index) and child deprivation (deprivation index) exists, the weak correlation implies that household needs differ from child needs. Although a household lacks certain assets, it can still provide some of the basic things a child could possibly need. Similarly, a well off household could still fail to provide for the child. It is evident that some parents or guardians would rather buy toys for their children than buy a washing machine. However, because of the negative correlation between the two indices it can be argued that the wealth of the household has an impact on the deprivation status of the child because the data indicate that a lower asset index leads to a high child deprivation index and vice versa. This indicates that a child that lives in a household with more assets (wealth), is likely to be less deprived compared to one living in a household with less assets. This can be supported by a study conducted by Gordon and Nandy (2012) who reason that parents/guardians often sacrifice household needs for children’s needs. Additionally, a study done by Singh and Sarkar (2014) argues that child deprivation is not limited to poor households; the study found children who lived in poor households have experienced a few deprivations.

3. CONCLUSION AND RECOMMENDATIONS
The findings of the study provide contributions to the body of research on household poverty, particularly child deprivation. The study found that some of the households in Jabulani have below average poverty levels as defined by the asset index; however, the majority are not severely poor. Furthermore, the majority of the children in the township experience moderate deprivation. A major finding from the study is that children experience deprivation, even if the household is not poor and at the same time children living in the poorest households are in fact not all deprived. This is an important finding since it deviates from the typical view that if a household is poor, the children will be deprived.

This makes understanding the relationship between household poverty and child deprivation crucial, especially towards the development of social policies. There is a need to shy away from
assuming that because a household receives some sort of income, the children will not be automatically deprived, as that is not the case, as child needs differ from household needs. Thus more child specific incentives should be considered and monitored to ensure that the needs of children are not overlooked in a household. Furthermore, policies should be steered towards quality education for children in townships and rural areas, because illiterate children grow up to be uneducated and poor adults and this trend is passed from one generation to the next, resulting in a vicious cycle of poverty.

REFERENCES


A STRATEGIC PERSPECTIVE ON THE IMPACTS OF BURGLARY AT RESIDENTIAL PREMISES OF VANDERBIJLPARK, GAUTENG PROVINCE

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ABSTRACT
Annual national crime statistics for South Africa from both the Statistics South Africa as well as the South African Police Service (SAPS), paint a ghastly picture of crime victims being ‘senselessly’ bashed by perpetrators causing great alarm in communities across South Africa. Despite the level of victimisation, burglary at residential premises barely raise eyebrows anymore, unless in cases where there were encounters between victims and offenders, resulting in serious injuries. This paper explores the prevalence of this scourge, mainly focusing on its impacts, to address the causes and contributing factors and provide recommendations in Vanderbijlpark area of Gauteng Province. This was conducted to develop best practices to be employed by the local SAPS in reducing level of victimisations.

This research was carried out utilising a qualitative approach with twenty-eight (28) semi structured interviews with participants comprising of the SAPS members, community leaders and community members to solicit their views and experiences. The interviews were conducted following a phenomenographic approach to identify the participants’ responses. A purposive non-probability sampling technique was applied. The challenges the participants perceived or had encountered when identifying the impact of burglary at residential premises were explored through in-depth interviews and analysed using thematic analysis.

The main findings highlighted that despite the existence of community structures to mobilise local communities against crime, an average of sixty cases are reported weekly to the local police station; the detection and conviction rates were low; there were critical shortage of resources in the form of human resources, especially in terms of skilled detectives to investigate these types of crime. The findings also highlighted that certain sections such as SE1 and SE8 were the most affected areas due to contributing factors such as the accessibility of university students who resided in these areas; poor socio economic factors such high unemployment rate, presence of previously convicted insurance fraudsters and street children around the area. Based on the findings, the author recommended that strategies such as but not limited to the environmental design, improved street lighting, access control or measures as well as functional neighbourhood watch including recruitment of police reservists, be adopted and continuously be evaluated and monitored by all relevant stakeholders. Evaluation and control of these processes compared with desired performance, would go a long way towards informing stakeholders of the weaknesses in previously implemented strategies and thus stimulate the entire process or components of the process from scratch.

Keywords: Burglary at residential premises, Communities, Crime victims, property-related crimes, policing

JEL Classification: K42
1. INTRODUCTION
It must be recognised that South Africa is not alone in experiencing residential burglaries. Typically referred to as ‘home invasions’ in the international literature, such crimes are also a challenge in other countries. Nationally, Gauteng accounts for the most of the class of crime, with over a quarter (25.6%) of residential burglaries taking place in the province. This is unsurprising as it is the most populous province in South Africa (SA), and thus has the proportional amount of crime. Zinn (2010) concurs that 50% of residential burglaries in SA take place in Gauteng. Motseki (2016:1) points out that residential burglary remains a serious problem in South African society and will probably continue to be a problem for as long as large sections of the population experience unemployment and poverty. Eight out of ten residential burglaries are committed with the help of information from maids, gardeners and former employees (Zinn, 2010). The below table shows the statics of residential burglaries in Vanderbijlpark, and it shows that for the past ten years residential burglaries remained high despite the improved police strategies, it is very difficult for the police to prevent residential burglaries through regular policing tactics as the perpetrators plan their attacks very carefully. More organised perpetrators assess the policing of a particular area as part of their surveillance to establish the risk if they commit residential burglary there. The best way for the police to prevent residential robberies is to identify, arrest and support the prosecution of the perpetrators to increase their risks of going to prison (Motseki, 2016; Zinn, 2010).

Table 1: Property-related crimes in the Vanderbijlpark

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Burglaries at residential premises</td>
<td>777</td>
<td>708</td>
<td>685</td>
<td>799</td>
<td>917</td>
<td>862</td>
<td>1,041</td>
<td>1,103</td>
</tr>
</tbody>
</table>

(Source: SAPS, 2017)

2. OBJECTIVES
In connection to the provided eight years projection of SAPS statistics; the objectives of this study were to explore the perpetrators Modus Operandi in the commission of burglary at residential premises in Vanderbijlpark, to determine the contributory factors to burglary at residential premises in Vanderbijlpark, to analyse current strategies on responding to burglary at residential premises in Vanderbijlpark, to evaluate the challenges of responding to burglary at residential premises in Vanderbijlpark.

3. THEORETICAL FRAMEWORKS
De Vos, Strydom, Fouché & Delport (2011:37) defines theory as a set of interrelated hypothesis, concepts, constructs, definitions and propositions that present a systematic view of phenomena based on facts and observations, with the purpose of explaining and predicting the phenomena. For the purpose of this study, routine activities theory was explored to give meaning and direction to the study. The chose for this theory was that it is an essential part of life, the exponents of this approach argue that crime is the product or result of an opportunity
that itself during social activities that take place (Davis & Snyman, 2005:40). Crime is committed because of three factors which are motivated offender, a suitable target and the absence of a capable guardian at a given place and time. Motivated offender is someone who has a desire to steal and they are being driven with the aid of predisposing and precipitating factors. This kind of wrongdoer would cross from one area to another to create chance for them to steal and to pick out the appropriate target. Zinn (2010:6) concur that if the police would conduct visible policing patrols and roadblocks during hot-spot areas to reduce the incidences of residential burglaries in a particular geographical area, the perpetrators will adjust their tactics to evade the police.

Davis and Snyman (2005:40) point out that suitable targets are chosen based on the value, physical visibility and accessibility. In terms of suitable targets, the choice is influenced by the offender's perception of the target's vulnerability; the more suitable and accessible the target, the more likely that a crime will occur. The presence of capable guardians is also held to deter individuals from offending. Vold, Bernard and Snipes (1998:65) postulates that guardianship can be the physical presence of a person who is able to act in a protective manner or in the form of more passive mechanical devices such as video surveillance or security systems. These physical security measures help limit an offender's access to suitable targets.

4. PROBLEM STATEMENT
According to Creswell (2014:108), a research problem is a problem or issue that leads to the need for a study, and can originate from many potential sources. Based on the above introductory information, it is clear that the South African Police Service (SAPS) in the Vanderbijlpark experiences a challenge of burglaries at residential premises. The SAPS is responsible for serving the communities of the suburbs, location and the neighbouring farms. The SAPS have huge responsibility of serving all these communities while they have limited resources (vehicles and personnel) to successfully and effectively deal with residential burglary. The statics has indicated that residential burglary in Vanderbijlpark has been increasing for the past ten years with the total increase of 6 % in 2017 (SAPS, 2017).

5. RESEARCH DESIGN AND METHODOLOGY
To capture the participants’ experiences and rich information, the researcher used Giorgi’s (1989) phenomenology. As a genre of a qualitative design, phenomenology aims at capturing and describing the meanings that individuals attach to a phenomenon in their real-life world (Giorgi, 1989; Giorgi & Giorgi, 2003). According to Greenwood and Levin (2005), an individual’s life world is about voice, reflexivity, informed consent and good and bad stories. Giorgi’s (1989) phenomenology was found appropriate in this study to find out how participants describe their experiences in a given context (Giorgi, 1985).

6. POPULATION AND SAMPLE
The target population is the population to which the researcher ideally would like to generalise his or her results (Welman, et al. 2005:122). White (2005:113) defines population as “all possible elements that can be included in the research. This research was carried out utilising a qualitative approach with twenty-eight (28) semi structured interviews with participants comprising of the SAPS members, community leaders and community members to solicit their views and experiences. Out of 28 participants, 14 were the SAPS members. Out the SAPS members 8 were investigators dealing with residential burglaries and the remaining 6 were from
visible policing. 9 participants were males with the ranks from Constables and Captain, and 5 were females with ranks between Constables and Warrant officers, the participants had between 8 to 27 years of experience in the service. 6 community leaders formed part of the study and had more than 30 years staying in the community, and lastly 9 community members were interviewed. The majority of the participants indicated that they had served the most of their time within the public sector environment both in the SAPS; as well as within the other public sector departments.

A sample is a selection of elements (members or units) from a population and is used to make statements about the whole population. “The ideal sample is one that provides a perfect representation of a population, with all the relevant features of the population (Blaickie, 2003:161). A purposive non-probability sampling technique was applied, the reason for the chosen method is that it composed of elements that contain the most characteristics, representative or typical attributes of the population that serve the purpose of the study best (De Vos et al. 2011:232).

7. MEASURES AND DATA COLLECTION
To collect rich data, semi-structured in-depth interviews were used. Both researchers and participants worked together to collect the data. The interview in the qualitative research seeks to describe the question posed and the meanings of central themes in the life world of the subjects. McNamara (1999:np) further points out that interview is particularly useful for getting the story behind a participant’s experiences. The interviews were recorded and later transcribed for analysis. Solicitation and documentation of the respondents’ were then guided by the descriptive phenomenological psychological method of Georgi (2009).

8. DATA ANALYSIS
De Vos, Strydom, Fouche and Delport (2005:333) suggest that data analysis involves reducing the volume of raw information, sifting significance from trivia, identifying significant patterns, and constructing a framework for communicating the essence of what the data reveals. The data were analysed in accordance with the phenomenological approach of Georgi and Georgi (2003). The researcher listened to the audiotapes several times in order to get a global sense of what the interviewees were saying before delineating the transcribed interviews into meaning units. The meaning units then were transformed into descriptive expressions before synthesising them into general descriptions that reflected the participants’ experiences (Giorgi, 2009; Giorgi & Giorgi, 2003; Giorgi, 1986).

9. CREDIBILITY
Credibility involves establishing that the results of qualitative research are credible or believable from the perspective of the participant in the research. As qualitative research studies explore people’s perceptions, experiences, feelings and beliefs, it is believed that the respondents are the best judge of whether or not the research findings have been able to reflect their opinions and feeling accurately (Kumar, 2013:219).

10. FINDINGS AND DISCUSSIONS
Van Manen (1990) observes that there are no hard and fast rules that guide identification of themes in phenomenology. However, individuals’ experiences can be grouped into four major categories; which, according to him are the four basic themes that describe how individuals
exist or live in their real worlds. These themes include the perpetrators modus operandi, the contributory factors, the strategies to respond to residential burglaries and challenges on responding to residential burglaries.

It should be noted that findings such as those given below were similar among all the selected participants, regardless of the location of the participants, profession and status in the community. Examples of some of the remarks regarding their experiences in terms of burglary at residential premises were similar. The participants when asked about the common used strategies by perpetrators of residential burglaries in Vanderbiljpark, explained that perpetrators use different strategies to commit house breakings, use tin or plastic to mark the house, force entry through the doors, windows and sliding doors. They emphasised that the perpetrators monitor the area and houses were people are working during the day and no one is present in the premises. These are some of the responses from the participants (related verbatim):

“They use simple tools such as crowbars, screwdrivers to open locks, and perpetrators drive around suburbs and pretend to be employees of Eskom, they mostly target houses with helpers and deceive them to be there for repairs”. “Enter the yard by going through the wall, pretend to be looking for employment and once they enter a premises and find that there is nobody, they commit residential burglary”.

When asked whether the SAPS is in good position to respond effectively to the applied modus operandi, most of the participants emphasised that the SAPS cannot respond effectively because they are not given enough resources like vehicles and personnel. These are some of the responses from the participants (related verbatim):

“No, its not at all we are far from our hot spots and all houses next to the river, no resources at the same time, less man force”. “No, because of lack of resources, lack of manpower and being informed about the affected areas, and the important thing recruitment of informers is lacking”. “in some instances SAPS is not in a good position to attend or respond effectively especially when the complainant is received long after the crime was committed”. “No, there is no enough resources such as vehicles to conduct patrols, no enough personnel to be deployed on the street”.

When asked about the extent and nature of residential burglaries in Vanderbiljpark and about the most areas which are affected mostly by this crime. Participants highlighted that the problem is huge and uncontrollable and indicated that the SAPS are not doing the impact level in terms of combating residential burglaries in Vanderbiljpark. They indicated that areas which are mostly affected are zone 14 and 10, Vaal Park, Besvely hills, Se7, C1 to C3. These are some of the responses from the participants (related verbatim).

“It is widespread due to lack of man power and resources, we are failing to fight it and the residents are ignorant to take pre-cautions”. “It is very huge and uncontrollable, it moves from one sector to another, one zone to another” “It is most like high in the area where most community are working such as zone 14 and 10. “It very huge, because the market is available for stolen items such as electrical appliances and jewellery. Perpetrators make quick cash by stealing these items through black market”.

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When asked about the contributing factors to residential burglary, most participants from the SAPS emphasised its lack of proper security within the premises, and also the drugs contribute to residential burglary as most of the items stolen are sold for less prices. The participant’s highlighted poverty and unemployment as the major contributing factors to residential burglary. These are some of the responses from the participants (related verbatim).

“Poverty, most perpetrators are not employed and unemployable due to high illiteracy, so that’s they make quick cash”.

“Drugs, boys are using drugs to be specific, nyaope to feed their habit, they resort to stealing”.

“Most burglars are motivated by the need to get quick cash, financial problems, drugs and alcohol abuse”.

Challenges on responding to residential burglaries, the participants highlighted that there is no cooperation between the SAPS and the communities, they emphasised that the community police forums (CPS’s) are established in their community but they are not effective. Most participants indicated that lack of trust, relationship and partnership between the SAPS and the community is the challenge. These are some of the responses from the participants (related verbatim).

“Communities in most cases they fear for their lives hence you will find them reluctant to give out information until they become victims as well”.

“In some areas there is no enough communication between the police and communities”.

“In some areas police continue to abuse communities, therefore creating more division between two parties”.

The study provides some understanding regarding the impacts, modus operandi of perpetrators, extent and nature, contributing factors and challenges in responding to residential burglaries. The study revealed that modus operandi of perpetrators is similar in most areas within Vanderbijlpark, where perpetrators enter the houses under false pretense and mostly the perpetrators who commit residential burglaries are former workers of the insurance companies, and alarm system companies. The study further revealed that SAPS don’t have impact in combating residential burglaries and citizens are also ignorant in terms of taking extra precautions measures to prevent them from being victims of residential burglaries.

11. RECOMMENDATIONS
Firstly, the study recommends that CPF’s within Vanderbijlpark re-established with a better focus and understanding of the crimes affecting the community especially residential burglaries. This would strengthen and improve trust, cooperation, and relationship between the SAPS and community. Secondly, the study recommends that SAPS be given enough resources (vehicles and personnel) to deal with challenges of residential burglary. Thirdly, the study recommends that community members use neighborhood watch, environmental design to prevent residential burglaries in Vanderbijlpark. Lastly, SAPS should conduct awareness campaigns to the communities and to alert them about the crime of residential burglary.

12. CONCLUSION
The study explored the impacts of residential burglary in Vanderbijlpark. From the analysed data, four themes pertaining to impacts of residential burglary emerged. These are perpetrators modus operandi, where perpetrators use false pretense and use sharp tools to commit residential burglary. The contributory factors are lack of resources and personnel from the side.
of the SAPS, poverty, unemployment and drugs were the major contributing factors, citizens were also ignorant to prevent crime through pre-cautionary measures. The strategies to respond to residential burglaries were that the perpetrators drive around suburbs and identify houses were owners went to work and no one is present in the house and challenges on responding to residential burglaries were lack resources from the police and effective CPF’s.

REFERENCES


ABSTRACT
The Labour Relations Act 66 of 1995 (Hereafter the “LRA”) hailed a new era for employment law in South Africa especially with regards to dismissals. In terms of the LRA, dismissal is defined as actions separate from those defined as ‘unfair labour practices’. Section 185 of the LRA states that every employee has the right not to be unfairly dismissed. The common law only provides for a contract of employment to be terminated lawfully with or without notice having a valid reason to dismiss an employee. In terms of the LRA, a dismissal will only be fair if an employer had a fair reason for dismissal as well as having followed a fair procedure as set out in schedule 8 of the LRA.

The questions that will be addressed in this paper include; whether it is therefore still possible for an employee’s dismissal to be unlawful in terms of the common law contract of employment or is unfair dismissal the only recognised claim under the LRA. This complicates the situation by providing that common law rights, and remedies in terms of the contract of employment can continue to be recognised alongside statutory remedies.

Can an employer ignore his contractual obligations regulating discipline and proceed with the implementation of disciplinary procedures as specified in terms of Schedule 8 of the LRA?

Methodology:
A literature review will be done of relevant case law to analyse the right to the enforcement of contractual obligations versus unfair dismissals in terms of the LRA.

Key Words: unlawful dismissal, unfair dismissal, contractual obligations, Labour Relations Act, disciplinary procedures

JEL Classification: K19, J83

1. INTRODUCTION
South African labour law has as its source a combination of common law, a variety of statutory laws, custom and practice and collective agreements. Common law principles of the individual contract of employment are therefore still applicable to the interpretation and application of all contracts of employment (Finnemore, 2009:179).

The nature of the modern contract of employment has, because of the above, been debated. To assist with answering the question to the nature of the modern contract of employment we need to remember that it exists within an area of South African law, which is an amalgamation of different rules from different spheres of our law. Since the contract of employment is largely regulated by legislation it has moved into the public law domain but with its roots still in private law (Du Plessis & Fouché, 2014:3)
An inquiry needs to be done to determine which legal rules need to be applied when we are presented with the termination of the contract of employment in the form of dismissal.

A contract of employment can be lawfully terminated on several grounds. In terms of the law of contract those grounds include; the expiration of the agreed period, on completion of the specified task, by notice, by summary termination, by repudiation, by mutual agreement, by the death of either party, by insolvency and supervening impossibility of performance (Van Niekerk, Smith, Christianson, McGregor & van Eck, 2018:99).

The focus of this study will be on the employer’s right to terminate the contract either by notice or by summary termination also referred to as, summarily dismissal. Summary dismissal is the opposite of termination by notice as no notice is given. The contract of employment can be lawfully terminated if they complied with all the terms and provisions relating to the giving of notice. The employer may also summary terminate the contract of employment if there was a fundamental breach of the contract due to the employee’s failure to comply with a contractual duty (Basson, Christanson, Garbers, Le Roux, Mischke & Strydom, 2002:73). If a party decides to summarily terminate the contract they need to establish that there was a serious breach of the contract of employment, for the termination to be lawful. It is clear that if all common law provisions regarding the termination of a contract were complied with, the termination of the contract would be regarded as lawful (Basson et al., 2002:74).

Further, regarding the common law contract of employment, the employer has the right to maintain and enforce discipline in the workplace. This right is linked to the implied duty of the employee to obey all the lawful and reasonable instructions of the employer (Basson et al., 2002:75). As stated above the employer has a remedy available in the case of a serious breach of the contract by the employee. The employer is entitled to summarily terminate (summary dismiss) the contract of employment in the event of serious misconduct by an employee or terminate (dismiss) by notice.

As mentioned above the contract of employment is largely regulated by legislation and in the case of dismissal, we specifically refer to section 185 of the LRA. Section 185 of the LRA provides that the employee has the right not to be unfairly dismissed. The LRA also provides regulations as to when dismissal of an employee will be fair. The rules regarding what in terms of the LRA constitutes a fair dismissal and the remedies for unfair dismissal will be discussed below.

It is because of the application of both our common law and legislation to the contract of employment that we have this anomaly of an employer being capable of either unlawful dismissing its employee in terms of our common law and/or unfair dismissal as codified in terms of the LRA.

As an employer, it is important to understand the difference between the two and how to ensure that you do not make yourself guilty of either unlawful dismissal or unfair dismissal. The employer also must understand the different remedies available to the employee in the event of either an unlawful or unfair dismissal. There is a need to expound on the legal consequences in the event of an unlawful dismissal or an unfair dismissal.
To gain enlightenment regarding the issues raised a literature review will be done of relevant case law and to analyse the right to the enforcement of contractual obligations versus unfair dismissals in terms of the LRA.

2. WHAT IS DISMISSAL?
The principles underlying dismissals have been developed by the Industrial Court under the previous Labour Relations Act of 1956. This Court laid down 2 (two) grounds for a dismissal to be fair, namely substantive fairness and procedural fairness. This meant that an employer had to have a valid reason to dismiss and had to follow a fair procedure. The decisions of the Industrial Court left very little doubt about when a dismissal will be regarded as unfair. The laws, court decisions and principles relating to dismissals were codified by the Labour Relations Act 66 of 1995. (Du Plessis & Fouché 2014:317)

The Labour Relations Act 66 of 1995 (LRA), states in section 185 that every employee has the right not to be unfairly dismissed. A definition of dismissal is provided (in s186 (1). Certain dismissal as set out in s 187 is declared automatically unfair. Three grounds for dismissal, are identified in s 186 of the LRA. These grounds are misconduct or incapacity of the employee or the operational requirements of the employer. These three grounds are the only valid reasons for a dismissal.

In cases where an employee claims to be unfairly dismissed, the employee must prove that there was in fact a dismissal. The assumption that a dismissal can simply be the 'termination of a contract of employment' does not capture the full concept of dismissal as set out in s186 (1) of the LRA. In terms of this section a dismissal includes a multitude of different scenarios:

- When an employer terminates a contract of employment with or without notice;
- The failure of an employer to renew a fixed term contract where there was a reasonable expectation on behalf of the employee that the contract would be renewed;
- When an employer offered to renew the fixed term contract on less favourable terms;
- If an employer refused to allow an employee to return to work after she took maternity leave in terms of any contract, law or collective agreement;
- If an employer dismissed some employees for the same or similar reasons and had offered to re-employ a few of them but not all;
- Constructive dismissals, which occur when the employee terminates their contract of employment as the employer has made continued employment unbearable;
- When an employee terminates their contract of employment because the new employer, after the business was transferred, provided less favourable working conditions than those provided by the previous employer.
- In the new section 198A of the LRA, another form of dismissal is found. The termination of the services of an employee, at the instance of a TES (labour broker) or the client, to avoid the deeming provisions or because the employee has exercised a right in terms of the LRA is also seen as a dismissal. (Du Plessis & Fouché 2014:320)

The function of these sections of the LRA is to enable recognition of what the Act considers to be a dismissal. Employees are not as a result of this conferred the right not to be dismissed, but only not to be unfairly dismissed. (Grogan 2003:110)
In section 188 of the LRA, the requirements for a fair dismissal is set out. A dismissal will be regarded as fair if the reason for the dismissal is related to the employee's misconduct or incapacity or was due to the employer's operational requirements and the dismissal was effected in accordance with fair procedure. If this cannot be proven, then the dismissal will be deemed unfair. The categories of dismissal are, therefore:

- dismissal for misconduct;
- dismissal for incapacity or poor work performance and
- dismissal for the operational requirements of the employer.

Where an employee claims that he was unfairly dismissed, the onus is placed on the employer to prove that the dismissal was fair. This must be proven on a balance of probabilities. If however, the employee alleges a dismissal, but the employer contends that he was not dismissed, the employee has to prove that there was in fact a dismissal. If the existence of dismissal has been established, the onus shifts to the employer to prove the fairness of the dismissal. (Du Plessis & Fouché 2014:322)

The fairness of dismissal for the purpose of section 188 must be interpreted in the light of the Code of Good Practice: Dismissal. This Code of Good Practice is included in Schedule 8 (Labour Relations Act; 1995). The code is a set of guidelines that must be taken into consideration when determining if a dismissal is fair. (Du Toit, Darcy., Godfrey, Shane., Cooper, Carole., Giles, Graham., Cohen, Tamara., Conradie, Bradley. & Steenkamp, Anton. 2015:441)

According to Du Plessis & Fouché (2014:322, 323), substantive fairness as a requirement for a fair dismissal can be described as a “valid and fair reason”. It means that an employer can only dismiss the employee if his reason for doing so is based on a valid and fair reason. A valid reason can be referred to as a lawful reason that will justify a dismissal. The term lawfulness can be applied to common law, statute law, a collective agreement or contract of employment. A valid reason will be based on either the poor work performance or misconduct of the employee or the operational requirements of the employer. A ‘fair’ reason, on the other hand, will mean that after all the circumstances had been considered a dismissal would be the only appropriate sanction.

Dismissals should not only be for a fair reason, but section 188 of the LRA requires that a fair procedure should be affected. Under common law, no procedure was required. A Code of Good Practice: Dismissal (LRA Schedule 8) has been issued as a guideline for what a fair procedure entails. Procedures for dismissals based on the operational requirements of the employer is set out in the LRA. (Grogan. 2001:112) The Code requires that the employer investigate allegations of misconduct. The enquiry does not have to be formal, and it is not necessary to follow the ‘criminal model’ of a disciplinary hearing. It is only necessary to conduct an investigation and to give the employee and his or her representative an opportunity to respond to the allegations. The employee must also be notified of its decision. (Du Plessis & Fouché 2014:324) According to Du Toit et al. (2015:452), the employer is essentially required to apply the principles of natural justice. The employee has a right to be heard, and the decision-maker must keep an open mind.

2.1 Disputes about unfair dismissals

The procedures that need to be followed in cases concerning unfair dismissals are set out in section 191 of the Act. According to Grogan (2003:114), the purpose of this section is to simplify the procedures for getting a case to arbitration or before the Labour Court. A dispute
concerning an alleged unfair dismissal must be referred in writing to a bargaining council with jurisdiction and if there is no bargaining council with jurisdiction, to the Commission for Conciliation, Mediation and Arbitration (CCMA). The Council or CCMA must then attempt to conciliate the dispute within 30(thirty) days, failing which a certificate of outcome must be issued that the dispute remains unresolved. The dispute will then be arbitrated by either the relevant bargaining council or the Commission. This procedure applies to dismissals related to the employee's conduct, capacity, constructive dismissal or where the employee does not know the reason for the dismissal. In all other instances, the employee may refer the dispute to the Labour Court, unless the parties to the dispute agree to arbitration.

2.2 The remedies for an employee that is unfairly dismissed
The Labour Relations Act provides three possible remedies that may be awarded for unfair dismissal. These are set out in section 193:
- Reinstatement of the employee from as early as the date of dismissal, not earlier;
- Re-employment of the employee in either the same position or other reasonably suitable position from as early as the date of dismissal, again not earlier;
- Compensation of the employee.
An order for reinstatement or re-employment must be made when a dismissal is found to be substantively unfair unless one of the following circumstances applies: (section 193);
- The employee does not wish to be reinstated or re-employed;
- The circumstances surrounding the dismissal are such that a continued employment relationship would be intolerable;
- It is not reasonably practicable for the employer to reinstate or re-employ the employee; or
- The dismissal is only procedurally unfair.

In the case of a substantively unfair dismissal where one of the abovementioned conditions applies, compensation can be considered as a remedy. According to Grogan (2003: 117), an order for reinstatement may not be awarded conditionally or linked with any other qualification. Reinstatement may also not be to a post or position that differs from the one the employee occupied at the time of the dismissal.
Du Plessis & Fouché (2014:335) states when a dismissal is found to be procedurally unfair, the only remedy that can be considered is compensation. Compensation is however discretionary and does not have to be awarded. In the case of automatic unfair dismissal or a dismissal based on the operational requirements of the employer that is found to be unfair, the Labour Court may also make any other order that it regards as appropriate under the circumstances. An award of compensation must be just and equitable and may not exceed the equivalent of 12(twelve) months remuneration or 24.twenty-four) months remuneration in the case of automatic unfair dismissals. This is based on the employee's remuneration rate on the date of dismissal.

3. LAWFUL DISMISSALS
3.1 Common law contract of employment
The law of contract falls under that part of South African law referred to as private law but more particularly the law of obligations which regulate the general requirements that contracts, including the contract of employment, must comply with. (Hutchingson, Pretorius, Du Plessis, Eiselen, Floyd, Hawthorne, Kuschke, Maxwell, Naude & Stadler. 2012:7)
Regarding South African law, a contract will be legally possible and binding if the law permits it. A contract will however be unlawful when either its conclusion, performance to be rendered or the reason for it or the object thereof is forbidden by statutory provisions or common law. Contracts will be illegal in terms of legislation if a statute expressly or by implication prohibits the contract, or if it declares an agreement invalid. As a result, such a contract is void and will not be enforced by the court (Hutchinson et al. 2012:176). The concept 'void contract' merely means that there is no contract and no agreement between the parties comes into being to which the law attaches any consequences. For a contract of employment to be legally enforceable it also needs to comply with the above.

The parties to a contract of employment are bound by the agreement and need to perform according to the contract of employment. A breach of contract takes place when a party to a contract fails to do that which he undertook to do in terms of the contract. Included are instances where the commission or omission prevents, endangers or delays the performance rendered. In general, the following remedies for breach of contract exist namely specific performance, cancellation or damages (Hutchinson et al. 2012:312).

According to Hutchinson et al. (2012:312), the remedies available in the event of a breach of contract can be divided into:

- Remedies available to keep the contract alive, which include specific performance or an interdict;
- Remedies available which have the effect of cancelling the contract, which includes the summary termination/cancellation of the contract and
- Remedies available that provides for compensation to the innocent party for loss or harm caused as a result of the breach, which includes a claim for damages and a claim for interest on amounts owed.

An innocent party that wants to rely on the above remedies must remember that the enforcement remedies and those remedies available for termination of the contract are mutually exclusive. The remedies aimed at compensating the innocent party may however be claimed together with any one of the other remedies (Hutchinson et al. 2012:312).

In a contract of employment, it follows that in terms of our common law that when a breach of contract of employment takes place, the remedies that can be awarded by a court of law should then include the three remedies as mentioned above.

### 3.2 Lawful termination of the contract of employment

In terms of the common law contract of employment, the employer and the employee have to comply with specific implied duties. If one of the parties does not comply with any of the implied duties that party will be in breach of the contract of employment. The innocent party will then have those remedies available to him as discussed above.

In the event of the employees being in breach of the contract of employment the employer in terms of the law of contract, can either summarily terminate (cancel) the contract, or he can ask for specific performance and claim damages (Du Plessis & Fouché. 2014:23). In the event of a breach of contract by the employer the employee will be able to either cancel the contract of employment or claim specific performance and claim damages. The employee according to the
courts can also refuse to work if the employer fails to pay the agreed remuneration. Damages may be claimed by the employee in the amount of the remuneration that he would have received if there was no breach of contract (du Plessis & Fouché. 2015: 20).

Cancellation of the contract of employment is a remedy which is only available in instances of very serious or material breach of the contract, since it is a drastic measure to take and leads to the contract being ended contrary to the original agreement of the parties (Hutchison et al. 2009:324).

The employer may in terms of common law either summary terminate (also referred to as summary dismissal) the contract of employment or terminate by notice. According to Du Plessis & Fouché (2014: 23), summary dismissal is where the employer terminates the contract of employment without giving the prescribed notice. An employer may also terminate the contract of employment by notice. Common law does not prescribe any periods that the notice must comply with it only specifies that it must be reasonable notice (Du Plessis & Fouché. 2014: 25).

It is important to remember in terms of our common law the employer only needs a valid reason for dismissal and does not need to hold an inquiry before dismissing the employee. In contrast, the LRA in section 188 as stated previously requires an employer to have both a valid reason and follow a fair procedure before dismissal (Du Plessis & Fouché. 2014:24).

Where a contract of employment is terminated without due notice and a fundamental breach by the employee, the innocent party would be able to claim contractual damages. That would constitute a repudiation of the contract of employment by the employer. The employee then has a choice to either accept the repudiation, cancel the contract and claim damages or uphold the contract and claim specific performance (Du Toit et al.2015: 424).

4. UNFAIR DISMISSAL V UNLAWFUL DISMISSAL
The Labour Relations Act 1995 provides for dispute resolution procedures relating to unfair dismissal disputes but does not provide remedies for unlawful or invalid dismissals. In the Constitutional case of Steenkamp and others, v Edcon Ltd (National Union of Metalworkers intervening) (2016) 37 ILJ 564 (CC) the court confirmed that if you are relying on a claim in terms of the LRA, you are limited to those remedies provided explicitly by the LRA for unfair dismissal. The reasoning given for this by Steenkamp is that the LRA does not make any provision for unlawful dismissals but only codified unfair dismissals. An invalid dismissal is a void dismissal. In the eyes of the law an employee whose dismissal is invalid has never been dismissed. It means that the employee remains in his or her position in the employ of the employer.

The implication is that an unfair dismissal would require an order for reinstatement. An invalid dismissal on the other hand does not require an order for reinstatement. If the employee whose dismissal has been declared invalid is being prevented from entering the workplace to perform his or her duties, the court may interdict the employer from preventing the employee from reporting for work or from performing his or her duties (Van Zyl, B. 2017:29).

In recent case law the Labour Court, Solidarity and Others v SA Broadcasting Corporation (2016) 27 SALLR 34 (LC), the Court found that "it does not follow as a matter of logic that because the LRA does not provide such remedies that such remedies do not exist or that this
Court cannot grant them if they do exist”. In this case, the journalists relied on the breach of their employment contracts in terms of the law of contract and not on the unfair dismissal procedures of the LRA. They alleged that they were not afforded the opportunity to participate in any disciplinary enquiries as provided in their contracts of employment, before they were dismissed. (Louw, L. & Kruger, A. n.d.:2 of 3) The labour court held that section 77(3) of the Basic Conditions of Employment Act 75 of 1997 empowers it to entertain contractual disputes and grant specific performance. This section states: “The labour court has concurrent jurisdiction with the civil courts to hear and determine any matter concerning a contract of employment, irrespective of whether any basic condition of employment constitutes a term of that contract.” Quite apart from the contractual jurisdiction of the labour court under this section, section 157(2) of the LRA also gives the labour court concurrent jurisdiction with the high court. The Labour Court is therefore entitled to hear a claim based on an alleged unlawful/invalid termination of their contract of employment and give an appropriate order based on the remedies available regarding breach of contract.

In the case of Solidarity and Others v SA Broadcasting Corporation (supra) the journalists' contract of employment read with the Disciplinary Code and Procedure of the SABC, afforded them the opportunity to participate in a disciplinary hearing before being dismissed. They were however dismissed without being granted such an opportunity. The SABC was not entitled to choose whether they wanted to follow the procedure as set out in schedule 8 of the LRA or their disciplinary code and procedure. It was held that the employee would rather be entitled to a disciplinary procedure that conformed to both the SABC code and procedure as well as schedule 8 of the LRA. The Court held that it would be absurd to interpret that the provision of the code meant that no disciplinary hearing would be afforded to anyone charged with misconduct. The court confirmed that the journalists were entitled to a disciplinary hearing and that their dismissals could be declared invalid on this basis alone. The court stated that the appropriate relief in this instance given that the claim rests on unlawfulness is that the dismissal should be nullified.

The case of KwaZulu-Natal Tourism Authority and Others v Wasa (2016) 27 SALLR 19 LAC, was an appeal against the judgement of the Labour Court which found that the termination of the respondent’s (employees’) fixed term contract of employment was unlawful and constituted a breach of contract. The Labour Court ordered the employer to pay the employee damages in the amount that the employee would have earned over the full contract period as well as certain deductions made from the employee’s last salary payment. The background of this case is as follows: The employee was employed as the chief operations officer (COO) on a fixed term contract for five years with the KwaZulu-Natal Tourism Authority. The employee was to report directly to the employer's chief executive officer (CEO) who in turn reported to the employer's board. In terms of the employer's applicable policy, the authority to appoint and institute disciplinary proceedings against the COO rested in its board. It therefore created specific contractual rights between the employer and employee.

The employee was charged with dishonesty and found guilty by the chairperson of an inquiry after it came to light that she ‘misused’ the employers' funds to attend the Two Oceans race in Cape Town. It transpired that she registered and participated in the race as any ordinary athlete and did not conduct a survey of the event as she told her employer. The employee sought permission from her CEO to attend the race for purposes of ‘activating and promoting' the
Comrades Marathon at that event, together with her assistant. The CEO dismissed the employee, and this decision was later ratified by the board. After her dismissal the employee, relying on the Basic Conditions of Employment Act 75 of 1997 (Hereafter the “BCEA”) and not the LRA, instituted the application proceedings, the result of which was the subject of the appeal. The employee claimed unlawful breach of her employment contract and damages. In her founding affidavits in support of her claim, she averred that the investigation undertaken by the employer did not comply with the prescripts of the Public Finance Management Act 1 of 1999 read with the Public Finance Treasury Regulations. She further alleged that the real charge was financial misconduct and that only an ‘accounting authority’ could institute misconduct proceedings. She further averred that the dismissal was unlawful because it was not authorised by the board.

The Labour Appeal Court (Hereafter the “LAC”) found that contrary to the Labour Court decision, there was a dispute of fact and that damages should not have been awarded. The employee, in this case, did not seek compensation based on her dismissal being unfair in terms of the LRA, but requested damages consequent upon a breach of contract in terms of the BCEA. She instituted a civil claim for damages. The LAC made an order that the appeal be upheld and the order of the LC was substituted with the following order: "The application is dismissed with costs" The importance of this case is that the LAC re-emphasised that a civil claim for damages, as provided for in the BCEA has nothing to do with a claim for an unfair dismissal in terms of the LRA. (Van Zyl, B 2017:12)

Another question that needs to be considered is whether an employee can enforce his contractual rights either as an alternative or in addition to unfair dismissal. In Mathabathe v Nelson Mandela Bay Metropolitan Municipality and Another (2017) 38 ILJ 291 (LC) the court had to determine whether an employee can claim unlawful termination of her contract of employment where her contract contained a clause stating that termination of the contract needs to comply with the LRA. It was confirmed that our common law does not provide for a hearing before dismissal. Therefore, an express contractual term needs to be established for any contractual right to be created. Even if the content of her contractual right is contained in the LRA, she can still invoke her remedy regarding the contract on not that of the LRA. She would therefore be entitled to claim unlawful dismissal if it was found that her employer did not comply with the clause in the contract of employment that referred to dismissal.

The court also had the same question to answer in the case of Motale v The Citizen 1978 (Pty) Ltd (2017) 28 SALLR 32 (LC). If the disciplinary code formed part of the employee’s contract of employment, what would be the effect if the employer either breached such contractual rights or granted the contractual rights? The court found that the employee’s contract of employment incorporated the disciplinary code and procedure which meant that the employer had to comply with the code and procedure. The labour court found that the termination of the employee’s contract of employment was a breach of contract. The remedy to be provided was the next problem to be asserted. If it were an unfair dismissal, it would constitute reinstatement but as this is not unfair dismissal in terms of the LRA but an unlawful/ invalid dismissal it would mean that the dismissal was *ab initio* void. The Labour Court ordered that the employee must be reinstated in the same position as he was at the date of dismissal. This meant that he was placed on suspension pending compliance by his employer with the contract of employment and the disciplinary code and procedure.
5. CONCLUSION

Some of the most significant recent developments of substantive law were fuelled by several prominent and sometimes controversial court decisions, as well as the continued evolvement of our common law rights and remedies especially in termination of employment. There seems to be no reason why contractual rights should not be asserted along with statutory rights if they are not abolished either expressly or by implication (Du Toit, D. et al. 2015: vii).

As an employer, it is essential to understand the difference between contractual and statutory rights and how to ensure that you do not make yourself guilty of either unlawful dismissal or unfair dismissal. The employer also must take note of the different remedies available to the employee in the event of either an unlawful or unfair dismissal. Where an employer has created contractual obligations that regulate discipline, such as a disciplinary code and procedure as well as personnel regulations that are incorporated into the contracts of employment, that the employer cannot disregard these obligations when instituting disciplinary proceedings. Therefore, employers need to seriously consider revisiting the application of their existing disciplinary codes and procedure and where necessary make amendments through collective bargaining.

It is recommended that future analysis should include the content of procedural fairness regarding the LRA and contracts of employment concerning unfair/unlawful labour practice.

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Mathabathe v Nelson Mandela Bay Metropolitan Municipality and Another (2017) 38 ILJ 291 (LC)
Solidarity and Others v SA Broadcasting Corporation (2016) 27 SALLR 34 (LC)
Steenkamp and others, v Edcon Ltd (National Union of Metalworkers intervening) (2016) 37 ILJ 564 (CC)
AN ANALYSIS OF POSSIBLE REGULATIONS FOR ELECTRONIC WASTE MANAGEMENT

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ABSTRACT
Electronic waste (e-waste) is a complex threat to the environment and human health. Currently there is no single solution to the problem of e-waste. Regulation is one of the available options in managing electronic waste in a friendly manner to the environment. The data for this review paper included journal papers, newspaper articles and the grey literature. The information was added by its relevance to the topic under study and the time frame. The time frame was from 2013 to 2018. The search string included the keywords with the logical operator. The data search process involved multiple search engines. In most regions where e-waste regulation is absent or not enforced there is a mushrooming of unsafe disposal activities such as informal recycling and open dumping. These unsafe activities had caused air, water and soil pollutions that eventually contaminated the food chain. Another problem is the increased level of illegal movement of e-waste from places where regulation is tight to less regulated or unregulated territories. Problem with illegal movement of e-waste is that it encouraged imported e-waste of no value. E-waste of no value includes unwanted electronic products that are disguised as donation to the receiving end. Often these donated units are often not in working conditions. Imported e-waste often land in places or regions that are not ready yet to manage e-waste in environmentally friendly manner. Absence of readiness is mostly caused by the political unwillingness, lack of infrastructure and capital. Regulation is not a panacea to e-waste problem but can only mitigate it. Regulation benefits included and not limited to the controlled illegal movement of imported e-waste, protection of rights of e-waste workers, protection of those that are indirectly affected by e-waste such as family members of e-waste workers and the entire community, stop unsafe recycling activities and open dumping. It is therefore recommended by this study for governments to implement and enforce regulation of e-waste.

Key Words: electronic waste, environment, health, illegal imports, open dumping, recycling, regulation

JEL Classification: Q53
1. INTRODUCTION
Electronic gadgets and advancements fulfil basic needs in business and education, as well as the desire of individuals to remain connected far and wide. As new electronic products continuously enter commercial centres, purchasers continue to replace their existing electronic equipment that are damaged or essentially obsolete (Rao, 2014). This subsequent mass of electronic items disposed of is turning into the quickest developing waste stream on the planet, prompting contaminated conditions in soil, air and water (Ashfaq & Khatoon, 2014). An indication of the magnitude of rising electronic waste (e-waste) is given yearly. In 2014 a sum of 41.8 million metric tons (Mt) were produced; 44.7 Mt and 48.7 Mt were generated in 2016 and 2017 respectively. According to Baldé, Forti, Gray, Kuehr, and Stegmann (2017) the volume of e-waste is estimated to increase by 21% to 50Mt in 2018. E-waste contamination is harmful to all life forms; it is due to the high levels of toxicity from the e-waste components (Rao, 2014).

Rao (2014) states that e-waste is an informal name for electronic and electric equipment that are nearing their end-of-life. According to Grant et al. (2013) e-waste is any end of life product which is dependent on electric currents or electromagnetic fields in order to function properly. Literature characterise e-waste as waste that contains harmful materials, i.e. barium, mercury and lead; waste that may cause harm to the environment and health; and waste that contains valuable materials such as gold, copper and silver (Needhidasan, Samuel, & Chidambaram, 2014; Park, Hoerning, Watry, Burgett, & Matthias, 2017). For this study, e-waste is defined as all electric and electronic hardware disposed of or undesirable by the proprietor, paying little attention to working state or not, that contains both poisonous and valuable materials. E-waste is a complex problem and no single appropriate management method can solve it (Ashfaq & Khatoon, 2014). According to Ashfaq and Khatoon (2014) the best alternative for managing e-waste is to decrease the volume. Recycling, reuse of material, regulation of e-waste and awareness initiatives are the next level of potential alternatives to decrease e-waste and manage e-waste (Grant et al., 2013; Park et al., 2017). This paper is motivated by the perceived absence of e-waste regulation in most of the regions in the world. Therefore this study examines management of e-waste through regulations. This paper is structured as follows: The discussion on methodology of this study is given in Section 2. Section 3 provides findings and discussion of this study under the following Sections: In Section 3.1 international and national regulations around e-waste are discussed. Section 3.2 discusses electronic waste management and regulation. Section 3.3 discusses effects of unregulated disposal of electronic waste on the environment and health. Finally this study concludes in Section 4.

2. METHODOLOGY
The data for this review paper included journal papers, newspaper articles and the grey literature. The information was included based on relevance to the topic under study and the time frame. The time frame was from 2013 to 2018. The search string included the keywords with the logical operator. The data search process involved multiple search engines.

3. FINDINGS AND DISCUSSIONS
3.1. International and regional regulations of electronic waste
The Basel Convention is a universal treaty intended to decrease the shipment of dangerous waste between countries or regions. The Basel convention specifically intends to stop the shipment of hazardous waste to developing regions where environmental laws are laxer or nonexistence (Alias, Ishak, Zulkifli, & Jalil, 2014).

In the context of this study the developing regions are countries characterised by absence of regulation specific to e-waste and if regulation exist it is laxer, mushrooming of informal and unsafe recycling activities such as open burning and acid bath and landfill dumping (Heeks, Subramanian, & Jones, 2015; Park et al., 2017). Not all countries subscribe to the Basel treaty, but to those who are members it advances lessened volume and toxicity of waste generated as well as ecologically solid waste management within developing countries (Alias et al., 2014). The United States of America is the only developed country that has not ratified the Basel treaty (D'Ambrosio, 2013). The original Basel Convention did not restrict e-waste exports to any area aside from Antarctica, yet all that is required, is a notification and consent framework known as “prior informed consent” (D'Ambrosio, 2013). In this study developed countries or regions are characterised by proper management of e-waste alternatives such as strict regulations on e-waste, capital to establish expensive and safe recycling centres, and they often consider landfill disposal as the least desired option.

Further, numerous waste exporting countries and dealers considered to misuse the great name of recycling, and start to legitimise all shipments, by referring to them as movements of recycling goods. These worries prompted a few provincial waste exchange bans, including the Bamako Convention (United Nations Environment Programme, 2018). The Basel treaty was modified to include the Ban Amendment (not yet in compel, but rather thought about ethically authoritative by members to the Convention) in 1995 (Lucier & Gareau, 2016). The Basel Ban Amendment denies export of unsafe waste from developed countries to developing nations for any reason, including recycling (D'Ambrosio, 2013). According to Wang, Zhang, and Dabo (2016) the Basel treaty does not currently take account of e-waste and second-hand electronic equipment, but only the trading of toxic waste.

The Bamako is an arrangement of African countries disallowing the import of any perilous (counting radioactive) waste. The Bamako treaty is a product of discontent of African states, particularly members of Organisation of African Unity (OAU). OAU wanted total ban of toxic waste to African countries, but the Basel treaty merely offered control, rather than a total ban, and hence the formation of the Bamako treaty (Kanamugire, 2017; Tladi, 2000). The Convention was consulted by twelve OAU members at Bamako, Mali in January 1991, and came into existence in 1998 (United Nations Environment Programme, 2018).
Table lists some of the international and regional regulations governing the electronic waste (Sthiannopkao & Wong, 2013, p. 1149). The aim of e-waste regulation is to reduce and eliminate toxicity of electronic equipment and their effects on the wellbeing of humans and other life forms in water, soil and air.
Table 1: Summary of International and Regional Electronic Management Regulations

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basel convention</td>
<td>The preliminary aim was to control the movement of hazardous waste from the producing countries to the receiving countries.</td>
</tr>
<tr>
<td>Bamako convention</td>
<td>OAU enforce the Bamako convention in 1998 as a result of discontent with Basel that perpetuated control of hazardous waste rather total ban to developing countries in particular African countries. The convention also set punishment.</td>
</tr>
<tr>
<td>European Union e-waste directives</td>
<td>These directives approved by all individual members of European Union build up frameworks for collection and recycling based on producer take-back for all 10 classes electric and electronic waste.</td>
</tr>
<tr>
<td>Restriction of hazardous Substances Directive—RoSH</td>
<td>RoSH aimed at minimising level of toxic substances such as lead, mercury used in the manufacturing of electronic products.</td>
</tr>
<tr>
<td>Reduce, Reuse, Recycle —3Rs</td>
<td>Advanced by Japan locally and universally. Its point is to avoid making of waste and participation on recycling with the less developed nations.</td>
</tr>
<tr>
<td>United States of America state laws and the Responsible Electronic Recycling Act —HR2284</td>
<td>In United States of America 25 states have regulations for electronic waste accumulation. This activity is a proposed national law to control electronic waste shipment and affirm used electronic products for send out.</td>
</tr>
<tr>
<td>Basel Action Network—BAN, Silicon Valley Toxic Coalition—SVTC, Electronics TakeBack Coalition—ERTBC.</td>
<td>All these three initiatives promote a more restrictive waste export amendment to the Basel convention.</td>
</tr>
</tbody>
</table>

Source: Sthiannopkao and Wong: 2013: 1149.

3.2. Electronic waste management and regulation

The European Union completely executed the Basel Ban in its Waste Shipment Regulation (EWSR) making it legitimately official in every member nation (D’Ambrosio, 2013). Switzerland fully applied Basel Ban in their legislation (D’Ambrosio, 2013). Switzerland has further entered into a dialog between Indonesia under the name “Indonesian Swiss Country-Led Initiative” (CLI). The purpose of the dialog is to distinguish and discover answers for the reasons why perilous waste is still conveyed to nations that are not prepared to treat waste in a protected way. Though developed countries are praised for their comprehensive e-waste legislation, the sad news is that they ship most of their e-waste to the developing countries. According to Wang et al. (2016) the European Union, United States and Canada have efficient “take-back”
programs. Yet, the European Union and United States, including Canada, dispose locally only 40% and 12% respectively of the e-waste that they generate. So, where do the bulk of their “bad rubbish” end up? It is dumped onto “healthy” lands of less developed countries who often are characterised by poverty and illnesses (Alias et al., 2014).

In reality, e-waste is not created only by developed countries. Developed nations contribute significantly to e-waste issues in developing countries because of regulation ambiguities (Heacock et al., 2016). These regulation ambiguities permit all e-waste shipments for reuse, paying little attention to actual working conditions (or lack thereof) of equipment. Subsequently, the shipment of much arranged e-waste is at risk of crossing national limits shipment systems, for example, the Basel Convention intended to decrease and wipe out e-waste shipment crosswise over national or other political boundaries. Therefore, e-waste is dispatched to nations that, therefore, urgently require an acceptable framework (Park et al., 2017). Ghana has an unregulated and unhindered import regulation for used electric and electronic equipment (EEE). In 2009, over two-thirds of e-waste shipped to Ghana was classified to be legible for reuse. However, extensive measures of these shipments were actual e-waste. They had no practical value (Heacock et al., 2016).

Also, Zimbabwe has limited knowledge about the harmful effects of e-waste. There is no political will to engage in safe e-waste practices. The bulk of Zimbabwean e-waste is not locally manufactured. E-waste is imported from South Africa, Asian and European countries. Zimbabwe currently has no clear e-waste policy or legislation (Mutsau & Billiat, 2015). In China, regulation is not regularly enforced and is ineffective. Regardless of recent stringent regulation on e-waste management and recycling, China struggles to properly regulate e-waste. Failure is often attributed to unclear stipulations on the repairs and refurbishments of e-waste (Laura, 2016). Secondly, the system on regulation is poorly coordinated; they have ten publishing legislation departments that can hardly work together (Wang et al., 2016). A mere 1.5% of the Chinese nation’s e-waste is recycled because of poor infrastructure and legislation, which results in a misuse of natural resources, irreversible damage to the environment and has a negative impact on the wellbeing of people working in industry (The Economic Times, 2016). According to Wang et al. (2016) only a handful of less developed countries have control over e-waste imports. The law in India fail to ban the import of e-waste from developed nations.

3.3. Effects of unregulated disposal of electronic waste on the environment and wellbeing of humans

When e-waste is unregulated, the disposal and recycling activities produce and discharge harmful toxins from metals such as mercury, cadmium, nickel and zinc. High concentrations of flame retardants i.e. Polybrominated Diphenyl Ethers (PBDEs) and OrganoChlorine Pesticides (OCPs), are discharged into the air (Rao, 2014). Usually unregulated recycling activities are performed by workers who are desperate to feed their families. These workers are likely to use primitive methods and are unaware of the dangers to health and the environment. Such activities are a primary concern to health and safety (The Lancet, 2013). According to Grant et al. (2013) unregulated handling and disposal of e-waste mushroom in informal management sites and this raises safety concerns of the workers in these sites. Moreover, the increases in the number of sites make it difficult to combat expanding human health issues and the environmental challenge. Although landfilling should be the last option in managing e-waste, improperly monitored landfills are harmful to the environment. Most e-waste from electronic
products consumed is stored due to an absence of knowledge on how to manage it. Roughly 75% of e-waste lay idling in house and offices, for example. Sad news is that, often, this e-waste is found mixed with household garbage and finally land onto landfills (Rao, 2014).

4. CONCLUSION

In the developed countries there are tight regulations governing e-waste. E-waste regulation is another option to mitigate this complex problem. On the other hand, the developing countries lack regulation and, if there is any, it is unlikely to be enforced. In this regard negligence to regulation proliferate unsafe and dangerous e-waste practices. Unsafe practices include illegal movement of e-waste between countries, contamination of food channels through air, water and soil pollution caused by toxins from e-waste components. Absence of readiness to implement e-waste regulation is often due to political unwillingness and lack of capital to establish proper infrastructure such as formal recycling centres. The Basel treaty should include not only the trading of toxic waste, but also cover e-waste and second-hand electronic products, to successfully prohibit the illegal movement of e-waste between countries. Negligence to regulation would make it difficult to protect the safety and rights of those who are directly involved with e-waste (i.e. workers). This study therefore suggests that e-waste regulations ought to be prioritised by the governments of the developing countries.

REFERENCES


GENERATION Y FEMALE STUDENTS’ MOTIVATION TOWARDS ENTREPRENEURSHIP: A COMPARATIVE STUDY

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ABSTRACT
Entrepreneurial ventures are key to economic growth and stimulating employment opportunities in both developed and emerging economies. Internationally, female participation in entrepreneurial ventures is viewed as offering particular potential for stimulating such growth. This is especially true amongst the Generation Y females (females born between 1986 and 2005) who, along with their male counterparts, face rising levels of youth unemployment. The literature suggests that there is a slow growth in the number of female entrepreneurs in emerging economies compared to those in developed economies. Gaining insights into what motivates Generation Y female students towards entrepreneurship from both an emerging and developed economy perspective will contribute towards implementing initiatives to encourage young females in becoming active individuals in economic growth through entrepreneurial pursuits. The purpose of this study was to compare Generation Y female university students’ motivation towards entrepreneurship in the South African and the Netherland’s context. Following a descriptive research design, self-administered questionnaires were distributed to a convenience sample of 400 South African and 400 Netherland’s female university students. The data were analysed using reliability and validity analysis, and a two independent-samples t-test. The findings indicate statistically significant differences between the South African and Netherland’s sample on each of the motives included in the study, with the South African sample scoring higher means on all of the motives. These findings infer that South African Generation Y female students are more motivated than their Netherland’s counterparts to follow the entrepreneurial career path. However, anecdotal evidence indicates a slow growth in the number of female entrepreneurs in South Africa – a dichotomy that suggests that potential South African female entrepreneurs face several barriers that need to be addressed by government and society.

Key Words: Motivation, entrepreneurship, females, Generation Y, South Africa, Netherlands

JEL Classification: M, M2, M29

1. INTRODUCTION
Entrepreneurship has become a worldwide economic panacea (Rahman & Day, 2014). It is generally agreed that entrepreneurship contributes to a country’s economic growth, economic competitiveness and creating employment opportunities (Zaki & Rashid, 2016). Moreover, entrepreneurial ventures are key to economic growth, productivity gains and stimulating employment opportunities in both developed and emerging economies (Toma, Grigore & Marinescu, 2014). Consequently, the establishment of new ventures and the growth of existing
entrepreneurial ventures are vital contributing factors to economic development (Zerihun, 2014). Therefore, entrepreneurs form a fundamental element of entrepreneurship as they contribute to the economic development through their leadership, management, innovation, job creation and the establishment of new ventures (Kritikos, 2014).

Evidence from the literature suggests that in order to ensure economic growth in a country, it is crucial to motivate the youth, also known as Generation Y (individuals born between 1986 and 2005) (Makert, 2004) in becoming active participants of entrepreneurial activity (Fadeyi, Oke, Ajagbe, Isiavwe & Adegbuyi, 2015). Generation Y is the largest generation to date and the members of this cohort are regarded as the future leaders of the world (Pyöria, Ojala, Saari & Järvinen, 2017). In 2017, the South African Generation Y cohort comprised 36 percent of the total South African population (Statistics South Africa, 2017), while in the Netherlands the Generation Y cohort accounts for 16 percent of the total population (Cullens, 2013). Given the size of this cohort in the respective countries, Generation Y members are of particular importance to the future of the country (Zhang & Cobanoglu, 2017). However, compared to previous generations, this cohort faces high levels of unemployment when entering the business world (Pyöria et al., 2017). Hence, promoting entrepreneurship amongst Generation Y members is important, as the awareness of entrepreneurship will help to insure a decrease in the unemployment rate amongst this cohort. Moreover, awareness of entrepreneurship amongst Generation Y will result in economic growth and more employment opportunities (Steinberg, 2014).

South Africa, characterised as an emerging economy (Mamabolo, Kerrin & Kele, 2017), has one of the highest unemployment rates recorded internationally (Mncayi, 2016) standing at 26.7 percent in 2018 (QLFS, 2018). Thus, in an emerging economy such as South Africa, entrepreneurship plays an important role in the survival and growth of the economy in that it contributes to assuaging low economic growth, high unemployment and unsatisfactory levels of poverty (Nieman & Nieuwenhuizen, 2014). In the country, entrepreneurs are seen as the primary producers and drivers of new ventures (Quatraro & Vivarelli, 2014). Unemployment amongst females in particular, has been higher than that of males, standing at 29.8 percent in 2017 (Statistics SA, 2017). As a result, the South African government introduced various initiatives to motivate individuals to become active participants in entrepreneurial activity. This is evident by the numerous supporting mechanisms and policies that exist for entrepreneurs in the country, such as funding, physical infrastructure and business advisory services programmes (HRDC, 2014).

In the Netherlands, entrepreneurship, innovation and internationalisation are recognised as key drivers behind the economic prosperity of the country (Landheer & Waasdorp, 2014). Dutch entrepreneurs seek out and exploit business opportunities, both existing and new (Van der Veen & Wakkee, 2014). The Netherlands provides a promising environment for entrepreneurs. Consequently, the country is consistently ranked amongst the top ten of the world’s most competitive economies (Landheer & Waasdorp, 2014). Evidence of the positive impact emanating from this strong entrepreneurial climate can be seen in the country’s low unemployment rate, standing at 3.9 percent in 2018 (Trading economies, 2018), as well as the low female unemployment rate, standing at 4.7 percent in 2017 (Country economy, 2017). With regard to government support, the Dutch government has implemented several programmes.
directly aimed at helping entrepreneurs fund their businesses, especially in the early stages (Valerio, Parton & Robb, 2014).

Female entrepreneurship is recognised as a salient component of a country’s economy (Female Entrepreneurship Index, 2015). As such, female entrepreneurship is viewed as a driving force in the economy because it has a significant effect on employment growth and the global business environment (Islam, Bohari & Abalala, 2018). Furthermore, female entrepreneurs, in particular, are seen as important agents of social and economic change, significantly contributing to economic growth and job creation (Niethammer, 2013). However, females in South Africa face numerous barriers in becoming entrepreneurs, such as gender inequality and obtaining finance, though the South African government has paid heed to these challenges (Gender equality report, 2016). The Netherlands is more innovative-driven (World Economic Forum, 2014) compared to South Africa that is more efficiency-driven. Evidence from the literature shows that female entrepreneurs in developed countries enjoy higher growth and are further ahead than their female counterparts in emerging economies (Nsengimana, 2017). The possible reasons for this slow growth in emerging economies have been identified in the literature, including a lack of entrepreneurial competencies (Irene, 2017), education and training (Agholor, Smith, Akeem & Serik, 2015), obtaining finance (Ramaswamy, 2013) and lack of motivation (Zimmerman & Chu, 2013). Shmiln, (2017) emphasises that female entrepreneurs have an important role to play in both developed and emerging economies in the field of entrepreneurship and have the capability to positively influence economic growth and generate employment in both economies. Various researchers (Kerr et al., 2017; Porcar, et al., 2017; Van der Zwan, et al., 2016) opine that entrepreneurial motivation has an impact on an individuals’ decision to take part in entrepreneurial activity and are therefore needed.

For centuries, philosophers sought to understand the reasons and motivations for people’s actions (Standford Encyclopedia of Philosophy, 2016). The Greek philosopher, Aristotle (384-322BCE) described motivation as the movement that starts at imagining the factual or the noble in humans, therefore emboldening individuals to move towards the positive and avoid the negative (Botha, Du Toit, Erasmus, Maree & Mugobo, 2013). Bergström and Martinez, (2016) defined motivation as an individual’s willingness to apply to high levels of effort to achieve a desired goal. According to Thom (2015), entrepreneurial motivation is the essential drive that encourages entrepreneurial behaviour and is of immense value to determine why individuals become entrepreneurial. Past research identified numerous factors that influence entrepreneurial motivation, namely independence (Kirkwood, 2009; Wagner & Ziltener, 2008), extrinsic rewards (Malebane, 2014; Sivarajah & Achchuthan, 2013) and intrinsic rewards (Malebane, 2014; Sivarajah & Achchuthan, 2013).

Independence refers to the freedom proposed of being an entrepreneur and is one of the most cited determinant factors of entrepreneurial motivation (Malebane, 2014). According to Sanchez and Sahuquillo (2017), an individual’s motivation to take part in entrepreneurial activity results from a need of independence and the desire for self-employment. Balcazar, Kuchak, Dimpfl, Sariepella and Alvarado, (2014) opine that instead of following the opinion of others, entrepreneurship empower an individual to work independently through applying their own knowledge and skills. Accordingly, independence is viewed as an individuals’ freedom to make their own decisions and take accountability for their own actions (Malebane, 2014).
Extrinsic motivation relates to an individual behaviour, taking place when being motivated by external factors such as financial rewards, esteem and status (Snelgar, Shelton & Giesser, 2017). According to Wang and Holahan (2017), individuals who are extrinsically motivated, are driven by external rewards, for instance financial rewards and recognition from others. Cachon, Codina, Codina, Wellmann, McGraw and Myers, (2013) opine that extrinsic motives indicate the financial reasons individuals become entrepreneurial. Conversely, intrinsic motivation is related to the personal fulfilment and growth of an individual and if an individual feels personally interested in entrepreneurial activity (Snelgar et al., 2017).

While several studies have been conducted in the international market on student entrepreneurial motivation (Farhangmehr et al., 2016; Valliere, 2014; Solesvik, 2013), an extensive search of the literature revealed a dearth of comparative studies on entrepreneurial motivations and none that focused specifically on female students as the target population, in South Africa. Therefore, understanding Generation Y female students’ motivation towards entrepreneurship amongst developed and emerging economies, will provide better insights into what motivates Generation Y female students towards entrepreneurship and may contribute towards the implementation of initiatives to encourage young females in becoming active individuals in economic growth through entrepreneurial pursuits. As such, the purpose of this paper is to report on a study undertaken to determine the difference between South African and Dutch Generation Y students’ motivation towards entrepreneurship.

2. METHODOLOGY
For the purpose of this study, quantitative research using the survey method and a descriptive research design, following the single cross-sectional approach, were used.

2.1. Sampling method
The target population for this study was defined as 18 to 24 year old female undergraduate students, enrolled full-time at registered public South African and Netherlands higher education institutions (HEIs). For the purpose of this study, two samples were selected, namely, Sample South Africa (SA) and Sample Netherlands (NL). A non-probability sample of 400 South African female students (Sample SA) and 400 female Generation Y from the Netherlands (Sample NL) were drawn in order to conduct the study. The sampling frame for sample SA comprised the 26-registered South African public HEIs, as listed by Higher Education South Africa, of which there are 11 traditional universities, 6 comprehensive universities and 9 universities of technology (Universities South Africa, 2015). For Sample NL, the sample frame consisted of 56-registered public HEIs situated in the Netherlands as indicated by the Central Registration of Higher Education Programmes, compromising 13 research universities and 43 universities of applied sciences (Central Registration of Higher Education Programmes, 2015). Using a judgement sample method, this sampling frame was narrowed down to two HEI campuses located in the Gauteng province, one being a traditional university and the other a university of technology. For sample NL once again a judgement sample of two HEI campuses, one a research university and the other a university of applied science, situated in the North-easternmost province, was selected. Thereafter, 800 questionnaires (400 per country) were distributed to a convenience sample of students across the four university campuses. In both the samples, the questionnaires were divided equally between the two HEIs sampled per country.
2.2. Research instrument and data collection
In order to measure undergraduate South African and Dutch female Generation Y students' motivation towards entrepreneurship, this study used a structured, self-administered questionnaire comprising two sections. The first section collected the students' demographic information and the second section determined female Generation Y students' entrepreneurial motivation comprising 9 items that were adapted from a scale developed and validated by Karhunen and Ledyaeva (2010). These researchers adapted the scale from Tkachev and Kolvereid (1999). The scale comprised three constructs, namely independence motives (3 items), extrinsic motives (3 items) and intrinsic motives (3 items). The students' motivations were measured on a five-point Likert scale ranging from disagree (1) to agree (5), based on the participants agreement or disagreement to the statements pertaining to the motivations towards becoming entrepreneurs.

The research instrument was piloted on a convenience sample of 49 South African students that did not form part of the sample frame. A Cronbach alpha value of 0.794 was computed for the entire scale, which is above the recommended level of 0.70 (Pallant, 2016). The questionnaires were then distributed to the two samples of the main study after permission was solicited from lecturers. Participation in the study was on a strict voluntary basis. The collected data was analysed using reliability and validity analysis and a two independent-samples t-test. The captured data were analysed using the Statistical Package for Social Sciences (IBM SPSS), Versions 25 for Windows.

3. RESULTS
3.1. Sample description of total sample
From the 800 questionnaires distributed, 578 completed and usable questionnaires were returned, which translates into a response rate of 72 percent. The sample included a greater number of participants from South Africa than participants from the Netherlands. The study aimed at achieving an equal ratio of responses from the two HEIs in South Africa and the two HEIs in the Netherlands. Table 1 provides a description of the total sample.

<table>
<thead>
<tr>
<th>Country</th>
<th>(%)</th>
<th>Institution</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample SA</td>
<td>56.7</td>
<td>Traditional university SA</td>
<td>33.2</td>
</tr>
<tr>
<td>Sample NL</td>
<td>43.3</td>
<td>University of Technology SA</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Research university NL</td>
<td>23.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University of applied science NL</td>
<td>20.3</td>
</tr>
</tbody>
</table>

3.1.1. Sample SA description
From the 400 questionnaires distributed to Sample SA, 328 completed and usable questionnaires were returned, and an 82 percent response rate was achieved. The sample included more participants from a traditional university (58.5%) than participants from a university of technology (41.5%). The majority of participants indicated being 19 years of age (29.7%), followed by those indicated being 18 years of age (21.4%) and 20 years of age (21.4%). The majority of the students indicated their mother-tongue language as SeSotho (26.9%). Table 2 shows a description of Sample SA.
### Table 2: Sample SA description

<table>
<thead>
<tr>
<th>Institution</th>
<th>Age (%)</th>
<th>Year of study (%)</th>
<th>Mother tongue language (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional university</td>
<td>58.5</td>
<td>1st</td>
<td>Afrikaans 18.9</td>
</tr>
<tr>
<td>University of technology</td>
<td>41.5</td>
<td>2nd</td>
<td>English 3.4</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>3rd</td>
<td>French 0.6</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>4th</td>
<td>IsiNdebele 0.9</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td></td>
<td>Sepedi 10.1</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td></td>
<td>Polish 0.3</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td></td>
<td>Portuguese 0.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shona 0.3</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Sesotho 26.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SiSwati 4.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tsonga 7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Setswana 7.0</td>
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<td></td>
<td></td>
<td></td>
<td>Venda 2.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IsiXhosa 6.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IsiZulu 10.7</td>
</tr>
</tbody>
</table>

### 3.1.2. Sample NL description

As of the 400 questionnaires distributed to Sample NL, 250 completed and usable questionnaires were returned, which indicates a 63 percent response rate. The sample included a greater number of participants from an academic university (53.2%) than participants from a university of applied science (46.8%). The majority of participants indicated being 18 years of age (37.2%), followed by those indicated being 19 years of age (18.4%) and 21 years of age (12.8%). The majority of the students indicated their mother-tongue language as Dutch (94%).

### Table 3: Sample NL description

<table>
<thead>
<tr>
<th>Institution</th>
<th>Age (%)</th>
<th>Year of study (%)</th>
<th>Mother tongue language (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic university</td>
<td>53.2</td>
<td>1st</td>
<td>Aruban 0.8</td>
</tr>
<tr>
<td>University of applied science</td>
<td>46.8</td>
<td>2nd</td>
<td>Chinese 2.8</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>3rd</td>
<td>Dutch 94.0</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>4th</td>
<td>German 0.8</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td></td>
<td>Greek 0.4</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td></td>
<td>Spanish 0.4</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td></td>
<td>Thai 0.4</td>
</tr>
</tbody>
</table>
3.2. Reliability and validity
The Cronbach alpha value for the entire scale measuring the determinants of motivation towards entrepreneurship was 0.669, and 0.680, 0.699 and 0.768 for the three constructs, namely independence-, extrinsic- and intrinsic motives respectively, thereby providing evidence of internal-consistency reliability (Brace, Kemp & Snelgar, 2012). Furthermore, the average inter-item correlation values for the three constructs ranged from 0.434 to 0.520, which were in the suggested range of 0.15 to 0.50 (Clark & Watson, 1995). This suggests that the scale shows both convergent and discriminant validity.

3.3. Two independent-sample t-test
In order to determine whether there is a significant difference between the two sample groups regarding the three constructs, independence-, extrinsic- and intrinsic motives, as determinant factors of student entrepreneurial motivation, a two independent-sample t-test was computed. The expected mean was set at 3 (that is, in the agreement area of the scale) and the significance level at the conventional 0.05 level. Table 4 reports on the calculated means, standard deviations, t-values, p-values and Cohen’s D.

Table 4: Country difference on female Generation Y students’ entrepreneurial motivations

<table>
<thead>
<tr>
<th>Constructs</th>
<th>South African Mean</th>
<th>Std. Dev.</th>
<th>N=32</th>
<th>Netherlands Mean</th>
<th>Std. Dev.</th>
<th>N=25</th>
<th>t-value</th>
<th>p-value</th>
<th>Cohen’s D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence motives</td>
<td>4.446</td>
<td>0.679</td>
<td>8</td>
<td>4.249</td>
<td>0.67</td>
<td>8</td>
<td>-3.456</td>
<td>0.001*</td>
<td>0.29**</td>
</tr>
<tr>
<td>Extrinsic motives</td>
<td>4.301</td>
<td>0.722</td>
<td>1</td>
<td>3.509</td>
<td>0.85</td>
<td>1</td>
<td>-12.080</td>
<td>0.000*</td>
<td>0.93****</td>
</tr>
<tr>
<td>Intrinsic motives</td>
<td>4.120</td>
<td>0.818</td>
<td>9</td>
<td>3.779</td>
<td>0.75</td>
<td>9</td>
<td>-5.139</td>
<td>0.000*</td>
<td>0.42**</td>
</tr>
</tbody>
</table>

* Significant at p < 0.05
** Small effect, practically non-significant
*** Medium effect and moving toward practical significance
**** Large effect, practical significant
***** Cohen’s d-statistic not calculated as the variable was not statistically significant

As is evident from Table 4, significant p-values (p=0.000 < 0.05) were computed for all three of the constructs of entrepreneurial motivations, indicating statistical significance. Therefore, at a 95 percent confidence interval, it may be inferred that there is a statistical significant difference between the participants of the two sample groups. This infers that, on the three constructs measured, the students’ motives towards entrepreneurship differ significantly between the two countries, with the South African sample scoring higher means on all of the motives. This suggests that students from the South African sample have significant higher motives towards
becoming entrepreneurs than their Dutch counterparts. In order to determine whether there were any practically significant differences found across the three constructs, between the two sample groups’ motives towards entrepreneurship, Cohen’s D calculations were computed. The extrinsic motives construct returned the largest effect size, with a value of 0.93. As presented by Table 4, the other two constructs returned small effect sizes, which is practically non-significant.

4. DISCUSSION
The findings of this study imply that South African female Generation Y students, perceive independence-, extrinsic- and intrinsic motives to be of greater importance to drive them to be entrepreneurial than their Dutch counterparts. These findings are similar to findings of previous studies (Sjöstrand & Shadloo, 2013; Davey, et al. 2011). Hence, this study infer that South African female Generation Y students are more motivated than their Netherland’s counterparts to follow an entrepreneurial career path. However, anecdotal evidence indicates a slow growth in the number of female entrepreneurs in South Africa – a dichotomy that suggests that potential South African female entrepreneurs face several barriers that need to be addressed by government and society. A possible reason why females in an emerging economy seem to be more motivated towards entrepreneurship than their Netherland’s counterparts, may be due to the fact that South Africa, as an emerging economy, faces several socio-economic problems, most specifically high unemployment and poverty. While, the Netherlands as a developed economy are associated with excessively stable or socialistic social systems.

5. CONCLUSION
Entrepreneurship is a key contributing factor to a country’s economic growth, economic competitiveness and creating employment opportunities. Female entrepreneurs specifically are recognised as important agents of social and economic change, significantly contributing to economic growth and job creation.

Generation Y students’ motivation towards entrepreneurship amongst developed and emerging economies, makes an important contribution to government, industry professionals and academics. Through providing better insights into what motivates female Generation Y from both an emerging and developed economy can contribute towards the implementation of initiatives to encourage, promote and market the concept of entrepreneurship to young females in becoming active individuals in economic growth through different entrepreneurial pursuits. While the South African government has implemented several initiatives to support female entrepreneurs, government can introduce more programmes and may fund various entrepreneurial programmes and initiatives on primary and secondary school level in order to ensure effective education and training. This study further recommends that professionals in the South African economy should provide training and education to females that will assist them in improving their level of knowledge and aid them in following entrepreneurship as a career path. This may be met by mentoring programmes that serves to encourage females and provide them with on-going support. Therefore, it is important for universities to establish an entrepreneurial culture by offering programmes, workshops, networking opportunities or by means of a university incubator to promote entrepreneurial activity.

Owing to certain limitations of this study, future research opportunities exist. For instance, the study undertook a single cross-sectional research design. Future research may use a longitudinal research design which may provide valuable information regarding any changes in
the determinant factors that influence South African and Netherlands’ Generation Y female students’ motivation towards entrepreneurship. Additionally, the sample characteristics of this study were limited to only two universities from two countries, namely South Africa and the Netherlands. Future research can examine entrepreneurial motivation across more universities in these countries.

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ABSTRACT
The paper was written following the findings of a qualitative study conducted at a Technical and Vocational Education and Training (TVET) college. The research was conducted at a TVET college in KwaZulu-Natal, South Africa. A qualitative research design was used for the study and purposive convenient sampling. The aim of the research was to investigate the experiences of managers during the migration of the Majuba TVET College from the Department of Basic Education to the Department of Higher Education and Training. The interviewees were existing and former employees of the TVET College. The sample was taken from a TVET College that has five campuses. Data were collected through individual interviews, focus group interviews and a document review. The data were analysed thematically. Recorded interviews were transcribed verbatim and the researcher then identified themes that emanated from the collected data. The findings show that the DHET communicated the unfolding of the entire migration process by means of circulars and roadshows. The findings also revealed that staff members did not pay the necessary attention to vitally important communication they were supposed to know and they therefore missed information with an impact on their personal circumstances. As a result of the lack of information displayed by staff members, they suffered financial losses after the function shift had been implemented. A recommendation was made to improve communication between management and labour unions on the one side and staff members on the other side. It is important to ensure effective and efficient dissemination of information regarding decisions that affect staff members. Furthermore, change management refreshment training was recommended for all role players in a function shift. This must be conducted before the actual function shift is initiated.

Keywords: Migration process, Educational management, Turnaround strategy, Change management, Transformational leadership

JEL Classification: 129

1. INTRODUCTION
In the contemporary times, change and transformation seem to be occurring quite often and is likely to repeat itself in future. Unfortunately, not many changes are successful. The consequences of the failure of change have a debilitating effect on institutions because they are costly; demoralise employees; reduce competitiveness and start an organisation on the road to mediocrity or obsolescence (Warrick, 2009:14).
The higher education sector in South Africa saw the need to transform, together with the democratisation of the country, after the fall of Apartheid on 27 April 1994 when the first democratic elections were held. In line with this, one of the first things that President Jacob Zuma said, upon his inauguration as President of the Republic of South Africa in 2009 was to announce that Technical Colleges would in future form part of the higher education sector. At that time technical colleges and schools were administered by the Department of Education (DoE). This landmark announcement started a challenging but necessary function shift in these colleges. Section 20 of the Higher Education Act 101 of 1997 read with section 3 of the Further Education and Training Colleges Act 16 of 2006, provides for the establishment of colleges, or Technical and Vocational Education and Training (TVET) colleges as they are referred to now.

Technical colleges used to be one of the mechanisms that provided vocational education from the side of the public sector. The change also saw the introduction of a new programme, namely the National Certificate Vocational (NCV) programme presented from levels 2 to 4 at theses colleges. Vocational subjects at TVET colleges are on the same levels as school levels from grades 10 to 12. NCV 2 is equivalent to grade 10 in schools.

The South African education is divided into levels as set out by the National Qualification Framework (NQF), according to which a matriculation certificate and other equivalent qualifications like NCV are rated as level-four qualifications. The NQF is managed by the South African Qualifications Authority (SAQA). University studies are aligned to NQF from level five to ten (a doctoral degree is on level 10). Although colleges mostly offer qualifications up to level 4, they now form part of DHET. SAQA is a quality assurance tool for academic qualifications, established by Act 58 of 1995, South African Qualifications Authority.

The names of the colleges were also changed. Firstly, they became Further Education and Training (FET) Colleges and later Technical and Vocational Education and Training (TVET) colleges.

Since the function shift was a unique occurrence, this study may generously contribute to the body of knowledge on the management of educational institutions, specifically the management of function shifts at educational institutions. Information gleaned from this study may inform management of future function shift operations not only at South African educational institutions, but at institutions worldwide. It could further help educational managers to gain insight into the sector-wide management process that was implemented over a period of more than a year. Another benefit of this study is that it may provide insights into the application of change management in an educational context, because this study specifically examined and explored the management of staff members and human resource matters, before during and after the function shift. Policy makers can also refer to this study in future as a source of information before policy decisions are made.

Due to the complexity of labour relations matters which should be aligned not only to the labour laws of South Africa, but also to the South African Constitution, all relevant role players had to be consulted before the envisaged function shift commenced. Apart from the DHET, organised labour, the Education Labour Relations Council (ELRC) and the General Public Service Sectoral Bargaining Council (GPSSBC) were also involved in the planning and designing the function shift.
Once the process had been finalised by all role players, the DHET announced the function shift of TVET colleges in function shift circulars one to four of 2014. These circulars contained various instructions on managing the function shift of TVET Colleges from DBE to DHET. Another term used when referring to the function shift, was “migration”.

The DHET forwarded these circulars to all colleges at various stages of the function shift. Structures were created to manage the processes stipulated in the circulars like the National Implementation Task Team (NITT) that monitored the process and the National Technical Task Team (NTT) that provided technical assistance, where necessary. The following section focuses on literature review.

2. LITERATURE REVIEW
The literature review focuses on the roles of managers during the migration process and the theories that underpinned the study.

2.1 Roles of managers in the migration process
In order to perform the function shift, various managerial functions were necessary to deal with the dynamics of moving an entire educational institution from one department to another. Top managers and management at all levels and other role players involved in the change efforts need to understand how to successfully manage change for it to succeed (Warrick, 2009:14). The author supports the notion that all managers should be knowledgeable with the implementation of change management for it to succeed.

The primary reason why so few change efforts succeed is the lack of understanding on how to successfully manage change, specifically all levels of management and the other role players involved in change efforts. The people initiating change may be visionary leaders, excellent managers or exemplary employees. However, they may have little knowledge of how to manage change which requires excellent instincts about change or training in how to champion and manage change (Warrick, 2009: 18).

Public TVET colleges fall under the umbrella of the public service like other educational institutions. It is therefore crucial to apply management principles. Regarding this, Liu and Dai (2012:62) indicated that education is “an industry”. They continue (Liu & Dai, 2012:63) by saying that the same “model of economic management” should be used when managing higher education institutions. Van Dooren, Bouckaert & Halligan (2015:19) agrees with this when they say that “public” service “management in practice is always a mixture of ideal typical management types.”

Van Zyl (2013:159) describes the four management tasks as “planning, organising, controlling and administering”. As for co-ordination and delegation, Van Zyl (2013:150) places these two functions under the heading “Organising”. Coetzee, Van Niekerk and Wydeman (2011:27) mentions planning, organising, leadership and control as classroom management functions. Willson-Kirsten (2012:6) describe the “key management tasks” and indicates them in random order as planning, organising, leading and controlling. These tasks are supported by decision-making, communication, motivation, co-ordination, delegation and the maintenance of discipline.
The focus of the study was to manage the migration process at the Majuba TVET College and the experiences of managers in this regard. The management principles should be borne in mind throughout this study, because the entire function shift had to be managed.

Van der Merwe (2013:51) describes the process of change management as consisting of three distinct phases, namely unfreezing the current state; moving to the new required state and refreezing the new state. In practical terms, this unfreezing is embodied in the communication that was disseminated on the envisaged function shift. Getting everyone affected involved and committed to perform the function shift can be regarded as unfreezing the “status quo”. Weick and Quinn (1999) suggest that “it is necessary to freeze first-bring everyone together around where the organization is currently”. Departure from tradition is the most difficult stage; therefore, in the unfreezing stage that the managers must gear up themselves to prepare those who will be affected by change.

The second stage, or movement part, is the actual changes that had to be made. In the instance of the function shift, the implementation of the changes that the TVET Colleges had to undergo, as communicated in the previous phase, is considered to be the movement phase. Once all the changes are effected, the new changed state becomes the norm in the refreezing stage. This is then the new paradigm that sets the tone for future operations. During all these changes at an educational institution, human resources may be the most valuable of all. Van Dooren, De Caluwé and Lonti (2012:498) are of the opinion that “public personnel management” is “the most prominent public administration issue”.

The biggest obstacle to change is resistance to change. The reasons for resistance are described by Van der Merwe (2013:53) as “psychological reasons for resistance to change and organisational reasons for resistance to change”. All these reasons may have a bearing on how change is managed.

Keeping management in mind the researcher identified the issues for discussion as the period for function shifting, individuals involved in the function shift, and unfolding of the function shift in practice in order to analyse the management of the function shift of Majuba TVET College.

3. THEORETICAL FRAMEWORK

Although the change management theory was the main theoretical lens used in this study, transformational leadership and participative management were also kept in mind. Change management, transformational leadership and participative management were used as the theoretical framework to make sense of the function shift. More than one theory was used, because educational management is very complex, as Göksoy (2015:110) rightfully states that: “school management, which is a complicated and hard task, cannot be left to a single leader or leadership approach or potential because school structures are not easy to be managed effectively with the leadership of a single person.” For the purposes of this study, delineating the three theories mentioned above necessitates a short discussion on each one of them.

Cummings and Worley (2009:747) describe change management as “the tools, techniques, and processes that scope, resource, and direct activities to implement change. Change management is less concerned about the transfer of knowledge, skill, and capacity to manage change in future than organisation development.” Lorenzi and Riley (2000:118) similarly state
that “change management is the process by which an organisation gets to its future state, its vision.” Clearly, both sets of authors refer to a process where the organisation will transit from one state to another. Beerel (2009: xvi) describes the process of change as a process that, “begins with why and what needs to change and continues right through the execution and implementation of change as well as to attune and align the organisation to new realities that are continuously emerging and presenting themselves.”

It should be mentioned that change evokes the emotions of recipients, specifically the way in which the interventions generate, influence and benefit from their participants' emotional experiences (Bartunek, Balogun & Do, 2011:14).

Cerni, Curtis and Colmar (2014:29) state that transformational leadership is demonstrated when the leader communicates the vision and mission of their organisation unambiguously. Furthermore, Cuadrado, Navas, Molero, Ferrer and Morales (2012:3086) describe transformational leadership as “leaders who, through their personal influence, produce changes in the scale of their followers’ values, attitudes, and beliefs”. Collectively, these authors refer to leaders who get their subordinates motivated enough to effect the transformation needed.

With reference to participative management, Sagnak (2016:182 ) describes participative management as a decentralised method of managing a school. Gilberg (1988:109) defines it as “those techniques and practices which increase employee involvement in areas that can improve work practices, managerial decision-making processes and organisation performance standards.” Somech and Oplatka (2009:429) define participative management as “joint decision making, Koopman and Wierdsma (1998) define it as “shared influence in decision making, by a superior and his or her employee”. As far as participative management is concerned, Mokoena (2012:44) states that all “participants tend to have a sense of ownership of change initiatives and eventually offer stronger support to realise the goals of such efforts”. Somech and Oplatka (2009:430) concur with this by saying that it “motivates individuals to broaden their roles to improve school functioning”. Participative management is thus beneficial to managing the organisation not only from an institutional point of view, but also to get staff members support and loyalty in the process of change.

4. METHODOLOGY
4.1 Research design
A qualitative research approach was used in this study and a qualitative case study design. The study was conducted to determine the experiences of managers in managing the function shift of a TVET College, Newcastle, South Africa, from the DBE to DHET.

4.2 Sampling
Convenient and typical case purposive sampling techniques were used because McMillan and Schumacher (2010:138) and Mouton (2015:101) emphasise their relevance by saying that the qualitative researcher gets to focus more on “cases that are information rich.” Various sites and role players involved in managing the function shift were included in the study to gain a broader insight into the management of the function shift or migration of TVET Colleges from DBE to DHET. The TVET College sampled has five campuses that were involved in the study.
The interviewees were existing and former employees of the same TVET College where one of the researchers is employed. The participants of these interviews were directly involved in the function shift; and as such they were employed in various positions related to the management of the said function shift. One interviewee is the retired rector of the college. He was the rector before, during and directly after the function shift. Another interviewee is a retired campus manager, coincidentally also on the campus where the researcher is currently employed. This interviewee was a campus manager before, during and after the function shift. The researcher was working at another campus during the function shift. The rest of the interviewees are employees of the Central Administrative Office of the college and served in various managerial and assistant positions before, during and after the function shift.

The researcher conducted the focus group interviews on campuses other than the one where the researcher is based to avoid undue influence because of familiarity with colleagues. Face-to-face, one-on-one interviews were conducted with staff members and former staff members with whom the researcher has no personal relations. Managers at campuses and senior managers, mainly employed at the head office of the college, were interviewed.

4.3 Data collection methods
The multiple data collection techniques that were used to investigate the phenomenon of the management of the function shift assisted the researcher in gaining a deeper insight into the said function shift of the TVET College. Data was collected through document review, semi-structured interviews and focus group discussions. The researchers used an interview schedule with semi-structured questions for individual interviews and an interview guide with semi-structured and open-ended question was used for the focus group discussions. Two focus groups of seven and eight persons each were interviewed. The focus group participants consisted of lecturers and senior lecturers and Heads of Divisions (HoDs). The focus group interviews were conducted on two campuses and not the one where the researchers are employed. Eight one-on-one interviews were also conducted. All the interviews were recorded digitally with the permission of the interviewees and transcribed later, verbatim. This method of gathering data was used simply for economic reasons.

4.4 Validity and reliability
The verification strategies that researchers employed to better ensure validity and reliability were methodological coherence through using face-to-face and focus group interviews. The researchers also used an appropriate sample by interviewing the persons involved in the function shift, together with collecting data concurrently and always attempting to think theoretically as the researchers moved along the path of investigation. By doing so, the researcher was able to proceed systematically instead of jumping to conclusions. This closely links with theory development that saw researchers linking their micro perspectives of the data with the bigger picture or macro conceptual/ theoretical understanding.

4.5 Data Analysis
The data were analysed thematically as described by Braun and Clarke (2006:6). Recorded interviews were transcribed verbatim and the researcher then went about identifying themes that emanated from the collected data. The themes and sub-themes were identified, analysed and interpreted.
4.6 Ethical considerations
The researcher ensured the use of informed consent forms, discussions of the interview agenda and timeframe and a digital recorder to ensure the accuracy of information. In addition, the participants were assured of anonymity and confidentiality; and this was achieved by giving each participant a pseudonym instead of using his or her real name. The study was ethically cleared by the University of South Africa with reference number 2016/10/19/37902210/50/MC. The next section presents the findings of the function shift of the TVET college investigated.

5. FINDINGS AND DISCUSSION
The findings of the study concern the experiences of managers from the function shift of the TVET College. These experiences will be discussed under the following themes: The unfolding of the migration process; challenges of managing the function shift; and effects of migration on human resource issues.

5.1 Unfolding of the function shift in practice
Before the migration senior staff members had been informed about how it should unfold and what the process would entail. The senior staff members then disseminated the information to the entire staff members which were to be affected by the change. One senior staff member responded as follows in this regard:

CV: “All right ... we had to eh... firstly go on an advocacy program. There was a function shift eh... document that was workshopped to senior management at DHET and then we had to come and firstly make copies of all of that document ... and hand it out to all staff members.”

Another interviewee, HL, who was a campus manager during the time of migration, concurred with this and elaborated as follows:

HL: “Okay, basically we went on different courses on ...eh... where they ... eh... actually told us how it is going to unfold ... it was (tapping index finger on table) different dates given, cut off times and everything, but they were never quite adhered to ... it was all late and things and we were all anxious hearing what is going to happen and that is basically what happened.”

Although referred to as an ‘advocacy program’ by one participant and ‘courses’ by the other, both refer to the same thing, namely that managers received communication regarding the function shift; or migration, as it is commonly referred to, of the Majuba TVET College from DHET.

After the information on the function of the shift was given to managers, they had to disseminate it to grass roots level. SP, a participant, attached to the HR office, responded as follows regarding the communication of information:

SP: “Right, so, we had to go out to campuses, ...ehm... inform, or staff where informed by circulars that they were going to be migrating based on information that the HR department had forwarded “to DHET.”

A similar comment was received from the interviewee CV who was part of the NTTT and said:

CV: “process where I personally went to each of the campuses took them through eh... the whole function shift” “process with the time frames ...”
One interviewee was a campus manager at that time. This interviewee was also involved in presentations to staff members on various campuses. These were referred to as “roadshows”. The interviewee responded by stating the following:

NZ: “When this started, I was a campus manager” “and...we would participate during roadshows or we will receive circulars” “or memorandums that we were supposed to communicate to staff.”

The process of collecting staff members particulars and verifying it only started after the information had been distributed to all the staff members. After the verification had been done, as explained in 4.4.2.1 above, the HR at the Majuba TVET College was tasked to issue staff members that were migrated with letters of appointment. One of the HR staff members interviewed responded as follows:

SP: “Right, so, we had to go out to campuses, ...ehm... inform, or staff where informed by circulars that they were going to be migrating based on information that the HR department had forwarded” “to DHET. So, staff to be migrated were identified in...in...advance and then ...eh...the HR department had to go down to staff level to give them the official letters of appointment from Department and then to ...eh... get them to fill in forms of ...ehm...acceptance of their” “now appointment at DHET.”

In order to exercise proper control over the function shift, a series of mechanisms were devised by the DHET and other consulted role players to bring about this function shift. Two of these structures were the NTTT and the National Implementation Task Team (NITT), the composition and functions of which are highlighted earlier in this article.

The dissemination of information on the migration process appeared to have been executed as planned, albeit a year later than envisaged. Regarding the managerial roles that were played during the migration process, it seems that the planning part was the only management function that had to be revisited. The initial plan of migration in 2014 was deferred to 2015 to better prepare for the transition. The control function in management is designed for exactly this reason. As stated by Botha (2013:16), control is exercised to take corrective actions where the performance does not meet the standards and to get the performance in line with the set standards.

The discussed data indicated that control measures were put in place in advance to some extent. This was contained in DHET function shift circulars No 1-4 of 2014. Effective communication from the DHET with all role players who are the management of the TVET College was assumed to have been distributed to all people on grass root level. The migration therefore unfolded in accordance with the established management principles as described by and Wilson-Kirsten (2012) as explained earlier in this point.

5.2 The functioning of the college and the migration process
Generally, the functioning of an institution is affected by the migration process. Soudien (2010:4) reported that transformation of the higher education sector had to deal with two key issues, namely demographical redress and privileges and power that had to be rectified. This clearly indicates institutional changes affecting the entire higher education sector and therefore includes TVET Colleges.

5.2.1 Positives of the function shift
The views of the participants on the functioning of the college were two-fold. Others did not see the migration process as having negative effects on the function of the college. These views were mostly expressed by the managers of the college. Interviewee PC said the following in this regard:

PC: “I have to tell you, the functioning of the college itself,” “the state did not interfere with.”

He further indicated that:

PC: “So, I did…I met with my management team every Monday morning, and we discussed the matters of the week, and we looked at what measures for every division and then we went about doing our work.”

Another interviewee, LH, who was the campus manager at the time of the function shift echoed this by saying the following about the academic and non-academic operations:

HL: “Actually it didn’t, …eh…because nothing changed…. everything was still the same and nothing has changed”

Furthermore, when asked if anything other than the staff members was negatively influenced by the migration, either academically or non-academically, the answer from HL was “Nothing has changed.”

5.2.2 Challenges of managing the function shift

Salary reduction

It is interesting that some seem to have experienced disturbances in the functioning of the college regarding various management functions. Interviewees identified problems with the staff members component as one of the areas of the college that was negatively affected by the migration. Moreover, they expressed dissatisfaction that their concerns were not speedily resolved. They made the following statements in this regard:

PC: “…problems were on the side of the staff and it once again took very long deliberations in order to try and solve their problems.”

HL: “The staff component, ja.”

Deducing from the preceding data gathered in the study, the staff members were affected in their personal capacity. Their net salaries were reduced after migration. The reason for this is that before migration, the salary packages of staff members included a pension fund contribution. The staff members were also expected to obtain their own medical schemes. Once the migration had been completed, all staff members had to contribute to the Government Employee Pension Fund (GEPF). This meant that their take home salaries were less than it had been before the function shift. Some of these staff members had taken out annuities and now they also had to contribute to the annuity and pension fund. The participants explained this as follows:

HL: “To, ja, because the council at that time gave them eh…eh…eh…30% in lieu money. That means it was inclusive of their pension and their housing as well as well as their medical aid, and with the department you have to belong to a medical aid”

HL: “and at that stage a lot of the lecturers or staff didn’t belong to a” “…medical …aghh… a medical aid as well as a pension fund, so they used that money for their personal …eh…uses.”

PC: “If I should go back to the state now, then I should either lose my annuities or continue to pay for it plus pay for the compulsory state pension.”
When asked if what he said meant that there was a reduction in their take-home salary, PC responded as follows:

PC: “Yes. This then had the effect that not the bruto salary,” “but the nett salary was affected. In other words, the money that one gets to take home will now be less.”

A participant in the focus group discussions mentioned the following, “It was a great deal of stress. I would also say that we were not given enough information …”. However, it also seemed if the lower salaries personally affected the staff as expressed by NZ who mentioned that it “Demoralised staff”. Moreover, it also emerged that some staff members were stressed to a point of consulting psychologists. NZ, a campus manager at the time further said that:

“the part that I wanted to mention was that I could receive, at the time, one or two, you know, doctor`s letters of people who were on stress leave” “Ja, you know, it came through that some of them had gone through to the psychologist, because of the situations they found themselves in, and that`s hard. You know, anxiety…anxiety”

The staff members echoed the same sentiments of financial problems experienced that resulted from the migration process. These staff members were interviewed during two focus group discussions. Their opinions largely support those expressed by the managers. At one campus, one participant said:

“Academically, I think it…. the other thing that impacted the… …when we moved … people started having these deductions done on the first month of being moved to the Department and that brought a lot of strain, financially. I mean, after having a salary of about twenty thousand (rand) and it is deducted down to fifteen thousand, that five thousand difference, which went to your normal budget” “People went into debts and stuff, now, can you imagine what will that do now, on the same lecturer now, working in a class (room)?” “Demotivation…” “People are not motivated,”

One participant on the other campus explained it as follows:

IF 8: “Ja. It’s… it’s hard even I remember the first month, the second month and the third month. It was hard for me to even come here ‘cause I had to sit in class and think about this and think what they gonna do. Oh this month I am not gonna pay this I’m gonna reverse I had to do a lot of reversals at the bank. I remember that month – lots of reversals the funeral cover”

Another interviewee explained the situation as follows:

IF1: “So for me it was very, very draining” “very hard to adjust and it was a very difficult process for me”

Even though the managers said the normal functioning of the college was not affected, some staff members who participated in the focus group discussions explained that the lower salaries definitely affected the academic operations indirectly:

IM 9: “… but there was some after-effects that made the lecturers not to be able to perform hundred percent in class.”

R: “So, that if you are sinking in a pool of debts that will results to the stress and again depression. Then, it will take you a long time absent from work, not attending” “to your students, so the students are left unattended, so, that will affect the results of the students and the certification rate.”

The participants in the focus group said that the impact on the academic operations was indirect. However, it must be stated that absenteeism and non-attendance of classes by
lecturers is a serious challenge for education (Netshitangani, 2014:1659). The participants also mentioned that the results were negatively affected.

Among those who were affected by the migration process were staff members who were working at the self-sustaining unit, Training Centre of this TVET College who did not migrate because they were not employed in ministerial programs. These staff members were used to working overtime. The extra hours were paid for by the college council of the Majuba TVET College. Even though the staff members of the Training Centre were not interviewed, it emerged in the interviews with the managers that they were negatively affected; and it is worth mentioning the sentiments expressed by the participants. The staff members of the Training Centre were negatively affected, because after migration, the funds were no longer allocated to the college since salaries became a national function of the DHET. Interviewee PC explained this and commented on what was done to alleviate the resultant unhappiness about the loss of income:

PC: “well, let me tell you about the training centre” “is that they worked overtime.”
“It was an extra income, could not be covered by the State to pay to them, you see? It was deliberations, the one after the other and always trying to…eh… solve the unhappiness and get it out of the way and I believe we…I have achieved that reasonably well and”

It is however not surprising that some managers who made the above statements claimed that the issues were resolved and that there were actually no real problems affecting the functioning of the college. They also expressed the belief that the lower income of staff members after the migration affected the staff members negatively only in as much as that earned a lower income.

5.2.3 Communication between management and staff members that were migrated
The communication between the DHET and the Majuba TVET College management and the subsequent communication between college management and staff members were pointed out as a problem by various interviewees. Staff members’ communication is a critical element in managing human resources. Steyn (2013:143) describes communication as “the ability of the person, the sender of the message, to express himself or herself so that the other person (the receiver) understands both the words and intentions.”
Both IF5 and IF2 stated that they were not given enough information. Contrary to this, interviewee LH, the former campus manager said:
“At …at…at my campus, I can’t speak about other campuses … at my campus, they definitely did realise that it was their mistake because they were well informed”
This contradicts abovementioned statements of staff members IF 5 and IF 2 who said that they had not been sufficiently informed. Interviewee AL said the following:
“… it strained relationships because eh in some cases eh people felt that initially certain types of information had not been adequately explained to …” “… them to make informed decisions …” “and eh so we had staff coming out to central office” “and engaging in a very emotional fashion.”
It is interesting that one of the focus group participants admitted that she did not read the communication thoroughly. This, together with the statements by HL provides proof that the communication was indeed filtered down to the staff members. HL also mentioned that the “human factor” played a role in the sense that staff members procrastinated and did not listen
properly, shortly thereafter they realised that they had a big problem. From this it can be deduced that the communication from DHET was sufficient, but that some staff members did not receive the message as the sender intended it, but simply because the receivers did not assimilate the information as they were supposed to. It may be appropriate to conclude that the unfreezing stage was not adequately attended to. This contributed to some animosity that started to develop between staff members and managers from the side of the staff members. The staff members were under the impression that the managers were against them and they therefore did not communicate properly with them. One interviewee, in a director’s position, said the following:

**AL:** “…[B]ecause to the extent where even people would have gone the extra mile for you… …done something voluntarily… …there was now that hesitation…”

From interviewee **NZ**, this sense of animosity was echoed, but more specifically spelled out: “It was like them and us,” and further “It was like…okay, the…the principal and the deputy principals are safe. They are fine, so, us, we are going to be migrated into this thing that we don’t know, and we don’t know whether the Department of Higher Education will say: ‘We no longer need your services.’ or ‘I can only take so many.’”

The latter statement stems from the circular that placed the principal and deputy principal of the college under management of the Minister of DHET, as far back as 2013 already. DHET Function Shift Circular No 1/2014 states in par. 2 that:

a. In March 2013 the Minister of Higher Education and Training issued a Commencement Notice in the Gazette No. 36322 giving effect to Section 11 and part of Section 12 of the Further Education and Training Colleges Amendment Act, 2012 (Act No. 3 of 2012). This meant that the management of the Principals and Deputy Principals is now managed through the Minister and Department of Higher Education and Training, although all the funding allocations related to these posts are still located with the Provincial Education Departments.

One interviewee, **NZ**, mentioned this as a factor that did actually cause animosity between staff members and managers, at least from the side of staff members. **NZ** stated as follows:

“Yes. But the only people who were eh… regarded as… ehm…you know, DHET personnel, was only the Rector and the Deputy Principals. So… as a campus manager, at the time also, I was part of the academic staff Academic staff who are managers. It was like them and us.”

From the quoted respondents, the study concludes that it seems that the animosity was all due to a misunderstanding or misinterpretation of the communication on the function shift. Statements by the participants may suggest distrust between managers and staff members from the side of staff members. Academic staff members that were interviewed in separate focus groups on two separate campuses raided their opinions on the same matter of distrust. At the Centre for People’s Development (CPD) campus, one interviewee made the following statement:

**IF 16:** “My biggest motivating factor at that time was when senior management came and they spoke to us it’s a it was a very subtle but the message that we were getting there is you better migrate now or your job is going to be...
questionable. My decision was actually done out of fear." “We were informed by a specific member actually at central office. You’re gonna lose your job!”

A road show intended to inform the staff members about the migration process was conducted. This road show was conducted by the Deputy Principal of the college, among others. The very same job highlighted by NZ which formed part of the “them and us” situation of mistrust.

At IT & B campus, one interviewee referred to the road show as follows:

**IM 25:** “The director himself came and confused lot of staff, gave us lot of things that were not applicable, things like grace period, when was it applicable, how was it gonna be applied and unions came in and confused us as well... eh...with the grace.” And this …. director seem to be the person that is handling that HR department, yet, he seem not to be competent because he doesn’t know what the Department of Higher Education... eh wants cascaded”

This statement by **IM 25** clearly expresses the interviewee’s mistrust of the director’s abilities and his opinion that the unions did not perform their task of informing their members as they were supposed to, but that they rather ended up confusing them. The mistrust could have been dispelled if the managers were transformational in their approach and got their staff motivated enough to effect the transformation needed (Cuadrado, Navas, Molero, Ferrer and Morales, 2012: 3086).

Some staff members felt that the communication of their financial situation before and after the migration was not clear enough. Change management emphasises the use of the tools, techniques and processes that scope, resource and direct activities to implement change (Cummings & Worley, 2009:747). If the managers take change management strategies seriously, the change will run smoothly. Moreover, literature (Van der Merwe, 2013:51) on getting everyone involved and committed to carry out the function shift can be regarded as an unfreezing stage of the change.

However, one interviewee reported that the communication was sufficient; and that the staff members were to blame for their own dilemma. At the end, the staff members were mostly demotivated because they felt that they would have made provision earlier to be able to cope with a lower salary, had they been properly informed, timeously. It, therefore, seems like the staff members did not ensure that they understand exactly what the implications of the function shift would hold in for them.

### 5.2.4 The migration process and human resource issues of the TVET College

One of the HR challenges mentioned in the previous section is the impact on personal circumstances on staff members. Thus, Van Dooren, De Caluwé and Lonti (2012:498) voice the opinion that personnel managemen is “the most prominent public administration issue”. The participants said that their take-home salary was lesser after the function shift owing to the fact that the pension fund and medical aid were deducted instead paying these benefits in cash to them like in the past. Most human resource issues were not directly affected by the migration. Salaries were paid; and, although they were reduced, leave remained the same, housing and other allowances still applied and working hours were mostly the same as before the migration. Other human resource issues, like working hours and holidays, stayed the same.
The opinions on the effect of the function shift were viewed from two different angles. One view was that there were very few problems during the function shift, except for the lower net salaries that staff members received after the migration. The problems were resolved through effective “deliberation” as interviewee PC indicated. This is in line with the argument of Willson-Kirsten (2012:6) that the management functions which are planning; organising, leadership and control are supported by communication.

Interviewee PC the previous Rector of Majuba TVET College and LH the campus manager during the function shift clearly indicated that there were no real problems. The other point of view was that the lower net salaries were demoralising and demotivating to staff members. This, in turn, caused the staff members not to perform optimally. As a result, academic operations were indirectly negatively affected.

6. CONCLUSION
The function shift at Majuba TVET College was executed in accordance with what the DHET prescribed, although it happened one year later than envisaged. Well-established management principles in general management and educational management were applied and the process of managing the function shift was affected successfully. The managers also applied the principles of change management. Moreover, the findings show that communication about the migration process between the managers and the affected members was adequate, but with delays. Nonetheless, there were challenges experienced by the staff members. The staff members received a lower income due to deductions from their salaries. These deductions were previously paid out to staff members to get medical aid, housing and annuities. Once migrated, the cash for this was no longer paid to staff members, but they received the benefits instead. The economic value they received was the same. This challenge gave rise to emotional problems of the staff members like low morale and stress. These challenges led to low productivity, indirectly, adversely affecting the academic process. The findings of this research reveal that the application of the change management theory, augmented by transformational leadership and participative management was evident in the implementation of the function shift of this TVET College. Although the staff members experienced challenges, the process seemed to have been completed successfully. Despite the success of the shift management that was expressed by the managers, the staff members were of the opinion that they were not sufficiently consulted. A recommendation is therefore made that change management refreshment training for all role players in a function shift be conducted timeously before a function shift is initiated.

Growing contemporary demands on education, and vocational education specifically, means that educational managers stay in touch with market demands. Effective change management is the only way to achieve a dynamic, fluid and innovative approach to educational management, as can be deduced from this article. Moving forward in the fourth industrial revolution, effective and efficient implementation of change management principles will help improve function shifts of TVET colleges and any shift in educational institutions.

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ABSTRACT
The purpose of this paper is to show that corruption which is equally a symptom and cause of bad governance, discourages private investment and, more generally, that the quality of governance. South Africa is society is filled with stories of wrong practices such as stories of ghost workers on the pay roll of Ministries, Extra-ministerial Departments and Parastatals, frauds, embezzlements and setting ablaze of offices housing sensitive documents and corruption are found everywhere in the country. Corruption is a widespread in most of the agencies and has no doubt contributes to the severity of public dissatisfaction. Corruption is a problem for the city’s poor too, with a third among them having to pay a bribe to get a service or to solve a service related problem. Institutions can have formal rules, such as a country’s constitution, its laws and regulations, contracts, and internal procedures. They can also have informal rules, such as the values and norms that drive bureaucratic behavior. However, if there is poor lack transparency, accountability and quality, the poor and the disadvantaged are particularly vulnerable as they rely completely on the state. The paper recommends that accountability must be enforced so that a reduction in the level of corruption, improving public sector accounting and auditing standards, legislators as champions of accountability and restructure the public accounts committees and the value of money must be applied in the conduct of government business.

1. INTRODUCTION
The world over is facing political, economic, social and technological challenges (Kuye & Mafunisa, 2003). These challenges for a long time have justified government institutions to undertake various reforms to cope, address and manage change for improved performance and quality service delivery to esteemed customers. Despite considerable investment, public services in most developing countries are widely perceived to be unsatisfactory and deteriorating. The poor and disadvantaged in developing countries suffer in relation to delivery of public services (Adegite, 2010). First, they lack access to those services due to physical, financial, informational, political and other barriers. Second, they lack effective mechanisms for feeding back their complaints, views, requests in relation to those services. As a result, public services to the poor lack transparency, accountability and quality. The poor and the disadvantaged are predominantly vulnerable as they rely completely on the state for accessing critical services like drinking water, health and education (Masiloane & Pillay, 2017). There is no exit option available to these users to seek an alternative provider in case of dissatisfaction with the service provided. In South Africa, as in the rest of the world, there are growing concerns about the massive consequences of non-adherence to sustainable economic practices in the public sector (Mbewu & Barac, 2017). Public funds are diverted into unnecessary, unsuitable, uneconomic and actually, “undemocratic” projects with the primary objective to serve the interests of a few individuals at the expense of the country and its citizenry.
South Africa, like other countries, has embarked on a significant reorientation to promote ethics and the principles of good governance, stressing openness, transparency, information, competition, sanctions, incentives, clear rules and regulations as adjuncts to the limitations of laws aimed at combating corruption which is declared as a fundamental problem of governance, thus leading to failure of institutions to deliver as required. While enhanced regulation and stricter law enforcement have been the usual response to misconduct and corruption in the public sector, the very essence of corruption, which is invariably committed in secrecy, with few witnesses, if any, and between willing participants, means that the normal crime-busting agencies are ill-equipped to deal with it. This plague is more prevalent in developing countries (Transparency International, 2009). Due to high practices of corruption in South Africa, huge amount of money is lost through one financial malpractice or through fraudulent means with far-reaching and attendant consequences on the development or even socio-economic or political programmes of the nation (Van Wyk, 2004; Masiloane & Pillay, 2017). Billions of Rand are lost in the public sector every year through deceitful means.

Corruption refers to the misuse of public power, office or authority for private benefit, through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement (UNDP, 2004:6). Corruption has spread in Africa with devastating effects (Transparency International, 2009). It has and still erodes stability and trust, and it damages the character of democratic governments (Department of Public Service and Administration, 2003; Dassah, 2008). Corruption is as an impediment to service delivery. Corruption threatens the economic and political fortunes of developing countries the most. Bribery, conflict of interest, and illegal deals impose heavy costs on the economy while distorting development policies and undermining confidence in public institutions. Broadly defined, corruption is the abuse of entrusted power for personal gain (Dassah, 2008).

Corruption is regarded as a corrosive drain on public trust and the legitimacy of institutions (Masenya, 2017). Hence, corruption is regarded as a cancer that weakens the organs and institutions of society as well as initiatives such as the Millennium Development Goals placed to improve the quality of governance and the level of effectiveness, efficiency and equity in resource generation and management (UNDP, 2004). Wu (2005:168) believes that “improvements in good governance are essential for breaking the cycle of corruption”. While Daily, Dalton & Cannella (2003) submit that “the subject of governance is of enormous practical importance”. A value-based approach alone, however, is inadequate: corruption is as much about systems as about individual conduct (Labuschagne, 2017). While prevention and control through the enhancement of systems of functional internal controls are vital, the governance process seeks to speak to the single most important factor in the combating of fraud and corruption (Adegite, 2010). Hence, codes of conduct, administrative law mechanisms, whistleblower protection, effective auditing, monitoring and law enforcement systems, and training in and support of ethical conduct are essential components of an ethical environment. The phenomenon of corruption has captured the attention of South Africans that are committed to good governance (Department of Public Service and Administration, 2003; Masenya, 2017). Therefore, it is critical that the focus is shifted from detecting fraud and corruption to preventing it. Reforms in the public service need to take into account efforts to prevent fraud and corruption.
2. THEORETICAL FRAMEWORK OF CORRUPTION
Corruption has multiple roots, but generally can be attributed to the poor design of institutions (Cipe, 2008). Some of the deepest roots include the following:

2.1. Unclear, complex, and frequently changing laws and regulations
When laws are contradictory or require heavy interpretation, the discretionary power of officials is amplified, increasing the risk that they will make arbitrary, self-serving decisions. When laws are unpredictable, entrepreneurs do not know their rights and obligations, so they can not comply fully nor defend themselves for example against illegal inspections.

2.2. Lack of transparency and accountability
When deals are made behind closed doors, it becomes impossible to assess the criteria behind decisions, whether they serve public interest and respect the law. If violators on both the public and private sides conceal their transactions, they escape being accountable.

2.3. Low public service salaries
When officials cannot meet what they perceive as their daily needs through their salaries, they resort to corruption to supplement their income. However, simply raising the wages of officials will not curb corruption so long as opportunities to abuse the system persist.

2.4. Inadequate, inconsistent, and unfair enforcement of laws and regulations
Even if laws to combat corruption are on the books, lax enforcement can invite abuse. A weak justice system, low penalties, and high cost of compliance will render laws ineffective.

3. THE IMPORTANCE OF GOVERNANCE
Governance can be broadly defined as the exercise of political, economic and administrative authority to manage a nation’s affairs (Donaghy, 2017). Governance is thus about the importance of institutions, the interactions between different levels of government within a country, the interaction between the public, including nongovernmental organizations and business, and government. Governance is vital as it can help to enhance organisational image, boost shareholder confidence and reduce the risk of fraudulent practices (Dassah, 2008). The prevention of transgression is also critical for achieving the Millennium Development Goal of reducing corruption and improving service delivery. Its essentiality forms part of a framework for economic and financial management which includes: macroeconomic stability; commitment to social and economic equity; and the promotion of efficient institutions through structural reforms such as trade liberalization and domestic deregulation. The main objective of governance is to ensure that government deliver services in a way that is equitable, efficient, effective and affordable, and consistent with the principles of service delivery such as universal coverage and environmental sustainability (Van Wyk, 2004).

Supporting the benefits of governance promotes the efficient use of resources, improves confidence in government and leads to improved corporate performance. While good governance practices are beneficial for a variety of reasons, they are difficult to instil in business (Sullivan, 2009). According to CIPE (Centre for International Private Enterprises) (2008), “governance is an antidote to corruption that clarifies private rights and public interests, and thus
preventing the abuses of both”. As such for sufficient levels of trust to occur, four overarching good governance principles need to be in place.

3.1. **Principles of Good Governance**

*Transparency:* Directors must make clear to the providers of capital and other key stakeholders why every material decision was made.

*Accountability:* Directors should be held accountable for their and account to shareholders by submitting themselves to appropriate scrutiny.

*Fairness:* All shareholders should receive equal consideration by the directors and management with a sense of justice and avoidance of bias or vested interests.

*Responsibility:* Directors should carry out their duties with honesty, probity, and integrity.

3.2. **Causes of Governance Failures**

*Some of the key factors that contributes to governance failure in South African government:*  

*Conflict of interest:* has become a major issue whether we are designing policies, enforcing policies or executing core business processes. When the decision-maker finds himself or herself serving two masters something Personal interests are not only financial, they may include political has to give. The interests of the organisation and shareholders or citizens are more often than not abandoned in favour of personal interests. Personal interests transcend financial interests.

*An Animal Farm leadership character instead of Batho Pele:* In this setting, the people are liberated and they choose to have a few among them to manage resources on their behalf and regulate their lives instead of a situation whereby everyone does as they please.

*Power mongering and endless power struggles, often exacerbated by external influences:* Power struggles within organisations are counterproductive and compromises governance in a sense that tend to people sabotage one another because they do not to see their boss or colleagues shine.

Other causes which were observed in South Africa include inadequate connect between those that govern and the power givers with the problem being (in the case of for example the e-toll debacle) communication. “Government says it consulted and the people say it didn't. The truth is they are both right (Labuschagne, 2017). There was consultation but it was not specific”. Others are poor planning, corruption, leadership and skills deficit, and a fragmented state resulting in "left-behind" communities. Part of the problem lies in failure to appreciate, internalise and institutionalise the values underpinning a constitutional democracy, including human dignity, the achievement of equality, freedom and constitutional supremacy. This is fuelled by: inadequate or distorted accountability to shareholders/citizens with an increasing trust deficit; Inadequate skills, knowledge and values; inadequacies in the regulatory framework particularly at enterprise or organisational levels; Poor or inconsistent enforcement mechanisms; Lapses in leadership and leadership ethics or integrity.
4. WHY ACCOUNTABILITY?
Although accountability is widely believed to be a good thing, the concept is highly abstract and it is often used in a very general way (Hulme & Sanderatne, 2008). A typical definition is that accountability concerns the processes by which those who exercise power whether as governments, as elected representatives or as appointed officials, must be able to show that they have exercised their powers and discharged their duties properly. Fox Meyer (1995) defines accountability as the "responsibility of government and its agents towards the public to achieve previously set objectives and to account for them in public". It is also regarded as a commitment required from public officials individually and collectively to accept public responsibility for their own action and inaction (Sullivan, 2009). Adegite (2010) defined accountability as “the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans”. In this case, the burden of accountability rests on each public functionary to act in the public interest and according to his/her conscience, with solutions for every matter based on professionalism and participation.

Accountability in the public sector is broader than in the private sector (Ingstrup & Crookall, 1998). In the private sector, everyone in the company is accountable to its board (Transparency International, 2009). The public sector is also accountable to a board of sorts: the minister, cabinet and legislature. However, the public sector has additional accountability to its employees and to its customers, the citizens who use the services as well as to its non-customers, the citizens who do not use the service (Kuye & Mafunisa, 2003). It is a different kind of accountability, more subtle and indirect (Transparency International, 2009). Therefore, in general accountability for performance and the obligation that public functionaries (elected and appointed officials) have to give a satisfactory explanation over the exercise of power, authority and resources entrusted in them on behalf of the public (tax payer) (Transparency International, 2009). Subsumed with this definition is a myriad of legal, moral and ethical obligations that come with the occupancy of any public office (Sarji, 1995). In petite, it is the obligation to carry out assigned activities in a responsible and responsive manner, and being held answerable for success or failure. As such accountability goes together with bureaucratic responsibility. Internal accountability means that at each level in the hierarchical organization, public officials are accountable to those who supervise and control their work (Johnson, 2004). On the other hand, external accountability means answerability for action carried out and performance achieved to other relevant and concerned authorities outside his/her department or organization (Johnson, 2004). Accountability either external or internal is therefore an ethical virtue, since ethics concern principles and rules that govern the moral value of people’s behaviour (Romzek, 2000). Improving ethics is crucial to enhancing accountability and vice-versa.

Accountability is one of the cornerstones of standards of good governance (Stapenhurst and O’Brien, 2007; Thornhill & de Jager, 2008). It provides government with the means of understanding how programs may fail and finding ways that can make programmes perform better. Therefore, it can be argued that accountability can be viewed as an answerability for performance (Romzek, 2000). Accountability is a fundamental value for any political system. Accountability is all about being answerable to those who have invested their trust, faith, and resources to you. Citizens have the right to know what actions have been taken in their name, and they should have the means to force corrective actions when government acts in an illegal, immoral, or unjust manner (Peters, 1999).
Kaufman (2005) argued that “an emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency in government”. It means doing things transparently in line with due process and the provision of feedback. Johnson (2004) says that public accountability is an essential component for the functioning for a country’s political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate. The objective of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvements in economics management to reduce the incidence of institutional recidivism.

Accountability ensures organizations and individuals are responsible for their actions and decisions, including the stewardship of public funds and all aspects of performance, and that they submit themselves to appropriate external scrutiny (Raga & Taylor, 2006). It determines whether the citizens are getting value for money, instilling confidence in government and establishing whether the public officials are being responsive to the citizenry (Stapenhurst and O’Brien, 2007; OECD, 2008; Bekker, 2009). Accountability is essential for the legitimacy of governance and that government should place emphasis on it in order to eliminate corruption and to promote transparency. Transparency in the provision of accounting information can help reduce the level of corruption by increasing the probability of detecting corrupt practices. Raga and Taylor (2006) asserted that “accountability is the fundamental prerequisite for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness, responsiveness and transparency”. Consistency, growing and effective accountability enhances democracy and improves service delivery. It is also essential in the organizational behaviour as it fosters compliance with the law and ensures that the behaviour of officials corresponds to the law and code of ethics of the organization. Accountability ensures that actions and decisions by public officials are subject to oversight in order to guarantee that government initiatives meet their stated objectives and respond to the needs of communities they are meant to be benefiting, and thereby contributing to better governance (Stapenhurst & O’Brien, 2007).

Although transparency and openness are necessary, they are not sufficient to produce accountability in the public sector. The primary goal of accountability is to enhance the value of a company through ethical behavior, espousing a policy of openness and fairness and ensuring informed decision making throughout the company (King, 2002; Peters, 2007). Accountability can only be achieved where information is readily available through effective disclosure (Fels, 2003). Premchand (1999) observed that “the capacity to achieve full accountability has been and continues to be inadequate, partly because of the design of accountability itself and partly because of the widening range of objectives and associated expectations attached to accountability”. He further argued that “if accountability is to be achieved in full, including its constructive aspects, then it must be designed with care”. The future of accountability consists in covering the macro aspects of economic and financial sustainability, as well as the micro aspects of service delivery. It should envisage a three-tier structure of accountability: that of official (both political and regular civil employees), that of intergovernmental relationships and that between government and their respective legislatures.
4.1. Approaches and Pillars of Accountability
Accountability has some approaches and pillars which are used to determine the way in which leaders or managers must account to the people whom they are serving. The following are the approaches and pillars of accountability.

4.1.1. Approaches
Process Based Accountability: This approach measures compliance with pre-set standard and formally defined outcomes. This includes fiscal and managerial accountability with reliance on the use of accounting methodologies.
Performance Based Accountability: This approach measures performance against broad objectives. This measure may be qualitative and the criteria against which performance is measured less precisely defined.

4.1.2. Pillars
Financial Accountability: The obligation of any one handling resources, public office or any other positions of trust, to report on the intended and actual use of the resources or of the designated office.
Administrative Accountability: This type of accountability involves a sound system of internal control, which complements and ensures proper checks and balances supplied by constitutional government and an engaged citizenry. These include ethical codes, criminal penalties and administrative reviews.
Political Accountability: This type of accountability fundamentally begins with free, fair and transparent elections. Through periodic elections and control structure, elected and appointed officials are held accountable for their actions while holding public office.
Social Accountability: This is a demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcome.

5. CONCLUSION
Maladministration and corruption are key factors derailing service delivery thus delaying fulfillment of our constitutional dream, which includes redressing apartheid imbalances, gender inequalities and other inequalities. The relation between good governance and corruption is particularly relevant in developing countries. Although, not a panacea for all evils, governance plays an important role in curbing corruption. Good governance can prevent corruption from occurring and limit its negative effects. The use of governance principles in an organisation makes it harder to commit acts of corruption on the day to day operations. Poor governance may result from factors such as incompetence, ignorance, lack of institutions, the pursuit of economically inefficient ideologies, or misguided economic models. It is often linked to corruption and rent seeking. Therefore, it is important to preach that accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land.

REFERENCES


THE INVOLVEMENT OF TEACHER UNIONS DURING THE IMPLEMENTATION OF THE INTEGRATED QUALITY MANAGEMENT SYSTEM

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ABSTRACT
The need to provide quality teacher performance for the benefit of learners has raised concerns that the Integrated Quality Management System may not be successfully implemented if unions do not fully participate in the policy implementation process. This research paper explores the role of teacher unions during the implementation of this quality management system, which is the performance management tool for South African schools. This system was aimed at setting up acceptable standards for curriculum delivery that would assist the country as an emerging economic resource to have the educated and skilled workforce as required by the BRICS member countries that South Africa belongs to. As teacher unions are failing to support this plan at school level, it is becoming a concern, given that unions have a dominant influence on their members. In this paper, we argue that if South Africa as an emerging economic resource is to meet the set National Development Plan 2030 goals, unions have to support the implementation of this performance management system. We used focus group interviews with unionists from two major unions to collect data. Findings show a deficiency in advocacy, which is the main determinant of policy implementation. Using the Social Constructivist Theory and Rawls Social Justice theories, we provide recommendations for the successful implementation of this quality measurement system.

Key Words: Collective Agreement Number 8, Integrated Quality Management System, Social Justice, Teacher Unions, Emerging Economic Resource

JEL Classification: 12-28

1. INTRODUCTION AND BACKGROUND
The Integrated Quality Management System (IQMS) is currently the only benchmarking instrument that is used to assess teacher performance in the South African public schooling system. The same instrument is also used to measure learner competence levels. According to the Collective Agreement No. 8 (2003), IQMS came because of Chapter 4 of the Employment of Educators’ Act 84 of 1998 (EEA). Schedule 1 of the EEA relates to incapacity and bringing about charges of misconduct for incapacity and performance management for teachers. According to this schedule, the employer has to determine the incapacity of the teacher, develop the teacher, come up with development programmes and consequently to capacitate the teacher. It is this ideal that made IQMS a yardstick to be used for measuring quality teaching and learning. Leithwood, Harris and Hopkins (2008) affirm that the central task of school
leadership is to help improve employee performance. Leithwood et al. (2008) add that such performance is a function of employees’ beliefs, values, motivations, skills and knowledge including the conditions in which they work.

The National Education Policy Act, 27 of 1996, provides the Minister of Education with powers to determine policy according to certain principles according to the South African Government Gazette (2013). The minister established certain bodies for consultation, publishing, policy implementation, education monitoring and evaluation as endowed by the same gazette (ibid). With the minister’s consent, the Education Labour Relations Council (ELRC), which consists of teacher unions’ statutory bodies gathered and established an instrument to measure quality education on 27 August 2003, the agreement that is now known as the Collective Agreement Number 8 of 2003. Its purpose was to align the different quality management programmes and implement an IQMS that would include performance measurement, development appraisal and whole school development. According to the SADTU official website (www.sadtu.org.za, accessed on 14 May 2017), this agreement was signed in 2003 by the National Professional Teachers Organisation of South Africa (NAPTOSA), the South African Teachers’ Union, the Suid-Afrikaanse Onderwysers Unie and the South African Democratic Teachers Union (SADTU).

Against this backdrop, the research problem becomes the lack of appropriate union involvement as essential stakeholders during the implementation of IQMS in the Gauteng Department of Education (GDE) where the study was conducted by Khanyi (2013). Union involvement has been singled out in this paper because the involvement of other key stakeholders has been researched and reported by Khanyi (2013). Teacher union participation is crucial since unions have a dominant influence on teachers who are policy implementers at school level as maintained by Poole (2013) in her study on teacher unionism in the United States of America (USA). The findings may influence the GDE to handle policy implementation more carefully in the future by referring to the problems identified by unions and recommendations made later in this article.

Schools seem to be still facing challenges with implementing IQMS more than ten years after its inception. At the heart of this paper rests the question: to what extent does the implementation of IQMS promote fairness when implementing policies in schools? With this in mind, the purpose of this article is to reflect on why unions are having difficulty in implementing policies, especially the IQMS. This article is organised into six sections. In the first section, we present a literature review on IQMS and its components. Section two focuses on the literature review while section three covers the theoretical framework on social justice. In section four, the methodology that was followed is discussed, followed by a report on findings. The findings are followed by recommendations aimed at providing the GDE with suggestions on how to handle the advocacy phase of IQMS and the conclusion.

2. LITERATURE REVIEW
IQMS is implemented through the assessment and development appraisal of teachers' performance measurement and whole school evaluation (Carlson, 2009). Regarding the EEA, the duties and responsibilities of teachers are indicated in the Law and Policy Handbook, Act 76 (1998). It states that if and when teachers are unable to perform their duties they will be deemed
to have committed an act of misconduct (ibid). IQMS gives a systematic outline of what is
epected from teachers to render them productive for the benefit of learners.

IQMS serves as a yardstick to assess or evaluate the quality of education rendered to learners,
assess the teachers’ performance and improve the quality of teaching. It evaluates this against
the environment in which the school is situated as detailed in the National Development Plan
(NDP) 2030 (2012). It also provides valuable feedback to the employer on the correlation
between learner achievement and teachers’ scores. The development of teachers in response
to the scores they receive from the outcome of the evaluation is addressed. The intention is to
enhance performance to the point where learners can achieve maximum standards of
education as set by the GDE through the Collective Agreement No. 8 of 2003. Kester (2016)
suggests that union members are expected to have access to information and to be provided
with support for the effective execution of duties from their unions. All these objectives must be
implemented by including development appraisal, performance measurement and whole school
evaluation, which are all IQMS components to be explained later in this research paper.

In any given organisation, performance evaluation, quality control and management of
processes are of utmost importance as alluded to by Bhatnagar, Soni, Gajjar and Shah (2016).
Employers want to know that personnel are performing to the best of their ability, as well as
knowing if the quality of the product meets their benchmark. Many organisations, like the
University of South Africa, use the performance evaluation and quality management instrument
referred to as the Institutional Performance Management System (IPMS). Pierre and Mboyo
(2017) state that in England and Wales, the monitoring role falls within the remit of the Office of
Standards in Education. The intention is to motivate employees to perform to their optimum
ability (Bhatnagar et al., 2016). The GDE is no exception as it is interested in teacher
performance. Unlike the private sector, production in education is not tangible and measurable
on a daily basis. The product being measured is in the form of learner performance and service
rendered by teachers in formal schooling. Measuring quality in a human being is not an easy
task as it could be highly subjective and contentious. One measures not only the intellect and
mind but also the skills and knowledge attained. This process cannot be completed in one day.
Thus a benchmark or yardstick was set in the form of IQMS. This benchmark is to ensure that
established quality standards are achieved, and goals of the GDE are accomplished in line with
the NDP 2030.

The IQMS was intended to serve two purposes, namely internal accountability and external
accountability. However, while staff members conduct the former within the school, the idea of
the latter being carried out by GDE appraisers became a matter of contention between unions
and the GDE because of the manner in which the latter performed the appraisals which were
conducted by education authorities as recounted by Khanyi (2013).

2.1 Background to the introduction of IQMS
The need for teacher union participation in IQMS is crucial as it is regarded as the cornerstone
of growth and development in schools due to the influence unions have on teachers because of
their role as protectors. The GDE had previously introduced systems for teacher appraisal and
evaluation to unions. These were meant to assess teachers and ensure the efficient running of
schools. In the past, inspectors assessed teachers on school performance. According to
Carlson (2009), during the apartheid era, inspectors hovered on the peripheries of schools and

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intruded from time to time without prior notice to evaluate and pass judgement on teachers. The system was thus regarded as hostile and unacceptable by many teachers hence it was rejected by unions. It was associated with the bureaucracy that governed according to laws at the time (Carlson, 2009). The inspectors were also viewed as powerful officials employed by the government to intimidate and harass teachers (De Clercq, 2007).

After the advent of democracy in 1994, the GDE encountered resistance from teachers on the use of inspectors. One of the wishes voiced by representatives of black teachers was to democratis education (Zengele, 2011). The democratisation of education had to be based on the Constitution of South Africa. Unions and other stakeholders in education suggested the need for a broadly conceptualised system. This process also included the amalgamation of all education departments into one big National Department of Education, today known as the Department of Basic Education (DBE). The DBE has nine Provincial Departments of Education in terms of the number of provinces in South Africa. It is important to remind the reader that this study was conducted in one of the busiest provinces, Gauteng where union activity is reported as rife and vibrant (Zengele, 2013). Chisholm (2004) proclaims that there should be one curriculum for all learners regardless of race, colour or creed. This kind of inclusivity was meant to ensure equality and equity across the education spectrum, hence the IQMS.

According to Liason and Antoniou (2015), the notion of social justice is extensively cited as a core aim of creating a democratic and humane school. The evaluation process was therefore meant to be sympathetic to the specific teaching situations and events emerging from teaching. IQMS was considered a suitable approach that could be taken into account when appraising teachers. A multi-dimensional approach that would look at different facets of the school was also suggested to design the IQMS framework. This approach included teacher evaluation, development for accountability and whole school evaluation. The suggested approaches indicate how IQMS was inspired.

Unions approved IQMS implementation in schools when they co-signed the agreement as stated above. Advocacy on IQMS implementation was expected to be conducted by unions in their constituencies and the GDE to all employees (Collective Agreement No. 8 of 2003). Advocacy was to include consultative meetings, workshops and intensive training of different levels of teachers in education (Khanyi, 2013). The interviews conducted with unionists were aimed at determining if such preconditions were met since they are crucial stakeholders in policy implementation. The following paragraphs outline the three levels of IQMS. To understand the challenges, it is necessary to break down the components of IQMS as follows:

- Development Appraisal System (DAS).
- Performance Management (PM).
- Whole School Evaluation (WSE).

2.1.1 The Development Appraisal System (DAS)
The DAS indicates a shift from GDE-driven appraisal to a worker-friendly system. It is transparent and identifies areas of weakness and strength within the individual teacher. Teachers also assist in the drawing up of DAS to address their needs (Mestry, Hendricks & Bisschoff, 2009). DAS makes the teacher aware of their weak points and is therefore
motivated to do better. The teacher being evaluated carries out DAS, and different structures ensure that it is well executed. Teachers are also encouraged to use their strong points to develop others, based on the fundamental principle of lifelong learning and development. Being a lifelong learner also implies that career development and growth must be prioritised to keep abreast of new developments in one’s career in terms of the Personnel Administrative Measure South Africa (1998c). DAS looks at the teacher’s growth plan and career path. These standards are set out in a way that is in line with the job description of teachers and according to their levels (Collective Agreement number 8 of 2003). Since unions are custodians of this agreement, it is necessary to investigate and understand their influence on the implementation of IQMS policy.

2.1.2 Performance Management (PM)
Performance Management (PM) is a tool that encourages communication with teachers to establish how teachers are performing their duties while developing a plan for improvement (Mestry et al., 2009). This plan is pursued by setting up a performance culture to improve teachers’ awareness and understanding of their work objectives. They also become aware of the performance standards expected of them. It also helps to provide opportunities and make plans to address their needs (Khanyi, 2013). Through communication, teachers can indicate their need for development, professionally or academically (Carlson, 2009). This approach is similar to approaches in other countries like the USA. For example, teacher unions and the education department in the USA use Peer Assistance Review (PAR) to influence how teachers view their work and conditions under which they work (Khanyi, 2013). PAR emphasises early intervention, peer assessment or review and recognition of exemplary teachers by other teachers in the profession (Panneer-Selvam, 2009). Khanyi (2013) suggests that PM should also be fostered through mentoring, as is the case in some programmes launched in other countries such as Schools Speak for Themselves in England, PAR, No Child Left Behind in the USA and Quality at a Glance in Australia. The PM tool consists of seven performance standards for post-level one teachers, 10 for post-level two, and 12 for post-levels three and four.

2.1.3 Whole School Evaluation (WSE)
WSE is aimed at bringing effective monitoring and evaluating of the overall effectiveness of the school as well as quality learning and teaching (Carlson, 2009). It includes internal and external WSE; the Office undertakes internal evaluation being conducted by the school while external is for the Office of Standards in Education, presently known as quality assurance (Khanyi, 2013). England also engages the expertise of the Office of Standards in conducting the external evaluation. Two critical components of WSE are self-evaluation of the individual teacher and evaluation of the school (Carlson, 2009). WSE is crucial because it is a move away from the use of inspectors which was intimidating, to the utilisation of a colleague in evaluating individual performance and that of the school. The use of colleagues has also been noted in the USA in the Peer Review Approach programme, which also encourages colleagues to evaluate each other’s performance (Khanyi, 2013). Whether much advocacy and training was conducted and how far it has helped, will be deliberated later in this article.
2.2 The place of South Africa as an Emerging Economic Resource within the BRICS community

An Emerging Economic Resource is defined as an economy with low to middle per capita income. The term was coined in 1981 by Antoine W. Van Agtmael of the International Finance Corporation of the World Bank. South Africa (SA) is an emerging economic resource within BRICS, which means that of the five countries, it is the smallest. BRICS is an acronym for Brazil, Russia, India and China and South Africa, which was formed in 2012. The SA inclusion has made other major countries question its full membership despite its small size and as a developing economy. The country has several strengths though, as highlighted in the NDP 2030 document (2012), which are:

- Considerable natural and mineral resources
- Highly developed banking, financial, communications and transportation networks
- Established and relatively successful business, industrial, mining and research institutions.

As much as SA is the only African country in BRICS, it is also the only African country, that has hosted the soccer World Cup, because of some of the attributes already, referred to. This ability marks the country’s potential to achieve high educational standards if the policy implementation process is carefully managed by the GDE and other provincial education departments. The purpose is to meet the NDP 2030 goals of a fully developed education system that can transform its citizens by 2030.

3. The Theoretical framework of the study

The Social Constructivist and Social Justice theories were used for this article. The choice of these theories was inspired by the need to explore the phenomena of interest, which touches on quality education (Von Glaserfeld, 1989). The purpose of these theories was to develop guidelines about phenomena of interest that were collected and analysed (Von Glaserfeld, 1989). The theories would give the researchers the opportunity to embark on a voyage of discovery with participants as manifest by Denscombe (2007). The voyage assisted the researchers to eventually learn more about the role that unions play in the implementation of IQMS.

Social Constructivism is described as a theory that deals with the way people perceive the meaning of the world through a series of individual constructs (Von Glaserfeld 1989). Constructs are the different types of filters we choose to place over our realities to change our reality from chaos to order (Von Glaserfeld, 1989). This research was based on the influence that unions have a particular variable, which is IQMS. It was appropriate to use social constructivism to support the researchers’ assumptions based on this study. This theory ensured that the researchers’ questions probed within the social constructivist framework and was able to build the research based on that. The theory was used to ensure that recommendations based on the phenomenon of interest, which is IQMS, were developed. The theory was developed using the way people give meaning to the world through a series of constructs as required by the Social Constructivist Theory (Von Glaserfeld, 1989).
The Rawlsian Social Justice Theory
Following the line of Rawls’s (1971) reasoning that policies have to be implemented with the principles of justice in mind, it could be argued that the implementation of the IQMS is facing an uphill battle in South African schools. Khanyi (2013), in a study conducted on teacher unions, argues that the implementation of IQMS lacks the attributes of justice and fairness to the unionists and teachers as policy implementers. Key unions have experienced the same predicament in other countries around the world such as the United States of America (USA) and Europe. For us, embracing Rawls’s (1971) Social Justice Theory (SJT) in the implementation of IQMS plays a critical role in the maintenance of justice and fairness in the aftermath of apartheid in South Africa.

The dominant practice of managing and assessing teacher performance goes against the grain of the Rawlsian framework, as will be explained later in this research article. For every educational institution to manage quality performance and delivery, it is crucial to assess and evaluate employees according to the benchmarks set by each country’s department of education. In the following section, methodology used for this study is discussed.

4. RESEARCH METHODOLOGY
To gain a clear perspective of different individuals within unions, the qualitative research approach was selected. Qualitative research investigates organisational functioning and behaviour (Strauss, 1990). The purposive sample was drawn from 138 primary schools where 13 schools were identified as information-rich with a unionist from each school who was involved in the IQMS formulation and implementation phase. The schools were situated in the Johannesburg Central District of the GDE. Six of the unionists were from NAPTOSA and formed one focus group while seven were from SADTU and formed the second focus group. SADTU is the largest teacher union in South Africa. Other unions were invited but did not attend the interviews, which left the researchers with two focus groups. The experiences and reactions of school-based unionists towards IQMS implementation were recorded and presented verbatim after careful transcription of data. The knowledge and experiences of union representatives on how implementation was carried out on IQMS were also discussed. This was done to gain first-hand information on how processes and procedures leading to the implementation of IQMS were conducted. It was important to interview unionists separately because they have been ignored in the past but they are the most influential bodies of teachers as policy implementers (Bascia & Osmond, 2013).

A critical literature review of primary and secondary sources was also undertaken, as has been done earlier in this article. It included books, articles and publications on the international perspective of unions’ influence on the formulation and implementation of IQMS, utilising Rawls’s SJT. Similar semi-structured questions were used during focus group interview sessions to enable the comparison of data during the constant comparative analysis process that was conducted. Field notes were also taken during this process. The researchers also included their personal experiences as a further source of first-hand data analysis and interpretation. Ethical considerations were observed by seeking permission from the GDE and Unisa to conduct the interviews. All the participants received letters requesting the interviews and were assured that their identity would be protected and collected data would be kept in a safe place and destroyed after five years.
4.1 The main research question
How could the involvement by unions during the implementation of IQMS be enhanced for maximum participation in policy implementation aimed at benefiting learners?

The following sub-questions were based on the problem statement and the main research question and were used for interviewing participants:

- How should unions participate in the advocacy and information sharing of the IQMS policy?
- How effective is the training given to unionists aiding with the implementation of IQMS?
- What are recommendations for the effective implementation of IQMS for a quality education so that unions could be fully involved in supporting teachers?

These sub-questions addressed the role of unions in IQMS implementation, based on the Collective Agreement Number 8 of 2003 and the same questions were used during both focus group interviews for confirmability, trustworthiness and transferability. The background information that has already been addressed in this article explains the role that unions are expected to play during policy implementation which leads to the objective of the study. The objective was to examine why there are challenges in the implementation of policies, especially the IQMS of the Collective Agreement number 8 of 2003. The interviews were conducted after school hours to avoid disturbing classes. All the responses were recorded with a digital recording device. The actual summary of responses is reported verbatim for clarity in the following section, and they are typed in italics.

5. Research findings
When asked the first question, the unionists in the first group mentioned that there were challenges at the time, which had to do with workshop presentations. For instance, the standard of the workshops was inferior, and there were no independent evaluators. It was therefore not easy to evaluate whether the facilitators were doing the right thing. Another unionist added: *I remember that advocacy was also very short, it was after school, the hall was packed, but the facilitator was not able to answer many questions. Questions were asked about DAS, that it was not long since it had started, and other teachers still did not know it.*

Apparently, the facilitators of IQMS never answered such questions by unionists. The main concerns of unionists were elaborate on the manner in which IQMS was to be conducted and yet DAS, which was on a minimal scale of delivery, had failed because the unionists were ignored during the advocacy phase. Most teachers had undergone once-off training for IQMS implementation. Unionists, who had gone for training before, in group two, affirmed this insight. These were views from a NAPTOSA unionist:

*I think proper training of individuals together with unions is necessary. Usually, when workshops are called, it is only for School Development Teams. When people nominate their SDTs, they nominate people that have never attended a workshop and unions are excluded from nomination although they know who is qualified to attend. It becomes a problem because they do not know how to score or how to do their recordings. At times, they do not even know what they are doing.*
Another unionist added,

> All this happens because unionists who spend more time with teachers do not play an active role in advocacy while GDE officials shabbily do advocacy itself because of lack of knowledge.

A SADTU unionist in the first focus group had this to say about their role in training:

> Policies are formulated by the government and sold to unions through speculation. The presentation should be equitable between unions for maximum participation as per the constitution of ELRC.

The unionists also explained that labour organisations were treated as one, not separately. The fact that training is always limited to a few was a cause for concern for the unionists. In addition, both SADTU and NAPTOSA unionists stated that training was conducted after school when teacher unionists were tired, and their concentration levels were low. This, also according to one unionist,

> contributed towards poor implementation and resistance towards IQMS by teacher unionists because they were not accorded their rightful role as teacher representatives.

Another unionist stated that training which had been previously conducted was different to training that was provided for new teachers. They explained as follows;

> unions are there to safeguard the interest of teachers, not to violate their rights.

Unionists in the first group complained that the GDE was a significant player in negotiations and implementation instead of giving a fair share of such a responsibility to the unions. One of them said:

> the government cannot do this alone, but they have to let unions play a leading role because, without the unions signing the agreement, there can be no policy.

They also reported that there was no retraining for older teachers. Mestry et al. (2009) also concur by stating that teachers underwent once-off training that was not sufficient.

When asked the second question, the unionist responded as follows,

> There was a workshop for teachers, and that is what our members attended, it was at the district office. Unions were told to tell teachers about IQMS implementation, but they did not involve unions in policy formulation. Unions had a right to be part of the process because they signed the agreement. The training could under such circumstances be classified as useless and a waste of teachers' time.

The unionists in the second group explained that as much as advocacy was done, it nevertheless did not address the relationship between DAS, PM and WSE. One unionist said,

> the relationship between these three components could have strengthened the implementation process, but it was not adequately done because the facilitators could not answer specific questions.
Another unionist noted I remember that advocacy was also very short, it was after school, the hall was packed, but the facilitator could not answer many questions. Another unionist commented, the district does train unionists, but they do a blanket kind of training, a one size fits all type which is not effective at all.

When asked the last question, the unionist in the first group had this to say;

I think that sometimes our workload and paperwork is too much. We see this as a waste of time especially because we do IQMS only with our colleagues when officials are not there; teachers do not take this seriously. They should be with us when implementing but give us a more significant role to play. The manner of implementing workshops is not effective at all.

Another unionist added, IQMS was introduced during examination time when there was much paperwork; they must implement such programmes when it is less busy so that we may be able to concentrate and focus.

Another unionist from the second group remarked, the thickness of this IQMS document makes us lazy, they should avoid such thick documents in future and invest more in getting facilitators who know how to explain policies.

One unionist in the second group suggested that there should always be coordination between learner performance and teachers’ scores because some teachers had high scores but learner performance remained low. Unionists in the first group also complained that the one percent incentive was too small to motivate teachers; they suggested that the incentive is increased so that teachers could see sense in the implementation of IQMS. One commented, my problem is that the money is too little, why don’t you increase it to three percent at least?

They also complained that the observation of a teacher for a few hours did not make any sense. A teacher was supposed to be assessed over a period for meaningful evaluation that would benefit the learners. Another unionist remarked; I think the process is not effective because it takes about 30 minutes and this is insufficient.

The following section provides a discussion of findings based on the literature that was presented earlier.

6. DISCUSSION
Bhatnagar et al. (2016) argue that in any given organisation, performance evaluation, quality control and management of processes are of utmost importance. However, this does not seem to be the case regarding the findings during interviews because the GDE seems to have used financial incentives to motivate teachers. Such incentives were not appropriately used, which became one of the major reasons and the death knell for IQMS because the rewards did not match the allocation of points for performance.
Carlson (2009) states that through communication, teachers can indicate their need for development professionally or academically, but findings show that there was a lack or absence of clear communication because the GDE facilitators were knowledgeless about IQMS themselves. Also, little time has been allocated to train unionists to, in turn, be able to train teachers. The research findings by Mestry et al. (2009) support the same point raised by unionists that the provincial education departments did not provide sufficient training for teachers in the field of IQMS and most teachers had undergone once-off training. Findings again confirmed this point during the interviews with unionists. The point that the planning was viewed as inappropriate by unionists could be one of the most critical reasons unions have been dragging their feet. As already mentioned in the previous section, it was clear as reported by some teacher unionists that the GDE facilitators were not confident about what they were doing in class during interviews. However, they later admitted that they lacked proper and intensive training hence their lack of confidence during the advocacy phase.

Rawls (1971) purports that educational institutions, no matter how efficient and well organised, must be reformed or abolished if they are unjust. Regarding findings, the GDE did not implement IQMS by following the steps as highlighted by Rawls (1971). From a Rawlsian viewpoint, the legality of IQMS is primarily a question of fairness: how rights and benefits are distributed among teachers. It becomes pertinent during findings that the incentives used by the GDE did not assist in improving the performance of teachers because incompetent officials mismanaged the reward system. Hence, inadequate legal protection for those who were of the opinion they were not adequately rewarded came into question. The limited economic and political opportunities made teachers and unionists feel that the one percent incentive was insufficient to make the implementation of IQMS work. The view is further reiterated by Chisholm (1997) in Mestry et al. (2009) that the provincial departments did not provide sufficient training and support for teachers in the field of IQMS.

6.1 Advocacy as the first step of implementation of IQMS
Advocacy is an integral part of fulfilling the implementation of policy. This is the role that the GDE must have undertaken seriously to ensure proper implementation of the IQMS, but the findings show there were deficiencies regarding the implementation of this phase. According to Mestry et al. (2009), if the GDE and union officials had embarked on an intensive IQMS advocacy programme, teachers would have very likely been positive about implementing IQMS. Watson (2010) believes that there is a thin line between policy implementation and policy advocacy. Advocacy is defined by Carlson (2009) as a pleading or encouragement process, and implementation is the carrying out and fulfilling.

Zengele (2013) backs Bascia (2000), Poole, (2015) and Peterson (2002) who contend that teacher unions have become indispensable partners with education departments in ensuring proper implementation of educational policies in schools. According to the findings, unions, as representatives of teachers, were of the opinion that after DAS failed, its inclusion in IQMS had been the best option in appraising and developing teachers. This, according to the findings, was not the case because the GDE did not even explain why DAS had to be implemented as part of IQMS because of the poor state of readiness to facilitate policy by GDE officials when training unionists.
The GDE had a duty to ensure proper implementation by starting with the well-executed advocacy phase, which, according to findings, was not explored. Overall, IQMS was believed to be the right tool to measure the performance of teachers thereby enabling the GDE to assess the quality of teaching and learning in schools. IQMS as an instrument of appraising teachers was therefore essential. Kester (2016) suggests that union members are expected to have access to information and to be provided with support for the effective execution of duties from their unions, but this was not the case, according to what unionists told the researchers. Open communication had to ensure that members had legitimate and authentic information regarding policies including IQMS. This process is further emphasised in the Information Act, No. 2 of 2000. The Labour Relations Act No. 66 of 1995 further suggests that unions are obligated and accountable to members they represent and on whose behalf they exercise their powers. Poole (2015) contends that the professional development of union members by unions was a service that should have been fulfilled. When IQMS was initiated, it was the duty of unions as well as the GDE to cascade the information down to teachers. For unions, it was a legal obligation because they were accountable to their constituencies. It was, therefore, crucial for unions to stay accountable to the members whose voice they represented (www.sadtu.org.za accessed on 21 August 2017).

Advocacy has also been filled with lots of doubt and dissatisfaction as pointed out by unionists during interviews that were conducted during this study; hence, the GDE is still experiencing challenges with the implementation of IQMS in most schools. Advocacy, according to Senge (2014), should be combined with the inquiry. It is questionable whether teachers were given the opportunity to question the decisions and steps taken. The authors also argue over whether it would have been easier to identify the shortcomings of the programme and get assistance from the implementers. Training would have followed after different views had already been heard and gaps closed. Unionists expected intense advocacy by the GDE. However, this did not happen due to financial constraints that were prevailing at the time. Unions also failed to fulfill the expectations of teachers regarding advocacy. Unionists were of the opinion that the half day information sharing and advocacy were not sufficient to prepare them for training and implementation of IQMS since most of their questions were never answered.

7. Recommendations

It is important to remind the reader that the purpose of this research was to find out how the influence of unions could be enhanced for IQMS implementation and quality education. A literature study, as well as the empirical investigation, identified the importance of advocacy, information sharing and training as core aspects to ensure possible success in both the formulation and implementation of IQMS. The GDE has no measures in place to establish if they are doing the right thing. Therefore, an instrument or competency test to measure and assess if facilitators are ready and able to train others remains necessary and imperative.

The proper management of IQMS is therefore possible through sufficient training. This can be in the form of reskilling and up-skilling that could be adopted instead of the current one to three days of training. It is recommended that the following should characterise the advocacy process:

- To provide dignity during advocacy sufficient consultation by GDE officials is necessary to determine who should be present when the evaluation process is explained to unionists who have to assist with training teachers.
• These facilitators ought to be well trained to be able to answer all the questions asked by teachers. The presence of GDE facilitators together with unions may show teachers that unions work together with the GDE and are committed to the IQMS process.

• It is also recommended that the implementation of IQMS may not only last for a few minutes but also take place over time, not be hurried and be preceded by sufficient buy-in time for advocacy.

• It is vital that the voices of unionists be heard during the advocacy phase as they are at the forefront of ensuring that teachers’ rights are not violated. To safeguard this is for the GDE to ensure that unions are involved in policy formulation, not only during implementation.

• The GDE ought to realise that those who are tasked with the responsibility of training teachers, like unionists, are thoroughly trained so that all so that they are knowledgeable in all aspects of IQMS implementation while preserving an element of Rawls’s (1971) justice and fairness.

With intense training and the continuous presence of outsiders, teachers could overcome their anxiety and begin to relax. External monitors could be accepted if teachers gain confidence in what they are doing through the acquisition of knowledge. Knowledge could mainly be acquired through workshops, in-service training and a great deal of information sharing. Horne and Pierce (1996) emphasise that both the appraiser and the appraisee need to receive training in negotiation, questioning, listening, feedback, recording and observation. In the view of the researchers, this type of training may assist in rebuilding the confidence of teachers and ensure proper implementation of advocacy. They can also get to this phase if there is continuous and constant monitoring of the process and the impact could be seen in implementation.

6.2 The implementation of Rawl’s Principles of Distributive Justice
The theory justifies specific distribution requirements for the educational institutions as a whole. The implementation could work based on the assumption that these are complied with by education stakeholders.

• The Principle of Liberty: This principle builds on the premise that everyone has the same inalienable right to a satisfying set of equal fundamental rights, which is consistent with everyone else’s corresponding set of rights as enshrined in the Constitution. They include civil and political rights, such as voting rights, freedom of speech and religion and the right to equal protection under the law. The research findings reveal that the principle of liberty was not followed before implementing IQMS.

• The Principle of Social and Economic Inequalities: The second principle consists of two conditions for the social and economic differences that can occur over time within communities. Rawls often refers to these two conditions as two different principles.

• The Principle of Equal Opportunities: The social and economic disparities that exist within schools in the DBE must be linked to social positions, jobs and careers, which are equally accessible to all with the same ability and willingness to use their abilities. Regarding financial incentives, these could be linked to the various positions that teachers occupy and should be tied to the performance of learners to determine the amount to be used as an incentive.

• The Difference Principle: Social and economic inequalities are justifiable only if and insofar as they benefit the least advantaged members of society. The smallest piece of
the social pie must be as large as possible. This recommendation implies that the GDE should ensure that teachers who are at low levels of employment should be rewarded according to the performance of learners. To do this, the allocation of incentives should encourage the best teachers to remain in class instead of vying for management positions to obtain higher salaries.

Liasidou and Antoniou (2015) support Rawls (1971) theory on the basis that, if teachers or policymakers reject social justice as one of the foundations of an excellent educational system, there is a high risk of perpetuating inequality, disparity, and poor achievement on the part of those who are the least academically successful in our current systems and structures.

8. CONCLUSION
The introduction of IQMS was perceived as an answer to the enhancement of quality education in South Africa after it was riddled by changes in the curriculum, different education systems, and change of governance, strikes and even acts of violence. All acts that have been mentioned in this paper have culminated in the breakdown of teaching and learning, especially in Black schools due to poor implementation, which was characterised by a lack of advocacy. Since Agreement No.8 was meant to address and correct all the ills of the past, there is a need to serve the new generation with a better education that could prepare them for better opportunities in the world by bringing stability in South African schools. With training and more training, the implementation of IQMS to ensure quality education can be achieved so that South Africa is in a position to meet the NDP 2030 goals of educational development.

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ABSTRACT
This paper aims to illustrate that language exercises power over our lives, and that subtly sexist and benign-sounding words about women and girls have as much a deleterious or disadvantaged effect as blatantly sexist words. Nuanced sexism and euphemistic terms for women send exclusionary messages and reinforce gender inequalities. The Sapir-Whorf hypothesis claims that language tied to a patriarchal structure tolerates and encourages certain thoughts and discourages others, and helps shape perception, cognition and behavioural patterns. Sexist language by its existence reinforces and socialises sexist thinking and practices and turns women into objects to be denigrated and abused. Allowing sexist language to go unchallenged is one of the ways in which we allow inequality to continue.

Using the research paradigm of constructivism and the methodology of feminist standpoint research, this qualitative study will argue that our perception of and location in reality is created by individuals in groups. In addition, it will examine the connection between language, thought and behaviour, and define what constitutes sexist language by making specific reference to sexist words and expressions – both malevolent and benign.

It can be concluded that sexist language contributes to a culture that undervalues women. Since we can use language to maintain the status quo or to think in new ways, the paper will suggest some recommendations on how to eradicate linguistic imbalances from our speech as a step toward reducing real-world imbalances and inequities such as gender bias and discrimination against women. It is argued that the use of non-sexist language can play a part in achieving social equality.

Key Words: Language and culture, Sexist language: definition and types, Subtly sexist language, Consequences of using / hearing sexist language

JEL Classification: Z13

1. INTRODUCTION
People tend to think that language has symbolic importance rather than actual importance (Martyna,1980:492), and that it does not exercise power over our lives. However, the acquisition of language is what makes us human and part of society. According to sociolinguists, notably Edward Sapir (1951) and Benjamin Lee Whorf (1956), language patterns and cultural norms develop together and constantly and reciprocally influence each other. David Shariatmadari (2016) states that language, “... as the medium through which we conduct almost all relationships ...”, bears the precise imprint of our cultural attitudes.” But language does not only highlight imbalances and inequalities residing in society or provide a descriptive record of culture, and of how the cultural attitudes, behaviours and cognitions of a language’s speakers have evolved or how they have remained the same. Words – our primary system of
communication – are implicated in our perception of and location in reality. What is more, as discourse analysts maintain, our choice of words actively constructs reality by allowing or encouraging certain ideas and frowning upon others. The way we talk reflects the way we think; that is, our linguistic behaviour betrays our hidden feelings about matters (Lakoff, 1973:46), and the way we think often determines the way we act.

Cheris Kramarae (1981:66) contends that the language code of a society represents and authorises its hierarchies and ideological superstructure. Over the centuries women’s debates and discussions were judged inferior and largely ignored. A communication system which was created by men supported the male conception of the world and made male speech the norm. This system – grounded in a belief in male supremacy and dominance – became the language of society (1981:41). The English language and its lexicon do not serve women in the same way it serves men (1981:49). While it portrays the world from a masculine point of view and extols the male experience, it side-lines and trivialises the experience of women and their contribution to society (1981:42), to all intents and purposes telling women their place in the world.

Using the research paradigm of constructivism and the methodology of feminist standpoint research, this qualitative study argues that language implying male superiority is not only offensive but plays a role in enacting and transmitting unequal power relations. Language is a strong social force and, if tied to a patriarchal social structure, it perpetuates and reinforces status differences between the sexes. The use of ostensibly-innocuous language can also have sexist effects, bolstering stereotypes about the opposite sex and result in sex-biased beliefs and behaviour (Briere & Lanktree, 1983:631). On this account it is argued that a different and gender-neutral language has the potential to create a different experience by changing the way people think about cultural norms and gender roles. As language study provides a valuable ingress to an analysis of power and who commands it and who obeys it, we need to investigate what is understood by sexist language.

2. DEFINITION OF SEXIST LANGUAGE

Even though society has apparently made progress since the days when racial segregation was legal and women could not vote, nobody will deny that discrimination still exists. Racist and sexist language may arise from the Enlightenment assumption that everyone is male, white and western (Wilkinson & Kitzinger, 1995:177). Sexist language may be defined as language that unnecessarily differentiates between men and women, language that excludes, diminishes or trivialises one sex or language that suggests that one sex is better than the other (Parks & Robertson, 1998:455). According to Pat Chew and Lauren Kelley-Chew (2008:647), linguistic sexism manifests itself in 1) the use of nonparallel structure and separatist terms, 2) terms that influence women’s self-esteem or identity, 3) the use of male-gendered words to represent both sexes, and 4) word choices that assume certain occupations or roles are held exclusively by men and others by women.

2.1 The use of nonparallel structure and separatist terms

There are several examples of nonparallel structure and separatist terms when referring to men and women. A phrase such as men and ladies and men and girls rather than men and women is an example of nonparallel structure. Another example of nonparallel structure is the traditional conclusion of the marriage ceremony: I now pronounce you man and wife. The man’s position in the world and in relation to other people does not change because he is married; i.e. Mr John
Doe stays Mr John Doe. The bride goes into the ceremony a *woman*, not defined by any other person, and she leaves it a *wife*. She is now labelled in relationship to the man, her husband, to whom she belongs (Lakoff, 1973:67). Miss Jane Smith becomes Mrs John Doe. This proves, as Robin Lakoff (1973:63) points out, that a woman in most cultures achieves status only through a man’s position, whether it be her father’s, her husband’s or her lover’s. A man, on the other hand, generally acquires status through what he does.

Other examples of nonparallel structure include the words *housewife*, *widow*, *mistress* and *divorcee*. After marriage, most women become housewives – whether they have a career or not – or at least performs housewifely duties (which is viewed by some as a natural activity for women). A man who stays at home does not become known as a “*househusband*”, though. He gets to keep his independence and is not labelled in terms of his connection to his spouse or house – as a woman is. When a man is unfaithful to his wife, he acquires a mistress. However, there is no male counterpart for *mistress*. Robin Lakoff (1973:63) remarks that whereas *mistress* was originally the opposite of *master* and had a natural or positive meaning, it acquired a derogatory connotation over the years – as happens with many English words used for women, such as *broad*, *floozy* and *nymph*. When a couple divorces, the woman is a *divorcée*. The man may be called a *bachelor* - for lack of a better word. The word *bachelor* implies that the man has a future: he can marry. In contrast, his ex-wife, the divorcee, has a past, and carries the stench of used goods with her. Even when a man dies, the spouse is still defined in relation to him: *Elizabeth is David’s widow* (1973:68). The possessive preceding *widow* indicates what the woman is: a possession. A man whose wife is dead, however, is not described in relation to his wife: David is not introduced to strangers as Elizabeth’s widower, but just as David.

### 2.2 Terms that influence women’s self-esteem or identity

Subtly sexist language includes inappropriate forms of address that influence women’s self-esteem or identity, identity being “an invention, a construction, a melding and meeting point of discourse”, formed in connection with cultural narratives, as Margaret Wetherell (1995:135) observes. Whereas one seldom hears a man past his teenage years being labelled a *boy*, women of all ages are often referred to as *girls* or *gals*. You can have a girl Friday but not a boy Friday. A woman can have a girlfriend, but if a man has a boyfriend he is gay. In the movie *Girl with a Dragon Tattoo*, the intrepid main character fights her way out of difficult situations, but she is still only a *girl*. On the other hand, you will not have a male superhero named *Iron Boy*, *Superboy* or *Batboy*. Although some women think that being referred to as *girls* makes them sound young and vibrant, it actually makes them less mature and less competent; rather than empowering women the word infantilises them. Phrases such as *career girls* have become outdated as well as distasteful now that many women have joined the workforce. One wonders if a woman who thinks that being referred to as a *girl* makes her seem young and vibrant would have objections to being identified as a *working girl*?

Other terms that have different connotations for men and women and influence women’s self-esteem are animal names. When a woman is referred to by an animal name, the name nearly always has a sexual or at least a negative association. Compare *dog* and *bitch*, *fox* and *vixen* (Lakoff, 1973:65). In Afrikaans, parents would often speak of their son as their *butjie*. However, no parent would ever affectionately call her or his daughter *my koetjie*. That is also why you will not get a female rugby team called *The Blue Cows*. Other words that are used to
describe women and relegate them to animal status include chick, pussycat and bunny. There are no male counterparts for these words.

2.3 The use of male-gendered words to represent both sexes
In the third instance linguistic sexism comprises the use of male-gendered words such as he or man to represent both women and men. When pronouns are used carelessly, such as when the masculine pronoun he is used to include both sexes, sexist bias takes place. Social scientists, including Mykol Hamilton (1988) and Wendy Martyna (1980), have proved that when we use, hear or read male-gendered generics (e.g., mankind) and pronouns (he and him), both the sender and the receiver of the message automatically picture a male image and stereotypically male characteristics (Chew & Kelley-Chew, 2008: 648-649, 676). Hence, these words are not neutral, implying women as much as they do men. In point of fact, the use of androcentric generics and pronouns to refer to people in general together with occupational titles and agent nouns that feature the word man in them (e.g., chairman) diminishes or even excludes women from our cognitive associations, and propagates the male-as-norm viewpoint and a system in which men take precedence over women. Even when a speaker does not specify gender and uses seemingly neutral pronouns, both women and men ascribe male rather than female gender. Empirical studies have shown that more than three quarters of people imagine a gender-unspecified target individual to be male (Davis Merritt & Kok, 1995:146). In other words, people tend to think that a person, if there is no information to the contrary, is male (people are male); and there is an inclination to think and look upon a man as a person more often than we would consider a woman a person. In brief, men are viewed as the norm for the people concept. However, if the word man were to include both men and women as some people maintain it does, we should not find the following sentences unsettling, as Wendy Martyna (1980:489) asserts: Man, being a mammal, breast-feeds his babies, and Menstrual pain accounts for a loss of manpower. Even though the user of androcentric generics may not have sexist intentions, employing these generics is still a form of subtle sexism. Good intentions do not guarantee that a generic meaning will be conveyed.

2.4 Word choices that assume certain occupations or roles are held by men
Finally, linguistic sexism pertains to word choices that assume certain occupations or roles are held by men (e.g., engineer, mechanic, doctor) while others are held by women (secretary, nurse, preschool teacher). The masculine pronoun is then applied when describing a doctor, as in: The doctor gives his patient an injection. A feminine pronoun is reserved for so-called female occupations: The nurse takes care of her patient.

The gender-role stereotype category also includes female adjuncts and agent nouns with suffixes as well as euphemisms. Adjuncts, such as woman driver and woman preacher, and agent nouns with feminine sex tag suffixes – actress, policewoman, waitress and air hostess or stewardess – come about as result of the male orientation of the language, and perpetuate the notion of men as the rule and women as the exception to the rule, “a subordinate negativity to maleness”, as Kramarae (1981:68) posits. Feminist reforms have introduced equal agent nouns, and police officer, waitron or server, and cabin crew or flight attendants have replaced policewoman, waitress and air hostess.
3. SUBTLY SEXIST LANGUAGE

Sometimes, sexist language is flagrant and universally censured (e.g., *bitch*). Other times, it is more subtle and even taken as socially acceptable. The denigration of half of the population has embedded itself in the English language in ways we may not even be aware of. Exclusive or gender-based language and benign-sounding words about women and girls may go unnoticed, but have as much a deleterious effect as when something totally inappropriate is said. *Man*-words – said by millions of people numerous times every day – cumulatively contribute to a culture that underrates women (Kehoe Rowden, 2016). Nouns such as *mankind* and the *reasonable man* and verb forms derived from the root *man* (e.g., *manned* by guards) reinforce the message that man is the standard. When an occupation’s title is male-gendered, as in *businessman*, *chairman* and *gunman*, those who use these compounds and those who hear them visualise and subconsciously come to prefer men in these roles, which has a detrimental effect on women’s career opportunities. Then there is the insidious, yet very popular phrase *you guys*. Many people would contend that the words *guy* is a generic, denoting both men and women. If this were so, it would be perfectly acceptable to call Anna a nice guy. And, if we were to make an analogy with race, as Douglas Hofstadter suggests in his essay Person purity in language, and substitute *white* for *man*, then *mankind* would be *whitekind*, *manslaughter* would be *whiteslaughter* and *you guys* would become *you whites* (Kleinman, 2002:300). More people than just the average white in the street would certainly – and rightfully so – take exception. Moreover, there is not a single feminine generic that performs the same function. If these *man*-words are as hilariously insignificant as some claim, then there should be no objection if the situation were reversed, and both men and women were referred to as *womankind* and *you gals*. Yet women are expected to feel included and many women, in fact, do feel included in *you guys*. This is because these women want to belong to the supposedly superior group – man. After all, if women were not seen as lesser beings, then men would not get upset at being called a *woman* or a *sissy* and told that they run like a girl or throw like a girl. Being called *you guys* linguistically makes women a subset of men. Nevertheless, if women were really included, they would not have to disappear into the word *guys*. As Sherryl Kleinman (2002:302) puts it: if we, as women, are not deserving of true generics such as *humankind*, *businessperson*, *chairperson* and *you all*, then how can we expect to be paid a *man’s wage*? If we are unable to insist on our own place in language, how can we expect to be treated like equal human beings?

Secondly, there is the word *lady*, which is far more often used than its equivalent *gentleman*. For instance, we have all heard of a *ladies’ man*, but not of a *gentlemen’s woman*, unless, perhaps, this unfortunate woman happens to be a person of loose morals. To some people, the word *lady* implies a refined and well-mannered woman with social class and high standards of behaviour for whom a man opens doors. Other women prefer to be known as *women*, the equal of men. These women regard ladies as dainty and delicate creatures, and they do not wish to think of themselves as helpless. These women are quite capable of opening doors for themselves: figurative doors to promotion. The argument is also made that the word *lady* sounds more polite than *woman* (Lakoff, 1973:61). But why do we need a more polite term for *woman*? Lakoff (61) explains that we resort to euphemistic, polite words when a concept lacks dignity. To exalt a person’s position, an undertaker is called a *funeral director*, a janitor a *sanitary engineer*, and a housewife a *home executive*. Men visit a gentleman’s club when their intentions are anything but gentlemanly. People enjoy their golden years when they suffer from arthritis and high blood pleasure. We speak of a *cleaning lady* and a *saleslady*, but not a *lady doctor* or a *lady engineer*. The professions of a doctor and engineer have status enough but the
occupations of a cleaning lady and a saleslady need ennobling. Because male professions do not need ennobling, a garbage man is not called a *garbage gentleman*. We can therefore deduce that the very idea of womanhood, as opposed to manhood, lacks inherent dignity and esteem and has to be made to sound respectable.

Lakoff (1973:58) also emphasises that euphemisms are used when epithets with a contrary meaning exist. Whereas we do not hear people speak of *Caucasian Americans* or *Americans of European descent*, the term *African-American* is often used. This is because African-Americans can be called by other – insulting – names. Because euphemisms hint at an inverse meaning, they subtly denigrate the people to whom they refer. To get rid of the word *lady* with its polite connotations, we need to do away with its pejorative opposites that all carry sexual undertones, such as *bitch, cow, slut* and *whore*. The existence of the word *lady* signals that something is wrong. Unfortunately, people will continue to call women *ladies* to distinguish women from bitches, sluts and whores.

4. CONCLUSION
This paper has sought to show that language in everyday interaction plays a role in the subordination of women. By conveying and reinforcing cultural and social attitudes and norms, language that is not gender-neutral mirrors, conserves and strengthens an unjust social and political-economic structure. Regardless of what the children's rhyme says, there is power in words. Sticks and stones *can* break bones, and words *do* hurt. Ostensibly innocuous language influences the perception of self and of others and may reduce women's chances of attaining a gender-equal environment. Even though there are other social injustices in the world which some may deem more pressing, we are able to change the language we speak right now. If we are *woman* enough, we can use our language constructively to reduce the gender bias and change our status in society to one of equality.

REFERENCES


ANALYSIS OF A DYNAMIC RELATIONSHIP BETWEEN EMPLOYMENT, CORPORATE INCOME TAX AND REAL WAGES IN THE SOUTH AFRICAN ECONOMY

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ABSTRACT
Unemployment growth is one of the numerous challenges in the South Africa society. Several policies and strategies have been put in place to deal with the issue but still, the unemployment rate remains high. While job creation and corporate tax are declining, employed people fight for wages increment. With this dilemma, it is important to analyse how the two economic indicators (corporate income tax and real wages) affect employment level into the current South African economy. The aim of this study is to examine the responsiveness of employment to the change in real wages and the corporate income tax. A sample size of 86 observations of quarterly data starting from 1995q1 to 2016q2 was employed to analyse the relationship between dependent and independent variables. To achieve the study objectives different econometric approaches such as unit root test, ARDL model, ECM, Granger causality and diagnostic tests were employed. Findings of the study revealed the presence of long and short-run relationships among variables. It was found that, in the long run, high rate of corporate tax and real wages leads to unemployment in the South African non-agricultural sectors. In the short run, an inverse relationship between corporate income taxation, real wages and employment were found. The findings of Granger causality test revealed that employment is not an indicator of short-run corporate income tax and real wages dynamisms. Additionally, the study found that in some instances, the level of employment depends on the rate of real wages and tax paid by corporates. Since employment growth is more sensitive towards corporate income tax, the government should wisely act on the trade-off between employment and the corporate income tax.

Keywords: (Corporate income taxation, dynamic relationship, employment, real wages, South African economy)

JEL classification: E 27, F62

1. INTRODUCTION
The issue of high rate of unemployment has been an ongoing challenge to the South African macroeconomists, government and policymakers. Additional to this challenge the real wage rate and taxes have been, time to time, escalating (Burger & Yu, 2006). In this case, one would wanderer if these three macroeconomic variables have a common root or if they have a causal relationship. The effect of these imbalances between employment, company tax and wages, impact not economic life only, but also the social wellbeing. Although the payable tax may positively impact on country’s economy, it may also cause a distortion within the same country’s employment level. The question of the linkage between corporate tax and employment level have been a subject for discussion in the South African economy and some measures and policies such as Employment Tax Incentive (ETI) have been put into place to alleviate the issue of unemployment (Ranchhod & Finn, 2016). In 2015, the South African policymakers introduced the Employment Tax Incentive (ETI) to reduce the tax paid by companies and increase their
employability level, especially for youth (Ranchhod & Finn, 2016). However, the state of unemployment, especially youth unemployment, proves the inefficiency of this policy. The South African unemployment rate increase even during the period of the policy implementation. In the fourth quarter of 2014 (before the policy implementation) the South African unemployment rate was 24.3 percent and the last quarter of 2017 (during the policy implementation), the unemployment rate was 26.7 (SARB, 2018). This showed that the policy did not have an impact on job creation and if it had, it was insignificant. Additionally, between 1995 and 2017, the earning (wages) underwent uneven fluctuations. From 1995 to 2005 the South African economy experience a drop in earnings (Burger & Yu, 2006), and between 2006 and 2017 the real wages face an ongoing trend (SARB, 2017; South Africa, 2017). In this case, one should also ask what should be the impact of this fluctuation in real wages on job creation or employment growth. The aim of the current paper is to analyse whether company tax and real wages increment affect employment level. Secondly, based on findings, the study aims to provide strategies to overcome the issue of unemployment in south africa.

The study followed different steps: the first step focused on a concise introduction. Secondly, a literature review focusing on the theories and empirical studies describing relationships among variables under consideration. The third step focuses on data and methodology of the study. The fourth step is the empirical analysis and result discussion followed by residuals test. The last section provides a concise conclusion and study recommendations. Before talking about the impact of real wages and company tax, it is important to have a concise look at the literature and empirical review on the relationships among these variables within different economies.

2. LITERATURE REVIEW
Corporate income tax is one of any country’s source of income. However, the rate of payable income tax may have a repercussion on other economic stakeholders such as employees and consumers. It is not obvious that corporates or firms bear the burden of the tax imposed by the government. It is rather borne by either consumers or employees (Foley and Hines (2007). The high rate of corporate income tax may lead to a high cost of production. This high cost of production results, on one side, in high price which is paid by consumers. On the other side, corporates that pays a high rate of tax is more likely to pass this burden to their employees in terms of real wage minimisation (Felix, 2009). This negative relationship between corporate tax and real wages was also supported by Hassett and Mathur (2006). In their study using a sample size of 72 countries, Hassett and Mathur found that a one percent declines in corporate income tax lead to almost a one percent increase in wages. Similar to this study, the study of Felix (2009), analysing 19 countries over the period ranging between 1979 and 2000 found that if corporate tax were to increase by 10 percent, the real wages would decline by 7 percent. This study emphasized how the corporate tax burden is borne by employees. Correspondingly, Desai, Foley and Hines (2007) in their study on labour and capital’s shares of the corporate tax burden found that between 45 and 75 percent of the tax burden is paid by employees. The burden of corporate tax on employees through real wages decline was also confirmed by Arulampalam, Devereux and Maffini (2012). Analysing a direct incidence of corporate income taxes they found that a 1 percent increase in corporate results in 9.3 percent decline in employees real wages. The corporate tax not only affects real wages it also impact on employment growth. Evaluating the effect of higher corporate taxes, Fuest, Peichl and Siggloch (2018) analysed German municipalities and found that despite the negative effects of the high corporate tax on job creation, high corporate tax affect workers for they bear approximately 40
percent of the total tax burden. Identically a positive relationship between corporate tax and unemployment was found Zirgulis & Šarapovas (2017) in their analysis of corporate taxation impact on unemployment. The current study differs from these reviewed studies in terms of location, sample size and methodology employed.

Not only the corporate tax affect the output, as it was previously referred to, high corporate tax affects also the costs of production and leads to high price (Bettendorf et al., 2009). If price increases and consumer income remains constant, the consumer purchasing power decreases as well as the demand for goods and services. A lower demand for goods and services lead to low labour demand. Henceforth, the corporate tax impacts indirectly on employment level. Decreasing the corporate income tax may allow job creation (Chen & Schlagenhauf, 2014). Nonetheless, Harberger (1962) had argued that the aggregate labour demand is not affected by corporate income tax. A negative association exists between employment wages and the corporate income tax (Ljungqvist & Smolyansky, 2015). While corporate tax has an important effect on employment wages, the latter has neither a positive nor negative effect on the former (Clausing, 2012). Thus a unidirectional relationship exists between employment wages and corporate tax. The next section describes data and methodology used to investigate a close relationship between corporate tax, real wages and employment.

It is not only corporate tax that can influence the level of employment. The real wage rate also plays an important role in employment. Smith (1994) assessing the effect of profit taxation and wages on employment found that the profit taxation has a significant effect on unemployment reduction in the short run and increases unemployment in the long run. Additionally, high real wages paid by employers, forces them (employers) to reduce the number of employees and increase their productivity using the existing workers or adopting the capital-intensive method. The high corporate tax affects also the output level. Parai (1999) analysed the impact of tariff and corporate profit tax and found that the corporate tax reduces both output and employment. Analysing the effect of the corporate tax on labour demand and demand for capital in developing countries, Cerda and Larrain (2010) found that a high corporate tax reduces demand for labour and capital. This result was backed by the study of Bettendorf et al. (2009) whose findings suggested the corporate taxes to be one of the unemployment causes in the European Union countries.

Although the abovementioned studies support the existence of an inverse relationship between job creation, real wages growth and corporate tax, some other scholars highlight a small impact of corporate tax cut on job creation. In this regard, Ljungqvist and Smolyansky (2015) assert that despite that reduction of tax cut leads to job creation because of its ability to boost different economic activities, a small evidence may be experienced between a corporate tax cut and job creation or employment growth. Analysing the impact of both taxes cut and real wages on employment, in the presence of unemployment benefit growth, Pissarides (1998) found that the tax cut has no impact on employment because the effect of the tax cut is absorbed by real wage growth. The tax cut impact on employment if only in the absence of unemployment benefits and then tax is cut while keeping real wages constant. Therefore lowering the corporate taxes is far from being a useful policy to solve unemployment problem it can rather be the cause of unemployment growth. In contrast, a high corporate tax lowers unemployment and favours employment growth (Feldmann, 2011). Likewise, the study of Halko (2005) revealed that
government by imposing a high tax on corporate profits reduces the wage demanded by the labour union and thus increases employment.

Despite the global view of the relationship between corporate tax, real wages and employment; South Africa is currently experiencing similar challenges. The South African post-2008 global financial crisis is experiencing various economic challenges. Among these, one can mention the escalation of unemployment growth, the discrepancy in company tax including the real and minimum wages oscillation and consumer price index (Marumoagae, 2014). In this case, one can wonder if a close relationship exists among these economic indicators so that the alterations in one might cause changes in the other. Although the company’s income tax which was 29 percent between the 1st April 2005 and 31st March 2008 dropped to 28 percent between the 1st April 2008 and 31st March 2018, unemployment rate between the last quarter of 2008 and the first quarter of 2017 increased from 26.4 to 26.7. Furthermore, real wages index was 193.4 in the first quarter of 2008 and increased to 414.2 in the last quarter of 2017 (PKF, 2018:4, SARB, 2018; STASSA, 2018). The next section describes data and econometrics tool employed by the study to analyse the effect of independent variables (corporate tax and real wages) on the dependent variable (employment).

3. DATA DESCRIPTION AND METHODOLOGY AND MODEL SPECIFICATION

3.1. Data correction and specification

The data employed in this study was acquired from the South African reserve bank. The quarterly data with the time period running from 1995q1 to 2017 q2 was analysed. To ease the estimation of elasticity or analysis between variables under consideration, the data was converted into logarithm form.

3.2. ARDL bounds testing procedure Cointegration

The current study employs the ARDL-bound testing to determine the cointegration or long-run relationship among variables. The ARDL modelling approach was introduced in the econometric field by Pesaran and Shin (1999) and later improved by Pesaran et al. (2001). The ARDL model covers various advantages. While for example the Johansen cointegration approach imposes restrictions on variables to be integrated of the same order (variables have to be I (1), the ARDL technique can be applied on variables that are integrated of order zero, [ I (0)] or integrated to order one [ I(1)]; or a mixture of I (0) and I (1). Additionally, while other cointegration approaches are more sensitive to the sample size, the ARDL approach is significant to both small and large sample. Furthermore, the ARDL approach estimates the short and long-run relationship concurrently. It also provides a valid t-statistics and impartial estimates of the long run relationship even when explanatory variables are endogenous (Harris & Sollis, 2003). The current study is modelled on the assumption that employment in the non-agriculture sector is a function of a percentage of tax payable by companies on their revenue and the real wages paid to labour. Thus the following simple model was formulated:

\[ EMP = f (COMT, RWAGE) \]

Where:

EMP is employment in the non-agriculture sector
COMT is the tax payable by the company
RWAGE is the real wages

Taking into account variables converted into natural logarithm form:

\[ LnEMP_t = \alpha_0 + \beta_1 Ln(COMT) + Ln(\beta_2 RWAGE) + u_t \]
Ln = Natural logarithm  
\( \alpha_0 \) = a constant  
\( u_t \) = error correction term or white noise error term

To determine short and long run relationship, the following ARDL model is expressed:

\[
\ln \Delta EMP_t = \alpha_0 + \sum_{i=1}^{k}\beta_i \Delta \ln EMP_{t-i} + \sum_{i=1}^{k}\gamma_i \Delta \ln COMT_{t-i} + \sum_{i=1}^{k}\delta_i \Delta \ln R \WAGE_{t-i} + \varphi_1 \ln EMP_{t-1} + \varphi_2 \ln COMT_{t-1} + \ln \varphi_3 \WAGE_{t-1} + u_t
\]

Where \( \ln \Delta EMP_t \) represents changes in natural log of employment in non-agriculture sector, \( \Delta \ln COMT_t \) symphonises changes in natural log of the company tax and \( \Delta \ln R \WAGE_t \) indicates for changes in natural log of real wages. While \( \alpha_0 \) is the constant, \( k \) indicates the number of lags and \( u_t \) is the white noise error term. Changes in the short run are represented by \( \beta_i, \gamma_i, \text{ and } \delta_i \) coefficients, while long run dynamics are represented by the coefficient \( \varphi_1, \varphi_2 \text{ and } \varphi_3 \).

The ARDL bound-testing is based on the Wald statistic (or F-statistics) for the long run or cointegration analysis. Under the null hypothesis between variables, the probability distribution of the F-statistic is non-standard. For the current study, the null hypothesis of no cointegration in the equation 2 is \( H_0: \varphi_1 = \varphi_2 = \varphi_3 = 0 \) against the alternative which implies the presence of cointegration among variables \( H_1: \varphi_1 \neq \varphi_2 \neq \varphi_3 \neq 0 \). To analyse the long run relationships among variables, the study employed two sets of critical values from reported in Pesaran and Pesaran (1997) and Pesaran et al. (2001). While the first set of critical values suggests that all variables under consideration are cointegrate at level [1 (0)], the second critical values assumes all variables cointegrate after being differentiated [1 (1)]. If the calculated F-statistic is greater than upper critical bounds the null hypothesis is rejected in favour of the alternative. The null hypothesis is not rejected if the F-value is lower than lower bound. Nonetheless, if the computed F-statistic falls between the two critical values (bounds) the test for cointegration, unless further information, becomes inconclusive.

3.3. Granger non-causality test Error correction model (ECM)

After identification of cointegration or long-run relationships, it is important to analyse the short run relationship. The traditional Granger causality is based on the idea that the past is useful to predict or forecast the future. In other words, the future is the fruit of the past (Takaendesa and Odhiambo, 2007). In the context of Granger causality, one time series or variables \( X_t \) causes another series \( Y_t \), if variable \( X_t \) is the best predictor of variable \( Y_t \). In other word, Granger causality exist between two variables \( Y \) and \( X \) if the past value of one variables can be used to predict or forecast the other. Since the Granger causality technic is suitable for small and large (Guilkey & Salemi 1982; Geweke et al., 1983), was preferred for the current study because it outperforms other alternative methods. The conventional Granger causality between two series \( Y \) and \( X \) is expressed as follow:

\[
\begin{align*}
Y_t &= \alpha_0 + \sum_{i=1}^{n} \alpha_{i1} Y_{t-1} + \sum_{i=1}^{n} \alpha_{i2} Y_{t-2} + \sum_{i=1}^{n} \alpha_{i3} X_{t-1} + u_t \\
X_t &= \alpha_1 + \sum_{i=1}^{n} \alpha_{11} X_{t-1} + \sum_{i=1}^{n} \alpha_{12} X_{t-2} + \sum_{i=1}^{n} \alpha_{13} Y_{t-1} + e_t
\end{align*}
\]

Where \( n \) is the number of lagged variables and \( u_t, e_t \) denote white noise error term procedures. The null hypothesis that \( X_t \) does not Granger cause \( Y_t \) is rejected if \( \alpha_{i3} = 0 \). Similarly, the null hypotheses that company tax and real wages do not Granger cause employment in non-agriculture sector are rejected if all \( \alpha_{i3} \) is jointly rejected.

Despite the mentioned advantages of the traditional Granger causality approach, the outcome of this technique suffers from two methodological deficiencies (Odhiambo, 2004). Firstly, the Granger causality tests do not test basic properties of examined variables. Unless the lagged
error correction term is included, incorporating distinct variables will be miss-specified if these variables are cointegrated (Granger, 1988). Secondly, the traditional Granger causality tests mechanically turning series into first difference eradicate the long run information incorporated in the original form of series (variables). As opposed to the traditional Granger causality approach, the error correction based on causality test, grants for the inclusion of lagged error correction term from cointegration equation. In this case, the long run information lost through the differencing process is reintroduced by including the lagged error correction term. Henceforth the Granger causality test employed in the current study include the error term and follow Odhiambo (2007); Narayan and Smyth (2008). The following the expressed model:

\[ \ln \Delta EMP_t = \alpha_0 + \sum_{i=1}^{k} \beta_i \Delta \ln EMP_{t-i} + \sum_{i=1}^{k} \gamma_i \Delta \ln COMT_{t-i} + \sum_{i=1}^{k} \delta_i \Delta \ln RWAGE_{t-i} + ECM_{t-1} + u_t \]

Where \( ECM_t \) is the lagged error correction acquired from long-run equilibrium relationship. Though the long run relationship between \( EMP, \ COMP \) and \( RWAGE \) suggests there must be a Granger causal relation at least a unidirectional one, it does not determine a direction of a temporal relationship among variables. Hence a direction of causality can be indicated by \( F \)-statistic and the lagged error term. While the \( F \)-statistics of the independent variables denotes the short run effects, the \( F \)-statistic on the coefficient of the lagged error term denotes the long run causal relationship or cointegration (Odhiambo, 2008; Narayan & Smyth, 2006). It is also significant to note that the error correction term was included in the equation where the null hypothesis of no cointegration is rejected (Narayan & Smyth, 2006; Morley, 2006).

4. EMPIRICAL ANALYSIS
4.1. Unit root/stationarity test
The bound test for cointegration does not require all variables to be integrated in the same order. However, it is imperative to conduction the unit root test to ensure that none of variables is integrated of second order or \( I(2) \). Since the critical values computed by Pesaran et al. (2001) and Narayan (2005) are based on the hypothesis that variables under the study are \( I(0) \) and \( I(1) \), if any of the used variables is \( I(2) \) the obtained \( F \)-tests would be spurious. The unit root result obtained from the Augmented Augmented Dickey-Fuller and Phillips–Perron tests are presented in Table 1.

The results displayed in Table 1 indicates that while the company tax variable (\( \ln \text{COMT} \)) is stationary at level taking into account intercept and trend, employment in the non-agriculture sector (\( \ln \text{EMP} \)) and the real wages (\( \ln \text{RWAGE} \)) become stationary after being differentiated once. Thus, the results confirm that series under the study are a mixture of \( I(0) \) and \( I(1) \). Since it is a mixture of \( I(0) \) and \( I(1) \) and that none of variables is \( I(2) \) the ARDL model is the right model to analyse the long run relationships.

**Table 1: Unit root test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model Specification</th>
<th>ADF Levels</th>
<th>ADF 1st Difference</th>
<th>Integration Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \ln \text{EMP} )</td>
<td>Intercept</td>
<td>0.6811</td>
<td>0.0001*</td>
<td>( I(1) )</td>
</tr>
<tr>
<td>( \ln \text{COMT} )</td>
<td>Intercept</td>
<td>0.4239</td>
<td>0.0005*</td>
<td>( I(1) )</td>
</tr>
<tr>
<td>( \ln \text{RWAGE} )</td>
<td>Intercept</td>
<td>0.3092</td>
<td>0.0392*</td>
<td>( I(1) )</td>
</tr>
</tbody>
</table>

* denotes the rejection of the null hypothesis at 5% level of significance
4.2. Lag selection
Lag selection plays a significant role in time series analysis. The selection of both few and a large number of lags may lead to spurious results. Therefore, it is imperative to use the optimum number of lags. In the current study, the optimum number of lag to be included in the study was selected using the Schwartz Bayesian Criterion. The Schwartz Criterion was selected bases of its effectiveness and its insensitivity on the data sample size (Brooks, 2014). Based on this criteria the best model selected was : ARDL (1, 2, 3). In other words, 1 lag was selected for lnEMP, 2 lags selected for lnCOMT and 3 lags for lnRWAG.

4.4. Cointegration test
Having established the optimum number of lags for the study, this section focuses on the ARDL bounds testing approach to examine the long run relationship between dependent (lnEMP) and independent (lnCOMT & lnRWAG) variables. The outcome of bounds testing is exhibited in Table 2. The computed F-statistic of 6.878157 is greater than 3.38 and 5 which are values of the upper bound critical value at 5% and 1% level of significance respectively. In other words, the null hypothesis of no cointegration can be rejected with 99% level of confidence. Subsequently, a long run relationship exists between lnEMP, lnCOMT and lnRWAG.

Table 2: Bounds testing results

<table>
<thead>
<tr>
<th>Null Hypothesis: No long-run relationships exist</th>
<th>Test Statistic</th>
<th>Value</th>
<th>k</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>6.878157</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Critical Value Bounds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td>I(0) Boundary</td>
<td>2.63</td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>I(1) Boundary</td>
<td>3.35</td>
<td></td>
</tr>
<tr>
<td>2.50%</td>
<td></td>
<td>3.55</td>
<td></td>
</tr>
<tr>
<td>1%</td>
<td></td>
<td>4.13</td>
<td></td>
</tr>
</tbody>
</table>

Given that a long run relationship exists between dependent and independent variables, it is necessary to determine how influential the independent variables are towards dependent variable. Table 3 represents the results of long-run coefficients. As it was expected, tax on company’s revenue and real wages affect negatively the potent of the non-agriculture sector to employ more labour. A 1percent increase in company’s tax payable reduces employment by almost 17 percent. On the other hand, if the real wages increase by 1 percent, employment will decline by 3 percent. Based on these results, company tax impact more on employment compare to the real wages. This results also suggest that if government increase the level of tax paid by the company and the real wages increases, company prefers to employ less labour and may increase the use of capital and technology to improve productivity level are reducing the cost of production because machinery may be cheaper and more productive than labour.

Table 3: Long run coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCOMT</td>
<td>-0.16531</td>
<td>0.137196</td>
<td>-1.20491</td>
<td>0.02387*</td>
</tr>
<tr>
<td>LRWAGE</td>
<td>-0.03863</td>
<td>0.075104</td>
<td>-0.51437</td>
<td>0.03612*</td>
</tr>
<tr>
<td>C</td>
<td>5.508374</td>
<td>0.853948</td>
<td>6.450478</td>
<td>0.00000**</td>
</tr>
</tbody>
</table>
Note: ** significance at 1 percent level and * significance at 5 percent level.

4.5. The error-correction model, short run and causality analysis
The next steps after the analysis of long-run relationships are to test the short run and causal relationship. The result of short-run relationship represented in Table 4 suggests that both company tax and real wages influence employment level in short run. However, the short run impact of both explanatory variables are less potent compare to their long-run effect on employment. The error correction term is negative and significant. Each quarter approximately 23 percent of error in the system are corrected and it takes around 4 (1/0.22872) quarters (or a year) for the system to come back to the equilibrium. Based on the outcome of the Granger causality tests, a unidirectional causal relationship exists between dependent and independent variables. Both company tax and real wages can predict the movement of the future employment yet employment does not cause company tax and real wages.

Table 4: Short-run and error correction model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(LCOMT)</td>
<td>0.007539</td>
<td>0.008756</td>
<td>0.861049</td>
<td>0.3968</td>
</tr>
<tr>
<td>D(LCOMT(-1))</td>
<td>0.027127</td>
<td>0.008935</td>
<td>3.03603</td>
<td>0.0053**</td>
</tr>
<tr>
<td>D(LRWAGE)</td>
<td>-0.26762</td>
<td>0.054362</td>
<td>-4.92295</td>
<td>0.0000**</td>
</tr>
<tr>
<td>D(LRWAGE(-1))</td>
<td>0.025402</td>
<td>0.060431</td>
<td>0.420353</td>
<td>0.6776</td>
</tr>
<tr>
<td>D(LRWAGE(-2))</td>
<td>-0.13787</td>
<td>0.057781</td>
<td>-2.38612</td>
<td>0.0243*</td>
</tr>
<tr>
<td>CointEq(-1)</td>
<td>-0.22872</td>
<td>0.041367</td>
<td>-5.52898</td>
<td>0.0000**</td>
</tr>
</tbody>
</table>

Table 5: Granger causality tests result

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>F-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCOMT does not Granger Cause LEMP</td>
<td>6.08987</td>
<td>0.0057**</td>
</tr>
<tr>
<td>LEMP does not Granger Cause LCOMT</td>
<td>1.53176</td>
<td>0.2316</td>
</tr>
<tr>
<td>LRWAGE does not Granger Cause LEMP</td>
<td>4.79038</td>
<td>0.0151*</td>
</tr>
<tr>
<td>LEMP does not Granger Cause LRWAGE</td>
<td>2.47434</td>
<td>0.1002</td>
</tr>
</tbody>
</table>

Note: ** significance at 1 percent level and * significance at 5 percent level.

4.6. Diagnostic test
The consistence and validity of the model were examined throughout the diagnostic tests. These tests comprise of serial correlation, normality and heteroscedasticity test. The CUSUM test was employed to determine whether the model stable or not. The result from all of these mentioned tests are presented in table 6 and Graph 1. No serial correlation and heteroscedasticity were found in the model. Variables were normally distributed and the modes was stables. For the Cusum stability test, the model is stable if the blue line falls between the red lines and as it presented on the Graph 1, the used model is stable.
Table 6: Diagnostic tests

<table>
<thead>
<tr>
<th>Test</th>
<th>P-value</th>
<th>conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serial correlation</td>
<td>0.5207</td>
<td>No serial correlation</td>
</tr>
<tr>
<td>Normality</td>
<td>0.6557</td>
<td>Normality exists</td>
</tr>
<tr>
<td>heteroscedasticity</td>
<td>0.7151</td>
<td>No heteroscedasticity</td>
</tr>
</tbody>
</table>

Graph1: Stability diagnostic results

5. CONCLUSION AND RECOMMENDATIONS
This study analysed the impact of company payable tax and real wages on employment in the non-agriculture sector in the South African economy. The ARDL approach was employed to analyse the long and short run relationship among variables. The abstained results revealed that a long run relationship exists between the dependent and independent variables. Additionally, a short run relationship was found among variables though the potent of explanatory variables is lower in short run compared to the long run impact. In the short run, an inverse relationship between corporate income taxation, real wages and employment were found. The causality test, indicated that both real wages and company tax may lead to employment growth, yet employment is not a predictor of those other two variables. Findings also confirmed, as expected, a negative impact of company tax and real wages on employment. The higher is the tax payable by the company the lower is the number of people employed in that company and also the higher is the real wages the few is the number of people employed in the non-agricultural sectors. Since company tax is more sensitive towards employment growth in non-agriculture sectors government should wisely act on the trade-off between employment and tax payable by companies. Moreover, the negative relationships between employment growth and corporate tax does necessary means that that tax has no effect on employment it rather means that there are many other factors that influence employment than company taxes. The South African government, to create more jobs, should focus more on other factors than increasing or reducing corporate taxes. This is because both high and low tax can affect either positively or negatively on job creation.

REFERENCES


AN ANALYSIS OF THE GUIDELINES FOR TESTIFYING IN COURT

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ABSTRACT
This study focuses on police investigation and their testimony in court. The point of departure is investigation; it serves as a sensible and rational way of gathering material via probing and assessment with the intent to cultivate evidence in order to resolve a problematic situation. The detectives investigate to ascertain whether the criminal is guilty of a crime. The police are expected to investigate and give evidence in court since the product of the total investigation process is the trial, and the manner in which evidence is given in court – and which evidence, from a judicial point of view, can be regarded as all relevant information, which, if admissible in court, is presented. This study aims to address the problems experienced with collecting of evidence and presenting such evidence in court. As a result of faulty evidence collection, uniformed members of the SAPS make mistakes during cross examinations in court as they lack an ability to handle a crime scene properly, which affects their testimony.

The qualitative research approach was utilised and is presented in the form of a comprehensive literature study and semi-structured, individual, face-to-face interviews or focus groups with the study participants. More than one method was used to collect data. The literature gathered for this research was analysed according to the spiral analysis method, to ensure proper explanation thereof. The research was conducted in the Sebokeng Cluster and is limited to the uniformed members of the SAPS and the detectives.

The data confirmed that there is a problem with the way the police testify in court and the recommendation is the SAPS should have two detectives for each sector working with the uniformed members to respond to complaints when there is a crime scene. Response time is also important. These will alleviate contamination of a crime scene.

The police statement will be make sense if the five questions what, who, how, when and why are emphasised in every statement. The burden of proof will be well established and conviction will be inevitable.

Key terms: Analysis, Burden of proof, Evidence, Police, Testimony

JEL Classification: K10

INTRODUCTION
This study focuses on police investigation and their testimony in court. The point of departure is investigation; it serves as a sensible and rational way of gathering material via probing and assessment with the intent to cultivate evidence in order to resolve a problematic situation (Ferraro, 2012:2). The detectives come into play to ascertain whether the criminal is guilty of a crime (Orthmann & Hess, 2010:6). The researcher is of the view that the imperative thing is
evidence. Ferraro (2012:2) believes that to verify or not to verify a statement, contention or accusation is left in the hands of the examination and hearing of which they will reflect the consequences in an investigation process.

The police are expected to investigate and give evidence in court since the product of the total investigation process is the trial and the manner in which evidence is given in court – and which evidence, from a judicial point of view, can be regarded as “all relevant information which, if admissible in court, is presented” (Marais, 1992:198). This means that the competency of the police official is finally judged in court when illogical reasoning or poor judgement is revealed (Marais, 1992:204). Hamlet (2007:1), however, is of the view that “testifying in court is an art that can only be mastered through practice and experience”. For this reason, the police must be cautious and meticulous with the material they gather (Stelfox, 2013:2).

Having attended the six months’ basic police course at the SAPS and having worked for the SAPS, the researcher became aware of the fact that the guidelines for testifying in court had not been extensively deliberated on in the police course she had attended. Even advanced police training, such as the Resolving of Crime (RoC) course, which partly focuses on presenting evidence in court, is offered only for detectives in the SAPS and not the uniformed members who are also expected to give evidence in court.

As a result, uniformed members of the SAPS are bound to make mistakes during cross examinations in court as they lack an ability to handle a crime scene properly, which affects their testimony. The researcher intends to evaluate the manner in which the SAPS uniformed members and the detectives testify in court.

In the Oscar Pistorius case, which went to court on 13 March 2014, Colonel Gerhard Vermeulen admitted in his testimony that the toilet door in the athlete’s apartment was not handled with care and that potentially important evidence was missed at the crime scene, which could have had far-reaching consequences for the prosecution’s case (Police admit evidence may be tainted, 2015).

A second case highlights that the witnesses lied to the police officials in S v Dewani (CC15/2014) [2014] ZAWCHC 188 (8 December 2014) (Schroeder, Bezuidenhout & Geach, 2014:1), Anni Ninna Dewani was murdered on 11 November 2010 in the Gugulethu township near Cape Town, after the taxi she was travelling in was hijacked. Shrien Dewani, her husband, was the number one suspect in this murder case. On 12 September 2014, the main witness failed to give relevant testimony and evidence that was supplied by the police official was not sufficiently substantiated. In addition, Mbolombo, the former hotel receptionist, had fabricated his testimony and admitted to lying to the police in the past. As a result, contradictions in his claims since he first spoke to investigators four years ago, were highlighted (Schroeder et al., 2014:1). Judge Jeanette Traverso threw the case out of court, arguing that the prosecution had failed to put forward sufficient evidence to prove that Dewani had planned the murder (Schroeder et al., 2014:1). The researcher is conscious of the fact that the police take the docket to court with the hope that the evidence and the statements collected from the witnesses are relevant and authentic. Lochner (2014:63) states that “in the South African criminal law system, a sworn witness statement in the form of a written document is used to record facts and evidence and present these viva voce to the court”. “In court presiding officers make
determinations based on the facts contained in the sworn witness statement, because these facts must be correct. It is crucial that details sworn witness statements should be taken by following the correct procedure" (Lochner, 2014:63). Lochner (2014:63) continues to say that “there are almost daily reports in the South African media or criminal cases that are scrapped from the roll or of accused persons being found not guilty because the sworn witness statements were incomplete or did not meet the prescribed requirements”.

Testifying in court is a skill that needs to be harnessed through practice and experience Hamlet (2007:1). Having considered this, the police must be cautious and meticulous with the material they gather (Stelfox, 2013:2). The purpose of this research is to critically analyse the guidelines for uniformed members and detectives of the SAPS for testifying in court. The researcher evaluated the manner in which uniformed members of SAPS and detectives testify in court.

**METHODOLOGY**

Denzin and Lincoln (2011:43) opine that qualitative inquiry seeks to:

- discover and to describe in narrative reporting that specific researched people do in their everyday lives and what their actions mean to them. It identifies meaning-relevant kinds of things in the world-kinds of people, kinds of actions, kinds of beliefs and interests focusing on differences in forms of things that make a difference for meaning (Denzin & Lincoln, 2011:43).

Qualitative research is a “situated activity that locates the observer in the world” (Denzin & Lincoln, 2011:43). Babbie (2013:24) states that every observation is qualitative at the outset, whether it is one’s experience of someone’s intelligence, the location of a pointer on a measuring scale, or a tick entered on a questionnaire.

Creswell (2013:4) is of the opinion that qualitative methodology is a research approach that is utilised for discovering and understanding the significance people or sets of people attribute to a social or human problem. This research is aimed at bringing solutions to the prevalent problem associated with testifying in court, as experienced by witnesses to criminal actions being tried in court.

The qualitative research approach is presented in the form of a comprehensive literature study and semi-structured, individual, face-to-face interviews or focus groups with the study participants (Leedy & Ormrod, 2005:95) and addresses the research questions. Using a qualitative approach, the researcher gathered data by means of an interview schedule and by conducting a literature review of current literature relevant to the topic of the research. Data will be collected, explained, interpreted and understood according to the situation being researched (data analysis). The research is conducted in the Sebokeng Cluster and is limited to the uniformed members of the SAPS and the detectives. Any other specialised unit are not included in this study. The data collection methods used in this research were in-depth in nature and provided secondary data coupled with interviews with uniformed members and the detectives.

**KEY TERMS:**

*Analysis*

Analysis focuses on individuals responsible for crime and prioritises the most important ones by using set criteria (Zinn & Dintwe, 2013:37).
Burden of proof
The burden (duty), which is placed on a party by rules of law to prove a fact in dispute is called the burden of proof (Van Rooyen, 2012:18).

Evidence
Evidence is “any information that a court has formally admitted in civil or criminal proceedings, or at administrative or quasi-judicial hearings” (Bellengere, Palmer, Theophilopoulos, Whitcher, Roberts, Melvelle, Picarra, Illsley, Nkuta, Naudé, Van der Merwe, Reddy, 2013:3)

The Police
The Police are mainly “a body of people patrolling public places in blue uniform, with a broad mandate of crime control, order maintenance and some negotiable social service functions” (Smith, Minnaar & Schnetler, 2012:11).

Testimony
Wells (2004:17) defines testimony as an oral statement that relates to a legal dispute, that occurs in the presence of personnel and that is made for the purpose of providing members of the court with evidence.

CRIMINAL INVESTIGATION
“The criminal investigator collects facts to accomplish a threefold aim: to identify the guilty party, to locate the guilty party, and to provide evidence of his or her guilt. The tools of the investigator are referred to as the three ‘I’s’, namely, information, interrogation, and instrumentation” (McMahon, 2007:177). Gilbert (2010:34) only concentrates on one aim of a criminal investigation, which is to discover the truthfulness intending to solve a criminal incident. In order to establish the truth, it necessitates a criminal investigation that is logical, objective and a legal enquiry into a possible criminal activity (Gilbert, 2010:34). The truth includes determining who committed the offence, but could also include determining whether a person charged with an offence is guilty or innocent (Rogers & Lewis, 2007:151). McMahon (2007:177) continue to say: by applying the three “I’s”, the investigator gathers the facts necessary to establish the guilt or innocence of the accused in a criminal trial. Many crimes are not solvable because there is insufficient evidence. The absence of eyewitnesses, identifiable motives and physical clues will preclude a solution unless the criminal confesses (McMahon, 2007:177).

The purpose of criminal investigation
The purpose of crime investigation is to help ascertain what occurred and to identify the accountable individual (Birzer & Roberson, 2016:36).
The purpose of investigation can be perceived as the searching, tracking and collecting of facts that have to be examined in order to find answers and to solve problems (Sennewald & Tsukayama, 2001:3).
The research includes these questions as part of the purpose of criminal investigation
- The first question: What did you see when you arrive at the crime scene?
  The witness will have to state exactly what he/she saw, either verbally or in writing.
- The second question: Who is the suspect? Did you get his or her statement?
  Answer this question pointing or describing the suspect.
- The third question: How did you link the suspect to the crime that took place or how did you elicit the information you got from the informant, complaint, victim and witness?
The police depend on the complainant/victim/witness to identify the suspect and give the pointing out statement (complainants lie under oath)

- The fourth question: When did the incident take place?
  Give date, time, day and year.
- The fifth question: Why did the crime take place?
  Provide the motive behind the crime that took place.

Crime scene
The location or locus of an incident is usually called the crime scene (Horswell, 2004:2). Palmiotto (2013:97) mentions that the “crime scene is proof that a crime has been committed and is the initial point where criminal investigation starts and contains evidence that would connect the suspect with the crime scene”. Crime scenes are different in nature, some are easily noticeable that a crime has definitely taken place and it is a crime scene, while others, want the crime scene investigator to unravel whether or not a crime has been committed (Horswell, 2004:2). Gardner (2016:61) states that the technician or investigators process the scene and accomplish processing the crime scene, not the initial responding officers. Nevertheless, it is the initial responding officer’s duty to bring control to what is generally a chaotic situation and set the stage for a successful processing of the crime scene (Gardner, 2016:61).

For the patrolling officer there are no anomalies at the crime scene. The objectives are the same to the responding officers at the crime scene as they are in any critical incident: coordinate resources and bring the site under control (Gardner, 2016:61). Site control demands the officer measure the situation in an attempt to define the magnitude of the problem. The officer, without negatively impacting on any future operations, then mobilises whatever available resources he or she may have in an attempt to achieve control (Gardner, 2016:61).

Finally, the officer actively separates the zone in order to prevent further damage or the escape of individuals (Gardner, 2016:61). The scene must be looked after until all the physical evidence has been collected and documented (Dutelle, 2011:65). Birzer and Roberson (2011:14) are of the opinion that “the investigator must have the skills in, and knowledge of, the following: criminal and procedural law, methods of interrogation, understanding a crime scene, developing a case for prosecution, understanding modus operandi, spotting patterns in criminal behavior and understanding the causes of criminality”. The crime scene investigations entail the combination of scientific and investigative endeavors. For the assignment to be accomplished it needs experience, creative thinking, logic and the correct application of the science and the scientific method (Birzer & Roberson, 2011:14).

Locard Principle
According to Tilstone, Savage and Clark (2006:15) a concise, but inclusive, definition of the Locard principle is that “[t]he principle holds that every contact leaves a trace. Locard’s principle is behind all trace evidence, which depends on comparing traces of materials found on a suspect with bulk material from the scene of the crime”.

Locard’s principle essentially states that “whenever two objects come into contact, a mutual exchange of matter takes place. This principle is used to link the suspect to the victim, the suspect to the crime scene, and the victim to the crime scene through forensic evidence”
(Muscari & Brown, 2010:46). Bailey (2016:14) is of the opinion the suspect is bound to involuntarily leave a silent witness against him by his steps, what he touches, whatever he leaves. Meaning not only his fingerprints or his foot prints, but his hair, the fibres from his clothing, the glass he breaks, the tool mark he leaves, the paints he scratches, the blood or semen he deposits or collects (Bailey, 2016:14). Van Rooyen (2012:20) explains that when two or more objects or people come into contact with one another, clues are usually left behind. This is called a “reciprocal transfer of traces”. For example, when a suspect touches a table, they leave fingerprints that can be used as evidence to lead us to the correct suspect when traced. For this reason, Van Rooyen (2012:20) states that investigators can confidently say there will always be clues left behind at the crime scene. The principle is that any action of an individual, including violent action that constitutes a crime, cannot occur without leaving a mark. Orthmann and Hess (2013:18) regard the Locard principle of exchange as the basic forensic theory that “objects that come in contact with each other always transfer bits and pieces of fabric”, but cautioned that “this evidence can easily be lost if the crime scene goes unprotected”. Although macro scene elements are visible or can be made visible at the scene, another equally important class of evidence that is not visually apparent and cannot yet be made visible at the scene is the micro scene or microscopic scene. Nevertheless, the micro scene elements hold no less importance for the investigation and, like macro scene elements, they must be collected and preserved (Shaler, 2012:73).

The researcher insists that whatever the traces, which cannot be seen with a naked eye does not mean there is no evidence, other measures can be utilised to collect evidence.

**Testifying**

A police officer’s oral statement in the courtroom has a bearing on his or her credibility as a witness. The oral statement can be in writing or vocalised. When a statement is written, it becomes a formal police report, which may include arrest reports (Davis, 2013:5). An investigator ought to have an understanding of how to testify effectively. Insignificant testimony can eventually lead to losing a case and, the most damaging one is losing credibility as a witness in court (Zinn & Dintwe, 2013:265). “A police officer’s verbal communication in the courtroom impacts the police officer’s credibility as a witness” (Davis, 2013:5).

“A police officer’s written report is a reflection of the police officer’s competence. First of all, a police report must have good content, and the officer must be familiar with its content” Stewart, 2007:131).

The investigators should meet with the legal practitioner before the trial who will be leading the evidence so that they are clear about the evidence that the investigator will be providing in court and to ensure that the legal practitioner clearly understand the investigator’s evidence (Zinn & Dintwe, 2013:265).

Davis (2007:263) mentions that to determine the competency of witnesses and the credibility of their testimony, the rules of evidence also serve to determine:

- The relevancy of testimony, that is, its relation to the issue raised by the pleadings.
- The burden of proof, that is, to designate the party upon whom the obligation rests of establishing the truth of each issue raised during the progress of the trial.
- The quality of evidence that shall be submitted or received in support of an issue, which is accomplished by requiring the best evidence to be submitted which the nature of the case will admit of.
- The amount of evidence necessary to establish the facts composing the substance of a particular issue.

**Identification**

Identity encompasses classifying an objective into a specific group or type fitting to a particular sort (Van Rooyen 2012:21). The accumulative nature of identification is clearly exhibited in the fact that a series of identification sometimes necessitates establishing the guilt or innocence of an individual. Identification is categorised into several groupings in order to assist in individualising an individual (Zinn & Dintwe, 2013:48). Identification examinations are the processes used by the police that allow eyewitnesses to identify a suspect as the perpetrator of the crime that they witnessed (Roesch, & Zapf 2012:122).

Identification is utilised as a comparison process, which employs the class characteristics of a standard object or known substance to compare with the evidential item collected from the crime scene – by comparing the physical properties, morphological properties, chemical properties and biological properties (Lee, Palmbach & Miller, 2001:274). Even the identification of persons starts with the same logical process of physical type of identification that uses properties such as the height, weight, size, race and hair and eye colour to include or eliminate someone. Then more specific measurements can be carried out to individualise a person (Lee et al., 2001:274).

Identity is known as individual characteristics (Osterburg & Ward, 2014:34). The police use a classification scheme in which items are assigned to categories that contain similar items and given names (Green, 2007:562). Green (2007:562) also states that objects are identified by comparing their class characteristics with those of known standards or previously established criteria. Lyman (2008:134) is of different view that the “identification of criminal suspects through the use of fingerprints has proved to be one of the most effective methods of apprehending people who might otherwise go undetected and continue their criminal activities”.

**CONCLUSION**

The police are expected to investigate and give evidence in court since the product of the total investigation process is the trial and the manner in which evidence is given in court. Without a doubt, uniformed members are bound to make mistakes during cross examinations in court as they lack the ability to handle a crime scene properly, which affects their testimony. The South African media report on criminal cases that are scrapped from the roll or of accused persons being found not guilty because the sworn witness statements were incomplete or did not meet the prescribed requirements.

In this research the following aspects were discussed regarding criminal investigation: the purpose of criminal investigation, the Locard principle, testifying and identification. The
researcher recommends that testifying in court is a skill that needs to be harnessed through practice and experience

**FINDINGS**
The researcher ascertained that there is a problem with the way the police testify in court and the recommendation is the SAPS should have two detectives for each sector working with the uniformed members to respond to complaints when there is a crime scene. Response time is also important. These will alleviate contamination of a crime scene.

The police statement will make sense if the five questions what, who, how, when and why are emphasised in every statement. The burden of proof will be well established and conviction will be inevitable.

The police must educate the community about the crime scene preservation and the importance of the crime scene.

**REFERENCES**


LIST OF CASES

S v Dewani (CC15/2014) [2014] ZAWCHC 188.

S v Pistorius (CC113/2013) [2014] ZAGPPHC 793.
ABSTRACT
The Municipal Infrastructure Grant (MIG) is a conditional grant to local government to support the infrastructural service delivery. The purpose of this study was to examine the impact of MIG on basic service delivery in Elias Motsoaledi Local Municipality. This study adopted a qualitative research design and semi-structured interview to collect data from 28 municipal officials and community representatives. The finding reveals that the MIG is one of the main sources of funding for the municipality to deliver basic service to its communities. It was found that there is a problem of service delivery backlog and community dissatisfaction regarding municipal service delivery. The findings further indicate that the MIG has contributed towards enhancing basic service delivery in the municipality. As a result, the local community has benefited from the different types of projects implemented including water, sanitation, electricity, high mast lights, roads and storm water drains, community halls, creches, sports facilities, parks, low level bridges and schools. However, there is inadequate maintenance of infrastructural projects. Specific recommendations are that the municipality should have a vivid infrastructure maintenance action in pace considering budget allocation for operation and maintenance which can help municipal assets to reach their inherent life span. The municipality should explore other avenues like the Public Private Partnerships (PPPs) to expedite the reduction of service delivery backlogs.

Key Words: Infrastructure, Infrastructural Grant, Service delivery, Municipality.

JEL Classification: H76

1. INTRODUCTION
The municipalities in South Africa should provide services in a sustainable manner, and their administrations provide services impartially, fairly, equitably and without bias (The Constitution of the Republic of South Africa, 1996). In the constitutional context, a service must be considered against the needs of a community, with no one being excluded, and the service performance must be effective and efficient (Craythorne, 2002). As one of its intended purposes the MIG was meant to eradicate service delivery backlogs in the country. The MIG is meant to supplement municipal capital budgets in order to eradicate backlogs in basic municipal infrastructure used in providing basic services to communities. Van Der Waldt, (2014) states that in South Africa there are significant infrastructure service delivery backlogs to deal with. He further argues that this situation is due to historical, socio-political realities and current demographic trends, including the processes of rapid urbanization and high rates of poverty
prevalence. This is evident particularly for low-capacity local and district municipalities that are situated in rural areas (Van Der Waldt, 2014).

In post-apartheid South Africa, access to effective public services is no longer seen as an advantage enjoyed by only a privileged few in the community, but as a legitimate right of all residents, particularly those who were previously disadvantaged. This stance emphasizes “service to the people” as parameter for local government transformation (Pretorius and Schurink, 2007). Thus one of the most important indicators in assessing the transformation of local government is the experiences and perceptions people have of service delivery in their daily lives, more specifically whether they perceive an improvement in the services delivered to them. The implication of this is for local government to transform words into deeds and thus to prioritize and satisfy the needs of the communities they service (Pretorius and Schurink, 2007). Municipalities face constitutional, institutional and financial challenges in providing infrastructure in the built environment due to planning, implementation and monitoring systems failure (Singo, 2012). These challenges affect the rolling out of infrastructure and municipal services.

Tshirado (2004) indicated that with the inception of the new political dispensation in 1994, people had high expectations that the government would provide quality services comparable to those provided by the former apartheid government. However, this was not the case since the level of service delivery has gradually deteriorated. The local government seemed unable to maintain the quality of services that had been provided by the former government. For example, the tarred streets have deteriorated while a large number of the street lights do not work. As a result, the levels of payment for services have also declined (Tshirado, 2004). Pretorius and Schurink (2007) share the same sentiment when the authors indicate that from local newspapers as well as news bulletins appearing on national television. It is clear that demands made by South African communities for service delivery from municipalities have escalated. Local government has been in the news, sometimes for days on end particularly, in areas where communities have solicited for improved services. Complaints and demands have not only been made for services such as water and electricity, but residents have also claimed houses from local government.

According to the White Paper on Local Government of 1998, developmental local government in South Africa have a broad mandate to ensure that the communities have access to basic service which includes clean water, electricity, and adequate sanitation and refuse disposal. The provision of services is affected by several factors, such as the availability of resources, the management of these resources, the capacity of the municipality to plan, manage and implement the guiding policies (Centre for Municipal Research & Advice, 2010). According to Adnan, Fauzi, Rahmat and Supardi (2012) proper and timely maintenance and rehabilitation of facilities is essential for safe operations and the overall economics. The authors further argued that decisions as to what, where, when, and how maintenance and rehabilitation should be performed need to be made. These decisions must consider condition, but budget constraints and other tangible and intangible issues also affect the decision-making process. Given the preceding context, the aim was to investigate the impact of Municipal Infrastructure Grant on service delivery in the Elias Motsoaledi local municipality, more specifically the compliance to MIG conditions, the level of basic service and the contribution of MIG towards basic service delivery.
2. METHODOLOGY
The study area, Elias Motsoaledi Local Municipality (EMLM) previously known as Groblersdal Local municipality forms part of Sekhukhune District Municipality in the Limpopo Province of the Republic of South Africa. The EMLM municipal office is situated in Groblersdal Town and it is one of Municipal Infrastructure Grant beneficiary. The municipality has 30 wards with the population size of 249,363 and occupies a total area of 3,713 km\(^2\) within the Sekhukhune area (EMLM, 2015).

Mixed research method was adopted for the purpose of investigating the impact of MIG towards enhancing basic service delivery in the study area. This method assisted the researcher to gather both quantitative and qualitative data to address the purpose of the study. Mixed method involves collecting data from both primary and secondary sources. The quantitative approach enables the researcher to collect numeric data while the qualitative approach is a method in which the inquirer often makes knowledge claims based primarily on constructivist perspectives (i.e., the multiple meanings of individual experiences, meanings are socially and historically constructed with an intent of developing a theory or pattern) or advocacy/participatory perspectives (i.e., political, issue-oriented, collaborative, or change oriented) or both (Creswell, 2003). A total of 28 municipal officials and community representatives were selected for the study. The study used non-probability purposive sampling technique to select the key informants. This sampling technique was appropriate to identify and select relevant and knowledgeable respondents for the study. Data was collected using qualitative techniques such as face to face interviews and administering semi-structured interview schedule. Descriptive statistics was used to analyse quantitative data to determine the percentage and frequency whereas the thematic content analysis was used to analyse qualitative data.

3. FINDINGS OF THE STUDY
This section includes presentation of findings related to compliance to the MIG conditions, mechanisms to monitor the MIG, accountability, capacity building and MIG administration in the EMLM.

3.1 Compliance to the MIG conditions by the municipality
Municipal officials were asked about MIG spending to determine the MIG spending trend. About 62.5% of the respondents indicated that the challenges facing the municipality in terms of MIG spending is overspending in relation to municipal infrastructural projects and 37.5% indicated underspending as a challenge. The above results highlight that at the project level there might be some over spending tendencies.

Respondents indicated overspending as a challenge within the municipality mentioned different reasons. The causes of overspending were mainly the scope of work during implementation of phase and variation orders in a project that exceed the amount allowed for contingency. Furthermore cost escalations due to project registrations done in advance, the total MIG allocation not being enough for the financial year and projects being implemented in many phases were also mentioned as the causes of overspending. One of the respondent was quoted saying that

“This is normally due to variation orders in a project that exceed the amount allowed for in the contingency amount” (Respondent 4).
Respondents also indicated underspending as a challenge because of poor and or late planning and delays in procurement processes as causes of underspending. One of the respondents was quoted as saying that

“For two financial years the municipality spends over 90% but not 100% of the funds due to late planning processes. The municipality also received additional funding for good performance in one financial year”. (Respondent 10).

3.1.2 Mechanisms to monitor implementation of the MIG
Municipal officials were asked about monitoring of MIG implementation to determine the mechanisms to monitor MIG implementation. All of the respondents agreed that there are mechanisms to monitor MIG implementation. Those mechanisms were mentioned as site visits, site meetings, monthly service provider meetings, and weekly monitoring plans and by reporting monthly to Department of Cooperative Governance Housing and Traditional Affairs (CoGHSTA). The majority of the respondents indicated site visits, site meetings and monthly service provider meetings as the existing mechanisms. DPLG (2004) indicates that monitoring of MIG funded projects must be against the national indicators of effective performance that have been consolidated as a set of conditions for the programme.

3.1.2 Accountability in terms of administration of MIG
Respondents were asked about how the municipality demonstrates its accountability in terms of administration of MIG. All of the respondents agreed that the municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans and cash-flow budget to respective national and provincial departments of CoGHSTA and by submitting financial statements to Treasury. In the case of financial statements, the majority 75% of the respondents indicated that the municipality submit financial statements to treasury. The finding shows that the municipality demonstrates its accountability of administration of the MIG.

3.1.3 Capacity to administer MIG funds
Municipal officials were asked about capacity to administer MIG funds. All of the respondents agree that the municipality have adequate capacity to administer MIG funds. The respondents supported their indication by saying that they have a fully functional Performance Management Unit (PMU) with the support of CoGHSTA, capable, efficient and qualified staff, staff having adequate skills. One respondent indicated that technical capacity is lacking as the municipality is using consultants for the purpose of planning because the municipality do not afford to appoint permanent people with the relevant skills.

Municipal officials were asked about capacity building or trainings received. About 62.5% of the respondent indicated that the municipality has received financial management skills, 25% indicated that they have received project management skills and 12.5% indicated that no capacity building has been received. The majority of the respondents indicated financial management skills as the capacity building that the municipality has received.

3.1.4 CoGHSTA's role in assisting municipality to improve MIG administration
A total of 62.5% of the officials highlighted that department of CoGHSTA assists the municipality to improve on MIG management through trainings and workshops on the MIG-MIG system, project management and financial management as well as project registrations. 25% of
respondents further indicated that department of CoGHSTA also assists through the monthly provincial and district MIG meetings and 12.5% indicated the assistance of department of CoGHSTA by attending site meetings and combined site visits with the municipality.

“They offer continuous support to the municipality and have given training to the technical team with regard to the MIG MIS system”, one of the respondents indicated” (Respondent 6).

3.2 Status of basic services in the municipality
This section presents findings related to the status of service delivery, rating of community satisfaction and the impact of MIG on service delivery in the EMLM.

3.2.1 Service delivery challenges faced by the municipality
Respondents were asked about the provision of basic services. About 87.5% of the respondents’ disagreed with the view that the municipality face challenges in providing basic services. The respondents specified that they have neither received any complaints from the communities nor experienced community unrests due to service provision. They further showed that happy letters are signed at the completion of each project. The only challenge mentioned by one of the respondents is regarding maintenance of completed projects which raises concerns from the communities. On the other hand, 12.5% of the respondents agreed that the municipality face challenge in providing basic services. The respondent indicated that there is a backlog in roads infrastructure and the municipality needs more funding to address the backlog.

On the other hand, 70% of the community representatives disagreed with the view that there are adequate basic services within their wards, while 30% agreed that there are adequate services within their wards. The comments below are an indication of the general responses:

- “Basic services are there but not adequate.” (Respondent 2)
- “The only adequate basic services that rated well are water reticulation, other services still not available.” (Respondent 5)
- “Services do not cover the whole ward and as such they are not adequate. Improvement of service delivery needed.” (Respondent 9)

3.2.2 Rating of community satisfaction with services delivered by the municipality
Respondents were asked about community satisfaction. Accordingly, 62.5% of the respondents indicated that the community is somehow (slightly) satisfied on services delivered by the municipality, whereas 25% indicated that the community is very satisfied with the services delivered by the municipality and 12.5% of the respondents indicated that they are not sure of the community satisfaction on the services delivered by the municipality. The majority indicates that the community is somehow (slightly) satisfied on services delivered by the municipality which can be further elaborated that there is still dissatisfaction within the community. This shows that the communities still expect the municipality to improve its provision of services.

On the other hand, 80% of the respondents reported that the communities are dissatisfied with the services rendered by the municipality, whereas only 20% agreed that the communities are satisfied with the services rendered by the municipality. The comments below are an indication of the general responses:

- “Partly satisfied reason being that unemployment rate is high within the youth.” (Respondent 12)
“No, as some of the services are not available at all e.g. high mast lights at crime sports.” (Respondent 7)

“Municipality still lacks the provision of services to every household e.g. Ventilated Improved Pit (VIPs) latrines. No yard connection in terms of water provision.” (Respondent 11)

3.3 The impact of the MIG on basic service delivery

About 75% of the respondents described the MIG as their main source of funding to provide basic service delivery to communities as the municipality does not collect enough revenue to provide services to its communities. 12.5% further indicated that MIG assist in rural development in terms of funding infrastructure projects in rural communities and 12.5% indicated that it builds local capacity in the form of employing local people and helps the municipality in backlog eradication. One of the respondents was quoted as saying that “The MIG is the core programme enhancing basic service delivery as the municipality has a limited revenue base. The municipality is therefore grant dependent” (Respondent 1).

Respondents were asked about whether the MIG funding assist your municipality in improving service delivery as it is intended to. Accordingly, 75% of the respondents agree that MIG funding assist the municipality in improving service delivery as it is intended to whereas 25% disagree with the statement. The finding indicated that backlog eradication is a challenge due to population growth and mushrooming of new settlements as well as the allocation of the municipality not being enough to eradicate backlogs. It was further mentioned that the other challenge is that the municipality will construct or implement small length of the road in phases and the funds get exhausted before completion of the entire project.

Likewise, the community representatives were asked about the types of infrastructural projects that are delivered by their municipality. The respondents identified the types of projects delivered by the municipality in their wards as follows: water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools. The community representatives further indicated that the communities get employed in the projects through an initiative called the Expanded Public Works Programme (EPWP) even though it is on a temporary basis. They further mentioned that the projects benefit the community by developing the youth in the form of skills transfer or job training either accredited or non-accredited. One of the benefits of is that the projects make lives of the communities easy as they are the beneficiaries. The respondents also indicated that communities help run the projects by forming projects steering committees. Good hygiene was also indicated as a community benefit on those household that are having good latrines. However, all of the respondents reported that the projects being implemented by the municipality were not regularly maintained by the municipality. The comments below are an indication of the general responses:

- “Maintenance is a bit of a problem within the ward. It is done once in a while or when the need arise” (Respondent 6).
- “The municipality does not have maintenance plan, so it is difficult for them to budget for project maintenance, and that affect the usage” (Respondent 9).
"Maintenance is a big problem or challenge in the municipality. The projects are not maintained properly" (Respondent 11).

Respondents from the community representatives segment of the sample were also asked about the impact of infrastructural projects to determine whether the community have benefited from MIG related projects in respect of services. The finding shows that the communities have benefited from infrastructural projects related to water, sanitation, road and electricity whereas they have gained low or no benefit concerning community halls, recreational facilities and refuse removal. The details are as follows regarding:

- **Water**, the majority 60% of the respondents indicated that water projects have high impact in terms of improving basic services, but 35% indicated very high impact and 5% indicated low impact.

- **Sanitation**, the majority 45% of the respondents indicated that sanitation projects have a high impact in terms of improving basic services, even though 20% indicated very high impact whereas another 20% indicated average impact while 10% indicated low impact and only 5% indicated very low impact.

- **Road**, the majority 45% of the respondents indicated that road projects have a high impact with regards to improving basic service while 40% indicated average impact and the remaining 15% indicated very high impact.

- **Electricity**, the majority 35% of the respondents indicated that electricity projects have very high impact in terms of improving basic service delivery, while the other 35% indicated average impact and the remaining 30% indicated low impact.

- **Community halls**, the majority 45% of the respondents indicated that community halls projects have average impact in terms of improving basic service delivery, whereas 35% indicated low impact while 10% indicated high impact. Although only 5% indicated very high impact, another 5% indicated very low impact.

- **Recreational facilities**, although the majority 40% of the respondents indicated that recreational facilities projects have low impact in terms of improving basic service delivery, 30% indicated average impact whereas 20% indicated very low impact, and the remaining 5% indicated very high impact and another 5% indicated high impact.

- **Refuse removal**, the majority 35% of the respondents indicated that refuse removal projects have very low impact in terms of improving basic service delivery whereas 25% indicated low impact. 25% indicated average impact while 10% indicated very high impact and the remaining 5% indicated high impact.

It is evident from the above findings that the MIG projects implemented by the municipality have created positive impression within the community, especially the delivery of water, sanitation, road, electricity and community hall. It was also clear that the municipality was struggling to address the community needs regarding recreational facilities and refuse removal.
4. CONCLUSION AND RECOMMENDATIONS

The findings revealed that: Firstly, that the municipality makes all efforts to comply with the requirements of the MIG. The spending trend of the EMLM municipality shows effective utilization of MIG. However, records show that the municipality has a tendency of spending three months LATE IN October after commencement of the financial year (It should be noted that the municipal financial year starts from July to June of the next calendar year). The result also reveals that at the project level there might be some over spending tendencies. It is also evident that the municipality has the capacity and the mechanisms to manage the MIG implementation; nonetheless, there is a sign that there is inadequate capacity of technical administrative skills and project management skills which are essential for MIG administration. Mechanisms to monitor the MIG implementation are indicated by site visits, site meetings and monthly service provider meetings. The municipality demonstrates accountability in terms of the administration of the MIG by submission of monthly reports, annual reports; implementation plans; cash-flow budget to the national office through provincial office; and by submitting financial statements to Treasury.

Secondly, although the findings reveal that the municipality is rendering basic services to its residents using the MIG, some officials indicated that there is a backlog in roads infrastructure and that the municipality needs more funding to address that specific backlog. The community representatives were recorded saying that the communities are not satisfied with the services rendered by the municipality. It was also evident that the municipality is struggling to address the backlog because of the mushrooming of new settlements and the limited MIG funds.

Finally, the findings show that MIG programme has contributed to improving basic service delivery in Elias Motsoaledi Local Municipality. Respondents from municipal office specified that the MIG is the main source of funding for delivery of basic services to its communities. The community representatives revealed that they have benefited from different types of projects delivered by the municipality in their wards such as: water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools. It was also stated by community representatives that the infrastructural projects implemented are not properly maintained. In addition, the finding shows that most respondents are still not well-informed about MIG. That is the reason that they have inadequate information about the projects at local level.

Recommendations of the study were based on the analysis, findings and key conclusions drawn from the study. Accordingly the following recommendations were suggested on how Elias Motsoaledi local municipality can improve the impact from the implementation of MIG on service delivery:

i. The municipality has a trend of spending three months (October) after commencement of the financial year therefore a continuous and or prior planning of the services to be delivered by the municipality is recommended. The municipality must ensure appropriate programme and project planning as well as implementation readiness prior to the year of implementation. This must be informed by the Integrated Development Plan and three year capital plan.

ii. On the issue of inadequate capacity on technical administrative skills and project management skills which are relevant for MIG administration. The municipality
should develop human resource skills development plans. A performance management tool must also be drawn for each employee to measure how they are performing on project management and monitoring.

iii. Information sharing workshops might be of assistance to the municipality to increase the knowledge and understanding of the MIG projects by community representatives and the community at large.

iv. The municipality is also advised to have an Institutional Social Development (ISD) Unit which will deal with community issues. These might increase the understanding of the plans of the municipality on service delivery.

v. The municipality should explore other avenues like the private sector to speed up the reduction of service delivery backlogs.

vi. The municipality must have a maintenance plan and take into consideration budgeting of operation and maintenance which can help municipal infrastructure assets to reach their life span. Preventative maintenance is advised than responsive maintenance.

REFERENCE


ABSTRACT
Since the Massive Open Online Course phenomenon hit the world by storm in the early 2000s, higher education institutions worldwide invested a tremendous amount of time and effort in the development of online courses. However, high attrition rates force these education institutions to critically reflect on design methodologies followed when online courses are planned, designed and delivered. A holistic approach in design could ensure that the views and requirements of all stakeholders are taken into account to ensure improved levels of commitment and success in offering online courses. The aim of this research is to apply a critical systems thinking approach to identify and obtain the views and requirements of all the stakeholders involved in the design, development and delivery of online courses in the Computer Science Department at the North-West University, South Africa.

An interpretive study was conducted within a critical systems thinking paradigm which resulted the collection of quantitative data by conducting interviews. An adapted set of critical systems heuristics questions was used in order to encourage participants to articulate their views and requirements.

During the interviews additional stakeholders were identified who were not involved before and who should be more actively involved and frequently consulted during the design and delivery of Computer Science courses. Aspects which had been overlooked, such as lack of communication amongst stakeholders, were identified. Despite the variety of responses given, common goals were listed and an improved sense of awareness of views and requirements was observed amongst stakeholders.

This research was the first iteration in the process of action research. The aim is to make stakeholders aware of views and requirements of all the actors involved in the design, development and delivery of the online course. As the research progresses, it is anticipated that these views and requirements will be articulated and communicated more frequently which could lead to an improved design process.

Key Words: Systems thinking, critical systems heuristics, distance education, online education, SPOC

JEL Classification: I, I2, I23

1. INTRODUCTION
1.1 Evolution of distance learning in higher education
Distance learning can be defined as education provided to students who are separated by distance from other students and the educator (i.e., physically not present in the same space) and in which the pedagogical material is compiled and provided by the educational institution (Kaplan & Haenlein, 2016). In a comprehensive study conducted on trends in distance education over a period of 35 years, Zawacki-Richter and Naidu (2016) argue that the evolution
of distance learning can be linked to transitional periods based on the media used, namely, printed educational material, television and the Internet. Printed material replaced the need to physically attend lectures. In 1969, the Open University was founded in the UK as the first institution to offer augmented correspondence learning which was conducted via mail and television, with short residential courses and supporting classes at different physical locations.

The arrival of the Internet introduced the online version of distance education. Researchers were intrigued by the teaching and learning possibilities provided by blended learning, online communication facilities, collaboration opportunities, and the positive response of learners and educators towards this fast growing technology-based medium of education. Since the turn of the century online education became a global phenomenon. Allen and Seaman (2008) report that online enrolment at higher education institutions in the United States, between the years 2002 and 2007, increased from 9.6 percent to 21.9 percent. The growing interest in online education coincided with the Budapest Open Access Initiative that was launched in 2002. The fact that they claimed that knowledge is a public good and should be distributed at no cost further encourage the movement towards open online courses. The MOOC (Massive Open Online Course) phenomenon came about during this time. A MOOC is defined as an open-access online course (i.e., without specific participation restrictions) that allows for unlimited (massive) participation (Kaplan & Haenlein, 2016).

Even though MOOCs almost instantly became one of the most popular means of distance education, high attrition rates cause educational institutions to consider alternative versions of the MOOC model. In an effort to utilize the positive features of MOOCs but address issues related to high attrition rates such as lack of guidance and meaningful peer-to-peer and instructor-learner interaction, SPOCs (Small Private Online Courses) emerged as a revised version of MOOCs (Bartolomé & Steffens, 2015). SPOCs supplement distance online learning by providing contact sessions as part of its structure (Piccioni et al., 2014). Furthermore, it focuses on relatively small groups of students within a specific target group. Variations on MOOCs and SPOCs based on time dependency are shown in Table 1. Activities of students are scheduled with synchronous courses which means, for example, in a virtual classroom all students are required to be ‘present’ at the same time due to a live streaming session or group work to be done online and in real-time.
Table 1: Classification of online distance learning applications

<table>
<thead>
<tr>
<th>Time Dependency</th>
<th>Number of Participants</th>
<th>Unlimited</th>
<th>Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asynchronous</td>
<td>Distance Learning</td>
<td>MOOC (Massive Open Online Course)</td>
<td>SPOC (Small Private Online Course)</td>
</tr>
<tr>
<td></td>
<td>Traditional Learning</td>
<td>e.g., community college offering several time slots for the same fundamentals course; gives quasi-asynchronous choice to a student.</td>
<td>e.g., individual or small group tutorials with a private teacher scheduled according to student availability.</td>
</tr>
<tr>
<td>Synchronous</td>
<td>Distance Learning</td>
<td>SMOC (Synchronous Massive Online Course)</td>
<td>SSOC (Synchronous Small Online Course)</td>
</tr>
<tr>
<td></td>
<td>Traditional Learning</td>
<td>e.g., undergraduate lecture in amphitheatre with stadium seating.</td>
<td>e.g., PhD course on a specific method or research topic.</td>
</tr>
</tbody>
</table>

Source: Kaplan & Haenlein, 2016
Although distance learning can be facilitated by a range of formats, the focus for this paper is on SPOCs.

2. MOTIVATION FOR THIS STUDY
2.1 Challenges in distance education
The high attrition rates for online courses is the greatest cause for concern with regard to online education (Bansal & Singh, 2015). According to Doe et al. (2017), high attrition rates has not been addressed yet even though the literature reveals that the issue is reported repeatedly. Other challenges related to online courses include lack of guidance and meaningful peer-to-peer and instructor-learner interaction (Mackness, Mak, and Williams, 2010; LaBonte, 2012; Bartolomé & Steffens, 2015), and cultural and language barriers (Castillo et al., 2015). Alario Hoyos et al. (2014) argue that a lack of research initiatives on the design methodology of online courses contributes towards low throughput figures. These authors point out that the courses offered online should not be designed only from a pedagogical perspective. The technological pedagogical content knowledge (TPCK) model, as per Figure 1, illustrates the complex environment within which technology-based education (including online education) takes place. The model reflects different aspects that are significant contributors towards the design and delivery of technology-based courses; these include ICT, module content and context, pedagogy, and learners (Ioannou & Angeli, 2016).
Despite the positive prospect of spreading knowledge and providing learning possibilities to many communities all over the world with distance education, the rate of success in the completion of courses should be addressed. High attrition rates for any given online course is commonly assumed to be a result of an inability to master the content thereof, however this is not always the greatest cause. It has been found that major contributors are factors such as infrastructure, where technological requirements and support, and logistics are not up to standard; and social issues such as background, status and motivation of potential students. These are the factors that should be considered when an online course is designed and delivered. Therefore, the application of a holistic approach towards the design and delivery of online courses is highly recommended.

2.2 Motivation for a systems thinking approach

Developing educational software has many commonalities with software development (Kruchten, 1998). This applies to the design and production stages specifically, since the product as well as the production medium and tools are the same for both. Distance learning relates to the learning environment (Figure 1) and various stakeholders such as the educational institution and the labour market whose interests should be served. The interests of these stakeholders are subject to change due to the dynamic nature of ICT, the needs of students, and labour market requirements. For this reason, distance education can be regarded as complex adaptive systems (CAS). A complex adaptive system consists of connected networks of various interdependent “agents” with a shared goal (Davis et al., 2015). The systems thinking software develop approach is designed to be used analyse and develop solutions applied to complex adaptive systems. Therefore the application thereof to distance education could provide an alternative way to develop and manage an online course.

Systems thinking follows a holistic approach towards solving a problem (Ulrich, 1993). This means that, in defining a problem, all relevant facts and values within the context of the problem to be solved are considered; as such, “the outcome of a design” is a sensitive and uniquely-crafted result. Systems thinking states that problem situations may be viewed as a system consisting of different interrelated parts (Flood, 2010). Flood (2010) continues to explain that a
problem or phenomenon can only be fully understood by investigating all the facets of the problem. This argument is supported by Churchman (1968), who states that individual components of a system work together in order to accomplish a common goal. The interrelatedness between the parts is important in order to understand the whole (Ackoff, 1971). The application of systems thinking for enhancing organisational performance is well documented in myriad organisational settings (Mingers & White, 2010). Literature reveals applications of systems thinking to curriculum design and instructional models in education (Banathy, 1999). However, empirical evidence of the application of systems thinking to the field of distance education is limited.

2.3 Critical systems heuristics (CSH)

A set of questions developed by Ulrich (2005) invites stakeholders to reflect on what they believe about the current situation in any project at hand, and what they think it ought to be. This set of questions is known as ‘critical systems heuristics’ (CSH) and is detailed in Table 2. For the purpose of this study the “project” as per the questionnaire (Table 2) refers to an online course in the field of computer science. The questions focus on four areas: motivation, control, expertise, and legitimacy. Motivation focuses on the purpose and beneficiaries of the system and whose interests are being served. Control establishes who has decision-making authority and what resources they have at their disposal. Expertise describes what forms of knowledge are necessary, and where that knowledge resides. Legitimacy considers the worldview and potential sources of oppression inherent in a social system.

Table 2: Critical systems heuristics (CSH)

<table>
<thead>
<tr>
<th>Focussing question</th>
<th>Questions for coding the data</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTIVATION: Focus on the beneficiary</td>
<td>1. Who was/ought to have been the beneficiary of the project?</td>
</tr>
<tr>
<td></td>
<td>2. What was/ought to have been the purpose of the project?</td>
</tr>
<tr>
<td></td>
<td>3. What was/ought to have been the project’s measure of success?</td>
</tr>
<tr>
<td>AUTHORITY: Focus on the decision-maker</td>
<td>4. Who was/ought to have been the decision-maker that controlled the conditions for project success?</td>
</tr>
<tr>
<td></td>
<td>5. What resources were/ought to have been controlled by the decision-maker?</td>
</tr>
<tr>
<td></td>
<td>6. What resources were/ought to have been outside the control of the decision-maker?</td>
</tr>
<tr>
<td>KNOWLEDGE: Focus on the expert/professional</td>
<td>7. Who did/ought to have provided the relevant knowledge and skills?</td>
</tr>
<tr>
<td></td>
<td>8. What were/ought to have provided the necessary knowledge and skills?</td>
</tr>
<tr>
<td></td>
<td>9. What were/ought to have been regarded as assurance of successful implementation?</td>
</tr>
</tbody>
</table>
10. Who was/ought to have been representing the interests of those negatively affected by, but not involved with the project?

11. What were/ought to have been the opportunities for the interests of those negatively affected to have expression and freedom from the worldview of the project?

12. What space was/ought to have been available for reconciling differing worldviews regarding the project among those involved and affected?


CSH is based on critical systems approach used by social scientists to analyse and intervene in complex social situations that involve multiple, interconnected stakeholders with different perceptions (Ulrich & Reynolds, 2010). The critical systems approach is characterised by setting and managing boundaries and interactions between various stakeholders involved in the project (Davis, 2014).

2.4 Purpose of the study
The purpose of the study is to investigate and consequently propose CSH as a technique for informing the online course development governance design. The research questions are: (1) What insights can CSH, as a diagnostic tool, contribute to our understanding of the development of an online course? (2) How can CSH be used effectively as a tool towards improving the development of online courses?

3. RESEARCH METHODOLOGY
The research was conducted within the critical research paradigm which relates to interpretivism (Kuechler & Vaishnavi, 2011; Neuman, 2013). Data was collected across four case studies, where each case study represented recently completed and delivered courses for distance education at a higher education institution.

Semi-structured interviews were conducted with a key participant from each case study – two telephonic and two face-to-face interviews. Table 3 provides a brief description of the interviewees and their respective roles in the online courses they were involved in.

<table>
<thead>
<tr>
<th>Code</th>
<th>Interviewee Position</th>
<th>Role and field of expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Head of distance education unit</td>
<td>Distance education specialist</td>
</tr>
<tr>
<td>B</td>
<td>Executive team manager at distance education unit and lecturer</td>
<td>Distance education specialist, Educator in School of Education</td>
</tr>
<tr>
<td>C</td>
<td>Manager and lecturer</td>
<td>Distance education specialist, Educator in School of Education</td>
</tr>
<tr>
<td>D</td>
<td>Lecturer</td>
<td>Educator in School of Computer Science and Information Systems</td>
</tr>
</tbody>
</table>

Participant D represented the field of Computer Science and Information Systems which is the field of interest for this study. Participants A, B, and C who are from the School of Education were requested to take part in the study due to their experience and valuable insights in existing procedures and structures related to the unit for distance education at the institution. Archival material was used to strengthen the interview data.
The contribution of the study is a demonstration of how CSH can be used as a reflective and diagnostic tool to generate fresh insights in online course development and to suggest how critical principles can be incorporated into our understanding of the governance of online courses.

4. RESULTS AND APPLICATION
Responses from participants to the 12 questions adapted from Ulrich (2005) were presented. The information provided was sourced from four participants. The 12 questions were used as an analytical tool in order to formulate a clear view on the subject of interest: distance education. In particular, the aim was to identify the differences between views, and ultimately use the various perspectives as boundary judgements.

4.1. Sources of motivation
Question 1: Who was/ought to have been the beneficiary of the project?
There was consensus amongst the interviewees about the students and the university being the beneficiaries: Students benefit from being able to study from home at their own pace, and increased enrolment figures are to the benefit of the university. Furthermore, students who cannot afford to stay on campus still have the opportunity to obtain a tertiary qualification. Both participants C and D identified the labour market as a beneficiary since employees can follow their career while studying. This is key in cases where an employee occupies a key position at work or performs tasks that require a scarce skill such as computer programming. Both participants A and B raised concerns about universities focusing mainly on increased enrolment figures while failing to evaluate the quality of the education being provided.

Question 2: What was/ought to have been the purpose of the project?
Participants indicated that having more people gain access to higher education is the main purpose of providing distance education. Following closely behind this main purpose is the ability to fill gaps in the labour market where there is a shortage of skills. Participant C mentioned that the purpose of one of their distance education qualifications is to assist the Department of Education to upgrade the qualification of their under-qualified teachers in primary education. Therefore, the purpose of offering a specific course by means of distance education could be to address a specific need in a community or country.

Question 3: What was/ought to have been the measure of project success?
The measure of success is an increase in enrolment figures for a particular online course. Participant C mentioned that a measure of success could be the fact that companies encourage their employees to enrol for a specific course at a specific institution. These companies often provide bursaries to their employees to ensure that they obtain the specific qualification offered by a specific institution.

4.2. Sources of control
Question 4: Who was/ought to have been the decision-maker that controlled the conditions for project success?
All the participants regard the Department of Higher Education as the institution that determines the conditions for success. The outcomes and objectives are specified by curriculum developers. However, in some instances the outcomes and objectives are vague. This results in different interpretations of these ambiguous and indistinct outcomes and objectives at different
universities when the course content is compiled. All participants mentioned that online courses should have the same objectives and outcomes as the face-to-face version of the course. The need was expressed for the Department of Higher Education to obtain inputs from the labour market to ensure that the qualifications address the needs of the labour market in the country. Therefore research should be done regularly on trends and requirements – specifically in the field of computer science.

Question 5: What resources were/ought to have been controlled by the decision-maker?
Participant B listed printed and electronic study material, electronic equipment, and venues to meet for contact sessions as resources to be controlled by the institution. There is a need for contact sessions since “interaction with lecturers” was established as a priority for students even though extensive resources are made available on the electronic learning management system. Participants mentioned academic staff as well as support staff as vital resources, that is, having enough staff members to assist with the development of study material, evaluating assessment tasks and organising contact session. Participant B raised concerns about the disproportionate numbers of enrolled students in relation to the number of staff members allocated to manage the online course. The number of staff members allocated to the course has to be realistic in order to provide students with regular and valuable feedback on tasks and assignments.

Question 6: What resources were/ought to have been outside the control of the decision-maker?
Due to the online nature of distance education, the Internet service provider and the learning management system (LMS) must be reliable. Participant B stated that online courses result in large numbers of students making use of the electronic resources. Participant C mentioned that service providers for printing and distributing study material should be reliable. Participant D questioned the need for printing to be done due to the electronic means of presentation and has concerns about the computer equipment at assessment centres. Specific software is required to be installed on computers. There should be instructions on how to prepare the computers at an assessment centre for Computer Science students. The lecturer also expressed concerns about invigilation during practical examination sessions that is not effective which makes it difficult to manage cheating amongst students.

4.3. Sources of knowledge /expertise
Question 7: Who did/ought to have provided the relevant knowledge and skills?
The participants mentioned different categories of knowledge and skills that are required. Experts in the field of online courses should provide training in terms of managing online courses. Staff members must be able to use electronic equipment such the electronic white board which is used during live contact sessions. The subject specialist should provide subject-specific knowledge and skills. Participant A mentioned the fact that the study material is not always presented in a way that all students will be able to grasp the concepts. The subject specialist should be aware of the difference in background, entry level skills, and knowledge of students. Participant A strongly suggested that the centre for teaching and learning provide training in online lesson development.

Question 8: What were/ought to have been the necessary knowledge and skills?
Expertise in the field of study is the first priority; that is, knowledge on online courses in terms of structure, how content should be presented, and how assessment should be done. In general
lecturers are not trained in the skill of developing online courses. Participant C stated that personal attributes, for example a person’s voice or having a charismatic disposition, are not considered in the appointment of lecturers to present online courses. However, literature reveals that these are contributing factors towards the success of an online course (Kaplan & Haenlein, 2016). Participate D mentioned that the burden on lecturers to compile, deliver and manage both online and onsite courses is heavy. If funds are available, the development of online course material can be outsourced. People from the private sector can be involved as experts to share knowledge or enhance course material with applicable examples or applications. They can also be requested to evaluate the content of the course.

**Question 9: What were/ought to have been regarded as assurances of successful implementation?**

It has been suggested by participants that feedback from students in a formal or informal way can be used to determine whether the course has been implemented successfully. However participant B argued that students are not experts and cannot be required to pass judgement on whether a course has been implemented successfully or not. A suggested middle ground on this issue was to request students to evaluate the course in terms of their perception of the course presentation and content. Summative assessment is done as part of the assessment criteria and can be used to determine the level of success in terms of implementation. In some institutions, a mentor is assigned to a group of lecturers in order to discuss and resolve implementation issues as they arise. Regular discussions can be useful to ensure that the course is implemented successfully, otherwise remedial action can be taken if problems arise. Participant B suggested that peer evaluation amongst lecturers can be done on an informal basis.

**4.4. Sources of Legitimation**

**Question 10: Who was/ought to have been representing the interests of those negatively affected by, but not involved with the project?**

The Department of Higher Education acts as the “gatekeeper” to ensure that high-quality courses are presented to students. This is done by means of audits in the form of internal and external program evaluations. Companies issuing bursaries should request students to give regular feedback on the standard in terms of knowledge and skills. They should also request feedback reports from the lecturer on student progression. Participant D mentioned from previous experience a subject mentor is appointed at some institutions to keep an eye on the quality of work in a subject group. Some institutions require of a student who drop out to do an “exit” interview. At the interview students have the opportunity to discuss problems and possible ways to solve those problems.

One of the negatively affected parties could be the lecturer who is instructed to present an online course. The negative attitude of staff members could compromise the outcomes of an online course. Participants express the concern that online courses are allocated to staff members without providing any assistance in the form of training or support staff. Therefore lecturers can articulate their concerns during the task agreement meeting. The subject head should ensure that staff members are satisfied with presenting the course or supply enough support staff to assist in presenting the course.
Question 11: What were/ought to have been the opportunities for the interests of those negatively affected to have expression and freedom from the worldview of the project?
There are many ways and procedures available for students to express their concern on matters related to the content or presentation of the course. Electronic services such as chatrooms and forums often create a space for bad behaviour or insensitive remarks (flaming), therefore the lecturer needs to be aware of discussions on these social platforms and respond accordingly and promptly. Topics such as religion, gender and political views should be avoided on the abovementioned platforms.

Question 12: What space was/ought to have been available for reconciling differing worldviews regarding the project among those involved and affected?
The content of courses is subject to audits to ensure that nobody is offended by the content. Students are encouraged to voice their grievances by following a grievance procedure.

5. DISCUSSION
In this section, the implications of our application of CSH principles and boundary critique are discussed.

During the interviews it was clear that none of the participants thought about any of the CSH questions before. Therefore, we can confirm that simply by requesting the participants to answer the twelve CSH questions we have accomplished the goal of gaining insight into the situation. Participants were requested to think about boundary settings, identify decision-makers and their relative rights and responsibilities. At the highest level, the Department of Higher Education has been identified. On the operational level, it was clear from the answers provided that policies to formulate the role and responsibilities of decision-makers are not in place or not well-communicated. These are reasonable challenges that are being faced, since distance education is not the primary medium of instruction at the institute of higher education that was involved in this study.

Boundary-setting is necessary in order to govern the development of online courses effectively. Burning issues that are not addressed as they arise can cause disruption and put the effective development and delivery of the online course at risk. Furthermore, it is not possible for stakeholders to be neutral on all issues since all actors have an embedded worldview; as such, acknowledgement and accommodation of different worldviews is constructive and fundamentally mandatory. This research project emphasises that regular discussions while focusing on the common goals of providing education improves the probability of obtaining well-designed and developed online courses. Communication is key, as exchanging views brings new insights and encourages the development of innovative solutions to unique problems.
6. CONCLUSION
From this study we can conclude that using critical systems heuristics (CSH) as a diagnostic tool can enhance the process of development and delivery of online courses. Furthermore, CSH can assist in incorporating a critical perspective in understanding what online course governance involves. CSH provides a set of questions that enforces intensive discussions on firstly identifying all the stakeholders who are or should be involved in the development and delivery of an online course. Secondly these discussions will ensure that the needs and requirements of all the stakeholders are met. This study confirmed that little or no thought was given to any of the social issues raised by the CSH tool in any of the four online courses investigated. This is an alarming fact since an educational online course is not only a pedagogical “arte fact” but should be developed to address social issues and requirements as well. This study proved that CSH used as a diagnostic tool encourages discussions on social issues and could be used effectively to improve the quality of the content as well as the management of online courses. This could in turn address the issue of high attrition rates for these courses. In Computer Science courses CSH is an essential tool that should be used to ensure that the needs and requirements of today’s technologically driven and ever changing labour market are met. It could motivate developers of online courses to engage in intensive discussions and reflection on the content that is being presented to Computer Science students in relation to the requirements of the labour market.

Lecturers, management, and support staff who engage regularly with the CSH tool are encouraged to have regular constructive discussions in order to accommodate and appreciate different approaches and nurture the opportunity to provide online education of a high standard to students.

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HEALTH AND SAFETY IN SOUTH AFRICAN SCHOOLS: MORE STILL NEEDS TO BE DONE

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ABSTRACT
South African schools like any public institution, must comply with the Occupational Health and Safety Act, 85 of 1993 to maintain the health and safety of the learners at schools. It is disturbing, however, to note that more still needs to be done in this regard. The purpose of this paper is to highlight the gaps that exist in ensuring the health and safety of the learners. This paper will address those gaps on issues such as fire-, injury- and drowning-related incidents and lack of regulations catering specifically for the health and safety of learners at South African schools. The methodology used was qualitative research. It is important in this research because it is aimed at gaining a deeper understanding of a specific organisation (in this case, South African schools), rather than a surface description of a large sample of a population. It aims to understand how the participants derive meaning from their surroundings and how this meaning influences their behaviour. The results of the research were that even though South African schools are required to comply with the Occupational Health and Safety Act, 85 of 1993, schools are not complying to ensure the health and safety of learners. The available general regulations are not fully enforced, resulting in non-compliance. It was found that majority of incidents/ accidents are not reported and investigated, which led to recurrence, for example, the young girl who drowned in a pit toilet at Mbizana in Eastern Cape. In conclusion, the following are the recommendations that will help to address the current and future state of health and safety of the learners at South African schools:

- The current relevant and applicable regulations and standards should be enforced and to ensure the health and safety of learners at South African schools.
- Specific health and safety regulations should be highlighted and complied with by all South African schools.
- The Department of Labour, in partnership with the Department of Basic Education, should appoint health and safety inspectors whose role will be to oversee the implementation and compliance with the legislation.

Keywords: Health, and Safety; Compliance; Legislation; School; Learners

INTRODUCTION
According to the Occupational Health and Safety Act, 85 of 1993, all institutions, organisations, businesses and/or corporations are required to comply with the relevant sections and regulations outlined in the Act (Department of Labour, 2013.) Global and regional trends in injuries and fatalities show a declining trend as far as injuries that lead to temporal or permanent disability (Lutchman, Maharaj & Ghanem 2012:12) In January 2017, a six year old learner died after falling into a water storage tank at Ryan International school in Dehli. The boy got trapped inside the tank until the sewage workers arrived and removed his lifeless body out (India times, 2017;) Levy et al. (2011:803) state that schools should ensure and maintain a safe and healthy learning environment. However, Section 8(1) of Occupational Health and Safety Act, 85 of 1993
states, “[e]very employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees”. Learners are not employees, but according to the Act, any person who is found on the premises when the incident occurs, will be regarded as an employee and the employer will be the principal or the governing body, depending on the type of the school.

Health and safety of learners at South African schools requires a broad and comprehensive health and safety programme. This implies a need for a policy that may include learners. Safe school environment also means being free from violence, all forms of abuse, including sexual abuse and bullying. The school should be free from criminal activities such as drug peddling and shooting as well as from physical hazards in the environment that may cause harm or result in injury, which is the responsibility of the employer, the Department of Basic Education, as represented by the principals or school governing bodies (SGBs). Teachers also have the duty to care for the safety of learners as in loco parentis, that is, they are secondary parents and without being delegated, they have the responsibility to ensure and protect the learners at schools (Oosthuizen 1992:121).

The number of incidents/accidents being reported in the media, recorded by the Department of Basic Education and Higher Education of education and many that go unreported indicate the gaps in the health and safety standards and regulations applicable to South African schools. South African schools are left to figure out, on their own, the relevant and applicable standards and regulations when it comes to ensuring and maintaining a healthy and safe environment at schools. Media reports on school incidents/accidents and the responses by the Minister of Education seldom mention the standards and regulations that have been violated. Another omission is a recognised legal framework on health and safety in South African schools, which could serve as a foundation on which health and safety policy and programmes are designed.

**SOUTH AFRICAN SCHOOLS’ COMPLIANCE WITH RELEVANT LEGISLATIONS**

There are legislations that protect the rights of children and legislations that inform and necessitate the writing and promulgation of the Occupational Health and Safety Act, 85 of 1993. Prinsloo (2005:5) lists the following legislations that protect the rights of children (learners): Child Care Act, 74 of 1983, the Domestic Violence Act, 116 of 1998, the South African Schools Act, 84 of 1996 and Occupational Health and Safety Act, 85 of 1993. Another important legislation, from which all legislations originate, is the Constitution, the supreme law of the land. Chapter 2 of the Constitution, the Bill of Rights, advocates and protects the rights of people, including that of learners in our South African schools. Section 24(a) of the constitution stipulates that “everyone has the right to an environment that is not harmful to their health or wellbeing”. From these legislations, there are provisions, which are applicable to schools to ensure learners are subjected to a healthy and safe school environment, free from hazards that could result in injury or death.

The interpretation of these legislations, standards and regulations requires the legal background, which is provided by the Department of Basic Education to the school governing body (SGB), the principal or the teachers. These must also be reduced into a legal framework for health and safety of South African schools. A good example of a legal framework is the one presented in Figure 1.
Lack of dedicated occupational legal experts is another reason of non-compliance with the relevant legislations as presented above. Private schools are better equipped as compared to public schools, especially those in rural areas, where access to resources in general is a problem. A good and painful example is the lack of safe toilets: this was evident in a report by Dailymaverick,(2018) which led to the tragic death of a five-year-old boy, Michael Komape, who fell into a pit toilet at Mahlodimela Primary School, Limpopo. Five years later, a grade R learner, Lumko Mkhethwa, also fell into a pit toilet and died in Bizana, in the rural Eastern Cape. The Dailymaverick(2018) further reported that the deadline to comply with the regulation of replacing the school toilets that were built with inappropriate and often unsafe material (structures) was set for 29 November 2016, however, this was not met. This implies that even where regulations exist, they are not complied with, leading to the recurrence of incident/accidents that could have been prevented.

This is in contradiction to the Occupational Health and Safety Act, 85 of 1993, regulation 5(1)(d) which states that one of the duties of the client is to “ensure that the designer takes the prepared health and safety specification into consideration during the design stage”. The
regulation seems not to be providing for the specific designs, for example, a pit toilet that is suitable and safe to be used by grade R learners (small children whose physical bodies may pass through the hole of the pit toilet in case of an accident/ accident). It could be argued that the pit toilets have not been approved and are not suitable to be used at schools and where they happen to be used were used as a temporary measure; hence, a regulation was passed, which expressed the due date for the eradication of inappropriate structures that were not safe to use. There is no regulation for temporary, inappropriate structures that are not safe and, as a result, there are no safe pit toilets as no standards exist to regulate them. An example of a standard or construction regulation for building a pit toilet could have been one that requires the hole to be narrow with a protective bend, which could prevent the body of a child passing through. The current regulations fail to address the actual conditions at South African schools; they focus on ideal school environments envisaged by the ministry of education.

It is important to note that political pressure also plays a role in non-compliance with regulations. According to Shotwell, Adams and Burnside (2010:32), political factors, which can be either internal or external, can contribute on the nature of decisions taken by those who are in leadership. These political factors may influence their perceptions and determine the implementation of the solutions that are meant to address the health and safety issues. In many instances, politicians are afraid to take decisions that will make them, and their organisation lose popularity. In most cases, as Stowell, Adams and Burnside (2010:32) has observed, inaction could be due to the perception that if a right decision is taken and implemented, the particular individual may create negative political waves, which could be detrimental to his or her political life and career.

The power of political pressure was insinuated by the report presented by the Dailymaverick (16 March 2018), where it was reported that the wording of the regulation was in such a way that the department could avoid its responsibility, as it meant that it is only obliged to fix schools made entirely out of mud, wood, zinc or asbestos. The responses and media reports by the education minister(s), are always politically correct and not pragmatic. The regulation also indicated the due date for the eradication of inappropriate structures that are not safe, and the Department of Education could not comply with its own regulation. The impact of the lack of specific regulations, which are meant to address health and safety matters at South African schools, can be observed in the incidents where Michael Komape and Lumko Mkhethwa lost their lives. The regulation did not specify the pit toilets and how they should be addressed on a temporary and permanent basis, as it was not possible to eradicate them over night. The construction regulation requires that the main contractor keep a health and safety file on site. The regulation does not address construction of temporal structures, such as pit toilets; hence, they do not comply with occupational health and safety requirements. Flynn and Shaw (2008:32) expressed that it is imperious that senior managers: In this case, it will mean managers sitting at district, provincial or national departments of education) should prioritise health and safety issues.

NON-COMPLIANCE WITH HEALTH AND SAFETY LEGISLATIONS
Hughes (2006:1) states that occupational health and safety is applicable to all sectors of the industry and business and includes historical industries such as information technology, health services, old-age homes, schools, educational institutions, leisure facilities and offices. It is crucial to pay attention to the definitions of the main concepts in health and safety in order to
highlight the significance of compliance with relevant and applicable legislation. These concepts are health, safety, hazard, risk, near-miss and accident. According to Hughes and Ferret (2006:1), health “is the protection of the bodies and minds of people from illness resulting from the materials processes or procedures used in the workplace”; safety “is the protection of people from physical injury” and hazard “is the potential of a substance, activity or process that can cause harm”. Accident is defined by the Health and Safety executive as “any unplanned event that results in injury or ill health of people, damage or loss to property, plant, materials or the environment or a loss of a business opportunity (Hughes, 2006:2). Near-miss is “any incident that could have resulted in an accident”. Many of the near-misses later occur as minor incidents/accidents. Risk is the “likelihood of a substance, activity or process to cause harm” (Hughes, 2006:3). Koradecka (2010:473) defines risk as “a combination of the probability of an event and the severity of its consequences”.

Organisations and institutions such as schools are required to comply with the Occupational Health and Safety Act, 85 of 1993, of which one of the compliances is to conduct risk assessments in order to establish risk control measures. According to Hughes (2006:75), the focus should be on the design stage, whereby risks are designed out during engineering process.

There are several legislations that stipulate requirements that schools should adhere to in order to create a healthy and safe school environment. These legislations also provide regulations and standards with which the organisations should comply. The following are some of the legislations that are relevant and applicable to health and safety at schools: Occupational Health and Safety Act, 85 of 1993, South African Schools Act, 84 of 1996 and National Environmental Management Act, 107 of 1998.

The Occupational Health and Safety Act, 85 of 1993 requires organisations and institutions, including schools, to carry out investigations after an incident/accident has occurred. The purpose of investigation, according to Reese (2006:71), is to establish what happened in order to take the necessary measures to prevent recurrence. In this case, non-compliance will be when incidents/accidents are not investigated when they occur. In most cases, they are not even reported, hence they are not recorded, especially near-misses. When incidents/accidents are not investigated, the cause will not be established, and control measures will not be implemented, which exposes teachers and learners to constant danger.

It is important to note that health hazards are traditionally not identified nor reported. Asfahl (2010:16) states that early safety practitioners did not consider health hazards. In many instances, health as a concept was not even mentioned when safety was mentioned or written about. Health and safety managers should give equal attention to health hazards as they do with safety hazards. In certain circumstances, situations can present as both safety and health hazards. Asfahl (2010:16) further distinguishes safety from health “safety deals with acute effects of hazards, whereas health deals with chronic effects of hazards”. Reaction to safety hazards is sudden whereas reaction to health hazards is prolonged. This implies that where safety hazards exist, health hazards could have been present too, although, they were not identified or given attention. The status quo has changed as many occupational diseases are being discovered and addressed by hygiene specialists and medical personnel.
The complex nature of the hazards becomes an obstacle towards compliance. School principals find themselves having to deal with safety, health and environmental hazards. These three areas have their specific legislations, regulations and standards that should be complied with. In most situations, expert knowledge is required, that is an expert in safety hazards, health hazards and environmental hazards, respectively. On closer examination of occupational health and safety matters at South African schools, it proves to be a full-time job and school managers/principals who are not committed will find it challenging to comply with the relevant legislation. Asfahl (2010:17) identifies another significant task to be performed by the school managers, which is purchasing equipment that may not comply with the existing health and safety standards. In the process of changing standards, some of the equipment becomes obsolete. Failure to adhere to the existing standards and regulations is regarded as non-compliance.

**Rationale for non-compliance with health and safety legislations**

Feyer (1998:215) states that solutions to safety issues are not incorporated into the daily activities of the school programme of the principal (manager) and the teachers. They are not treated like their normal activities, as a result those that require compliance, are not complied with. Feyer (1998:117) further indicates that where there are health and safety systems, management plays an important role in implementing those systems. In this case, management will be either the principal or the Department of Basic Education with the principal playing a role of the manager. The significant role of the school principal (manager) is also emphasised by Ridley (2008: 37) who states that managers play a significant role in health and safety as they are in control and are able to allocate or assign responsibilities. The failure by the school principal (manager) to exercise control on health and safety matters lead to non-compliance.

Ridley (2008:37) observes that the commitment by the SGB’s, or the Department of Basic Education will be exhibited by the high level of performance in health and safety within the school. School principals, as managers, have authority and influence and can influence positively the health and safety performance by providing resources that will aid the implementation of policies and adherence to regulations. The lack of commitment will result in poor or low performance, for example, lack of policies, health and safety inspections, SHE audits, incident investigations, SHE training and risk assessments. Lutchman, Maharaj & Ghanem 2012:46)

Another rationale for non-compliance, as stated by Stowell, Adams and Burnside (2010:31), is that of failing to establish a health and safety culture that recognises and acknowledges safe behaviour. A health and safety culture vacuum in an organisation creates a situation where employees do not comply with safety policies and procedures. Employees in South African schools will be teachers, administrators and learners. These are people who may take shortcuts where health and safety culture does not exist and failure to comply with policies, regulations and standards, may result in injuries, fatalities and even property damage. (Lutchman, Maharaj & Ghanem 2012:43)

**Hazards that threatens the health and safety of learners in South African schools**

According to Stowell, Adams and Burnside (2010:31), a hazard is a “condition, substance, or device that can cause injury or loss; the source of a risk”. Ridley (2008:43) defines hazard as “something with the potential to cause harm”. 

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There are hazards that will be general to almost all schools in South Africa and other hazards will be specific to particular schools. Each school is expected to tailor-make its safety policy based on the identified hazards and safety risks in relation to the requirements of Occupational Health and Safety Act, 85 of 1993 and its regulations. This is where the service of legal experts is required – first, to identify the relevant sections of the relevant legislations, which the particular school should comply with, depending on the nature of identified hazards. Secondly, the legal experts should come up with the legal framework of health and safety, of either the particular school, district, region, province or national department of education. The legal framework is expected to list all relevant legislations and highlight all relevant sections from these legislations. The school written policy will be informed by this legal framework and may cover the following aspects: safety in the classroom; safety on the school grounds; and safe transportation of learners.

Identification of hazards precedes all other measures and implementation of systems. After identification of hazards, safety-related risks should also be identified so that safety measures can be implemented, which may include, hazard elimination and transfer.

**HEALTH & SAFETY ASPECTS IN SA SCHOOLS THAT REQUIRE COMPLIANCE**

The aspects of compliance in South African schools will vary depending on the geographical area where the school is situated, for example, a school in Upington will differ in terms of the temperature experience compared to a school in Johannesburg. The climate ascribes particular safety, health and environmental hazards. The heat emitted by the sun in Upington will pose a safety, health and environmental hazard. Arezes (2013:175) exposes the aspect of indoor air quality (IAQ), which is now imperative to consider due to the measures to conserve energy within the buildings. Facilities are constructed with lower ventilation rates, resulting in the degradation of indoor air quality. Change to the amount of ventilation affects the health of the occupants. According to Arezes (2013:175), poor indoor air quality in schools is due to insufficient ventilation, especially in winter. Changes in the construction regulation effect the changes in the standards and necessitate amendments in the legislation. This may modify the compliance or introduce new compliance requirements.

Fire hazard is common in many schools, while some schools may have higher exposure to drowning hazards, trips and falls, heat stroke, frostbite, chemical hazards, airborne diseases and environmental hazards. Flammable and explosive materials bring with them their own hazards and, according to Asfahl (2010:296), the management of these materials will require applicable standards. Some of the schools have laboratories with flammable and explosive material; these schools are required to comply with certain health and safety standards. All organisations, according to Occupational Health and Safety Act, 85 of 1993, are required to comply. Learners should know how to evacuate the facilities or school grounds in case of fire or emergency, which will require an evacuation plan.

Signage is one of the requirements that organisations/ schools should comply with. The signage will depend on the nature of hazards and other applicable warning signs. Most of the signage is related to safety hazards, whereas in reality there are supposed to be health hazard-related signage. According to Asfahl (2010: 17), there are more health fatalities than safety fatalities, even though the statistics do not reflect this due to the delayed diagnosis thereof. Another
negating effect is that the occupational illnesses are often identical to symptoms arising from commonly occurring illnesses acquired outside the workplace.

Consumer product safety will soon become a concept, which will also require schools to comply due to the recent listeriosis breakout, which led the Department of Health to impose a ban on processed meat. Businesslive (5 December 2017) reported on the announcement by Dr Aron Motsoaledi of a listeriosis outbreak. The school has the responsibility to protect the wellbeing of teachers and learners and this necessitates principals to identify applicable legislations and regulations.

Some of the hazards at schools may be due to construction that could be taking place at the particular time and could only exist as long as the construction is in progress. Stranks (2006:149) highlights the need to regulate contractors to prevent or minimise incidents and ill health. This will involve a service level agreement, which will include a clause that stipulates who will be responsible for health and safety matters, whose health and safety policy will be enforced and who will provide personal protective equipment (PPE). During construction, many regulations and standards are required, and the school environment is shared between contractors and school community. The responsibilities of the school principal is augmented during the construction period, so is compliance to applicable legislations, regulations and standards.

RESULTS
The results of the research revealed that even though South African schools are required to comply with the Occupational Health and Safety Act, 85 of 1993, there are no specific regulations for schools, which ensure the health and safety of learners at schools. The available general regulations are also not enforced and monitored; hence, schools are not complying with those regulations. It was found that only major incidents/accidents are reported and investigated. Minor incident/accidents are not reported and that often leads to recurrence. The literature review has revealed that the gaps that exist are due to the legal nature of the legislations whereby the school management has no legal capacity to identify and interpret the relevant and applicable sections, regulations and standards within the legislations.

CONCLUSION AND RECOMMENDATIONS:
In conclusion, the following are the recommendations that will help to address the current and future state of health and safety of the learners at South African schools. The current relevant and applicable regulations and standards should be enforced and monitored to ensure the health and safety of learners at South African schools. Specific health and safety school regulations should be written, implemented and complied with by all South African schools. The Department of Labour, in partnership with the Department of Education, should appoint health and safety inspectors whose role will be to oversee and monitor the implementation and compliance to Health and Safety Regulations at all South African schools.

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ABSTRACT
The aim of this paper is to investigate the performance and management approaches of small-enterprises towards employment creation in the 21st century in South Africa. Small-enterprises have been regarded as solutions towards poverty reduction through the provision of employment opportunities. When people are employed in small-enterprises it increases their purchasing power to afford basic needs and wants to improve their standard of living. Employment creation, it is crucial for increasing people’s financial security to promote higher standard of living which will stimulate the economic activities. Many small-enterprises in the 21st century are collapsing and people get lower wages which are not adequate enough to elevate them out of the poverty cycle completely. Small-enterprises have been playing a huge positive role in the economy but they encounter numerous challenges daily that limit them to create more employment opportunities. The performance of small-enterprises in the 21st century, have been affected by online shopping innovation. This implies that the number of people that buy directly from stores is continuously declining. When people purchase products online from other countries that empower the businesses outside South Africa and collapse the ones that exist within the country.

The methodology the qualitative approach will be used to get information through literature review using articles and books. The secondary data will also be useful to find textual information regarding challenges, debates, management approaches, developments related to the contribution of small-enterprises on employment creation. Small-enterprises such as supermarkets are still making profit even though at a small-scale due to competition from medium-enterprises that employ more people and pay them better wages as compared to small-enterprises. The recommendation is that the South Africa government should focus on strengthening the existing small-enterprises that exist in rural areas. The government should monitor small-enterprises in ensuring that they are being managed properly. The Department of Small Business and Development should encourage enterprises to buy products online in bulk from other countries unlike individuals purchasing few products for personal use online, that collapse small-enterprises. South Africa is affected by rampant unemployment and poverty while small-enterprises have been existing, this is what this paper seeks to investigate in terms of their performance and management.

Keywords: Small-enterprises, employment creation, management approaches of small-enterprises and online shopping.

JEL Code: M5 Business administration.
INTRODUCTION
Small-enterprises are regarded as one of the solutions to reduce poverty and unemployment in developed and developing countries through employment creation (Asare, Akuffobe, Quaye and Atta-Antwi, 2015; Toluyemi, Sanni and Toluyemi, 2016). Small enterprises in the past were seen as a tool to create employment for marginalized people to have access to income but currently is seen as a major employment creation in South Africa in rural areas (Mauzu, Bala and Hassan, 2016). Small-enterprises due to their positive impact in the provision of employment opportunities they accounted about 55% of jobs in 2007 in ensuring that people have access to income or wage (Trade and Industry Policy Strategies, 2008). If people have access to income they become financially secure and able to meet their own needs without relying on the government continuously for financial assistance (Mutyenyoka and Madzivhandila, 2014). Small enterprises in the 21st century do not create more employment opportunities for the people as compared to the past because of innovative strategies by online enterprises (Tassiopoulos, De Coning and Smit, 2016). Page and Sodernbom (2015), argued that even though small enterprises encounter challenges but yet they contribute towards employment creation, reduce poverty and provide wages that will slightly uplift people out of poverty cycle.

Therefore, due to the poor performance of small-enterprises that has led other enterprises to collapse while other companies retrench employees because they can no longer be able to pay them (Abubakar, Zainol and Daud, 2018). It raises many questions regarding the management of small-enterprises in the 21st because they are slowly collapsing instead of creating more employment opportunities for people (Tassiopoulos et al., 2016). It is challenging for small enterprises to compete in the market in the 21st century because of numerous challenges they encounter such as online shopping, access to finance, access to markets essential infrastructural facilities, management skills and marketing skills (Fatoki, 2014; Lohana, Zabri and Ahmad, 2018). Majority of the population purchase their products online from other countries such as China and that affect the performance of small-enterprises within South Africa (Jacobs and De Klerk, 2010). Therefore, this paper is to investigate performance and management approaches of small-enterprises towards employment creation the 21st century in South Africa. The paper will provide the analysis regarding the concept small enterprise, management approaches of small-enterprises, challenges of small-enterprises and types of employment and the conclusion will be drawn.

2. Small-enterprise
There is no universal accepted definition of small enterprise because they differ by countries and institutions (Diale, 2009; Okpara, 2011, Mago and Toro, 2013). Small enterprises mostly are defined by number of employees, total turnover and its legality (Fatoki, 2014; Page and Sodernbom, 2015). The number of employees in small-enterprises they differ by countries, in Ghana small-enterprises employ between 6 to 29 employees, Kenya 10 to 50, Europe less than 50 employees and in South Africa employ between 1 to 49 (Du Toit et al., 2007; Asare et al., 2015; Ayandibu and Houghton, 2017). Small enterprises are business in which one or more people are required to make all the critical management decisions: finance, accounting, personal, purchasing, processing or services, marketing, selling, without the aid of internal specialists and with specific knowledge in only one or two functional areas (Watson and Everret, 1996). In South Africa, small-enterprise is a separate and distinct business entity, including co-operative enterprises and non-governmental organizations, managed by one owner or more, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub
sector of the economy (National Small Business Act 102, 1996). In South Africa, small enterprises are privately owned operating business, corporations, partnership or sole proprietorships with the turnover of more than 1 million and employ between 1 to 49 staff members, financed and decisions taken by the founder (Du Toit, Erasmus and Strydom, 2007; Ayandibu and Houghton, 2017).

3. The performance and management of Small-enterprises towards employment creation in the 21st century in South Africa
The paper seeks to investigate the performance of small enterprises focusing on its management approaches, challenges they encounter that limit them to expand and the types of employment they create. The management of small enterprises are crucial in ensuring that enterprises perform better and create employment opportunities. Small-enterprises in the 21st century require more capital, innovations, management skills and strategies to create employment and compete in the market for survival.

3.1. Management approaches of Small-enterprises.
There are many management approaches to small enterprises but the paper will focus on strategic approach, relationship marketing management approach, marketing-oriented management and consumer-oriented Management.

3.1.1. The Strategic Approach
The strategic approach is crucial in small enterprises because it enlightens the business owners to identify the environmental changes such as technological innovation, economic influence, political factors, changing consumer preference, demographic aspects and increasing competition (Du Toit, Erasmus and Strydom, 2010). The strategic approach helps to make managers aware that change in consumer preference is always there and they need to change improve the products they offer in order to suit the consumers. The world is going towards the modern way of doing business. Further introduction of online shopping in the 21st century across the globe it affects the performance of small-enterprises in countries in terms of profits decreasing and employees retrenched. There are few small enterprises in South Africa that offer their products online, the reason may be that it might be too expensive for them while others do not support or do not understand online shopping. The performance of small enterprises in 21st century is difficult to create more employment for people, because other enterprises offer their products online that lead other people to lose their jobs. In order for an enterprise to be successful the manager needs to realize the challenges and opportunities related to society’s transition towards sustainability, for example being able to innovate, design and build business models that are useful (França, Broman, Robèrt, Basile and Trygg, 2017).

Strategic approach it is vital to assist the small and micro-enterprises in terms of what to consider before opening an enterprise and how to come up with strategies to maximize their profits and overtake their competitors (Stoian and Gilman, 2017). Management skills and marketing skills are crucial to the success of small enterprises, such abilities assist the business to be strategic and innovative to outsmart their competitors. Small enterprises to be strategic they need to employ high skilled people in the managerial positions and offer them permanent and par-time employment to improve the business.
3.1.2. Relationship Marketing Management Approach
The performance of small-enterprises in the 21st century need to be alert that customers cannot prefer the same products forever, but they must understand their environment and customers in order to preserve the relationship with them (Liu, 2016). For a business to survive in the changing environment, the marketing management is needed to establish long-term relationships with people and institutions (Du Toit, Erasmus and Strydom, 2010). However, if small enterprises have the good relationship with their customers and improve their quality of products to satisfy customers that business it will grow. Due to competition with enterprises online, small enterprises that do not offer their products online can build strong relationship with its loyal customers that encourages trust between two parties (Niedermeier, Wang and Zhang, 2016). Small enterprises need to retain and attract customers through innovation and quality products; that can play a huge role to ensure that businesses remain strengthened and employ many people (Stoian and Gilman, 2017).

3.1.3. Marketing-oriented Management
Marketing-oriented management is all about informing customers about sales, prices of products and services while the quality of the products need to be considered (Du Toit, Erasmus and Strydom, 2010). There have been many debates around the quality of goods offered by online small enterprises that most of them are of poor quality; therefore, few people go back and buy from local enterprises. Small enterprises need to improve their packaging in order to attract more customers, expand and create more employment in their communities (De Beer and Armstrong, 2015). The management of small enterprises in the 1950s began to recognize that to advertise their services and products is a technique to deliver information to many people (Johnson, 2015). Majority of small enterprises such as supermarkets and other enterprises advertise their products on television, pamphlets and radio stations while other enterprises do not advertise their products (Beneke, 2010). However, in Canada other enterprises owners run the business and use more money for personal use rather than expanding the business and the business remain the same for many years without even being marketed (Paoloni and Dumay, 2015).

3.1.4. Consumer-oriented Management
Businesses should ensure that customers are the priority by providing them the kind of service and products they demand or wish to have (Peppers and Rogers, 2016). If customers are not satisfied with quality of the products, they can go and look for better products in other enterprises. If customers are satisfied with the products sold to them they become regular buyers, the business grow and that will enable it to create more employment. In terms of management, business managers need to understand what their customers demand. Other authors such as Rahman (2016), Chatterjee and Das (2016) states, that there is no need to sell the products that the customers do not demand. Management approaches come in order to assist the managers to understand their customers and the type of people they are. Many small enterprises fail while others struggle to be successful due to lack of consumer-oriented management.

4. Challenges of Small-enterprises
Small-enterprises have been dominating over the years and they keep on spreading more in rural areas. Yet they encounter numerous challenges that limit them to operate more effectively and create employment for people in the 21st century. Other enterprises have collapsed while
others are struggling to get on their feet; Therefore, the following section will focus on various challenges faced by small-enterprises.

4.1. Management Skills
Small-enterprises are types of enterprises that are not easy to manage because they require management skills such as planning, organizing and controlling to ensure that everything runs smoothly in business (Hatten, 2011). Small-enterprises require management skills in order for a business to operate well and succeed. Most of the ownership of small-enterprises they prefer close-cooperation which it has up to 10 members; therefore, lack of commitment by other stakeholders can affect the growth of the business (Krishnan and Scullion, 2017). Managers in small-enterprises they need to ensure that their finance are used sufficiently to ensure that employees are paid fairly, expand and to hire more people who will take the business to the next level.

The vital factors regarding the success of small-enterprises it depend on the educational qualifications, experience and the labour force that is skilled in their specialization field (Vivek, 2017). The is high competition in the business industry especially in the 21st century and that is why management skills are important such as decision-making, interpersonal communication and problem-solving skills (Rahman, 2016). In business employees are not given the similar tasks but each person has to fulfil their task as assigned by their manager (Chatterjee and Das, 2016). Management skill is crucial because in Mitrovica, the largest supermarket was selling the expired food to customers, when the investigation was conducted results showed that it was the fault of an employee who failed to perform the given task diligently (Kadriu, Kochoski and Trajkovska, 2018).

The business lost loyal customers and their good reputation was destroyed because of poor management and lack of an individual ‘s ability to carry out the task. The commercial farming products should also be checked in terms of quality whether they deliver their products on time to suppliers that will be good practice of management (Conceicao, Levine, Lipton and Warren-Rodriguez, 2016). Lack of conceptual skills by the manager can play a negative role in the business because the manager must have a vision, ensuring that the missions and business objectives are met. Innovation, marketing and packaging are important in the 21st century enterprises because without them the business can become less competitive in the market.

4.2. Access to finance
Lack of access to finance is a challenge that faces many small-enterprises because other enterprises have the potential to expand but due to lack of finances they become limited (Charman, Petersen, Piper, Liedeman and Legg, 2017). Small-enterprises are emerging in countries but yet there are numerous challenges that hamper small-enterprises to access funds from financial institutions (Asare et al., 2015). In South Africa, the government established Small Enterprise Development Agency (SEDA), it was established to provide training to managers and provide financial assistance to small-enterprises but the is misuse of funds that are being directed to certain individuals (Kwaning, Nyantakyi and Kyereh, 2015). There are also other funding institutions for small-enterprises such as Department of Trade and Industry, National Empowerment Fund, National Youth Development Agency, Industrial Development Corporation. The government agencies they assist with expanding enterprises, coordinate and monitor the provision of training, advice, counselling and any other non-financial services to small business
in accordance with the National Small Business Support Strategy (National Small Business Act 102, 1996;7).

Yet there are people with brilliant business ideas but due to lack of information and networking that hinders them to establish new businesses that will create employment. At the World Bank, the study was conducted that small-enterprises that are about 90% stated that having access to credit is a major challenge to investment (Parker, Riopelle and Steel, 1995). That indicate that small-enterprises have been struggling with access to finance because a business requires a lot of money to start. The problem with financial institutions of small-enterprises is that they provide funds to businesses that are emerging instead of strengthening small-enterprises that are already operating and have the potential to expand (Amel and Mach, 2017). Most succeeding small-enterprises that get financial assistance are those from urban areas than those in rural areas of were poverty dominate.

4.3. Essential Infrastructural Facilities
Lack of infrastructure can limit small enterprises to operate effectively; developed countries have infrastructure that lead small enterprises to perform well (Fishman and Khanna, 2004). According to Cherkos, Zegeye, Tilahun and Avvari (2018), states that for small-enterprises to be successful there must be availability of infrastructural facilities such as roads, buildings and drains; if there are poor infrastructural facilities that can lead the business to fail. Due to poverty and lack of employment opportunities in small-enterprises in rural areas people migrate to urban areas searching for employment opportunities. There is a need for essential infrastructural facilities in rural areas in order to attract investors and businesses in those places that have the potential of growth in order to create employment (Fishman and Khanna, 2004).

Lack of infrastructural facilities such as water, road network, incessant electricity, waste disposal facilities, sewers, and also many more infrastructural facilities that are crucial to assist business operations and the community (Akabueze, 2002; Okpara, 2011). Roads play crucial role in location for small-enterprises because the business cannot be opened at a place whereby the customers will not be able to access the goods and services. Internet café as small-enterprise it requires electricity for the operation and they do not require interrupted electricity because due to cut of the electricity it can disturb their operation and it can lead to its downfall and many people lose employment. Many entrepreneurs have the eager to expand their enterprises but due to lack of essential infrastructural facilities they become discouraged to risks their resources (Cherkos et al, 2018). The infrastructural facilities are expected to improve the growth of small business also developing the disadvantaged areas. Over the years, inadequate or lack of infrastructural facilities has been identified as one of the major challenges facing small businesses, an occurrence that continue to hinder the growth of a country ‘s economy at a desired pace (Banwo, Du and Onokala, 2017).

5. The Types and Quality of Employment Created in Rural Areas
Over the year’s countries have been experiencing the growth of various forms of employment, such as permanent work, temporary, casual and self-employed subs contacting (Singh and Verma, 2001). The paper highlighted management skills and the challenges faced by small enterprises in rural areas it is necessary also to allude the types of employment created by small-enterprises. Small-enterprises are enterprises that employ 1 to 49 employees; therefore, it
is of paramount for the paper to tackle different types of employment on how small-enterprises contribute on each type of employment.

Therefore, this section will focus on the types of employment created by small-enterprises.

5.1. Permanent Employment
Permanent employment is when an individual work and be paid directly and in addition they receive benefits such as insurance, health care, sick leave, holidays and they also receive retirement benefits (Bohle, Quinlan, Kennedy and Williamson, 2004). Most people are permanently employed in the small-enterprises because they are enterprises that are formally registered while other enterprises are franchises and have the capacity to employ. Most people confuse small with micro-enterprises but small-enterprises are businesses that are formally registered and employ more people than micro of which provide employees with permanent employment (Fatoki, 2014). Also a successful retail store that is performing well financially it can provide employees with permanent employment in order to keep skilled employees. There are four unfair dismissals which are fair, unfair, constructive and wrongful of which the permanent employment seeks to protect employees from unfair dismissal (Davidov and Eshet, 2015). The constructive dismissal occurs when an employee resigns due to breach of contract by the employer, whereby the employer requires employees to work under hazardous conditions (Gibson, 2017). Agricultural commercial farming and small-scale agricultural farming, the employer can require employees to work during heavy rain of which will result employees to be sick. Small-enterprises are the ones that mostly provide permanent employment due to their large number of employees and they make the turnover of more than million (Li and Rama, 2015). Small-enterprises such as commercial farming, supermarkets and internet café in Khenya they are governed and monitored by the government to ensure that they treat workers with fairness, support them and also to ensure that they create permanent employment (Slater and Kwami, 2005; Mellor and Malik, 2017 and Kot, 2018).

5.2. Part-time Employment
Part-time employees refer to people who are employed on a temporarily basis to provide services to agencies and they are assigned by the employer to ensure that they provide quality work in elevating the institution to be productive (Chen and Wang, 2015). Part-time employment is when a person is employed to work for a certain period of time and employees are paid by number of hours they have worked, for example an Internet café can provide people with temporary employment. Small-enterprises such as internet café they provide part-time employment to young people to give them an exposure to work environment and experience. African universities and colleges continue to produce many graduates, but due to high level of poverty and lack of employment opportunities they continue to search for opportunities in small-enterprises (Kraaij and Molenaar, 2017). Many small-enterprises in South Africa are not performing well economically, that has led to many companies to downsize their employees which means they had to retrench people because they could no longer afford to pay them (Mutenyoka and Madzivhandila, 2014; Asare et al., 2015, Masilela, Gerber and van de Merwe, 2016). Due to retrenchment of people by many companies it has given people to start their own enterprises for survival and most of them struggle to provide people with permanent employment but provide people with part-time employment.
Small-enterprises such as supermarkets and commercial farming they play a positive role in creating part-time employment because people who are unemployed, they rather work in part-time employment unlike being unemployed (Ochieng, Veetil and Qaim, 2017). Supermarkets and retailers, have been increasing part-time work in order to modify the workforce levels based on large number of consumers (Jany-catrice and Lehndorff, 2002; Rieucau, 2015). Part-time employees their work is more satisfying because they desire to impress the employer and most people work in part-time jobs because they struggle to find permanent employment. According to Ritter (2017), stated that the government in China they strengthened and they continue to strengthen their small and micro-enterprises to create permanent and part-time employment. Maksimov, Wang and Luo (2017), also added that the problem with African countries they tend to pay more attention to medium-enterprises such as mines because they employ masses of people but neglect the potential of small-enterprises.

5.3. Seasonal Employment
Seasonal employment is when a person is employed temporary or for a certain season in order to complete the job (Dex and McCulloch, 2016). In agricultural production the farm might employ people to help in a certain season of cultivating crops such as sugar cane, grapes, fruits, vegetables and many more. In commercial farming in terms of agriculture one of the community members might see an opportunity for transporting products to various existing micro-enterprises in the area. Commercial farming is the driver of economic growth in developing countries because they provide people access to food and provide people with seasonal employment (Conceicao et al., 2016). As long as people consume food then commercial farming and small-scale agricultural farming will continue to employ people. Poverty and rampant unemployment in African countries they have opened doors for people to work in any enterprises even though is not their specialization field (Vogel, 2015).

When a person has been unemployed for many years they tend to appreciate being employed seasonally in small-enterprise because that will allow them to have access to income and increase their spending. According to Dex and McCulloch (2016), Seasonal employment is created based on the work demand for example in restaurants they increase their employees during holiday seasons because many people go to vacations during that time. Seasonal employment is when a person has rendered services to the business and their services are no longer needed, their employment contract it becomes terminated (Chen and Wang, 2015).

5.4. Self-employment
Self-employment is when an individual works for herself or himself of which they run the business and make decisions on their own. Self-employed is when an individual earns money for his or her own job from a trade or small business. Self-employment in Sweden it plays a significant role in the incidence of self-employment in tourism, with restaurants dominating as the type of establishment (Carson, Carson and Eimermann, 2018). When people actively look for employment and they do not find a job they begin to be self-employed by opening their own business in order to generate money but that will depend on the financial capital (Kolvereid, 2016).

6. The results through Literature review.
The literature on Small-enterprises in South Africa demonstrate that they have the potential to create employment opportunities for those that unemployed. It is up to the government in their
policies to focus on enterprises at rural areas to ensure that they are being supported with access to finance, management skills and essential infrastructural facilities. The problem with financial institutions of small-enterprises is that they provide funds to businesses that are emerging; instead of strengthening small-enterprises that are already operating, have the potential to expand and create employment for people (Amel and Mach, 2017). Most small-enterprises that have been existing in South Africa for many years while few enterprises do not partake in offering their products online. Therefore, new established enterprises begin to offer their products online and that should be a concern to the government because the more population purchase products online from other countries, enterprises in South Africa suffer. The government should have restrictions on purchasing products online by allowing companies to buy goods online from other countries unlike individuals purchasing goods or products online but be allowed to purchase few goods. The government should not focus only on the taxation part of small-enterprises but monitor them in their progress, ensuring that they employ people and treat workers fairly. The government should not focus only on strengthening small-enterprises with money but should work with local municipalities to ensure that managers have strategic management skills, relationship marketing management skills, marketing-oriented management and consumer-oriented skills.

7. CONCLUSION
The vital role played by small-enterprises cannot be ignored because of their contributions to employment opportunities for unemployed. The government should focus on up lifting small-enterprises that are struggling in terms of finances, empower managers with management skills and ensuring that they run enterprises being strategic. Furthermore, entrepreneurship education for managers increases the formation of new ventures, the likelihood of self-employment and the likelihood of developing new products (Islam, Khan, Obaidullah and Alam, 2011). It is not easy for small-enterprises in the 21st century to operate and create more employment because of competition from macro-enterprises and online enterprises. The role of the government in small-enterprises it is crucial in ensuring that policies shoulder also be directed on small-enterprises that exist in rural areas. The challenges such as lack of infrastructural facilities can withhold the investors because other enterprises need certain facilities such as running water, sewages, electricity and roads. Small-enterprises can perform much better in the 21st century if they are being managed properly and get support from the government.

REFERENCES


EVALUATING THE PROSPECTS AND CHALLENGES OF INFORMAL SECTOR IN ADDRESSING THE TRIPLE CHALLENGES FACING SOUTH AFRICA

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ABSTRACT
South Africa’s development discourse within the new democratic dispensation was rooted on the quest to address the triple challenges (unemployment, poverty and inequality) of development. The informal sector economy became an eminent strategy that the poor used to preclude the problem of unemployment, poverty and redundancy in urban areas. However, it was found in the literature that majority of these informal businesses have not significantly grown to a point where they can be used to address unemployment and poverty. The lack of major growth in the sector can be attributed to the start-up motive which is based on necessity than opportunity recognition in South Africa. Therefore, the ambition to grow the business becomes null, which deter its significant contributions to employment creation, poverty abatement and inequality. The paper argues that despite the fact that informal businesses have not rigorously addressed the triple challenges, they certainly have served as a cushion for poor people from falling through the cracks of poverty that the South African government fails to address. The paper concludes that the informal sector and all its predicament presents a developmental niche in order to improve the plight of majority of the black poor people in South Africa. Furthermore, business training and empowerment can play a profound role in enhancing the prospects of informal sector in reducing poverty and unemployment.

Key words: Informal Sector (traders); democratic dispensation; triple challenges;

1. INTRODUCTION

The momentous inauguration of the former President of South Africa, Nelson Mandela at Union Building in Pretoria on the 10th of May 1994 signalled the validation of the culmination of a long battle against racialism, discrimination and marginalisation. The multicultural and multiparty government immediately inherited the triple challenges of development (poverty, unemployment and inequality) which are entrenched character apartheid administration over the past four decades (Rogerson, 1996). During the twenty-four years of celebrating democracy, the levels of unemployment, poverty and inequality are continuously increasing. Is it worth celebrating democracy if 26.7 per cent (StatsSA, 2018) of the population is unemployed, majority being poor and the society remain unequal? Ramaphosa (1998) argued that unless the principles of democracy are applied and felt by the ordinary citizens at the ground, the concept will remain nebulous and untested idea. The people who are most affected by the challenges are non-whites, especially black women. Despite the efforts of South African government to curb the challenges, poverty and unemployment continue to rise. Unemployment, economic growth, education, health problems, poverty and the unprecedented rural-urban migration became the eminent challenges confronting the democratic administration. Due to the incapacity of the South African government to eradicate these triple challenges of development in the past 24 years, majority of poor people started their own economy outside legal and legislative scope of the country. Therefore, informal business can be understood as the sector that is unregistered.
and unregulated, but derive their income from producing legal goods and services (Ram, Edwards, Jones & Villares-Varela, 2017). Though many scholars have argued that the sector is not regulated (Daneilsson, 2017; Ram et al., 2017; Williams, Horodnic & Windebank, 2017), a closer scrutiny demonstrates a certain form of informal regulation amongst traders within a particular vicinity.

The sector finds its etymology during the 1970s (Hart, 1972) as poor people try to cope within the chronic disequilibrium of the market. Therefore, informal sector was immediately used as a strategy to circumvent the problems of poverty, unemployment and redundancy in both rural and urban areas (Rogerson, 1996; Kanbur, 2013; Ingle, 2014; Obeng-Odoom and Ameyaw, 2014). Though the operation of informal sector economy is dominated in urban areas, it has found its base also in rural areas. Over the years, the continuous increase in unemployment and poverty in South Africa propelled the growth of informal businesses. StatsSA discovered that informal sector economy accommodates over five million people with a greater percentage being women. This can be attributed to the fact that poverty remains gendered and women continue to bear the brunt of this social ill. Despite the growth in the proportion of people engaging in informal sector, the growth in terms of size remain the largest part unknown (Daneilsson, 2017), while Kanbur (2013) and Ingle (2014) argue that informal sector did not grow at all. The lack of growth in the size of informal sector or business can be attributed to the start-up reasons. Scholar have argued that in South Africa, the reason to start a business is based on necessity rather than opportunity recognition which result in the lack of growth of these informal sector businesses (Hessels and van Gelderen, 2011; Urban, Venter & Shaw, 2011). This means that people open businesses trying to address their poverty situation without the identification of a business opportunity. However, Ingle (2014) has indicated that most South Africans endeavour into the informal business because it is necessary in order to circumvent the plight of the poor. This type of start-up motive has not yielded much results in growing the business and subsequently, addressing poverty, unemployment and inequality.

2. ETYMOLOGY OF INFORMAL ECONOMY

Poverty and unemployment have characterised rural sitting for years. The deepening of poverty in rural areas propelled people to migrate towards urban areas in the quest to achieve better life. Rural-urban migration was echoed by Lewis’s basic Theory of development during the 1950s and 1960s (Hart, 1972, Rogerson, 1996; Todaro & Smith, 2012). Lewis’s basic Theory of development assumed that the urban areas offer unlimited employment opportunities which can cater for the incoming migrants which remain unrealistic. Therefore, poverty and unemployment became a new character of urban areas. Lewis’s basic Theory of development did not offer potential solution to address poverty, inequality and unemployment that most countries such as South Africa are facing (Todaro & Smith, 2012). Despite the prospects of economic growth envisaged by the Lewis’s basic Theory of development, during the 1960s there was a growing concern of the rising unemployment and poverty levels. During the 1970s, Kenya and Ghana witnessed the emergence of a new form of traditional sector which was unregistered, unregulated and operating outside the legal framework emerging in an urban context referred to as informal sector economy (Hart, 1972; Rogerson, 1996). Informal sector was characterised by majority of migrants, unskilled and uneducated labour force (Hart, 1972; Rogerson, 1996). The emergence of informal sector in urban areas can be attributed to the inability of majority of the population to find formal employment. However, Ram et al. (2017: 363) argue that “informal
work as an inherent feature of advanced capitalism, attempting to explain this by reference to the disequilibrium of the market, which forces many micro-firms to sell their products or service at below the correct price”. Rogerson (1996) stated that the motivation to venture into informal sector was to generate income in order to improve their economic autonomy. During the 1980s, the prevailing view on informal sector economy was an obsolete and vanishing form (Ram et al., 2017). Over the past four decades, informal sector has spread in various countries as an economy that has the potential to preclude poverty and unemployment (Rogerson, 1996) amongst developing countries such as South Africa. The question is: after 46 years since the emergence of the informal sector, why has it not disappeared as envisaged? The growth in the proportion of people engaging in informal businesses in most countries signify its importance in the development of a country and the fight against poverty and unemployment. During 1980s, the debate on informal sector became prominent in many capitalist countries. Meanwhile, the economic crisis in Latin America witnessed the mushrooming of the informal sector which was triggered by accompanied by a high level of unemployment and poverty (Chen, 2014).

The debate on the heterogeneity of informal sector economy has been argued from four schools of thoughts. Chen (2012) describes these schools of thoughts as:

- **The Dualist** school of thought which view informal sector economy comprising marginal activities that enable poor people to generate income and provide a safety net in times of economic downturn.
- **Legalist** school of thought which view entrepreneurs as those who choose to operate informally or outside the legal framework in order to obviate costs and efforts to register their businesses. Danielsson (2017) view this school of thought as the perspective that conceptualise economic informality as the results of deficient and exclusionary formal institutional framework.
- **The Voluntarist** school of thought focuses on informal entrepreneurs who avoid regulations and taxation, and choose to operate informally. Many survivalists are congregated in the voluntary school of thought.
- **The Structuralist** school of thought on the other hand are primarily caused by the growing capitalist ideology that drives informality. Danielsson (2017) does not see informal sector as detached from formal counterparts, rather as interrelated economic systems.

The inability of the modern sector economy to encapsulate a vast majority of people within the modern opportunities compels them to operate within the informal sector. However, some people venture in informal sector as they await opportunities in the formal sector (Danielsson, 2017). In an attempt to reduce the labour cost and increase competitiveness, most people lost their jobs, thus, relegating them into informality (Chen, 2012; Danielsson, 2017). Whereas other people are compelled by the situation that they are confronted with (poverty and unemployment), others choose to operate informally to obviate taxes and processes to register. However, the causalities of informality cannot be limited to people obviating tax, legal obligation and structure conditions people find themselves in, but inequality, unemployment and poverty remain at the core of informal sector causalities. Furthermore, majority of people engaging in informal sector in South Africa were seen to fall under survivalist which can be attributed to the rising poverty and unemployment. This can be seen as the contributing factor towards the lack of growth in size of informal sector in South Africa.
3. TRIPLE CHALLENGES FACING SOUTH AFRICA

After four decades of apartheid administration in South Africa, the new democratic dispensation had to battle with the triple challenges of development antagonising the country. Tracking unemployment since 2008 until 2014, the statistics show that unemployment has over this period increased from 26.6% to 27.5% (StatsSA, 2014b) with majority of those been women. The 2014 quarterly labour force survey revealed that the fourth quarter (Q4) in observed the largest increase in employment with 64 000 and 7 000 in the Q1 of 2014 (Stats SA, 2014). However, the Q2 in 2014 witnessed job losses in the formal sector (-24 000). Though the figure might seem small, it really calls for concern. The inability for formal sector and government to provide permanent employment to majority of its unemployed citizenry pose a catastrophic ramification in the quest to obviate the triple challenges of development in South Africa. The fight to obviate the triple challenges has been in the fore front of South African government’s plans for the past 24 years. Therefore, 24 years into the new democratic dispensation, unemployment, poverty and inequality continue to increase. The increment in the rate of poverty, unemployment and inequality relegated majority of poor people into informality and witnessing the growth in the informal sector employment (StatsSA, 2014a). Thus, informal economy remains a topical issue in many academic disciplines (Danielsson, 2017) in addressing these triple challenges.

Figure 1: Unemployment by Sex

Source: StatsSA, 2018
Figure 1 shows the changes in unemployment by sex from 2016 until the first quarter of 2018. It is clear from the figure that the rate of unemployment amongst women remain very high, and oscillating around 29 per cent. Figure 1 demonstrate that unemployment amongst women in the first quarter of 2016 was 29.5 percent as compared to 24.6 Per cent . However, in the first quarter of 2018 there has been a marginal decrease in the proportion of unemployed women (28,1%) as compared to the increment amongst men (25,1%). These percentages are very important in understanding the deep rooted challenges that South Africa is facing. Despite the
oscillation of South Africa’s unemployment rate, figure 1 shows that the country’s unemployment rate is at 26.7% in the first quarter of 2018 (StatsSA, 2018). This shows that unemployment remains very high post 1994.

**Figure 2: Unemployment by Educational level**

![Unemployment by Educational level](image)

**Source**: StatsSA, 2018

Figure 2 demonstrate that there is a positive relationship between the level of education and unemployment. Figure 2 shows that majority (30.1%) of people who are unemployment in the 1st quarter of 2018 are those without matric whereas 29.2% been those with matric only. Furthermore, figure 2 shows that only 7.9 percent of people who are unemployed are found to be graduates. Therefore, the figure demonstrates the correlation between educational level and the level of unemployment. The inability of the government to reduce unemployment in South Africa shows the incapacity to address the poverty levels. However, due to the inability of the government to reduce unemployment amongst literate and illiterate populace, there has been an emergence of educated people within the informal sector economy (Rogerson, 1996; Ingle, 2014). StatsSA states that there are over 2 million people engaging in the informal sector in South Africa. Ingle (2014) states that the employment services company, adcorp claims that StatsSA has over the years failed to count as many as six million people engaging in the informal businesses. Despite the fact that Adcorp states that the informal sector employs 6.5 million, StatsSA is adamant that informal employment only employ 2 million people (Ingle, 2014).

**Figure 3: Household Poverty Share by Province**

<table>
<thead>
<tr>
<th></th>
<th>2016 Q1</th>
<th>2016 Q2</th>
<th>2016 Q3</th>
<th>2016 Q4</th>
<th>2017 Q1</th>
<th>2017 Q2</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
</tr>
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<tbody>
<tr>
<td>Less than Matric</td>
<td>31.3</td>
<td>31.2</td>
<td>31.8</td>
<td>31.2</td>
<td>31.1</td>
<td>33.1</td>
<td>31.7</td>
<td>31.2</td>
<td>30.1</td>
<td></td>
</tr>
<tr>
<td>Matric</td>
<td>27.6</td>
<td>27.3</td>
<td>27.3</td>
<td>27.0</td>
<td>27.5</td>
<td>27.9</td>
<td>28.9</td>
<td>27.5</td>
<td>29.2</td>
<td></td>
</tr>
<tr>
<td>Graduates</td>
<td>6.1</td>
<td>6.5</td>
<td>7.6</td>
<td>7.6</td>
<td>7.3</td>
<td>7.4</td>
<td>5.4</td>
<td>6.6</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>Other Tertiary</td>
<td>16.6</td>
<td>16.0</td>
<td>17.8</td>
<td>17.0</td>
<td>17.8</td>
<td>17.8</td>
<td>17.8</td>
<td>17.0</td>
<td>15.6</td>
<td></td>
</tr>
<tr>
<td>RSA</td>
<td>26.7</td>
<td>26.6</td>
<td>27.1</td>
<td>26.5</td>
<td>27.7</td>
<td>27.7</td>
<td>29.7</td>
<td>26.7</td>
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Source: StatsSA, 2018
Figure 3 shows that majority of poor people are found in Kwa-Zulu Natal province (21%) followed by Gauteng (19%), Eastern Cape (14%) and Limpopo (13%). The figure shows that Northern Cape, Free State and Western Cape recorded the lowest household poverty in 2015 (3%, 6% and 7% respectively). The incapacity to address the triple challenges relegated people into informality which cushion the poor from poverty and unemployment. Cooper (2009:574) further states that “women’s unpaid and time-consuming reproductive work in the household and community contributes to women’s poverty by making it difficult for them to compete on an equal footing with men in the job market”. Often the country is confronted with a developmental dilemma which is to increase economic growth or address social problems facing majority of its population. Informal business is a vehicle used by most poor people, predominantly women, to circumvent poverty and increase their income levels. Keeping that in mind, women constitute the highest proportion of people in the informal sector, especially in the survivalist (Rogerson, 1996; Urban et al., 2011, Ingle, 2014; Obeng-Odoom & Ameyaw, 2014). The high number of women in the informal sector is attributed to high unemployment rate and the gendered nature of poverty which characterise most developing country such as South Africa. The growth of unemployment and the gendered nature of poverty connotes that there should be policy intervention in order to transform the plight of women in the country. Despite the 24 years of fighting poverty and its face by successive governments, the plight of majority of women in South Africa remain tenuous. The triple challenges of development are not unique in South Africa, but they are global problems that require a concerted solution.

4. THE PROSPECTS AND DEVELOPMENTAL NICHE OF INFORMAL ECONOMY

The contribution of informal businesses towards economic growth, fighting poverty and unemployment in South Africa cannot be neglected or overlooked (Hessels & van Gelderen,
Despite this promising notion that informal sector stimulating economic growth and help in fighting poverty, Baumol (1996), Audretch & Thurik, (2001), van Stel & Storey (2004) and van Stel et al. (2005) cited in Hessels 7 van Gelderen (2011) argue that informal sector can only stimulate economic growth in countries with higher per capita income. The start-up motive of opportunity identification is important as it harbours potential for the business to grow as compared to necessity motive. Despite this contestation regarding informal economy’s contribution towards economic growth, StatsSA stated that this sector continued to add 5% of the total Gross Domestic Product (GDP) in South Africa. Furthermore, the shift from necessity to opportunity identification as a start-up motive for the informal business owner will yield growth and create employment.

Imaginably, the start-up motive of informal business which is based on necessity derail their ability to significant contribute towards economic growth, thus lacking entrepreneurial skills and unable to recognise opportunity. It can be argued that an entrepreneurial opportunity is a business idea that one possesses which people need today and even in the future. The ontology of a business based on this notion provide the potentiality for the business to grow. Hessels & van Gelderen (2011), Urban et al. (2011) and Kanbur (2013) postulate that the entrepreneurial mind-set is described as the entrepreneur’s ability to sense, act, mobilise resources under dynamic and uncertain environment to achieve the intended objective. In 1994, Department of Trade and Industry (DTI) promulgated integrated strategy in promoting entrepreneurship and small enterprises to unlock the potential of Small, Micro and Medium Enterprises (SMMEs). However, years since the inception of such an integrated strategy, many SMMEs are still considered in the informal businesses and thus, their meaningful contribution towards lessening unemployment, inequality and reduction of poverty remain the largest part unknown. Though it is not all SMMEs that have not grown, some have grown and have contributed towards job creation The DTI strategic approach to improve the SMMEs stipulate that the government must provide access to finance, market, skills development, information, advises and management to break the entrenched constraints that hindered the development and growth of informal businesses as a niche to redress the underemployment and unemployment in South Africa (dti, 1994). The feasibility of providing finances might be challenged due to the current development challenges that South Africa is facing. There is a considerable support that the informal sector requires to unlock its potential in improving its economic contribution in South Africa.

Despite the fact that informal businesses differ in size distribution, composition and methodological caveats across nations, the employment share in this sector has reserved the downward trends that prevails for many decades (Peters & Naiker, 2013). Peters & Naiker (2013) state that South Africa should watch against making a rushed and premature conclusion about the economic and social implication of the shift to small units as a route to solve the unemployment quandaries in the country. Thus, care should be taken when planning for informal sector as a niche for economic growth and poverty reduction. On contrary, the incapability of successive government in South Africa to can poverty and unemployment require a shift towards small units in addressing poverty. Informal businesses have over the years served as a cushion for poor from falling deeper into poverty. This means the contribution of informal businesses towards poverty alleviation and unemployment should be recognised within South African development discourse. Therefore, despite the caution that should be taken during planning, the informal sector has received considerable attention in the development
planning discourse as a potential niche for poverty reduction, equality and economic growth. Furthermore, the contribution of informal sector towards national economy in Gauteng and Kwa-Zulu Natal was 33.5% and 16.2% respectively in 2007. However, the contribution of informal economy was negligible (Kwa-Zulu Natal Department of Economic Development). Despite the negligibility of informal businesses into the economy, it is an important sector that continue to address extreme hunger and poverty which form the bases of goal 1 and 2 of SDGs. The policy on the informal economy in Kwa-Zulu Natal stated that street vendors and home-based workers are the two most important contributors to informal work force. This connotes that attention has to be given to this sector in order to improve their contribution to poverty eradication and job creation. Moreover, as shown in figure 1 that women are likely to be unemployed than men, this sector has a feminine face. As mentioned earlier, poverty remains much gendered. The quest to reduce poverty without dismantling the entrenched challenges that women are facing (unemployment, poverty and inequality) within the informal economy renders these efforts fruitless. In order to improve the plight of the majority of women, development planning must be intentionally directed to the informal sector (Cooper, 2009). Despite the fact that many informal enterprises are illegal, though they are producing legal goods and services, many people especially women continue to explore the sector to improve their own economic development. Proper planning is required to unlock the potentiality of informal sector economy in South Africa. The South African government through the dti has garnered substantial resources that support informal enterprises in order to unlock its potential (DTI). However, twenty-four years since the inception of such support, informal enterprises continue to face multifaceted challenges regarding finances, skills, markets and procurement, though these predicaments are at the centre of the document on integrated strategy on the entrepreneurship and small enterprises. Keeping this in mind, this could mean that the notion to address these predicaments (markets, finance, procurement and management) might not be the main constraints that account for the failure of informal sector and its inability to generate employment and reduce poverty. Thus, this calls for rethinking the implementation of the dti strategy. Furthermore, the question remains: who is responsible for the implementation of the strategy and ensuring support to informal enterprises?

However, Chen (2012) argues that informal businesses are beyond reach by the government because many people obviate regulation and paying taxes, thus operating informally. Ram et al. (2017) postulated that non-registration amongst informal business is a means to avoid labour legislation such as employers’ insurance contribution, certain safety, minimum wage agreements and the standards in the work place. Furthermore, the obviation of taxes and regulation by informal traders limit their potential to immeasurably contribute towards address the triple challenges of development facing the South African population. Though the contribution is small towards lessening poverty, unemployment and inequality, it cannot be completely neglected. Therefore, informal businesses serve as a buffer for the poor and preclude them from falling through the cracks of poverty. The inability of the national government to provide employment and poverty reduction initiatives calls for a change in strategy. Informal business continues to be characterised by high levels of illiteracy and dominated by women (as shown in figure 1 and 2 that those two groups constitute the highest proportion of those who are unemployed), thus calls for increased support in terms of financial management, skills and other necessities that will help advance the business. The informal sector operates outside the legal framework. This form of operation limits informal traders from accessing finances, protection and most importantly limits their growth. As a result, many
scholars argue that the informal sector should not be seen as a panacea for job creation, equality and promotion of economic growth (Vermaak, 2014). However, the increasing concentration of poor people in this sector require a closer scrutiny in terms of its contribution towards the increment in income within South African household. Thus, the notion that informal sector does not offer hope for poverty reduction and unemployment cannot be accepted without interrogation especially from the developing countries’ perspective such as South Africa. Over the years, a body of research have documented on informal sector as a niche for employment creation and lessening poverty. However, there are conflicting thoughts about the significance of informal business (Peters & Naiker, 2013, Imafidon, 2014; Vermaak, 2014) towards addressing the triple challenges of development in South Africa. Thus, the informal sector has the potentiality to contribute towards employment creation and poverty reduction; therefore, proper support will be profound to improve its contribution. Many people in urban areas who failed to venture into the formal sector, found refuge in the informal sector. The lack of proper stall that informal businesses use reduces their potentiality to grow due to lack of consistent clientele. Informal businesses that operate in open spaces are most likely than those in proper buildings to contribute towards employment creation and poverty reduction. Therefore, it is imperative for the local government to construct stalls for informal sector economy in order to increase their likelihood to contribute positively towards addressing the triple challenges of development that South Africa is facing.

Informal sector economies are not only confronted with lack of finance, skills and management, but also lack proper infrastructure and they characterised by untidy, littering and unappealing image (Vermaak, 2014). Another important constraint is that many of the informal business in South Africa operating in an open space with no structures, which make it difficult for the government to assist. This unappealing and untidy appearance in informal sector portrays inconsistencies as opposed to its important contribution it has on job creation and economic growth. Though not all informal sectors portray such unappealing and untidy image, majority of these enterprises in urban areas are operating in an open air with no legal regulations (Vermaak, 2014).

CONCLUSION

The informal economy remains profound in addressing the problem of redundancies and poverty. However, the inability of the informal entrepreneur to identify the niche for growth or innovation remains one of the hindrances for growth and their potential to address poverty, unemployment and inequality. Furthermore, most people start up motivation of the informal businesses is based on necessity other than opportunity recognition, thus, South Africa has majority of informal entrepreneurs found to be survivalist. Local governments must help in terms of training and capacitating the informal traders in these aspects saving, entrepreneurial skills, business management, financial management and customer care. Thus, the paper concludes that proper training, support and incubation, the informal sector holds the key to addressing poverty, unemployment and inequality. The increment of unemployment and poverty in South Africa coupled with the country’s incapacity to address the triple challenges require a shift in thinking without using a vast amount of resources within local government. The fact that the prices within informal businesses are still very low, many people continue to buy within this sector which help them to survive. Informal businesses have contributed immensely in helping poor people not to fall through the cracks of poverty. Therefore, the growth in the proportion of
people engaging within informal sector demonstrate the significant contribution of this sector in increasing household income, and thus providing the cushion for poor people from fall through the cracks of poverty.

REFERENCES


