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THEME

RESILIENCE AND REINVENTION: BEST PRACTICES

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FORWARD

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Academicians, practitioners, and public policy makers at all levels throughout the world submitted original papers for publication in this Readings Book. The result of the double-blind peer reviewing process efforts produced 79 empirical, conceptual and methodological papers involving all functional areas of business education with a special focus on international aspects. Of the 63 papers accepted, 22 papers are published in this Readings Book.

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DELEGATION CHALLENGES IN SOUTH AFRICAN SMMEs

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ABSTRACT

Delegation of authority refers to the delegation of "power," and "responsibility" to a subordinate. In small, medium and micro enterprises (SMMEs), there may be limit scope for these factors to be discerned and their effects on organizational performance accurately analyzed. This study used a qualitative research methodology to investigate the numerous obstacles that SMEs face when delegating duties to staff. In-depth, semi-structured interviews were conducted with a total of 15 SMEs owners/founders, who discussed their experiences and perspectives. Participants were chosen based on their knowledge and experience with small businesses. Managers are hesitant to delegate due to a lack of managerial skills, a lack of trust in subordinates, and structural constraints inherent in small-medium businesses, according to the findings. To counteract resistance, the study suggests management training approaches that take into account business size.

Keywords: responsibility, authority, delegation, small and medium enterprise

INTRODUCTION

A small-medium owner/founder cannot do all of the jobs in the organization, even if they frequently do so or are forced to do so by circumstances. The owner/managers should distribute to the subordinate, who should be held accountable for both what he or she is doing and the results. Without delegation, a gap between execution (performance) and outcome accountability arises. This authority (to be delegated) is backed up by the company's owner's legal approval. Delegation of authority is thus required for the smooth operation and performance of the business. Delegation is the decision-making and strategic interdependence principle. Its two basic concepts are that it is "an assignment of authority and responsibility for a specific work" (Nwogbaga, Nwankwo, & Onwa, 2015:35). and that "the ultimate obligation of a task is feedback from the person who has been assigned the responsibility/authority" (Nwagbara, et, al., 2015:37; Bamidele, & Olubunmi, 2017:70). It is accompanied by acts that demonstrate dedication and skill and result in positive outcomes. The failure to comprehend these two principles may be the reason why most business owners/managers are hesitant to assign responsibilities and prefer to undertake the job themselves. Sharing one's authority with others is motivated by the desire to keep subordinates and so improve the organization. Employee retention is based on the belief that his or her contribution is valued today and will continue to be valued in the future (Moloney, Gorman, Parsons & Cheung 2018;45). Delegation throughout the workforce makes it more probable for organizational goals to be realized. Committed and dedicated personnel, according to Al-Jammal, Al-Khasawpeh, and Hamadat (2015:68), contribute to the goals of organizations. As a result, practically every organization today distributes some amount of administrative responsibility to their employees in order to keep them engaged and committed (Riisgaard, Nexe, Le JV, Sndergaard & Ledderer, 2016:5).

Delegation is one of the most important skills employed by effective managers and business owners, yet it is often overlooked when they are overworked (Kaplan, 2010:375). It entails talents that boost the manager's capacity through subordinates (Ghumro, Mangi & Soomro 2011:670). However, there are a variety of reasons why many small and medium-sized business owners and managers are hesitant to assign responsibility to their employees, including a lack of delegation skills, lack of confidence, and a lack of understanding of how to do so (Cascio, 2016). Scholars in South Africa have acknowledged significant instances of inadequate delegation techniques and managers' reluctance

to delegate responsibility (De Varo, & Prasad, 2015:280). Delegation necessitates managerial ability and intent, both of which appear to be lacking in SMEs. Both delegators and subordinates appear to be ignorant of the best delegation practices (Flyverbom, 2016;115). SMEs in South Africa face enormous challenges due to a lack of management skills (Cascio, 2016), lack of confidence (Matthews, 2015:7), lack of knowledge (Hamadat, Al-Jammal, & Al-Khasawneh, 2015:8), lack of motivation (Robescu, & Iancu, 2016:50), poor performance (Al-Jammal et al., 2015:70), and a fear of losing control (Yukl, 2014). As a result, researching delegation challenges in the South African small, medium and micro enterprises sector is critical in order to better understand how some of the current concerns might be addressed.

Despite the fact that delegation is a popular management topic that has been examined from various angles over the years, there appear to be few studies on delegation in SMEs around the world. Delegation studies that were available mostly focused on large organizations (Yukl, & Fu, 1999;220; Somek, 2015:345; Stonehouse, 2015:57; Robescu, & Iancu, 2016:52; Scanlan, & Still, 2019:62). Other studies, such as Kaslow, Finklea, & Chan, 2018:52; Sev, 2017:10; Mahathi, Pal, & Ramani, 2016:145), looked at what factors influence effective delegation, while others, such as Riisgaard et al. (2016:7), looked at the impact of delegation on performance factors like motivation. The study's contribution is that it focuses on small and medium enterprises, where the opportunity for delegating may be limited due to structural issues. A number of delegation studies concentrating on family enterprises are also available. The study contributes to an area where there is a dearth of interest in scholarly investigations, but it is an area of interest for bloggers. The latter group's attention demonstrates that the topic is of relevance to firms, particularly the SMME sector, whose practice appears to be hampered by a variety of variables. De Massis, Kotlar, Chua, and Chrisman (2014) identify a gap in the understanding of delegation in small enterprises, and this study adds to closing that gap. The research was carried out in a developing economy (South Africa). Despite the local focus, the authors believe that the findings might be applied to similar situations around the world. The study will review the literature on delegation, the methodology employed, and the research findings. Owners, owner-managers, and managers are all interchangeable phrases. The fact that many small and medium-sized businesses are run by their owners lends credence to this thinking.

LITERATURE REVIEW

The review of the literature examines what delegation is, why it is necessary, and why managers are hesitant to delegate.

Conceptualizations of delegation

Delegation is a managerial technique that allows a company to be more adaptable. It links each person's skills and abilities to the actions that must be done when applied correctly (Kaernested, & Bragadotir, 2012:10). One of a leader's job descriptions is "delegation," in which responsibilities are assigned to an employee (Aubert & Bourdeau, 2012:575). As a result, only transferable authority can be used to delegate authority (Kaernested, & Bragadotir, 2012:10). Delegation occurs when a superior colleague gives a subordinate decision-making authority (Aubert & Bourdeau, 2012:575).

Importance of delegation in SMEs

Delegation benefits businesses in general, and small-medium, and micro enterprises (SMEs) in particular. Tasks may need to be done in a specific amount of time, and the necessary competence may need to be acquired through delegation (Kim, & McLean, 2015:240). In a small firm with limited capacity, delegating work develops extensions, reproduces oneself, and allows personnel to take on some of the responsibility for managing activities (De Varo, & Prasad, 2015:280). Delegation enables management to reach their goals without becoming fatigued. The delegation also allows for the future selection of a successor, if one is required (De Villiers, & Fouché, 2015:130). The strategy allows the possible successor to learn on the job, providing him or her an advantage in the future when it comes to moving up to a management role (Aubert & Bourdeau, 2012:576). When you delegate, you build a system that allows you to place duties and develop leadership in the delegatee (Kaernested & Bragadotir, 2012:15). Delegation gives the subordinate not only authority but also responsibility and accountability, allowing for employee development. It instills in delegates a sense of worth and significance within the organization, allowing them to be more responsible in carrying out the responsibilities assigned to them (Kaslow, Finklea, & Chan, 2018:180). As a result, according to

Hamadat, et, al., 2015:12), employee effectiveness improves, and hence possible organizational performance improves. The most essential benefit to an organization is the possibility of producing a higher-quality worker with the necessary task knowledge and the capacity to accomplish the tasks correctly (Aubert & Bourdeau, 2012:576). As a result, delegation can benefit the company, the management, and the individual (Al-Jammal et al., 2015:70). Delegation can be useful in all five aspects of management: planning, organizing, leading/commanding, and controlling (Kim, & McLean, 2015:236). To have a broad and long-term impact on organizational effectiveness, it should be integrated across all of these domains (Kim, & McLean, 2015:45). All of these methods offer management with performance feedback.

Why SME owner-managers are reluctant to delegate

There are a variety of reasons why small businesses refuse or are hesitant to delegate. Some business owners worry that if they delegate, they will not be recognized for the work done by their employees and that something crucial will be taken away from their responsibilities (Kombo, Obonyo, & Oloko, 2014:25). Owner managers in certain organizations, on the other hand, lack faith in the employees' skills and ability to complete the tasks at hand. Delegation issues can arise from either the employer's (manager) or employee's (subordinate) perspective. Owners-managers may not delegate for the following reasons, according to Riisgaard, et al., (2016): a sense of self-perfection and/or a lack of confidence in the subordinate.

This could be due to a conservative mind set or a natural drive to rule. Subordinates may refuse to assume responsibility for the following reasons: (a) a lack of incentives or being overworked, (b) a lack of self-confidence or fear of criticism due to bad skills or training, or (c) a lack of self-confidence or fear of criticism due to poor skills or training. Internal organizational problems, such as (a) a defective organizational structure and a lack of clarity of authority-responsibility relationships, (b) defective and inadequate planning and policy formulation, and (c) a lack of effective control mechanisms in the organization, may exacerbate the delegation weaknesses of either party (Matthews, 2010).

METHODOLOGY

A qualitative approach was applied in this study.

Data Collection

Purposive sampling was used, and data were collected from small-medium, and micro-enterprises owners who had been in operation for at least 5 years in South Africa, with less than 50 employees, which has an annual turnover of more than R5 million. The researchers used a semi-structured open-ended interview that allowed participants to effectively convey their experiences and views without being constrained by the researchers' viewpoints or previous research findings. The questions addressed the research problem and allowed for better knowledge and interpretation of the delegation challenges that small-medium, and micro-enterprises (SMMEs). The interviewers were told about the study's specifics as well as any relevant ethical concerns. During the interviews, the researchers employed silence, repeated inquiries, and questioning to elicit additional responses. Values, beliefs, and experiences were explored in depth during face-to-face interviews before COVID-19. Following the initial coding, a second interview was scheduled to provide additional information. A second interview was not required for all individuals. The one-on-one interviews were recorded, and the participants were made aware of the recording. The audiotape was used to record and listen to the massage in order to analyze it. The communication sequence necessitated a mutually agreed-upon reciprocating engagement between the researcher and the participant in the form of seeing, hearing, and listening. Each interview lasted 45 minutes and was completely secret and anonymous. The participants were given the opportunity to discuss various points of view in order to have a better understanding of the issue.

Measures

The reliability, dependability, and transferability of qualitative research findings were all evaluated in this study. Member checking, methodological triangulation, prolonged contact with participants, and disclosing the researcher's

bias were among the tactics utilized to achieve trustworthiness in the study, as advocated by Bryman, (2016) and De Villiers, & Fouché, (2015:130).

Credibility

The term "credibility" is used to examine whether the analysis' findings accurately represent the participants' real-life experiences. It all comes down to how successfully the research was carried out, as well as the choice of an appropriate geographical region and participants. Credibility was on finding a fit between participants' created realities in how they implemented delegation in their individual organizations and the issues they experienced. The research documented the individuals' real-life experiences.

Dependability

The study's dependability and confirmability were ensured by recording all sessions and listening to them repeatedly to check what was said. Data that is both impartial and accurate is referred to as confirmability (Patton, 2015). In qualitative research, confirmability, according to De Villiers, & Fouché, (2015:130), indicates that the data accurately portrays participant voices and is devoid of the researcher's bias. The study findings, in this case, include first-hand quotes from participants.

Triangulation

The study conclusions were derived from a review of the literature, observations, and interviews. The collection of data and analysis of the findings, this enhanced confidence and strengthened the study's credibility. Data saturation requires thick and rich data, which is attained when additional investigation yields no new information (Bryman, 2016). Data saturation is still a good way to improve the validity of a qualitative investigation.

Tools for Analysis

For this study, data was broken down into little bits and grouped into themes, ideas, and categories using computer-assisted qualitative data analysis software (CAQDAS). Numbers were also used for coding since they are cleaner, less confusing, and easier to assign to themes. In this current research, data was divided into small sections and sorted into themes, ideas, and categories using computer-assisted qualitative data analysis software (CAQDAS). Numbers were also used for coding because they are clearer, less confusing, and easier to assign.

Transcription

Researchers were able to explore the phenomenon by utilizing the responses to the research questions thanks to transcription, which allowed the spoken word to be transformed into written words. The transcription is a sort of textual conversation in which negative issues are viewed through a fresh lens, allowing audiotapes to be reviewed and listened to for parallels and variances in the context in order to uncover developing themes. Transcription served as the starting point for data collection and administration (REF).

STUDY FINDINGS

The purpose of this research was to find out what challenges in South African SMMEs face when it comes to delegation (SMMEs). The participants were asked three fundamental questions: (1) Why do small-business owners and managers refuse or hesitate to delegate? And (2) how may delegation be encouraged? The responses to each question are posted and discussed subsequently. The challenges are first discussed.

Responses to: Why SME owner-managers don't delegate or are reluctant to delegate (individual challenges).

Participant 1: "That is a big question, one of the reasons why SMEs owners fail to delegate is because of the lack of confidence on the subordinate, lack of knowledge, (and) lack of ability by the supervisors to delegate". "Obvious, one of the biggest challenges why SMEs owners reluctantly delegate is a time factor, I prefer doing it by myself than delegating to someone else".

Participant 3: "Reasons, why SMEs owners fail to delegate, is lack of control and time. Delegation can lead to negative outcomes".

Participant 4: "…managers do not delegate because of the belief that employees cannot do the job as well as the manager could, …lack of trust in employees' and also the need to make one self-indispensable, and there is more pleasure of doing the work yourself"….. "Yes, there are a lot of reasons why SMEs owners are reluctant to delegate, (it) is because of pride, pride …also comes into play when we don't delegate because we see delegation as an admission that we can't handle our workload".

Participant 5: "… that's is a big question, one of the reasons why SMEs owners fail to delegate is lack of control and supervision and lack of trained managers". "And also, reasons, why SMEs were reluctant to delegate, is as a result of fear of others, the belief that no one can do it the way I want to do, finally …seeing the tasks as a key part of status".

Participant 6: "Reasons why SMEs owner fails to delegate is lack of knowledge".

Other participants made the following comments:

Participant 2: "Yea actually, reasons why SMEs fails to delegate are …. it is easier and faster to do the task yourself, you might be seen as unnecessary".

Participant 7: "The reason why SMEs owners fail to delegate is because managers see delegation as an admission to overload themselves more jobs, instead of allocating the duties to subordinates".

Participant 8: "Yes, the reasons why some SMEs owners fail to delegate is because they are understaffed".

Participant 9: "Yes, managers are too busy and just don't have enough time, and they don't know how to delegate effectively".

One of the key problems SMMEs owners face is the limited skills within their businesses. It becomes risky to delegate responsibilities to individuals perceived to have limited skills and experience. In most small businesses, the moment an individual acquires the necessary skills they normally leave for better opportunities, thereby leaving a void that is usually difficult to fill. The lack of delegation in itself may lead to the frustration of employees, demotivating them to the point of leaving. It is therefore not surprising that owner-managers point to the lack of trust as to the reason for non-delegation. Low skills level is a key challenge in the small business delegation. The reasons for non-delegation or reluctance to delegate are outlined in Figure 1.

Figure 1: SME owner manager's reasons for reluctance to delegate

The owner-managers management issue emerges from the responses: despite admitting to being overworked (task overload, time pressures), they believe they are "understaffed" (respondent 8). Understaffing has an impact on not only "numbers," but also abilities and employee morale. From an organizational and structural standpoint, understaffing can also be extended to the managerial level in terms of a lack of competencies (in delegation skills, self-confidence, or time management). The coupled "understaffing" challenge is well-known among respondents.

Responses: Delegation challenges in SMEs.

Participant 1: "Humm, one of obstacles to successful delegation is poor task definition".
Participant 4: "Yes, challenges to effective delegation can be lack of experience especially in small businesses".
Participant 2: "Oh yes, organisational challenges to an effective delegation are through lack of competence, which limits the effectiveness of delegation".
Participant 8: **"**Oh yeah… encroachment planning and policy formulation can cause a huge organizational challenge in small businesses".
Participant 9: "Other organisational challenges can include lack of commitment by the subordinate".
Participant 10: "Dependence on the boss, lack of resources and information render a great barrier to small and medium enterprises (SMMEs)".
The size of the small-medium business entity presents problems of the poor task definition. This relates to what one respondent referred to as encroachment planning, in other words, "task encroachment". It brings about blurred lines of responsibility, lack of commitment, especially by the subordinate, and a reluctance to delegate by the boss.

Responses to the question: What needs to be done to promote delegation?

Participant 1: "Yes, the organization should provide a system of awarding rewards and not penalties. Appreciating subordinates in an organization also boost the morale and confidence to perform better in the future".
Participant 2: "Yes, trust has been the value I almost implement in delegating tasks towards my subordinates to develop their commitment towards achieving the goals of the organization".
Participant 3: "Organizations need to understand the aspirations of subordinates and help build their confidence… and also not think that subordinates are not capable of accepting responsibilities". "Leaders should cultivate an organisational climate, free of frustration and fear which goes a long way in determining the success of organisational processes including delegation of authority".
Participant 4: "…. one of the values that can be implemented to keep the practice of delegation to be active in my organization is to make it part of planning and organizing. It also helps learning more on how to manage and develop employees".
 "…Yes, the value of delegation in an organization is to keep open communication and trust among team members. When employees feel that you trust them and that they can talk to you, it will be beneficial to the organization.
Participant 6: "... Yes, one of the key values to organization is motivation, subordinates should be motivated to accept responsibilities by providing rewards like recognition, or by promoting them".
Participant 5: "My advice to leaders as they journey into delegation in their businesses, is to stand up for what you believe in. Often, as a new leader, you must have values, skills, and beliefs that others aspire to have and it is essential that you communicate this to those within the group".
Participant 7: "Leaders should develop confidence in their subordinates, and communication must be established as a way of implementing an effective system in the organisational structure".
Participant 9: "Leaders must recognize and develop key relationships that will build an organizational network that shows one team-oriented focus on the tasks to be accomplished".
Participant 10: "My kind advice to other leaders that want their business to have sustainable growth is that delegation is an incredibly powerful way for leaders and those in authority to claim back their time and be more effective. More than that, it actually trains others in new skills, and motivates the team to new heights".
Respondents reflected on what needed to be done. It was interesting that they focused on what they as managers needed to do (self-introspection of the individual) as well as what they felt subordinates needed to do as part of the organisation or team, for effective delegation to be realized. Overall, the benefits of effective delegation seem to be appreciated and all expressed the position that delegation leads to improved business performance.

DISCUSSION OF RESULTS

SMMEs, by their very nature, have a small number of employees with a limited set of talents. Longenecker, More, and Petty (2017) refer to this as the difficulty of player coaching, in which the owner-manager wants to do everything himself/herself and finds it difficult to delegate the required authority and responsibilities. Given the informal arrangements seen in most small-medium firms, the tasks to be completed are also not well defined. As a result of the comments, it can be deduced that the reluctance to delegate stems from the nature of SMMEs businesses and that this influences how management and staff react to or reject delegation.

SMME owner-managers do not delegate for a variety of reasons, including a lack of self-confidence and concern that subordinates will outperform them, a lack of delegation expertise, a lack of control and time, and a lack of faith in staff to do necessary responsibilities. This is supported by research by Kombo, Obonyo, and Oloko (2014), as well as Mathews (2015). Another reason put forth is that SMMEs' owner-managers are overworked and do not know how to successfully delegate since they are overworked. Others reported work overload, which may be reduced by delegating. SMEs face issues due to a lack of time and personnel confidence, according to Madera & Smith (2009). Managers and owners appear to want to keep "their stuff" safe. This takes the form of safeguarding "the pride" that they can achieve without the help of the subordinate. One gives the impression that they are wary of disclosing institutional memory to subordinates. It could also be a manner of signalling to the subordinate that he or she is "disposable" and should not "go too far." One of the major issues that SMMEs encounter is a lack of expertise within their organizations. Delegating responsibility to those who are believed to have weak abilities and expertise becomes dangerous. In most SMMEs, when an employee gains essential abilities, they typically depart for greater opportunities, leaving a hole that is tough to replace

The inability of the owner-manager to delegate is also a problem that must be addressed. One of the major challenges to effective delegation is a lack of task clarity. It is a waste of time and poor management performance if a supervisor does not give clear instructions to the subordinate. The lack of expertise of superiors can also be a hindrance to effective delegation. Because of their size, small-medium firms have significant organizational hurdles when it comes to strategic planning and policy development. People may feel defensive of their power and responsibilities due to the limited scope of their employment.

When it comes to the importance of delegation, everyone is on the same page. It frees up time for the owner's management. It also encourages individuals to advance their careers by allowing them to take on new responsibilities and jobs. This promotion gives the employee additional control and is likely to drive him or her to work more for the company's profit. Literature such as Kaernested & Bragadotir (2012) and Weydt (2012) back up these claims (2010). Finally, poor or non-delegation might result in task overload. As a result, the appropriate individuals should be hired and trained to take full responsibility when the time comes. This should be a step-by-step procedure that is familiar to both management and the subordinate. Furthermore, the organization must be constructed in such a way that the process may be accommodated. Appropriate institutions, processes, and cultures must be built to allow delegation to take place. Delegation necessitates the company's expansion. As a result of the expansion, new duties and responsibilities emerge, needing more delegation and more efficient control procedures. It's crucial to recognize that delegating time is an investment with a long-term payback. Delegation facilitates the identification of potential talents and abilities necessary for the company's expansion.

Figure 2: Promoting delegation in SMEs

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                    ┌─────────────────────┐
                    │   Owner manager     │
                    │  delegation in SMEs │
                    └─────────────────────┘
                              │
          ┌───────────────────┼───────────────────┐
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Owners/Manager

- ➢ Delegate
- ➢ Learn to let go
- ➢ Trust to develop more commitment
- ➢ Open communication lines
- ➢ Appreciate employees
- ➢ Engage in long-term planning

Benefit

- ➢ Releases time to focus on strategic issues

Employee Obligation

- ➢ Train and upskill
- ➢ Developmental attitude
- ➢ Engage supervisor
- ➢ Build more confidence / trust
- ➢ Have a sense of belonging

Benefits

- ➢ Employee empowerment
- ➢ Improved quality of work
- ➢ Improved motivation and commitment

Delegation building Blocks (organisation)

- ➢ Structure (Open-Communication)
- ➢ Strategies (Growth-Orientation)
- ➢ Select Right People
- ➢ Leadership (Motivate)
- ➢ Culture of Trust
- ➢ Reward **employee**

Benefits

- ➢ Improved Efficiencies

RECOMMENDATIONS

The study's recommendations are as follows:

- ❖ In general, SMEs should be in charge of developing their workforce so that future leaders and managers are well-prepared to take on higher levels of strategic decision-making.
- ❖ Owner-managers must understand and grasp strategies to empower and grow their people in order to achieve the organization's stated goals and objectives.
- ❖ Superiors' delegated work, on the other hand, must be acknowledged and welcomed as a privilege and opportunity by subordinates. They should not believe that by taking on some managerial responsibilities for their bosses, they are doing them a favour.
- ❖ Small-business owners and managers should value and recognize their employees.
- ❖ The owners-managers of SMEs should value and recognize their subordinates. On a regular basis, they should provide professional training to both supervisors and subordinates. Because resources are frequently limited in this field, this training does not have to be costly. In-house training is unquestionably cost-effective.

For an organization to be effective in delegating responsibilities, the following should be applied in everyday operations: clear instructions must be given to employees regarding the job to be done, when it should be completed, and to whom it should be reported. Employee morale is likely to improve and productivity is likely to increase when they are acknowledged for a job well done. In order to attain the desired level of performance, managers must ensure that subordinates are not afraid to make mistakes. Trust promotes commitment to the supervisor, and dedicated

subordinates gain confidence, loyalty, and dedication while contributing to the success of the organization. More time is freed up for other tasks when one teaches and assign duties to others. It is important to create the mentality of assigning lesser tasks to employees in order to build confidence and competence. The most important factor in strengthening delegation skills in a company is to have a constant awareness of the need to break old patterns.

CONCLUSION

Delegation is a key factor in boosting employee productivity. Owner-managers and staff both suffer delegating issues, according to the findings. Although the advantages of delegation are generally understood, implementation remains a challenge, owing to constraints imposed on both sides by the small business environment. Only three main questions were addressed in the study. More questions may have been asked, such as why delegation fails in those situations where it has been achieved. Another study that could be conducted is to determine the growth stage at which delegation is most important for business survival, taking into account the stage growth model (Churchill & Lewis 1983). This is based on the reality that the inability to delegate leads to corporate failure.

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HOW XENOPHOBIA AFFECTS NEGATIVELY ON A TOURISM DESTINATION: THE CASE OF SOUTH AFRICA IN THE GLOBAL SOUTH

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ABSTRACT

The tourism industry in South Africa has grown in leaps and bounds since the first democratic elections in 1994. The economic fortunes of the country have changed from a dependence on extraction industries such as mining, to increasingly depend on tourism as an economic sector. Tourism has been incorporated into the economic development policies of the state, and tourism is regarded as the 'new gold' as mining's share of job creation and contribution to the economy has shown a perennial decline. Tourism's growth ever since 1994, has always surpassed the annual growth rate of the economy. In the year 2016, tourism's year-on-year growth was 13%. The hosting of the 2010 FIFA World Cup has been the highlight of South Africa's tourism industry and showcased the ability of the destination in hosting mega events. The 2010 FIFA World Cup was showcased as an African World Cup. Before South Africa was awarded the rights to host the 2010 FIFA World Cup, the issue of crime was raised as a major concern. This was attributed to the high crime rate, whilst the 2010 FIFA World Cup was actually crime incident free. Personal safety and security is one of the weaknesses in South Africa due to high levels of crime. South Africa has a crime problem that has crime problem, which has provided a fertile ground for xenophobic acts that began in 2008 in South Africa. Crime has extended to manifest itself in xenophobic acts with an underlying criminal element especially in low-income areas. The acts of xenophobic violence against exclusively Black migrants negatively affected the image of South Africa as an unsafe destination and hurt the image amongst many tourists from mainland Africa. The vast majority of tourists to South Africa are regional in nature, dominating more than 70% of arrivals to South Africa by neighbouring countries. The majority of regional tourists travel by road to South Africa, compared to those that fly into South Africa. Acts of xenophobia and criminality against African migrants and their business has increased in their frequency and provide an interesting case study of how a destination seeks to benefit from tourism, whilst undertaking crisis management when such acts occur.

Keywords: South Africa, tourism, 2010 FIFA World Cup, crime, xenophobia

INTRODUCTION

South Africa was reintegrated into the world economy in 1994, when apartheid ended when the first democratic elections that elected Nelson Mandela at President.Tourism was embraced as an economic messiah in South Africa due to the positive economic impacts associated with tourism, which includes labour-intensive jobs, promoting entrepreneurship though small business and the attraction of foreign exchange par excellent. Tourism has been integrated into the economic development policies of the state and today tourism is called the 'new gold', comparing how gold mining once dominate the economy of South Africa in the 1970s and 1980s. The one fundamental challenge that has negatively affected the tourism industry in South Africa has been the poor perception about safety and security. ''In South Africa, crimes like rape, assault and theft are being committed on a daily basis'' Odeku & Sambo (2019: 1). ''The tourism industry requires peace as a pre-requisite for its development'' Henama (2017c: 51). ''The perception of tourists about safety and security before taking a trip is one of the fundamental considerations that influence them when deciding to visit urban areas including townships'' Chili (2018: 1). Tourism more than any other

economic sector, its success depends on a safe and secure environments for tourists to enjoy themselves. Personal safety and security is therefore, a pre-requisite for developing and promoting tourism at a destination. It should be noted that when the environment is safe at the destination area, it will ensure that tourists enjoying the tourism experience at the destination area. In research conducted by Donaldson & Ferreira (2009) a third of the respondents indicated that they were worried about their safety before travelling to South Africa. The high rate of crime in South Africa can be attributed to state failures in policing, prosecution and creating a system of deterrence. With these conditions, acts of xenophobia had a fertile ground, because xenophobic acts are essentially acts of crime.

XENOPHOBIA: THE IMPLICATIONS OF XENOPHOBIA ON SOUTH AFRICA'S TOURISM INDUSTRY

South Africa is a bucket list destination and leads tourism arrivals on the African continent, making tourism important for the South African economy. Growing the number of tourists to grow the economy is the number one priority of the South African government, using it as an economic messiah. Many African migrants have made South Africa home for economic opportunities, and this created the fertile ground for xenophobic feelings amongst the host Black African population. Xenophobia can be regarded as the fear of foreigners and can be classified as a form of racism. Patel (2015) noted that in South Africa, we've come to understand it as the violent dislike of foreigners, the ''makwerekwere''. Solomon & Kosaka (2015) it culminates in violence, abuses of all types and exhibitions of hatred. Ngcamu & Mantzaris (2019) noted that South Africa has experienced violence against foreigners since 2008 and it has become an almost chronic problem. Deep seated income inequalities and poverty are driving up xenophobic violence targeting shops owned by foreign nationals. ''May 2008, a series of xenophobic attacks aimed at African immigrants and refuses left 62 people dead, hundreds injured and thousands displaced.

This was a prelude to the sustained attacks on Africans that began on 12 May 2008 in Alexandra and spread to townships across Gauteng and into KwaZulu-Natal and the Western Cape'' Desai & Vahed (2010: 160). Jara & Pederdy (2008:1) ''the wave of xenophobic violence that swept South Africa started on 11 May 2008 in Alexandra, Johannesburg. On 22 May attacks started in earnest in the Western Cape. In the following four days between 20,000-30,000 people were displaced in Cape Town. Thousands of others left the city. Almost all were black Africans from the rest of the continent but Indian, Pakistani and Chinese nationals were also affected''. ''The struggle for survival in a poverty-stricken environment might have encouraged the foreigners to take up low-paying jobs, engage in acts of lawlessness such as prostitution, robbery, corruption and burglary. This could be one of the reasons to why the perpetrators of the May 2008 xenophobic attacks alleged that foreigners were responsible for taking their jobs as well as engaging in crime and corruption'' Matunhu (2008:101). Young South Africans would be at the forefront of these attacks, and the police would arrive after the shops have been looted, even with live news media covering the looting and criminal acts. In Table 1 below, the perennial nature of the xenophobic attacks can be identified as being predominantly located in the urban metropoles of South Africa.

Table 1: Major Sites of Xenophobic Violence in Post-apartheid South Africa
Source: Tevera (2013)

URBAN AREA	DESCRIPTION	DATES
Alexandra Township (Johannesburg)	'Buyelekaya' inspired attacks on Malawian, Mozambican and Zimbabwean migrants	1995
Alexandra Township (Johannesburg)	Attacks on migrants resulting in over 60 deaths including locals, 342 shops looted, 213 premises burned down, around 100 000 people were temporarily displaced	May 2008
Olievenhoutbosch (Near Centurion in Gauteng)	Attacks on migrants at Choba informal settlement resulted in several deaths; looting and destruction of foreign-owned spaza shops, hair salons and taverns.	December 2005
Olievenhoutbosch (Near Centurion in Gauteng)	Attacks on migrants resulted in several death; looting and destruction of shacks and property	2007
Durban	Armed group led by a community councillor attacks on migrants, 100 Somali owned businesses were looted and 400 Somalis were displaced	January 2009

De Doorns (Western Cape	Attacks on Zimbabwean migrants at Stofland informal settlement resulted in looting and destruction of shacks, 3000 foreigners were driven from their shacks	November 2009

Service delivery strikes against the poor performance of municipalities such as raw sewage in the streets, potholes on the roads, unreliable electricity supply and water supply that is not suitable for human consumption are usually the problems the communities initiate service delivery strikes. Almost exclusively, the service delivery strikes and protests happen in townships, which were created for Black South Africa, where poverty is rife. The townships are rife in crime and during service delivery strikes, opportunistic attacks on foreign owned shops have a xenophobic undertone. The xenophobic violence continues to hurt South Africa's drive to increase trading relations with the rest of Africa, as it tries to rebuild its economy after a 2009 recession which also hit the country's traditional markets in Europe according to Mapenzauswa (2015). ''Overcrowding due to illegal and undocumented migrants in major cities of South Africa call for concern, for example informal border trade and xenophobic attacks due to the high levels of unemployment in the country affected the tourism industry in 2008'' Henama (2017a: 79). Chibuzor et al. (2017) noted that the South African government is always prompt in explaining that xenophobia is not in any way South African in nature and that all of those involved in the act would be brought to book.

"There was a general belief amongst the interviews the public service that the key weakness in fighting xenophobia has been the lack of coordination amongst the relevant security clusters. This lead to non-existent plan, whilst there is the knowledge that such attacks will continue" Ngcamu & Mantzaris (2019: 6). Pamphlets and messages on social media platforms such as Facebook and WhatsApp would be circulated, and the question emerges about intelligence and pro-active policing capability of the state. The reaction of the South Africa government to xenophobic violence is lackluster.Ngcamu & Mantzaris (2019:3) "the selling of Reconstruction and Development Programme (RDP) houses to foreigners also creates tensions amongst locals". This is a rampant corruption in RDP houses allocation, as demand is high and there is long waiting line. These situations are caused by state failure. Nzima (quoted in Mapenzauswa (2015) reiterated that the xenophobic attacks are damaging to the brand that the country is marketing, and most importantly damaging to the reputation of the country. In the same vein Business Day (2019) pointed out that a toxic brew of unemployment, inequality and poverty, mixed with South Africa's violent past, are to blame for attacks on foreigners that so tarnished the country's image last month, experts say. Matunhu (2008) noted that immigrants are more likely to accept low wages, which creates friction with the national, and thus, immigrants are hated for taking away jobs from nationals. South Africa since 1994 has porous borders, and the illegal migration is relatively easy for many migrants to reach South Africa via our neighbouring countries.

In addition to rampant corruption at border posts manned by the Department of Home Affairs, have allowed illegal migrants to pay their way to enter South Africa. ''Cross border migrants, refugees and new internal migrants are inserting themselves into the deeply unequal landscape of the city. Many Africans from the rest of the continent, particularly Southern African Development Community (SADC) nationals and Somalis, make their homes in the informal settlements and townships'' Jara & Pederdy (2008:24). The vast majority of tourists to South Africa happen to be regional tourists from neighbouring African countries to South Africa. Rogerson & Visser (2006) noted that regional African tourists are visiting South Africa for purposes of business as opposed to leisure. Rogerson (2004) noted that the largest category of arrivals from Africa are those coming to South Africa by land as opposed to air travel. They come to South Africa more frequently, and their motivation may include shopping, trading, conducting businesses, and retailing. It needs to be borne in mind that SA receives over 8 million tourists per annum and over 5.7 million of these come from the African continent. Although they do not have the per capita spending power of the traditional markets from the northern hemisphere they are a significant growth market, so alienation of people from other African countries would be devastating for maintaining sustainable growth (Gauteng Tourism, 2015). ''The top 10 leading African inbounds markets are represented by Zimbabwe at number 1 and Tanzania at number 10…The report, therefore, paints a picture that the African continent is therefore the epicentre of our tourism industry. The acts of violence and xenophobia, therefore, threaten the tourism industry. African tourists travel to South Africa more frequently for shopping, healthcare, education and visiting friends and relatives. Furthermore, research indicates that they are already outspending international tourists'' Henama (2019: 2).

The fact that most of the violence occurs in marginal urban locations of informal settlements, townships and inner-city suburbs in South Africa has prompted intense debate over the nomenclature and identification of the underlying causes. Explanations for the large-scale anti-migrant violence that swept the country in May 2008, and continues in more isolated and sporadic fashion through to the present day as noted by Crush & Ramachandran (2014).

Patel (2015) noted that research conducted by the South African Migration Projection undertook a national survey on attitudes towards foreign national, the findings found that South Africans do not want it to be easier for foreign nationals to trade informally with South Africa (59% opposed), to start a small business in South Africa (61% opposed) or to obtain South African citizenship (68% opposed). Somalis have cheaper prices and now dominate the informal sector especially in township retailing in food. Ngcamu & Mantzaris (2019) noted that the majority of spaza shopkeepers resented the advent of Somalian businesses, but consumers remained indifferent as they preferred their lower prices. ''These owners often giving customers groceries on credit and providing goods that are cheaper than the Black-owned shops; thereby fueling further frustration''. ''The vast majority of South Africans may not be driving out Somalis from their neighbourhoods, but xenophobic attitudes are more pervasive than many are ready to admit'' Patel (2015:2).

XENOPHOBIA AND TOWNSHIP TOURISM

The vast majority of xenophobic attacks occur almost exclusively within the townships, which were Blacks-only dwelling areas, created through the social engineering policies of apartheid. Township tourism is closely associated with slum tourism, heritage tourism, and justice tourism and pro-poor tourism. Townships have been seeking to grow their share of tourist arrivals, and they experience poor perceptions about personal safety and security, due to high rates of crime. Township tourism remains a niche area, that is yet to fulfil its full potential of ensuring shared growth from tourism expenditure due to the negative perceptions of safety and security. The areas that attract the vast majority of tourists are located in affluent areas, which do not experience xenophobic violence. From a developmental perspective, tourism can only be developmental if its geographically spread to include rural areas and townships, to ensured shared growth in tourism. Township remains the poor cousin of the tourism industry as it's a niche market that has not reached its full potential as volumes are low due to safety and security concerns.

Even when tourists chose to venture into township tourism, the vast majority of the expenditure such as accommodation and fine dining occur outside of the townships. "Township tourism is the most practical means for the integration of the previously disadvantaged groups in tourism" Henama (2017c: 56). Chili (2018) noted that township tourism in South Africa is failing or lacking the ability to empower and change local residents' plight for the better both economically and socially since safety and security is questionable. Ngxiza (2012) noted that attractions in townships of Gugulethu in Cape Town, Soweto (Vilakazi Street) and eYadini and KwaMax Lifestyle in Umlazi in Durban draw inbound and national tourists. "Perception is an important function in customer decision making and crime is such a factor. Township tourism suffers from a negative from a product offering perspective and about safety and security. Much needs to be done to change this image, and any failure to do so, will limit the developmental ability of tourism in townships, the place where the developmental impacts of tourism are mostly required" Henama (2017c: 52).

TOURISM INDABA

The Tourism Indaba, is Africa's premier travel exhibition, and its name was changed into Africa's Tourism Indaba. South African Tourism (2020) noted that Africa's Travel Indaba is one of the largest tourism marketing events on the African calendar and one of the top three 'must visit' events of its kind on the global calendar, and showcases the widest variety of Africa's best tourism products and attracts international buyers and media from across the world. Africa's Travel Indaba is owned by South African Tourism and organised by Synergy Business Events (Pty). Van Wyk (2014) noted that the Tourism Indaba is hosted annually by South African Tourism in Durban, represents the coming together of South Africa and African product owners with international buyers from all over the world. It is the top three of tourism exhibitions in the world. The outbreak of the xenophobic violence around South Africa, also affected Durban, located in KwaZulu-Natal which is the host city of the Tourism Indaba, as a consequence bad press and a damaged brand were the outcomes of the xenophobic attacks.

According to Bizcommunity (2015) Durban's tourism brand has taken a beating following weeks of xenophobic violence that displaced thousands of mostly African foreign immigrants and in addition the UK has issued a warning to its citizens not to travel to SA unless they have to and the US has put SA on its list of countries to avoid. According to Fauvet (2015:1) "Mozambique is boycotting South Africa's major tourism fair, Indaba 2015, in protest against the attacks against foreigners living in South Africa. Indaba 2015 is due to be held from May 9-11 in Durban,

the scene of the worst xenophobic attacks. The Mozambican Tourism Ministry and Mozambican tour operators participated in the fair previously, with exhibitions to showcase Mozambique's own tourist potential".

The Economist (2015:1) "the boycott, which included a meeting of African tourism ministers the day before the conference, was launched in protest at the mistreatment of Mozambicans in South Africa. Mozambique's tourism sector, for which South Africa is the dominant market, is suffering a serious—albeit probably short-term—downturn because of negative sentiment about personal safety, following the tit-for-tat attacks on South African vehicles. Other strains include South Africa's frustration that the Mozambican authorities have been unwilling or unable to take action against illegal wildlife poaching emanating from Mozambican territory". ENCA (2015:1) "Organisers recorded a drop in attendance figures this year (2015), and are working on improving that next time around. Southern African countries say they are feeling the effects of the recent xenophobic violence in South Africa -Mozambique, for one, boycotted the event in the wake of the anti-foreigner violence. Industry players gathered in Durban for the tourism indaba say they're dependent on South Africa for tourism, and they believe the fall out over xenophobia has hurt them all". "Xenophobic attacks send a bad image of a country around the world and scare away potential tourists and investors" Matunhu (2008: 98). The xenophobic attack also had an impact on diplomatic relations. Busiweek (2019) noted that in 2015, Nigeria recalled its ambassador to South Africa. Nigeria is a major superpower on the African continent and a major trading partner with South Africa. This has caused diplomatic friction, which has been unfortunate. Mhlanga (2008) noted that the xenophobic attacks had ruined the reputation of South Africa as a sought-after conference destination.

CONCLUSIONS AND PRACTICES

The paper provides a solid foundation whereby the study could be used by both the tourism industry (national, provincial and local) and for further research on xenophobia. The importance of tourism in SA's tourism industry can never be overemphasized. As such, some concerted efforts by all tourism role players are a prerequisite. The tourism sector in SA is a priority sector. Therefore, the National Department of Tourism must engage relevant stakeholders with a view that tourism plays an influential role in enhancing the country's GDP. The government of SA has on numerous gone on fact-finding mission to ascertain the root causes of xenophobia which tends to have an adverse impact in the country's economy. The findings point out a plethora of factors. Some of the underlying pin pointed by socio-economic pundits is include but not limited to "new SA's" failure to address triple threat: unemployment, inequality and poverty. The triple threat factor has been a bottleneck in post-94 SA. For instance, the current unemployment rate in the country is standing at a staggering 29% according to Statistics SA. This leaves SA policy-makers and planners with more questions than answers. It is in these instances where xenophobia resurfaces.

Future Prospects

There are two solutions for the xenophobic violence in South Africa, the first is addressing the porous borders in South Africa and the second, is an intensive re-education system against xenophobia. The National Treasury must increase the allocations it makes to the South Africa Police Service (SAPS) to increase policing resources, that have not kept up with population growth in South Africa. The tourism industry has been a pillar of strength for government in recent years. For instance, latest figures reveal that its contribution to the country's economy is 2,8 percent in 2018. It can never be over emphasised that tourism has an important role to play in placing the South African economy on a sustainable inclusive growth trajectory. In addition, the tourism sector direct employment accounted for 4.2% of total employment in the South African economy in 2018 and this was projected to increase to 709 thousand jobs in 2019, while tourism's indirect contribution to total employment stood at 9.2% for 2018.

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ADOPTING DIGITAL TRANSFORMATION IN THE PETROLEUM DEVELOPMENT ORGANISATION OMAN

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ABSTRACT

Digital transformation — that is, the use of technology to radically improve the performance of an enterprise (Westerman et al., 2011) — is rapidly emerging and gaining traction and wide adoption globally. Like many companies around the world, Petroleum Development Oman (one of the largest Oil & Gas producer in Sultanate of Oman) or PDO as commonly known, is embarking on adopting digital technologies to improve its operation and drive efficiencies. The dilemma facing PDO is that it does not know how such adoption should take place to drive business success. This paper proposes a model for digital adoption that is based on investigating multiple adoption factors within the company. Using mixed methods, there were four elements investigated as part of this research; the drivers to digital, the digital maturity and the company readiness to adopt digital, the digital capabilities needed to drive adoption and how current best practices can accelerate the adoption. Following the investigation, there were seven key elements are identified to aid the adoption process. These were further classified into strategic, implementation and enabling elements. The digital strategy and change management were the first two elements to get implemented by the company.

Keywords: adopting digital, digital transformation, digital adoption model

INTRODUCTION

Glossary: DCOE (Digital Center of Excellence, CIDO (Chief information and Digital Officer), DBLs (Digital Business Leads), DOI (diffusion of Innovation), TOE (Technology, Organisation and Environment)

The operating environment within the oil and gas industry faces numerous challenges. While the volatility of oil prices presents a challenge for PDO, (a major oil and gas company in Oman), other market trends such as renewables and decarbonisation are contributing to difficult operations. Oil exploration and production in Oman has moved from producing easy oil (traditional drilling and production) to enhanced oil recovery (EOR), where technologies such as steam and gas injection are employed to extract oil. Thus, the cost of producing one barrel of oil has increased to more than $20, as compared to other neighbouring countries where the cost of producing a barrel of oil is less than $10 (Anon, 2016). To address these challenges, PDO has strategically placed the exploitation of new digital technologies as a core enabler by which to manage such difficulties. PDO started in early 2016 to experiment with digital technologies such as drones, analytics, wearable technologies, and mobile devices. Although such experimentation has provided certain insight into the technological capabilities required to address the above challenges, other challenges have been faced with the adoption of such technologies within PDO, including but not limited to redundant efforts due to lack of coordination, the lack of centralised investment funds, and an inability to scale initiatives to PDO-wide implementation.

During the process of problem analysis, it was found that PDO was ill prepared to adopt digital technologies and as a result needed guidance in how to go about adopting digital technologies and utilise them effectively to address

the above challenges. Subsequently, three main objectives and various research questions were identified (Figure 1 illustrate the research objectives and questions). This action research employed mixed methods (the use of both qualitative and quantitative methods). The research was conducted over a period of almost one year from April 2020 to Jan 2021. In this paper, we will present the adoption model that was developed to help guide PDO in their quest for adopting digital technologies. The following sections will describe the problem statement, the method of research, the results and key findings followed by conclusion and research limitations.

Figure 1: Research Questions
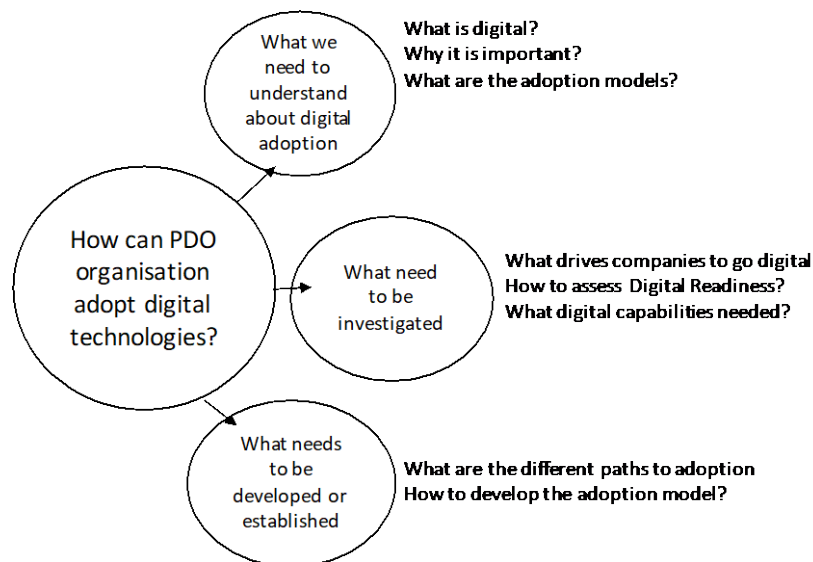
LITERATURE REVIEW

Although there is excitement from different industries surrounding the use of digital technologies to enhance operation, reduce cost and improve customer intimacy, the adoption of digital technologies within the Oil and Gas industry was generally slow (Spelman, et al., 2017). This slow adoption of the digital technologies can be attributed to the relatively high prices of oil, which caused companies to focus their resources on producing more rather than making operational efficiencies or transforming digitally. On the other hand, the volatility on Oil prices and the shift in global demand away from fossil fuel to cleaner forms of energy is forcing oil companies to start adopting digital technologies to reduce their operation costs and enhance operation (Spelman, et al., 2017). However, not all organisations embarked in digital adoption managed to succeed in their adoption (Kane, et al., 2015), yet the hype for digital adoption is at its peak and many organizations are embarking on similar journey. Although there is a debate within the literature about whether the digital adoption should be radical (Westerman et al., 2011) or incremental (Uhl and Gollenia, 2016), the literature provided little evidence on the approach organizations need to follow. Having said that, however, the literature on digital transformation is still evolving.

When reviewing technology adoption within literature, there are many elements that needs to be considered to understand how to go about digital adoption. The first element is what drives organisations to pursue digital technologies adoption. Lammers et al. (2018) studied the key drivers of digital transformation that emerged from their literature review of five key Australian industries. Eight drivers were identified, and their relevance to each Australian industry were linked. However, these drivers identified by Lammers et al. (2018) relate to Australian firms only. Their applicability to other countries need to be cautiously made. Nevertheless, since Australian firms operate within global industries, one could argue that such drivers could also be applied in other industries and countries. In addition, Lammers et al. (2018) identified four drivers for digital in the mining industry which has similar resemblance and challenges to the Oil and Gas industry. On the other hand, Stentoft et al.'s (2019) analysis of the drivers of Industry 4.0 within the literature classifies Digital drivers into four categories which share similarities with the drivers

articulated by Lammers et al. (2018). Through understanding the drivers for digital adoption, organization will position themselves better to connect these drivers to business goals and aspirations and thus driving value from investing in digital technologies.

The second element that influence adoption of digital technologies is the digital maturity of the organisation. There are primarily three models for digital maturity: That proposed by Uhl and Gollenia (2016) measures the digitalisation level of an organisation through across different levels based on the breadth and depth of the digital strategy. While the availability of a digital strategy is one factor that could indicate the organisation's appetite towards digital, it is not the only factor one would only measure to assess organisations digital maturity. The second maturity model is Westerman et al.'s (2011) maturity model, which describes digital maturity in a 2×2 matrix measuring both digital intensity and transformation intensity. Although this model measures multiple factors such as vision, governance and culture, it lacks other factors such as leadership. The third maturity model is more of a practitioner model developed by MIT Sloan School of Business in association with Deloitte (Kane, et al., 2017). The model is based on a list of questions to measure organisational readiness for digitalisation. This model classifies digital maturity into three different levels: early, developing, and maturing. Depending on the response to each of the questions in the survey, each answer corresponds to a particular maturity level. Although this model is not accustomed to assessing organizational maturity, it was modified in this research to be used in the way.

The third element that influence digital adoption is the digital capabilities needed to accelerate digital adoption. Business capabilities are defined as "capacities or abilities within a firm, which can be linked together as business processes, in order to enable a specific purpose or outcome" (Beimborn, et al., 2005). While Beimborn et al. (2005) have linked business capabilities to the specific purpose or outcome a business wants to achieve, being digital is arguably not a business capability; rather, the outcome it generates is. Hence, it is important to identify business capabilities for digitalisation to understand the underlying outcomes that the business seeks. Warner and Wäger (2019) have illustrated that for an organisation to adopt digital technology, it must build dynamic capabilities that will lead to strategic renewal of the organisation's business model, its collaborative approach, and its culture. Those dynamic capabilities can be classified into three categories: sensing capabilities, seizing capabilities, and transforming capabilities (Warner & Wäger, 2019). Although Warner and Wäger's (2019) model has external triggers that lead to the acquisition of such dynamic capabilities, the existence of external triggers (e.g., changing consumer behaviours and disruptive digital technologies) are among the main drivers for organisations to adopt such capabilities. The fourth element that influence digital adoption is the current organisational practices. This could include but not limited to culture, change management practices, governance, and leadership.

METHODOLOGY

The development of a digital adoption model for PDO requires a structured approach. The approach we took was first to investigate the main drivers motivating PDO to pursue digital adoption. During this investigation, both internal and external factors were investigated. Once those factors were known, the second stage was to assess organisational readiness for digital adoption. The readiness of the organisation was used as input to the model development, dictating the pace of execution. The third stage was to investigate the business capabilities required for digital adoption. Business capabilities are important in determining the extent of change required, especially with respect to the company's competency and proficiency with digital technologies. In addition, the level of change was used as an input for model development in the fifth stage. In the fourth stage, we assessed previous experience within PDO of technology adoptions with the aim of encapsulating lessons into model development in the final stage. The final stage was to analyse the output from the previous four stages and develop a digital adoption model for PDO, including change management and how to deploy such model. We expected that while these stages form a sequential process, in reality and in view of utilising action research, such stages can be iterative in nature. Figure 2 illustrates the different stages of the research.

Figure 2: Research Stages
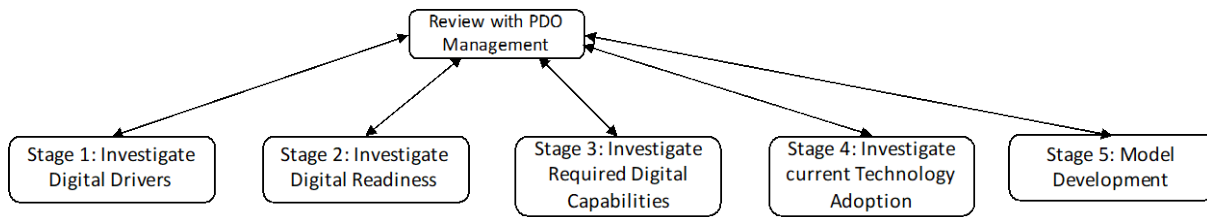
Research Design and Sample Selection

Since PDO has over 8,000 employees, it is important to design the population sample correctly. While it is impossible to run the study with all of the employees, identifying the right population sample for this research becomes important. Since the study focusses primarily on digital adoption, it is important to identify an appropriate sample population for the study. Based on PDO's organisational structure, many digital initiatives have been introduced within the different business units. Staff who worked on these initiatives gained great knowledge of such digital technologies through experimentation. To determine eligibility for participation in the study, it was agreed that participants should be part of the team tasked to select and implement digital technologies initiatives within PDO. This team is called the DCoE. Since the creation of the DCoE in PDO, many who experimented with digital technologies became part of it as DBLs. Hence, they represent and help their business unit in pursuing digital technologies. In addition, many of the IT staff are also part of the DCoE working as advisors, architect, business analysts, among other roles as well. Therefore, the total population sample was 40.

Data Collection

Participants for the data collection process were provided with relevant information about the purpose of the research and asked to give signed consent. Table 1 describes methods and the type of data collected.

Table 1: Data Collection Methods

Research Stage	Data to be Collected	Contribution to Actionable Knowledge
Stage 1: Identifying Digital Transformation Drivers	Business unit drivers	Debriefing workshop with PDO management to review the consolidated digital drivers for PDO
	Type of drivers	
	Perception of PDO-wide drivers	
Stage 2: Assess Organisational Readiness	Current maturity state	Debriefing Workshop with PDO management to reflect on current maturity and discuss the gaps identified
	Organisation's aspiration	
	Current challenges	
Stage 3: Identify Business Capabilities	Capabilities types	Debriefing Workshop with PDO Management was conducted to discuss the findings and consider the required future digital capabilities
	Required digital capabilities	
Stage 4: Assess Existing Technology Adoption	Existing adoption models with PDO	Key findings for successful technology adoption (from the

	Their applicability of previous models to digital adoption	analysis of the associated projects) discussed with PDO management and confirmed the findings
Stage 5: Develop Adoption Model	How PDO should go about adopting Digital?	Consolidation workshop with DCoE to agree the adoption model suitable for PDO
	Criteria for selecting adoption models	
	Methods for testing the model	

In the first stage of the research, the objective was to investigate the main drivers motivating PDO to pursue digital adoption. Since there was no documentation within PDO offering this information, and as per the research design, a qualitative approach was used. This investigation was conducted in the form of focus group discussion to identify both internal and external factors driving PDO to pursue digital adoption. Two focus groups were conducted, each including eight participants from the identified sample group.

In the second stage, an instrument developed by MIT Sloan (Kane et al., 2017) to assess organisational readiness and maturity for digital technologies adoption was utilised to identify the maturity of digital. Although the survey was natively designed to assess maturity across multiple companies, industries, and companies, it was customised to be suitable at an organisational level. The survey is used to assess six main components: digital business and strategy, technology choices, digital maturity, resources and talent, talent retention and leadership. The survey was sent to all participants who consented to participate in this research.

The third stage of data collection was aimed at identifying the digital capabilities needed to drive adoption. Warner and Wäger (2019) have stated that for organisations to adopt digital technologies, they require external triggers and three types of capabilities: sensing, seizing, and transforming. Although Lammers et al. (2018) refer to those triggers as internal and external drivers for digital adoption, they were mostly investigated in the first stage. These triggers will drive certain capabilities to enable digital adoption. Since these three group of capabilities include a number of sub-capabilities, it was vital to investigate their relevance to each business unit in PDO. A data collection instrument was thus designed, based on Warner and Wäger's (2019) capabilities, in which the relevance of each sub-capability and its importance were investigated. The survey was designed to use a 5-point Likert scale to identify the level of relevance and importance for each sub-capability.

Stage four of this research was aimed at identifying and assessing previous technology projects completed within PDO, with the goal of deriving key themes to inform the adoption model. This investigation was to assess whether DOI was used when adopting these technologies. The starting point was to identify the technology projects implemented in the last 10 years within PDO. The timeframe was limited to 10 years to ensure that records would be readily available and not archived, to speed up the inquiry. Over 50 projects were initially identified. However, investigating the lessons from 50 projects is a highly intensive task. Thus, the number was further limited through a set of criteria. Since this study is focussed on building an adoption model for digital technologies, it is important to identify the projects based on certain characteristics: projects that impact a wider audience (the whole company), projects that introduce new ways of working resulting from technology adoption, and projects that use change management. Based on the above characteristics, four main projects were identified.

Analysis Methods

Following each stage of data collection and analysis, actionable knowledge was generated through workshops with PDO management. These workshops were mainly held to achieve two objectives. The first was to ensure that the analysis and the findings from each stage would be vetted and affirmed by PDO management to avoid potential conflict. The second objective was to ensure this action research would generate value to PDO and help the organisation to accelerate its digital adoption. These workshops were also part of the support provided by CIDO and my commitment to this research study. During these workshops, certain key actionable knowledge was generated

through discussion and dialogue. The workshops had no particular format. The results were presented and their interpretation, and the discussion with PDO management took place to agree on the next steps.

MAIN FINDINGS

In investigating the different elements of the digital adoption, there were multiple findings. The first finding is related to what drives PDO to adopt digital technologies. There were initially 13 drivers were identified for why PDO should pursue digital technologies adoption. However, the review with PDO management shortlisted the top 4 internal drivers which are increase production, enhance business process, enhance staff and asset efficiency, talent and capability building. In addition, there is one additional driver which is external that ranked high in the focus group discussions which is external competitions with other Oil and Gas operators. While none of the above drivers come as a surprise, as studies such as Lammers et al. (2018) identified these drivers, this study provides empirical evidence to support Lammers et al. (2018) claims.

The second finding was the low digital maturity level of PDO which could explain its slow adoption of digital technologies. The findings from the MIT survey shows that while the company values digital technologies, there is a lack of a coherent digital strategy to drive digital adoption. This is in line with the findings from Kane et al. (2017). In addition, the survey also identified the need for coherent strategy and clear vision to drive digital adoption. It was interesting to know that the number of top three digital technology choices that PDO should be pursuing now and in the next 3 years are the same; namely Artificial Intelligence, Mobile Technologies and Automations. This could be attributed to the low maturity and as a result the pace of adoption is slow. Another notable finding from the survey is that the success of digital experimentation was attributed to strong leadership and the existence of talented resources

The third finding was that PDO is consumed with advancing its sensing capabilities while giving low attention to seizing and transforming capabilities. To enable digital adoption, organisations require certain abilities to deliver such outcomes or values. These abilities are often referred to as business capabilities (Beimborn et al., 2005). During the investigation, PDO was found to focus on building the vision, strategy, and promoting digital mind-set. Such capabilities are all falling under the sensing capabilities. Although other capabilities such as scaling up innovative business models and leveraging digital knowledge inside the organisation were among the anticipated capabilities, these capabilities are seizing and transforming capabilities.

The final finding is related to the best practices used within PDO based on previous technology adoption projects. While the investigation was based on DOI Theory, there was no evidence found that DOI theory could explain how diffusion took place in the previous projects. However, there was strong evidence to suggest that robust change management practices and governance were among the two factors making technology adoption a success.

DISCUSSION

Based on the evidence collected from the workshops and surveys during the different research stages, there were multiple factors were found to be essential for the digital adoption in PDO. The first factor is digital strategy and vision appeared in many stages of the research and seems to be an essential component of successful digital adoption. While PDO formulated their digital ambition in 2019 with the help of BCG, participants from the different sections articulated the limitation of such a strategy in terms of its coverage. This belief was apparent during the workshops and surveys conducted in 2020, following the digital ambition formulation.

While the literature review on leadership's role in digitalisation stressed on the need for leadership to drive successful digital transformation efforts within organisations (Bongiorno, et al., 2018), the literature review did not identify any specific leadership traits required for such successful digital transformation. In addition, the DOI Theory emphasises the need for leadership in diffusing innovation, yet the focus of the leadership effort was mostly driven towards opinion leadership, an informal type of leadership necessary to enable complex communication flows (Rogers, 2003). The question raised was whether leadership is an important pillar to drive digital adoption within PDO? During the exploration of digital maturity in the second research stage (digital readiness), leadership was identified as one of the components investigated. The survey outcomes in the second stage of the research demonstrated that an experimentation mindset and risk-taking attitude are the top two attributes of digital leadership.

In addition, in the third stage of the research and during the investigation of digital capabilities, it was apparent that leadership skills were identified as one of the skills needed for digital capabilities.

One of the barriers to digital transformation is the lack of resources to implement digital initiatives (Stentoft, et al., 2019) (Lammers, et al., 2018). Acquiring such talent is key and as a result most participants within the survey agreed that such talents should be developed internally within PDO, rather than through hiring new external talent. This response came as no surprise, since participants also confirmed that current knowledge within PDO is rarely utilised. Therefore, the use and development of such talents will need to be cultivated through a structured and well defined program. This was also discussed during the debriefing sessions with PDO management, and in 2021 the company launched a "digital muscle program" in response to such a gap where human resources are heavily involved with DCoE in digital skill development.

In the third stage of the research, the different digital capabilities required to drive digital transformation were examined based on Warner and Wäger's (2019) capabilities model. Due to PDO's low digital maturity in digital transformation, PDO participants focussed mainly on the sensing capabilities as the starting point for building digital capability. They provided less emphasis in terms of relevance and importance on seizing and transforming capabilities. During the assessment of the sensing capabilities, it was notable that continuous scanning for new technological trends are needed, including those which are customer centric. This kind of capability necessitates insights into industry trends, and interpretation of such trends can impact the company either positively or negatively. Building such capabilities are important to the success of adoption and as the company maturity grows other seizing and transforming capabilities will emerge.

One of the drivers identified for digital transformation within PDO is for the company to use digital technologies to create new business frontier. During the first stage of the research, participants within the focus group workshop discussed that one of the main drivers for PDO to go digital is to innovate its business model to excel, becoming one of the top companies within the country or even regionally. The analysis of the digital capabilities, as part of the third stage of the research, made obvious that the participants emphasised the importance and relevance of scaling and digitalising business models. Thinking beyond the current business model was imperative for PDO not only to meet its digital drivers but also to transform into a digital company in which talents is attracted and, thereby, innovation is born. Thus, the pillar of business model innovation must be included as part of the adoption model.

Finally, in order for digital adoption to be successful there is a need to include current business practices within any adoption model. As found from the fourth stage of the research, change management and strong governance were among the best practices to support adoption of technologies.

PROPOSED ADOPTION MODEL

During the assessment of the different paths to digital adoption, there were three tracks investigated. The first path is to maintain a reactive mode towards adopting digital technologies through prioritising what to invest on. If the company continues to employ this approach, it will face two notable challenges. The first challenge relates to multiple initiatives carried out with potential redundancy. The second is that if PDO continues to maintain the status quo with regards to digital adoption, it will lose the opportunity to capitalise on its effort towards pursuing strategic objectives or business model innovations. Alternatively, a longer period of time may be necessary to adopt digitalisation, as the reactive approach translates to a firefighting mode rather than a structured planed mode. On the other hand, one could argue that the identified digital drivers will not be fulfilled with such strategy. Given immense pressure to reduce costs that the oil and gas industry is under and the low demand for oil in COVID-19 times, digital adoption will have to accelerate beyond mere reaction.

The second path to digital adoption can be through capitalising on the current successes of key business units who experimented successfully with digital technologies. While empowering different business units to move towards adopting digital adoption in a fast way might seem attractive, such a rush may result in clashes between the business units and cause duplication. Furthermore, it is evident from the outcomes of this research that while the different business units succeeded often in their digital experimentation, evidence suggests the interference due to the reporting structure created an inability to do business digitally.

The third path to digital adoption (which this paper argues) is the path that starts with building a coherent and inclusive digital strategy that will drive digital adoption. On this path, multiple components form the basis of the proposed adoption model based on employing an evidence-based approach to what should be included. This means no component was considered as part of the adoption model unless found from the research outcomes. These components include digital strategy and vision, digital leadership, digital talent development, digital capabilities, business model innovation, digital change management, and digital governance. Figure 3 shows the proposed adoption model.

Figure 3: Proposed adoption model
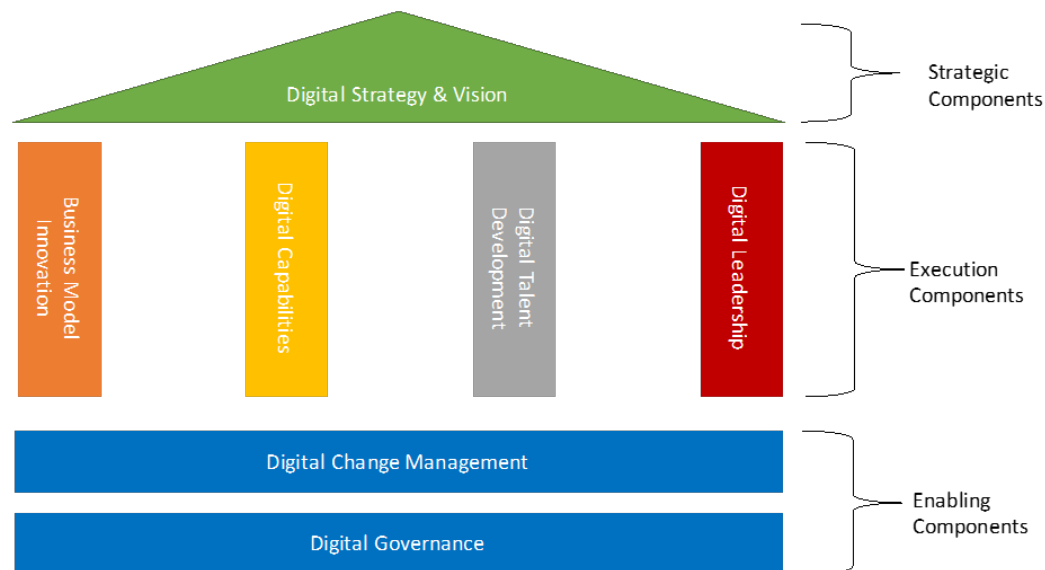
CONCLUSIONS

This action research has revealed the low digital maturity of PDO as an organisation, and digital experts have reflected good knowledge about the importance of digitalisation for PDO and their willingness to work for a digital leader. The research also illuminated successful digital experiments within PDO and the readiness of certain business units for digital adoption. The main contribution from the maturity assessment was understanding what has worked well within the business units that experimented with digitalisation. The identified set of practices such as continuous experimentation, agility, and risk taking comprise yet another contribution to the managerial practice. The fact that the adoption model is built around evidence-based study from this action research provides a more practical approach to digital adoption.

RESEARCH LIMITATIONS

One of the most important limitations of this research was the selection of a representative population sample. As stated previously, PDO had over 8,000 employees during the time the research was conducted. Research participants were limited to those individuals who had participated or led digital projects within PDO. These individuals were identified based on the digital projects known to me at the time the research methodology was designed, but this list could have been expanded through further identification of potential candidates. While the identification of these participants was done with the help of the DCoE (responsible for cataloguing all digital initiatives within the company), certain outliers were identified at later stage. However, those outliers were only 2 digital projects.

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DOES BLOCKCHAIN TECHNOLOGY HAVE A ROLE IN STRATEGY FORMULATION?

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ABSTRACT

The current global issues that are having a severe impact on business communities could be considered black swan events. This conceptual paper suggests that a blockchain approach to the formulation of strategy and strategy development will enhance decision making. Blockchain applications in strategy formulation will promote the emergent strategy approach and reduce groupthink in the generation of ideas. Implementation of blockchain applications will require senior management to change their approach to strategy formulation and reduce the over-centralisation of decision making, which has implications for current organisational ecosystems.

Keywords: blockchain, strategy, developing emergent strategy, trust, and democratising strategy process

INTRODUCTION

Strategy development and strategic formulation tend to be centralised in scope and thus could give rise to groupthink. Strategy is future looking (Whittington et al., 2019) and is associated with innovation and maintaining a competitive advantage that can evolve (Bingham & Eisenhardt, 2007; Porter, 1996). Groupthink is thus anathema to developing the "best" strategy for the business and organisation. Can blockchain technology and processes limit the impact of groupthink on strategy development and strategy formulation processes?

The business environment in many industries must evolve but the environment tends to be unpredictable, volatile, dynamic, uncertain, and compulsive (due to the nature of many markets). A centralised process to strategy development may not bring the different perspectives and ideas required to develop strategies that create a medium-term to long-term competitive advantage. Thus, the strategy development process needs to be dynamic and proactive to meet the challenges in unpredictable, volatile, dynamic, uncertain, and compulsive markets. The emergent approach to strategy development has some of the principles that underpin blockchain technology (Mintzberg, Ahlstrand, & Lampel, 2008), but it requires refinement to be completely aligned with the blockchain process.

The aim of this paper is to discuss the role of blockchain technology structure in developing strategy and formulating strategy. A search for papers using the keywords of blockchain and strategy in the period January to March 2022 on Academia.edu database produced a limited number of papers that discussed strategy and blockchain; thus, the integration of blockchain and strategy is an area ripe for further development. This paper begins with a discussion of blockchain architecture and the implementation of blockchain architecture; it then considers: how

blockchain architecture could facilitate strategy formulation and development, the influence of the shape of an organisation on blockchain technology effectiveness, and the implications of a blockchain architecture for decision making and strategy formulation. The paper closes with a Conclusion section.

THEORETICAL CONCEPTS

Blockchain architecture

Blockchain architecture enables information transfer, such as cryptocurrency, and recording of any changes to the information instantaneously. The capabilities of blockchain technology are suitable for virtual situations or the metaverse, where physical control is impossible (Brown, 2016). Information generated from a block is connected to a "new" block. Thus, each new transaction must refer to the previous block and is permanently registered in the ledger. Blockchain architecture ensures full anonymity; the focus is not on who performed the task but on the task itself. The outcome is that transactions are encrypted end to end (Chartier-Rueg & Zweifel, 2017; Brown, 2016). This could appeal to those involved in strategic thinking and innovative ideas because anonymity prevents intimidation. The peer-to-peer architecture of blockchain ensures only specific actors will have access to the strategic information until the developmental process is complete.

To build confidence in a blockchain technology, especially where sensitive ideas are being communicated, requires trust. According to Tapscott and Tapscott (2016), trust in blockchain is represented by four principles: need for trust, trust in the digital age, distributed ledger providing trust, and trust in the collaborative ledger. Trust in access to blockchain technology varies between institutions from "low trust" in public blockchains to "high trust" in private blockchains. A hybrid version of blockchain access is the consortium, which has an "intermediary trust or hybrid trust" status. Digital trust has the attributes of honesty, consideration, transparency, and accountability (Buterin, 2015). Not all organisations will be able to own a high security blockchain system, but they could compromise and target a hybrid blockchain system. The ability to partition activities and information from other organisations sharing the blockchain would be a must have feature to keep secrets secret and maintain and build trust; particularly given the importance of strategy deployment and its potential benefits for the organisation, such as leverage for competitive advantage. Organisations' and intermediaries' trust in data security is in short supply because of the prevalence of data breaches and the magnitude of the data exposed. For example, in the 2021 data breach at FlexBooker, an online booking service, 3 million user accounts were exposed and the intermediary AWS Security questioned FlexBooker's vulnerability. Robinhood, an online financial broker, also experienced a social media hacker attack in 2021 that exposed 5 million emails (Heiligenstein, 2022). However, a benefit of a distributed ledger is that users could possibly know the behaviour of the anonymous users running the blockchain. This increases transparency, and consideration could be given to an honesty index or reputational index for the blockchain (Lubin, 2015).

Blockchain technology allows individuals to interact directly with each other, which enables decentralisation. There is no need for intermediaries to facilitate transactions. Two users can interact directly and they act as "verifiers" and "organisers" of the transactions (Chartier-Rueg & Zweifel, 2017). Blockchain has the potential to bring true sharing of information in an organisation because aggregators of information can share information using peer-to-peer interaction. An example of this is distributed autonomous organisation, which allows the sharing of information in virtual organisations using smart contract (Souba, 2011). Importantly, trust is paramount in the digital economy and blockchain can provide the integrity and honesty required to underpin operational effectiveness (Chartier-Rueg & Zweifel, 2017; Souba, 2011). Blockchain can enable the transfer of ideas using smart contracts without the transaction costs of interference and criticisms that could hinder innovation; thus, groupthink can be avoided and innovation in the digital sharing economy encouraged. Blockchain offers discussion among differing peers (decentralisation) that could lead to constructive criticisms and allow ideas to flourish before being exposed to the wider organisation. Smaller organisations may not be able to afford a private blockchain to facilitate ideas, but a hybrid blockchain is a feasible approach.

Implementation of blockchain architecture

Standardisation, which requires investment and collaboration, is required before value co-creation phases, such as improving process and creating new entrepreneurial value, can be implemented. The turning point for the implementation of blockchain is co-operation between technological supply and demand (standardisation). Once this milestone is reached the actors move from observational to participatory. Thus, after the long-lasting benefits of blockchain have been perceived, then the co-creation phase will become entrenched (Steffinga, Lyons, & Bachmann, 2017). The implementation framework below is an approach to push blockchain towards the co-creation phase.

Tapscott and Tapscott (2016) suggested that the implementation of blockchain should adhere to eight principles. These are Network security, Distributed power, Value as an incentive, Security, Privacy, Rights preserved, Inclusion and Trust. Trust is the underpinning characteristic that is essential for the digital ecosystem.

Table 1 (managerial practices) and Table 2 (leadership practices) set out the benefits of a blockchain ecosystem in comparison to the current centralised ecosystem that is prevalent in current organisations.

Table 1: Managerial practices in the current economy and future blockchain economy

Shortcomings in the Current Economy	Blockchain Economy
Managerial Practices (Centralisation)	*Managerial Practices (Decentralisation)*
Aggregation of power and information by intermediaries; centralisation of authority	Decentralisation of information and power; distribution of authority
Strong hierarchical situations (top-down); low agility in decision practice	Flattening of organisation; high agility and adaptability
Poor collaboration and communication across departments	Collaborative and communicative platforms
High transaction costs	Elimination of intermediaries and automation
Costly and time-consuming back office/administrative tasks	Traceable and automated transactions
Poor understanding and monitoring of cost structure	Scrupulous costs identification and monitoring
Low synergies intra-organisation and across industries	Making use of excess capacity
Complex supply chain management and control	Supply chain integrity and provenance
Low integration of the digital economy (IoT, Semantic Web, chatbots and big data)	Secured ledger enables full digitalisation of data and services
Poor or complex contract enforcement	Self-executing transactions
Local scope and scale/poor inclusion	Universal global scope and scale
Complex human resources and procurement	Low search costs; automation of administration
Complex and costly capital	Low-cost capital raising through smart contract
Poor security and privacy; low trust across members and organisation	High security and privacy: control over data; members trust each other

Source: Chartier-Rueg and Zweifel (2017)

Table 2: Leadership practices in the current economy and future blockchain economy

Shortcomings in the Current Economy	Blockchain Economy
Leadership Practices (Centralisation)	*Leadership Practices (Decentralisation)*
Poor leadership practices: poor vision and inspiration; focus on managing and efficiency	Focus on leading/coaching Effectiveness as a goal
Poor performance tracking and evaluation	Reliable tracking, rating, and debriefs
Lack of engagement of employees	Active engagement towards achieving the organisation's vision
Poor understanding of experts' practices by management	The leader trusts and coaches employees to perform their job well
Focus on structure, stability, and linearity of processes	Focus on ideas and perceptions; dynamic and non-linear orchestration of processes
People as object recipients or objects for orchestration of value creation	People as members, agents and co-authors of value creation orchestration
Information asymmetries and moral hazards; managers as agents of owners	Transparency and accountability of management; managers as intermediaries/executors of the owners
Poor exploitation of collective intelligence and creativity	Focus on collective intelligence and enhancement of creativity
Absence of bottom-up communication, feedback, and debrief	Peer-to-peer interaction; emphasis on feedback and debrief

Source: Chartier-Rueg and Zweifel (2017)

Several points raised in Tables 1 and 2 could be applied to improve the strategy formulation process and, thus, improve the strategy that an organisation intends to implement. Collectiveness in the development of strategy builds trust and signals to employees that they are the executors and their creative intelligence plays an integral role in the strategy process. Transparency and accountability are key to building trust and commitment to the vision, which is an important pillar of the Tapscott and Tapscott (2016) framework. Moving to a blockchain ecosystem requires organisations to radically rethink their managerial and leadership practices to appreciate and gain the benefits expected. This will be further explored in the Implications section.

Strategy and strategy formulation

The emphasis of blockchain technology is on collaboration (Table 1) and a reduction in hierarchical structures within organisations (Chartier-Rueg & Zweifel, 2017; Bedin, Capretz, & Mir, 2021). The unpredictability, volatility, uncertainty, dynamics, and compulsiveness (UVUDC) of business environments suggest that a process-driven approach to strategy formulation does not lead to accurate and actionable outcomes. Strategies need to be more spontaneous and be able to be executed in shorter timeframes. Market environments could change rapidly due to normal market volatility or black swan phenomena, such as a pandemic or the war in Ukraine. The engagement of senior management in strategy formulation in response to black swan events is a logical and sensible approach because of the scale and impact on the organisation. However, changes in the market environment that are minor or predictable should not require a concentration of power and thought with senior management. Bedin, Capretz, and Mir (2021) suggested that the collaborative capability of blockchain has inherent intrinsic traits, such as security, integrity, and transparency. Strategy formulation would benefit from a blockchain process because centralisation of strategy development tends to not include new ideas and elements in the strategy formulation process. Mintzberg, Ahlstrand, and Lampel (2008) suggested that an emergent strategy will have a variety of inputs and thus ideas. A variety of ideas help in the decision-making process, so it is refreshed and reflects changes occurring in the business environment. However, the filtering of ideas and strategies will need to be addressed, which will be discussed in the Implications section. One of the main advantages of a blockchain economy to strategy development is that governance of the process is transparent, and accountability starts from the lower parts to the upper part of the organisation. Thus, the

strategic formulation process is embedded in the psyche of the organisation and ownership is organisation-wide. This aids the building of trust in an organisation and drives a collaborative management and people style.

Strategy implementation – organisational shape

Blockchain technology effectiveness is influenced by the shape of an organisation. A hierarchical organisation would require a flattened structure to gain the most benefits from the blockchain economy. However, an unwillingness to reshape and refocus the strategic formulation process could be a critical impediment to the success of implementing blockchain technology. Implementation of a blockchain economy is a loss of control by senior management. How willing are they to become less of a focus in the organisation? Moving from a hierarchical strategic planning process to a blockchain-enabled strategic planning process has implications for management's decision-making ability and authority. Strategy is not the preserve of the boss (Chartier-Rueg & Zweifel, 2017); strategy can be a systematic and integrative approach in which individual managers will lead everyone in strategy development, enabling people to act as agents and co-authors of the strategy (Nakamoto, 2008). Strategy development requires a shift from top down to horizontal, thus linking design and implementation. Stakeholders do not need to agree with the strategy but they must align with it (Nakamoto, 2008; Bird & Osland, 2004). Honesty and trust promote stakeholder alignment. Chartier-Rueg and Zweifel (2017, p. 97) described the benefits of blockchain implementation: "It is integrative and comprehensive, as a result of the managers' leadership: micro-politics, employees' coaching, (re)enacting vision, fostering communication and collaboration".

The implementation of blockchain technology will have implications for organisational culture. Table 2 identifies the characteristics of the leadership style, which for some organisations requires transformational leadership with a heavy emphasis on governance, ethics, and sustainability. The empowerment of employees and management will act as an enabler of governance, ethics, and sustainability. Thus, strategic intent is now linked to strategy in action and is not an idea written about in academic papers.

Implications

Ideas about strategy can be controversial and create angst in an organisation; so, the ability to anonymously develop ideas with "logical" connections will facilitate innovation in strategic thinking and help to eliminate groupthink and compliance. The current economy approach to strategic formulation ensures strategic thinking remains in the domain of senior management. Although senior management should be responsible for some strategic decisions, it should not be the sole arbiter or decision maker in some circumstances. Strategy formulation that has long-term strategic implications for the organisation must be finalised by senior management. However, senior management needs to have "conversations" with the internal stakeholders in the organisation and this includes employees. These "conversations" democratise the strategy formulation process and thus reduce the problem of groupthink and lack of suitable inputs to enhance the decision-making process. Embracing inputs from different parts of the organisation gives variety and richness to the strategy formulation process that tends to be missing in the current economy. The blockchain economy has the potential to drive ideas so that they reach the "right" parts of the organisation for decision-making purposes. The "right" part of the organisation could be senior management or much lower down in the organisation. Management at different levels of an organisation act as filters of the decisions and ideas. Management moves from final arbiters and keepers of information to coaches and facilitators. The exclusiveness of strategy formulation is removed and democratised. Democratisation of the strategy formulation process will build trust across the whole organisation because it strengthens accountability and transparency and requires fit-for-purpose governance systems.

The ecosystem of an organisation needs to adapt to the blockchain economy. There is no getting away from it, this is a major challenge especially in terms of organisational shape (roles, organisational structure, and organisational culture). Nevertheless, one only needs to appreciate the UVUDC of business environments and that these conditions work against a centralised approach to strategy formulation. A significant move towards a blockchain economy empowers employees through participatory involvement in strategic decisions and ideas that relate to their part of the business. This will require in many organisations constructive change to their governance system.

Over-centralisation of strategic thinking could lead to over-thinking in the decision-making process because there may be no discernible new ideas added to the decision-making process. Strategy formulation processes that embrace and are underpinned by the blockchain economy do not make senior management decision making redundant but enhance it. Local strategic decisions can be taken lower down the chain of command, thus, freeing senior management from specific market and business strategies. However, the decisions and ideas will still be open to senior management due to governance systems, such as accountability and transparency.

CONCLUSION

Democratisation of the strategy formulation process is a significant change for a business and will impact organisational structures and, thus, decision-making processes. A blockchain economy changes the role of senior management in the strategic formulation process; they review and critique ideas and decisions that emerge from different parts of the organisation. The foundations of strategic decision making are still linked to an organisational process, but the information and data that underpin it are strengthened and the output is recognised and owned much more readily by the internal stakeholders. Successful implementation of blockchain techniques will necessitate a change in organisational culture and will require senior management buy-in and acceptance.

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SOCIAL ENTREPRENEURIAL TAXONOMY FOR INNOVATION: A BUSINESS MODEL PERSPECTIVE

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ABSTRACT

There is a broad academic, governmental, and social interest in how entrepreneurship and innovation can help to overcome the huge challenges that humanity is facing. Investment has been done to search for new business models for sustainable development. But theory still needs progress to support practice. This paper proposes a taxonomy based on the social entrepreneurial literature to offer a classification structure helping theoretical consolidation. A country-based criterion established the population. The resulting database corresponds to 40.45% population and achieved a 43.63% response rate. Exploratory factor and cluster analyses provided the taxonomy, confirmed by MANOVA and posthoc tests.

Keywords: social entrepreneurship; social innovation; taxonomy; sustainable development

INTRODUCTION

Humankind is facing the most serious challenge of all time. The current social structures and productions standards are depleting the planet's life-support system and ruining the conditions that enable the civilization as it is known (Pickering and Persson, 2020; Rockström *et al*, 2021). There is a broad academic, governmental, and social interest in how entrepreneurship and innovation can help to overcome it (Johnson and Schaltegger, 2020). This interest also reflects the boost of investment and social entrepreneurial and innovative initiatives (SEIIs) expansion (Dupain *et al*, 2021).

Due to the multidimensional way of social entrepreneurship development (Van Der Have and Rubalcaba, 2016; Defourny and Nyssens, 2010) this research field has inherent innovative potential, capable of creating and testing new business models, enabling new synergies and solutions to social problems (Símon-Moya et al, 2012; Seelos and Mair, 2005). Hossain *et al* (2017) argue that social entrepreneurship aims to create a "sustainable society" (p.362) also encompassing ecological problems. Therefore, it seeks to develop decent and fair conditions for the world to be a better place due to business (Tate and Bals, 2018) and not despite them as happens with economic-oriented business (Pickering and Persson, 2020).

The same multidimensionality that enhances the problem-solving expectations poses a consolidation issue (Lüdeke-Freund *et al*, 2018; Boons and Lüdeke-Freund, 2013) mainly because the research still focuses on the organization level without offering structures for classification and information organization (Erpf and Tekula, 2019;

Lee *et al*, 2014). It also fails to discuss important links between analyses levels useful to explore the entrepreneurial potential for sustainable development (Johnson and Schaltegger, 2020).

Entrepreneurship and social innovation already have strong effects in economic terms (Dupain *et al*, 2021), but they still lack theoretical structuring, maybe because they rely on paradigm-breaking constructs (Murray *et al*, 2010). The expectation in fostering sustainable development (Horne *et al*, 2020; Lüdeke-Freund *et al*, 2018) found theoretical (Johnson and Schaltegger, 2020) and practical barriers. Even in countries with great growth on the topic, there is deficiency in useful managerial skills to support it. It happens because many social initiatives have developed from community groups, with unplanned growth, relying on voluntary labor. Therefore, they do not have the necessary resources even to properly identify their needs. Moreover, SEIIs cannot just learn and use business skills because it can impair their commitment to social goals and harm their ties with the community, thus their reputation (European Commission, 2016).

Due to all requirements explained above, this paper proposes a taxonomy properly based on the social entrepreneurial research field. This provides a classifications structure helping theoretical consolidation (Venkatraman and Prescott, 1990; Venkatraman and Ramanujam, 1986). Moreover, as far as we know, it is not possible to point out a causal link between sustainable development and social entrepreneurship. However, recent progress in ONU sustainable development Goals (SGD) measurement suggests that solid entrepreneurial activity is a crucial SGD prerequisite and driver, especially regarding innovation. (Horne *et al*, 2020).

To accomplish this goal, the paper starts with the theoretical foundation needed to align the understanding of how entrepreneurship and social innovation contribute to sustainability. Then, relevant concepts, as business model constructs are displayed. Following, the paper describes the main theoretical challenges and a strategy to overcome them. The research design encompasses goals and hypotheses presentations, empirical setting, and data collection. Finally, analyses, results, and conclusions are presented.

THEORETICAL FOUNDATION

The Hurry for New Business Models

While social problems have spread and grown in number and complexity due to the globalization, traditional solutions have ceased to be effective in solving them. Innovation has become essential to create multidisciplinary responses that articulate different sectors (Tate and Bals, 2018; Van Der Have and Rubalcaba, 2016; Boons and Lüdeke-Freund, 2013). The huge challenges caused by human intervention can derail the business-as-usual approach to the point of disrupting the systems that allow life on earth, as it is known (Herrington, 2021). It is no longer a hypothesis, but a fact with unpredictable effects (Rockström *et al*, 2021).

There is a great need for business models that foster prosperity rather than growth, quality of life in the place of mere consumption (Pickering and Persson, 2020). The call for change (Rockström *et al*, 2021) and the search for new business models are not new (Seelos and Mair, 2005), but theory is still struggling to pace it (Aagaard et al, 2021; European Commission, 2016; Johnson and Schaltegger, 2020).

Entrepreneurship theory studies how to identify, assess and exploit opportunities even with limited resources (Shane and Venkatraman, 2000) and therefore it is powerful to identify efficient ways to address social problems (Seelos and Mair, 2005; Horne *et al*, 2020). In addition, business models are entrepreneurial tools. They can be innovations or can be a success factor for innovation, as they ensure the best use of the organization's structure and strategy. Business models make innovation marketable, balancing the innovative process costs and risks. As there is no prescription on the business model, the best adapted is the ideal (Osterwalder and Pigneur, 2011) and the social entrepreneurial ones have great potential to build up sustainability (Hossain *et al*, 2017) paving paradigms (Murray *et al*, 2010).

Business Model in Social Entrepreneurship.

Business models allow SEII classification and comparison (Lüdeke-Freund *et al*, 2018) and the social entrepreneurship literature does not offer consensual, consistent, and empirically tested measures and criteria to do it

(Macke et al, 2018). The available classifications are, in general, conceptual and lack empirical tests. A business model is a simplified scheme that allows information to be grouped and benchmarked (Lüdeke-Freund *et al*, 2018) helping to identify patterns and establish what is good or bad in organizational terms (Venkatraman and Prescott, 1990).

The business model can also help to delimit the classification criteria, providing a structure that can be replicated (Venkatraman and Ramanujam, 1986). It is a popular unit of analyses in the social entrepreneurship literature. However, it usually mentioned but not described nor operationalized (Aagaard et al, 2021; Boons and Lüdeke-Freund, 2013). To deal with this limitation, complementary literature was consulted (Van Der Have and Rubalcaba, 2016).

Osterwalder and Pigneur (2011) developed a theory about the business model's generation, organized in a CANVAS that meets the premises related to innovation and business sustainability. The left side of CANVAS — the backstage — represents the components necessary to create value, making it feasible and allowing it to be perceived and acquired by customers in the front stage. The relationship between the two parts of CANVAS is analogous to a play. The model's heart is the value proposition. The audience is interested in the show that takes place on front stage. However, it is not possible without the work done behind the scenes.

Zott and Amit (2007) consider two categories for entrepreneurial business models: focusing on efficiency and focusing on innovation. The first prioritizes reducing costs and increasing the operation efficiency and reliability. They are good in resource scarcity situations. The second generates superior performance in a sustainable way, even with variations in resources availability, due to entrepreneurial rents achievement. Although the categories are not mutually exclusive, the authors point out that trying to combine both is counterproductive. It is in line with the performance of the stuck in the middle organizations of Porter's (1980) generic strategies.

Why a Taxonomy?

Van Der Have and Rubalcaba (2016) states that social entrepreneurship conceptual ambiguity and fragmentation are not problems, but rather an opportunity to connect different approaches and disciplines, promoting academic diversity. However, Lüdeke-Freund *et al* (2018) found that a major theoretical limitation tends to result from widely dispersed knowledge that needs synthesis and consolidation. To achieve progress, the research must balance multidimensionality (Aagaard et al, 2021; Macke et al, 2018). Following what was done in strategic theory, building taxonomies is a feasible way to deal with multitude of concepts (Carneiro *et al*, 2011). It can reduce the vast array of possible combinations to a manageable set (Hambrick, 1983) that represent the simultaneous and conjoint interactions taking place (Venkatraman and Prescott, 1990).

The business model type (i.e., micro-level analyses) can increase the understanding about meso-level relationships, such as the social economy concept and macro-level ones, like a public policy influence. The overall literature that deals with sustainability issues lack information and models to approach these levels (Johnson and Schaltegger, 2020). It can also pull social changes toward sustainability while fulfilling the multilevel lack of understanding (Boons and Lüdeke-Freund, 2013, p.5): *"(…) sustainable business models as an expression of organizational and cultural changes in business practices and attitudes that integrate needs and aspirations of sustainable development as formulated in the Brundtland definition (…)."*

A SEIIs' taxonomy can also be useful to gauge the effectiveness of these business models from the rational analysis of the discrepancy between how something is done and how it should be done [fit] (Venkatraman and Prescott, 1990; Shane and Venkatraman, 2000), aiming to be the best viable option for social problems' treatment (Hossain *et al*, 2017; Seelos and Mair, 2005). As far as we know, there is no other taxonomy available that aims to classify social business models, as shown in Table 1.

Table 1: Classifications available in literature

Authors' definition	Reference	Methodology	Unit of analyses	Classification Goal
Tipology	Zahra *et al* (2009)	Theoretical	Entrepreneur	Define the type of entrepreneur relating to the different levels of social innovation
	Mair *et al* (2012)	Cluster / NOVA / MANOVA Secondary data	Organization	Classify a generic idea of the business model by different types of capital.
Taxonomy	Erpf and Tekula (2019)	Cluster /ANOVA. Delphi.		Classify a generic idea of the business model by different value propositions
	Helm and Andersson, (2010).	Cluster		Classify different types of entrepreneurial behavior to non-profit organizations
	Caroli *et al* (2018)	Literature review and Delphi	Drivers	Social innovation drivers without a classification purpose
	Lüdeke-Freund *et al* (2018)		Business models	Apply CANVAS to highlight 45 patterns of sustainable innovation

Source: Authors

A Multi-Level Description

Although it is difficult to set what is and what is not a SEII, there is already some consensus on it. SEII share as a common core the prevalence of social goals in decision-making and strategy, aiming public-interest solutions. The wide range of SEII can be decomposed into smaller classes according to the study delimitations need (Salamon and Sokolowski, 2016). Therefore, the difficulty to deal with aspects of hybridization (Johnson and Schaltegger, 2020; Macke et al, 2018) is only a delimitation matter. Mainly because any social phenomenon is rooted in the cultural, political, economic, and historical context (Defourny and Nyssens, 2010). Thus, SEII's concept embraces not-for profit and for-profit initiatives as well (Salamon and Sokolowski, 2016; European commission, 2016).

SEII's can be placed in a spectrum between philanthropy and economic purpose (Dess, 1998). According to Defourny and Nyssens (2010), SEIIs evolved from two concomitant strands: 1) the adaptation of traditionally philanthropic business models, through the adoption of managerial practices (Ramos and Martín, 2001; Hossain *et al*, 2017) and 2) the creation of new business models to explore opportunities in solving social problems (Zhara *et al*, 2009; Seelos and Mair, 2005a). The first strand is sensitive to the tension between social and economic goals, but the second employ innovation to make these goals complementary (Defourny and Nyssens, 2010).

These two strands developed through systematic exchanges with each other (Hossain *et al*, 2017) favoring the creation of new industries and the validation of new business models. Therefore, social entrepreneurship has an inherent innovative potential (Símon-Moya et al, 2012). Regardless of origin, the position of a SEII can change through the partnerships it establishes, adaptations in its performance, adoption of management techniques and innovation (Erpf and Tekula, 2019; Ramos and Martín, 2001). The main criteria are social value creation and innovation which is in line with the business model framework adopted in this study (Osterwalder and Pigneur, 2011) and is also supported by social entrepreneurial literature (Defourny and Nyssens, 2010; Zhara *et al*, 2009).

RESEARCH DESIGN

Research Goals and Hypotheses

An online survey was based on previously tested and published scales related to the social entrepreneurship research field and framed in the Osterwalder and Pigneur (2011) business model analyses. Not all variables formed reliable factors, but all variables selected can be framed in the CANVAS. This choice aimed to favor consensus (Lüdeke-Freund *et al*, 2018) while offering theoretical suitable structure to further replication (Venkatraman and Ramanujam, 1986). The main research goal is to propose a SEIIs' taxonomy to allow classification and business model description (Erpf and Tekula, 2019; Lee *et al*, 2014).

The study evaluates if SEIIs can be distinguished and classified by significant differences in the factors of their business model (Osterwalder and Pigneur, 2011) and in the accesses to funding in the ecosystem (Audretsch, 1995). The statistical method to develop a taxonomy constrains the research hypotheses (Carneiro *et al*, 2011). It is expected that from the combination of business model and context factors it will be possible to classify SEIIs and group them according to their similarities reflecting multivariate profiles (Hambrick, 1983). However, it is not possible to establish in advance whether the profiles will emerge, so the first hypothesis (H1) is: there are at least two distinct SEII's profiles formed from business model factors (H1a) and the level of access to funding (H1b).

All classifications from a taxonomy are derived from observing patterns (Venkatraman and Prescott, 1990) and are contingent on the context and circumstances from which they emerge (Humbrick, 1980), being generalizable through the identification of statistically generalizable forms of testing (Carneiro *et al*, 2011). Therefore, the second hypothesis (H2) is: the mean of at least two profiles is significantly different.

Empirical Setting and Data

The online survey was mostly made up of 5-point Likert scales. It went through an extensive pre-test process conducted in implicit and explicit stages with 56 respondents. The pre-test responses were not used as sample (Converse and Presser, 1986). The selection criterion was Portuguese SEIIs that received investment or prizes concerning social innovation from 2015 until November 2019. The country-based criterion helped to establish the population and to ensure the appropriate profile to the study (Lee *et al*, 2014). The data collection happened between November 2019 and February 2020 providing a probabilistic sample based on entrepreneurs' opinions (Hair Jr *et al*, 2010). The resulting database corresponds to 40.45% of the population of Portuguese SEIIs. The sample also represents 43.63% of the response rate, which is higher than what was reported in benchmarking studies:21% Bacq and Eddleston, (2018), 26,3% Helm and Andersson (2010). At the end of sample treatment, there were 88 valid cases (Hair Jr *et al*, 2010).

Method

Issues concerning the common method bias (CMB) was addressed using the Harman's single factor test through exploratory factor analysis (EFA) (Podsakoff *et al*, 2003). To complement the technique, the results are compared with the social entrepreneurship benchmark that has reported a 32% variation in the first factor (Bacq and Eddleston, 2018).

Another EFA was conducted to summarize variables, keeping only the statistically significant ones (factor load > 0.6). The EFA allowed verifying if the variables are grouped according to the literature. It was operationalized by the principal component analysis method with varimax orthogonal rotation, considering the eigenvalues greater than 1 and the scree plot observation. Due to the research exploratory nature, the EFA is considered reliable and significant when the KMO test is greater than 0.5, ($\alpha < 0.05$) extracting factors with Cronbach's Alpha higher than 0.6 (Hair Jr *et al*, 2010).

From EFA were also considered how much the variable relates to the set of measures (MSA < 0.5) and how much it is represented by the factors extracted according to the values of the communalities (Hair Jr *et al*, 2010). Variables that do not form factors improve the description of the taxonomy's profiles. In this sense, they were submitted to One-way ANOVA to observe individual differences between variable means and descriptive statistics.

However, the conclusions from this analysis are only context descriptions (Carneiro *et al*, 2011). Orthogonal factors assume that the data do not naturally correlate, which is empirically unlikely. Therefore, the factors were created by summed scales, which keep up the original values of the variables and compensate for measurement errors. Then, cluster analysis identified internally homogeneous, externally heterogeneous, and mutually exclusive groups in an exploratory manner (Hair Jr. *et al*, 2010).

The hierarchical algorithm determined the number of clusters through the Euclidean quadratic distance to guarantee the maximum separation between each group. Then, cases were classified using the K-means algorithm. As the classification in clusters emerges from the data, MANOVA validated the classification (Carneiro *et al*, 2011). This technique is appropriate when there is more than one evaluation measure for the same objective and improves the control of type I experimental error. As the measures were created orthogonally, the classification in each cluster provides the basic premise of the independence of observations required (Hair Jr. *et al*, 2010).

The internal homogeneity of the clusters was tested together by Box's M test ($\alpha > 0.05$) and Levene's test ($\alpha > 0.05$) to gauge each measure individually. The suitability of the clusters was assessed using the Pillai's Trace and Wilks Lambda tests ($\alpha < 0.05$) and determines whether the clusters are different (Hair Jr. *et al*, 2010; Carneiro *et al*, 2011). These differences were described using centroid analysis and Bonferroni's posthoc test ($\alpha < 0.05$). This test points out significant differences among groups and ranks their effects (Carneiro *et al*, 2011).

ANALYSES AND RESULTS

Statistical Analyses

The high factor loading found signals the ability to summarize data appropriately. Because they are in line with the literature, these results also mitigate possible errors in the summated scales. The factors are orthogonal Thus, they are suitable to discriminate clusters (Hair Jr *et al*, 2010), the technique used to create the taxonomy. From a business model standpoint, taxonomy structured attributes in an organizational concept (Venkatraman and Prescott, 1990). It consists of a minimum number of profiles that represent relevant characteristics, which enable grouping similar cases while separating different ones (Carneiro *et al*, 2011; Humbrick, 1984). Statistical generalization was obtained using MANOVA, which makes it possible to test hypotheses (Carneiro *et al*, 2011). Table 2 summarizes the EFA results and presents factor reliability by Cronbach's alpha (Hair Jr. *et al*, 2010). Figure 1 framed the resulting factors in Business Model CANVAS (Osterwalder and Pigneur, 2011).

Table 2: Taxonomy Factors

BM	Factor		Variables	Factor Load	Alfa
Backstage	Access to funding	ECO_INV	Bank support access	0,840	0,7
			Access to credit	0,759	
			Private investment	0,754	
	Resources availability	MN_Rec	Proper task allocation	0,919	0,9
			Proper HR Availability	0,894	
	Innovation capacity	MN_CI	Learning capacity	0,804	0,7
			Business model flexibility	0,695	
			Absorption capacity	0,679	
Front stage	Innovative value proposition	MN_PI	Innovation in processes	0,722	0,6
			Innovation in knowledge	0,716	
			Innovation in services	0,722	
Factor extraction by Principal Component Analysis with Varimax Rotation Method and Kaiser Normalization. Significant Bartlett's sphericity test ($\alpha < 0.05$), KMO = 0.6. It explains 64.11% of the sample's variance.					

Source: Authors

Figure 1: Factors in the Business Model Generation Canvas
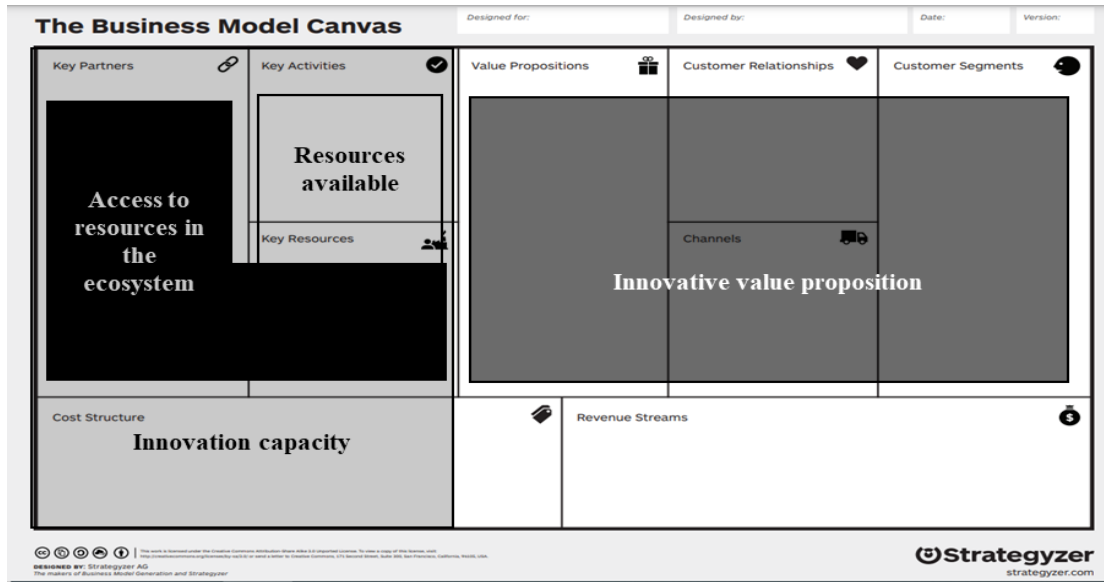
Source: Adapted from Osterwalder and Pigneur (2011). Author's free source retrieved from https://www.strategyzer.com/

SEIIs are distributed into three balanced profiles with 35, 31 and 22 cases, respectively. No profile holds an absolute cases' majority. MANOVA supports the first hypothesis (H1) confirming the three profiles are valid. These profiles are composed of similar SEIIs considering the set of analyzed factors (Box's M test, $\alpha > 0.05$) and considering each factor separately (Levene test, $\alpha > 0.05$). The Pillai's Trace and Wilks Lambda tests ($\alpha < 0.05$) imply the profiles' adequacy, suggesting that they are distinct (Hair Jr. *et al*, 2010). The classification structure was analyzed from the centroids of the clusters, to verify how mutually exclusive the profiles are and the significance of their effects' relationship (Post-hoc Bonferroni test, $\alpha < 0.05$), as shown in Table 3.

Table 3: Corresponding matrix in quartiles and post-Hoc test

Factor	Cluster 1 (C1)	Cluster 2 (C2)	Cluster 3 (C3)	Rank
Innovative Value Proposition	Q2	Q1	Q4	C3 > C1 > C2
Resources availability	Q1	Q3	Q3	C1 < C2 e C1 < C3
Innovation Capacity	Q2	Q3	Q3	C1 < C2 e C1 < C3
Access to funding	Q2	Q3	Q3	C2 > C1

Source: Authors

Cluster 1 has fewer capabilities and resources than all other clusters and has less access to funding than Cluster 2. However, the value proposition of Cluster 1 manages to be more innovative than that of Cluster 2. Despite having capabilities, resources, and access to funding like Cluster 3, Cluster 2 is the least innovative. The Innovative Value Proposition (MN_PI) differentiates the three profiles, fully supporting the first hypothesis (H1). The distinction of Cluster 1 from clusters 2 and 3 by Innovation capacity (MN_CI). Resources available (MN_Rec) supports (H1a) and difference in the access to funding (ECO_INV) supports (H1b). The second hypothesis state that there are at least two distinct SEII profiles based on the factors. Because the mean of at least two profiles is significantly different, as shown by MANOVA and Post-hoc test, the second hypothesis (H2) is also supported. Interpreting the factors based on the statistical results, the following profiles were found.

Persistent SEII (Cluster 1)

They are SEIIs with the lowest resource's availability and capacity for innovation, with less access to investment. They create more subjective social value than the cluster 2. Their degree of value proposition innovation and

innovation capacity can represent the creation of new combinations to overcome resource constraints and social goal difficulties (Defourny and Nyssens, 2010). The relationship between the available structure and the number of beneficiaries served is more efficient than the Cluster 2, hence, the beneficiaries' limitation may result from limiting access to investment.

Stuck in the Middle (Cluster 2)

SEIIs stuck in the middle have the best of access to investment, the most resources available and innovative capacity. They innovate most frequently and have the highest risk tolerance, associated with a high investment in innovation. However, they have the least innovative value proposition, serving fewer beneficiaries proportionally to their structure. They deal with serious but less intense social problems than those of the other profiles. They create, on average, more jobs and have more volunteers than the others. Notwithstanding, SEIIs in this profile can be in a transition toward the next described type (Porter,1980; Zott and Amit, 2007).

Innovative SEII (Cluster 3)

Although they have less access to investment than SEIIs stuck in the middle. The innovative SEII have equivalent resource availability and innovation capacity. They present the highest innovation level in the value proposition and address the most serious social problems. They serve more beneficiaries and have the best relation between structure and scale.

CONCLUSION

This paper successfully proposes a taxonomy based on the social entrepreneurial research field to offer a classifications structure, helping theoretical consolidation (Lüdeke-Freund *et al*, 2018). The taxonomy is statistical generalizable and favors further replication (Venkatraman and Ramanujam, 1986), by helping patterns identification. It can expand the knowledge about what is good or bad in social organizational terms (Venkatraman and Prescott, 1990) which can also improve the search for the best viable option for social problems' treatment (Hossain *et al*, 2017; Seelos and Mair, 2005).

The taxonomy is in line with Zott and Amit' (2007) business model study and Porter's generic strategies (1980), enhancing its validity. The study design respects the social entrepreneurship multidimensionality (Van Der Have and Rubalcaba, 2016; Boons and Lüdeke-Freund, 2013) and develops a popular research unit that is usually mentioned in social entrepreneurship but not operationalized (Boons and Lüdeke-Freund, 2013). The business model was used as a framework for literature review and online survey. The result allows the comparison between SEIIs helping to fulfill a theoretical gap (Erpf and Tekula, 2019; Lee *et al*, 2014).

The taxonomy can distinguish and classify SEIIs by significant differences in their business model factors (Osterwalder and Pigneur, 2011) and in their access to funding (Audretsch, 1995). Social organizations and social investors can use the factors identified in this paper (Table 2) as a guideline to assess frailties and strengths in a business model (i.e.: Access to funding; Resources availability; Innovation capacity; Innovative value proposition). Therefore, a strategy can be designed complying with its environment toward better results (Osterwalder and Pigneur, 2011; Venkatraman and Prescott, 1990). Additionally, the taxonomy can help to classify business models. The taxonomy combined with the factors can be a diagnosis and prognosis tool. They can help organizations to assess their current innovative potential and trace a goal toward what they want in the future. For instance, a stuck in the middle can evolve to an Innovative SEII by recognizing what is setting it back.

Thus, organizations can analyze if their strategy is providing the structure and results, they want (Osterwalder and Pigneur, 2011; Venkatraman and Prescott, 1990). On the other hand, investors can choose the business model that better fits their investment theory (Audretsch, 1995; Macke et al, 2018). Moreover, the taxonomy can improve the understanding between social organizations and investors (Dupain et al, 2021). As the best-adapted business model is the ideal (Osterwalder and Pigneur, 2011) and the social entrepreneurial ones have great potential to build up sustainability (Hossain *et al*, 2017). We hope this study can contribute to building a healthier paradigm (Murray *et al*, 2010) geared to a safe operational array (Pickering and Persson, 2020; Rockström *et al*, 2021).

The country delimitation which allowed sampling also represents a research limitation. We encourage the replication of this study in another context to enhance the taxonomy validity, enabling comparison and improvements. The application of the discussion developed here also needs to be deepened in terms of sustainability and applied in real world problem-solve dynamics. Case studies can be helpful in this development.

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PUBLIC SECTOR AUDIT COMMITTEE EFFECTIVENESS: DEVELOPING COUNTRY ACTANTS

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ABSTRACT

The South African public sector harbours a myriad of structural challenges. All dimensions of the oversight mandate of the audit committee. The paper determines influences on the effectiveness of public sector audit committees, in a developing country setting. The establishment of audit committees is narrated, and its original intention mapped, by invoking the actor-network theory (ANT). The final ANT moment is explored by four purposively selected focus groups, following the Interactive Qualitative Analysis (IQA) method. An initial network that implies effectiveness is formed and thereafter negative influences on the network are highlighted. The findings are important for policy makers to consider when regulating the establishment and functioning of public sector audit committees.

Keywords: Actor-Network Theory, audit committee effectiveness, developing country, interactive qualitative analysis, public sector

INTRODUCTION

"What is next?" With the Covid-19 pandemic tormenting the globe, business and government evidently struggle to balance the challenges associated with the "new normal" – less predictable change and counter-productive disruptions. Audit committees, as overseers of assurance provided by executive management, are regarded as a cornerstone of sound corporate governance (Lary & Taylor, 2012) and may be in the optimum position to assist organisations to evolve and thrive in uncertain times (Parsons & Knachel, 2020). Although an effective audit committee is crucial to improving assurance activities and financial reporting of entities (Carrera *et al.*, 2017), expectations within, as well as its response to the current pandemic environment, have ostensibly also adapted. New roles are demanded, such as balancing core- and emerging responsibilities to ensure organisational viability, following a multi-disciplinary approach to improve connectivity and collaboration, probing complexities by way of scenario planning and other tools, keeping connected via virtual meetings, regular communication with stakeholders in uncertain times, and ensuring that internal control systems remain adequate (IFAC, 2020).

Although consequential in general, the pandemic may more acutely impact the public sector – having to balance the mitigation of pressures on the health care system and the curbing of the pandemic with restricting economic activity, while upholding social welfare and large-scale public health security. Amidst these grand challenges, some curbing measures negatively impact the fiscal position of developing countries, in particular (Susilawati *et al.*, 2020). Public sector corruption further exacerbates difficulties associated with low economic

development (Saha & Sami Ben Ali, 2017) and fiscal sustainability (Fagbemi & Olatunde, 2019). In South Africa, for example, the misappropriation of state resources by the political elite and politically connected is pervasive - a case in point being the looting of public funds earmarked to manage the Covid-19 pandemic and alleviate resultant social suffering (Businesstech, 2020). Therefore, studies such as Rich and Zhang's (2014) assert that effective public sector audit committees are of vital importance – not only as a general oversight mechanism, but also to manage the pandemic (CIPFA, 2020).

While the impact of the pandemic has proven a game changer for audit committees, its role has been evolving over the past decades (Rizvi *et al.,* 2018), with limited success in robustly framing the attributes of an effective audit committee. This statement appears counter-intuitive, considering the burgeoning concentration of research conducted. The research agenda examining these issues is expected to continue, even in the absence of a pandemic. Grand challenges are systemic and humanity's effective response must always be articulated and advocated. In support of an accurate comprehension of what an effective audit committee entails and impelled by changes in expectations from the audit committee, the appeal to view the audit committee from a different research perspective is growing (Qasim, 2018). This requirement is experienced more urgently by the public sector (Coetzee *et al.,* 2021). Consequently, a research problem for this paper is formulated as follows:

In the South African public sector, a myriad of structural challenges persist, even preceding the Covid-19 pandemic. Challenges, such as low-quality annual financial statements, inadequate risk management, poor control environments, poor corporate governance, systemic corruption, and the proliferation of irregular, fruitless and wasteful expenditure - perpetrated with impunity owing to a lack of accountability, are extensive. These are all critical dimensions of the audit committee's proactive oversight mandate. Given the persistence of these situational realities as well as the concomitant volatile and uncertain times, a sustained research agenda on audit committee effectiveness is necessitated.

Therefore, the main research objective is to determine the factors that influence the sustained effectiveness of public sector audit committees in a developing country setting. For this study, the public sector is limited to South African national- and provincial government departments and municipalities, excluding constitutional institutions, public entities and government business enterprises as defined by the Public Finance Management Act (PFMA) (SAG, 1999).

Based on the need for an on-going research perspective, as well as alternative theorising (Bédard & Gendron, 2010; Fairchild *et al.,* 2019), the paper narrates the establishment of audit committees in the South African public sector, depicting its original intention by invoking the actor-network theory (ANT) (Callon, 1986). The theory endeavours to consider all the influences [read: "actants"] within the audit committee network, over time, human or non-human, influencing the public sector audit committee's effectiveness. The paper pursues the five "moments" (four by Callon, 1986; a fifth by Spira, 1999) to explain the formation of the public sector audit committee actor-network, i.e., 1) "problematisation" (a "claim" is recognised); 2) "interessement (translation)" (actants linking for mutual benefit); 3) "enrolment" (investment in the "claim" of what is the truth and how to operate); and 4) "mobilisation" (how the outcome is to be implemented and managed). The foundation of the first four moments is followed by the empirical section of the study that considers the fifth moment, 5) "disintegration" (the created network begins to fall apart as competing networks enrol actants, where they are re-defined). The "disintegration" moment is explored by empirically identifying the negative influences on South African public sector audit committee effectiveness, in the setting of the formulated research problem. Throughout the journey of addressing the moments of the ANT approach, the actants are identified.

The paper presents the introduction, as above, and a contextualised literature review accommodating the ANT approach, followed by the methodology, findings, discussion of the findings, and the conclusion.

Introduction of South African public sector audit committees based on the ANT approach

Contrary to scholarly debate referring to ANT as a theory, Law (2007) averred that ANT is not a theory but an approach. It presents a story discussing how relations assemble. Hence, all intended outcomes result from the interaction of actants. Over time, certain actants disappear and others emerge, or its position of prominence changes within the network. The history of the development of South African public sector audit committees is presented via

this approach. In pursuit of opening the research space, topics are explored using the first four moments of the ANT approach, however, not necessarily in sequence, as the moment of "translation" encompasses the full story.

Problematisation

The mandatory requirement for audit committees in the South African public sector coincided with the rise of the New Public Management (NPM) ideology, or theory - as some prefer to refer to it. The NPM concept emanated from a range of theoretical lenses, primarily the public choice theory, the classical administrative theory and the critical social theory (Gruening, 2001; Lokuwaduge, 2016). NPM spread through the anglophone world in the 1980s and 1990s (Hughes, 2003), with the term first introduced in 1991 by Christopher Hood (Lægreid, 2015). The term described approaches that were developed during the 1980s to render the public service more "businesslike" and to improve its efficiency by using private sector management models. Osborne and Geabler (1992) asserted that this new global paradigm (of NPM) was not only restricted to developed countries but has also extended to developing- and transitional countries in Asia, Latin America, and Africa.

The apartheid era, that ended in 1994, isolated South Africa from international developments in public sector reform (Thornhill, 2008). Even when political transition became imminent, the African National Congress (ruling political party since 1994) scarcely attended to the nature of the post-apartheid public sector (Cameron, 2009). Fortunately, lessons could be learned from several developed countries at the time (Australia, New Zealand, United Kingdom, and Canada) that embraced this paradigm shift, from traditional public administration to performance-orientated and accountable public sector governance. In reforming the public financial management environment, the National Treasury of South Africa sought guidance from these countries by sending representatives to observe, learn and consider NPM best practices (Erasmus, 2008). Not surprisingly, scholars assert that NPM has been highly influential in shaping public sector reforms in post-apartheid South Africa (Cameron, 2009).

The key slogan for NPM is "managers must manage, but hold them accountable", requiring public managers to focus actively on managing major change, instead of mere bureaucratic routine (Fatemi & Behmanesh, 2012). Fatemi and Behmanesh (2012) identified seven underlying principles of NPM concerning public sector effectiveness – one of which is "emphasis on private sector management styles". Van der Nest (2008) conceded that, following the transition to democracy, South Africa needed a stable government that applied sound management principles to ensure optimum service delivery. In addition, he cited the National Treasury, maintaining that there was increasing pressure on public officials to demonstrate a high level of accountability concerning the use of public funds. The study concluded that the audit committee is a key accountability instrument, fulfilling a crucial role in the financial-management and control environments of public institutions. It can, thus, be deduced that the genesis of the South African public sector audit committee was a direct result of the adoption of private sector-good governance practices, underpinned by the NPM ideology – the moment of "problematisation", where a claim is recognised.

Enrolment and Mobilisation

The decade of adopting a new Constitution (SAG, 1996) and promulgating public financial management legislation and regulations (SAG, 1999; SAG, 2003; SAG, 2005), while pursuing the NPM doctrine of improved public sector financial management and accountability, can be regarded - in the ANT approach - as the moment of "enrolment" (investing in what was regarded as necessary to achieve set objectives). Fortunately, the South African government had the benefit of an internationally authoritative corporate governance report from its own midst – the King Report on Corporate Governance (IoDSA, 1994), otherwise known as King I. It, therefore, did not have to search far for guidance and contemporary best practice on how to establish an effective public sector audit committee. It is evident that concepts of independence and the function of the audit committee derived from King I, guided the legislated and regulated requirements of public sector audit committees – the moment of "mobilisation" (establishment, composition and functions of audit committees).

The PFMA (SAG, 1999) legislated the establishment and composition of audit committees for central government, with the function of the audit committee included in the Treasury Regulations (SAG, 2005), supporting the PFMA. For the local sphere of government, the Municipal Finance Management Act of 2003 (MFMA) (SAG, 2003) legislated the establishment, composition and functions of the municipal audit committee. The PFMA arguably endeavoured, by way of supportive regulations, to create an environment of perceived audit committee independence

and simulate the functions of audit committee best practices of the time. Furthermore, the audit committee must comment on the institution's annual report regarding the effectiveness of internal control, the quality of in-year management and monthly/quarterly reports, and its evaluation of the annual financial statements. For the municipalities, the MFMA requires the audit committee to advise various management role-players on specific matters. In addition, the audit committee must review the annual financial statements and conduct investigations into the financial affairs of the municipality. Figure 1 presents a combined conceptual framework of the actant network of both the central and local government spheres, based on the legislative requirements, as public sector functions are dictated by legislation (Carhill & Kincaid, 1989).

Figure 1: Network for creating an effective audit committee
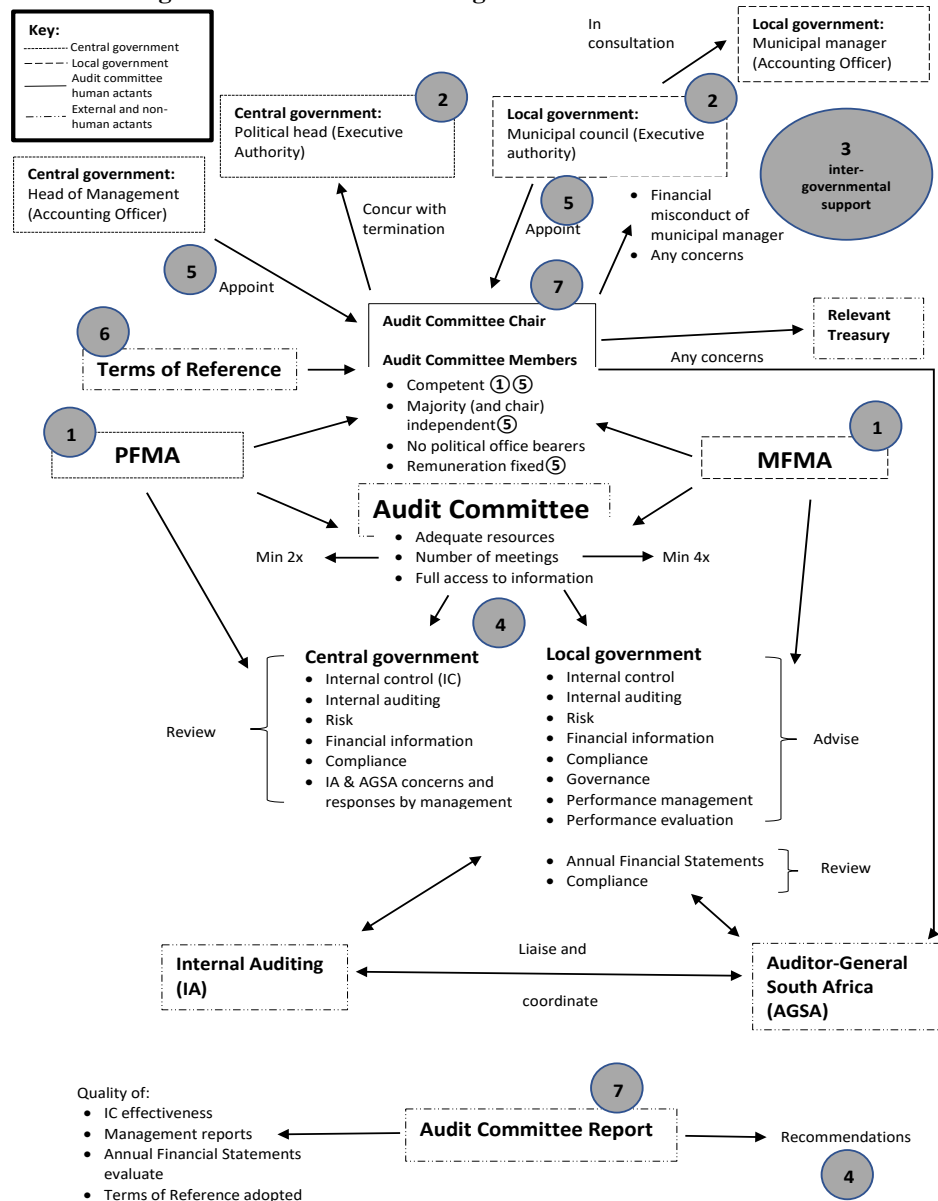
However - considering the legislated audit committee responsibilities - the deterioration of governance (Fourie & Poggenpoel, 2017), systemic corruption (Sebake, 2020), state capture (Salahuddin *et al.,* 2020), and the general poor financial position of municipalities (AGSA, 2020) over the past decade, are indicative of an audit committee mechanism that is simply not meeting the NPM objectives it was supposed to. The current predicament of public sector audit committee effectiveness moves the discussion to the final moment of "disintegration", where the network begins to fall apart as competing networks enrol actants with different intentions than those originally envisaged. The influences on the effectiveness of public sector audit committees are empirically explored in the next section.

METHODOLOGY

A mixed method approach was applied to address the research objective, using focus groups to gather qualitative data by means of the interactive qualitative analysis (IQA) technique (Coetzee *et al.,* 2021; Northcutt & McCoy, 2004). The technique involves an initial qualitative approach, where influencing factors were identified. Thereafter, a quantitative approach was followed to determine the strength of each factor (drivers or outcomes of audit committee effectiveness).

Empirical Data Collection

Four focus groups were conducted (refer to Table 1 for descriptive information), two consisting of audit committee members and other supply-side stakeholders from the public sector environment, and two representing audit committee stakeholders. With the assistance of the Institute of Directors' Public Sector Audit Committee Forum, 49 participants from central government and municipalities were purposively selected. The criteria were audit committee experience and/or related involvement. To support the trustworthiness and validity of the data gathered during the focus groups, information on participants, including their collective contribution to the IQA, is presented in Table 1.

Table 1: Information on focus groups and participants

Information	Central government		Municipalities	
	Audit committee members	Other stakeholders	Audit committee members	Other stakeholders
Participants	14	20	9	6
Factors identified	9	11	14	11
Sub-factors identified	119	116	79	53
Participants' academic and professional qualifications	Bachelor's degree (4) Honours degree (4) Master's degree (6) Chartered Accountant (CA[SA]) - 8 Certified Internal Auditor (CIA) – 3 CIMA - 1 Other - 3	Bachelor's degree (7) Honours degree (5) Master's degree (7) Doctorate degree (1) CA(SA) - 3 CIA - 1 Certified Information Systems Auditor (CISA) - 2 Other - 3	Bachelor's degree (1) Honours degree (4) Master's degree (3) Doctorate degree (1) CA(SA) - 3 CIA - 2 Other – 3	Bachelor's degree (2) Honours degree (2) Master's degree (2) CA(SA) - 1 Certified Fraud Examiner (CFE) - 1
Participants' position in association to audit committee	Members (12)* National Treasury (1) Institute of Internal Auditors (1)	Head/Internal Audit Managers Head/Public Sector Managers Chief/Directors/ Public Sector Managers Professional bodies; Public Sector representatives Academics	Members (5)** National Treasury (1) South African Local Government Association (SALGA) (3)	Chief Director General Manager Director (National Treasury) Senior Manager Internal Audit Support (National Treasury) Chief Financial Officer Public Finance Management Consultant

Average years of experience with audit committees	12	10-15	16	>20
Amount of audit committees served per member	1 = 9 2 to 5 = 3	N/A	1 = 1 2 to 5 = 3 6 to 10 = 1	N/A
Audit committee chair(s) per participant	4 (34%)*	N/A	5 (100%)**	N/A

Although Northcutt and McCoy (2004) suggest that a focus group should consist of between 10 and 20 participants, other guidance (Krueger & Casey, 2015) indicates that this range could be reduced to between five and 10, to accommodate all participants' participation in the discussion. As demonstrated in Table 1, participants hold credible professional experience of the phenomenon, on average between 10 to 15 years (minimum) and more than 20 years (maximum), either as audit committee members or as audit committee stakeholders. Research confirms the importance of financial expertise to audit committee effectiveness (Bédard & Gendron, 2010) – as such, 30.6% of the participants hold a chartered accountant designation. Many participants hold the position of audit committee chair (34% of central government participants and 100% of municipality participants). The proficiency of the participants supports the trustworthiness and validity of the data collected. Furthermore, an independent facilitator (an IQA expert and registered psychologist) oversaw the four focus groups, curtailing researcher bias.

Based on the research objective, a single trigger question was posed to each of the focus groups:
What are *the actants that influence the effective functioning of ACs [within the relevant public sector environment]?*

In line with the IQA method, favouring exploratory inductive data collection, a silent brainstorming session followed, where participants were requested to contemplate the question, write down their thoughts on note cards (one thought per card) and attach the cards to a blank wall. These singular thoughts represented sub-factors. Participants were then required to group the cards into similar themes. A group discussion followed, ensuring participant-agreement regarding the placement of the note cards – also referred to as "inductive coding". Thenceforth, the participants refined the grouping of the sub-factors into factors and provided a title for each group – also referred to as "axial coding" (Table 1 indicates the numbers identified). The discourse on the factors were recorded to assist in developing its meanings, based on participant-opinion. The outcome of this first session resulted in data reduction and retention - a sound principle of reducing vast amounts of data and distilling meaning, suited to qualitative research. The first phase of the focus group was followed by researcher-composition of a summative record of the factors, for further analyses by the participants.

The next step was theoretical coding, requiring an understanding of the relationship between identified factors. The relationships amongst the factors were determined by the participants individually, completing a Detailed Factor Relationship Table (DFRT) using "if/then" hypotheses to indicate the direction of the relationship ("if 1 influence 2" [1→2]) and explaining it by means of an example based on the participant's understanding of the phenomenon ("then"). This process is referred to as "independent coding" (Northcutt & McCoy, 2004) and forms the foundation for identifying the factor's potency. All focus group members completed a DFRT directly following the focus group session. This cause-and-effect method relates well to a positivist paradigm, aligns with quantitative research methods, and reinforces the reliability of the results.

Empirical Data Analysis

Following the collection of all the DFRTs, the Pareto Protocol – a statistical technique that calculates the frequency of each relationship – was applied, to score all the relationships indicated on the DFRTs. This technique is based on the Pareto principle, that is, that 80% of the effects are derived from 20% of the causes. Cumulative percentages and the power of each relationship were determined. Employing a cut-off margin where the power reached a maximum, an Interrelationship Diagram (IRD) was drafted. The IRD rationalises the system by determining whether each factor in a pair is perceived as a cause or an effect, or if there is no relationship between the factors in the pair – reflecting the power of each factor and resulting in primary drivers (factors only influencing), secondary drivers (factors mostly influencing but also being influenced), neutral factors (factors equally influencing and being influenced), secondary outcomes (factors mostly being influenced) and primary outcomes (factors only being influenced).

The results of the IQA are presented as the influences on the actants within the audit committee network, to drive sustained effectiveness - considering the research problem and the ANT network that was formed based on legislative requirements.

FINDINGS AND DISCUSSION

The findings are presented in two sections. First, the data supporting the primary and secondary factors that are drivers, neutral factors or outcomes within the network of audit committee effectiveness, are presented. Thereafter, influences on the sustained effectiveness of the public sector audit committee network are presented and discussed.

Drivers, Neutral Factors and Outcomes

The strength of the influencing relationships between the factors that emanated from the focus groups, determined the drivers. The direction of factor influence, and its strength, for central government (Tables 2 and 3) and municipalities (Tables 4 and 5) are presented below. The ← indicates that the factor is being influenced, whereas the ↑ refers to the factor influencing the other factors. A blank cell indicates that there are no influences, and a coloured cell indicates that a specific factor cannot influence itself. The IRDs conclude by indicating the "outs" (influencing other factors), the "ins" (being influenced) and the "Deltas (Δ)" (the sum of the influences). A positive delta indicates a driver of influence, a negative delta indicates an outcome being influenced and a zero delta indicates a neutral relationship. While plotting the relationships on the diagram, it is important to note that each relationship (e.g., 1 influences 2) can only be recorded in one direction. Hence, when a relationship indicating influence in both directions is discovered, a conflict is registered. To resolve the conflict, the relationship that registered the lowest number of votes is eliminated from the IRD.

Table 2: Central government audit committee members interrelationship diagram

	1	2	3	4	5	6	7	8	9	OUT	IN	Δ	Factors
1		↑	↑	↑	↑	↑	↑	↑	↑	8	0	8	Political interference
2	←		←	↑	↑	↑	←	↑	↑	5	3	2	Committee leadership
3	←	↑		↑	↑	←	←	↑	↑	5	3	2	Member integrity
4	←	←	←		↑	↑	↑	↑	↑	5	3	2	Comprehend committee role
5	←	←	←	←			↑	↑	↑	3	4	-1	Management skill set/integrity
6	←	←	↑	←			←	↑	↑	3	4	-1	Committee skill set
7	←	↑	↑	←	←	↑		↑	↑	5	3	2	Appointment process
8	←	←	←	←	←	←	←		←	0	8	-8	Effectiveness of meeting
9	←	←	←	←	←	←	←	↑		1	7	-6	Assurance quality
Total										35	35	0	

Focus group 1, consisted of 14 participants, who identified nine factors (refer to Table 1). The nine factors presented a potential of 72 relationships ($\sum_{n(n-1)}$). The participants were requested to indicate the direction of influence between factors, that reduced the options to 36. From a potential 504 (36 x 14) votes, 410 votes were cast (81.35%), indicating that participants shared perceptions concerning most of the relationships. Applying the Pareto protocol, the cut-off was at 81.2%, representing 36 relationships. One relationship held a conflict and consequently 35 relationships were included in the IRD, resulting in one primary driver (no. 1) and four secondary drivers (nos. 2, 3, 4 and 7), three secondary outcomes (nos. 5, 6 and 9) and one primary outcome (no. 8).

Table 3: Central government stakeholder interrelationship diagram

	1	2	3	4	5	6	7	8	9	10	11	OUT	IN	Δ	Factors
1		↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	10	0	10	Political climate
2	←		↑	←	←	↑	↑		↑	←	↑	5	4	1	Independence/objectivity
3	←	←		↑	←	↑	↑		↑	↑	↑	6	3	3	Understand role of committee
4	←	↑	←		↑	↑	↑	←	↑	↑		6	3	3	Recruitment/composition
5	←	↑	↑	←		↑	↑		↑	←		5	3	2	Core competencies of individuals
6	←	←	←	←	←		↑		↑	↑		3	5	-2	Leadership
7	←	←	←	←	←	←			←	←	←	0	9	-9	Effective/quality communication
8	←			↑					↑			2	1	1	Remuneration
9	←	←	←	←	←	←	↑	←		←	↑	2	8	-6	Commitment
10	←	↑	←	←	↑	←	↑		↑		↑	5	4	1	Values
11	←	←	←				↑		←	←		1	5	-4	Assurance providers
Total												**45**	**45**	**0**	

Focus group 2, consisted of 20 participants, who identified 11 factors (refer to Table 1). The 11 factors presented a potential of 110 relationships ($\sum_{n(n-1)}$). The participants were requested to indicate the direction of influence between factors, that reduced the options to 55. From a potential 1100 (55 x 20) votes, 809 votes were cast (73.55%), indicating that most participants held opinions regarding the various relationships. Applying the Pareto protocol, the cut-off was at 71.2%, representing 49 relationships. Four relationships held conflicts and consequently 45 relationships were included in the IRD, resulting in one primary driver (no. 1) and six secondary drivers (nos. 2, 3, 4, 5, 8 and 10), three secondary outcomes (nos. 6, 9 and 11) and one primary outcome (no. 7).

Table 4: Municipal audit committee members interrelationship diagram

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	OUT	IN	Δ	Factors
1		←	←	←	↑	↑	↑			←	←	←			3	6	-3	Assurance providers
2	↑		←	↑			↑		↑	←	↑		←	←	5	4	1	Independence
3	↑	↑		↑	↑	↑	↑	↑	↑	↑	↑		↑	↑	12	0	12	Legislative framework
4	↑	←	←		←	←				←	←	←	←	←	1	9	-8	Ethical conduct
5	←		←	↑		↑	↑	↑	↑	←	←	←	←	←	5	7	-2	Members understand mandate
6	←		←	↑	←			↑	←	←	←	←	←		2	8	-6	Municipality understand mandate
7	←	←	←		←			←	←	←	←	←	←	←	0	11	-11	Prepare/participate
8			←		←	←	↑		↑	↑	↑		↑		5	3	2	Inter-government support
9		←	←		←	↑	↑	←		←	↑	↑	↑	↑	6	5	1	Municipal administration
10	↑	↑	←	↑	↑	↑	↑	←	↑		↑	←	↑		9	3	6	Political interference
11	↑	←	←	↑	↑	↑	↑	←	←	←					5	5	0	Chairperson role
12	↑			↑	↑	↑	↑		←	↑			←		6	2	4	Diversity of skills
13		↑	←	↑	↑	↑	↑	←	←	←		↑		←	6	5	1	Recruit/appoint
14		↑	←	↑	↑		↑		←				↑		5	2	3	Member remuneration
Total															**70**	**70**	**0**	

Focus group 3, consisted of nine participants, who identified 14 factors (refer to Table 1). The 14 factors presented a potential of 182 relationships ($\sum_{n(n-1)}$). The participants were requested to indicate the direction of influence between factors, that reduced the options to 91. From a potential 1274 (91 x 14) votes, only 577 votes were cast (45.29%), indicating that participants held subdued or no views regarding many of the relationships. Applying the Pareto protocol, the cut-off was at 62.4%, representing 70 relationships, all being included in the IRD, resulting in one primary driver (no. 3) and seven secondary drivers (nos. 2, 8, 9, 10, 12, 13 and 14), four secondary outcomes (nos. 1, 4, 5 and 6), one neutral factor (no. 11) and one primary outcome (no. 7).

Table 5: Municipal stakeholder interrelationship diagram

	1	2	3	4	5	6	7	8	9	10	11	OUT	IN	Δ	Factors
1		↑	↑		↑		↑	↑	↑	↑	↑	8	0	8	Location of municipalities
2	←		↑	←	←	↑	↑		↑	↑	↑	6	3	3	Terms of reference
3	←	←		↑	←		↑				←	2	4	-2	Remuneration of members
4		↑	←		←	↑		←	↑	←		3	4	-1	Ethics of members
5	←	↑	↑	↑		↑	↑	↑	↑	↑	↑	9	1	8	Political buy-in
6		←		←	←		←	↑	↑	↑	↑	4	4	0	Committee's (in)ability to influence
7	←	←	←		←	↑		←	←		←	1	7	-6	Selection of members
8	←			↑	←	←	↑		↑	↑	↑	5	3	2	Institutional maturity
9	←	←		←	←	←	↑	←		←	↑	2	7	-5	Internal audit
10	←	←		↑	←	←		←	↑		←	2	6	-4	Risk management
11	←	←	↑		←	←	↑	←	←	↑		3	6	-3	Municipality management
Total												45	45	0	

Focus group 4, consisted of six participants who identified 11 factors (refer to Table 1). The 11 factors presented a potential of 110 relationships ($\sum_{n(n-1)}$). The participants were requested to indicate the direction of influence between factors, that reduced the options to 55. Thus, from a potential 330 (55 x 6) votes, 193 votes were cast (58.48%), indicating that most participants held a limited view regarding the relationships. Applying the Pareto protocol, the cut-off was at 81.9%, representing 49 relationships. Four relationships held conflicts and consequently 45 relationships were included in the IRD, resulting in one primary driver (no. 1), three secondary drivers (nos. 2, 5 and 8), one neutral factor (no. 6) and six secondary outcomes (nos. 3, 4, 7, 9, 10 and 11).

Influences on the ANT Network

The IQA method was applied to identify 45 factors influencing sustained audit committee effectiveness. In Figure 1, driving influences (24 drivers and 2 neutral factors) on the network are presented (note theme numbers) and discussed, in line with the "story" of the network. Potential outcomes (19 factors) are briefly introduced to the storyline.

The lack of member-knowledge regarding the legislative environment and -guidance, was perceived as a primary driver by the municipal audit committee members' focus group (Theme 1). Although the network was established based on legislative requirements, it appears that new audit committee members lack competence about that which establishes the mandate and operations of a municipality, namely legislation. Also, no political interference (Theme 2) should be tolerated, yet all four focus groups perceived it as either a primary driver or a strong secondary driver. Participants indicated that a political head of a government department, or a municipal council that comprises of members from different political parties, must support the audit committee in the execution of their mandate, rather than compromise their independence. For example, it was mentioned that politicians often misuse the media to create poor publicity for opposing political parties, leaving the audit committee vulnerable to the tug-of-war.

Municipal participants indicated that inter-government support (secondary driver – Theme 3) is lacking. Aspects mentioned are that audit committees do not understand reporting lines and the link between government structures, and thus struggle to obtain support from cooperative functions. Building on the theme of support, but also

applicable to central government, are institutional support and -maturity (both secondary drivers – Theme 4). It was communicated that the effectiveness of audit committees is influenced by the maturity of the institution. When proper policies and procedures are implemented, there is a greater opportunity for the audit committee to be effective. Also, human resources are influencing maturity, owing to unfilled posts or positions filled by incompetent staff, that could result in inferior controls, deficient presentation of the annual financial statements, and non-implementation of audit committee recommendations.

Aspects affecting the audit committee member recruitment process (Theme 5) received considerable attention. First, three groups indicated the recruitment process itself as essential to an effective committee (secondary drivers). Participants indicated that the incorrect authority is driving the recruitment of audit committee members, for example, the municipal manager instead of council, which threatens the independence of the committee. They emphasised that the rotation of audit committee members and the recruitment of diverse skills according to exigence, must be a priority. Second, "independence and integrity" were indicated as a secondary driver by all groups. Although a sound working relationship between the audit committee and other stakeholders is essential, both parties should maintain their independence and objectivity. One group argued, that should audit committee members be required to be registered with professional bodies, the problem may be resolved, as members are expected to comply with the codes of conduct of these bodies, promoting responsibility, due care and accountability. Third, the lack of legislated detail regarding the combined skills set of audit committee members, were questioned by two groups (secondary drivers), suggesting that a skills matrix could be used to identify the essential skills to be recruited. Fourth, participants indicated that inconsistent remuneration rates by municipalities and several provincial departments, may influence the quality of professional audit committee members it attracts. This aspect was linked to the location of rural municipalities, where additional facets mentioned include logistic difficulties, non-commitment to meeting attendance, and additional cost that may occur.

Participants believed that audit committees should understand its mandate (indicated by three focus groups as a secondary driver), that could (in the case of municipalities) and should (in the case of central government) be encompassed in a formal Terms of Reference (ToR) (Theme 6). Apart from mandating the committee, it may also provide operational guidance. However, it was declared that the ToR may be ambiguous, affecting the committee's focus, usually evident from the agenda and minutes of meetings. Apart from urging that members should be competent in the government environment, induction is also required.

Although the network is not detailed regarding the chair of the committee (Theme 7), participants (one secondary driver and one neutral) opined that the robustness of the audit committee chairperson directly impacts the effectiveness of an audit committee, providing leadership and direction to the committee (three secondary outcomes). They emphasised that the chairperson must display strong leadership skills, possess experience within audit committees, hold skills in planning and executing meetings, and be proficient in performance evaluation, including self-assessment. This may lead to effective meetings (primary outcome), that will result in effective communication by the committee with stakeholders (primary outcome), the institution understanding the committee's mandate (secondary outcomes) and ultimately, enhance the committee's ability to influence (neutral factor).

Linked to the driving themes, was the matter of diligence in performing audit committee activities, such as ethical behaviour and understanding the mandate, resulting in preparation for, participation in, and commitment to meetings (secondary outcomes). Assurance and risk management are specifically highlighted (five secondary outcomes) as activities. Participants supposed that audit committee success requires a sound risk management system and that the assurance providers, such as internal- and external auditors, be competent, effective, and supportive, possessed of sufficient capacity, proficiency and strength to execute its duties. Participants emphasised the concern surrounding a dysfunctional internal audit function, as it is critical for audit committee effectiveness, however, it often faces challenges related to insufficient and/or incompetent staff, and inadequate budget.

CONCLUSION AND RECOMMENDATION

This study, based on legislative requirements, drafted a network of actants required in support of a sustainable, effective public sector audit committee. Factors influencing the network were identified by conducting focus groups and analysing the data via the IQA method. Findings resulted in driving themes (58% of factors) that influence

outcomes (42% of factors). These driving themes were imposed on the graphically presented network (Figure 2), discussed with recommendations in this final section.

The seven themes propagated the enhancement of the respective responsibilities of audit committee members and/or levels of institutional management. Audit committee members must focus on improving their familiarity with legislation and the legislative environment, including inter-government support structures. In addition, audit committee members should reveal their qualities when accepting membership positions, demonstrating the required competencies as well as independence and objectivity. The audit committee chairperson, who is pivotal to the effectiveness of the audit committee, should ensure that the adopted ToR is complied with and is periodically reviewed for adequacy.

The findings suggest that most of the improvement to the network can be attributed to the various institutional management levels. Legislation should be more explicit concerning the prevention of general political interference and the appointment of audit committee members. The legislature should reconsider the legislated authority to appoint members in central government and the realities of the appointment process at municipalities. The recruitment and appointment process encompasses many of the factors that influence the competence of members, the stature of the audit committee chairperson and the ultimate operation of the audit committee. Institutions need to focus on its maturity level in supporting its audit committees, providing adequate information enabling the audit committee to effectively execute its mandate.

Towards resolution of several issues, it is recommended that the National Treasury maintains a central register of all individuals interested in serving on public sector audit committees. Having a central register will enable the National Treasury to evaluate competencies, appoint suitably qualified and experienced members for all public sector institutions, appoint the right calibre individual as chairperson, and review the performance of audit committees periodically – eliminating political interference and management bias. The Covid-19 pandemic opened new avenues of conducting meetings online that most professional individuals are comfortable with today – eliminating challenges related to candidates' geographical location suitability and allowing for a centrally established remuneration rate funded by the National Treasury vote. Policymakers should take note of the advantages of these recommendations, as the operations of a sustainably effective public sector audit committee will result in enhanced, value-for-money public spending and improved service delivery.

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GEN Z CONSUMERS' LIKELIHOOD TO ADOPT INFORMATION SHARED BY ONLINE OPINION LEADERS WITHIN THE COSMETICS INDUSTRY

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ABSTRACT

Increasingly, consumers are relying on the Internet to guide their purchasing decisions. This is especially true for Gen Z consumers who are comfortable in relying on the Internet owing to this generation being exposed to the Internet for their entire lives. However, they do not simply accept the information they find on the Internet, instead they are sceptical and they search for credible sources via opinion leaders who offer authentic and trustworthy information through their reviews and opinions. This is especially true for products like cosmetics which are regarded as a high-involvement purchase and as Gen Z consumers are the focal target audience of cosmetic companies, this makes it important for cosmetic brands to understand how Gen Z consumers, the predominant drivers of growth in the cosmetics industry, adopt information shared online by opinion leaders. Using the Information Adoption Model and incorporating additional context-related constructs, brand consciousness and purchase intention, this study determined Gen Z's likelihood to adopt information shared online by opinion leaders. Data was collected using a self-administered questionnaire whereby 241 completed questionnaires were retained for analysis. The multiple-regression analysis revealed that Gen Z consumers regard the argument quality of opinion leaders as the most influential when determining whether the information is useful which influences their adoption of that information. As Gen Z consumers are brand-conscious, cosmetic brands should ensure these consumers are aware of the product/brand, as this may influence their likelihood of considering the information shared by opinion leaders as useful and adopting it to guide their purchasing decisions.

Keywords: Gen Z consumers, cosmetics industry, opinion leaders, information adoption, brand consciousness

INTRODUCTION

Globally, the revenue in the cosmetics industry decreased slightly in 2020 to $85.8 billion, presumably due to the Covid-19 pandemic (McKinsey & Company, 2020). However, the industry has since recovered with 2021 reporting $94.1 billion in revenue and is expected to grow to $122.4 billion by 2025 (Statista, 2021). Haircare, skincare, and make-up are sub-sectors composing this industry. Historically, the cosmetics industry was controlled by a small number of companies offering expensive items that the majority of consumers could not afford (Statista, 2021), such as Estée Lauder and L'Oréal. However, with the entry of more affordable brands and products, the industry has become more accessible to consumers, resulting in its growth (CB Insights, 2021; Statista, 2021). Gen Z consumers are primarily driving the growth in this industry as they are searching for authentic cosmetic brands that do not necessarily fall under the larger, more well-known cosmetic brands. Thus, using these brands leads to increased individuality – an important consideration for Gen Z consumers (Allen, 2021; Biondi, 2021). As the cosmetics industry is recession-proof due to consumers continually buying cosmetics regardless of the economic environment (Premium Beauty News, 2020; Rosenberg, 2019), cosmetic brands have focused on engaging with consumers and developing products that consumers want (Meng and Wei, 2016). To achieve this, cosmetic brands have used online platforms to gather research and influence behaviour (Mohezar et al., 2016). Gen Z consumers rely heavily on information on the Internet, which has further supported the need for cosmetic brands to have an online presence (Allen, 2021).

Through online platforms, opinion leaders have emerged (Chouhan, Vig and Deshmukh, 2021). These opinion leaders influence consumers' behaviour, specifically their decisions on which cosmetic brands and products they should or should not purchase (Haron et al., 2016). Consumers trust opinion leaders as they are usually experts

in a specific field, have a large consumer following (Liu et al., 2017), and their opinions have the ability to shape behaviour, making them important for all brands to understand (Hsu et al., 2013). Bergstrom (2020) reported that social media platforms have allowed consumers to engage with opinion leaders easily due to the ease of accessibility. This indicates that brands, particularly cosmetic brands, should examine the influence that opinion leaders have on their target market, as the industry dominates the reviews and opinions shared online. Furthermore, brands should understand how consumers adopt this information (Paço and Oliveira, 2017).

To understand how consumers adopt the information opinion leaders post on social media, cosmetic brands should focus on the correct target market. According to Lim (2019), Gen Z consumers are driving the growth for cosmetics products. These consumers spend a significant amount on beauty and comprise 32% of the world's population, making them a lucrative segment to study. Gen Z consumers were born between 1995 and 2010 (Sladek and Grabinger, 2018) and have never lived without the Internet, resulting in the majority of these consumers relying on information available on social media and consulting opinion leaders before making purchase decisions (Hidvégi and Kelemen-Erdős, 2016). Consequently, the aim of the study was to determine the likelihood of Gen Z consumers adopting information about cosmetics shared by opinion leaders through the Internet.

LITERATURE REVIEW

This section discusses Gen Z consumers and explains the concept of opinion leaders within this study's context. The section concludes with a discussion of the Information Adoption Model (IAM), developed by Sussman and Siegal (2003), and the support for the hypotheses developed for the study.

Gen Z consumers

Francis and Hoefel (2018, p. 2) defined Gen Z consumers as people born between 1995 and 2010. They are typically highly educated and very technologically savvy, as they have been exposed to the Internet throughout their lives, making them very dependent on technology (Priporas et al., 2017, p. 1). Although the previous generation (i.e., Gen Y) are skilled in using technology, Gen Z are often referred to as digital natives, as they have never known a world without the Internet (Turner, 2015, p. 115). This makes the use of the Internet to guide their purchasing decisions second nature to Gen Z consumers (Dolot, 2018, p. 47). Within a marketing context, understanding the Internet's role in guiding Gen Z consumers is imperative, as the Internet informs their purchasing behaviour's overall purchasing decisions (Munsch, 2021, p. 11).

Due to their heightened exposure to the internet, Gen Z consumers often engage solely online and build relationships through the Internet, seek instant gratification through the Internet and seek information immediately, and rely significantly on the information they access through the Internet (Dolot, 2018, p. 47; Wansi, 2020). Gen Z consumers are exposed to a large amount of information online, this makes them more conscious of the information they expose themselves to. This presents a challenge to marketers, as the information available online about a specific product, service or retailer should be persuading and focus more on developing a relationship with Gen Z consumers (Alanko, 2018, p. 3). As Gen Z consumers build relationships through the Internet and are sometimes classified as "antisocial" in an offline context, social media is imperative to them. Expressing their views, exchanging information, general communication, and reviewing and submitting reviews of various products and brands are all common behaviours of Gen Z consumers on social media (Biondi, 2021).

Since social media is a key focus for Gen Z, marketers have turned to using this to communicate with this generation. However, they have faced challenges relating to the low levels of brand loyalty and limited commitment to purchasing products and services from one retailer or brand (Alanko, 2018, p. 3; Ordun, 2015, p. 125). This is due to the nature of the Internet, whereby consumers are exposed to more information than ever before, meaning that their decisions are better informed and they have the ability to be more selective in the information they choose to expose themselves to. To appeal to Gen Z consumers, brands should be concerned with developing an authentic presence online, as these consumers pride themselves on supporting authentic brands (Bolton et al., 2013, p. 245; Thomas et al., 2018, p. 15).

Through this insight, online opinion leaders are commonly used to engage with Gen Z consumers and build the relationship with the brand. Opinion leaders are regarded as trusted sources of information, providing insights,

recommendations, and honest reviews of the products and services they use (Lin et al., 2018, p. 433), and thus an authentic presence. Opinion leaders differ from influencers as they do not necessarily need to be well-known (i.e., celebrities) and could instead be industry experts, friends or other consumers viewed as experts in a specific field (Gazzotti, 2020). As Gen Z consumers rely on the Internet for their social relationships, they strive to build relationships with the opinion leaders and are reliant on the information they provide (Nunes et al., 2018, p. 57).

Due to their willingness to share images of themselves on social media, Gen Z consumers are conscious of their appearance and search for products that will enhance their features. Consequently, Gen Z consumers are considered "beauty enthusiasts" (Allen, 2021) who use the Internet to guide their purchasing decisions. Specifically, utilising social media and opinion leaders, Gen Z consumers are displaying an increased interest in the cosmetics industry and want to purchase tried-and-tested products they believe will work (Clark, 2019). Therefore, the Internet provides a unique opportunity for marketers in the cosmetics industry to influence and guide Gen Z's purchasing behaviour – particularly by focusing on how the cohort adopts information shared by opinion leaders.

Opinion leaders

Electronic word of mouth (eWOM) is not a novel concept. Over the past decade, consumers have turned to the Internet to obtain reviews, feedback, and opinions on brands, products, and services (Oh, 2017, p. 85). The link between eWOM and consumers making purchase decisions is evident as consumers have always relied on word of mouth to guide their decisions, and the Internet, specifically social media, has made it easier to obtain the word of mouth. Since Gen Z consumers search for authentic information, traditional marketing communications, presented from the viewpoint of the organisation – although online – are often regarded as inauthentic and misleading (Ngarmwongnoi et al., 2020, p. 749), leading to Gen Z consumers disregarding this communication and turning to opinion leaders who often share their opinions through online platforms.

Opinion leaders are consumers who are able affect a group's perceptions through their opinions (Burt, 1999, p. 54). Opinion leaders provide their opinions (regarded as information) through various platforms, influencing consumers' purchase decisions positively or negatively (Hassan et al., 2021, p. 4). The Internet has allowed opinion leaders to easily share their opinions in a way that was not possible before, where opinion leaders and consumers can communicate directly with one another and exchange information. As Gen Z consumers search for authenticity, they respond positively to opinion leaders who are regarded as trusted sources of information (Khwaja and Zaman, 2020, p. 13). Through the benefits that the Internet offers and the nature of the cosmetics industry, opinion leaders are considered a successful medium to market a cosmetic product or brand to consumers, specifically Gen Z consumers, by discussing the latest trends, providing tutorials, and reviewing products (Chen and Dermawan, 2020, p. 101; Pratiwi et al., 2018, p. 128).

Information Adoption Model

The IAM was designed to examine how consumers are affected by information shared on electronic platforms (Shu and Scott, 2014). As more consumers, specifically Gen Z consumers, are reviewing and relying on information online, this has made the IAM a prevalent model in understanding how consumers adopt information available online (Cheung et al., 2008). Although there are other theoretical models commonly used to explain how consumers process information online (i.e., the Elaboration Likelihood Model), the IAM is considered the most appropriate due to its applicability to various contexts (Cheung et al., 2008; Shu and Scott, 2014) Hence, the IAM was deemed suitable for this study.

The IAM presents a causal relationship between source credibility and perceived information usefulness as well as argument quality and perceived information usefulness. Thereafter, the IAM tests a causal relationship between information usefulness and adoption. The next section presents the constructs of the IAM and the hypotheses developed for the study.

Source credibility and information usefulness.

When consumers evaluate the trustworthiness of the source, they assess its credibility (Shin et al., 2013). The actual content of the message is not important when assessing the source's credibility, instead the consumer is evaluating

whether the source is reliable and useful (Ko et al., 2005). To appear credible, the sources should seem trustworthy, honest, and knowledgeable about the topic they are reviewing or commenting on (Bataineh, 2015). Gen Z members are greatly concerned with a source's credibility as they are in search of authentic online information (Phair, 2019), which influences information usefulness. Thus, the more credible the opinion leader, the more likely the consumer will regard the information as useful (Najihah and Azman, 2020, p. 22; Roy et al., 2013). The following hypothesis was developed for the study:

> **Hypothesis 1 (H1).** The credibility of the opinion leader has a significant and positive impact on Gen Z's likelihood to perceive the information as useful.

Argument quality and information usefulness.

Another method used to establish whether information is useful is to determine the argument quality (Bhattacherjee and Premkumar, 2004). Argument quality refers to an assessment of the message to determine whether the argument is valid or invalid, and whether it should be used by the consumer to assist in making a decision (Petty and Wegener, 1991). If an argument is perceived as low quality, it is usually because the argument is flawed or not justified sufficiently, leading to the consumer perceiving the information as useless (Park et al., 2007). Understanding how to deliver a high-quality argument is important for brands targeting Gen Z consumers, as they are often sceptical of the information they are exposed to from an organisation. This results in Gen Z consumers relying on others' opinions more than the organisation (Phair, 2019). Hence, argument quality is a predictor of information usefulness (Cheung et al., 2008). The following hypothesis was developed for the study:

> **Hypothesis 2 (H2).** The quality of the opinion leader's argument has a significant and positive impact on Gen Z's likelihood to perceive the information as useful.

Information usefulness, adoption, and purchase intention.

If a consumer perceives a source as credible and the argument is of a high quality, the information is typically deemed useful and will likely lead to the adoption of that information (Chen et al., 2016). When adopting information, consumers take action, which may include making a particular purchase decision (Bandyopadhyay, 2016), making this relationship important in the IAM. Generally, Gen Z consumers consider information online from opinion leaders to be useful, as they are usually experts in the field and are regarded as credible (Cheung et al., 2008). Therefore, the use of opinion leaders will likely lead to increased information adoption, assisting consumers in selecting the correct cosmetic brands and products (Putri and Wandebori, 2016). Based on the aforementioned, the following hypotheses were developed for the study:

> **Hypothesis 3 (H3).** The usefulness of the information shared by the opinion leader online has a significant and positive impact on Gen Z's likelihood to adopt that information.
> **Hypothesis 4 (H4).** The information adoption has a significant and positive impact on Gen Z's intention to purchase cosmetics.

Moderating role of brand consciousness.

Brand consciousness refers to a consumer preferring a specific brand (Ye et al., 2012). This preference is based on the consumers' exposure to the brand through advertising and their fondness for a particular brand (Sprotles and Kendall, 1986). Gen Z consumers are status-driven and brand-conscious (Sandehl, 2018). This is because brand consciousness assists consumers in communicating their status levels to their social group by purchasing well-known, exclusive brands (Liao and Wang, 2002). Consequently, the more aware consumers are of particular brands, the more conscious they are (Ye et al., 2012), which suggests that consumers might be more receptive to information about a particular brand. Therefore, it could be argued that the level of brand consciousness may influence the relationship between information usefulness and adoption. For example, if consumers are not conscious of a particular cosmetic brand, they may not view the information as useful and are unlikely to adopt the information. The following hypothesis was developed for the study:

Hypothesis 5 (H5). Gen Z's level of brand consciousness moderates the relationship between perceived information usefulness and adoption.

RESEARCH METHODOLOGY

The study followed a quantitative research approach using a descriptive research design. This approach and design were deemed valid as the study tested hypotheses using a theoretical model (Zikmund and Babin, 2013) – the IAM. A self-administered questionnaire based on items adapted from previous studies (Bataineh, 2015; Cheung et al., 2008; Jalilvand and Samiei, 2012) added to the validity of the study.

The target population of the study included Gen Z consumers (aged 18 to 24 at the time of this study) who frequently visit online sites to view comments/reviews from opinion leaders and who have done so in the past six months. As no sampling frame was available, purposive sampling was used based on the parameters of the target population. In total, 241 completed questionnaires were obtained. The questionnaire consisted of four sections. The first section presented the preamble of the study, where respondents were informed that their responses would be treated as confidential and anonymous. Respondents were also informed about the study's purpose and were provided with the researcher's contact details. In addition, the section included the screening questions, ensuring that the respondents fell within the parameters of the study. The second section obtained responses relating to the respondents' online behaviour (online platforms used, cosmetics category, and frequency of searching for reviews/comments from opinion leaders). The third section consisted of closed-ended, nominal scale questions centred around the respondents' demographic profile (gender, education level, employment status, and birth year). The last section consisted of five-point Likert-type scale statements, where 1 represented "strongly disagree" and 5 "strongly agree". The statements collected the responses pertaining to the constructs (and corresponding items) proposed in this study.

Data was entered into SPSS version 25 to assess it for accuracy, reliability, and validity. Once the data was confirmed to be valid and reliable, frequencies were used to determine the profile of the respondents in terms of their demographic and online behaviour. Thereafter, multiple regression analysis was utilised to assess H1 to H4, where a significance level of 0.05 was used to test the relationships. A moderation analysis using PROCESS tested whether brand consciousness moderated the relationship between information usefulness and adoption (H5).

RESULTS

The normality of the data was assessed according to the cut-off values proposed by West et al. (1995). In addition, the data was assessed for reliability and validity. As the data was normally distributed, reliable, and valid, frequencies and descriptive statistics were used to determine the respondents' demographic and online behaviour profiles. Thereafter, multiple regression was utilised to determine the significance and strength of the relationships proposed. To assess the moderation effect of brand consciousness on the relationship between information usefulness and adoption, a moderation analysis was conducted.

Data reliability and validity

To assess the data reliability, the Cronbach's alpha scores of each construct were evaluated. The Cronbach's alpha scores ranged from 0.742 to 0.832, which indicates reliability, as the 0.7 requirement specified by Malhotra (2012) is exceeded. When assessing the validity, factor analysis was used to assess the convergent validity where values greater than 0.65 indicate that the construct being used has measured the intended concept (Hair et al., 2014). All factor loadings in this study amounted to greater than 0.65. In addition, the Kaiser-Meyer Olkin measure was used and indicated a value of 0.905, which is deemed acceptable, as Hair et al. (2014) indicates that values closer to 1 are accepted. Based on the above, the data was deemed reliable and valid.

Demographic and online behaviour profile of respondents

Majority of the respondents were female (59.8%) and aged 18–24, with a relatively even split across each year. Most respondents accessed reviews/comments via social media (58.1%), searching for reviews/comments regarding skincare (47.3%), and accessed reviews/comments when they were unsure about the brand (30.7%).

Multiple regression analysis

The multiple regression analysis revealed that argument quality had a positive and significant relationship with information usefulness ($\beta = 0.508$; $p = 0.000$), resulting in H1 being accepted. Source credibility was also found to have a positive and significant relationship with information usefulness ($\beta = 0.312$; $p = 0.000$), resulting in H2 being accepted. Furthermore, the relationship between information usefulness and adoption was positive and significant ($\beta = 0.659$; $p = 0.000$), meaning H3 was accepted. Moreover, H4 was accepted, as a positive and significant relationship between information adoption and purchase intention ($\beta = 0.707$; $p = 0.000$) was found.

Table 1: Multiple-regression analysis (H1–H4)

Variable	Not standardised		Standardised	t	Sig.
	Beta (β)	Standard error	Beta (β)		
Dependent: Information usefulness					
Argument quality	0.532	0.56	0.508	9.531	0.000
Source credibility	0.313	0.54	0.312	5.841	0.000
R	0.732				
R²	0.536				
F	139.097				
Dependent: Information adoption					
Information usefulness	0.801	0.059	0.659	13.676	0.000
R	0.659				
R²	0.434				
F	187.046				
Dependent: Purchase intention					
Information adoption	0.747	0.048	0.707	15.595	0.000
R	0.707				
R²	0.499				
F	243.200				

Moderation analysis

H5 proposed that brand consciousness moderated the relationship between information usefulness and information adoption. The results of the moderation analysis revealed that brand consciousness does moderate the relationship ($p = 0.023$), resulting in H5 being accepted. Figure 1 presents the theoretical model inclusive of the results.

Figure 1: Conceptual model including results
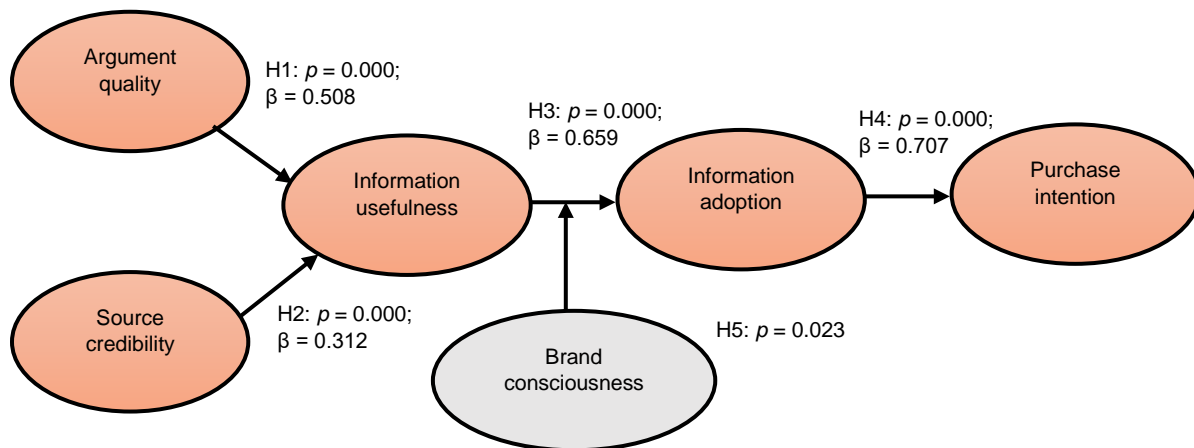
In summary, through the results of this study it was established that Gen Z consumers consider the source's credibility and argument quality when determining whether the opinion leader's information about the cosmetic brands is useful. Argument quality has a greater influence on this perception. In addition, the perception of the usefulness of the information provided by the opinion leader has a significant and positive impact on whether Gen Z consumers adopt the information and ultimately influences their intention to purchase a cosmetic brand or product. Lastly, the more brand-conscious the Gen Z consumers are, the more likely their perceived usefulness of the information shared by the opinion leader and the more likely they are to adopt that information.

DISCUSSION AND RECOMMENDATIONS

The study revealed that when Gen Z consumers assess the information usefulness of information shared by opinion leaders, argument quality is more important ($\beta = 0.508$) than source credibility ($\beta = 0.312$). This can be explained by the fact that Gen Z consumers are sceptical (Phair, 2019) and therefore place more importance on the quality of the argument than the credibility of the source. This could also be because opinion leaders are usually perceived as experts, including friends and family (Liu et al., 2017), thus their credibility is implied. Nevertheless, cosmetic brands should not ignore source credibility. When using opinion leaders, cosmetic brands should ensure that the people sharing their opinions (on behalf of the brand) are perceived as experts in the field. Moreover, cosmetic brands should be wary of remunerating opinion leaders, as it could result in the opinion leaders being regarded as less trustworthy.

Ensuring that Gen Z consumers are exposed to high-quality arguments from credible sources (i.e., through opinion leaders) means consumers will regard the information as useful. The study revealed that information usefulness had a positive and significant impact on information adoption, indicating that if respondents perceive the information as useful, they will adopt the information. Hence, cosmetic retailers should ensure that information is deemed as useful and relevant, since information adoption is what brands aim for, as this is usually where actual consumer action takes place (Bandyopadhyay, 2016). For instance, if a cosmetic brand is focused on achieving a specific skincare goal (i.e., reduction of fine lines), the opinion leader should focus on how the product achieves that target.

Furthermore, the study proved that brand consciousness moderates the relationship between information usefulness and adoption. The greater the Gen Z consumers' level of brand consciousness, the more likely their perceived usefulness of information and ultimately adoption. This can be explained as: the more aware consumers are of brands, the more conscious they are (Ye et al., 2012). As Gen Z consumers are status-driven and brand-conscious (Sandehl, 2018), cosmetic brands should ensure that they are top of the Gen Z consumers' minds and that this cohort is aware of their brands. If consumers are aware of the brand, they are more conscious of it, which influences the consumers' likelihood to be more receptive to reviews/comments about the cosmetic brand. In summary, cosmetic brands should utilise social media and other online platforms to assist in building their awareness and brand consciousness.

Lastly, the original IAM included information adoption as the outcome variable. In this study, purchase intention was the outcome variable. The study showed that information adoption has a positive and significant impact on purchase intention. This reveals that Gen Z consumers intend to purchase cosmetic brands after they have adopted the information. This finding reveals that cosmetic brands should not ignore the power of information adoption, which is influenced by whether Gen Z consumers find the information useful (through argument quality and source credibility). Therefore, cosmetic brands may consider rewarding Gen Z consumers for purchasing a cosmetic product due to their exposure to online reviews/comments. The reward may be in the form of a discount or a reward for making the purchase, and brands should encourage Gen Z consumers to share their opinions after using the product or brand and allow them to be opinion leaders – this could be influential as Gen Z consumers are more likely to adopt information from fellow consumers (Phair, 2019).

CONCLUSION

The study aimed to determine the likelihood of Gen Z consumers adopting information about cosmetics shared by opinion leaders on the Internet. From the research, it was found that Gen Z consumers consider the argument quality an important determinant of whether they find the information shared by the opinion leader useful. Furthermore, the study revealed that if Gen Z consumers regard the information shared by the opinion leader as useful, there is a higher

probability that they will adopt it and intend to make the purchase of the cosmetic brand or product. With Gen Z consumers being regarded as brand-conscious, this study showed that cosmetic brands and retailers should be concerned with ensuring high levels of brand awareness and interest to increase the level of brand consciousness. This study's results revealed that the more conscious Gen Z consumers are of the cosmetic brand, the more likely they are to deem the information useful and, in turn, adopt the information provided by the opinion leader. Consequently, cosmetic brands and retailers should ensure that they offer an online presence through opinion leaders as Gen Z consumers consider these opinions to be authentic and trustworthy (Allen, 2021).

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INFLUENCE OF DIFFERENT ODOR INTENSITIES ON SATIATION, HUNGER FEELING AND THE DESIRE TO EAT

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ABSTRACT

We test for the effects of different intensity levels of olfactory stimulation on taste pleasantness and subsequent food consumption. We argue that olfactory stimulation has positive boosting effects on taste pleasantness and food consumption only at a certain level of odor intensity. Beyond that level, olfactory stimulation either looses its positive boost or exerts a negative impact on taste pleasantness and food consumption. We provide at the end of the paper managerial recommendations considering these findings.

Keywords: olfactory stimulation, odor intensity, food perception, food consumption

INTRODUCTION

Previous scent research findings are the outcomes of research settings where consumer responses are measured while shifting from an odorous episode to a non-odorous episode or from a pleasant to a non-pleasant one. This setting is relevant to capture the effects of odor diffusion into a neutral environment (i.e., null odor intensity) but it is inappropriate to test for different levels of odor intensity on consumer behavior where the shift is from a low intensity to a higher intensity scent for instance. The relevance of studying the impact of different odor intensities is corroborated by findings from studies on cognitive processing of odors. As with other senses, different odor intensities activate different structures of neural networks (Devriese et al. 2000). The set of the activated neurons and links leads to the recognition of the odor smelled. After continuous or intense odor exposure, the sense of smell fatigues and odor's effects may change (Chaudhury et al. 2010). This will likely change the way the brain delivers signals to other body organs like those of the digestive system for instance, and the individual's feeling of hunger and desire to eat are likely to be influenced.

Along this research we test the effect of different odor intensities of food scent on consumer visceral responses and subsequent consumption behavior. The purpose is to study the status of visceral responses following an increase or a decrease in the intensity of the food scent smelled and measure their impacts on food consumption.

LITERATURE REVIEW AND CONCEPTUAL DEVELOPMENT

Exposure to odors in food shops has become a part of modern-day life. However, from time to time, consumers find the odors of these chemicals annoying and objectionable, and at some point, may declare them a nuisance. The question of how consumers respond in these cases requires attention from marketing researchers.

Sensory marketers are pulling out all the stops to tempt consumers with irresistible smells that stimulate their olfactory cells and manipulate their behavior. Whether at the mall, the airport, the bakery, or the restaurant, having a

coffee or a glass of wine, eating cheese or milk chocolate, nose detects a mosaic of natural and artificial food scents which may trigger visceral responses. Besides, consumers are not exposed equally to food scents. Being inside the bakery when the bread is pulled off the oven would expose the consumer to a higher intensity of food scent than when he/she lines outside the shop. The impact of food scent on consumer's responses depends also on its valence and prior knowledge of the odor by the subject (Wolf and Civille, 2012). But whatever the valence of the food scent and the familiarity of the subject with it, it would impact consumer's responses only if it is detectable. The volatiles of the food scent in the air surrounding the consumer (i.e., the headspace) must reach a minimum concentration level to let olfactory cells detect it. Nonetheless, if scent intensity becomes excessive, people may feel annoyed by it. Clinical research has shown that exposure to strong scents (high level of volatiles concentration in the air), even pleasant ones, may lead to bad feeling, nausea, headache, and a desire to breath fresh air (McGinley, Mahin and Pope. 2000). Here arises the question of how would consumers react to different intensity levels of the same food scent? In practice, food shops like Dominos Pizza, Subway and Starbucks have adjusted their settings and ventilation to monitor in-shop food scent intensity. Subway places the bread oven up front of the restaurant so that smell hits clients when they walk in the door and Starbucks adjusted ventilation to monitor the concentration of coffee volatiles inside the shop to guarantee that the store smells coffee and not the cheese of the sandwiches. Dominos' Pizza improved the absorption capacity of the fans to avoid excessive intensities of Pizza scent inside the store during great affluence hours.

Despite the relevance of monitoring food scent intensity in food marketing, academic research on food scent has been dominated by the investigation of significant scent effects on consumer's responses without looking at how these responses would evolve if scent intensity changes. Food scent research settings were mainly investigating consumer' responses while comparing an odorous episode to a non-odorous episode; a pleasant episode to a non-pleasant episode; and/or congruent to incongruent scents. Another stream of scent research investigated the moderating role of gender, satiation level, previous exposure to the scent, etc. But the effects various intensity levels of food scent would have on consumer' responses remain largely unexplored. It is unclear how those odor intensities would drive consumer responses? Would more intense scent lead to different effects on consumer behavior than less intense one or would they have similar effects? What would be the effect of increased or decreased scent intensity on consumer visceral responses? To address these questions, we review the neurobiology of smell and hunger as well as the food scent research.

Odor perception occurs when one or many odorants (chemicals) are present in the air surrounding the individual. Odorants are chemicals in the air that are part of the odor perception by stimulating the olfactory nerves. Chemicals which are sniffed in pass by the olfactory epithelium and are then dissolved into the mucus at a rate dependent on their water solubility and other mass transfer factors. The more water-soluble the chemical, the more easily it is dissolved into the mucus layer. A matching site on the olfactory cells then receives certain chemicals. The response created by the reception of a chemical depends on the mass concentration or the number of volatiles present, which is the main measure of odor intensity (Richard, 2006). Since humans perceive odor according to the "power law" (Stevens, 1960), odor intensity grows as a power function of the odorant, not linearly. The power function is expressed in an equation as: $I = k C n$, where I is perceived intensity, C is odorant mass concentration, k and n are constants, which are different for every odorant (Stevens, 1962). For example, twice the mass concentration may not cause doubling odor intensity.

The feeling of hunger, which motivates us to eat, is generated by the brain's hypothalamus in response to a range of signals received from the body, including those delivered by olfactory nerves. The hypothalamus controls appetite by pulsing chemical substances at different time intervals which triggers or suppress appetite and feeling of hunger. The hypothalamus commands also eating and digestive glands. These glands produce respectively different quantities of saliva and Neuropeptide and determine accordingly the individual level of satiation. The hypothalamus behavior (the pace of pulsing, the substance, and the time interval) depends on the signals coming from the nerves (NCI dictionary of cancer terms). In the case of olfactory nerves, the occurrence of signals and their strength is contingent with the odor's intensity (Overbosch and Keur, 1986). Meaning is different odor intensities would not all stimulate the olfactory nerves, and if so, the nerves' signals would not have the same strength (Gilbert, 2008).

Smell in food marketing research

Food marketing research has long supported the impact of food scent, relative to no scent, on body visceral responses like feeling of hunger and thirst. Panksepp (1998) argued that visceral feelings like hunger, thirst and sexual desire

are dependent on the perception of sensory cues like odors. Salivation, for instance, can be elicited by learned conditioned reflexes (Spence, 2011) like the exposure to food aroma (Nederkoorn et al. 2000). In their research on the link between odor and salivation, Krishna, Morin and Sayin (2014) proved that exposure to ambient food scent increases salivation when the individual can recall a vivid image of the odor. Spence (2011) adds that salivation occurs in response to exposure to smells of food cues as a preparatory response of the desire to eat. Belk, Ger and Askegaard (2003) concluded that olfactory scents activate a sudden urge to eat or to drink, and these highly charged appetitive desires may often seem uncontrollable and overwhelming. Ambient olfactory stimuli like food smell can also activate other visceral factors such as taste anticipation and subjective expected pleasure (Alba and Williams, 2013; Bagozzi, 1992). These sensations trigger hunger feeling (Ilangakoon and Carpenter, 2011) contingent in strength with the satiation level (Berry and May, 2007). Salivation then increases as a response to the feeling of hunger creating a desire to eat (Loeweinstein, 1996). Wisniewski et al. (1992) explain that presenting a palatable food stimulus, like food scent, leads to salivation as well as the desire to eat.

Despite the report of some research where the exposure to food scent did not result in change in salivation and desire to eat (Crowder and Schab, 1995), the bulk of evidence seems to suggest that salivation and the desire to eat can be useful physiological measure of consumer response to food smell (Krishna, Morrin and Sayin, 2014). Spence (2011) notes that failure to report change in salivation and desire to eat to food aroma in some works is probably due to reliance on small sample size or the measurement of inappropriate glands (Lee and Linden, 1992). This failure can be also explained by the failure to monitor scent intensity. In their sensory flavor profiling of cumin research, Dattatreya, Prakash and Bhat (2004) found that people have more positive flavor judgments of strong-smelling cumin than with weak smelling one. Martin (2004) notes that higher intensity of food aroma triggers a stronger feeling of hunger and a higher appetite. He recommends that Chefs adjust their recipes to make aromas more concentrated. An interesting work by Piqueras-Fiszman and Spence (2015) compared subjective flavor release and flavor expectation following the exposure to food scent among home and restaurant diners. They found that home diners have better flavor release and flavor expectation. The authors explain that diners are likely to be exposed to higher intensities of food scent when cooking at home than in a restaurant (kitchen are isolated in restaurants and food loses scent while being brought from the kitchen to the table). The authors recommend to restaurants the use of the cloche to store food scent at an appropriate intensity level until the plate reaches the diner or having semi-opened kitchen to let food scents migrate from the cook fry pan to the diners' noses. One major limitation of these works however is the reliance on pure subjective measures and the absence of accurate measurement of scent intensity. Taylor and Linforth (1998) addressed this limitation in their work on the link between food scent and flavor release. They measured the impact of different food scent intensities on the process of food flavor release in the mouth based on measurements from the olfactory and gustative cells using an atmospheric pressure ionization technique. The authors found that as food scent intensity increases, flavor release increases at a similar pace until a certain intensity level. Scent intensities beyond that level result in a slower flavor release. These results partially corroborate the findings of Apter (2007). The optimal arousal theory of Apter stipulates that too low or too high stimulation by external scent stimuli may result in discomfort and negative feelings. In the same sense, (Sorensen et al. 2003) argued that the state of annoyance resulting from the exposure to excessive scent intensity is often linked to a loss of appetite. While this research has confirmed that olfactory and digestive systems react differently to different food scent intensity levels, it did not show how these reactions would impact our desire to eat and food consumption. Such findings would be very useful for marketing purposes. But knowing that flavor release is positively correlated with appetite and the desire to eat (Stevenson, 2009), we can expect similar effects. Looking at how olfactory cells respond to changing intensity of scent and at the outcomes of the works we reviewed, it appears that research setting where the effects of varying food scent intensities on consumer's visceral responses and with marketing-oriented findings could fill up the gap in the food marketing literature.

The objective in this research is therefore to test for the impact of different food scent intensities on consumer visceral responses and subsequent food consumption. We propose that, for equivalent consumers, exposure to different food scent intensities will result in different saliva quantities, hunger feeling and desire to eat (H1). Exposure to ambient intensities of food scent (below the annoyance level) are likely to boost salivation, hunger feeling and the desire to eat (H2) while excessive intensities are likely to have opposite effects (H3).

H1: Exposure to different scent intensities result in the secretion of different quantities of saliva
H2a: Exposure to ambient intensities of food scents boosts salivation
H2b: Exposure to ambient intensities of food scents boosts hunger feeling
H2c: Exposure to ambient intensities of food scents boosts food consumption

H3: Exposure to excessive intensities of food scent inhabits salivation, hunger feeling and food consumption

EXPERIMENTS

Experiments were conducted in air-controlled rooms. The air is filtered prior to the experiment to remove extraneous odors. Odor emission often consists of a mixture of many odorous and non-odorous compounds. The use of only analytical monitoring of individual chemical compounds presents in such odor to measure odor intensity is usually not practical (Ueno et al. 2008). The backup of analytical measure by complementary sensory measures is recommended. Sensory methods, like the reliance on odor panelists, have been used to monitor odor intensity both from source emission and in the ambient air (Wolf and Civille, 2012). To establish the odor intensities of the experiments, we followed the guidelines of Jiang, Coffey and Toohey (2006). An olfactometer was used as well as a group of panelists. Diluted odor mixtures and an odor-free gas (as a reference) were presented from sniffing ports to a group of panelists. In comparing the odor emitted from each port, the panelists were asked to rate the smelled odor intensity on an odor intensity scale (0: no odor; 1: very weak; 2: weak; 3: distinct; 4: strong; 5: very strong and 6: intolerable).

30 persons participated in experiment 1 and 30 ports were utilized to diffuse food scent. In the first episode, an odor-free gas is diffused via 15 ports (control group) and an odorous gas (fresh-baked cookies) with increasing intensity was diffused via the remaining 15 ports. Odor intensity was monitored in terms of the odorant concentration level according to the European norms (CEN EN 13725, 2003). The initial intensity of the odorous gas was the one of the odor-free gas. Each participant has 15 seconds to sniff in once at one port and to rank the smelled odor intensity. He/she was asked to repeat this action 7 times. Participants were asked to smell roasted coffee bean after each sniff to cleanse their smelling sense. The intensity of the odorous gas diffused was increased every 15 seconds up to the fourth time. An odor-free gas was diffused in the fifth time to check for the participants' odor cognitive habituation. The intensities of the scent diffused in the sixth and seventh times were higher than the one of the odors diffused in the fourth time. The odor diffused to the control group was always the same, an odor-free gas, but they were asked to sniff in and to rank the odor intensity 7 times according to the norms promulgated by The American Society for Testing and Materials (ASTM). The intensity levels of the 7 sniffs of Fresh-baked cookies were as following: Sniff 1: odor-free gas, Sniff 2: odor intensity at the detection level, Sniff 3: odor intensity at the recognition level, Sniff 4: odor intensity beyond the recognition and below the annoyance level, Sniff 5: odor-free gas, Sniff 6: odor intensity at the annoyance level, Sniff 7: odor intensity beyond the annoyance level

In the second episode, the ports places were changed between the members of the control group and those of the testing group and the experiment was replicated. To determine the odorant concentration levels and their respective odor intensities to apply in experiment 2, results from the rankings of the odor intensities by the members of the two groups were crossed. To check for a possible habituation effect, the ratings of the odor free gas emitted at the fifth time were analyzed. 80% of the participants could correctly classify the odor free-gas and 20% classified it a very weak odor. There is no significant habituation effect on participants' appreciation of odor intensity. To get the odorant concentrations the better reflecting intensities' perceptions, the odor effective concentrations were loaded on the odor intensities perceived by the panelists following Stevens (1962). The loading was significant at $p < 0.00$. $I = 2.50 + 0.617 C$ where I is the perceived odor intensity and C the effective odor concentration. Odorant concentration and intensity levels applied in experiment 2 have been thus adjusted according to the equation above.

Experiment 2 had a between-subject design. Six groups of equivalent consumers in terms of health, age, fitness, level of satiation, and gender have participated in this experiment. The group size is 30. The experiment design was as following: Group 1: no scent group (control group); Group 2: scent group with odor intensity of the detection level; Group 3: scent group with odor intensity of the recognition level; Group 4: scent group with odor intensity between the recognition and the annoyance levels; Group 5: scent group with odor intensity of the annoyance level; and Group 6: scent group with odor intensity higher than the annoyance level.

A fresh-baked biscuit odor was diffused in the rooms and each participant given 150 grams of cookies. Participants were asked to eat as much as they like from the cookies when they are given the permission to do. Cookies were placed on a table with white paper and facing a blank to eliminate extraneous sensory information during the experiment (Rinaldo et al. 2014). The desire to eat was measured in terms of the quantity of cookies consumed. Salivation was measured at two points in time: a baseline taken just before the exposure to the odor stimulus and a

post-stimulus measure taken after the exposure according to the Strongin-Hinsie-Peck dental role procedure (Krishna, Morrin and Sayin, 2014; Wooley and Wooley, 1973). This procedure consists of distributing three pre-weighted cotton dental rolls to participants in zippered bags. Participants are asked to place these cotton dental rolls in their mouths. The first and the second one placed between the cheek and lower gum and the third under the tongue. The researcher demonstrated to participants how to correctly place the cotton pads. Saliva was collected via the dental rolls in participants' mouths for three minutes in each of two collection phases. In each phase, at the end of the third minute, participants were asked to put the dental rolls back into zippered bags and hand them to the researcher. The weight of each set of three dental rolls was recorded to the nearest 0.1 grams. Saliva quantity corresponds to the difference between the baseline weight and the post-stimulus weight. Participants were told that they will take part in a food product evaluation where their jaws movements are recorded (cover story) and this requires the use of cotton dental rolls. After collection of the baseline salivation levels, participants were asked to respond to some unrelated questions for 10 minutes. They encountered then the odor stimulus for 3 minutes and asked to put again the dental rolls in their mouths. Finally, they were given permission to eat as much as they like form the cookies. Participants were finally asked to fill out the odor intensity scale. In total the experiment lasted for about 30 minutes. At the end of experiment, the remaining quantities of cookies were weighted to the nearest 0.1 grams to measure the quantity eaten by each participant.

RESULTS

We tested first for the appropriateness of the intensity levels applied in experiment 2 by comparing the effective odor intensities applied in experiment 2 in terms of the European CEN norms as modified considering the outcomes of experiment 1 and intensity perception participants had for these levels. No significant differences are detected. There was no gap between the applied intensities and the perceived ones. Two of the three dependent variables are continuous: saliva secretion and cookies consumption while the third one, hunger sensation, is an ordinal variable. The independent variable consists of six different categories of independent groups. Group size (30 participants) is enough large to capture the interactions between dependent variables. There is no apparent multicollinearity. Correlations between the dependent variables but the one between saliva secretion and hunger sensation (3.58, P<0.00) are not significant. Data has a quasi-normal distribution (Skweness value of 0.25, 0.51 and 0.05 respectively for saliva secretion, desire to eat and hunger sensation. Given these data characteristics, MANOVA with Post Hoc tests seems to be an appropriate statistical method to apply for testing the effects of scent intensity on saliva secretion and the desire to eat while independent samples T-tests will be applied for testing the effects on hunger sensation because of its ordinal type.

MANOVA with Post Hoc tests and Independent samples T-tests were applied using SPSS 21 version. Outcomes show statistically significant differences in the dependent variables (saliva secretion and the desire to eat) dependent on the intensity of the food scent diffused, $F (5, 170) =20.75$, $p<0.005$; Wilk's $\Lambda=0.39$, partial $\eta^2 =0.38$. Independent samples T-tests results show significant differences in hunger sensation between some groups and non-significant differences among others (see table 1 below). H1 is partially supported. Different food scent intensities lead to different saliva quantities and desire to eat and partially impact hunger sensation. To see how scent intensity has impacted saliva secretion and the desire to eat each apart from the other, we performed tests for between-subjects' effects. Results support a significant impact of scent intensity on saliva secretion, $F (5, 174) =39$, $p<0.005$; partial $\eta^2 =0.53$ and on the desire to eat $F (5, 174) =13.13$, $p<0.005$; partial $\eta^2 =0.27$. To get to the impact of each intensity level on saliva secretion and the desire to eat, we followed with a Tukey's HSD Post Hoc tests. These tests allow for multiple paired comparisons between the effects of the six categories (the six intensity levels applied) of the independent variable on each of the two dependent variables. We did the same using Independent samples T-tests for the impact on hunger sensation. Results of Tukey's HSD Post Hoc tests and T-test are summarized in the following table:

Table 1: Results of Tukey's HSD Post Hoc tests and Independent samples T-tests

	Saliva secretion		*Hunger sensation*		*Desire to eat (Cookies consumption*	
Comparison	*Mean difference*	*P*	*Mean difference*	*P*	*Mean difference*	*P*
Odor free-Detect	1,7000***	,001	-0.83	0.16	-5,4000	,949
Odor free-Recog	1,7333***	,001	-0.83	0.54	-3,7000	,990
Odor free-RecoAnno	2,6667***	,000	0.27	0.63	18,2333**	,036

Odor free-Anno	4,5667***	,000	-0.96	0.15	31,7000***	,000
Odor free-BeyondAnno	4,9667***	,000	-0.36	0.62	22,1667***	,005
Detec-Recog	,0333	1,000	0.00	0.56	1,7000	1,000
Detec-RecogAnno	,9667	,214	1.1*	0.06	23,6333***	,002
Detec-Anno	2,8667***	,000	-0.13	0.84	37,1000***	,000
Detec-BeyondAnno	3,2667***	,000	0.47	0.47	27,5667***	,000
Recog-RecoAnno	,9333	,249	1.1**	0.04	21,9333***	,005
Recog-Anno	2,8333***	,000	-0.13	0.84	35,4000***	,000
Recog-BeyongAnno	3,2333***	,000	0.47	0.44	25,8667***	,000
RecoAnno-Anno	1,9000***	,000	-1.23*	0.06	13,4667	,235
RecoAnno-BeyondAnno	2,3000***	,000	-0.63	0.30	3,9333	,987
Anno-BeyongAnno	,4000	,936	0.60	0.40	-9,5333	,619

***: significant at p<0.01 / **: significant at p<0.05 / *: significant at p<0.10

DATA INTERPRETATION

Compared to the no scent situation and regardless of the intensity level, smelling a food scent always accentuates salivation. The higher the intensity, the bigger is the quantity of saliva secreted as it can be seen in the first five rows of column 1 in the table above. H1 is confirmed. When comparison is done with reference to each of the other groups, saliva secretion increases only if scent intensity increases by a significant portion. Differences were non-significant when comparing every two successive levels of intensity but with recognition-annoyance/Annoyance pair. The significant differences were between detection and annoyance levels; detection and beyond annoyance levels; recognition and annoyance levels; recognition and beyond annoyance levels and between recognition-annoyance and beyond annoyance levels. Note here that for each of the latter significant pair, one gradient of intensity level is always skipped. For the significant differences, the impact on saliva was always positive. The higher the scent intensity is, the more saliva we produce.

When intensity increases beyond the detection level, food scent intensity boosted hunger sensation when it passed respectively from the detection to recognition-annoyance level and from recognition to the recognition-annoyance. When the intensity passes from recognition-annoyance to annoyance level, it had a significant alleviating impact on hunger sensation. When comparison is done with reference to the control group, only those intensities beyond the recognition threshold that impacted the desire to eat. The impacts are all positive with the highest recorded between the detection and the annoyance levels. When comparison is done with reference to each of the other groups, the desire to eat increases only if scent intensity increases by a significant portion. Differences were non-significant when comparing every two successive levels of intensity but with recognition/recognition-annoyance pair. The significant differences were between detection and recognition-annoyance levels; detection and annoyance levels and detection and beyond annoyance levels; recognition and recognition-annoyance levels; recognition and annoyance levels and recognition and beyond annoyance levels. Note here that for each of the latter significant pairs, one gradient of intensity level is always skipped. Differences among the other pairs are non-significant. For the significant differences, the impact on the desire to eat was always positive. The higher the scent intensity is, the more cookies are eaten.

Based on these results, we can conclude that H2a, H2b, H2c are totally confirmed while H3 is partially confirmed. Ambient food scent intensities did boost salivation, desire to eat and hunger sensation. However, excessive intensities had no significant impacts on saliva production and desire to eat and a limited alleviating impact on hunger sensation.

DISCUSSION AND MANAGERIAL IMPLICATIONS

Sensory marketing research has proved that food smell impacts both non-conscious physiological reflexes like salivation and conscious reflexes like the desire to eat. Medical research has also proven that human body reacts differently to different odor intensity levels. This research adds to these findings by showing how changing odor intensity impacts both conscious and non-conscious body eating reflexes. Food odor intensities impact salivation and the desire to eat differently and at different paces. While any food odor intensity significantly boosts salivation compared to salivation in a no scent environment, the impact on the desire to eat is significant only with intensities beyond the recognition level. This result corroborates findings from Taylor and Linforth (1998) who proved that odor impacts non-conscious reflexes faster and stronger than it impacts conscious ones. It also provides a possible explanation for the conflicting findings about the impact of odor on salivation in sensory marketing research. The significance and the size of food odor impact on salivation depend on the intensity applied. The impact is significant and positive but punctual with intensities below the recognition level; is significant, positive, and increasing with intensifies between the recognition and annoyance levels; and significant, positive and decreasing with intensities beyond the annoyance level.

The desire to eat is activated only with intensities beyond the distinct level. The impact is significant, positive, and increasing with increasing odor intensities between the recognition and annoyance levels; significant, positive and decreasing with intensities between the annoyance and health symptoms levels; and non-significant with intensities beyond the annoyance level.

The findings from this research are useful for food businesses in many ways. They confirm the saliency of controlling odor intensity within the retail store. This is possible via the control of the odor emission source and of the ventilation. In bakeries, coffee breweries and patisseries for example, food odor intensity is higher when bread and cakes are pulled out from the oven or when the coffee is being brewed. This intensity can reach excessive levels and may hence weaken the desire to eat of consumers. This also true with bars and restaurants where high intensity of food odor (like alcohol and pizza) may push consumers to drink and eat less quantities and less pleasantly. An aeration of the store can be efficient is maintaining the intensity below the annoyance level.

Besides, intensities of weak odor smelled when crossing in front of a food store are not always effective in bringing consumers inside the shop. Although, very weak and weak odor intensities boost salivation, the desire to eat is activated only when the intensity reaches the recognition level. Managers of food stores may rely on other sensory stimuli to bring consumers closer to the odor emission source and hope for activating his/her desire to eat as the smelled odor intensity is increasing. Another approach is to install a ventilation system that ejects the high intensity odorous air from inside to outside the shop and replaces it with odor free air from outside. This will have double benefits, monitoring odor intensity inside the shop and boosting it outside the shop.

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LEADERSHIP IN HEALTH SERVICES

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ABSTRACT

This article presents a study on leadership in health services, demonstrating the origins of the services, their key moments, to identify the existing leadership profile in this area, from antiquity to modern times. Afterwards, we demonstrated how health care organizations are characterized from the perspective of companies and their market rules. The analysis presents, also, the importance of leadership and how the strategy is treated in a complex environment, since it is composed of leaders in the description of the main topics of leadership in health services. The survey had an exploratory focus, in view of the little knowledge accumulated in the area and descriptive by the presentation of the characteristics of leaders in healthcare areas. We used a case study of a laboratory in the interior of the State of São Paulo, where the leadership implanted was studied and directed toward the achievement of its objectives. We concluded that, currently, the concept of humane leadership, used extensively in healthcare institutions and organizations of the third sector, has become the focus for achieving excellence in healthcare service.

Keywords: leadership, health services, strategies, motivation, commitment

INTRODUCTION

Health organizations have gone through several transformations. Since antiquity, doctors that performed the practices and actions were the only existing leaders in that area. With the development of the concept of health services, other activities appeared and, consequently, new leaders occupied spaces in the fields of nursing, nutrition, hospital management, etc. A business vision strengthened the modern concept of leadership, aiming to offer conditions to integrate people within their teams by commitment and motivation at work. Health organizations have sought to expand their strategies so that leaders could keep up with technological and scientific advances and, thus, achieve their goals. Initially it was hospitals and then other health services joined the treatment process, such as laboratories, clinics, cosmetic surgery, dental, physiotherapy, psychology, orthopedics, retirement homes, among many others.

The objective of this article is to present a study on the route of leadership in health institutions. As for the type of research, taxonomy developed by Vergara was used (2016, p. 45), "which qualifies for two aspects: as to the purposes and as to the means". As to the purpose, it was exploratory due to the little accumulated knowledge of the area, and descriptive due to the presentation of leadership characteristics in the area of healthcare. There is also a case study presented to show the existing leadership profile in a clinical pathology laboratory in the state of São Paulo.

ORIGIN OF HEALTH SERVICES

Historical overview

To understand leadership and health services we have to reflect on their origins and trajectory. This is one of the most complex contemporary society services because, according to Azevedo,

The work is highly specialized, complex and difficult to measure and autonomy is required to run it, generating an environment conducive to conflict, making it fundamental for a permanent negotiating process. (2002, p. 351).

Health services are those that take care of the legitimate exercise of medicine, dentistry, nursing, and other activities, with the purpose of preserving and restoring the health of the population (SINGER, 1988). For centuries, health organizations were led by religious groups. The power structures were heavily centralized and involved power and politics, where only nobility had direct access to health care. The consultations were held in their homes and places of treatment, in this case, the hospitals, were places for the poor and underprivileged. Since Antiquity, medical practices led the studies of health and, thus, they exercised leadership over them. Such thinking persisted until the present day. Hospitals were transforming, architecturally, as people began to be treated in these places and various functions began appearing. Currently, "…*the hospital is an organism made up of different parts with different functions*" (COSTA, p. 15, 1998). Moreover, it is a complex organization, with multi-professional activities.

Documented medical knowledge started at about 6,000 B.C., in Egypt, and only dissociated from the religious aspect, very evident at the time, from the 4th century BC, with Hippocrates. During the Middle Ages, under the influence of Christianity, the religious aspect came back to prevail, being the disease seen as a "divine punishment". The only exception was Islam, which incorporates the foundations of Hippocratic medicine. Therefore, the leaders were mystic, based on religious principles. The concept of health/disease breaks the religious domain, in the West, only in the Modern Age, having contributed to this, in the first place, "*the cost of preparation of the individual*" for the army, after the invention of the rifle.

According to Lisboa, the priest-doctors or doctor priests predominated in most of the civilizations in Antiquity except for Israel; after Hippocrates, in Greece, the doctors became important in secular society, which also occurred belatedly in Rome. The tradition was only resumed in the East after the spread of Islam, being the Western Middle Ages dominated by religious figures. The so-called surgeon-barbers and the secular doctors (physical) had little prestige until the Modern Age. First, came the School of Salerno, then the academies and universities prepared the secular doctor, who predominated as from the Modern Age. However, *the doctor at the hospital,* who extends knowledge through clinical practice and research of the institution, is characteristic of the Contemporary Age (2021). Therefore, historically, we have the hospital and the doctor in the spotlight of the knowledge on health. It is the spirit of leadership centered on the figure of the doctor.

As a result, the hospital aside from healing, becomes, in addition, in place of registry, accumulation and formation of knowledge; this knowledge originated in the doctors, which until the early 17th century, was located in books, compendiums, treaties etc. and was then contained within the hospital, now not only written and printed. This is the reason one determines, historically, that the normative training of a doctor must pass through a hospital. As for the economic operation, the doctor replaced the sense of charity, a religious and/or municipal organization, up till then advocated socially. The bourgeoisie, with the improvement of medical care, goes to a hospital and pays for the care received, reinforcing the power of decision of the professionals. The doctor then becomes the main person responsible for the organization of the hospital.

Currently, leadership is shared and the existence of the process of departmentalization units favors dividing functions. In mid-19th century the development of medicine, specifically of the bacteriological theory (discoveries of Pasteur and Koch), the use of aseptic and antiseptic methods that dramatically decreased the number of deaths from infection, the image of the hospital, is no longer a place where the poor went to die, becoming a place where the sick could be healed. They paid, then, for the treatment. Under the mark of these changes, two practices, until then independent, come to meet in the same space: medicine and nursing. Of course, there was and there is a pronounced hierarchical separation between the medical and nursing staff, however, nowadays both professionalize and efficiently and effectively meet the requirements of a hospital organization.

New times

We saw, through this, that the historical profile brought a strong ascendancy of the figure of the doctor as the central leader of the health system. The rational use of available resources presented itself throughout history, as a consequence of the growing acceptance of hospital services and the diversity of functions that the institution began to

offer. Directly related to the development of medicine, there is the requirement of the use of costly equipment, ancillary services, registration and administration procedures. Socio-economic conditions and changes alter the financing of medical attention and create new patterns for the use of health services. A different set of people, who can be defined as *organized consumers* must be considered by the hospital and must be satisfied by its facilities, i.e. "having become a large-scale organization, the hospital requires a more explicit organizational division and a more efficient and responsible management" (ROSEN, 1980, p. 369).

The very nature of large-scale organizations creates new ways to consider administrative efficiency, rationality, the productivity and accountability of all the staff included in the process. Another factor to remember is the scientific breakthrough that medicine has experienced since the 16th century. These, when conveyed to the clinical procedures performed in hospitals, they increase efficiency and help make the therapeutic purpose of these institutions more effective.

It is in the Modern Age that the decentralization, the segregation of complementary activities and the coexistence of administrative, medical and auxiliary staff within the institution appear. In Contemporary Age that decentralization grows, and the complexity and diversity of complementary and auxiliary functions increase. The doctor has his/her main activity at the hospital and professional nursing is established. There is a diversification of activities and, of course, leaders emerge for the establishment of standards and work routines.
Currently, nursing holds a place of leadership in various segments of health services. On the other hand, through the expansion of clinics and public services, the doctor-manager began to occupy high levels of leadership, with a specific postgraduate education in business management areas.

THE BUSINESS SIDE OF HEALTH SERVICES

Healthcare organizations have gone through major transformations, due to the emergence of a number of new service providers: hospitals, group medicine, medical and dental clinics, laboratories, *spas*, gyms, nursing homes, convalescent homes, etc. Consequently, this service began, at the same time, to use the outsourced services that were aggregated as partners, such as: maintenance, cleaning, security, reception, hospitality, hemodialysis, x-rays, laboratories, etc.

The offer of these services emerged because of new diseases and tests, a population increase and a lack of sanitation that made healthcare organizations focus on their end activity and out sourcing their means activity. The expansion of clinics and hospitals has created new jobs and professionals, especially those that address the patient directly.

Organizations providing health services began to be seen as "enterprises", a natural consequence of this expansion. **Can we consider health organizations as companies?** The concept proposed by Albrecht (2002) offers the customer's vision, which receives the provision of services with quality, propelling the organizations towards their operation and growth. To the author, this is a transformational vision. Cobra (2021) complements with the view that the services are composed of all market activities that are offered, with the exception of agriculture. Obviously, health services are included in this concept.

Hospitals can be a concrete example of this thinking, as you can see:

Table 1: Conditions of Hospital-Company

Conditions	Yesterday	Today	Tomorrow
Environmental • Presence of the State • Marketing	• Dominant • Unnecessary	• Unbeliever • Incipient	• Insecure • Essential

Structural
•Organizational model
•Evaluation criteria
•User-dependent
	•Table V Council
	  Administration
	•Clinical Staff
		•Pyramidal hierarchy
		•Facilities and
		  equipment
			•Participatory Structure
			• Services
			•Home Care

demand	Employees • Hospitalization	•Ambulatory Surgery	
Functional •Administrative Model •Financing •Computerization •Training of Employees •Commitment with Quality	• Amateurish • Private individuals • Non-existent • Indifference • Individualized	• In transition • SUS (State Health Service) • Incipient • Tolerance •Search for Instrumentation	•Professionalization • Health Plans • Dominant •Commitment • Required

Source: Minotto, r. 2003, p. 58.

Therefore, conditioning factors emphasize people, facilities and structures that are in constant development.

Health organizations as service providers

Through the course of history, one has been able to observe that health organizations have had a vision of benefit, assistance, and benevolence. Subsequently, the concept began to be studied as a matter of the right to the quality of life, to care, to social welfare, the humanization. These services have become activities that require specific training on the part of the managers and with characteristics that distinguish them from other services:

Table 2: Service Characteristics

Features	Differentiations
Intangibility	Has no physical aspects
Inseparability	Cannot be separated from the production chain
Variability	Is produced and consumed as is provided
Perishability	Cannot be stored

Source: authors

Public institutions, with their structural characteristics, present a group of customers consisting of numerous social contradictions and with a low quality of life, stemming from political misunderstandings and geography itself. However, the training of health professionals follows the same segment as for private institutions, as well as its leaders. The proper care from professionals working in public institutions is based on commitment, motivation and on the personal "professional vein" of the individual that chooses such a profession.

These characteristics have a dynamic based on technological innovation and development in the field of knowledge. Scientific breakthrough allows this technology to change social behavior and that, mainly, of the people, because it is closely connected to art, creation and intellectual development.

According to Campos *et al*. (1990), the management of health services can obey, centrally, the basic principles of business administration. They complement each other, with the view that an organization that has physical, human, technological and material resources and maintains a business relationship with the external environment obviously has to be seen as a company. In addition, it has to be managed as such. Otherwise, it will not survive. It is important to note that, despite traditional concepts, viewed in its historical trajectory, they were the existing leaders who cared for their survival. Nowadays, there is specific literature citing simplistic criteria on strategic planning, financial health, personnel management, aiming at the longevity and survival of healthcare organizations.

Market rules

Health services, as explained by Campos et al. (1990), are sought in relation to the actions and medical practices. This is justified by tradition, where classical liberal medicine developed through the standards of market regulation. Currently, we see beyond medical services, requests for exams, surgeries, hospitalizations, which are paid in currency. Although we live in the light of the principles and rules of the State, which under obligation, must offer free health services to the population, a free choice of professional and other services, seen in the way of "fees". Therefore, it is important that we know some items comprising market rules for health services:
- despite a humanitarian character, health services support themselves through the sale of their products;
- the quality of the services involves, in addition to costs, the training and practice of good professionals, because the end result has a very high commitment with human lives;
- there is a limitation for the receipt of services provided, considering the existing tables of the State system and private medical groups, because the tables are pre-set and must be met;
- leaders working in health organizations operate differently from other organizations, since the environment in these organizations has formal instruments and very particular procedures;
- the decision-making process is very changeable, depending on the interference of the medical leaders;
- the initiative of the services is part of the practice and medical act.

Considering the principles of Zoboli (2004), as well as hospitals, health organizations uphold themselves in the collective interest of health and cannot act independently, because the interests of the population are the priorities, even if for this they maximize their activities and revenue. Obtaining those results occurs through the existing leadership in organizations, whether public or private, whether for profit or not.

LEADERSHIP IN HEALTH SERVICES

Robbins, Judje, conceptualizes leadership as the "influencing process by which individuals, through their actions, facilitate the movement of a group of people toward common or shared goals" (20014, p. 371).
In this study we will use this concept of leadership for health services because the individual in charge of a team seeks to motivate and commit participants of the group, with the intent of caring for people and putting a large number of professionals into motion.

For companies providing health services, we have three moments characterized by Limongi-França (2012): leader, led and situation. Leadership, our object of study, demonstrates the influence of the leader on the process of interfering in people's behavior (led) and in the condition of making the organization perpetuate.
There is some complexity in the exercise of leadership in health, as well as aspects of the proceeds, the ethical and moral values, spiritual, religious, social and political values are relevant to the discussion of the theme. The professionals have to know how to handle all these variables in a balanced manner.

Limongi-França (2012) shows us a study carried out by some companies, such as: American Express, Alcoa, AT & T, General Electric, Unilever and others, where they identified two types of skills, which can be adapted to health services: practices and attributes. We denominate as a **practice**, the activities people perform in their work environment, aiming at results. **Attributes** are the knowledge, skills and other characteristics that must exist for people to exercise roles of leadership. In the case of health services, the activities carried out in ambulatory care, emergency rooms or laboratories are characterized by medical practices, by nursing, by biologists aiming at attending to the customer's needs with promptness and quality. The attributes refer to the vocational training and the other characteristics inherent to each position in the institution.

Table 3: Attributes and leadership practices

Leadership attributes	Leadership practices
Mental capacity	Influence other
Administrative and technical knowledge	Make things happen
Personal development	Build relationships
Strong sense of oneself	

Source: Limongi-França, 2012

The existence of attributes and practices is contained within the ethical principles of the profession and the people. One of the important aspects of these leadership attributes and practices refers to the management of people, where leaders have the responsibility of creating a healthy environment, in order to obtain commitment and promote motivation at work.

Commitment

Commitment refers to feelings shown by the individual to the organization. It is the pride and satisfaction that the employee demonstrates through his/her attitudes, such as recommending the services, the products, monitoring the growth and partnership in difficult moments (LISBOA in KUAZAQUI, 2006). Some health services dispensed the medical services of doctors and began to hire them formally in order to generate commitment and a true sense of teamwork.

Another factor is the involvement of people with their working environment, demonstrated by feelings of satisfaction with their salary or professional growth. Unlike commitment, personal issues predominate and thus they rarely think of the organization as a partner. For healthcare, it is an unsatisfactory behavior, because it needs people who highly committed to their activities. It is the job of the leadership to have the insight to choose individuals who are able to perform their activities with quality and commitment.

Motivation

Motivation is a study that refers to the reasons why people behave in the ways that they do (SILVA, 2015).
So that the leaders can integrate with their team, it is important that there is an effort towards goal achievement, as well as a predisposition to follow up on the constant changes that occur in a business environment. This effort is also related to the satisfaction of any foreseen need: salary, benefits, *status,* work satisfaction, etc.

Theories on motivation are always preoccupied in determining what the reasons for the behaviors of the people are, and what the process that causes this behavior is. The multidisciplinary character of healthcare organizations has the privilege of choosing the ideal methodologies to motivate their teams, because each function has a type of training and expectation. We can cite some theories that can be adapted in the working environments of health organizations:
   a) Hierarchy of needs, which identifies five categories of need: physiological, safety, association, esteem and self-realization. They occur as each one is satisfied (Maslow);
   b) The X and Y theory, where the first says that the lower-order needs dominate individuals and the second that the higher-order needs are more dominant;
   c) The theory of expectation is explained by the force that a given result has on the individual. That is, the individual has need of an attraction to motivate him/herself;
   d) The theory of motivation-hygiene (Herzberg) states that factors extrinsic to the organization motivate the individual: politics of the organization, salary, environmental conditions, do not motivate. Motivation is based on intrinsic factors such as achievement, growth, responsibilities etc.
   e) Programs for variable payment and flexible hours are also ways of motivating employees;
   f) Techniques for commitment through encouragement, present in service providing organizations, stimulate motivation: scholarships, participation in congresses and events in the area, targeting professional growth.

Therefore, it will depend on the organization, the choice of methods they use to stimulate the determination of the individual in the organization, as well as his/her involvement in setting goals.

STRATEGIC LEADERSHIP AND HEALTH SERVICES

For the health manager, the process of leading is a natural act and involves the ability to influence people through five principles: power, knowledge, interaction, and expectation. It is through these principles that the administrator predicts, or in other words, strategically plans his/her footsteps in the company.

Dubrin defines leadership as "... the ability to inspire confidence and support among people, on whose competence and commitment the performance depends" (2003 p. 264). For the organization, strategic leadership is one that refers to both the analysis of the external environment as well as the internal environment of the company, seeking to achieve pre-established objectives.

Strategic leadership is characterized by the ability of the leader, through others, to administer an entire organization and not a functional subunit. According to Charan, Droter and Noel, "organizations today need effective leaders at all levels and in all locations. Due to the revolution of information technology, globalization and other factors, leadership is required at all levels of an organization "(2012, p. 5).

Currently, strategic leadership is the basic competence for the development of any organization. In healthcare organizations, for example, we have to keep up with scientific and technological progress, tests, medications, laws, etc. Scientific research is very much encouraged at universities, which makes this working environment susceptible to constant changes as a result of these advances. People who work in this environment must be prepared, strategically, for the continuous changes.

The strategic planning of the company depends on the performance of the leaders, because it is determined by the management, by the competences developed, by the people (employees), by culture, by ethical practices and controls. And how it is operated? By the management and by the form of leadership.
The management is the materialization of a business vision and usually projected as a long-term view. Through this management, the administrator carries out the communication, motivation, leadership and commitment together with his/her employees. These are the basic functions, made up from scientific studies presented in the course of administrative science.

The development of essential skills is a way of implementing strategies, stemming from the pressures of the external risks. For example: economic pressures, changes in social habits, implementation of new legislation. It affects business and people, because it involves negotiations and decisions. The coming development arising from the people is the macro vision of an organization, representing the workforce, and the main competitive advantage. Through the power of human capital we know what the old and new talents are, and also those who, in times of changes or crises, are the real partners of the organization. It is the agent of the creation of organizational culture.

Organizational culture is a consequence of human capital, because the set of values, symbols and ideologies is what makes up a group that will perform in the different units of the company. It will be up to the leadership, the administrator, the task of exercising his/her strategic leadership so that this culture is not orthodox and inflexible. The outside world is changeable and people follow that rhythm. According to Azevedo, "... the strong organizational cultures are perceived as advantages, because they offer the members of an organization a sense of purpose and unity" (2002, p. 353).

Conduct and practices

Ethical practices are the codes of conduct for the organization, headed by the leadership. Chiavenato and Sapiro (2020, p. 337-338), state that a strategic leadership must:
- create and develop a code of conduct for the company;
- always review and update this code;
- commit people to the code of conduct;

- practice an internal audit;
- create performance systems among people
- create a healthy work environment.

Therefore, one can see that the search for the development of strategic leadership is based on the issues of what we represent, what we have and what we want for our organization. To this one adds physical, material, financial and human resource. The order is irrelevant, because its survival will depend on the attitude of the entrepreneur. Business opportunities should result from the entrepreneurial vision of leadership. We list three categories of opportunity for strategic leadership and they must be present in any business, according to Castro (2015):
- additional opportunities that exploit existing resources (human, material, financial, technological, etc.);
- additional opportunities that can be identified as new and can coexist with existing ones;
- innovative opportunities that change the business environment and that are susceptible to risks.

Leadership profiles

What is the new strategic leadership profiles like? Currently the market is characterized by the constant changes in external and internal environments, which modify the expectations, tasks, and the performance of the managers of the organizations. For França (2003), the new leadership profiles require that individuals be dynamic and interactive.

Table 4: New leadership profiles

Ancient Vision	Modern View
Controller	Facilitator
Short term solutions	Strategic vision
Control of subordinates	Team commitment
Individual behavior	Team formation

Source: Adapted from Limongi-França, 2005

In view of this modern vision, we can conclude that the individuals who make up a health organization require permanent training, in order to keep up with the modern view of strategic leadership. We can illustrate the doctor-patient relationship. In the past, information about the state of health of an individual was under the dominion of a medical professional, in a subordinate condition, without the patient or his family having control over his/her state of health. Currently, the patient is looked after by a multidisciplinary team, sharing with everyone and accompanying the development of the treatment and his/her state of health.

A CASE STUDY:
THE CASE OF THE HORMOLAB LABORATORY

The company

Hormolab Medicina Laboratorial S/S is a company that provides services in the area of Clinical Pathology and Clinical Consulting in the healthcare industry. The headquarters are in the State of São Paulo, in the city of Franca, since 3/24/1988, when some endocrinologist doctors and clinical pathologists decided to install, in this town, a laboratory to perform hormonal dosages. Hence the name HORMOLAB (*hormo*, from hormone and *lab* from laboratory). Because they were doctors with experience that could contribute to clinical medicine, they realized that they could contribute a bit more to the community and the medical class, practicing other specialties, such as: Biochemistry Hematology, Urinalysis, Microbiology, Parasitology and Immunology. Thus, they organized themselves technically and began the practice of these specialties in 1991. From then on, they gained confidence and credibility among the medical class. The company grew and the need to have an adequate business organizational structure was necessary.

Development of the organizational structure

In 1998, they undertook the construction of the headquarters of the company in accordance with the sanitary surveillance standards and according to the quality criteria required by SBPC- *Sociedade Brasileira de Patologia Clínica* (Brazilian Society of Clinical Pathology), of which, they already were a part of the PELM – *Proficiência em Ensaios de Laboratórios Médicos* (Program of Proficiency in Medical Laboratory Tests) program, having won a certification for excellence.
In March 1999, they inaugurated the new headquarters. This time, the company had an agreement formed with approximately ten health plans and/or health insurance plans. Attending 500 patients per month, this in turn, generated approximately 1500 tests.

Committed to strengthening its "body", the company did not stop investing. They purchased equipment, hired skilled staff and sought to continually update their team through trainings, courses, conferences and postgraduate courses. They are currently accredited with twenty-eight health plans and/or health insurance companies. They cover a region scaled in 740,000 inhabitants, which includes the population of Franca and surrounding municipalities (according to data from INPES- *Instituto Nacional de Pesquisa* - Research Institute of Franca).

Business, mission and values of Hormolab

The business is the performing of laboratory tests and clinical consulting in laboratory medicine, because the company felt the need to establish a strategic consistency for their business that could point to a competitive advantage. Thus, through clinical consulting, *Hormolab* can, as a medical laboratory, add value to the services provided. To describe its mission and its values, the directors of the company understood that they needed to have a clear and defined business focus. Therefore, *Hormolab* identified that its business focus was concentrated on people who seek a humanized treatment, with quality and seriousness. At this point it was possible to recognize the identity of the company, aligning their internal skills and creating a competitive advantage. The directors went on to develop their strategies in order to achieve their business focus, rooted in its values and mission, defined as follows:
Mission: "*to promote the health and well-being of human beings with dignity"*.
Values: as Human Resources documented, in 2001, classified in:
- **ETHICS**: allows for our professional achievement with truth, transparency and absolute secrecy;
- **QUALITY**: drives us to always do better;
- **IDEALISM**: love for the profession overcomes the business difficulties;
- **PROFIT**: reverses into the acquisition of new technologies, new knowledge in the expansion of the company and the well-being of all.

The company uses its business, its mission and its values to establish its purposes in relation to its business focus. The convictions of the directors are based on these three foundations. It is through them that the Human Resources department selects new employees and develops its work with the team, which is already formed, in order to stimulate the involvement and learning of all team members.

Leadership

Hormolab Laboratory has a strategic management with clear concepts for its directors and employees. It promotes the full participation of its staff in the process, which is demonstrated by the level of involvement of the people in the decisions made by the company. There is a strong understanding of the organizational vision for the team, which is the fruit of a profound knowledge of the functional structure, which features a company that in addition to a "body" has a "mind" and a "soul". All this is the result of the leadership that is present at all times.

The commitment and involvement of everyone, that makes up the different sectors of institution, aims at achieving a collective outcome that meets the needs and expectations of external customers. This conquest by the provision of differentiated services is due to the quality of the teamwork achieved in this environment and from the existing leadership profile in the organization. The existing leadership is recognized by the humanist and democratic vision identified in the institution, which makes it possible for the people within the company to obtain a quality of

life at work. This is also reinforced by the criterion that considers people as partners and not as a resource. The reward of this modern leadership is measured by the results the company obtained through achieving its proposed goals.

In the previous overview, information on the state of health of an individual was under the control of the medical professional, in a subordinate condition, where the patient nor his family had control over his/her state of health. Currently, the patient shares with the doctor and his team that accompanies the complete development of his/her state of health. We can say that the "client" side of the individual is part of the whole team of the clinic or the hospital, and becomes the center of attention, whether in the public sphere, or in the private sphere.

CONCLUSIONS

The article presented a vision of leadership in health services, where one can observe the transformation of the concept from the past, centralizer, for the current concept, participatory, where individuals are more motivated and committed to their teams. We saw that healthcare organizations have come to be seen as service providers and in this concept they have given space to new leadership. In addition to the figure of the doctor, who has always been on the front line of the health companies, the emergence of new professions made possible the expansion of administrative theories in health organizations, generating the sense of a "team". The idea of the article presents the concept that the person who leads prioritizes the needs of the patient, having hospitality and humanization as a goal in the treatment. It was concluded that, currently, the concept of humane leadership, used extensively in healthcare institutions and organizations of the third sector, has become the focus for achieving service excellence as well as motivating and committing the team. This idea corroborates the case study presented.

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EMPLOYEES' PERCEPTIONS OF EMPLOYMENT RELATIONSHIPS IN THE SOUTH AFRICAN PUBLIC SECTOR: A DEMOGRAPHIC ANALYSIS

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ABSTRACT

The performance of the South African public sector, in general, has been the topic of many studies and debated all over the world. This sector has been criticized for its slow response and ineffectiveness in rendering services to the citizens. On the other hand, employment relationships have become gradually unstable in developing countries. To remain competitive in a society, healthy employment relationships are required to sow the seed of trust, good faith, compliance and fairness in the workplace. Employment relationships are considered to be an essential instrument to assist the organisation to achieve its main objective. The paper examines two objectives, namely to investigate if there were statistically significant differences among the various demographic groupings in terms of gender, marital status and race in relation to employment relationships and to investigate if there were significant relationships between two demographic variables (age and education) and employment relationships. To achieve this objective, Correlation, ANOVAs and t-tests were used to analyse the data. A survey design and quantitative research approach were adopted. The results of this study will assist the public sector managers to manage the employees according to how they perceive employment relationships.

Keywords: public sector, social theory exchange, employment relationships and demographic factors

INTRODUCTION

The public sector is an important part of the economy and influences economic growth and development in a country (Fourie & Poggenpoel, 2017). Within the context of South Africa (SA), the public sector has become known for poor employee performance, which inhibits service delivery (Makamu, 2016). In order to meet the needs and expectations of the stakeholders, resilient employer and employee relationships constitute a critical tool for promoting the success of an organisation and tend to be advantageous for everyone (Pandian & Saranraj, 2017). In the current global competitive working environment, the public sector should consider both internal and external working environments to acquire a competitive advantage (Samarasinghe, 2017).

It is common knowledge that SA is one of the African countries with a young democracy, dating only from 1994. The South African public sector has been accused of not adequately addressing the root causes of the challenges, resulting in repeating cycles of the same challenges (Fourie & Poggenpoel, 2017). Due to continued signs of slow progress in the public sector, employment relationships have attracted the attention of countries worldwide. The SA public sector has been criticised for the worst employment relations. As a result, employees find themselves in a setting that is frequently criticised for being inefficient (Noesgaard & Hansen, 2018). Given the size of the public sector and the significance of employees' well-being in the workplace, it is essential that managers pay more attention to improving the working conditions of their employees, which will include improvement in employment relations (Rodriques & Pieters, 2019).

For the purposes of achieving organisational goals, organisations should have strong employment relationships between employees and employers (Brhane & Zewdie, 2018). It is essential, therefore, that employment relationships be considered as one of the essential areas which every organisation has to reflect upon (Samarasinghe, 2017). Al-Khozondar (2015) elaborates that productivity, employee motivation and better employee performance are determined by strong employment relationships. For this to happen, it is necessary to create a conducive working

environment that will in turn motivate employees to have positive relationships (Chernyak-Hai & Rabenu, 2018). If there are positive employment relationships, employees will tend to have higher levels of commitment, motivation and loyalty to the organisation (Samwel, 2018).

To enhance employee performance is imperative, since it requires the assessment of employment relationships, primarily because of the influence that the public employees' performance may have on their effectiveness (Hassan & Hatmaker, 2016). It is clear that a poor level of employment relationships will compromise the performance of the employees. Brhane and Zewdie (2018) confirm that poor employee relationships could result in unrest, which could diminish the efficiency of the organisation. It is difficult for an organisation to achieve desired outcomes, such as improved employee performance, without good relationships between managers and their employees (Samwel, 2018). In addition, the presence of unhealthy employment relations within the organisation might jeopardise managers' understanding of issues affecting employees, and the organisation might fail to achieve its long-term goals (Pandian & Saranraj, 2017).

Factors such as good faith, compliance, trust and fairness have an influence on employment relationships. According to Serrat (2017), high-trust environments are associated with high levels of employee involvement, commitment and organisational success. Based on a study conducted by Ehlers (2017), the majority of South African supervisors do not value, respect, or endorse trust, compliance, fairness and good faith in their dealings with subordinates. This is unfortunate, as the relationship between employee and manager is determined by opinions of fairness of treatment, and good employment relationships can lead to increased performance (Sturman & Park, 2016).

The main focus of this study is on demographic factors such as age, education, gender, race and marital status. Employee factors such as age, gender, and education level are considered demographic factors (Oyewole & Popoola, 2015). In this increasingly competitive work climate, firms must be able to control and exploit demographic characteristics, according to Amegayibor (2021: 127). Employees that are well-educated can grow their skills and make the best decisions possible in any situation (Zhang, Lv, Yuan, Ren & Wang, 2022:3; Amegayibor, 2021: 131). This study intends to enable managers in the public sector to understand the relationship between employment relationships and demographic factors and use these as guidelines in the effort to improve employment relationships. It will also contribute to the existing body of knowledge in the public sector and academic institutions.

RESEARCH PROBLEM

As previously noted, public sector employees find themselves in a setting that is frequently criticised for being inefficient (Noesgaard & Hansen, 2018:1048). There is concern that the South African public service sector, which is the largest employer in the country, has the worst employment relationships in the world - ranking 137 out of 137 countries according to the World Competitiveness Report 2017-2018 released by the World Economic Forum (Cillié, 2018). Consequently, there are low levels of trust between employers and employees in SA, and this mistrust has been nurtured over several years (Cillié, 2018). There is clear evidence that South African supervisors are unwilling to appreciate, respect or promote trust, compliance, fairness and good faith in their relationships (Ntimba, Lessing & Swarts, 2020).

This shows that employees in the public sector are confronted by low levels of employment relationships which contribute to poor employee performance in terms of service delivery. It is worthwhile to investigate if there are statistically significant differences among the various demographic groupings, namely gender, marital status and race, in relation to employment relationships and if there are significant relationships between two demographic variables (age and education) and employment relationships in the South African context. No similar study was found on how these demographic characteristics of employees affect the perceptions of employment relationships. This research gap informed this study.

RESEARCH OBJECTIVES

The research objectives are as follows:

- To investigate if there are significant differences between marital statuses in relation to employment relationships.
- To investigate if there are significant differences between genders in relation to employment relationships.
- To investigate if there are significant differences between different race groups in relation to employment relationships.
- To investigate if there are significant relationships between two demographic variables (age, years of services and education) and employment relationships.

THEORETICAL FRAMEWORK

Employment relationships

The literature consulted for this study, obtained from both national and international sources, is discussed below. Employees are believed to be central to the success of every organisation. If the employees work together and develop good relationships with employers, they are empowered to complete their tasks faster (Rahman & Taniya, 2017). An effective employee relationship involves creating and promoting a motivated and productive workforce (Brhane & Zewdie, 2018). Employment relationships may be described as a company's efforts to manage relationships between employers and employees (Pandian & Saranraj, 2017). Employment relationships can also be seen as a means by which the organisation works together with the employees, provides policy information and operates to create a productive working environment (George, 2017). On the other hand, a sense of belonging is key to employment relationships in an organisation (Tewari & Kumar, 2019). The concept of employment relationships is defined as "an organisation's ongoing effort to engage its employees" (Caramela, 2020).

Based on the literature, strengthening the morale and job satisfaction is likely to have a significant bearing on a high employee retention rate, less absenteeism, better customer service and higher quality products (Samarasinghe, 2017). It is an unquestionable fact that employee relations programmes are normally under the umbrella of a human resource strategy, which is designed to ensure the most effective use of employees to achieve the organisation's mission (Pandian & Saranraj, 2017).

Many factors may have a direct influence on the employment relationships, which can in turn affect the performance of the organisation. Both positive and negative employment relationships influence the quantity and quality of work produced (Mundia, Mahalle, Matzin, Zakaria, Abdullah & Latif, 2017). In the working environment, it is believed that the symptoms of negative and unhealthy employment relations are different forms of arguments, disputes, quarrels, verbal and physical abuse, conflict, adversarial interactions and bullying. Conversely, symptoms of positive and healthy employment relations are mutual respect, acceptance, cordiality, collegiality, happiness and satisfaction (Mundia et al., 2017). Another concerning aspect is that in the presence of unhealthy employment relationships within the organisation managers will fail to understand issues affecting employees and the organisation might not achieve its long-term goals (Pandian & Saranraj, 2017). Often, failure to have policies that are aligned to employment relationships could influence the growth of an organisation and affect future success (George, 2017). It is evident that an organisation with a healthy employee relations platform offers fair and consistent treatment to all employees and as a result the employees will in turn be committed to their work and be loyal to the organisation (Pandian & Saranraj, 2017). It is clear that poor levels of employment relationships will compromise the performance of the employees.

According to Ehlers (2017), the majority of the South African supervisors do not value, respect or foster trust, compliance, fairness and good faith in their relationship with subordinates. Social exchange theory suggests that workplace and environmental behaviour have been proven to be crucial in interpreting the phenomenon. Employees' perceptions of their workplace environment are based on the reciprocity rule, which states that if managers are found to be supportive of their employees, they will be secure and appropriately rewarded, and employees will be satisfied as a result (Imam & Javed, 2019). Ehlers (2017) posit that primary labour relationship quality is considered as a

different individual quality estimate based on unique expectations and perceptions of the levels of compliance, fairness, good faith and trust that a supervisor shows in a labour relationship with a direct subordinate.

Ozyilmaz, Erdogan and Karaeminogullari (2018) state that employees who are confident in their abilities to perform may put out extra effort if they believe their efforts on behalf of the organisation will be recognised and valued. Therefore, performance is regarded as a crucial aspect in managing organisations around the world whereby results are compared with general organisational goals and objectives (Imam & Javed, 2019). Factors of employment relationships (trust, compliance, fairness and good faith) are positively considered as commonly required social environments in all forms of individual or collective labour relationships between employers and employees (Ehlers, 2017).

The literature review confirmed that high trust in an organisation influences the strength of the relationship between self-efficacy and work-related outcomes because it determines how much certainty and support may be expected from the organisation (Ozyilmaz, Erdogan & Karaeminogullari, 2018). Lazányi and Bilan (2017) find that the level of trust is influenced by other variables, such as gender, social embeddedness and educational background. According to Thielsch, Meeben and Hertel (2018) trust predicts commitment, risk-taking, and (the lack of) counterproductive work behaviours in the organisation. What is more, when the level of trust in an organisation is low, even employees who feel confident in their abilities turn to assume that their actions will be appreciated, valued or reciprocated, or even that their efforts will be successful due to the possibility that the organisation may not provide support when needed (Ozyilmaz, Erdogan & Karaeminogullari, 2018).

Employment relationship management

Employment relationship management is a crucial concern in the present era. While the world's attention in recent years has been on employment relationships, employee relationship management has become a significant instrument for motivating employees and improving employee satisfaction (Chaubey, Dimri & Mishra, 2017). In line with this, Brhane and Zewdie (2018) state that employment relationship management includes activities introduced by the organisation to foster friendly cooperative relationships with its employees. Healthy employment relationships should be nurtured in the working environment to encourage productivity (Caramela, 2020). Employment relationship management has been considered a significant aspect of human resource management (Chaubey, Dimri & Mishra, 2017). In addition, Rahman and Taniya (2017) regard employment relationships as communication management between the organisation and the employees. In order to boost employment relationships and help organisations comprehend the purpose, this form of communication must be flexible, encouraging and non-mandatory. Employment relationship management consists of six elements, namely human resource practice, trust, communication, leadership style, employee performance and shared goals and values (Rahman & Taniya, 2017).

Previous studies about employment relationships

Employment relationships in an organisation can be influenced by demographic factors. Studies have shown that demographic factors are generally acknowledged as having a great impact on employee performance in the organisation (Thakur, 2017). Demographic factors such as gender, race and class are key constructs that are inseparable from culture and markets (Budd & Bhave, 2017). In the context of employment relationships, researchers such as Poon (2017) have concluded that women have a slower progression rate and have a greater number of hindrances to their professional development.

The study conducted by Ehlers and Jordaan (2016) on a measure for employment relationship quality in South African supervisory relationships found that the majority of the respondents were female (52%) and 48% were male. This is likely because the nature of work and society has changed to the point where an increasing number of women are entering the labour market. (Geldenhuys & Henn, 2017). Similarly, Sawithri, Nishanthi and Amarasinghe (2017) found in their study that, out of 54 respondents, the majority were female; 22 were male. It is evident that, in terms of gender and employment relationships, females participated more than males. Of considerable interest is that these findings are a true reflection of South African demographics because in SA just over 51% (29.5 million) of the population are female (Statistics South Africa, 2018:8).

The study conducted by Ehlers, Lessing and Theledi (2016) on measuring primary employment relationship satisfaction in South African supervisory relationships found that the majority of the respondents were male (63%), with 37% females. In Bagienska and Bulinska-Stangrecka's (2021) study similar results were reported. According to Statistics South Africa (2018), SA has a population of about 57.7 million people (Statistics SA, 2018:8). The African population forms the majority (46.7 million) and constitutes approximately 81% of the total South African population. The white population in South Africa is estimated at 4.5 million, the coloured population at 5.1 million, and the Indian/Asian population at 1.4 million. The study conducted by Ehlers and Jordaan (2016) on "a measure for employment relationship quality in South African supervisory relationships" found that most of the respondents were African (81%), more than any other race. Similar findings were observed in the study conducted by Ehlers, Lessing and Theledi (2016). These results are a true reflection of the South African population demographics. The study by Ehlers, Lessing and Theledi (2016) found that most of the respondents had academic qualifications of up to grade 12 (81%) and higher than grade 12 (19%).

RESEARCH METHODOLOGY

Research approach and research design: This study adopted a quantitative research approach and a survey research design within a Positivistic research paradigm.

Population and sampling: Non-probability purposive sampling was used to select 400 employees who had been permanently employed for more than five years and were at job levels 1-12 at eight national public service departments from a population of 10 660. A total of 355 valid responses were satisfactorily completed and included for analysis, which resulted in a response rate of 88.75%. The study findings show that 57.2% of respondents were female and 42.5% were male. Concerning race groups, the majority of the respondents were African (75.5%), followed by whites (13.5%) and coloureds (8.2%), while only 1.7% were Asian. These results correspond to a great deal with the South African population demographics. With respect to marital status, most respondents were married (54.4%), while 27.3% had never been married. However, 0.7% of the respondents were living with a partner and 3.9% were divorced. Lastly, study findings show that 29.3% were in possession of a bachelor's degree, followed by 27.9% who had a national diploma. Furthermore, 14.6% had an honours degree, 7.6% had a certificate, 7.9% were holders of a grade 12 certificate, 6.5% had a doctoral degree and 3.7% were holders of a qualification lower than a grade 12 certificate.

Measuring instrument: Data was collected by utilising an existing structured questionnaire designed by Ehlers (2016) to address the research objectives. Questionnaire questions consisted of a four-point Likert scale and respondents had to choose whether they were very dissatisfied, dissatisfied, satisfied or very satisfied with statements on employment relationships. The statements were arranged according to the 17 dimensions assessing employment relationships satisfaction as set out in Ehlers's (2016) research. In order to test the validity and reliability of the research instrument, a pilot study was conducted before the main research study commenced to establish whether there would be a need to make changes to the questions. The study supervisors and public sector management evaluated the questionnaire to identify any shortcomings in the questionnaire and to ensure content validity.

Analysis techniques used in the study: The Cronbach's alpha coefficient was used to assess the internal consistency between the variables with regard to how closely related the set of factors were as a group. T-tests and one-way ANOVA were applied to determine whether there were any significant differences between demographic groupings. A correlation analysis was done to establish if there were significant relationships between two demographic variables (age and education) and employment relationships.

RESULTS

The results of the study are illustrated under the following headings: descriptive statistics, Cronbach's alpha (see Table 1), T-test (see Tables 3 and 6) and ANOVA (see Table 8). The Cronbach's Alpha is illustrated in Table 1.

Table 1: Summary of Cronbach's alpha and descriptive statistics

Variable	Cronbach's alpha	N of items
Compliance	0.873	4
Fairness	0.827	3
Good faith	0.814	3
Trust	0.944	10

As indicated in Table 1, Cronbach's alpha coefficients for all four sub-scales, namely compliance, fairness, trust and good faith were acceptable since they range from 0.814 to 0.944 (see Table 1). This confirms that the internal level of consistency of the measurement instrument was good enough to ensure the reliability of the measuring instrument, since Cronbach's alpha results were above the minimum of 0.7. The descriptive statistics for gender are illustrated in Table 2.

Table 2: Descriptive statistics for gender

Gender		N	Mean	Std. deviation	Std. error mean
Compliance	Male	151	3.0817	0.54190	0.04410
	Female	202	2.8560	0.71831	0.05054
Fairness	Male	151	3.0364	0.58875	0.04791
	Female	202	2.7888	0.79953	0.05625
Good faith	Male	151	3.1302	0.57764	0.04701
	Female	202	2.8853	0.78221	0.05504
Trust	Male	151	3.0249	0.52001	0.04232
	Female	202	2.8433	0.71654	0.05042

Table 2 above attests to average means of between 2.7 and 3.1 between males and females with regard to employment sub-scales. The above results indicate that males had higher mean scores than females, as shown in Table 2. The Independent samples T-test for the gender group is illustrated in Table 3.

Table 3: Independent samples T-test for gender group

	T-test for equality of means						
	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference	
						Lower	Upper
Compliance	3.233	351	0.001	0.22565	0.06980	0.08838	0.36293
	3.364	350.965	0.001	0.22565	0.06707	0.09374	0.35757
Fairness	3.210	351	0.001	0.24764	0.07714	0.09593	0.39936
	3.351	350.931	0.001	0.24764	0.07389	0.10232	0.39297
Good faith	3.243	351	0.001	0.24493	0.07553	0.09638	0.39348
	3.384	350.956	0.001	0.24493	0.07238	0.10258	0.38728
Trust	2.637	351	0.009	0.18155	0.06885	0.04615	0.31696
	2.758	350.719	0.006	0.18155	0.06582	0.05210	0.31101

The results show that there were significant differences between male and female respondents regarding good faith, compliance, trust and fairness with $p < 0.05$. The descriptive statistics for marital status are illustrated in Table 4.

Table 4: Descriptive statistics for marital status

Marital status		N	Mean	Std. deviation	Std. error mean
Compliance	Single	112	2.9494	0.64650	0.06109
	Married	231	2.9434	0.66563	0.04380
Fairness	Single	112	2.9286	0.73750	0.06969
	Married	231	2.8810	0.71704	0.04718
Good faith	Single	112	3.0372	0.72656	0.06865
	Married	231	2.9639	0.70086	0.04611
Trust	Single	112	2.9271	0.66183	0.06254
	Married	231	2.9137	0.63942	0.04207

Table 4 above indicates average means of between 2.8 and 3.0 for single and married respondents with regard to employment relationship sub-scales. The study findings show that single respondents had a higher score than married respondents with reference to compliance, fairness, good faith and trust. The Independent samples T-test for the marital status group are illustrated in Table 5.

Table 5: Independent samples T-test for marital status group

	t-test for equality of means						
	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference	
						Lower	Upper
Compliance	0.080	341	0.937	0.00604	0.07593	-0.14331	0.15540
	0.080	225.655	0.936	0.00604	0.07517	-0.14207	0.15416
Fairness	0.571	341	0.568	0.04762	0.08334	-0.11630	0.21153
	0.566	214.336	0.572	0.04762	0.08415	-0.11826	0.21350
Good faith	0.897	341	0.370	0.07328	0.08167	-0.08737	0.23392
	0.886	212.843	0.377	0.07328	0.08270	-0.08974	0.23630
Trust	0.180	341	0.857	0.01342	0.07447	-0.13306	0.15991
	0.178	213.139	0.859	0.01342	0.07537	-0.13514	0.16199

According to the analysis of Table 5 above, there were no significant differences between single and married respondents with regard to compliance, fairness, good faith and trust, with a score of $p > 0.05$. The ANOVA for race is shown in Table 6.

Table 6: ANOVA for race

		Sum of squares	df	Mean square	F	Sig. (p-value)
Compliance	Between groups	0.001	2	0.000	0.001	0.999
	Within groups	145.025	341	0.425		
	Total	145.025	343			
Fairness	Between groups	0.850	2	0.425	0.818	0.442
	Within groups	177.162	341	0.520		
	Total	178.012	343			
Good faith	Between groups	2.008	2	1.004	2.036	0.132
	Within groups	168.121	341	0.493		

		Sum of squares	df	Mean square	F	Sig. (p-value)
	Total	170.129	343			
Trust	Between groups	0.341	2	0.170	0.411	0.663
	Within groups	141.298	341	0.414		
	Total	141.638	343			

The results show that no significant differences were found between race groups with regard to any of the employment relationship sub-scales (p > 0.05). This implies that there was no relationship between race and any of the factors measured in this study. The correlation of demographic factors, namely age, years of service and education are shown in Table 7.

Table 7: Correlations between demographic variables and employment relationship scales

Employment relations factors		Age	Years of service	Education
Compliance	Pearson correlation	-0.080	-0.133	-0.005
	Sig. (2-tailed)	0.132	0.012	0.924
Fairness	Pearson correlation	-0.063	-0.109	0.029
	Sig. (2-tailed)	0.238	0.040	0.596
Good faith	Pearson correlation	-0.083	-0.079	0.022
	Sig. (2-tailed)	0.121	0.138	0.687
Trust	Pearson correlation	-0.080	-0.114	-0.013
	Sig. (2-tailed)	0.131	0.032	0.805

Table 7 reflects correlation levels between the ordinal demographic variables (age, years of service and completed qualifications) of the respondents and the factors in the study. The correlation coefficient effect size guidelines state that r = 0.10 is small, r = 0.30 is medium and r = 0.50 is large (Cohen, 1988). The results reveal that no relationship was found between two demographic variables (age and education) and employment relationships. Furthermore, the results show that there were positive correlations of small practical effect between years of service and compliance (r = -0.133, p > 0.01), fairness (r = -0.109, p > 0.01) and trust (r = -0.114, p > 0.01). It may be argued that employees who had been employed for longer tended to have slightly more positive feelings about compliance, fairness and trust.

RESULTS DISCUSSION

Social exchange theory has been considered as one of the most prominent models used to explain the processes that link the organisational treatment of employees to job performance (Helfers, Reynolds & Maska´ly, 2019). To date, less consideration has been provided to the establishment of relationships in organisations when employees are treated poorly (Cropanzano, Anthony, Daniels & Hall, 2017). It is therefore important to understand that employment relationships in organisations can be classified as either economic or social exchange (Nazir, Qun, Hui & Shaf, 2018). It is also critical for the organisation to know that a positive exchange relationship between employees and an organisation leads to increased organisational commitment (Ahmed, Khuwaja, Brohi & Othman, 2018).

Although employment relationships can be addressed mentally as any type of interpersonal relationship, in the workplace they relate to both the individual and the organisation (Chernyak-Hai & Rabenu, 2018). It is believed that mental contract fulfilment is important in the employment exchange due to the fact that it reflects employees' beliefs, desires and perceptions about the extent to which common obligations between an employee and an employer have been met (Birtch, Chiang & Esch, 2016). In addition, when employees mentally anticipate that investing in high job engagement will result in high organisational rewards, the relationship between employees and the organisation is based on an equal social exchange relationship and as a result, employees are more likely to be engaged actively and generate task performance (Yin, 2018).

It is well known that employees join an organisation with the anticipation that it will provide a better working environment, culture and they will use their skills and knowledge to achieve their goals (Ahmed, Khuwaja, Brohi & Othman, 2018). Based on social exchange theory (Blau, 1964), employment relationships are a type of social exchange defined as "voluntary activities of individuals motivated by the returns they are expected to bring and usually do bring from others."

Independent sample T-tests were used to determine whether there were significant differences between the two demographic groups, single and married, in relation to employment relationships. The findings of this study reveal that there were no significant differences between these two demographic groups, namely single and married, in relation to employment relationships. Arimie and Oronsaye (2020) believe that a healthy work environment will foster a bond that promotes trust in the organisation. The results of this study also indicate that there were significant differences between male and female respondents in relation to good faith, compliance, trust and fairness. The study conducted by Schulz (2020) found no significant demographic difference (gender) relating to employment relationships. There is evidence to suggest that levels of trust in employment relationships may be strongly related to perceived levels of compliance, fairness and good faith in employment relationships (Ehlers, 2016). Employment relationships are regarded as an exchange in which the employer offers certain returns such as pay, benefits and job security in exchange for employee contributions such as effort, commitment and productivity and the level of exchange is determined by the expectations of both the employee and employer (Owor, 2016). It is worth noting that an employer or supervisor might start a social exchange with an employee by helping in the hopes that the employee would meet expectations, such as job performance (Sungu, Weng & Kitule, 2019).

Additionally, these T-tests were conducted to determine whether there were significant differences between male and female respondents in relation to good faith, compliance, trust and fairness. The results show that there were significant differences between male and female respondents regarding good faith, compliance, trust and fairness. High-quality exchange and mutual exchange in the workplace are two essential assumptions related with social exchange theory, which is described through earned trust (Munir, Ghafoor & Rasli, 2016). Fair treatment provides consolation that an individual will neither be unfairly treated nor taken advantage of by the organization (Helfers, Reynolds & Maskaly, 2019). Therefore, employees' trust in their organization will lead them to be more likely to share thoughts and information between employees, which means that organizational trust is positively associated with employee innovative behaviour (Yu, Mai, Tsai & Dai, 2018). Employment relationships are part of the socialization development, a source of information required for successful performance and satisfaction, and a ground for social support and networking (Chernyak-Hai & Rabenu, 2018). The researcher similarly indicated that employees are encouraged to develop positive relations in the organisation.

ANOVA was used to determine whether there were significant differences between race groups with regard to any of the factors, namely compliance, fairness, good faith and trust. The study results show that there were no significant differences between race groups with regard to any of the factors, namely compliance, fairness, good faith and trust. No evidence in the literature could be found to explain any significant differences between race groups pertaining to any of the employment relationships factors, namely compliance, fairness, good faith and trust. Employees undoubtedly examine the whole of their experiences, as well as outcomes, methods, and treatment, when assessing fairness in the workplace (Helfers, Reynolds & Maskaly, 2019). On the other hand, employees may have impressions of fairness depending on the application of numerous justice standards in the organization at the same time (Helfers, Reynolds & Maskaly, 2019).

Correlation coefficients were used to determine whether any significant relationship was observed between the two demographic variables (age and education) and employment relationships. The results reveal that no significant relationship was observed between the two demographic variables (age and education) and employment relationships. Previous research about significant relationships between the two demographic variables (age and education) and employment relationships could not be found. Evidence from the study conducted by Bagienska and Bulinska-Stangrecka (2021) indicate that there are positive and significant correlations between the trust in managers, trust in colleagues, job satisfaction and employee relations. According to Ehlers (2020), employment relations trust levels were also found to be positively related to positive perceptions of compliance, fairness and good faith in supervisory relationships, as well as positive perceptions of employment relations satisfaction and employment relations quality. Employment relationships may additionally be addressed as any kind of interpersonal relations, in the case of workplace context, employment relationships relate to both the individual and the organization (Chernyak-Hai & Rabenu, 2018). On the other hand, the employee is more likely to be satisfied with the exchange relationship

between employer and employee when performance ability is high compared to when low (Sungu, Weng, & Kitule, 2019). It is essential to indicate that workplaces with level work relationships tend to integrate the economic exchange and social exchange relationships to preserve long-term employment relationships with employees (Yu, Mai, Tsai & Dai, 2018).

MANAGEMENT IMPLICATIONS

It is evidence from the literature that the success of the organisation relies primarily on how well the employee and employer work together. The findings of this study clearly show that the perceptions of demographic groupings on employment relationships are not the same. Unless and until proper practice to deal with employment relationships in the same manner, is in place, the public sector cannot progress or achieve success. On the other hand, managers do not need to differentiate between specific demographic groupings. In other words, there is no need for managers in the public sector to pay attention to specific demographic groupings in relation to employment relationships.

LIMITATIONS

As this study was conducted in the South African public sector, the findings may not be representative of public sectors in other countries. Another limitation is that the results of this study cannot be generalised to all South African government departments due to the cross-sectional nature of the study.

RECOMMENDATIONS

The South African public sector has a legal framework regulating public employment relationships such as the Labour Relations Act and Basic Conditions of Employment Act 75 of 1997 which are mainly used to benefit employees. However, the public sector needs to develop a strong employment relationships policy that is not perceived as practicing favouritism to certain demographic groupings. This will enhance compliance, fairness, good faith and trust. The study recommends qualitative research to be carried out to obtain rich data about the perceptions of employees in the South African public sector about the future of employment relationships. Future research could further consider conducting the same study between public sector and private sector employees with regard to statistically significant differences among the various demographic groupings, namely gender, marital status, years of service and race, in terms of employment relationships. Lastly, the study recommends that a causal study be conducted to determine the cause and effect relationship between employment relationships and demographic groupings.

CONCLUSION

The primary objectives of this paper were to determine if there were statistically significant differences among various demographic groupings, namely gender, marital status and race, in relation to employment relationships and if there were significant relationships between two demographic variables (age and education) and employment relationship. A review of the literature was conducted and the literature showed a gap within the existing body of knowledge regarding employees' perceptions of employment relationships within the context of the South African public sector: a demographic analysis. In line with this gap within the body of knowledge, research objectives were formulated and achieved. This study will make a significant contribution in the South African public sector context to improve employment relationships and add to the existing knowledge in the academic institutions.

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A CRITICAL ANALIZATION OF THE SOCIO-ECONOMIC RIGHTS ENSHRINED IN SECTION 26 AND 27 OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

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ABSTRACT

The paper seeks to analyse and review the historical developments that led to the inclusion of socio-economic rights in the post-apartheid constitution for South Africa. South Africa has become a role model for domestic implementation and enforcement of constitutionally enshrined socio-economic rights. While drafting the so-called and nowadays considered to be the most progressive constitution of modern times, South Africa chose to translate its aspirations for social Justice and social welfare into judicial constitutional guarantees and protecting the weak. The marginalised and the socially outcast thus become a matter of constitutional rights which are rights to housing, health care, food, water and social security. As far as socio economic rights are concerned, it can safely be said that the constitutional development in South Africa defied all odds. Not only have these rights traditionally been considered to be non-judiciable, but they also seemed irreconcilable with the South African constitutionalism and its core element that is parliamentary as previously championed in South Africa.The paper further analyses the major case involving socio-economic rights in South Africa and how a new jurisprudence around the interpretation of this rights was developed by the Constitutional court.

Keywords: Socio-economic, Jurisprudence, Constitution, justiciable

INTRODUCTION

The South African Constitution, Act 108 of 1996, is a cornerstone of democracy in South Africa. It enshrines the rights of all people in South Africa and affirms the democratic values of human dignity, equality and freedom. Section 7 of the Constitution provides that the State must respect, protect, and promote each and every right found in the Bill of Rights. The Bill of Rights is chapter 2 of the Constitution. The Constitution also provides several ways of claiming and defending the basic needs or necessities, such as the socio-economic rights to housing, health care, food, water and social security.

Socio-economic rights are those rights that give people access to certain basic needs necessary for human beings to lead a dignified life. The State, and in certain circumstances, private individuals and bodies, can be held accountable if they do not respect, protect, promote, and fulfil these rights. Socio-economic rights are particularly important and more relevant for vulnerable and disadvantaged groups in society. They are important for groups who are most affected by poverty and who experience a number of barriers that block their access to resources, opportunities, and service in the society.

Socio-economic rights have rarely been the subject matter of the constitutional law. The Constitution of the Republic of South Africa has radically changed this. Not only does it feature a number of provisions guaranteeing enforceable socio-economic rights such as the rights to have access to housing, health care, water and social security.

The Constitutional court of South Africa has also taken up the task of providing these rights with a workable methodology for judicial review. The marginalised and the socially outcast thus become a matter of constitutional rights, which are rights to housing, health care, food, water and social security. As far as socio-economic rights are concerned, it can safely be said that the constitutional development in South Africa defied all odds. Not only have these rights traditionally been considered to be non-judiciable, but they also seemed irreconcilable with the South African constitutionalism and its core element that is parliamentary sovereignty as previously championed in South Africa. Moreover, South African was and remains a country facing numerous economic and social challenges and hardly appeared to be able to fulfil the costly demands expected to originate from social litigation.

THE INCLUSION OF SOCIO-ECONOMIC RIGHTS IN THE SOUTH AFRICAN CONSTITUTION

Background

Most national constitutions bear some amount of evidence of their country's past. South Africa must be observed in light of the era such as Apartheid proceeding, its adoption and the decades-long struggle to overcome this oppressive regime. The Constitution's preamble attests to the people's desire to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.

However, the drafting of this constitution presented quit a challenge in relation to the country's pre-existing trauma which made the transparency of the drafting process and legitimacy of the document resulting from it of paramount importance. The making of the constitution, therefore, was not a singular act, but consisted in prudent exercise, sometimes referred to as "transformative constitutionalism". This process was marked by an intermediate stage involving the inauguration of an interim constitution (Act 200 of 1993) and two core safeguards to ensure that the substance of the final constitution lived up to its intended standard: so-called the "constitutional principles" and the "certification procedure".

Certification of the constitution

During the certification process, the newly established, Constitutional court was then charged with the task of verifying whether the final draft violated any of the principles enshrined in the Constitution. The certification procedure proved to be the first "Judicial test" for socio-economic rights under the new constitutional order. Prior to this, Socio-economic rights were the subject of a political dispute, and the question of their justifiability quickly became a major issue of debate in South Africa. During the drafting of the final text, an extensive public participation programme was convened and aimed at giving ordinary citizens a say in the shaping of the Constitution. While many civil society organisations and most political parties campaigned for the recognition of these rights as enforceable rights, some legal scholars flatly rejected the political idea.

In the end, these concerns did not outweigh the fact that the struggle against apartheid and democracy in south Africa had not simply been an appeal for civil and political rights for African majority, but as a call for equal opportunities and freedom from hunger, poverty, landlessness, and homelessness. As a result, the final Constitution's aspirations for social justice needed to translate into binding legal guarantees with a view to rectifying the existing social economic inequalities.

The final features express constitutional rights of a socio-economic nature, the core of which can be found in section 26 and 27, which implement the right to adequate housing, health care, water, social security. The political decision to include socio-economic rights as justiciable rights in the South African Constitution was subsequently approved by the Constitutional court in its first certification judgement in 1996.

The provisions on socio economic rights in the South African Constitution

The Constitution's Bill of Rights is not divided into distinct chapters dealing with different types of rights and does not label rights according to specific categories. Therefore, the first question that arises, is which rights can properly

be qualified as "socio-economic rights". According to the Constitutional court, such rights are contained in section 26 of the Constitution, which are rights of access to adequate housing, and section 27 of the Constitution, which are rights of access to health care, food, water and social security.

Section 26 of the Constitution provides as follows: "Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within available resources, to achieve the progressive realisation of this right. No one may be evicted from their home, or have their home demolished, without an order of the court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions".

Section 27 of the Constitution provides as follows: "Everyone has the right to access to: a) A health care services, including reproductive health care; b) Sufficient food and water; c) Social security, including, when they are unable to support themselves and their dependants, appropriate social assistance. No one may be refused emergency medical treatment".

It is noteworthy, that like most other rights in the Bill of Rights, the above rights are generally formulated in terms of "everyone has rights to" before laying down specific elements for each right. Some of these specific features are framed in negative terms, such as the prohibitions on the refusal of emergency medical treatment in section 27(3), and on home evictions without a warrant or court order in section 26(3). However, these two provisions also expressly acknowledge certain positive obligations with respect to the socio-economic rights guaranteed.

Furthermore, subsection (2) of section 26 and 27 each provide that "The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right" Accordingly, these subsections create inherent limitations on the fulfilment of the positive obligations resulting from these rights: they are "qualified" by reference to reasonable measures, progressive realisation, and resource constraints.

Section 26 and 27 contains specific language to positive obligations. This does not mean that the State's obligation to take positive measures does not extend to the other rights provided in the Bill of Rights, even if these do not explicitly require that positive measures be taken. The Bill of Rights also provides the general limitation clause that is found if section 36 of the Constitution. The limitation clause applies to all the rights guaranteed in the Constitution and it expressly provides that all the rights in the Bill of Rights may be limited only in terms of the law of general application, to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom.

Since the positive obligations under section 26 and 27 are subject to specific qualifications, section 36 will normally be invoked only in the context of the negative dimensions of the rights in question. All elements considered, the Constitution provides a general framework for socio-economic rights that is formulated entirely in abstract terms, and which does not clarify the content of these rights. A typical practical example is whether the term "adequate housing "signifies anything more than shelter, in the form of roof over one's head, can in no way be derived from wording of section 26.

Likewise, the Constitution does not define what should be considered a reasonable measure within the subsection 26(2) and 27(2). Thus, it has been left to the process of constitutional interpretation. What has ensued from this exercise is a body of jurisprudence that is unpatrolled in both its ambition and its accomplishment, as discussed below.

The judicial protection of socio-economic rights in South Africa

Since 1997, the legal cases on socio-economic rights in the Republic of South Africa, has continuously gathered momentum and has attracted condonable attention even beyond the country's borders. While the number of cases dealing with these rights grows steadily, the three judgements of the Constitutional court which will be analysed in this section are considered to be the leading cases on socio-economic rights. These cases are Soobramoney, Grootboom and Treatment Action Campaign.

These landmark cases display the distinctive narrative that draws a timeline from the infancy to the early adulthood of socio-economic rights jurisprudence in South Africa, with the latter phase being characterised by a discernible metrological maturity in the adjudication of these rights.

ANALYSIS OF SOCIO-ECONOMIC LANDMARK CASES

There are currently three major Constitutional court judgements dealing directly with the interpretation of the socio-economic rights in the South African Constitution. This section briefly describes the facts and decisions in these three landmark cases as a means to facilitate the discussion of the emerging socio-economic rights jurisprudence in South Africa.

Soobramoney v Minister Health (KwaZulu Natal) 1998 (1) SA 765 (CC)

The very first case concerning socio-economic rights to come before the Constitutional court in 1997, dealt with the right to have access to health care (section 27). Soobramoney was the first major constitutional court case to consider the enforceability of socio-economic rights in South Africa.

The applicant, Soobramoney, was an unemployed man in the final stages of chronic renal failure, and sought a positive order from the courts directing the provincial hospital to provide him with ongoing dialysis treatment and interdicting the provincial minister of health from refusing him admission to the renal unit of the hospital. Without this treatment, the applicant alleged that he would die, as he could not afford to obtain the treatment from a private clinic. He relied primarily on section 11 (the right to life), and section 27(3) (the right to the emergency medical treatment).

The application was dismissed in the high court and taken on appeal to the Constitutional court. The Constitutional court also considered the applicability of section 27(1) and (2). It found no breach of the aforementioned sections and dismissed the appeal.

Government of the Republic of South Africa and Others V Grootboom and Others (CCT11/00) [2000] ZACC 19;2001(1) SA 46; 2000(11) BCLR 1169

In Government of Republic of South Africa v Grootboom, the Constitutional court interpreted the right to have access to adequate housing as follows: Housing entails more than bricks and mortar. It requires available land, appropriate services such as the provision of water and the removal of sewage and the financing of all these, including the building of the house itself. For a person to have access to adequate housing all of these conditions need to be met. There must be land, there must be services, there must be a dwelling. The right of access to adequate housing also suggest that it is not only the state that is responsible for the provision of houses, but that other agents within the society, including individuals themselves, must be enabled by legislative and other measures to provide housing.

The case was named after Irene Grootboom, who was part of a group of 900 squatters (which included 390 adults and 510 children), who had decided to unlawfully occupy a piece of private land after leaving an informal settlement due to intolerable hygiene conditions and were waiting to be allocated low-cost housing. The owner of the land pursued their eviction, following which the group camped out in a sports field under plastic sheeting. Consequently, an urgent application for an order requiring the government to provide them with basic temporary adequate housing or shelter was filed on their behalf before cape of good Hope High Court16. The complainant relied upon section 26(1) and as far as the children in the group were concerned upon section 28(1) (c), which states that every child has a right to nutrition, shelter, basic health care, and social services.It proved to be successful at least insofar as the high court ordered the government to provide shelter for the children, and the parents accompanying them.

The Constitutional court, however, reached quite a different conclusion and dismissed the claim under section 28. It based its reasoning solely on section 26 and concluded that the government's housing programme fell short of the obligations imposed upon the state by section 26(2), in that it failed to provide for any form of relief to those desperately in need of access of housing. Despite the unconstitutionality of the housing programme, the squatters were

not entitled to claim shelter immediately upon demand, rather the government was ordered to devise and implement within its available resources, a comprehensive and coordinated programme, to progressively realise the right of access to adequate housing.

It must be noted that the high court, had held that there was no violation of section 26 but found a violation of section 28(1)(c) the right of children to shelter. On appeal, the constitutional court declared that the state housing programme fell short of compliance with section 26(2) but found no violation of section 28(1)(c). The court took an outright approach to the question of whether socio economic rights were justiciable. Recalling the observation about justifiability in the first certification judgement, the court explained that the question is therefore not whether socio economic rights are justiciable under constitution, but how to enforce them in a given case.

This standpoint set the stage for interpretative analysis of the right to access adequate housing and its inherent qualifications relating to reasonable measures, available resources, and progressive realisation. The court somewhat conflated these three elements into a single methodological tie for the fulfilment of the state's positive obligations called "test of reasonableness". Based on this test, the court examined whether the measures taken by the state in relation to the situation of the squatters notably the state's housing programme, lived upon the constitutional requirements, which were detailed as follows: first, in order to pass the "reasonableness test "a programme must be comprehensive, coherent, coordinated, and capable of facilitating the realisation of the right.

Second, it also has to be balanced and flexible and appropriate for short, medium, and long team needs. Third, a reasonable programme must clearly allocate responsibilities and task to the different spheres of the government and ensure that financial and human resources are available. Fourth, it must be reasonably formulated and implemented, and it must provide for the needs of those most desperate by providing relief for people who are living in intolerable or crisis situations. It was this last criterion which the State's housing programme failed to fulfil because it left out the account "the immediate amelioration of the circumstances of those in crisis" and thus did not show that the state was meeting the positive obligations imposed on it by section 26(2). As a result, the government was ordered to revise its housing programme, however no order was issued to directly provide the plaintiff with relief.

Minister of Health V Treatment Action Campaign (tac) (2002) 5 SA 721 (cc)

Completing the "landmark-trilogy" was initiated by the advocacy group Treatment Action Campaign, among other organisations, often referred to as the Nevirapine case. It concerned the government's policies with respect to HIV/AIDS, more especially those relating to mother-to-child-transmission of HIV at birth. The programme that was being challenged regulated the administration of the anti-retroviral drug nevirapine, which is known to prevent the transmission of the virus during birth through a single dosage. Before the Constitutional court, TAC argued that this programme violated section 27 (1)(a) of the Constitution (the right to access health care services, including reproductive health). TAC involved a challenge to the limited nature of the measures introduced by the State to prevent mother-to-child transmission (MTCT) of HIV.

Firstly, it was contended that the State unreasonably prohibited the administration of the antiretroviral drug, nevirapine, at public hospitals and clinics outside a limited number of research and training sites. This drug was of proven efficacy in reducing intrapartum MTCT of HIV. Secondly, the State failed to produce and implement a comprehensive national programme for the prevention of MTCT of HIV.

The high court had found that the government had not reasonably addressed the need to reduce the risk of HIV-positive mothers transmitting the disease to their babies at birth. More specifically, the finding was that government had acted unreasonably in (a) refusing to make an antiretroviral drug called nevirapine available in the public health sector where the attending doctor considered it medically indicated and (b) not setting out a timeframe for a national programme to prevent mother-to-child transmission of HIV.

However, the orders made by the High Court were set aside by the Constitutional court. The Constitutional court declared amongst others as follows:

a) Sections 27(1) and (2) of the Constitution require the government to devise and implement within its available resources a comprehensive and co-ordinated programme to realise progressively the rights of pregnant women and their new-born children to have access to health services to combat mother-to-child transmission of HIV.

b) The programme to be realised progressively within available resources must include reasonable measures for counselling and testing pregnant women for HIV, counselling HIV-positive pregnant women on the options open to them to reduce the risk of mother-to-child transmission of HIV, and making appropriate treatment available to them for such purposes.

c) The policy for reducing the risk of mother-to-child transmission of HIV as formulated and implemented by government is found wanting in that:

　　i) Doctors at public hospitals and clinics other than the research and training sites were not enabled to prescribe nevirapine to reduce the risk of mother-to-child transmission of HIV even where it was medically indicated and adequate facilities existed for the testing and counselling of the pregnant women concerned.

　　ii) The policy failed to make provision for counsellors at hospitals and clinics other than at research and training sites to be trained in counselling for the use of nevirapine as a means of reducing the risk of mother-to-child transmission of HIV.

THE GENERAL APPROACH TO THE INTERPRETATION OF THE SOCIO-ECONOMIC RIGHTS

The justiciability of socio-economic rights

In the first certification judgement, the constitutional court held that the very minimum, socio-economic rights can be negatively protected from the improper invasion. This signalled the courts willingness to enforce the negative duties imposed by socio-economic rights "the duty to respect the socio-economic rights".

In the Soobramoney, Grootboom and TAC cases, the court was called upon to adjudicate the positive duties imposed by socio-economic rights. In Grootboom, the court indicated that the justiciability of socio-economic rights has been put beyond question by the text of the Constitution as construed in the certification judgement. The court also referred to the duties on the State in section 7(2) of the Constitution in relation to the Bill of Rights, holding that the courts are constitutionally bound to ensure that they are protected and fulfilled. The key issue was the method of enforcement to these rights in a given case.

Interpreting socio-economic rights in context

In its judgements on socio-economic rights, the Constitutional court has emphasised that, in addition to their textual setting, the rights need to be interpreted in their social and historical context. In Soobremoney, Chaskalson P, commenced the judgement by recognising the circumstances of the poverty and economic inequality that exist in South Africa. He noted that these conditions already existed when the Constitution was adopted and a commitment to address them and to transform the South African society into which there will be human dignity, freedom and equality, lies at the heart of the new constitutional order.

However, the court gave an early indication in Soobremoney, that its approach to the interpretation of the socio-economic rights provisions of the Constitution would be informed by the realities of limited resources and the significant demand on the State. Thus, it held that the rights in sections 26 and 27 are limited by reason of lack of resources and that an unqualified obligation to meet these needs would not presently be capable of being fulfilled.

THE IMPACT OF INTERNATIONAL LAW ON THE JUSTICIABILITY OF SOCIO-ECONOMIC RIGHTS

The Constitutional court affirmed in Grootboom that international law, including non-binding international instruments were an important guide to interpreting the rights in the Bill of Rights. However, the court indicated that the weight to be attached to a particular principle or rule of the international law would vary. Thus, where a relevant principle of international law binds South Africa, it may be directly applicable. The pre-eminent international treaty protecting economic and social rights is the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1996. The ICESCR is the sister covenant to the International Covenant on Civil and Political Rights (ICCPR).

The ICESCR contains a longer and much more comprehensive catalogue of economic, social and cultural rights than the Universal Declaration of Human Rights. The covenant does not merely list rights, it however, describes and defines them in considerable detail and frequently sets out the steps that should be taken to achieve their realization. State-parties to this convention undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the convention by all appropriate means, including particularly the adoption of legislative measures.

The Constitutional court further highlighted in Grootboom, the differences in the relevant provisions of the international instruments and indicated that they were significant in determining the extent to which provisions of the covenants maybe a guide to an interpretation of section 26. For example, these differences in relation to housing are:

a) the covenant provides for a right to adequate housing while section 26 provides for a right of access to adequate housing.

b) the covenant obliges states parties to take appropriate steps which must include legislation while the constitution obligates the south African state to take reasonable legislative and other measures.

In the light of the above, international instruments that are binding to South Africa, including the non-binding ones, must always be considered when interpreting the socio-economic rights in South Africa. Section 39 of the Constitution provides that when interpreting the Bill of Rights, a court, tribunal or forum— (a) must promote the values that underlie an open and democratic society based on human dignity, equality and freedom; (b) must consider international law; and (c) may consider foreign law.

In the case of *S v Makwanyana*, the Constitutional Court (CC) said that both binding and non-binding international law can be used in the interpretation of Bill of Rights. Chaskalson CJ, as he then was, further stated that international human rights law provides a framework within which chapter 3 (Bill of Rights of interim constitution) can be evaluated and understood, and practical acts of relevant international human rights bodies may provide guidance as to the correct interpretation of a particular provision.

CONCLUSION

Paying proper attention to the background, interpretation, and conclusions of the relevant cases for proponents of the justiciable socio-economic rights, there is much in the South African jurisprudence to rejoice over. Most notably, the fact that it has provided this category of rights with the kind of "stories "that depicts the impact which they can have on the real-life experiences of individuals. Traditionally, the people and the stories behind human rights cases are one of the factors that drive human rights discourse.

Drawing attention to the effects of programmes and policies on real human beings, rather than beginning with policy position, has proven to be the strength of the human rights approach in South Africa. There is no doubt that the South African jurisprudence has practically indicated that socio-economic rights will forever be associated with the names and fortunes of people like Thiagraj Soobremoney and Irene Grootboom.

Unfortunately, the stories behind the South African jurisprudence on the justiciability of socio-economic rights, has so far not had the happy endings that one would have hoped for. As aforesaid, Mr Soobremoney died very shortly after the Constitutional court's judgement in his case was delivered. Neither did Ms Grootboom lived to see the day that she would obtain social housing. She died in 2008, at the age of 39, living in a shack that she had moved to during the Constitutional court proceedings. Not even the Treatment Action Campaign case, the first case in which the constitutional court unambiguously ordered government to provide immediate relief to pregnant women with HIV who did not have access to Nevirapine until that point, proved to be the perfect success story.

Firstly, the challenge is on the Constitutional court to reduce the period it takes to finalize the cases involving the realization of socio-economic rights in South Africa. Justice delayed is justice denied as indicated in the above three landmark cases above. Secondly, the Constitutional court will have to be brave and give a clear meaning to "progressive realization" of these rights. It is submitted that though the State may not have sufficient resource for the immediate realisation of socio-economic rights in South Africa, at least the Constitutional court must in-a case-by-case bases specify the period within which the obligation imposed by the Constitution must be fulfilled.

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AN ANALYSIS OF THE PROSECUTION OF INTENTIONAL HIV/AIDS TRANSMISSION IN SOUTH AFRICAN LAW: A CRITIQUE

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ABSTRACT

This paper focuses on Section 9, 11 and 14 of the Constitution of the Republic of South Africa 1996. The prosecution of intentional HIV/AIDS transmission in South Africa falls under the scope of common law. Therefore, this study explores and make critical analysis on the effect of intentional transmission, disclosure, or non-disclosure of HIV/AIDS on the victim and the accused. The paper firstly evaluates the interpretation of section 9(1) and 9(3) of the Constitution which guarantees that everyone is equal before the law and has a right to equal protection and benefit of the law. The study argues amongst others that gender inequality is one of the social factors that fuel the HIV/AIDS pandemic. The court avoid dealing with other constitutional rights of people living with HIV/AIDS and victims due to section 14 of the Constitution (right to privacy) and how this can adversely affect and lead to stigmatisation of people living with HIV/AIDS. Secondly, it discusses the prosecution of such behaviour under the Criminal Procedure Act 51 of 1977 which requires that it must be proven beyond a reasonable doubt that their partners(infectors) were aware of their HIV/AIDS status and intentional infected them, if found guilty the person can be charged with attempted murder. Thirdly, it deals with how the South African law deals with the issue of making someone's HIV/AIDS status public without their consent and within the confines of the law of defamation and also with regard to criminal law. Lastly, the paper explores the role of the constitution court's interpretation of the right to life (section 11) by looking at the case of State V Phiri amongst others.

Keywords: constitution, right to life, prosecution, HIV/AIDS, intentional transmission

INTRODUCTION

The South African Constitution was adopted to be the foundation of the new, democratic society, based on democratic values and social justice. It is one of those Constitutions that protect both civil and political rights, together with socio-economic rights. It is fortunate that it makes it so clear that all these rights are to be judicially protected and enforceable.

The Constitution seeks to give effect to the values enshrined in founding provisions through the Bill of Rights contained in Chapter 2 of the Constitution. The right to equality is one of the important rights in the Constitution. It is this which prevents the disenfranchisement of people on arbitrary grounds including race, gender, nationality, colour, disability and other grounds. This right further provides that everyone is equal before the law and is entitled to equal protection and benefit of the law.

The South African Constitution provides that the Constitution Is the supreme law in the country, all laws and actions are subordinate to it and any law or action inconsistent with it is invalid. This goes to show that there may not be enactment to any law or legislation which may be contrary to the provisions of the Constitution. It further provides that all the people are equal, regardless of age, gender, race, disability, etc. The preamble of the African Charter on Human and People's Rights contain almost similar values to the constitution in that, it provides amongst others that it considers the charter of the Organization of African Unity, which stipulates that freedom, equality; justice and dignity are essential objectives for the achievement of the legitimate aspirations of the African people.

South Africa has an alarming rate of people living with HIV/AIDS. It is estimated that between 65% and 75% of South African citizens are infected or living with HIV/AIDS. Statistics South Africa's 2017 Demographic and Health Survey estimates that approximately 7. 25 million people among the South African population are living with HIV/AIDS, and an estimated 19% of the population of adults aged 15-49 years are HIV positive. The UNAIDS 2017 Country Report also notes that South Africa has the largest HIV/AIDS epidemic in the world, with 15% new infections and 11% HIV/AIDS related deaths annually. It is further estimated that between 60% and 75% of South African's children are poverty stricken and are negatively affected by high rates of HIV/AIDS infection and related AIDS deaths of their care givers.

Common in our society is stigma, human rights violations and unfair discrimination against people living with HIV/AIDS. This is an attack on the rights of millions of people to dignity, privacy and equality, and also a serious obstacle of effective HIV/AIDS prevention, treatment and care. The threat to human rights violations makes many people afraid to be tested for HIV/AIDS and fear disclosing their HIV status, even to close friends and families. With a few brave exceptions, there is still little openness about HIV/AIDS.

The main purpose of this study is to critically analyze how the South African criminal justice system has dealt with and prosecuted the intentional transmission of HIV/AIDS and the role of the constitutional right to dignity, privacy and equality in the prosecution of intentional transmission of HIV/AIDS.

CRIMINALIZATION OF HIV TRANSMISSION: GLOBAL PERSPECTIVE

In the year 2021, there were over 75 countries in the world with criminal laws that specifically mention HIV. This HIV-specific laws are particularly located in the United States, eastern Europe/central Asia and sub-Saharan Africa. The United States was the first country in the world to introduce HIV-specific criminal laws, beginning in 1987, and over 27 States have HIV criminalisation laws with lengthy sentences.

The eastern European and central Asian region currently has the second-highest number of laws that specifically criminalise HIV. Noteworthy that Russia, Ukraine and Belarus have some of the most punitive HIV criminalisation systems in the world and very high numbers of reported cases. In Russia, any action that may put another person at risk of infection is punishable. The law in the Ukraine is very similar: HIV disclosure is mandatory prior to any activity that may risk infection and you may be considered criminally liable based on "risky" behaviour even without an HIV-positive diagnosis.

Interestingly, the Sub-Saharan Africa is the region with the most countries that have enacted HIV criminalisation laws, although in most countries, the number of reported cases is not high compared with the number of people living with HIV. In Africa like in eastern European and central Asia, it is the women that are more likely to be prosecuted than men since they are usually the first in a relationship to learn of their HIV status due to antenatal HIV testing. In the mid-200-, many countries, particularly in west and central Africa, introduced very broad HIV-specific legislation. However, most of these countries have after the recognition of the unintended damage that these laws pose to the fight against HIV, opted to decriminalise the vertical transmission of HIV and limited the criminal liability to acts involving a significant risk of transmission of HIV.

It is prudent to clarify that the HIV criminalisation refers to the use of criminal and similar laws against people living with HIV, based on their HIV-positive status. In many countries around the world, criminal laws have

been introduced that punish the transmission of HIV, potential or perceived exposure to HIV, and even non-disclosure of HIV status. In some places, HIV has been added to the list of infectious diseases that were already criminalised, and in others specific legislation has been brought in. It is important to distinguish intentional (wanton) acts and unintentional acts. Globally, most HIV criminalisation prosecutions involve the severe punishment of unintentional, or 'reckless' HIV exposure or transmission.

It is clear and unchallenged that the deliberate and actual transmission of HIV to someone as a way to cause them harm or punishment is a crime. Cases of people living with HIV intentionally transmitting HIV to others are extremely rare, as are cases of medical negligence by health-workers. Such cases can be prosecuted under existing law, rendering additional legislation that singles out HIV redundant. For this reason, South Africa took the decision not to introduce an HIV-specific law in 2001.

CRIMINALIZATION AND PROSECUTION OF HIV TRANSMISSION: SOUTH AFRICAN PERSPECTIVE

South African law does not specifically criminalize deliberate transmission, exposure, or non-disclosure of HIV between two consenting adults in a sexual relationship. In 2001, the South African Law Commission undertook a comprehensive review of the need for an HIV-specific criminal law, concluding that an HIV-specific law would "have no or little practical utility; the social costs entailed in creating an HIV-specific statutory offence/s are not justified; and an HIV-specific statutory offence/s [would] infringe the right to privacy to an extent that is not justified."

However, in principle such behavior falls under the scope of common law crimes that range from attempted murder to assault. A key premise in the logic behind the use of the crime of attempted murder to criminalize HIV exposure and transmission is the idea that HIV amounts to a means to cause the death of a person. The way this logic is carried through in the South African precedent is that HIV, as a virus that is only capable of being treated and not cured, has the effect of reducing the lifespan of a person living with it. However, it is prudent to note that in the current era of antiretroviral treatment, people living with HIV who properly take antiretroviral treatment live quite a normal life.

Whether the intentional transmission of HIV to a sexual partner during intercourse constitutes a criminal offence was considered by our courts in S v Nyalungu. In Nyalungu it was established that conduct by a HIV positive sexual partner who does not take measures to prevent transmission during sexual intercourse constitutes the necessary mens rea and amounts to attempted murder.

Under the Criminal Procedure Act 51 of 1977, one must prove beyond a reasonable doubt that the partner thereof knew that he or she is infected with an incurable or life-threatening disease, and purposefully failed to inform him/her, then that partner may be held liable, not only for civil law damages (delict) but criminally too (attempted murder and assault), under either specific statute or general common laws crimes. The person can be sentenced 10-15 years in prison. A court can order healthcare workers to show patient information. This can form part of evidence of their HIV status at the time of transmission.

The Right to life is inspired in the South African constitution, chapter 2 of the Bill of Right. Section 11 state that every person has a right to life. HIV has the effect of reducing the life span of a person living with it. HIV can only be cured not treated. In situations where the partner is unaware of his or her condition, then no action may be taken against that partner for lack of intention, which is the only type of state of the mind required for this crime. In this case, the partner will be viewed as a victim too. This prosecution does not apply to consenting partners only, even HIV-positive pregnant women who may be assessed in routine prenatal testing but may choose to avoid being on treatment and may be criminalized for transmitting HIV to their infants.

Should one elect to make his/her partner's status known publicly, the laws about defamation will apply and that partner may sue for the damages suffered to his or her good name and reputation. Section 14 of the Constitution provides that everyone has the right to privacy which includes the right not to have the privacy of their communications

infringed. No one, including an employer, health professional, family member, partner or friend of a person living with HIV/AIDS is allowed to reveal such a person's HIV status without his/her permission to do so. The personal information of people, including their health information is protected by the Protection of Personal Information Act, 4 of 2013.

It must also be noted that Section 10 of the Constitution provides that everyone has inherent dignity and the right to have their dignity respected and protected. The right to dignity of people living with HIV/AIDS cannot be infringed upon on the basis of their HIV status. Violations to a person's dignity may take place either by action or words, or both forms of conduct. Our courts are increasingly recognizing that dignity is not only a basic right that must be protected, but also a value which must guide our actions and interpretations of rights. The duty to respect the dignity of other people applies to both natural and juristic persons such as the hospitals/clinics, South African Police Services (SAPS) and the judiciary (courts) as well.

The Sexual Offences Amendment Act enacted in 2007 provides in section 28 with regard to the services for victims relating to Post Exposure Prophylaxis and compulsory HIV testing of alleged sex offenders that: If a victim has been exposed to the risk of being infected with HIV as the result of a sexual offence having been committed against him or her, he or she may subject to section 30, apply to a magistrate for an order that the alleged offender be tested for HIV, at State expense.

Section 30 of the Sexual Offences Amendment Act provides that with regard to an application by victim or interested person for HIV testing of alleged sex offender: (a) Within 90 days after the alleged commission of a sexual offence any victim or any interested person on behalf of a victim, may apply to a magistrate, in the prescribed form, for an order that— (i) the alleged offender be tested for HIV and that the results thereof be disclosed to the victim or interested person, as the case may be, and to the alleged offender; or (ii) the HIV test results in respect of the alleged offender, obtained on application by a police official as contemplated in section 32, be disclosed to the victim or interested person, as the case may be.

The use of results of HIV tests obtained as a result of the above is regulated by section 34 of the same Act, which provides that: The results of an HIV test, performed in terms of an order contemplated in sections 31(3) and 32(3), may only be used in the following circumstances: (a) to inform a victim or an interested person whether or not the alleged offender in the case in question is infected with HIV with the view to (i) reducing secondary trauma and empowering the victim to make informed medical, lifestyle and other personal decisions; or (ii) using the test results as evidence in any ensuing civil proceedings as a result of the sexual offence in question; or (b) to enable an investigating officer to gather information with the view to using it as evidence in criminal proceedings.

Phiri v S 2013 ZAGPPHC 279 (8 August 2013)

The case concerned an HIV-positive Aids counsellor who was convicted of attempted murder for having unprotected sex with his unsuspecting girlfriend has lost his appeal in the High Court in Pretoria. Judge Tati Makgoka and Acting Judge William Baloyi dismissed the appeal against his conviction on a charge of attempted murder and the six-year jail sentence imposed on him by a Piet Retief magistrate. P's former girlfriend testified during the trial that she had met him in 2010 at a local clinic where she underwent an HIV test, that had a negative result. Phiri was employed as an HIV/Aids counsellor and also responsible for testing.

The complainant was pregnant and had just separated from the father of her unborn child. Phiri had at that stage been HIV-positive for three years and was aware of his status. A relationship later developed between the woman and Phiri, and they had consensual sex on two occasions, but Phiri on each occasion declined to use a condom, despite being requested to use one. The woman subsequently tested HIV-positive when she was tested as part of her pre-natal routine. She testified that Phiri had apologised and pleaded for forgiveness when she confronted him and accused him of infecting her with the HIV virus. Phiri claimed in court he had informed the woman of his HIV status before the first time they had sex and that he had used a condom on both occasions.

Judge Makgoka said in his ruling that:

- the magistrate had been correct in rejecting P's version as not reasonably possibly true, and there was no merit in the argument that he should merely have been convicted of assault.

- the appellant was not convicted of having in fact transmitted HIV to the complainant. The State did not have to go that far. It was sufficient for a conviction on the count of attempted murder to establish that the appellant, knowing that he was HIV-positive, engaged in sexual intercourse with the complainant, whom he knew to be HIV-negative, without any preventative measures. It must be accepted, and we can take judicial notice of the fact, that HIV/Aids has no cure presently, and the infection with the virus is likely to lead to reduced life span. It was established over a decade ago by this court that such conduct constitutes attempted murder.

- the trial court found to be aggravating the fact that he was employed as an HIV-counsellor by the department of health to help in educating people about the dangers of unprotected sex, among others. Indeed, much was expected of the appellant. The argument that because there was a love relationship between the parties should serve as a mitigating factor is a startling proposition. We do not perceive how this could possibly serve as a mitigating factor. The very fact could easily serve as an aggravating one, as lovers are expected to protect one another. Although the State did not prove that he transmitted the complainant with HIV virus, his conduct remains reckless.

THE ON-GOING CASE OF SANDF MEMBER CHARGED WITH THE ATTEMPTED MURDER FOR ALLEGED HIV TRANSMISSION

The accused, a staff sergeant stationed at the SANDF's Special Forces Unit in Phalaborwa, Limpopo, tested positive for HIV in October 2007. According to the charge sheet, the accused regularly underwent compulsory medical examinations, which included tests for HIV, as a member of the SANDF.

The accused was immediately, after the outcome of the aforesaid testing, informed by the SANDF medical staff that he was HIV positive. In 2016, he became romantically involved with another soldier who held the rank of corporal in the air force. It's alleged that the accused had consensual and unprotected sex with her on several occasions between December 2016 and April 2017, but never revealed his HIV status to her. She tested negative for HIV in August 2016 and did not have sex with anyone from the time she received her negative status report until she became involved with the accused, the charge sheet stated. The accused very well knew, at all relevant times, that the HIV disease he carried could be sexually transmitted to the complainant if he had unprotected sexual intercourse with her, and that by doing so, he could infect the complainant with HIV.

The accused has pleaded not guilty to attempted murder and the matter is currently on-going in the Pretoria magistrate court. The outcome of this case will be used as a measure to assess the consistency of the application of the laws in the prosecution of HIV transmission in South African Law.

CONCLUSION AND RECOMMENDATION

Common in our society is stigma, human rights violations and unfair discrimination against people living with HIV/AIDS. This is an attack on the rights of millions of people to dignity, privacy and equality, and also a serious obstacle of effective HIV/AIDS prevention, treatment and care. The threat to human rights violations makes many people afraid to be tested for HIV/AIDS and fear disclosing their HIV status, even to close friends and families. With a few brave exceptions, there is still little openness about HIV/AIDS.

In Hoffman's case the vulnerability of people living with HIV/AIDS was described as follows: "They have been subjected to systematic disadvantage and discrimination. They have been stigmatized and marginalized. The society's response to them has forced many of them to not to reveal their HIV/AIDS status for fear of prejudice".

South Africa has adopted a clear legal position on the criminalization of HIV transmission. However, South Africa still need to acknowledge how counterproductive a specific criminal law can be for our HIV response. It is submitted that these cases need to be held in camera so that the right to privacy of the parties involved is not violated. Though their rights can be limited in terms of section 36 of the Constitution, mostly the parties involved may be parents of minor children who can directly and indirectly be negatively affected as a consequence of this cases. The governments should:

- expand programmers that have been proven to reduce HIV transmission while protecting the human rights both of people living with HIV and those who are HIV negative.

- create awareness-addressing HIV-related stigma and discrimination. Prevention programmers should include positive prevention efforts which empower people living with HIV to avoid transmitting HIV to others, to voluntarily disclose their positive status in safety, avoid new sexually transmitted infections.

- consider hiring skilled and knowledgeable police officers to investigate this crime, without compromising the human rights of people involved.

The right to life must always be held in high regard. The Indian Supreme Court has interpreted the right to life to protect certain socio-economic rights, including social assistance. This has been achieved by interpreting the right to life to include the right to livelihood. In the case of *Francis Coralie Mullin* the court stated that: "The right of life includes the right to live with human dignity and all that goes with it, namely, the bare necessaries of life such as adequate nutrition, clothing, shelter and facilities for reading, writing and expressing oneself in diverse forms, freely moving about and mixing and commingling with fellow human beings".

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INVESTIGATING THE RELATIONSHIP BETWEEN JOB SATISFACTION AND EMPLOYMENT RELATIONSHIP SATISFACTION LEVELS OF EMPLOYEES AT A HOTEL IN THE CITY OF TSHWANE

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ABSTRACT

The tourism and hospitality industry makes a large contribution to the gross domestic product (GDP) of the country and is one of the fastest-growing industries in South Africa. It has been widely established that harmonious employment relations in organisations, including hotels, can make a significant contribution to job satisfaction (JS) and customer satisfaction levels in most organisations. The tourism and hospitality industry should make efforts to manage job and employment relationship satisfaction levels in hotels and other organisations. Employment relationship satisfaction levels are influenced by perceived levels of trust, compliance, fairness, and good faith in employment relationships. High JS levels have many positive benefits, such as productivity, organisational citizenship, and lower employee turnover; whereas lower levels of JS often result in resignations, workplace deviance, and high employee turnover. This study brought an understanding of JS and employment relationship conditions in the tourism industry in a South African context, which could be useful to human resource (HR) managers in tourism industries.

Keywords: job satisfaction, employment relationship conditions, tourism and hospitality industry, employment contract, employer, employee, supervisory relationship satisfaction, organisations

INTRODUCTION

Tourism in South Africa is growing fast and decisive action is needed to develop and improve service quality in the tourism industry (Nicolaides, 2008:6). The tourism industry, both internationally and in South Africa, has grown extensively over the past years (Rogerson & Rogerson, 2014:2). In 2011, tourism contributed 9.1% to the global gross domestic product (GDP), and it is projected to grow by 9.6% by 2021 (Lipman *et al.*, 2012:11). Tourism growth increases employment opportunities (Solnet *et al.,* 2014:31). Ladkin (2011:1135) and Lovelock and Lovelock (2013:306) concur that tourism is a generator of jobs in the tourism industry. According to Ladkin (2011:1135), the international tourism industry contributes only about 3% to global employment. As a result, the tourism industry is seen as highly labour intensive and offers great employment opportunities for manual labourers and low-skilled employees (Baum, 2010:3). Thus employees' behaviour must maintain pleasant during times of stress when dealing with an intolerant or furious guest (Ricci & Milman, 2002). Service employees in hotels tolerate the strain of working on busy days and being on their feet for many hours a day. Staff turnover usually results in job dissatisfaction, low productivity, low wages, and employing unskilled staff. Staff turnover can be high or low, due to how many employees who have resigned and how many new staff are hired. Resignation can thus be defined as "employees resigning, being dismissed, retiring and those that are still employed" (Grobler *et al.*, 2002:104). Eventually these situations create a great concern to employers and employees. Employees continually wonder whether they should stay or leave the organisation.

RESEARCH METHOLOGY

This study is based on a quantitative research method and adopted a survey design. A comprehensive literature review was conducted in order to identify applicable theories and current research findings that relate to the research question. Descriptive (frequency tables, means, standard deviations, and graphs) and inferential statistical methods (t-tests or

Mann-Whitney U tests for differences, and Pearson or Spearman tests for relationships) were applied to investigate the hypotheses. A census method was applied. Structured questionnaires were self-administered and utilised a five-point Likert scale. The questionnaires were personally distributed to employees, and the respondents were requested to complete the questionnaires and return them to the researcher by means of submitting into research boxes. The questionnaires comprised three sections; namely biographical information, primary employment relationship satisfaction, and job satisfaction questions.

LITERATURE REVIEW

The current state of the formal economy in South Africa demonstrates an organised workforce, which is observed as a small percentage of the inclusive workforce (Kingdon & Knight, 2001:2). The ILO (1996:111) reported that the South African labour market comprises of people with access to non-earned income and those who might be voluntarily unemployed. LaMontagne *et al.* (2014:1467) state that in the industrialised world, employment has moved away from permanent or ongoing employment, to a form of employment that is characterised by fewer controls and more limited or uncertain employment tenure. Nevertheless, the disturbing factor is that the marginalised group of young Africans has been the most affected and experienced a rise in youth unemployment to almost 60% (Schöer, Rankin & Roberts, 2014:1). Comparatively, the unemployment levels of the youth in South Africa are in most cases higher than other developing countries. In 2007, the unemployment rate of youths between the ages of 15 and 24 years in this country were in the region of 43%. Unemployment rates among African youths are the highest, between 50% and 60%, whereas the unemployment rates among white youths are between 10% and 20%. This indicates that the unemployment of the youth can be relatively compared according to racial lines (Schöer *et al.*, 2014:2-3). White, coloured and Indian/Asian job seekers are likely to join the formal wage employment sector quicker, while young African job seekers are more likely to move to and participate in the non-formal labour market. In an effort to address this issue, the government of the day introduced programmes such as the Extended Public Works Programme (EPWP), which was first established in 2004 (Meth, 2011:56). But this programme only offers 0.3% of employment.

EMPLOYEE JOB SATISFACTION

JS has been defined in various ways. Locke and Lathan (1976) define JS as a positive emotional and pleasurable state of mind that results from the appraisal of job experience or one's job. Luthans (1998), argues that JS is determined by how well outcomes meet or exceed the expectations of employees. The long-term success of the tourism industry depends on the workforce and ensuring that tourism employees are well educated and trained (Bamford, 2012:14). Rao and Mallaiah (2012:137) confirm that employees bring into organisations their needs, desires, and experiences, hence JS creates the extension and expectations of employees that match the real awards to be received or offered to employees by their employer. Vroom (1964:141) claims that employees play a vital role in the workplace. Rao and Mallaiah (2012:137) suggest that an employee who is satisfied with his or her job will in return get the work done.

THEORIES OF JOB SATISFACTION

Previous scholars presented several views and opinions regarding the theories of JS.

Hertzberg's two-factor theory

The hygiene-motivation theory is one of the earliest theories of JS. It was proposed by Frederick Herzberg in 1959. Previous academics used Herzberg's two-factor theory to assess the satisfaction and motivation of employees in different industries, including tourism (Hyun & Oh, 2011:108). Dartey-Baah and Amoako (2011:1) suggest that this theory is influential in nature and is linked to good motivational practices in organisations. Motivational factors are related to the job content. Intrinsic factors refer to the job itself and include the physiological need of an employees for recognition and growth (Wong & Heng, 2009:88). Dartey-Baah and Amoako (2011:2) further note that the absence of motivational factors confirms dissatisfaction and the presence of motivational factors manifests as strong levels of motivation that produce good job performance. Such factors are known as satisfiers; for example employee advancement, achievement, recognition of the work itself, the possibility of personal growth, and responsibility in the

organisation (Wong & Heng, 2009:88). Hygiene factors describe the way a job is performed. Inadequate hygiene factors lead to job dissatisfaction. These factors include physical work conditions, pay, supervision, and the level of job security. Herzberg's theory has, however, been subjected to several criticisms. Korman (1977:218) criticises Herzberg's theory for its inadequate explanation, since people are likely to go along with group evaluations and opinions regarding organisational phenomena. Korman (1977) further notes that it is only people with low self-esteem who are strongly influenced by the social normative evaluations of their reference group, while people with high self-esteem are more concerned with their own need fulfilment. Korman (1977) argues that if a job meets the desires, interests, and requirements of an employee's reference group, it signifies that employees are likely to accept the job.

Compensation and fringe benefits

Employees in both private and public organisations indicate a tendency to agree regarding job definition and rewards or compensation (Khan, Aslam & Lodhi, 2011:954). Management often observes compensation as rewards that are given to employees who perform service in organisations (Mosavi, Abedi & Ghaedi, 2012:3621; Ismail, Zaidi & Anuar, 2015:94). Rizal, Idrus, and Djumahir (2014:68) explain that before people work, they look for salary and benefits and these types of rewards are controlled by organisations. These rewards are divided into two types of benefits, namely extrinsic and intrinsic rewards.

Payment plays a major role in people's lives (Puig-Barrachina *et al.*, 2014:144). Money or salary symbolises a sense of achievement, and a source of recognition. However, employees are likely to be satisfied if there is a link between their pay and their job performance at work. Gartner and Cukier (2012:545) claim that tourism employees' wages are lower in less-developed areas. Torkildsen (2005:61) explains that payment for work defines a person's earnings and level of disposable income. Anik *et al.* (2013:1) contend that if employees are rewarded individually, it could have a negative impact on the organisation. This situation leads to competition among employees, and reduces trust and teamwork. Griffin and Moorhead (2012:61) maintain that performance is connected to rewards, and yields positive JS. Furthermore, reasonable employee rewards are linked to the amount of work done (Lawler & Porter, 1967:24). Cochrane and McKeown (2014:948) define vulnerable employment as dangerous work that places people at risk. However, good work conditions are informed by employee fairness in all organisational procedures and practices that affect employees' behaviours and their work outcomes (Suliman, 2013:946). In South Africa, job security is very important to employees on a permanent contract, given the fact that the country is experiencing a high unemployment rate (Arnolds *et al.*, 2010:88). Job security is defined as the extent to which an organisation guarantees long employment tenure to its employees. Job security can take the form of monetary compensation, recognition, incentives, and training opportunities as valuable factors and tools to motivate employees (Arnolds *et al.*, 2010:89). In South Africa, the oppression of women has been a culture and a challenge. However, the Constitution of South Africa brought about democracy, which dissolved inequality of gender (Snyman, 2013:12). The South African Employment Equity Act (EEA) of 1998 and the BCEA of 1997 make provision for gender discrimination and equal pay legislation. Especially the legislation on gender discrimination continues to bear fruit for women in the country (Hansen, 2012:21). Sony and Mokoth (2016:24) define job performance as an individual performance function for the specific job/task that consists of job descriptions, and which is standard and affected by the following variables: good interpersonal relations, withdrawal behaviours, absenteeism, and substance abuse behaviours that escalate to violence at the workplace.

STUDY FINDINGS

All 253 respondents participated in the study. The biographical information. The study findings on gender revealed that the majority (53.4%) of the respondents were male, and females comprising (46.6%) of the sample group. In terms of the level of education, the study found that the majority (33.6%) of the respondents possessed a Grade 12 qualification, while 22.5% of the respondents possessed post-matric qualifications such as FET certificates and/or national diplomas. Only a small fraction (5.1%) of the respondents possessed postgraduate degrees (M Tech, PhD, etc.) No conclusions could be made. In terms of payment and the amount of work employees do, (36.8%) of the respondents were very satisfied with their payment and the amount of work they do. Thus (60.9%) of the respondents belonged to top management and this indicate that JS is strongly influenced by work conditions. The study found that (51.8%) of the respondents were permanent employees, and (43.5%) were non-permanent employees, who presented lower levels of JS. High JS comprises of interesting work and it goes with the possibility of contributing personal

skills and ideas (Kinzl et al., 2004:213). The results showed that (36.4%) of the respondents (between one to five (1-5) years of service) indicated higher levels of SRS at work. They are happy with the supervisory relationship level at work. The JS mean level of all the respondents in the sample group was 67.75 and all the respondents' scores confirmed that most respondents experienced high levels of JS and enjoyed their jobs. The 253 respondents in the sample group confirmed that most of the employees enjoyed their jobs at the hotel.

RECOMMENDATIONS AND CONCLUSIONS

The following recommendations are made for employers in tourism industries, especially hotels:

- Employees should be given formal training and induction to do the "right thing the first time" so that they do not underperform.
- Align practices and supervisory relationships of the modern era, such as two-way communication, and establish relationships within the system and teamwork.
- Identify and address weaknesses on the spot, thus preventing poor or illegal practices from becoming routine and leading to employee dissatisfaction.
- Identify and solve problems, and be proactive in dealing with issues within the workplace.
- A review of the supervisory relationship at work should always be considered because failing to do so might have unintended, counterproductive work behaviours as a result (i.e. resignations, late coming, negligence of responsibilities, etc.).

The literature review and data analysis results revealed that the employment relation conditions in the tourism hotel industry in South Africa do not comply with labour legislation. Moreover, the data showed that employees were dissatisfied due to their supervisors' behaviour at work. In most cases, supervisors represent the employer at any given point in time, and for this reason, a broadminded management approach is required to objectively understand and promote consistency, acceptance, equality, fairness, and respect for all employees as human beings with common objectives in today's diverse work environment. In conclusion, employers in the tourism industry, and hotels in particular, will struggle to keep employees motivated and satisfied if employment conditions do not improve.

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EXAMINING THE INTERNATIONAL AND REGIONAL INSTRUMENTS DEALING WITH ECONOMIC DEVELOPMENT AND THE ENFORCEMENT OF SOCIO-ECONOMIC RIGHTS IN AFRICA

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ABSTRACT

This year marks 59 years since Organisation of African Unity (OAU) was formed and also marks 20 years since the African Union (AU) was formed, further it marks 41 years since the adoption of the African Charter on Human and Peoples' Rights (African Charter). There have always been calls for Africa to unite for it to prosper. The OAU and AU were and are respectively for regional integration and for economic transformation. Intra-African trade is a call that Africa must trade more with itself towards its prosperity. It is further said that intra-African trade will enhance sustainable development and economic growth and it is important. This paper argues that there is a link between economic development and the enforcement of socio-economic rights. Further, this paper examines human rights protection, in particular socio-economic protection at global level, the United Nations (UN), at the regional level, the African Union (AU), and as well as the domestic level, in particular South Africa and Nigeria. This paper argues that trade is the main factor of economic development and further argues that African countries must focus on intra-African trade, which will accelerate sustainable economic development and consequently the enforcement of socio-economic rights, which will in turn reduce poverty and better the lives of millions of Africans who are in dire need of socio-economic rights to be enforced due to the living conditions they are in.

Keywords: socio-economic rights; economic development; enforcement; resources; Africa

BACKGROUND AND INTRODUCTION

The aim of this paper is to examine the link between the economic development and the enforcement of socio-economic rights in Africa. The discourse of this paper is to make one be able to understand the link between economic development and the enforcement of socio-economic rights. One cannot speak of economic development and the enforcement of socio-economic rights in Africa without highlighting colonialism which affected Africa abominably. Colonialism has seen the colonisers deriving out of Africa socio-economic benefits for the colonial powers at the expense of the livelihoods of the colonised people, the Africans. This led to Africa remaining poor while the countries of the colonisers became rich out of the resources of Africa.

On 24 May 1963 was the day that Dr Kwame Nkrumah in his historic speech told the other African leaders of thirty-one independent states (at that time) that:
'[Africa] must unite now or perish' he continued to state that '[b]ut just as we understood that the shaping of our national destinies required of each of us…so we must recognise that our economic independence resides in our African union…The unity of our continent…economic development of Africa will come only within the political kingdom, not the other way round.'

He continued to allude that '[n]ot one of us working singly and individually can successfully attain the fullest development'. It is argued that this continues to be a reality as Africa continues to suffer and there is no economic development, in some parts is either slow or it is stagnating.

It against the background of economic development that it is submitted that Africa's share in global trade has not changed. The research makes the point that intra-African trade is a key factor towards economic development.

One of the factors that can augment the economic development or for Africa to develop economically, intra-African trade is needed, that is, improve the average intra-African exports and imports.

EI-Obaid and Appiagyei-Atua have argued that a rights discourse was an important tool of independence movements, this led to several post-colonial constitutions embodying a bill of rights. They continue to argue that the debate about the human-rights in Africa is a reflection of the continent's political and legal history. They argue that any discussion of human rights in Africa must be grounded in the political and ideological history of the continent, they identified four broad periods that they deem that they must be covered, namely, the pre-colonial period, the colonial period, the post-colonial (the struggle for independence) and the contemporary period.

Further, it is submitted that the colonisers exploited Africa and that Africa is responsible for economic development in Europe and the colonies of European settlement in North America and Australasia, the economic development of the colonisers were at the expense of African economy.

Moreover, it has been alluded that trade is accepted as an essential tool for growth and the overall economic well-being of a nation. In addition, some empirical studies show how increase in trade had resulted into faster economic growth and development. It is submitted that Africa has to work on a trade agreement that will focus on Africa-intra trade as a link between the volume of trade and the ease of flow of goods and service across international boundaries. As such the African Continental Free Trade Agreement of 2018 (hereinafter AfCFTA) must be rigorously implemented. It is unfortunate that the overall Africa's share of the global trade has not changed over the years, also the export diversification has not changed.

It is observed that the challenge that Africa face amongst others is the poor infrastructure, and it is for this reason that it is argued that the said intra-African trade agreement must facilitate for African countries assisting each other, not just a mere trade agreement that does not take into account the challenges of Africa. It was submitted that the poor overall trade performance in Africa has resulted in part due to the fact that in many countries in Africa, the trade-enabling infrastructures to compete on the international markets are lacking.

Africa is under a plague caused by weak trade institutions and infrastructure and a scarcity of trade facilitation instruments. While on that, it must be noted that Africa imports numerous agricultural products which are also produced on the African continent. It is without a doubt that intra-African trade can yield good results for Africa and sectors that have the most potential to promote this are manufacturing, agriculture, tourism, and transport sectors.

These sectors can indeed improve Africa's economic prospects. Africa is agriculture resources-rich, has a land mass of about 30 million square kilometers, has the second largest continent. About 874 million hectares, which is more than 85 per cent of sub-Saharan Africa surface area, is fertile and suitable for crop farming.

In addition, other sectors can improve Africa economic development, such as the energy sector. A sufficient power infrastructure is very important towards economic growth. This is because sustainable economic development requires access to modern, reliable and efficient energy services. Unfortunately in Africa this sector is plagued with insufficient capacity, low access, poor reliability and high costs.

This actually raises questions as to Africa's ability to meet its energy demands because even though the continent has a vast and diverse reserve of energy resources, the challenge is that these energy resources largely remain unexploited.

TREATY ADDRESSION OF THE PROBLEMS OF AFRICA

For the socio-economic rights to be enforced, countries in Africa need to have good economies and good economies in Africa particularly, require regional laws of trade that are feasible to the African States. There is an economic argument that explains why African economies are failing, it was found that the reason for failure of African economies is due to the fact that they have just been incorporated in the global economy system that is seen to be favouring industrialised countries.

The above complements the argument made in this paper that Africa needs to focus on trading with itself most in order to develop the African economy. Therefore, this research first, recommends the rigorous implementation of the AfCFA, which is aimed at increasing intra-trade African, if enforced. Secondly, the African countries needs to take steps to enforce all socio-economic rights and not only speak of a mere 'progressive realisation'. The researcher proceed to argue that currently the existing trade treaties need to be re-negotiated and be concluded in a way that is of beneficial for all the parties concerned and not just one or certain states due to the financial or political power.

Lastly, the researcher's argument extends to ways in which corruption can be addressed, as per the said renegotiated treaty, there must be a way to address corruption as for smooth running of different states. Reports have found that with the right infrastructure, enabling policy amongst others Africa can become a world leader in a number of businesses, and this will add to economic development.

SCHOLARLY WRITINGS AND PROMINENT CASES

It is evident that socio-economic rights have short history in many countries in the world, particularly in Africa. The focus was initially on civil and political rights, the so-called first-generation rights. As already alluded to, this is because enforcement of socio-economic rights depends on the state of the economy, and the effective and efficient of management of the economic resources.

It must be noted that African economic performance improved with the progressive implementation of measure that promote free trade, and this forms the basis of the argument in this research that there has to be an African treaty or development and rigorous implementation of the AfCFTA to address the economic development and in that way socio-economic rights will be addressed. As Falk argues, 'research strongly suggests that most Third World countries possess the resources to eliminate poverty and satisfy basic human needs if their policy makers were so inclined.'

The African Commission has found Nigerian government in violation socio-economic rights that are implied in the African Charter, rights to food and housing/shelter. In South Africa, the RSA Constitution is known for its commitment to socio-economic rights, there are number of cases that address socio-economic rights in South Africa.

The *Government of the Republic of South Africa and Others v Grootboom and Others* (hereinafter *Grootboom*), is one of the most relevant in terms of 'progressive realisation' of socio-economic rights, where the Constitutional Court held that section 26(2) of the RSA Constitution requires the state to devise and implement within its available resources a comprehensive and coordinated programme progressively to realise the right of access to adequate housing. On that note, enforcement of socio-economic rights positively can be problematic and deserving collective transformation policy agenda in Africa. For the socio-economic rights, a minimum level of economic development is necessary for effective and efficient enforcement.

As much as great focus is given on the state of the economy, one cannot ignore corruption, which prevails, in many if not all African states and hinders progress. Viljoen argues that corruption is a serious problem in Africa, not only hindering progress towards 'good governance', but also undermining the protection of human rights. Corruption is a worldwide phenomenon; hardly is there any nation in the world today without one form of corruption or the other.

Mbazira argues that the African Charter, in addition to the civil and political rights, protects a wide range of economic, social and cultural rights. But, in spite of this, the majority of the people in Africa live in poverty, disease and ignorance and lack of basic necessities of life, such as, water, food, housing, clothing and health care.

While it is evident that Africa has considerable natural resources, the problem is therefore not scarcity of resources, but lack of appropriate legal mechanisms that will focus on developing the African economy. It would seem that African countries have to grapple with the problem of appropriately channeling available resources in the enforcement of the socio-economic rights, for example, the Nigerian government allocated resources towards building a stadium while there was a need for certain socio-economic rights to be addressed at the time.

TRADE AT THE GLOBAL LEVEL

There is general consensus that trade is an essential tool for growth and overall economic well-being of a country. However, overall, Africa's share in global trade has not changed, hanging at three per cent, compared to when most African countries became members to the World Trade Organisation (hereinafter WTO). This supports the argument, stated above, that there is a need for a trade treaty that specifically addresses Africa. If Africa's economies are not growing, it will be difficult for socio-economic rights to be addressed. Intra-African trade in 2015 was recorded to be at 13 per cent, this could be seen as very low as compared to 70 per cent intra-Europe trade.

In addition, for socio-economic rights to be enforced, the researcher argues that there must be policies and laws that will specifically address the challenges confronting African states. Looking at the levels of poverty in Africa, there must be concerted efforts to ensure that Africans realise their socio-economic rights. Chirwa and Chenwi argue that economic, social and cultural rights are closely related to development and eradication of poverty. Even though the World Bank, International Monetary Fund (IMF) and WTO do not make reference to human rights, particularly as part of their mandate, the way they operate naturally concern socio-economic rights, amongst other rights. The WTO is discussed below.

THE WORLD TRADE ORGANISATION

Viljoen argues that equality in trade is undermined by Western hypocrisy, exemplified by advocacy for trade liberalisation in some sectors (in which Western countries are net exporters) and the opposition to free trade in others (in which developing economies stood a chance of competing with local products). He continues to argue that 'subsidies, in particular, have become a bone of contention. African's trade has been influenced negatively, especially by the agricultural subsidies in developed countries'. These subsidies that is given to farmers in developed countries is an unfair advantage when they export globally including to the African-markets, as exemplified by the subsidies to cotton farmers in the United States.

This paper acknowledges that the WTO does actually have substantive rules that give special treatment to least-developed and developing countries, which include Africa. However, it is submitted that these special and differential treatment provisions are not enough and have not been helpful to Africa in light of the continent's low participation levels in global trade and the general sentiment that the WTO framework has failed to adequately address the needs of the developing world.

TRADE IN AFRICA

There is a need for a treaty that addresses African challenges and brings solutions that will be an actual solution for African states. It is submitted that if Africa is not doing well economically or there is no economic development, it will be difficult for socio-economic rights to be enforced. Africa needs to trade with itself more, for instance, as has already been mentioned, intra-African trade in 2015 was recorded at 13 per cent, a low percentage when compared to 70 per cent intra- Europe trade.

In addition the diversification of exports is not achieved at all. Intra-African trade is significantly low as compared to other regions in the world, and in in Sub-Saharan Africa this has been attributed to inadequate modern trade infrastructure. In 2015 it stood at 13 per cent. This is in comparison with Asia at 50 per cent, Latin America at 21 per cent and Europe 70 per cent. However, amid these challenges, Africa continues to search for policy approaches to facilitate and accelerate the achievement of key targets and create prosperity for all.

The argument has been made that economic diversification must be a priority for Africa and that global value chains tend to bypass Africa as it mostly exports raw or minimally processed goods. For socio-economic rights to be enforced, the researcher argues that there must be policies and laws that will accommodate African states. Considering the levels of poverty in Africa, most of Africa's population currently does not enjoy socio-economic rights. Chirwa and Chenwi argue that economic, social and cultural rights are closely related to development and eradication of poverty.

THE AFRICAN CONTINENTAL FREE TRADE AREA

Due to the economic and trade challenges Africa is facing, regional integration can play an important role. With the adoption of the Agreement Establishing the African Continental Free Trade Area (hereinafter AfCFTA) in 2018 it is expected that it will promote regional trade, as well as investment integration. It is anticipated that the AfCFTA will also address issues faced by the African continent, such as the diversification of exports markets.

There is also anticipation that through the AfCFTA, Africa will experience growth and structural transformation and that African countries will benefit from trade expansion following removal of tariff and non-tariff barriers within Africa, and the least developed countries would gain more through expansion of industrial exports. It is expected that the AfCFTA will promote industrialization and the creation of higher-paying productive jobs, especially in the manufacturing sector.

CONCLUSION

This paper has brought to light the economic situation in Africa and how that links with the enforcement of socio-economic rights, further examined trade, as it is a key factor in economic development. Looking at it from global level and regional level. Trade under the auspices of the WTO have not been helpful to Africa, so is the measures put in place by the WTO. This paper submits that the AfCFTA is expected to promote regional trade, as well as investment integration in Africa should it be fully implemented across the continent.

Despite all the protections, both at the global and regional levels, the enforcement of socio-economic rights in Africa still remain protected theoretically, but not practically. The reason for this, as per the researcher's argument is the economic situation in Africa. As it can be observed, the various trade reform policies and measures so far implemented by African states have not yielded the expected developmental benefits for Africa and Africans.

African countries must work together to see each other up, loaning each other money, sharing resources and so, to facilitate intra-African trade that will be beneficial not to only certain nations somewhere in the world, but benefiting African nations. This will lead to African economy to grow and so will the African states be able to enforce or fully enforce socio-economic rights and her people will live adequate life.

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THE SOUTH AFRICAN DRIVE TOWARDS NET ZERO CARBON EMISSIONS IN ENERGY PROVISIONS

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ABSTRACT

The study explored the unfolding reforms in the South Africa's carbon intensive economy, which depended on coal for over 80% of electricity generation and over 40% of liquid fuels production. The country has committed to join other global nations geared to drive towards net zero carbon emissions by 2050, in mitigation of global warming. The prioritized support for independent power producers (IPPs) for increased development of renewable sources of energy in the country was explored. The theory of sustainable development underpinned the study, using qualitative research methodology and constructivism research paradigm. Non-probability sampling process was used, and data emanating from the study was analyzed through content analysis. The outcome indicated that renewable sources of energy, use of clean coal technologies and use of gas-fired coal stations, reduced carbon emissions, as envisaged in the drive towards net zero emissions.

Keywords: carbon-emissions, coal, IPPs, net-zero emissions, renewable-energy

INTRODUCTION

Energy is one of the leading pillars for economic development globally (World Economic Forum, 2012). The use of fossil fuels has continued to play a prominent role in energy provisions since the first industrial revolution, with coal contributing 41% of the total global electricity production (World Bank Report, 2019).

The climate change or global warming phenomenon has been a major item in the agenda of United Nations (UN) since the first Earth Summit in Rio de Janeiro in 1992. The conference provided the "concept of sustainable development to be combined economic growth and ecological responsibility" (UN Earth Summit, 1992). The Rio Summit also led to the establishment of United Nations Framework Convention on Climate Change (UNFCCC) in 1994, which has a current membership of 197 nations or 'Parties' (UNFCCC, 2019). The net zero carbon emissions by 2050 was agreed upon by the 197 members of UNFCCC during the Conference of Parties (COP26) in Glasgow, Scotland in November 2021 (COP26, 2021). The agreement endorsed the Paris Accord in 2015 "to strengthen the global response from the threat of climate change by keeping the global temperature rise in the 21st Century well below 2 degrees Celsius above the pre-industrial levels" (COP21, 2015).

Under the backdrop, South Africa is geared to achieve the net zero target by 2050 and the process has started in policy implementation to enable the country achieve the objectives (DE & MR, 2020). The process has commenced with empowering IPPs to expedite development of renewable energy and the transformation of the state energy utility company Eskom in decommissioning most of 10 aged coal-fired power stations and converting some into gas-fired power stations in the next decade (DE &MR, 2020). The liquid fuel company Sasol has planned to reduce emissions by intensifying gas-to-liquid (GTL) production and plans to embrace green hydrogen when it becomes economically feasible (Sasol, 2021). The transportation industry, and auto manufacturers has undertaken to expedite electric vehicle roll out, while the general industries has to adhere to the environmental laws for the reduction of carbon emissions (SA, DEA, 2019). The impending transformation in the energy industry is envisaged to have socio-economic spinoff in job creations and environmental sustainability among other benefits (IRENA, 2020).

THEORETICAL FRAMEWORK

The study was underpinned in theory of sustainable development, based on the 1987 Brundtland Report on 'Sustainable Development' – 'Our Common Future', delivered at the United Nations World Commission on Environment and Development (UNWCED) (UNCED, 1987). The report defined "sustainable development as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs" (Brundtland, 1987). Sustainable development is also described as 'the process of partnering collaboration arrangements' (Wei & Wang, 2016). Sustainable development is dependent on "energy that is durable over a long time and in increasing quantities from sources that are dependable, safe and environmentally friendly" (Epstein & Buhovac, 2014). The Implementation of sustainable development would be appropriate for South Africa to reduce country's heavy reliance on coal for energy production.

LITERATURE REVIEW

The South Africa's drive towards net zero carbon emissions was explored covering the prevailing and planned energy projects. This comprised literature on coal mining and coal use for electricity generation, liquid fuel production, emissions reduction measures through renewable sources of energy, use of clean coal technologies, and environmental sustainability.

COAL MINING AND COAL USE

South Africa has an estimated 53 billion tons of coal reserves which is estimated to last over 200 years at the current rate of exploitation (Eskom, 2020). The country has some of the world class coal mines and the largest coal terminal in the world at Richards bay port. Over 84% of coal in South African coal is mined by five multinational companies, which are Anglo Coal, Sasol, BHP Billiton, Glencore, and Exxaro (Oberholzer, 2014). The coal produced in South Africa is mainly for domestic market (75%) and export market (25%) (Energy Research Centre, 2018). The electricity company of South Africa (Eskom) consumes about 70% of the total domestic consumption as feedstock for its 15 coal-fired power stations for the generation of electricity. Most of the coal-fired power stations are aged and nearing decommissioning and two of them are newly constructed using the clean coal technologies (Eskom, 2018). The energy company South African synthetic oil company (Sasol) consumes 20% of the domestic coal consumption for the production of liquid fuels and petrochemicals. The company's use of Fischer Tropisch technology to transform coal and gas into liquid fuels, produces heavy carbon emissions and as a result, its plant in Secunda is the world's single largest carbon emitting point (Sasol, 2020).

NET ZERO CARBON EMISSIONS

Net zero is the state at which the global warming stops, a state also referred to as carbon neutral. The Conference of Parties (COP26) in Glasgow, Scotland endorsed net zero carbon emissions to be achieved by 2050, as agreed at the COP21 in Paris, France in 2015 (COP21, 2015). Net zero is 'the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere'. The net zero is reached when the amount added to atmosphere is less than the amount taken away (SDG, 2015). Net zero emissions also means all man-made greenhouse gas emissions that has to be removed from the atmosphere through reduction measures via natural and artificial sink, thus reducing the Earth's net climate balance (European Parliament, 2019).

Prior to COP 26 conference, South Africa had an ambitious target of decarbonization of between 3.3% to 5% per annum that translates to 398 MtCO2e (Million tons of carbon-dioxide equivalent) (BP Energy Stats Review, 2015). The country's drive towards net zero emissions has started, as new measures are being introduced to fast track reduction of carbon emissions by prioritizing development of renewable energy development, introduction of battery energy storage system (BESS), and microgrids among others (SAIIA, 2021). The two leading carbon emitters in the country Eskom and Sasol have also undertaken plans to drive towards net zero emissions by 2050. Eskom which has experienced shortfall in generation capacity since 2007 due to a number of factors including aged coal-fired power stations is geared for major transformation including transitioning to cleaner electricity generation (Eskom, 2020). The energy utility company is the largest carbon emitting company, contributing 42% of the total country emissions (Eskom,

2020). Eskom has a nominal generating capacity of 46 000 MW derived from 15 coal-fired power stations, a nuclear power plant, pumped storage, hydropower, gas plants and a wind farm. Most of coal power stations will be reach end of life by 2035 and will be decommissioned before that date cutting down 22 000 MW (Eskom, 2021).

The Eskom has comprehensive decarbonization plans based on its commitment towards net zero carbon emissions by 2050. The plans include transforming some of the coal-fired power stations into gas-fired, development of renewable sources of energy, use of clean coal technologies among others (Eskom, 2021).
The energy and chemical company Sasol is the second largest carbon emitter in the country, contribution 11% of total national emissions. The company's 2030 target is planned to be delivered through a mix of energy and process efficiencies, investment in renewable sources of energy and a shift to gas as transition feedstock in the South African operations. Thus, shifting systematically from coal towards gas, and eventually to green hydrogen, when it becomes economically feasible towards 2030 (Sasol, 2021).

RENEWABLE ENERGY PRODUCTION

The South African Electricity Act of 2006 provided for 30% allocation for renewable sources of electricity production by IPPs and 70% of generation from coal and other sources by Eskom (DOE, 2006). Under the backdrop, the government initiative of renewable energy independent power producer procurement program (REIPPPP) is speeding up the IPPs allocation and it will extend the renewable sources quota with the decommissioning of coal power stations in the next decade (REIPPPP, 2020). The initiative is backed by legislatives such as the National Development Plan (NDP) and electricity integrated resource plan (IRP) among others (IRP, 2019).

ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability occurs when natural reserves are preserved (Unruh, 2010: 134). An English dictionary definition of environment states "environment is the natural world, as a whole or in a particular geographical area, especially as affected by humans" Your Dictionary, 2021). Sustainability is defined by the English dictionary as "the ability to be maintained at a certain rate or level". The United Nations definition of 'sustainable development' is "the development meeting the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). The environment is impacted by human activities for economic development, as pollution experienced from carbon emissions in the use of fossil fuels (coal, gas, oil) for energy production (Abdallah, 2017). Essentially, the drive towards net zero carbon emissions, is geared to preserve this pristine nature of the planet Earth, by reducing the greenhouse gas emissions, to keep the global average temperature rise in the 21st Century below 2 degrees Celsius (COP 21, 2015).

PROBLEM STATEMENT

South Africa striving to reduce carbon footprint, as the country is one of the top global carbon emitting nations, in pursuit of achieving the net zero emissions by 2050.

PRIMARY OBJECTIVE

The primary objective of the study was to explore the South Africa's drive towards net zero carbon emissions in energy provisions by 2050.

EMPIRICAL OBJECTIVES

Three empirical objectives were pursued as follows:
- Establishing that renewable energy reduced carbon missions.
- Establishing that transforming coal-fired power stations to gas reduced carbon emissions.
- Establishing that clean coal technologies reduced carbon emissions.

METHODOLOGY AND DESIGN

The qualitative research methodology and constructivism research paradigm were pursued in the exploration of South Africa's drive towards net zero carbon emissions, in the provision of energy to the country. The qualitative research, as well as constructivism paradigm derived results from data collected from interviews with the participants (Lee & Lings 2008: 226). The examination of research questions to generate empirical evidence, provided the design framework of the study (Saunders, Lewis & Thornhill, 2020:291). The empirical evidence is derived from the primary data collected from the participants. The theory of sustainable development used in the study resonated with the South Africa's drive towards zero carbon emissions by diversifying the energy mix and increased development of renewable sources of energy.

The participants in the interviews were senior managers from the South African public and private energy companies and, the Coronavirus lockdown protocols were observed through social distancing, by engaging telephonically and, via video conferencing. The interview duration lasted 10-15 minutes, and was recorded using a digital voice recorder. All the participants were assured of confidentiality and non-disclosure, as posited in Kumar (2016:220). The recorded interviews were transcribed, interpreted, coded and analyzed via content analysis as posited in (Saunders *et al.*, 2020: 220). The themes that emerged were classified as major themes and sub-themes, and they were used to establish the outcome of the study.

RESULTS

The recorded interviews were transcribed, translated, coded and analyzed for the study outcome. Two sets of themes emerged and they were classified as major-themes and sub-themes. The major themes comprised: carbon emissions, renewable energy, net zero, coal-fired power stations, power outages, gas-fired power stations, and clean coal technologies. Some of the sub-themes included IPPs, microgrids, electricity legislations, aging coal power stations, battery storage among others. The themes indicated strong desire from major players in the energy industry, to drive towards net zero carbon emissions by 2050. The commitments by the participants, as indicated by the themes provided answers to the empirical objective of the study, as expressed herewith:

Empirical Objective 1: "Establishing That Renewable Energy Reduced Carbon Emissions" (Achieved)

Renewable energy is "energy from sources that are naturally, but flow-limited such as wind, solar, hydropower, geothermal and biomass" (U.S. EIA, 2020). In South Africa, wind and solar are available in abundance due to the country being semi-arid, which provided more hours of sunshine and wind as there are limited wind breakers. in South Africa. The nature of the country being semi-arid has made wind and solar availability in abundance. As the country align policies to increase development of renewable sources of energy, wind and solar are the main resource base for IPPs and Eskom in the decarbonization of energy provisions.
This was confirmed by remarks of participant 4:

 "The government has introduced legislations in support of renewable sources of energy, with the renewable energy independent power producers' procurement programme (REIPPPP) initiative introduced five years ago. The pledged fund by West European nations in support of decarbonisation programme is a great support for increased development of renewable source of energy".

Empirical Objective 2: Establishing That Transforming Coal-fired Power Stations to Gas Reduced Carbon Emissions (Achieved)

South Africa has one of the largest resources of coal in world which has contributed immensely to the country's economic development for over 150 years. The country has over 53 billion tons of coal which is estimated to last another 200 years, at the current rate of production (Eskom, 2020). However, gas is presently used for liquid fuel production and would be a better alternative to coal, as it has less carbon emissions.
The sentiment was articulated by participant 7 who stated:

"Transforming from coal which dominated the energy industry since first industrial revolution can't be overnight, and it appears rational to move to natural gas first, before finally settling on cleaner energy sources like renewables and hydrogen".

Empirical Objective 3: "Establishing That Clean Coal Technologies Reduced Emissions" (Achieved)

The pollution in the province of Mpumalanga where most of the active coal mines and coal power stations are situated was a major concern to the participants. All of them embraced the idea of clean coal technologies, as at Kusile and Medupi power stations, and conversion of coal-fired power stations into gas-fired power stations.
The remarks from participant 11 summarized the need for clean coal technologies as follows:

"We would be better as a country in reducing pollution if we transform from coal-fired power stations to gas-fired power stations, before switching completely to renewable sources of energy. The important thing for now is to plan how to repurpose the current aged coal power stations to gas and to boost production of renewable energy before the coal power stations are decommissioned".

CONCLUSION AND RECOMMENDATIONS

The study explored the South African energy industry and the government drive towards net zero carbon emissions, based on the Paris Agreement of 2015, which was ratified by COP26 in Glasgow, Scotland in November 2021. The theory of sustainable development underpinned the study and qualitative research methodology was followed. The literature covered the background of coal mining and coal use for power generation and liquid fuels production, carbon emissions reduction processes, and the definition of net zero emissions. The fast-tracking of renewable energy development and environmental sustainability were also covered.

Thirteen participants were interviewed from the energy companies and the outcome of the data collected was reviewed under discussion section. The main themes that emerged from data analysis answered the three empirical objectives set for the study. A future study involving heavy industries including transportation is recommended to track greenhouse gas emissions, as a basis for setting up future emissions targets.

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THE MANAGEMENT CHALLENGES OF SOUTH AFRICAN MINIBUS TAXI INDUSTRY IN NORTH WEST PROVINCE UNDER CORONAVIRUS PANDEMIC

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ABSTRACT

The South African commuters utilize three main modes of transportation: minibus taxi 70%, bus 20%, and train 10%. The minibus taxi industry is an informal commuter transport organization that has experienced operational issues, mainly in the last generation. The study explored the management challenges and the impact caused by litigation of Coronavirus pandemic litigation in the industry. An exploration was conducted in one of the nine provinces of South Africa, North West province, covering the National Taxi Association branches in the region, minibus taxi owners/operators, drivers and taxi rank managers. The study was grounded in the change management theory and pursued qualitative research methodology and constructivism research paradigm, and used non-probability sampling process. The interviews were recorded, transcribed, analysed and coded into themes. The results indicated that mitigation of Coronavirus pandemic led to loss of revenue to the industry, as poor management caused disputes in fare-structuring and route-sharing. A formalised set up of the industry would be recommended.

Keywords: commuters, Coronavirus pandemic, management challenges, minibus taxi, public transport

INTRODUCTION

The Minibus taxi industry is the leading mode of public transport for the low-income group in South Africa, catering for 70% of public commuters, while buses transported 20% and trains 10% (Gedye, 2020). The industry was started in the 1950s by the black people in South Africa who were living in townships, as they were not adequately provided with transportation service by the apartheid regime (Mdimabe & Makgopa, 2014: 415-421). The industry has grown tremendously since inception, making management more complex (StatsSA, 2014). In North West province for example, there are four regions with different minibus taxi associations, which has different rules and regulations. The country's three centres of power – National Government, Provincial Government and Local Government has different regulations that confused the industry. The frustrations experienced resulted in violent confrontations between different minibus taxi operators, adversely impacting their operations, and posing danger to commuters (Ngubane, 2016: 1).

The present minibus taxi emerged from early 1990s, and the growth has rapidly increased regulatory requirements since 1994 (Chiloane-Tsoka, 2016). After the South African democratic dispensation in 1994, the taxi industry became more complex with increased regulations and formation of the National Taxi Association and a number of regional organisations (SANTACO, 2020).

The advent of Coronavirus or Covid-19 pandemic in 2020 has further exacerbated the management challenges of minibus taxi operations through restrictions imposed by the government to mitigate the pandemic (DOH, 2020). The Coronavirus pandemic was a global awakening, which has disrupted socio-economic activities since 2020 (PWC, 2020). The stringent measures for the litigation of the pandemic, such as wearing of face masks, social-distancing and sanitising regularly, impacted the industry, especially the 50% reduction in commuter carrying capacity which was a major revenue reduction (DOH, 2020).

THEORETICAL FRAMEWORK

This study pursued change management theory in the exploration of the management challenges of minibus taxi operations in North West province of South Africa during the Coronavirus or COVID-19 pandemic since 2020. Change management "involves process, tools and techniques to manage the people side of change to achieve the required business outcome. The change process incorporates the organisational tools that can utilised to help individuals make successful personal transitions resulting in the adoption and realisation of change" (Cummings & Worley 2015: 589). The organisational change required competent managerial skills that are relevant to the changing environment to enable them to survive the prevailing market pressures (Cummings & Worley, 2015: 592).

Change management in an organisation impacts the most important aspects, which are employees, customers and profitability (Prosci Inc., 2020). The outbreak of Coronavirus pandemic in 2020 increased the management challenges of the industry, as it adhered to the required mitigation protocols of social distancing, that required reduced carrying capacity. Hence, change management would be crucial and relevant in steering the management of the industry to higher levels of productivity.

LITERATURE REVIEW

The literature covered management challenges, transportation disruption by Coronavirus or Covid-19 pandemic, and public transportation in South Africa.

Management Challenges of Minibus Taxi Operations

The minibus taxis are the most frequently used mode of public transport in South Africa, carrying about 70% of total commuters (StatsSA, 2014). The taxi operations in North West province is managed through the regional taxi council (RTC) which is divided into five divisions. The (RTC) is composed of associations which constituted of minibus taxi operators. The management of RTC and the associations are operated privately and are independent compared to other modes of transport in the province, which are regulated by the government (Chiloane-Tsoka, 2016). The RTC faced various management challenges ranging from taxi rank facilities management, provincial route sharing and operational issues such as pricing variations among others. The minibus taxi fares within the industry were regulated by regional structures representing both local and long-distance operators and conducted without consultation or interference by the government (Fobosi, 2019: 313).

According to the National Taxi Task Team Memorandum, the informal nature of the minibus taxi industry positioned the industry at crossroad with the government, as they had to adhere to the transport legislations, some of which are unpopular (Barrett, 2003). The Majority of the minibus taxi owners would like the industry regulated, to enable them receive subsidies from the government, to help in competing more efficiently and effectively. The minibus taxi industry is managed by associations, whereby, in the case of North-West province, different associations which has their own goals and strategies, usually differ with each other, resulting in conflicts which escalate into fights and destruction of vehicles (Tukwana, 2021).

MANAGEMENT

Management is the "organisation development that involves human process interventions, technology intervention, human resources intervention and strategic change interventions" (Cummings & Worley, 2015: 216). In business, management is the coordination and administration of tasks to achieve a goal. The management of minibus taxi involves the coordination and administration of the role players, comprising of taxi operators (taxi owners), taxi drivers, commuters, queue marshals (managing commuters to board), taxi associations and the government (DOT, 2017).

The management of an informal industry as the minibus taxi industry is complex and there are challenges in coordinating the stakeholders Fobosi (2019: 2). The management challenges of the industry were further exacerbated by Coronavirus pandemic, as the government enforced mitigating measures for the pandemic (DOH, 2020).

CORONAVIRUS PANDEMIC ON PUBLIC TRANSPORTATION

The advent of Coronavirus in 2020 resulted in closure and mass layoff of workers in several industries globally, including transport sector (PNAS, 2020). The pandemic disrupted the global supply chains and transport industry, which also impacted on tourism industry (Accenture, 2020). This was followed by introduction of hybrid working system, which involved both in-person and remote working in all sectors. The minibus taxi industry experienced initial shutdown, as other businesses, followed by regulations to reduce their carrying capacity, which reduced revenue for industry (DOT, 2020).

PUBLIC TRANSPORT MANAGEMENT IN SOUTH AFRICA

Most of the public transport planning and management responsibilities in South Africa are shared between the three spheres of government - National, Provincial and Local Government (DOT, 2017). According to the National Land Transport Act No. 5 (NLTA) of 2009, the Minister of Transport allocates functions to the respective spheres, as provided in the South African constitution. The NLTA includes the land transport functions of the three spheres of the government in the country which also incorporates the land transport responsibilities DOT, 2009). The regulatory requirements are applicable to all the spheres of government nationally, including North West province (SA Transport Yearbook, 2016). In 1996, the national Department of Transport established the National Taxi Task Team, (NTTT) which consists of nine taxi industry representatives (one member from each province), nine Government representatives representing all three tiers of Government and nine specialist advisors (Baloyi, 2012: 23). The NTTT was mandated to focus on three key areas in the process of transforming the taxi industry, which included, regulation and control, formalization and training, and economic assistance (DOT, 2017).

Despite the competitive advantage that the taxi industry has over other transport sectors, it has been plagued with violence, harassment and intimidation because of the selfish desire of taxi owners and drivers wanting to maintain a monopoly over operations and over routes that are considered highly profitable (Cooper, Murdy & Nelson, 2010: 19). This problem has been exacerbated by the Coronavirus pandemic regulations that require reduced carrying capacity in mitigation of the pandemic.

OBJECTIVES

The three levels of objectives: primary, secondary/theoretical and empirical objectives were pursued as follows:

Primary objectives

The study explored the management challenges experienced by minibus taxi industry in North West province of South Africa, since the outbreak of Coronavirus pandemic in 2020.

Secondary/theoretical objectives

Theoretical objectives involved reviewing literature on impact of Coronavirus to businesses including transportation industry; and reviewing literature on the history of minibus taxi industry, taxi associations and the influence of the three spheres of government in the management of the taxi industry.

Empirical objectives

The empirical objectives of the study sought to establish the following:

- Mitigation of Coronavirus pandemic contributed to revenue losses for the South African minibus taxi industry.
- Poor management of South African minibus taxi industry caused disputes in commuter fare-structuring and route-sharing.

METHODOLOGY AND DESIGN

The study pursued qualitative research methodology and constructivism research paradigm in the exploration of management challenges experienced by the South African minibus taxi operations in North West province, since the outbreak of global Coronavirus pandemic in 2020. Both qualitative research and constructivism processes generated data from interviews conducted with participants (Lee & Lings 2008: 226). The empirical evidence was derived from the data collected from the participants in the study. The study was grounded in the change management theory in espousing the need for change from the informal nature of the minibus industry, in order to streamline its management. The informal industry grappled with management challenges, which was further exacerbated by the stringent regulations for mitigation of Coronavirus pandemic.

Non-probability sampling process was used and the 13 participants in the interviews were minibus taxi owners/operators, drivers and taxi association managers. The participants were introduced to the study and their confidentiality and non-disclosure were assured, as posited in Kumar (2016: 220). They were informed of the interview duration of 20-30 minutes and that it was to be recorded with a digital data voice recorder to facilitate for data analysis afterwards. Subsequently, the recorded interviews were transcribed and Atlas.ti8 computer software used for analysis, followed by interpretation and coding to establish the outcome of the study as posited in (Saunders, Lewis & Thornhill, 2020: 220). The themes that emerged were classified as major-themes and sub-themes, which were used in establishing the outcome of the study.

RESULTS

The data that emerged from the transcriptions was rearranged, interpreted and coded, producing five major-themes and a number of sub-themes, which provided the outcome of the study. The five major-themes comprised management of minibus taxi industry; Mahikeng minibus taxi complaints; Coronavirus pandemic; North West province taxi association recommendations; and minibus taxi industry needs. The two set objectives of the study were achieved, as expressed by the major-themes and the participants, as described herewith:

Empirical Objective 1: "Mitigation of Coronavirus Pandemic Contributed to Revenue Losses for The South African Minibus Taxi Industry" (Achieved)

The outbreak of Coronavirus in 2020 added more problems to the South African minibus taxi industry operations, as it happened to other industries. At the beginning, there was total shutdown of all businesses, followed by regulated lockdowns at various levels, to assist in managing the pandemic mitigation. As in other businesses, minibus taxi was required to adhere to social distancing among other measures to control the spread of Covid-19. Unfortunately, social distancing meant reducing the number people gathering and seating in public places and in public transport. The minibus taxi operated for a long period in 2020/2021 with a 50% carrying capacity. This was in addition to other cumbersome regulations, for ensuring that commuters sanitised, wore cloth mask and operated for less hours depending on the level of lockdown (level 1, 2, 3 or 4). This strangled the industry's earnings. The government promised a once off subsidy for the minibus taxi industry, as was done to other businesses. Unlike other industries that easily adapted hybrid working models (remote and contact working mode), minibus taxi operations mainly utilizes contact model which was impacted by social distancing. This was a concern for all the participants and the remarks of participant 7 summarised their setback as:

"*We are losing out on paying for the minibus loans and failing to meet our other basic needs. It is now time for the industry to be formalised, so that we can receive subsidies. The taxi associations are not supportive as they don't have*

direct communication with the authorities. We are looking forward to the day the industry would be formalised and we have proper management to stop the conflict in the industry"

Empirical Objective 2: "Poor Management of South African Minibus Taxi Industry Caused Disputes in Commuter Fare-structuring and Route-sharing" (Achieved)

As the Coronavirus pandemic continued to erode revenue generation by the minibus taxi industry, the industry's traditional problems increased as power struggle in the industry turned bloody, forcing the suspension of services in some provinces. The poor leadership due to the informal nature of the industry, made it difficult to negotiate for viable solutions with stakeholders, competitors and the authorities. The leading grievances in administration, fare structuring and route-sharing were all due to lack of directions and decisive actions. This situation was presumed to persist, as long as the industry remained informal. These perennial problems of the minibus taxi industry were expressed by all the participants.

The participant 3 featured the administration issues as follows:
"Our industry is informal, which means most of the operators/drivers do as they like. The operators have their own arrangements with their drivers, who has to optimise on the number of trips in a given route, in order to maximise on earnings. There are no formal terms of employment and drivers can be fired for minor mistakes or disagreement. The taxi association branches in North West do not have much influence on the operators, who are driven by profit".

Participant 10 featured the commuter fare structuring as follows:
"There are usually conflicts before fare is agreed for a particular route. The intervention by the branch offices sometimes result in conflicts which endanger the lives of the operators/drivers and the commuters. This happens after fuel increases which has been regular in the last ten years after the South African economy had almost stagnated".

Participant 5 featured the route-sharing issues as follows:
"There are more conflicts and bloodshed when negotiating for route-sharing. Some routes are more lucrative and attract operators, as they have more commuters. Nearly every operator wants to be in that route and that is what triggers dispute. After the agreement between the interested parties, the branch offices try to manage, but there is no full compliance from the operators/drivers. In peaceful time, transport marshals are used to assist in directing the commuters".

CONCLUSION AND RECOMMENDATION

The study explored the management challenges of the South African minibus taxi industry in the North West province during the period of Coronavirus pandemic since 2020. The theory of management challenges underpinned the study and qualitative research methodology and constructivism research paradigm were pursued. The background of management challenges and the history of minibus taxi industry in South African were explored. The national taxi associations and branch offices in North West province were studied. The exploration also covered the influence of the three spheres of government on the taxi industry. The study also covered the major operational challenges the industry has experienced after the outbreak of the global Coronavirus in 2020. Thirteen participants were interviewed from the minibus taxi industry and the outcome from the data collected was reviewed under result section. The themes that emerged from the analysis were classified as major-themes and sub-themes, whereby the five major-themes answered the two empirical objectives set for the study. The recommendation for study is for the South African taxi industry to be formalised soonest to try and streamline the management of the industry.

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FORMALISING MULTIDISCIPLINARY RESEARCH IN MANAGEMENT SCIENCES

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ABSTRACT

This paper explores the value of formalising multi-disciplinary research to promote post-graduate research initiatives in management-related studies. In advancing the debate on the prospects and challenges in promoting post-graduate studies (PGS), scholars globally alluded to the need to adopt multi-disciplinary research MDR to address the existing gaps in knowledge production boundaries. Due to global and local complexities in knowledge production, it has become imperative to manage resources sparingly by diversifying research. Some systematic changes occur at a spatial scale; hence a multi-disciplinary approach will be suitable to address those factors associated with the environment. Challenges like climate change, demographic expansion, development planning, and others are spatial and need diverse solutions. Despite the call to cross the research cultural boundaries of scientific research, some academic faculties are reluctant to formalise MDR and some have abandoned multidisciplinary studies. This study adopted a qualitative research method to survey the perceptions of the post-graduate students and instructors. Data was collected using an online questionnaire, a purposive sample was drawn conveniently from scholars and students who were willing to participate in the study and have knowledge of MRD. Findings from this study add value to the re-emerging debate on the adoption of MDR.

Keywords: management studies, post-graduate studies, multidisciplinary research, open-access, ontology

INTRODUCTION AND BACKGROUND

Proponents of interdisciplinary research contend that multi-disciplinary research (MDR) focuses on bridging and integrating knowledge areas in research that can lead to various breakthroughs and promising paths in research (Pun, 2020). Scholars lauded MR for generating a common groundwork outside disciplines in scientific research to create intellectual adventures (Gamsby, 2020). Even though MR's impact on management sciences is not valued much in other universities because of administrative costs and power struggles, disciplines in collaborative projects can learn from each other's methodological paths and ethics. Some of the challenges of multidisciplinary research are observed through long meetings with different stakeholders' interests, unforeseen technical issues, administrative backlogs, conflicting data collection requirements and confusing student experiences.

Social science researchers have been exposed to research informed by the qualitative paradigm and less on the quantitative paradigm in South Africa. Postgraduate students struggle to learn quantitative research methods if they are not exposed to quantitative analysis and statistics in their undergraduate curricula. Also, homogenous research methods do not always create a diversity of chosen and suitable research methodology more than heterogeneity can in research methods. Twinning research methodologies can make a visible spectrum of research in higher education (HE) (Zee, Rossignac-Milon and Higgin, 2020). This paper assesses the influence of multi-disciplinary research in promoting post-graduate research initiatives in management-related studies. To respond to the aim this paper reflects on the conceptualisation of MDR, the relevance of adopting MDR, data analysis, conclusion and recommendations. This paper reports on the empirical data collected to assess the perceptions of post-graduate students and supervisors (scholars) on the prospects and challenges of adopting MDR in management studies. Later, this chapter will provide a conclusion and recommendations. The analysis of the findings from the MR praxis will reflect on the data collected from the post-graduate students, scholars and administrators.

PROBLEM STATEMENT

There is paucity in the literature that focuses on the formalisation of MDR to advance PG studies. Maguire, Prodi & Gibbs (2018) advance the debate on the relevance of PG studies by focusing on the certain demands of PG studies, especially the Doctoral study. In their opinion, the drive to have PG studies is to train and produce competent researchers that can acquire skills that will make them be absorbed by the economy and fit into the world of work where they can make an enormous contribution to imparting knowledge. Universities are struggling to produce post-graduate throughput rates that meet their expectations (Son, 2016). Even though universities have arranged their PG studies in various disciplinary research to focus on traditional areas of specialisation, there is a shortage of supervisors that must be available to coach and mentor postgraduate students in some of the programmes all the time (Bégin & Géarard, 2013). Some of the student's attributes for other PG programmes make it even more difficult for other scholars to keep up with the pace of moulding PG to be a well-rounded product, especially in some of the prestigious universities that aspire to be internationally relevant and competent. In some instances, PG studies have been traditionally formalised according to disciplines, hence it is sometimes difficult to articulate from undergraduate to PG, or from Master's to Doctoral studies sometimes, especially when there are skills are scarce. The MDR approach has not been considered by other universities due to the costs involved in the administration of information across disciplines. Some of the disciplines have closed their MDR focus on PG studies due to complexities in the administration and coordination.

These problems add to the prevalence of failure for PG studies, hence this paper canvasses for the formalisation of MDR to promote PG studies.

RESEARCH METHODOLOGY

The researcher adopted qualitative research to collect and analyse data using a convenient sample of fifty (50) participants surveyed using an online survey (questionnaire). The participants included postgraduate students, supervisors and research managers in three universities in South Africa. A document analysis approach complemented data collection. Secondary data was collected from an online repository through various search engines such as Ebscohost, Google scholar, Emerald, Science Direct, Elsevier's and the university repository. Secondary sources used for data collection included articles from accredited journals and chapters in reviewed books. The analysis of data is qualitative and thematic. This study aims to assess the formalisation of MDR to improve Post-Graduate studies in South African Higher education (HE).

LITERATURE REVIEW

Conceptualising multi-disciplinary research and post-graduate studies

Various scholars alluded to gaps in disciplinary and specialised research, that can be addressed through the linkage of diverse disciplines. Multi-disciplinary research (MDR) is the combination of diverse disciplines or specialisations with diverse skills and methods to promote research. Hassin, (2015) observed value in heterogeneous research methods by claiming that errors in research can be minimised if heterogeneity in causal effects can be prioritised on the efficacy of experimental treatments. Lewin (2014) also asserts that when too many variables are measured in multiple interactions a heterogenous approach can add value when both qualitative and quantitative research approach is conducted.

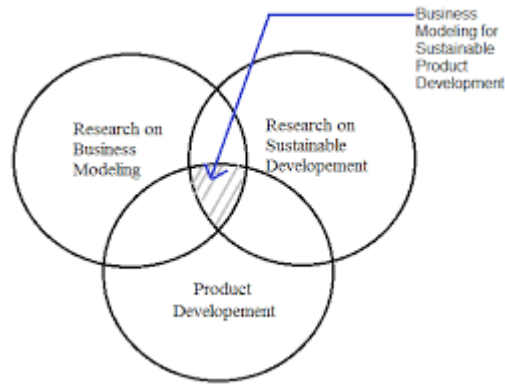**Figure 1: A typology of Multidisciplinary research**

Figure 2: Multidisciplinary boundaries

Source: Kalle Lyytinen, February 2, 2018

Figure 1 represents a combination of areas of specialisation that can work together and conduct research in the Business model for sustainable product development. In Figure 2, the diagram presents diverse boundaries where MR can occur. It is important to differentiate between multi-disciplinary, interdisciplinary and disciplinary research. While multi-disciplinary focus on a heterogeneous research approach, disciplinary research focuses on a homogenous research approach. On the other hand, Interdisciplinary research focuses on two disciplines with integrated theories and knowledge areas (Tennant et al., 2016). Disciplinary research recognises research as a tribe that is grounded by a strong specialisation of a single current discipline with boundaries that differentiates it from others (Sivagurunathan, 2012).

While respecting the subtle differences between concepts of trans-, cross-, inter-, and multi-disciplinary, it is important to ponder on the context of MDR, which is beyond the disciplinary base of an individual discipline. The author captured the term MDR since it represents diversified research that typically characterizes a joint venture of inquiries joined by a common goal. The multiplicity of disciplines by nature brings into light new avenues to impart knowledge, especially for academic programmes at Masters and Doctoral levels. Multi-disciplinary inquiry can eventually mature into a truly integrative interdisciplinary research approach. Scholars assert that the integrative MR can produce transformative changes aiming at solving complex societal problems (Lin, 2008). According to Benda et al. (2002), there is an increasing demand for multi-disciplinary research, that can enhance the capability of researchers committed to addressing complex challenges in society. Therefore, there are opportunities for innovative ideas in adopting mixed research methods that can be the best option the improving research in academic institutions of higher learning.

Postgraduate studies

This paper focuses on the impact of multi-disciplinary on the faculty postgraduate and research outputs. Postgraduate studies encompass those degrees that are above the normal undergraduate studies. In the context of this study, the PG involves learning and teaching that is arranged for academic and professional degrees, academic or professional diplomas, and academic or professional certificates offered to candidates that have already obtained their bachelor's or undergraduate studies. These degrees are offered as Masters and Doctoral degrees are normally considered to be part of HE. In some countries, this level is typically referred to as graduate school (and often colloquially as grad school) (Burns, 2021). According to the National Qualification Framework (NQF) of South Africa, post-graduate studies include level 8 (honours degree and post-graduate diploma), level 9 (Master's Degree) and level 10 (Doctoral Degree). MR can be part of the ingredient for such PG that advances knowledge using heterogenous ontological paths chosen by researchers that can conduct research with limited errors. According to Nambisan et al. (2017), diverse research foci can surface through innovation that draws research conduct based on the need to merge digital technologies and innovation. Each university is mandated to choose how the PG studies are organised and structured and which types of specialisations can be housed by faculties that offer PG programmes.

The systems approach and post-graduate studies

Management studies in Business, Public Affairs and Development adopted systems theory as a valuable tool for analysing and interpreting how the system is affected by its external and internal environmental factors. The systems theory deals with how organisations respond to political, social, and economic factors while serving the needs and demands of the stakeholders. Demands exist in the environment as "inputs" and are converted to outputs through the conversion process. Stakeholders interact with the organisations like universities through various fora and strategies such as policy debates, consultation forums, policy round-tables, cabinet memoranda, proposals, counter-proposals, consensus and decisions until agreements on policy formulations are finally adopted.

The systems model can provide a perspective on aspects such as the influence of the environment on the PG and research, on how institutions of higher learning can adapt to change (Tobbell, & 'Donnell, 2013). Transition to postgraduate study: Postgraduate ecological systems and identity. This also depends on the success of the stakeholders in converting policy demands into public policy, the information and the results feedback (effects and consequences of the policy implementation). Environmental scanning for PG studies can allow the administrators to know how to respond to opportunities and threats. It can also inspire new ways of thinking about and approaching complex challenges and situations. The managers can also develop instruments and skills needed to tackle problem situations holistically, effectively and ethically.

The components of the system are as follows:
Policy inputs are demands, initiations such as perceptions of the individuals or citizens, opinions about an issue, attitudes, behaviours, and demands from pressure groups and extra-parliamentary groups and parliamentary committees.
The conversion process involves Considerations of issues, demands by stakeholders of policy objectives, policy discussions and round-tables by public officials, political office-bearers, members of parliament and municipality, and representatives from the interest groups and communities.
Outputs include the Production of outputs in the form of policy statements, formal legislation, regulations, legal interpretations et al.
Information Feedback involves inputs and comments from the environment before and after the implementation of the policy. These comments illustrate perceptions of the target group and the stakeholders about the policy. These can be intended and unintended effects of the policy. They can also be indicating the impact of the policy on the intended group.

The open-systems approach to universities takes place in an environment that is interdependent and interactive with other environmental variables. The aspects of that environment are that it can influence public institutions that conduct various disciplines - with actors such as the university management, student bodies, research institutes and centres, department of HE, Public Officials and Political office bearers conducting the work. The

business of these public institutions is constantly responding to the environmental factors coming from the social, economic, political, cultural, institutional and international environments. These are some requirements in which these environments can work.

- By adapting and responding to other environmental changes,
- Interacting with one another and the institutions,
- By being interdependent on one another, and
- By conducting policy and legislative reviews and amendments from time to time.

The systems approach informs this study and is relevant for understanding that MDR is not a final solution, universities must be open to challenges brought by external factors using diverse strategies to solve complex problems brought by stakeholders and find ways to solve them. This approach enables analysts to use an integrated approach as a strategy for looking at the broader picture of a problem rather than focusing only on a single disciplinary approach (Jamshidi, 2017). Proponents of the systems approach assume that all the processing of the systems occurs in a linear form, they overlook any change or problem that can be encountered by the system. In this study, the systems theory can assist to reveal how PG can formalize MDR and use it to respond to environmental factors that affect HE while formalizing the MDR.

Secondly, even though the parts/ units are interdependent on the whole, the dependence amongst these parts depends on their capacity and their magnitude of work. As it is now, global politics have undermined local and domestic affairs; as a result, most government decisions in Higher Education are influenced more by global and national partners. South Africa is also a global player; therefore, it cannot ignore the influence of macro-environmental factors, it has to adapt by advancing policy issues, communication, technology and information systems.

The context of multidisciplinary studies

Multi-disciplinary research combines or involves several academic disciplines or professional specializations in research to address societal issues or problems. Formalising the MDR can add value to PG by redefining complex problems outside normal boundaries supported by different research approaches and arriving at solutions based on a new understanding of complex situations. The MDR provides wider options to expand the undertaking of research in a faculty by focusing on various specialisations while recruiting scholars and students from a broader group of diverse academic departments. Academics from diverse departments with overlapping research areas of specialisation can easily produce research outputs through open-access publication platforms (Tennant et al.,2016)). Open access (OA) has become critical for those scholars involved in scholarly publishing who are eager to be recognised by their peers and by their university administrators where they affiliate.

The expansion of various digital platforms used by scholars and students necessitated the use of OA through the communication advanced by the world wide web (www) that is accessible through the internet connection. Students can publish with their supervisors on open access platforms to increase their cations since their publications can be easily accessed from their diverse research repositories by international scholars who spur MDR. Multi-disciplinary can contrast disciplinarity which seeks to integrate research by defending disciplinarity while furthering the goals of the discipline. In the borderless society, the juxtaposition of research can yield better results in promoting and expanding recognition of faculty research outputs. Academic research outputs add no value when lacking recognition by other scholars.

It makes sense to use open access to promote multi-disciplinary research when outcomes of diverse goals are shared by scholars by exchanging ideas and emerging trends in different fields (Lavrik, Busygina & Rykova, 2015). The PG outputs on emerging research trends can be published as articles, and e-books, in various open-access journals and digital platforms. Open access can promote the impact of articles in the short term as compared to subscribed research work. The long-term impact has been found to add value to the recognition of the cited scholar and the institutions they affiliate to. The impact of scholarly research has been generally used as a yardstick to rate scholars and universities. In South Africa, the scholar's high impact is rated by research foundations like the National Research Foundation. The current university rating index recognises the impact of scholars' research based on various indicators that include recognition by local and international peers/scholars (QS World University Rankings, 2021). The QS

World University Rankings developed a matrix of rating methodological framework, has among other determinants, reputation and citations of scholars are recognised as part of the metrics that can determine the university performance.

Therefore, though open access, MDR can seeks to promote the prevalence of research trends that are different but can pursue similar goals with separate literature. Open access literature can be available freely on the internet and can be copied and downloaded for further use by PG students studying in different countries. Gamsby (2019) demonstrated that all heterogenous research projects ought to be true to both their tenets foundations and open access. Open access research offers options to researchers by removing the barrier of financial burden by addressing a wider audience without the cost of correspondence. Some journals require payment to access their repository. Gaging collaborative research is significant in determining the success in multi-disciplinary collaborative work to upscale post-graduate studies and increase capacity and the research output in the academy of commerce and management studies. Even though some universities have abandoned interdisciplinary projects, there is still hope that multi-disciplinary projects can add value to the cross-border research culture in Africa. Lury et al. (eds) (2018) posits that scaling multi-disciplinary is imperative in advancing contrasting disciplines with diverse research outcomes. The MDR in a university unit requires ethical protocols for managing and gaging its growing scientific space of collaboration in Management Sciences.

DATA ANALYSIS AND INTERPRETATION

This section presents the analysis and interpretation of data that was drawn from a convenient sample of fifty participants from various universities in South Africa. The sample included students and graduates, instructors (scholars) that are involved in post-graduate candidates and instructors (supervisors) involved in Master and Doctoral supervision. Due to the COVID 19 restrictions, data was collected using Google online surveys and it was analysed using the Microsoft Excel programme to analyse data. Data was analysed and is presented in various themes that are discussed as follows:

1. Understanding of multi-disciplinary research:

Participants were probed on their understanding of multi-disciplinary. The majority of 42 percent indicated that they understood MDR very well. The response of the participants implied that there is a department in management studies who are willing to advance research outside of the confines of their department. The notion of diversity of genres emanates from ideologies, interests, practices and dialectical relationships that exist among disciplinary communities. These genres establish similarities that overlap between disciplines and have a chance to develop multi-disciplinary interests. Kuteeva and Negretti (2016) assert that disciplinary differences are becoming blurred since researchers are crafting research for graduate studies with the understanding of similar strategies that must be used to address complex issues.

2. Relevance of MDR:

Participants were asked to articulate the relevance of MDR. They responded in many ways that lauded MR and uttered the following statements:
'It improves the ability to know what technology is about.'

'Our PG is based in a multifaceted faculty which involves Accounting, Administration, Business Management, Economics, Hospitality Management, Tourism, Public Relations and Office Management. this already allows for interdisciplinary research within the faculty. Each of these departments is a stand-alone research discipline, the infusion of interdisciplinary is adaptive and easily assimilated. Therefore, the faculty is interdisciplinary moulded and lends itself to the interdisciplinary and multidisciplinary research at any level.'

'They learn to be independent and do more readings on their own as the time spent online is very limited'.

'It helps to solve the conflict of interest among stakeholders of the faculty
To capture different dimensions of thoughts on particular studies

To work with Business Management'

'It exposes students to different approaches which influence students to be broad-minded and develop deeper skills of evaluation as they learn several different logical and methodological approaches.'

It is clearly stated from the above conversations that there is a future in the integration of overlapping areas of specialisation in disciplines. Participants lauded the multi-disciplinary approach in post-graduate studies. When post-graduate students cross their domain to other new domains, they become exposed to new genres and terrain and become aware of the intrinsic opportunities of their specialisation (Carstens, 2009). Postgraduate students can also learn new concepts and languages outside the borders of their disciplines. During the learning process, more skills and art of academic writing of post-graduate students can be enhanced like communication skills, writing skills, critical thinking, leadership skill, and interpersonal skills can be developed when they communicate with communities.

3. Widespread participation and access to open databases

The MDR can offer diverse trends that provide the benefit of widespread circulation and awareness, while also potentially providing the groundwork for glossing over their finer details. Based on the data collected from post-graduate students on the benefits and challenges of MR, participants noted the benefit of students from the broadened space to participate in PG programmes and research. They learn from diverse ontological perspectives and stand out with the knowledge they acquire from these experiences (Cuevas, et.al. (2012). The uniqueness of postgraduates that is standing out in the PG is that of possessing a rich view of the world and having acquired a wider perspective when they were supervised by a supervisor with a different point of view.

Upon completion of their studies, postgraduates can have more openness to job opportunities. Multidisciplinary research in universities has been broadly adopted by scholars not only in management studies but also in related fields such as science and engineering. It is also increasingly meaningful to collaborate in research disciplines that are related to responding to the demands of changing national and international markets. Countries' economies have been severely downgraded due to COVID 19 that affected the labour market, they can only find new solutions to grow their economies through innovations and responsiveness to the citizen's needs as the twin solutions to address the new challenges they face, and while forming strong alliances and collaborations on those projects aiming at solving the country's problems while embarking on innovation and research facilitated by structures incorporating multi-disciplinarity.

One of the postgraduates' students also stated the following statement:
'Firstly, the involvement of experienced supervisors from other departments is not the problem as the structure and format of thesis/dissertations are structurally similar. However, a lack of supervisory experience with quantitative skills will manifest itself in the supervision and contribution of the content which leaves students confused.'

Most of the participants alluded to the benefits of MR and specified that they are used to traditional boundaries, which have been shaped by their undergraduate studies. Some indicated that they are willing to learn from supervisors with a different understanding of their disciplinary concepts. Based on the responses of the post-graduate students, multidisciplinary can also create artificial boundaries when researchers cross their boundaries and pretend to know what learners are researching about when they don't have enough knowledge about what the student is writing about. These artificial boundaries can also result in unethical behaviour of both researchers and supervisors. Students from humanities believed that they are alien to quantitative methodology since they are not a scientist and mechanical.

4. Opportunities for collaborative research projects

It appeared from the survey conducted by the author that there is still a future for MR. Participants agreed that MDR can influence PG studies in a meaningful way when scholars engage with their students in partnerships and collaborative projects. These MDR projects partnerships and collaborative projects can afford a brighter future for PG in expanding research genres and outputs between students and supervisors across field areas in different countries.

Research in South African universities is compelled to change and grab the opportunities brought by the 4th Industrial Revolution. To address societal problems, universities can focus on multidisciplinary approaches to conduct research, by forming collaborations with universities abroad to explore diverse avenues to deal with complex issues (Cuevas, Bolstad, Oberbreckling, LaVoie, Mitchell, Fielder & Foltz, 2012). We have already seen the collaboration of scientists in space science and their innovations in developed countries like North America and China. The time has come now for researchers within the BRICS countries to form collaborative projects. Hidago, (2018) supports collaboration projects by noting their contribution to the increase of participants and learning a new language and diverse methodological approaches to conducting research.

Universities can administer and monitor the success of these collaborations in research through faculty research administrators and coordinators and make sure that each group meets the required objectives (Cuevas, Bolstad, Oberbreckling, LaVoie, Mitchell, Fielder, and Foltz, 2012). The National Research Foundation has been providing a platform for country-to-country collaborated projects that involve academics with diverse research skills from diverse disciplines that are interrelated at the same time. Faculty managers can be conscious of and monitor these projects by doing reviews and updates on their funding contracts, assessed and organised. The focus must be on exploring issues to explore new avenues and strategies. In the context of this study, innovation and research can be presented as inseparable and dependent on each other. The new structure represents an opportunity to move away from such linear descriptions and adopt the language of an ecosystem approach that recognises that research/innovation interactions occur with the newest ideas.

5. Increasing enrolment number of post-graduate supervision

The massification of post-graduate studies can also result in lightweight multidisciplinary research projects. Students can be pushed to study in groups where they have less knowledge or no knowledge at all. Faculty administrations can carefully select the inter-groupings of disciplines by recognising how they relate to overlapping areas. For instance, you cannot merge Biology with Mathematics. Therefore, those lightweight projects can be used to advance disciplinary advances.

In the study conducted by the researcher, participants were probed with an open-ended question to rate the value of multidisciplinary research in Post Graduate supervision, many of them agreed that they are comfortable finding supervisors outside their disciplinary homes. One of the participants lauded multidisciplinary by saying:
'Firstly, the involvement of experienced supervisors from other departments is not the problem as the structure and format of thesis/dissertations are structurally similar. However, lack of supervisory experience will manifest itself in the supervision and contribution of the content which leaves students confused.'

McKenna, Clarence-Fincham, Boughey, Wels & van den Heuvel (2017) are of the view that post-graduate supervision is a complex form of teaching, therefore it makes sense when the diverse disciplinary context is considered across the institutions of higher learning. The other participant with long experience in PG supervision alluded to the relevance of multidisciplinary by nothing this:
'Ours is a multifaceted faculty which involves Accounting, Administration, Business Management, Economics, Hospitality Management, Tourism, Public Relations and Office Management. this already allows for interdisciplinary research within the faculty. Each of these departments is a stand-alone research discipline, and the infusion of interdisciplinary is adaptive and easily assimilated. Therefore, the faculty is interdisciplinary moulded and lends itself to the interdisciplinary and multidisciplinary research at any level'.

Universities are compelled to understand and respond to the impact of technological innovations in science globally and locally and find solutions in their context. Multidisciplinary research will provide such platforms to find solutions by using collaborated projects that have scholars with both qualitative and quantitative research methodologies. Abramo, D'Angelo, and Di Costa (2018) agree that there are fruits in collaborated research projects when they demonstrated that the increase in the number of co-authors, increases the probability of multidisciplinary publications.

In some disciplines in humanities, researchers have been criticised for failing to learn quantitative research skills. Multidisciplinary research can offer the opportunity for qualitative researchers and students to learn from other

scholars' tools and techniques of conducting research using quantitative methodologies and designs. Some of the gaps in research skills emanate from the intellectual baggage of differences between science and social science and humanities which existed for centuries. This disparity has been passed on to generations of researchers and students, and it has minimised their chances to gain diverse research skills that focus on solving real-world problems.

6. Increase in the capacity of PG Supervisors

The move by universities to adopt MR is lauded for increasing the capacity of supervisors with various specialisations. The added value of MDR is lauded by students seeking expertise that focus on diverse context. The broader collegial supervision, the more universities will produce master's and doctoral degrees. In South Africa, universities offer programmes focusing on broad management disciplines. It will be an added advantage if there is an increasing need for faculties to offer multidisciplinary post-graduate supervision. Thus, a broad and diverse specialised PG research focusing on related niche areas may be more effective in an academic space than a disciplinary PG arrangement. Therefore, inter and multi-disciplinary relations must begin early in undergraduate studies to enhance collegiality. Supervisors can also avoid the pressure of students seeking supervisors meanwhile there might be few academics meeting the criteria for supervision in departments.

On the same issue of relevance to the faculty PG, another participant supervisor said:
'It allowed me to interact and share different skills with my acquaintances'. It enabled me to acquire more knowledge about societal issues and academic disciplines.

Contrary to other participants, one participant who is a doctoral candidate said:
'Public Administration is one such department that is easily able to ground whatever research as equally important as the public service deals with every as an aspect of life and there is a department for every discipline; so, my discipline will be
able complement any discipline and even provide focus and better insight to the other disciplines involved in the research.'

The increase in access can help to train and produce academics with diverse experience in postgraduate supervision. These academics can also form part of academics that can review peers in the examination of dissertations and theses and pass it over to young academics. The increase in HE success rates amount to more demand for students to enrol for post-graduate qualifications. While contextual changes can be welcomed by faculties, it is imperative to maintain good post-graduate quality and standards. The increasing workload of supervisors can affect the quality of their work including PG supervision if it is left unattended. Faculties must provide incentives for PG supervision to motivate supervisors and mentors. Formalising multidisciplinary PG studies can alleviate the bottlenecks that involve intimacy and asymmetric power relations between the supervisors and faculty administrators and between supervisors and students. Bitzer and Albertyn (2011) warn faculties of mismanaged multidisciplinary projects. They alluded to challenges of post-graduate supervision including accountability and complete costs, modes and context of knowledge production and diversity of the post-graduate student population. Adoption of multidisciplinary research can alleviate bottlenecks in post-graduate supervision.

CONCLUSION AND WAY FORWARD

This chapter demonstrated the need to adopt multi-disciplinary research to promote post-graduate studies in management and related disciplines. Scholars have traversed a long way to find solutions and alternatives brought forth by society. MDR is well explored and conceptualised as an alternative approach to increasing research output with diversified research contexts. Even though universities are intellectual institutions, they need to upskill their high degrees to meet their goals and produce research outputs that can contribute to the economy by addressing and solving societal problems. This study canvased for MDR to close a gap in the paucity of the literature aiming at contributing to the MDR. There is room for further research related to MDR in management and other sciences.

Recommendations

There are mushrooming institutes that focus on multi-disciplinary abroad and locally. Institutions of higher learning need to adopt a multidisciplinary to tighten administration and rules to avoid drifting away from the university vision. If they can be left out of control, there won't be any future in multidisciplinary research. This chapter demonstrated that they are still some works to be done to legitimise multidisciplinary research and avoid confusion and duplications.

Collaborated projects can offer opportunities for multi-disciplinary if they are better managed than offering networks without grounded work, rather than just being networks. This chapter also demonstrated that the adoption of multi-context studies and supervision can harm and promote throughput rates. Therefore, researchers and supervisors must be aware of multi-disciplinary approaches as alternatives when selecting research projects and planning for supervision. Guidance is needed to coordinate projects, especially the comers coordinating post-graduate supervision for the first time. Faculties adopting multidisciplinary research must be guided by a conceptual framework and the structure with rules of managing the multi-disciplinary in their post-graduate studies. This will limit errors and academic drift coupled with confusion. Faculties must also be encouraged not to lose networks in their disciplines to update themselves with current developments.

The framework for planning and conduct of research must describe various components that include the roles and relations of a supervisor and the student. It must be aligned with the university vision and research policies that also recognise the university's core business. Overall to strengthen post-graduate supervision through multi-disciplinary, faculties need to develop a strong culture and own identity that relate to the university vision and research practice, and that understands the African-related pedagogies that promote social justice and a learner-centred approach. The PG administrators must scan the environment to identify opportunities and threats. The university PG policies and strategies must be aligned to the strategic planning to adapt to existing policy demands.

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ANATOMIZATION OF THE BEST INTEREST OF A MINOR CHILD IN THE SOUTH AFRICAN CONSTITUTION: A CRITIQUE

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ABSTRACT

This paper focuses on section 28(2) of the Constitution of the Republic of South Africa, 1996. The welfare principle in cases involving children is incorporated in section 28 of the Bill of Rights of the South African Constitution, while also remaining a principle of common law. Therefore, this study explores and make a critical analysis on the effects of the best interests of a child stated in section 28(2) of the Constitution. The paper firstly evaluates the interpretation of section 28 based on children's rights and whether section 28(2) which is based on the best interests of a child is an independent constitutional right, a value, an interpretative tool or a rule of law and also argues that, although courts describe it as a right, it is not treated as such. In fact, the South African courts often use section 28(2) to avoid dealing with other constitutional rights of children and family members. Secondly, it discusses the changed legal nature of the concept of the best interests of the child in the era of human rights. Thirdly, it deals with the constitutional court's advantages and disadvantages with regards to section 28(2). Fourthly, the paper explores the role of the constitutional court in applying section 28(2) in various case law. This is done by looking at the Raduvha and J v NDPP cases, with a focus on the former as the more recent case, and their contribution to developing the Court's jurisprudence on the independent application of section 28(2). Finally, the study suggests the use of and how best to treat section 28(2) as an independent right in future cases that deal with the best interest of a minor child in South African jurisprudence.

Keywords: socio-economic, best interests, constitution, child, paramount

INTRODUCTION

Section 28 of the Constitution of the Republic of South Africa,1996, sets out various rights which are provided for the protection of a minor child stating an incredibly significant list of specific children's rights which include amongst others, the rights to parental care, socio-economic rights to shelter, healthcare, nutrition, and to have legal practitioners assigned to them in certain circumstances, meaning they are provided with the best interest of a child at heart. In 2005, the legislature imposed new legislation in a form of Children's Act 38 of 2005, which sets out the rights and responsibilities of parents and the duty bearers in respect to those rights. The best interest of the child is an established common law principle which was enacted in South African law in the 1940s and is currently specified in section 28(2) of the Constitution, which determines that a child's best interests is of 'paramount importance' in every matter concerning the child and also in the national legislation. This principle is the cornerstone of this entire study.

When interpreting the children's rights, it is important to strike a balance between a child's need for autonomy and his/her need for protection as a result. One of the innovative aspects of the courts jurisprudence is that of declaring that section 28(2) of the Constitution contains an independent right, meaning a right that applies independently of the more specific rights of the minor child in section 28(1) of the Constitution. This is a far-reaching approach, which considerably extends the scope of section 28 of the Constitution. However, the Court has not offered a precise explanation for not deciding that section 28(2) contains an independent right and has explicitly refrained from assigning it as a fixed content arguing that this would be contradictory to the flexibility needed for this section to fulfil its purpose. It is submitted that this is problematic, once a concept is declared a right, it is expected that its content is

ascertainable, and the Court ought not to limit its duty to identify it. Not identifying the content of the right contained in section 28(2) runs the risk of negating the potential benefits which arise from declaring it a right.

It is argued in this study, that the Court should overcome its reluctance to define the content of the right contained in section 28(2). It will also be argued that to a certain extent, that the Court has made important steps in this direction, despite its reluctance to acknowledge that it was doing so. The Court has not arranged its jurisprudence and it has taken a bit-by-bit approach, but arguably its case laws give an indication of what may constitute the content of section 28(2) when approached as an independent right. It will be submitted that it is of importance for the Court in overcoming its reluctance is an acknowledgement of the complex functions which the best interests of the child can play in adjudication and the change in the nature of the best interests of the child with the surfacing of the Constitution and the UN Convention on the Rights of the Child (UNCRC).

However, starting in the year 2000, with the Christian Education South Africa v Minister of Education and Minister for Welfare and Population Development v Fitzpatrick, there has been a tendency to hold that the best interests create an independent right for the child, yet in some of the very same cases, the best interest of the child is also called a 'standard' or a 'principle' which result in the constant seeking to make section 28(2) an independent right. What the courts can do with a fundamental constitutional right and how they must go about it, differs from what can be done with a mere value or a principle of interpretation.

THE PRINCIPLE'S POSITION IN HUMAN RIGHTS ERA

To understand the difficulties involved in defining the content of section 28(2) it is necessary to present the changes which the concept has undergone as a result of being incorporated in a binding international instrument, which is Article 3 (1) of the Convention on the Rights of the Child (CRC), which provides "that in all actions concerning children, whether undertaken by public or private social welfare institutions, court of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration." which is similar to the African Charter on the Rights and Welfare of the Child, which provides in article 4(1) that "In all actions concerning the child undertaken by any person or authority the best interests of the child shall be the primary consideration."

A simple interpretation of the provision of article 3(1) as stated above, it suggests that its scope is wide and includes 'all actions concerning children' taken by all the diversity of the state. This was an extraordinary enlargement of the scope of a concept most often encountered in private, family law litigation, or child protection proceedings concerning individual cases. The concept took off internationally, with the Committee on the Rights of the Child which is the CRC Committee including article 3 amongst the four general principles of the CRC. Domestically, article 3 catalysed the extension of the standard of the best interests of the child in areas of law where this concept has not been applied before such as in juvenile justice and immigration and to matters concerning children indirectly.

In 2013, the CRC Committee issued a general comment in which it interpreted article 3(1), it stated that this article contains a principle, a rule of procedure and an independent right, where a striking feature of the CRC Committee's position although not unusual, for South African lawyers, is that article 3(1) contains an independent right despite the text not being formulated in rights language. It defined that substantive right as being the right of the child to have his or her best interests assessed and taken as a primary consideration when different interests are being considered in order to reach a decision on the issue at stake, and the guarantee that this right will be implemented whenever a decision is to be made concerning a child, a group of identified or unidentified children or children in general.

Article 3(1) has become one of the 'stars' of the CRC and popular and successful as a litigation and advocacy tool. In France, although courts are cautious in applying international treaties directly, article 3(1) is applied frequently, with significant positive consequences for children. It has been used in individual cases, but also as a supra-legislative provision capable of controlling the validity of legislation or secondary legislation. It is noteworthy that Article 3(1) has also been applied in other jurisdictions, both in ordinary and constitutional jurisprudence. The European Court of Human Rights often engages with the concept of the best interests of the child, including by referring to article 3(1).

Despite its recognition in the CRC, the concept of the best interests of the child remains controversial. Concerns include its indeterminacy or vagueness, its potential to mask overprotective decisions concerning children

and more recently, concerns about its over-use in argument and courts' reasoning. A critical debate on the use of the best interests of the child is therefore starting to emerge. Particularly relevant for this article is the view of Nigel Cantwell, who has criticised both the content of article 3(1) and its interpretation by the CRC Committee. The thrust of Cantwell's view is that 'the prominent role now assigned to the "best interests of the child" is mistaken, even dangerous in a context where children have human rights. The best interests were 'a product of an era prior to children being explicitly granted human rights', but the concept was nonetheless included in the CRC although children were to have rights of their own.

The extension of the scope of article 3(1) from specific matters to 'all matters concerning children' during the drafting of the CRC was not explained or justified and its implications were not assessed. Later, the CRC Committee unilaterally elevated article 3(1) to the rank of a general principle of the CRC and embraced a 'unchallengeable stance' that the concept is of fundamental value for the CRC, without determining how and when its application could improve the protection of children's rights.

Second, putting aside the legal correctness of the current expansive approach to the best interests of the child, the reality remains that this perspective has been embraced in some jurisdictions, where it has had positive consequences for children individually and collectively. This raises questions such as: are concerns about the potency of the current use of article 3(1) to be ignored because of the benefits that it can deliver? Or can the best interest's jurisprudence develop a sounder conventional legal foundation – meaning one that is unadventurous or one that conforms to mainstream legal discourse? Would the latter involve a decrease in the influence that the best interests of the child legal provisions have had as drivers of a special legal treatment for children? These questions cannot be fully addressed here, but the existing South African case-law suggests that the best interests of the child jurisprudence can develop more cogently. Distinguishing between these dimensions would enable some of the aspects of the concept to be defined, increasing legal certainty, while preserving the flexibility inherent in some other aspects of the concept.

THE CONSTITUTIONAL COURT'S APPROACH

As mentioned above, the text of section 28 does not contain the word 'right'. Nonetheless, the Court declared that the section contains an independent right. What that right was, remained unclear for a while despite the Court referring repeatedly to it. It was in DPP that the Court finally referred to 'the right to have the child's best interests given paramount importance in matters concerning the child'. Contour to what the right in section 28(2) required was already given in M v S 'first, consideration of the interests of children; second, the retention in the inquiry of any competing interests because the best interests principle does not trump all other rights; finally, the apportionment of appropriate weight to the interests of the child'.

There are, however, other normative themes which can be identified in section 28(2), albeit it is not certain whether they are a part of the content of the independent right identified by the Court therein or whether they are part of the wider normative content of this provision, which includes its function as a guiding principle. Two obligations arise from section 28(2) to consider or to take into account the interests of children, and to give 'appropriate weight in each case to a consideration to which the law attaches the highest value, namely, the interests of children who may be concerned'. The obligation to consider the interests of the children requires the court to be informed about the impact of its decision on children.

Advantages and disadvantages of the court's approach

The declaration of section 28(2) of the Constitution as containing an independent right has significant consequences. As mentioned in Fitzpatrick, it extends the reach of the rights of children beyond section 28(1), with the advantage that the children's interests would be considered even if a specific legal issue does not squarely fit into the more specific provisions of section 28(1). Further, declaring section 28(2) a right makes section 36 of the Constitution the only way in which this section can be limited. One of the concerns in relation to the classic approach to the best interests of the child has been that it could be manipulated to suit the interests of adults. The application of section 36 of the Constitution introduces structure and reduces the potential arbitrariness in the process of limiting the best interests of the child. A further positive aspect is that violations of section 28(2) leads to remedies.

Despite the progress arising from declaring section 28(2) an independent right, there are some potential problems. It was remarked that the Court has seldom treated section 28(2) as an independent right in that it has not defined its content and it has seldom utilized section 36 to justify limitations to the best interests. The Court has systematically avoided clearly defining the legal content of section 28(2), in the name of preserving its flexibility. This is problematic because it continues to expose the best interest of the child to the vagueness and indeterminacy criticism which is often levelled against this standard. The broadness of the standard may represent a temptation for the courts to utilize it even when more specific legal provisions are relevant. In previous writings I expressed concern that the Court or individual judges rely too easily on sections 28(2) taking advantage of the permissiveness of this text, and without making the effort to construct their reasoning on the more structured requirements of relevant section 28(1) provisions.

Arguably when a legally diffuse standard such as the best interests in section 28(2) comes face-to-face with well-established, hard-law legal institutions some judges may be reluctant to give it effect. Another difficulty created by the complexity of the best interests is the uncertainty in relation to when the best interests is to operate as an independent right and when as a standard or as a guideline in making decisions. The problems identified above show that some of the aspects of the Court's approach to the application of the best interests of the child are not systematized. In Fitzpatrick and DPP the Court explicitly expressed its reluctance to define the best interests, position which it justified by arguing that the strength of the concept lies in its flexibility. Arguably, this approach is due to an insufficient differentiation between the functions played by the best interests of the child. One cannot declare a legal provision to contain a legal right and thereafter avoid defining it. This undermines the right so identified, and in the context of the best interests of the child specifically, it robs the concept of the potential advantages which result from its recognition as a right.

The jurisprudence is nonetheless evolving, and two cases discussed here show the benefits which arise from the Court's visionary position that section 28(2) contains a legal norm which can be applied independently. This is not to say that in these cases the Court has necessarily applied section 28(2) as a right. What the Court has nonetheless done, in unanimous judgments, was to further cement the recognition of the independent normative force of section 28(2) and in the process offer examples and guidance on when section 28(2) may become indispensable as the sole legal justification for a child-centered legal reasoning.

THE LANDMARK CASE LAWS

Raduvha V Minister of Safety and Security

Ms. Raduvha instituted a claim for damages against the Minister of Safety and Security for damages arising from an alleged wrongful arrest and detention of the applicant when she was 15 years old. The case raised two overall issues for the Court: the meaning of the 'best interests' and them being accorded 'paramount importance' and the impact of these best interests on the duty of police officers to arrest under section 40 of the Criminal Procedure Act 51 of 1977. The incident which led to Raduvha's arrest occurred on 6 April 2008, when two police officers were sent to the applicant's house to investigate a complaint regarding the applicant's mother. When the police officers attempted to arrest her mother, Raduvha interposed herself between them and her mother in order to prevent them from arresting her. This was regarded by the officers as being an unlawful obstruction of their lawful duties, for which they arrested the applicant based on section 40(1)(j) of the CPA. The applicant's mother was also arrested. They were detained at a police station for 19 hours and thereafter released on warning. The prosecutor refused to prosecute them. Ms. Raduvha was unsuccessful in the High Court; the SCA denied leave to appeal, and the case reached the Constitutional Court in appeal.

Raduvha argued that the officers acted unlawfully and arbitrarily in arresting her, in that although section 40(1) of the CPA authorized them to arrest her, the section was not drafted in a peremptory language, providing instead a discretion which the officers failed to exercise. The applicant also argued that the officers failed to consider and accord her best interests' paramount importance, and thus did not give effect to section 28(2) of the Constitution. The detention of the applicant was challenged under section 28(1)(g) of the Constitution, with the argument that it was not a measure of last resort since she could have been left in the care of her father instead of being arrested. Two issues identified by the Court are of relevance for this contribution: whether detention, as referred to in section 28(1)(g) of

the Constitution includes arrest; and the lawfulness of the applicant's arrest and detention. Amongst others, the case raised the question as to the constitutional standard against which the lawfulness of the arrest was to be decided. The issue arose because section 28(1)(g) of the Constitution deals explicitly only with the detention of children in conflict with the law and not with their arrest. The Court looked therefore into whether detention in section 28(1)(g) included the arrest of a child. The consequence of an affirmative answer would have been that not only the detention, but also the arrest of the child, ought to be a measure of last resort for it to be lawful.

The lawfulness of the arrest was challenged on two grounds, one that the police failed to exercise the discretion granted to them by section 40(1) (j) of the CPA, and that it was contrary to section 28(2) of the Constitution. The Court then asked the question of the impact of the Bill of Rights on the common law understanding of how police discretion should be exercised. It is in this context that the Court raised section 28(2) of the Constitution. The impact of section 28(2) was that even if the jurisdictional facts in section 40 of the CPA were satisfied, when the arrest of the child is concerned, the police officers need 'to go further and not merely consider but accord the best interests of such a child paramount importance'. The police officers in this case were however indifferent to the fact that the applicant was a child, they did not consider that she was not a danger to them, did not try to run, was at her parental home with her father. The Court found that this approach to the arrest of a child was incompatible with section 28(2) of the Constitution.

The Court discussed the significance of section 28(2) for the arrest of a child and said that 'section 28(2) seeks to insulate them from the trauma of an arrest by demanding in peremptory terms that, even when a child has to be arrested, his or her best interests must be accorded paramount importance'. In effect, the Court supported the view that the arrest of the child should be a measure sparsely used although the Court fell short of declaring it a last resort to 'an arrest of a child should be resorted to when the facts are such that there is no other less invasive way of securing the attendance of such a child before a court'. The Court then returned to the issue of the weight to be attached to the best interests of children, and whether they should trump all other legitimate interests. The conclusion of the Court on this aspect was that the courts were obliged to interpret section 40(1) of the CPA in the light of section 28(2) as required of them by section 39(2) of the Constitution. It decided that section 28(2) can be given effect in interpreting legislation, as required by section 39(2), without it needing to be made an additional requirement to those in section 40(1).

J V National Director of Public Prosecution and Another

This case concerned the constitutional validity of section 50(2) of the Criminal Law (Sexual Offences and Related Matters) Amendment Act 32 of 2007, which provided that upon sentencing a person for a sexual offence against a child or a disabled person, a court must order the entering of the particulars of that offender in a National Register for Sex Offenders. Several adverse consequences arise from such registration, and in certain cases, including that of J, the particulars can never be removed. The applicant, a 14-year-old child at the time of the offences, was sentenced for several accounts of rape committed against younger children, and the sentencing magistrate made an order for the child's details to be entered onto the Register. When the matter came before the High Court, the Court decided, inter alia, that the rights of the child offender were violated by the above section, which was declared unconstitutional. Amici relied on section 28(2) of the Constitution. Skweyiya ADCJ as he then was considered as 'correct' the position of the amici that 'the starting point for matters concerning the child is section 28(2)'. He found that the challenged statutory provision was contrary to section 28(2) of the Constitution. Upon deciding so, Skweyiya ADCJ stated that it was not necessary to consider the other grounds invoked by the parties.

The Court found that the mandatory registration was contrary to the best interests of the child. To decide so, the Court established that article 28(2) required a differentiation between adult and child offenders, an individualized treatment for the child and a consideration of the representations made by the child throughout the criminal justice process. The mandatory registration of the child offender was incompatible with these requirements, which prompted the Court to engage with the issue as to whether the limitations to section 28(2) were justified as per section 36. The Court found no justification for the limitations and declared the impugned section incompatible with section 28(2). It was the special position of children in law, whose essence is reflected in section 28(2) that was the backbone of the Court's reasoning. J v NDPP is perhaps the most streamlined judgment of the Court in which it engaged with section 28(2) as the sole substantive reason of a judgment and as an independent right. The Court also moved beyond the primarily procedural approach to section 28(2) espoused in the central judgment of M v S and derived a new layer of specific entitlements arising from this section in the context of juvenile justice.

ANALYSIS OF THE LANDMARK CASE LAWS

In the two cases discussed above, the Court has approached section 28(2) from two different perspectives: in J v NDPP as an independent right and in Raduvha as a principle or constitutional standard which informed the interpretation of a statute. In both cases, section 28(2) was applied independently albeit in different capacities because no other more specific, constitutional provisions were relevant. This suggests that an independent application of section 28(2) can take place regardless of the function played by the best interests of the child interpretation tool or independent right. One question raised by the approach of the Court is whether the two cases mark the initiation of a subsidiarity approach to the independent application of section 28(2). In other words, whether from now on the Court intends to apply section 28(2) by itself only when more specific constitutional standards are not available to justify its decision. As the Court has not made a statement of principle in this regard, this remains to be established in the light of the Court's subsequent jurisprudence. Although following this approach would introduce some needed certainty in relation to the application of section 28(2), there is some doubt that the law would evolve in that direction given the statement made by Skweyiya ADCJ in J v NDPP, where he said that the amici are correct that the starting point for matters concerning the child is section 28(2)'. This may explain the preference of the Court for section 28(2) as a legal ground for its judgment in J v NDPP. Though various constitutional provisions were invoked in this case, the Court nonetheless assessed the constitutionality of the relevant statutory provision against section 28(2). The Court does not fully explain its reasons, save to mention section 28(2) as being the 'starting point' in matters concerning a child, as discussed above. It may be that the Court simply found it easier to engage with the issues in the light of section 28(2) given this section's support in the Court's jurisprudence and legal culture more generally. It may also be that in this case the Court had to be mindful of differences between children and adult sex offenders, and section 28(2) provided solid grounds to deliver a child-focused judgment.

A comparison between the reasoning of the Court in the two cases might point towards some answers in relation to the application of section 28(2) as an independent right. In Raduvha, although the Court applied section 28(2) independently, it did so in order to give a constitutional interpretation to the CPA. In doing so, the Court did not refer to precedents in which it declared section 28(2) as containing an independent right, neither did it reiterate its previous position that section 28(2) can be limited as per section 36. This may suggest that when applied indirectly, it is not necessary for the Court to approach this section as containing an independent right. In J v NDPP, however, the Court engaged with section 28(2) on the basis that it contained an independent right whose legal requirements it identified, and that that right was capable of limitation under section 36.

BEST INTERESTS OF THE CHILD IN THE UNCRC

This Article is fundamental to the whole convention in that it stipulates that the child's best interests must be a 'primary consideration' in all matters concerning children. Whilst the term 'best interest' leave room for interpretation, its inclusion as the guiding principle marks an important step forward in terms of the approach to be taken to children as a group as well as in individual cases, when determining the most appropriate solutions to situations in which they find themselves. Article 3(1) of the UNCRC underlines the fact that the principle applies not only in the context of legal and administrative proceedings, or in other narrowly defined contexts, but 'in relation to all actions concerning children'. It might be argued that, in some highly industrialized countries, the child's best interests are obviously best served by policies that emphasize autonomy and individuality to the greatest possible extent. In more traditional societies, the links to family and the local community might be considered to be of paramount importance and the principle that the 'best interests of the child' shall prevail will therefore be interpreted as requiring the sublimation of the individual child's preferences to the interests of the family or even the extended family.

There would seem to be three, rather different, roles which Article 3(1) play in relation to children's rights. The first is in conjunction with other articles of the convention in order to support, justify or clarify a particular approach to issues arising under the convention. In this context, it is an aid to construction as well as an element which needs to be taken into account in implementing other rights. The second role is as a mediating principle which can assist in resolving conflicts between different rights where these arise within the overall framework of the convention. The third role is that in all matters not governed by positive rights in the convention, Article 3(1) will be the basis for evaluating the laws and practices of the states-parties.

CONCLUSION AND RECOMMENDATIONS

J v NDPP and Raduvha's cases take small steps toward the clarification of the best interests of the child jurisprudence of the Court. Full clarity can only develop gradually given the multitude of roles played by the best interests of the child, the variety of legal sources operating with the concept, and the currently unsystematic jurisprudence dealing with it. The two cases illustrate the coexistence and the complementarity of the functions played by the best interest's concept. They arguably support a subsidiary application of section 28(2) both as an independent right and a constitutional principle when no other section 28(1) rights are applicable. Apart from making the application of section 28(2) more predictable, this approach would also safeguard against the normative bloating of this section, to the detriment of the rights in s 28(1).

In Fitzpatrick and subsequent cases, the Court expressed its reluctance to define the content of section 28(2) to preserve its flexibility to respond to the individual circumstances of each child. It seems, however, contrary to the very essence of rights (as legal tools) not to define them and thus rob them of the potential advantages which result from this status. In the context of the best interests of the child, its recognition as a right represents a chance to rehabilitate a concept which has been often misused to the advantage of adults. Refusing to define the legal content of section 28(2) or of the right identified therein creates the risk of recycling the paternalistic version of the best interests with its ills. Arguably, the reluctance to define the content of section 28(2) is due to an insufficient unpacking of the concept, both judicially and academically. There are many issues which require further analysis. Without intending to be exhaustive, a few can be suggested: the relationship between the constitutional, statutory and common law concepts of the 'best interests of the child', including overlaps, distinctions, similarities and reciprocal influences, distinctions, similarities and scope of application of section 28(2) as a right in itself and as a principle/guideline/standard and the meaning of 'flexibility' in the context of the best interests of the child.

The complexity of the concept of the best interests of the child means that flexibility can relate to many different issues such as the meaning of the concept through to the outcome of its application and factors influencing its determination. Thus, the flexibility of the best interests as a constitutional/human rights concept should be distinguished from the flexibility of the concept as understood at common law. In this way, the inherent flexibility recognised in the concept at common law can co-exist with a different kind of flexibility which is specific to the constitutional/human rights dimension of the concept. In M v S, Sachs J said that 'the indeterminacy of outcome is not a weakness' of the best interests of the child standard. The 'indeterminacy' of the best interests was thus associated with its outcome in specific cases and not the legal content of section 28(2). Thus, while the best interests in specific matters cannot be prescribed or pre-determined through general or abstract statements in that sense, the best interests of a child are flexible.

In J v NDPP the Court broke with its reluctance to spell out the content of the right of children to have their best interests given paramount importance, identifying some specific requirements arising from section 28(2). It demonstrated that doing so does not undermine the capacity of this section to respond to individual circumstances and does not prevent it from securing child-focused legal outcomes. Continuing to avoid establishing the content of section 28(2) suggests that this concept is not epistemologically legal, and therefore cannot be known and understood through legal means. This is, arguably, contrary to the rule of law, and also an unnecessary path, as the Court's own jurisprudence illustrates that section 28(2) is amenable to a better-defined legal content.
Finally, the two cases above, illustrate the coexistence and the complementarity of the functions played by the best interests. They arguably support a subsidiary application of section 28(2) both as an independent right and a constitutional principle when no other section 28(1) rights are applicable. Apart from making the application of section 28(2) more predictable, this approach would also safeguard against this section engulfing the other rights in section 28(1). A challenge arises on how can the law be taken forward and clarified without reversing the gains made with the application of section 28(2) so far?

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ACADEMIC ARTICULATION IN THE POST SECONDARY EDUCATION IN SOUTH AFRICA

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ABSTRACT

Post-school education and training (PSET) system is lauded for offering short- and long-term training programmes to a considerable group of candidates that seek skills that can offer them job opportunities. In the post-apartheid era, PSET in South Africa is expected to prioritise the social inclusiveness of various groups from disadvantaged backgrounds as part of redress. Redress aims at affirming all those historically disadvantaged groups in the society. As part of academic access and success, Technical Vocational Education and Training (TVET) colleges have infused redress and equity in their programmes using the advantage of being subsidized by the Department of Higher Education and Training (DHET). This study aims to investigate the challenges of articulation and progression from TVETs to universities and universities of technology (UoTs) in South Africa. Even though TVET colleges as part of higher education (HE) applied inclusiveness by widening participation and access to HE, they are facing challenges to establish a smooth articulation of their graduates to university and UoTs academic programmes. Findings from this study provide lessons that can enhance articulation of academic programmes from the TVET to the university and universities of technology. This study recommends an integrative approach that will review and re-vitalise the scorecard of these institutions according to their core business.

Keywords: college, curriculum, higher education, learner-centred approach, scholarship of teaching and learning, technical vocational education, teaching

INTRODUCTION

The articulation and agreements between parties are seen as a work in progress in the South African TVET colleges since there are no rigid binding articulation policies to comply with. The TVET Colleges are expected to offer a different type of educational programmes with strong element of vocational studies, while their role is considerable public interest (Matala, 2018). Before 1994, some higher education institutions (HEIs) in South Africa seem not to value social inclusiveness of various groups in higher education, particularly people from disadvantaged backgrounds. As a result, access and widening participation are viewed as problematic and difficult to sustain since they involve students from poor and under-represented social backgrounds. The perception of restricting access from a social justice point of view presupposes inequalities based on the segregation policies of the apartheid era. Minister Nzimande (2013) argues that one of 'the main imperatives of the post-school system, including the universities' is 'to focus our energies and resources on expanding the post-school system to cater for the 3.4 million 15-to 24-year-olds who are not in employment, education or training'.

According to the Post-secondary Education Act (2013) in South Africa, tertiary education includes both vocational and academically oriented education with standards measured according to the National Qualification Framework (NQF). The Department of Higher Education and Training (DHET) handles the facilitation and administration of post-secondary education by making sure that their core business is effective and relevant to the stakeholders. When the DHET was formed in 2009, it took over administration of higher education as well as some vocational and technical training, an area previously under the Department of Labour (Macha, 2018). The DHET's organised a reformed portfolio of TVET Colleges with the intention to make is accessible to students, and to produce competent students that can contribute to the national economy – and to build a more highly skilled workforce – through two mechanisms: an increase in the number of vocational schools and a more plentiful budget for financial

aid. Given high youth unemployment rates, technical and vocational training (TVET) is of key strategic importance to South Africa's economy and political stability (Mzangwa, 2019). Private and public TVET colleges in SA are supported by SETAs to promote skills development needed by the economy. There are observations that Technical and vocational education and training' (TVET) is a compromised standard that is lower than the university standards and quality education, especially when it comes to certain occupational fields, administrative services, and operations (McGrath & Lugg, 2018). The TVET education is classified different from the university and university of technology, with specific purpose. The TVET programmes are measured against unit standards that aim at lifelong learning, work-based learning, and professional development, and can lead to qualifications. TVET also includes a wide range of skills development opportunities attuned to national and local contexts. Transition pathway from technical and vocational education and training (TVET) to higher education generally refers to the arrangements that enable students to progress from one qualification to another, through admission or credit transfer, or both, in a defined qualification pathway (AQF, 2011). In recent years, transition pathways, especially from the post-secondary TVET to higher education, has gained considerable attention from the policy makers, scholars, and development practitioners across the world (European Commission, 2016; Field and Guez, 2018).

Transition pathway from TVET to universities has gained significant attention in recent years, to ensure better earning opportunity and career progression for the TVET graduates. To ensure flexible transition from TVET to higher education, many universities across the world have set examples of successful collaboration with such institutions (Field and Guez, 2018). Sustained efforts are now being made to clear the pathway from TVET to postsecondary education. In 2012, the Third International Congress on TVET in Shanghai encouraged governments to 'support flexible pathways and the accumulation, recognition and transfer of individual learning through transparent, well-articulated outcome-based qualifications systems, stressing the need to 'link TVET with general education to ensure flexible pathways at all levels and facilitate the progression of TVET learners to higher levels of education (McGrath & Lugg, 2018).

Articulation of qualifications in post-apartheid South Africa has received considerable policy attention. The South African Qualifications Authority Act (March 1995) was one of the first pieces of legislation introduced after South Africa achieved independence in 1994, which led to the introduction of an eight level National Qualifications Framework (NQF) that encompassed all qualifications in South Africa (Badenhorst and Radile, 2018). Articulation was one of the key principles addressed within the NQF, namely to "facilitate access to, and mobility and progression within education, training and career paths" for all South Africans and to "accelerate the redress of past unfair discrimination in education, training and employment opportunities". Despite this, in South Africa, the challenges facing TVETs in academic articulation are daunting (UNESCO, 2016). There is a lack of coherence, resulting in fragmentation of the system. Other countries in Europe have made efforts to ensure that there are no disparities in the different kinds of education. For instance, the Bologna Process had a series of ministerial meetings and agreements between European countries to ensure comparability in the standards and quality of higher-education qualifications. The Bologna Process also provides a forum for dialogue with neighbouring countries about higher education reforms and questions related to shared academic principles, such as the independence of universities and the participation of students in civil society activities. Although articulation was one of the key principles addressed within the NQF, namely to "facilitate access to, and mobility and progression within education, training and career paths" for all South Africans and to "accelerate the redress of past unfair discrimination in education, training and employment opportunities", TVET still face challenges. Considering this, this study looks to explore the current state of academic articulation in TVET colleges in SA.

LITERATURE REVIEW

Theoretical framework: Capabilities Theory

This article draws on a capabilities theoretical approach developed by Powell (2014) to understand capabilities for articulation and capabilities at TVET Colleges. Capability is the power of doing things by people and how they can achieve if they so choose — their opportunity to do or be such things as being well-informed in certain knowledge, being educated, writing, and reading policies to function and get work goals realized. They can contribute to the development of capabilities and functioning of youth at risk in their achievement of new career and learning pathways in a specific educational level. The capability approach is a theoretical framework that views two normative claims:

first, the claim that the main importance of capabilities is the freedom to achieve well-being, second, the people's capabilities are crucial for aspects needed to understand well-being.

Powell (2014) interviewed a targeted sample of learners from a TVET College in South Africa over a period of years for her PhD dissertation and found several capabilities dimensions for TVET College learners. Her theoretical approach was drawn from Robeyns (2005) and Walker's (2006; 2008) understanding of capabilities. Powell utilised Walker's (2006) five steps approach for the development of a capabilities list, namely, (i) finding important capabilities from the capabilities approach; (ii) extracting capabilities from the relevant policy texts; (iii) interviewing recipients; (iv) engaging with other capabilities lists and (v) debating the lists with others (Powell 2014: 203). The capabilities dimension by Powel focus on the analysis of youth at risk and investigate whether Powell's (2014) list can be applied to a broader range of students within several TVET Colleges. Powell's study drew on the experiences of twenty learners involved in mainstream education at a TVET College, while the following case study focuses on non-traditional students and constituted a 'youth at risk' cohort within several TVET Colleges.

This study also uses the Ecosystems theory. According to Bronfenbrenner (1989:188): "Ecological systems theory is an approach that studied human development in a scientific study of the progressive, mutual accommodation, throughout the life course. It was done between a range of active and growing human beings, with changing properties of the immediate settings in which the developing person lives, it is a process affected by the relations between these settings, and by the larger contexts in which the settings are embedded. The ecosystems perspective is used to highlight the interactional patterns within the academic environment, such as TVET Colleges, HEIs, workplaces (institutions, staff, learners) and the educational and skills training environments that contribute to the creation of boundaries or enablers of articulation and integration. In analysing this eco-systematic arrangement, this paper find this theory relevant and it pr4esents hoe the institutions are inter-dependent to other components of the eco-system as enablers of identifying and building capabilities for articulation.

The nature and roles of TVET Colleges

Literature shows that governments around the world are compelled to transform post-secondary education through relentless efforts to improve their quality of education. In 2012, the Third International Congress on TVET in Shanghai encouraged governments to 'support flexible pathways and the accumulation, recognition and transfer of individual learning through transparent, well-articulated outcome-based qualifications systems, stressing the need to 'link TVET with general education to ensure flexible pathways at all levels and ease the progression of TVET learners to higher levels of education (Nutassey & Newton, 2014). In higher education, collaboration takes various forms. It could be between or among staff members, between institutions, staff-students, administration, and the community at large. The purpose of collaboration in higher education is to create, share and disseminate knowledge and resources for the benefit of students, among other reasons. Researchers, for instance, create a means within which collaboration can occur (TschannenMoran, 2001) by networking on common areas of research interest and then publish articles from such groupings. Overly, collaboration is a term that has come to have very positive connotations (Solomon et al 2001). In countries such as Norway and Spain, it takes the form of hybrid programs that offer TVET and academic programs in an integrated manner (Souto-Otero, and Ure, 2012). In the Czech Republic, TVET provision is based on an open-door policy, allowing greater transition opportunity and pathway from TVET to higher education (Kanõáková et al., 2016). It also supplies scope for participation and collaboration of different social partners, in the preparation of the TVET curricula. One of the most cited examples of collaboration between university and TVET is the dual-sector universities in Australia that provide integrated technical and further education (TAFE), while the university level programs are carried out in partnership with each other. Such collaboration allows geographical and academic closeness to the universities and the vocational education providers, bringing together both sending and receiving institutions for the benefit of the student (Field and Guez, 2018).

There are distinct forms of post-secondary vocational education appearing in countries all around the world. Numerous examples are available on how these countries have created transition pathways from TVET to university, through collaboration (Badenhorst and Radile, 2018). These include programs ranging from restricted entries to open door policies, supplying articulation opportunities for students who are willing to avail university degree that is required for further advancement in their career. Such collaborative alliances between TVET and universities have taken place in areas such as teaching, professional skill development, research and development, consultancy, and promotion as well as marketing (Sommerlad *et al.*, 2008).

According to Scarborough (2018) articulation requires a system for co-operation in the planning, evaluation, and improvement of educational programmes. To this end, articulation agreements or links between TVET Colleges would enable the leverage of decision-making processes around choice and proper placement in the university (Watson, 2016). For these agreements to work, Nel (2013) suggests curriculum mapping as a method that would enable the design of articulation pathways in similar or associated fields of study between TVET Colleges and universities. Goethe, Subotzky and Afeti (2008) view articulation as referring to "mechanisms that enable student mobility within and among the institutions that comprise the tertiary system." They go on to mention these as including academic credit accumulation and transfer, recognition and equivalence of degrees, recognition of prior learning, et cetera. The above authors articulate on the drivers and inhibitors of articulation. They mention these as (1) demand for access, (2) national policy, (3) internal governance structures, and (4) industry and the labour market. Another issue that has a bearing on the articulation of FET Colleges to universities concerns the "transition routes that are less clear" (DHET 2009:29).

RESEARCH METHODOLOGY

This study drew literature from secondary sources such as online books and accredited articles and policy documents. Secondary data research involves gathering of information that already exists. A significant amount of information was gathered from secondary sources of research. Secondary sources are based on primary sources — they are usually studies which analyze, evaluate, interpret, or criticize primary sources. By assessing, repackaging, and distributing information, secondary sources make the information more accessible. In other words, secondary source is something written about a primary source. Secondary sources include comments on, interpretations of, or discussions about the original material (Kolb (2008:26). In this study, journal publications were the main sources of information because they supply exactly the information the study requires. The study also sourced information from newspaper articles, government publications and other information repositories. The study used content analysis to analyse the data. Qualitative content analysis is more than simply counting words or pulling out objective content from texts to look at meanings, themes and patterns that may be clear or hidden in a specific text (Maree, 2018). In any research project, it is always important to determine the unit of analysis.

DATA ANALYSIS AND INTERPRETATIONS

The study's aim was to assess challenges of articulation and progression process from TVETs to higher education in South Africa. The study also explores the nature of articulation and progression TVETs graduates to universities in South Africa. Literature was reviewed and themes were arranged as a result of content and discourse analysis.

The challenges of Articulation from TVETs to Universities in South Africa
Legislative/regulatory blockages

Intra-institutional articulation may be constrained by legislation and regulation. In South Africa, an example of such a barrier is a clause of the Joint Statute of the Universities, (Act 61 of 1955). This clause prevents public universities from granting credit for more than 50% of a qualification from a 'sending' institution. This means that regardless of whether the student has met the requirements or not, the 'receiving' institution will require that they repeat at least 50% of the programme before a degree is granted (Field and Guez, 2018). This outdated Act has links to the funding subsidy to South African institutions. Other possible legislative barriers may exist between educational institutions and the professions, especially where the professions are also subject to an Act. legislative barriers between institutions and between institutions and professions, as well as workplaces, need further investigation.

The articulation of academic programmes between institutions in South Africa is not guided by a specific policy endorsed by the Department of Higher Education and Training (DHET). However, the candidates that apply for accreditation of modules as part of articulation will be considered according to the institution handling the application. Applicant will be considered only if the qualification obtained for TVET can be accredited according to the National Qualification Framework (NQF) and the also each university have a policy on Recognition of Prior Learning (RPL) which they can use to accredit applicant. The Articulation and accreditation of courses requires

adequate resources for the TVET applicants like time, money, and information. In addition, TVET students are not trained enough on career progression opportunity as TVET graduates. There is limited job opportunity for higher education, and inadequate information on TVET in general (Field and Guez, 2018).

Structural blockages

Linked to the previous barrier, there are doubts circulating regarding the nature and purpose of TVET qualifications. Where no pathways have been conceptualised between vocationally oriented programmes and academic programmes, this may create a blockage. Different types of qualifications became prominent in South Africa with the implementation of the SANQF. Some public TVET Colleges are compelled to register their programmes with SAQA on a bend that is lower than Universities and Universities of Technology. These qualifications are also associated with different sub-frameworks of the education and training system complicates matters further. There is insufficiently 'links, and synergy of TVET programmes and Higher Education. Links are eased by systemic mechanisms such as joint planning, particularly learning and career pathway planning, budgeting and funding' (Blom, 2017) in no small degree, inhibits articulation across the system.

The TVET system poses a confusing mix of overlapping and competing programmes, mostly on the NCV curriculum, e.g., same programme enrols both students with matric and those who are supposed to go for Grade 10 . Some students enrol at TVET Colleges when they have failed their Matriculation, hence they end up with limited choices on choosing the career paths of their dreams. Lack of proper administration of bursaries like the National Student Financial Aid (NSFAS) in colleges also excoriate the image of TVET Colleges, especially when students are not successful in completing their studies in time. Results are never released on time and pending results can take weeks or more than a month before they are released Lack of strong institutional and governance of the TVET system (SASCO, 2021). Other challenges include lack of transformation of the management teams, labour stability, staff commitment and productivity. Lack of student accommodation in campuses and the proper training and qualifications of the lecturers and their conditions of work such as time for labour required by the labour market and skills and qualifications of lecturers. All these challenges are degrading the standard of these colleges; hence some universities are not game to articulation and agreements with the TVET graduates. Universities of Technologies use their RPL policies to allow the TVET Colleges to further their studies with them.

Student dropouts

The students drop-outs just after they have articulated from TVET to Higher Education level like University of Technology, impact on employer perceptions of TVET college graduates (Barnes & Meadows 2008; Lomey & McNamara 2018). In addition, the minimum required exit levels for TVET qualification appears to be too low for to some job entry levels for some industries. Furthermore, work experience gained during vocational in-service training is more than the theory studied in class, hence it contributes significantly to increasing students' subsequent employability and an entry level. This can also suggest that work-based education routes are still relevant (OECD 2016). It is possible that employers and students were correct in their assessment, but that a strong TVET curriculum and TVET educators are insufficient for a positive gain by labour market outcome, and that the low absorption of TVET completers into employment is related to other factors. Allais & Nathan (2012) and Vally & Motala (2017), for example, suggest that the weak return on employment, rather than being a failure of the TVET sector is a function of a reduction in labour market demand that has resulted in, quite simply, an insufficient number of jobs.

Problems with the implementation of curricula

One recent study (FETI 2019) revealed that, while employers proposed changes to the curriculum that entailed more work exposure, more updated or job specific knowledge, and career guidance, they generally appeared to regard these suggestions as curriculum enhancements rather than fundamental flaws to be addressed. In several studies, employers have emphasised the importance of non-cognitive, non-technical skills such as motivation, reliability, and hard work in addition to a broad understanding of the sector and how it is organised (Handel 2013; FETI 2019). There is inadequate articulation between qualifications as well as programmes which span more than one sub-qualification framework, which leads to dead ends for learners.

CONCLUSIONS AND WAY FORWARD

This paper demonstrates that articulation has barriers that impede the progress of TVET college graduates from articulating to universities and universities of technologies. Some of these challenges include non-compliance to policies, inadequate resources, and limited infrastructure existing in the TVET institutions, inadequate job and career progression opportunity for the TVET graduates, limited opportunity for information sharing on articulation between TVET and universities and UoTs in general. To address the problems identified above, some things need to be done. It has emerged that management and leadership skills to drive TVETCs are lacking. It is therefore imperative for the TVET sector managers and leaders to continuously attend workshops and training to be exposed to various leadership skills that can help them to improve their oversight role in these colleges. In addition, the department of education must also appoint proper qualified managers who possess suitable qualifications and expertise required for managing these institutions.

This paper recommends that universities must help and build human capacity in the TVET sector by training curriculum development specialists for the sector, training education management specialists for the sector. The TVET colleges must partner with other universities to improve their performance and aim at producing well-rounded teacher graduates/educators in technical subject areas. There must be establishing incentives (or sanctioning) of universities when they accept TVET college graduates to enrol in their programmes so that they can be encourages to support the articulation of TEVETCs graduates. It is urgent for the department to consider a curriculum review in the TVET Sector and to invest in a massive infrastructural upgrade. The government must also consult stakeholders and consider endorsing a policy on the articulation of TEVET College graduates to other HE institutions. There is a need for the implementation of a monitoring and evaluation of the articulation process and allow research system for TVET to be integrated to the M&E strategy on articulation of community colleges, universities, and training institutions. This should include the development of key indicators for determining the success of the programme as well as indicators pertaining to the inputs of the programme.

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THE DOS AND DON'TS OF DOING BUSINESS IN THE ARAB MIDDLE EAST: EVIDENCE FROM THE UAE*

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ABSTRACT

The United Arab Emirates (UAE) plans to double its economy by the end of 2031, with an emphasis on retail and other major non-oil sectors. Due to its geographic location, growing business opportunities, friendly business legislation and well-developed infrastructures, the UAE has become an increasingly attractive business hub and a key market for international business expansion in a post-pandemic era. The current study aims at understanding the cultural factors, verbal and non-verbal communication that will lead to the success of doing business with Arabs. Through qualitative data collection method, semi-structured interviews were conducted with European international business managers that are doing business in the UAE. The results showed that, among others, trust and respect are crucial elements that can positively influence the capacity of non-Arab companies to do business in the UAE market.

Keywords: UAE, cross-culture, business success factors, retail

INTRODUCTION

The Arab Middle East, namely the United Arab Emirates (UAE), has observed unprecedented economic and social transformations in the last decade (Mishrif, 2018). Rich in oil, the UAE has an open economy that managed to transit from an oil-based economy to the most economically vibrant and diversified of all the Arab Middle East countries (Khan & Ebner, 2019). Today in the UAE alone, the non-oil economy has risen to more than 72.3% of its GDP. The most significant contributors are tourism, hotels, and restaurants, with 21.3%, followed by retail with 14.1% of total non-oil GDP (Lucente, 2022). According to Arabian Business (2022), in the UAE, consumer spending has remained resilient throughout the pandemic, and consumer confidence "has reached its highest level in ten years". Due to growing business opportunities and friendly business legislation, such as cutting business fees and releasing new visa directives to attract foreign investors, the UAE has become an increasingly attractive business hub in conjunction with well-developed infrastructures in general and for business (Lucente, 2022; PWC, 2020). Businesses wanting to invest in the fast-growing, culturally diverse non-oil areas of the UAE, such as retail, may find it challenging to know what can directly make or break their investments as scant literature is available. A trial-and-error approach to this international market is complex, as investments of this magnitude are costly, and brand image can be affected if it does not work out.

It became apparent that several factors needed to be divulged to avoid slipups that could bring about costly adversities while trying to do business in the retail area. These slipups deal with cross-cultural factors that may transcend into other business areas. Therefore, it was essential to delve into these dos and don'ts to uncover further issues that could hinder or bring about success for other European managers wanting to expand into the UAE, not just in retail but also in other areas such as construction or technical areas. To better understand these cross-cultural factors,

a study was devised through semi-structured interviews that allowed successful European managers to share their views while initiating or conducting business in the UAE. This paper starts with an overview of the context of the UAE. Secondly, a literature review is presented by illustrating UAE-specific business success factors.

The context of the UAE

For more than 75 years, the British controlled through treaties with the local rulers, sheikhs, what was then called the Trucial States in the Arab Gulf. By the end of 1971, the British left the territory, and the Sheiks formed alliances among themselves, creating an initial federation (UAE, 2022). On 2 December 1972, the United Arab Emirates became an independent, sovereign, and federal state (UAE, 2022). Currently, the UAE is comprised of the seven emirates, which initially comprised the Trucial States. Geographically, the UAE borders Saudi Arabia, Oman, and the Arabian Gulf in a strategic location near the Strait of Hormuz (PWC, 2020). Today the UAE has an open economy that has transitioned from an oil-based economy to the most economically vibrant and diversified of all the neighbouring countries. Here there is, according to Khan and Ebner (2019), "a generational willingness to be bold, try new things, and be more tolerant of change" (Khan & Ebner, 2019, pg.413). According to the World Economic Forum, Schwab, K. (2019), the UAE is the most competitive economy in the Arab world. However, it is the second-largest economy in the region, only after Saudi Arabia. Due to its geographic location, growing business opportunities, friendly business legislation, and well-developed infrastructures in general and for business, the UAE has become an increasingly attractive business hub (PWC, 2021). In the Ease of Doing Business report that measures 190 countries from The World Bank (2020), the UAE ranks 16th worldwide and first compared with the other Arab Gulf countries. Furthermore, the UAE is the most significant Foreign Direct Investment (FDI) recipient in the Middle East, which shows its economic potential (ALPEN Capital Investment, 2019; The World Bank, 2020). The UAE has placed a strong emphasis on education, with a literacy rate of 95%. Local universities focus on relevant sectors for the UAE, such as economic growth and technological platforms. Technologically, local scientists partnered with International Universities and International Science Institutes to launch a mission probe to Mars that arrived successfully, making it the fifth probe on Mars (Sarwat, 2021). Culture and technology are part of a strategic broader ambition of the UAE to drive innovation and further diversify the economy (UAE, 2021). Today, the UAE is considered a gateway to other Middle Eastern and Northern African countries (MENA Region), from where many multinationals run their business for those regions (Khan & Ebner, 2019). Most UAE businesses continue to be held by local Arabs or Arab groups, where there is considerable assimilation of international staff reflected by the population diversity. According to the Central Intelligence Agency's World Fact Book, in 2022, more than eighty-eight per cent of the resident population of the UAE is composed of international migrants, where less than twelve per cent are considered Emirati (Emirati descendants) (Marsh, 2020; Central Intelligence Agency, 2022). Sixty per cent of the expatriates (international migrants) are from the Indian subcontinent, or elsewhere in Asia, about thirty per cent are from other Arab countries and Iran, and only five per cent are western (Marsh, 2020; Central Intelligence Agency, 2022). The Indian expatriates make up the largest of all the groups, with around thirty per cent just in itself. This cultural diversity naturally influences business dealings and negotiations; however, the business subculture continues to be heavily influenced by its Arab owners (Marsh, 2020).

LITERATURE REVIEW

Franchisors and international business managers must know how to deal with Arab managers and understand specific cross-cultural factors that will hinder or facilitate when doing business in the UAE. To comprehend these factors, 13 European business directors or international area managers were asked about their experience and know-how discern business's main dos and don'ts in the UAE. Some of these factors are the result of the author's experience and literature which formed the basis for the semi-structured questionnaire, see (Figure 1).

Figure 1: Factors influencing Business Success in the UAE

Figure 1: Own Construct based on author's experience.

Understanding the Arab culture

The concept of culture has led to much research in various areas, including international business. Researchers have strived to cluster countries into groups to study similarities and differences that help us understand and transcend them (Almutairi et al., 2020; Khan & Ebner, 2019). Hofstede in 1980 presented his cultural findings on the Arab countries, including the UAE, which scored high on the Power Distance and Collectivism dimensions (Almutairi et al., 2020). This indicates that Arabs accept that not all individuals in society are equal and tend to recognise people in authority within a hierarchy and for whom relationship building, trust, and loyalty, to the extended family are essential (Hofstede, 1980; Khan & Ebner, 2019).

Critical to Hofstede, Trompenaars & Hampden – Turner (2012), who also included the UAE in their Arab cluster, described Arabs as guided by moral absolutes such as integrity and honour. There is respect for the hierarchy where titles clarify a person's place and where the family, the group and the community are paramount. Trompenaars & Hampden – Turner describe Arabs as polite, evasive, tactfully ambiguous, vague, and non-verbally expressive, perhaps due to several centuries of negotiating, which made them masters in hiding their exact views (Trompenaars, Hampden-Turner, 2012; Marsh, 2020).

Verluyten (2018), on the other hand, cautions that it is fundamental not to predict an individual's behaviour because he belongs to a specific group or culture. Cultures only reveal influences and should not be generalised (Verluyten, 2018). A person's values and conduct are linked to many other factors along with a cultural background, as Verluyten (2018) argues, that substantially influence their behaviour and values. A person's social class, economic well-being, age, and gender also become strong determiners of a person's attitudes and general behaviour (Verluyten, 2018). Often, the company's subculture, professional and corporate values and general practices can curtail and even strengthen a person's demeanour no matter which culture has influenced doing business (Verluyten, 2018).

Trust & respect

In business, as in their daily lives, trust and personal relationships are very important for Middle East Arabs (Katz, 2017). Accordingly, to a Middle Easterner, character, trustworthiness, and moral standards are the basis for a solid business relationship (Khan & Ebner, 2019; Marsh, 2020; Verluyten, 2018). This happens independently of being the first contact from the organization or whether that contact is substituting another person (Marsh, 2020). Trust is personal! To evaluate the character of the western counterpart, the Arab businessman will engage in pleasantries and personal questions during the first meetings. In this pre-stage, the Arab counterpart will determine if the westerner is trustworthy both as a person and representative of the company (Khan & Ebner, 2019). Not answering or trying to deviate from the conversation can be seen as dubious and, therefore, not someone in whom to deposit trust (Petch,

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2016). Without building a trusting and strong relationship, the success of any business deal is uncertain (Kabasakal & Bodur, 2002).

Verbal communication

Business communication in the UAE is mainly done in English. As they have a high influx of migrants from many nationalities, English is the chosen business language (Khan & Ebner, 2019; Marsh, 2020). The English level is relatively high as many have studied in international schools and have gone on to western universities. Verbal communication in the UAE is amicable, pleasant, and usually spoken in mild tones but relatively diffuse and subtle (Marsh, 2020). Rarely a direct "no," is heard, as this may be more like "we will look into this," which does not necessarily mean what it says (Katz, 2017). If, however, there is a possibility for an agreement, there will still not be a definite "yes" but rather the ever-present "Insh Allah" (God willing) (Katz, 2017). Westerners tend to say what they mean, and there is little room for misunderstanding; however, in the Middle East, this may be seen as too direct and, therefore, impolite (Marsh, 2020). It is essential to carefully choose the words used and the tone of voice that will help shape the ambience of the meeting, which is how the UAE Arab counterpart will also conduct his verbal communication (Marsh, 2020). Like other easterners, the Arabs also may use short periods of silence to assimilate information (Verluyten, 2018). The Arab counterpart's silence makes it difficult to understand if he agreed or disagreed with the proposal presented during a meeting. Trying to interrupt this silence may be seen as pressure and not well received. It is best to follow the counterpart's lead (Katz, 2017).

Non-verbal communication

Non-linguistic expressions, considered indirect communication, are quite significant in the Arab world and play an essential role in conducting business with Arabs (Abbasi & Hollman, 1993; Verluyten, 2018). Facial expressions, hand gestures, constant eye contact, or the lack of it, are many ways the Arabs communicate. Between men, frequent eye contact conveys sincerity and should not be avoided, as this may implicate that there is something to hide (Katz, 2017). On the other hand, if there is a woman involved, eye contact will not be constant as a sign of respect which is deeply rooted in traditions and culture (Marsh, 2020).

The quality of the team

The UAE is an agglomeration of many nationalities, where acculturation occurs almost naturally due to prolonged exposure to other cultures and Emirati expatriate life (Khan & Ebner, 2019). The business teams are generally composed of various nationalities, represented according to the type of business. Thus, acculturation is subnational; a firm-level culture flourishes and is present in business relationships (Khan & Ebner, 2019; Marsh, 2020). However, a strong Emirati business culture influence is almost always present in all business meetings, even if no Emiratis are present at any given time (Khan & Ebner, 2019; Marsh, 2020). According to Khan & Ebner (2019), in the Middle East and, therefore, the UAE, perhaps due to its elevated high-power distance, according to Hofstede insights scales, people are viewed and treated according to their nationality, social status, gender, age, and education. This hierarchization is generally applied in the business structure of the private sector teams, where some nationalities may be excluded from management positions and or may be favoured for certain positions in some lines of business (Bealer & Bhanugopan, 2014; Marsh, 2015). This hierarchization is unofficially practised in business and society (Marsh, 2020). Certain nationalities are considered more desirable than others, which will undoubtedly reflect on their salaries, their position, and essentially their "clout" within the company (Bealer & Bhanugopan, 2014).

METHODOLOGY & SAMPLE

The authors resorted to semi-structured interviews within a qualitative method of data collection to respond to a series of predefined questions, using primarily open-ended questions in this study, allowing the respondents to describe their own experiences in their field (Sekaran & Roger, 2016). This method enables the participants to give their observations and spontaneously provide insights and opinions rather than be mere respondents (Bryman, 2012). This study integrates the findings of 13 semi-structured interviews, which have been video recorded and transcribed into software

for qualitative and mixed methods analysis. Due to the geographical distances between the researcher and the respondents, the platform zoom.us was chosen as the vehicle for video interviews. Each video interview was set up at a specific time and date and generally took from 40 to 90 minutes, depending on the depth of the insights and the time the respondents had available. Prior to the interview, the researcher explained the purpose of the research and its focus (Given, 2012). Each respondent gave their informed consent to record a zoom.us session and participate in the research (Given, 2012). The 13 respondents were chosen to represent several business areas in the UAE, from construction to technical areas, although eight were focused on fashion retail. The respondents were all European, from Portugal, Spain, France, and Belgium; however, three of these live and work in the Emirates. In the fashion retail industry, our respondents were primarily responsible for the international business of their companies, either as area managers or directors. The respondents of the non-retail areas represented significant technical areas in the UAE, such as oil, national wealth investment management, and construction.

DATA ANALYSIS AND DISCUSSION

A questionnaire was elaborated to focus on some cross-cultural factors that need to be understood to facilitate business in the UAE.

RQ.1 *In your first meeting were you able to talk right away about business? How comfortable were you talking about your personal life? Did this take a long time? Did you try to avoid it?* (Responses Tab.1).

Table 1: Establishing Trust & Respect

Source: MAXQDA retrieved segments from respondents' information.

RQ.2 *When you presented your proposal did you get a straight "yes" or "no" response? Did your counterpart ever go silent at any one time during the meeting? For how long and what did you do or say?* (Responses Tab.2).

Table 2: Verbal Communication

> If they want to say to you " sure I'll do that" they replace that with " Inch Allah", or I don't think it's working" it will also be "inch Allah". Incha Allah is not necessarily positive or necessarily negative.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > INSH ALLAH / YES
>
> It's more than a maybe. When they say "Inch Allah" that means they are not very interested. b/c otherwise they will say yes.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > INSH ALLAH / YES or NO R3 (0)
>
> L: Not happening! It depends on how they say it. It is also used as a verbal crutch. " yes we are going to have this project Inch Allah" This is just a verbal interjection and things will be happening. Inch Allah is very content specific.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > INSH ALLAH / YES or NO
>
> J: Depends sometimes it's like I'm thinking about it other times is to put pressure. " I don't answer I want you to think that I'm thinking and it could be a no" so it's a pressure, they maybe do it more and they want you to feel they have the power.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > SILENCE R3.1 (0)
>
> means they are thinking their words. They are very polite people and measure their words carefully. Of course it varies with their personality but they are not impetuous. They are measured. I interpret it positively as they want to measure their words thinking about the solution.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > SILENCE R3.1 (0)

Source: MAXQDA retrieved segments from respondents' information.

RQ.3 *Did your Arab counterpart always keep constant eye contact with you? Did you try to avoid it?* (Responses Tab.3).

Table 3: Non-Verbal Communication

> This is where eye contact is very important and you can see the reaction from the other side. I do this always and not specificly with Arabs.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > EYE CONTACT R 4 (0)
>
> : I never felt any difference from what we have here, so no cultural Gap there.
>
> ⊂ VERBAL - NON VERBAL COMUNICATION R3 > EYE CONTACT R 4 (0)
>
> think they take que's from the woman . I have no issues with them keeping eye contact with me I do it. It is my personality. I'm an extravert. I like to make people confortable so they become confortable with me.
>
> ⊂ FIRST MEETINGS R 1.1 & 1.2 > FEMALE (0)

Source: MAXQDA retrieved segments from respondents' information.

RQ.4 *Were you able to perceive that there is a stratified hierarchy according to nationalities? Does nationality play an important part in the choice of the team to deal with your brand?* (Responses Tab.4).

Table 4: The Quality of the Team

> : I think in these countries they have very established "rancos sociales (Social stratification)
>
> ⊂ TEAM R7 > NATIONALITY HQ R7.1 (0)
>
> :It's clear, the first ones are the locals, then the second other GCC people, 3rd westerners, 4th the other Arabs and 5th the people Asians
>
> ⊂ TEAM R7 > NATIONALITY HQ R7.1 (0)
>
> I'm not racist but if we are working with an European or someone from UAE they have more power than if we work with Indian or Filipinos, there is a scale of power in this country, there is a difference.
>
> ⊂ TEAM R7 > NATIONALITY HQ R7.1 (0)
>
> o you can see stratisfication of nationalities is actually going down and this is the .... company in the UAE and it's an example for the rest. it's very fast moving
>
> ⊂ TEAM R7 > NATIONALITY HQ R7.1 (0)
>
> t used to be more. The locals are always above everyone else. Especially in terms of compensation. Certain nationalities have advantages in certain organizations.
>
> ⊂ TEAM R7 > NATIONALITY HQ R7.1 (0)

Source: MAXQDA retrieved segments from respondents' information.

CONCLUSION

Business success factors and results

Literature is scant on international business for the UAE. Having updated information on the dos and don'ts of doing business in this rapidly changing region is fundamental for the success of any international business venture.

Trust & Respect Factor: - In the interviews, it was assessed if the respondents felt that there was a lot of "small talk" before any real business started. The Research Question tried to determine if this small talk included personal questions and if they were comfortable talking about their personal life in a business meeting, how they reacted to these questions and if they felt this was a waste of time.

In the interviews, it was perceived that, on average, this type of "getting to know you" establishing trust through small talk occurs more frequently in the retail field than in the other business areas and can take up most of the meeting. Our results are identical to literature in the more traditional areas, whereas literature is deficient in more technical areas where "small talk" is relatively short as their "time is very expensive". This result can be explained by the fact that in the more technical areas, like the oil business, there are more westerners or western educated Arabs in these meetings.

Verbal Communication Factor: For this factor, it was essential to determine if verbally the respondents got a straight "yes" or "no" to their proposals. Our respondents in the retail and construction area reported that they never got a straight "yes" or "no" to their proposals. Instead, they often got an "Inch Allah", which was non-precise. Most of our respondents perceive that "Insh Allah" is not necessarily positive or negative. We have found that "Insh Allah" is "very content-specific" and is often used as a "verbal crutch", as defined by two of our respondents. Another respondent tells us that "Insh Allah" is widespread in the various areas of business and society; however, in more technical areas, it has a more negative perception, a "sort of maybe" or that "it's not happening". When asked about periods of silence in meetings, our respondents felt that their Arab counterparts were measuring what to say and, in other cases assimilating information. For a westerner, silence can be an uncomfortable time. One of our respondents suggested that to overcome this constraining silence, he "drank a glass of water very slowly" and waited.

Non-Verbal Communication Factor: It was assessed that frequent eye contact during meetings is normal and some of our respondents felt that it was no different from southern Europe. Our respondents acknowledged that non-verbal communication expressed through constant eye contact between men assures the counterpart that nothing is hidden in line with the literature. Accordingly, eye contact with women is usually less frequent, and, in many cases, the Arabs "follow the woman's lead".

The Quality of the Team Factor: We directly asked our respondents if they were able to perceive that there is a stratified hierarchy according to nationalities in the UAE and if nationality played an essential part in the quality of the team. Although initially, our respondents felt awkward when asked this question, they acknowledged that this hierarchization is still evident in the UAE in all business areas. It continues to be important to have a team with some nationalities at the top of the hierarchy, as they seem to have more "clout/power" within the business. Some of our respondents have communicated that although this situation is still widespread in the UAE, it is decreasing, primarily where businesses are run by younger, more educated Emiratis who "are changing the balance and setting an example to society".

MANAGERIAL IMPLICATIONS AND CONCLUDING REMARKS

In our search to better understand the culture of the UAE Arabs, we support Verluyten (2018) and Marsh (2020) when they refer that you cannot assume an individual's behaviour because he belongs to a specific culture as this only reveals influences and should not be generalized. According to most researchers and our retail respondents, the Arab managers continue to take time to "get to know you" to establish trust, as trust is personal. Although this "get to know

you" stage continues to be necessary, our research indicates it is no longer as extensive as previously stated in literature due to a new younger, more educated Arab generation. In the UAE and most of the Middle East, social stratification by nationality continues to exist, and it is important to understand its effect on the running of the business.

The UAE is a country where rapid change develops by "leaps and bounds," as described by one of the respondents. Therefore, some of these premises discussed in this study have evolved, as shown in our results.

Limitations and future research

The main limitation of this research is linked to the scope of the sample, which limits the analysis. The sample is concentrated in the fashion retail area of franchisors and hence has a minimal approach in other areas, which could influence the results. Further to the research presented that delves into the relationships between UAE Arabs and westerners, it is essential to understand the relationships where middle and sometimes upper management are non-Arabs. These non-locals have become more and more common in these UAE business areas and will impact the relationship and the way of doing business.

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AN ASSESSMENT OF DEMOGRAPHIC VARIABLES AND ORGANISATIONAL COMMITMENT AMONG ACADEMIC STAFF IN SELECTED HIGHER EDUCATION

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ABSTRACT

This research study assessed the interaction influence of demographic characteristics (gender, age, and tenure), on work performance. Organisations must recruit individuals that have similar values as the organisations to perpetuate a high level of commitment among employees. According to Martin and Roodt, (2008) employee commitment is when an individual gives all of oneself while at work. Committed employees use time efficiently, pay attention to detail, try to attain organisational goals, cooperate with others, pride in abilities, and seek to improve the organisation. Employees in today's organisations are keener to stay in a company that goes beyond meeting their expectations (Olivier; 2011). The organisational commitment model or the theoretical framework, which is composed of the three components of the organisational commitment model by Allen and Meyer (1990) was used, to inform this study. The study was located at the UKZN and a random sample of fifty (50) academic staff was drawn from the University of KwaZulu-Natal. There were 54% of male respondents and 46% comprised of female respondents. This study adopted a quantitative research design to collect and analyse data. The researcher used a questionnaire survey as an instrument to collect data and a Statistical Package for the Social Sciences (SPSS) was adopted to statistically analyse and interpret the data. The research findings depicted Friedman's test was done to test if there is a significant difference across the 3 types of commitment. The Friedman Test indicated that there is a significant difference in the level of commitment across the three types, $\chi2 (2) = 20.513, p>.05$. Affective commitment is significantly higher than either continuance or normative commitment. There is no statistical difference in significance in perceptions of respondents of different age groups and gender groups towards affective and normative commitment. This study's findings can contribute significantly towards implementing strategies to enhance all three forms of organisational commitment.

Keywords: organisational commitment, normative commitment, continuance commitment, affective commitment, age, gender, tenure, university institution, academic staff

INTRODUCTION

Background of the study

Every organisation aims to have committed employees that can contribute to the fulfilment of the organisational goals (Darus, Azizan & Ahmad, 2016). In the era of knowledge economy, it becomes pivotal that academic staff commitment, which is the centre of knowledge production in higher education. Interestingly, despite the extensive literature on organisational commitment, little has focused on the three organisational commitment (Normative, Continuance and Affective) correlation with the biographical factors on academic staff in higher education institutions, in South Africa.

According to Turner (2001) commitment is one of the constructs that have been researched by many scholars and explained its correlation with other constructs such as job satisfaction (Toga, 2011) and turnover and performance (Mathieu, Fabi, Lacoursière, & Raymond, 2016). Many scholars' literature has depicted that organisational commitment contributes positively to increasing organisational performance (Choong, Tan, Keh, Lim, & Tan, 2012). Therefore, employers must understand and know how commitment can be nurtured and maintained in various employment relationships in organizations (Torka, 2004) as cited in Tissong (2012). Moreover, to further understand the organisational commitment relationship with the demographic factors of employees.

Abu-Shamaa et al., (2015) postulated that highly committed employees are productive, compatible, and loyal to their organisation. Mabaso (2016) further points out that committed employees are keen to take responsibility and are more satisfied with their work (job satisfaction), and as a result, organic organizations benefit from the reduction of cost associated with replacing human capital. This implies that without a committed workforce the likelihood of an organisation failing to achieve its objectives is perceived to be greater. Hence, it is fundamental that employees are effectively committed to carry out the mandate of the organisation (Mohr, Fourie, & Associates, 2004). Moreover, due to increased employee turnover, organizational commitment is needed to sustain and retain talented employees (Chong et al., 2017).

McDonald and Makin (2000) point out a simple understanding of the multi-dimensional construct of commitment and argues that employees remain in the organization as a result of psychological attachment (affective), because they feel obliged to do so (continuance), or because it the right thing to do (normative).

Problem statement

The Academic staff play an important role in the success of students in higher learning institutions. Hence, it is imperative that academic staff are committed to their work - to execute lecturing effectively and produce competent and knowledgeable workers. Higher education institutions face pressure to produce competent and skilled students that will meet the organisational requirements demands and increase research outputs (Mbona, 2012). For education institutions to achieve high academic research output and competent students in preparation to enter the workforce, academic staff need to be committed to work. Therefore, the human resource department and academic leaders must understand the variables that enhance organisational commitment among academic employees.

According to Choong, Tan, Keh, Lim, & Tan, (2012) organisations need to focus on shaping academic employees' attitudes which will inevitably contribute significantly to enhancing productivity, creativity, and innovation heightening organisational performance. This will enable academic staff to produce competent graduates with the skills demanded by organisations thus unemployment rate will be reduced due to increased graduates' employability. The overall economic environment in the country is characterised by severe instability, hence the importance to produce employable graduates that will contribute to the economic growth of the country whilst the university will be able to gain a competitive advantage and attract more international students to increase funding in the university.

Definitions of organisational commitment

Organisational commitment is referred to as the willingness of employees to exert their effort and energy towards the attainment of the organisational goals and mission; hence they are more likely to retain their organisational membership (Porter, Steers, Mowday, & Boulian, 1974).

Organisational commitment is a multidimensional concept that entails three dimensions, namely: affective, continuance and normative, thus this conceptualisation is also known as the Meyer and Allen (1991) three-component model of organisational commitment (OC).

Affective commitment: occurs when an employee identifies with the organisation and becomes involved in the organisation's activities thus, this is inclined with emotional attachment towards an organisation (Lin, 2018). This psychological attachment enables an individual to identify with the organisational values and goals (Dixit & Bhati,

2012). According to Bargraim (2003), as cited in (Zincume, 2012), affective commitment is developed among employees when an organisation meets the employee's expectations and needs. For instance, if an individual feels appreciated in their workplace, they are more likely to be emotionally attached to their respective organisation.

Continuance commitment: this type of commitment is associated with the cost of leaving an organisation. Meyer and Allen (1991) alluded that continuance commitment is developed among employees when they perceive investment accumulated in the company to be greater such as skills, time and compensation than what will be lost if the employee were to depart from the current employment. This factor is concerned with the cost associated with leaving an organisation, employees with a high level of continuance commitment retain their organisational membership because they need to do so (Việt, 2015; Karim & Noor, 2017).

Normative commitment: can be defined as the workforce's internal belief to retain their organisational membership. According to Bagraim (2003) cited in (Zincume, 201,2), normative commitment workforce tends to be loyal to their companies as they feel that it is their responsibility to do so. It is when an employee feels obligated to stay within the organisation (Meyer & Allen, 1991). Puntranta (2008) points out that when employers offer greater benefits beyond the employee's expectation and beyond the benefit that is usually employer offered to the employee, such as training, and paying for university fees to advance the employee's career. The employee may feel obligated to ted repay the employer by choosing to retain their organisational membership because of the investment the employer has done for the employer. Additionally, Dubazane (2015) argues that employees who are normatively committed put the interests of the organisation first before their benefits.

Theoretical Framework

This study is supported by the organisational commitment theory. Meyer and Allen (1991) are of the view that the organisational commitment is a multidimensional construct and point out the three organisational commitment dimensions namely.

Figure 1: Organisational commitment theory
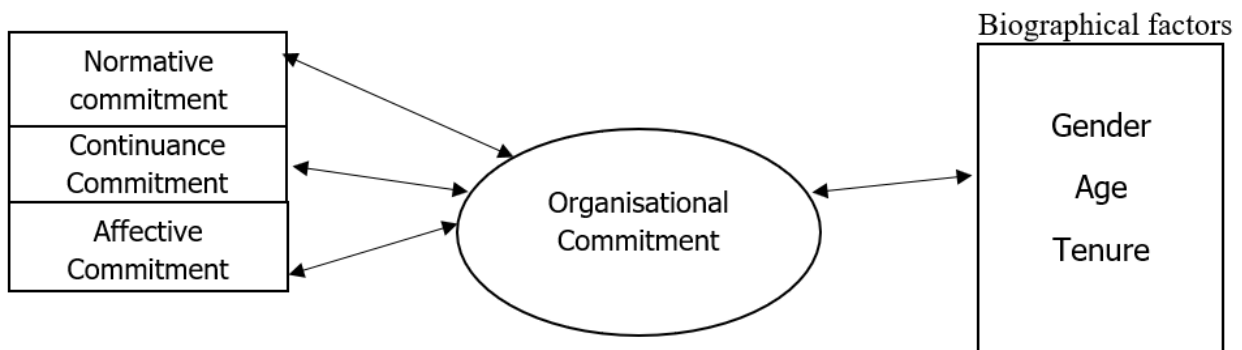
Source: Developed from Meyer and Allen (1991) and Dunham et al (1994) conceptual framework.

Hypothesis development

Hypothesis 1:
    There is a positive significant correlation between genders towards organisational commitment.
Hypothesis 2:
    There is no significant relationship between tenure towards organisational commitment.
Hypothesis 3:
    There is a significant difference among age groups toward organisational commitment.

Demographic Antecedents of Organisational Commitment

According to Zincume (2012), biographic aspects which include age, gender, tenure, marital status, qualification and job level influence the level of commitment among employees. Popoola (2006) notes that biographical factors influence the OC among staff members in Nigerian state universities. Contrary, Weidmer (2006) as cited in (Iqbal, 2010) indicated that biographic factors did not significantly contribute to employees' commitment.

Age and Organisational Commitment

There is a significant positive relationship between age and organisational commitment, and it is more associated with affective commitment (Zincume, 2012). Other studies have depicted that the older workforce is more emotionally attached to their employment as compared to young employees. This is because of fewer perceived employment alternatives that are available to them (Muthuveloo & Rose, 2005; Smeenk, Eisinga, Teelken, & Doorewaard, 2006; Mathieu & Zajac, 1990). Recent studies postulated similar results those older employees are more likely to exhibit high levels of commitment (maturity explanation) and older workforce perceive greater benefits when they retain organisational membership compared to young employees (experience explanation) (Meyer & Allen, 1991; Xu & Bassham, 2010).

Tenure and Organisational Commitment

Many researchers have alluded that there is a positive correlation between tenure and employee commitment (Zincume, 2012). Newstrom (2007) argues that employees with longer tenure were effectively committed. Other studies noted a positive significant relationship between employee tenure and the three types of commitment (Normative, Affective and Continuance) (Bull, 2005; Salami, 2008; Muthuveloo & Rose, 2005; Iqbal, 2010). Another study conducted by Iqbal (2010) findings reported a significant relationship between tenure and affective commitment and alludes that employee's long service is associated with maturity.

According to Siew, Chitpakdee, and Chontawan (2011) study on factors that perpetuated the three forms of organisational commitment (affective, normative and continuance) and years of experiences of nurses in the state hospital in Malaysia. The findings depicted a positive correlation between the two variables; reasons may be more work experience was inclined with factors such as high salary, increment, greater annual leave, greater pension fund and bonus. Additionally, nurses with more experience are more likely to hold higher positions and responsibilities, which provide them opportunities to be involved in the workplace as well as in decision-making (Zincume, 2012).

Career development and growth are associated with a feeling of achievement among nurses. Hence, they become effectively committed to their organisations compared to nurses with less tenure (Zincume, 2012). On the other hand, a study by Singh (2008) findings depicted that there is no significant relationship between tenure and employees' level of commitment. These findings were further supported by Dex and Scheil (2001) that there is no significant correlation between tenure and organisational commitment.

Gender and Organisational Commitment

Previously, some studies on the relationship between gender and organisational commitment by Mathieu and Zajac (1990) depicts that woman exhibited high levels of commitment compared to men. Salami (2008) study reported that there was no significant correlation between gender and organisational commitment. On contrary, Opayemi (2004)'s study depicts that gender and employee's organisational commitment are positively correlated in the public-sector organisations, moreover women were more effectively committed in their workplace compared to their counterparts. Zincume (2012) concluded that this finding resulted because it is difficult for women to climb the corporate ladder therefore, women valued and adhered to the gender equity policies in the organisation. According to Akintayo study (2010) postulated that female employees play a dual role because they are confronted with family duties as well as work responsibilities. On contrary, some studies noted that male employees are more committed to work responsibilities compared to family responsibilities. The research study by Abdulla and Shaw (1999) focused on the

correlation between gender and organisational commitment, namely, affective and continuance commitment and the findings depicted that males respondents exhibited a higher level of continuance commitment compared to female counterparts, however, there was no significant difference between male employees and female employees towards affective commitment.

APPENDICES

Figure 2: Types of commitment
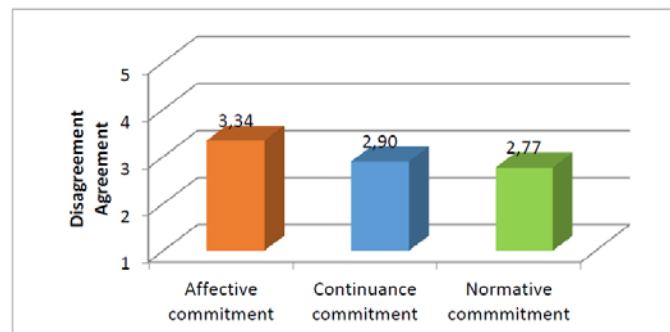
Concerning Figure 2, Friedman's test was done to test if there is a significant difference across the 3 types of commitment. The Friedman Test indicated that there is a significant difference in the level of commitment across the three types, $\chi^2 (2) = 20.513$, $p > .05$. Affective commitment is significantly higher than either continuance or normative commitment.

Table 1: The independent samples t-test

	Gender	N	Mean	Std. Deviation	Std. Error Mean
AC	Female	23	3.2217	.65597	.13678
	Male	27	3.4444	.66986	.12892
CC	Female	23	2.9348	.74491	.15533
	Male	27	2.8704	.77533	.14921
NC	Female	23	2.6783	.69997	.14595
	Male	27	2.8519	.79536	.15307

Figure 2 findings illustrate the following results:
There is not a statistically significant difference in the mean AC for males and females. P<0.005 Hence p=.243"
There is not a statistically significant difference in the mean CC for males and females. P<0.005 Hence p=.767"
There is not a statistically significant difference in the mean NC for males and females p<0.005 Hence p=.421"

There is no statistical difference in significance in perceptions of respondents of different age groups and gender groups towards affective and normative commitment. Similar results were depicted in Zincume (2012)'s study.

ANOVA test for organisational commitment and age group

The Anova results indicated there is a small mean difference between the age groups. Contrary, Dick (2011), Salami (2008) & Myers (2008) study results reported that age was a factor that significantly contributed to affective

commitment. The study results reveal no significant difference in the academic staff age group and normative commitment and this finding yielded similar results as the previous studies (Singh, 2008). According to Singh (2008), participants of different age groups have similar perceptions of normative commitment. Salami (2008) & Gasic & Pagon (2004) study results are contrary to the current study findings, and they indicated that staff age was an essential predictor of normative commitment. Gasic & Pagon (2004) study findings suggested that police officers in the age group between 41 and 50 years showed higher levels of normative commitment than those of the age group between 31 and 40 years. In the latter, a study on organisational commitment on demographic factors among lecturers at a Libyan university by Elkhdr & Kanbur (2018) study results reported that there is a significant difference in organisational commitment to age of the academic staff. In this study, it was noted that lecturers who are 45 years old and above exhibited a higher level of commitment compared to academics who are below the age of 35 years.
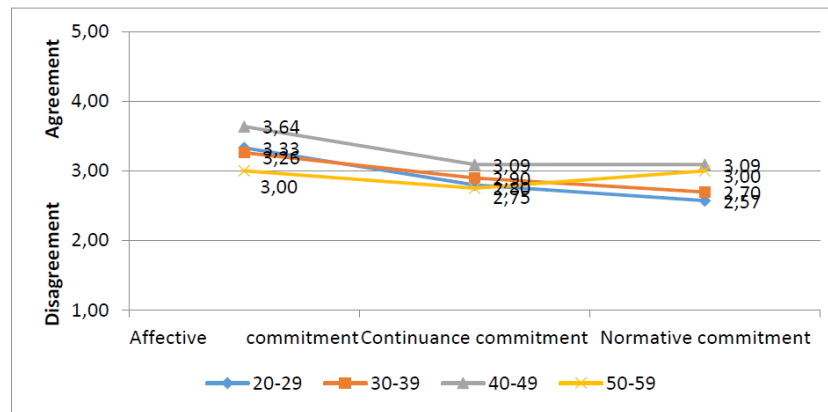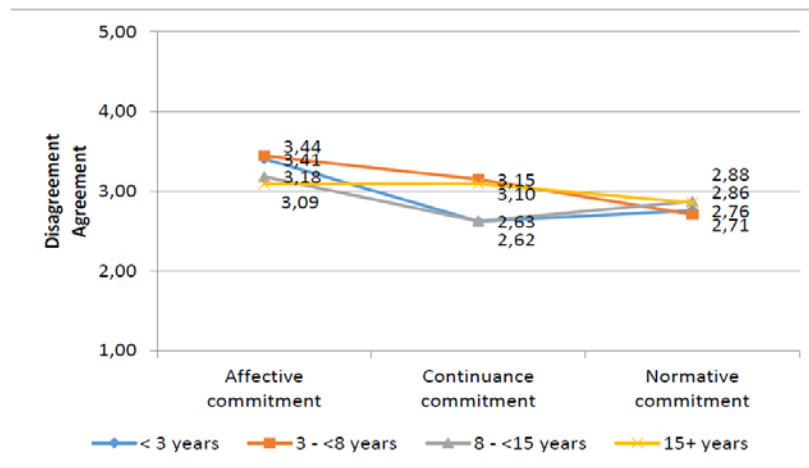
Figure 3: Respondents for age groups

Figure 4: Respondent's Tenure

Concerning Figure 4 the current study results showed no statistical difference in significance in perceptions of academics of different tenure towards affective, continuance and normative commitment. Academic staff with tenure between 3-8 years showed high levels of affective commitment than academic staff with tenure between 15 +years. The study findings are contrary to the research findings of Paul & Anantharaman, (2004). In 2004, Paul & Anantharaman, conducted a study that depicted a similar perception towards continuance commitment and study results expressed that continuance commitment was based on the costs that are associated with leaving the organization.

Table 2: Demographic variables: gender, age, race, marital status, highest qualification, and tenure

Variables	Categories	Frequency	Percentage
Gender	Female	23	46.0
	Male	27	54.0
Qualification	Doctorate	17	34.0
	Masters	29	58.0
	Honours	4	8.0
Age	20-29 years	14	28.0
	30-39 years	21	42.0
	40-49 years	11	22.0
	50-59 years	4	8.0
Job title	Acting Dean	1	2.0
	Associate professor	2	4.0
	Professor	1	2.0
	Senior lecturer	11	22.0
	Lecturer	35	70.0
Marital status	Single	31	62.0
	Married	18	36.0
	Divorced	1	2.0

Research methodology

This study used a quantitative research design and adopted a cross-sectional design. This study utilised convenience sampling, which falls under non-probability sampling. According to Neuman (2011), convenience sampling is when the researcher chooses participants based on their availability and willingness to participate in the research study. The population of this study comprised 66 (N=66) academic staff from the College of Law and Management in the School of IT, Management and Governance. The sample size of this study was fifty (50), academic staff members, with an average age range of 25-60 years old. The questionnaire was administered to all the academic staff.

Reliability of the Organisational Commitment Questionnaire (OCQ)

Table 3: Cronbach's Coefficient Alpha

Construct	Items included	Items excluded	Cronbach's alpha
Affective commitment	1 2 3 4* 5* 6* 7 8*	-	.801
Continuance commitment	1* 2 3 5 6 7	4* 8	.738
Normative commitment	3* 4 6 7 8*	1 2* 5	.700

Table 3 indicates that the reliability scores for the three dimensions of the OCQ varied between 0.801 for Affective Commitment to 0.738 for Continuance Commitment and Normative 0.700. Cronbach's Coefficient Alpha values less than 0.6 indicate a weak research instrument and above 0.7 indicates that the research instrument has a high degree of

reliability (Pallant, 2011). In terms of the reliability criterion, all dimensions demonstrated high-reliability scores and are more than acceptable for this study.

LIMITATION

Just like in other research studies, this study has its limitations. This study focused on antecedents of organisational commitment and the effective commitment of academic staff in the UKZN. This means that these findings might not apply to corporate business entities and other higher education institutions and support staff members. The study used a cross-sectional design to determine the relationships between the variables in the study. This design however does not determine causality between the variables. Thirdly, the study used non-probability convenience sampling whereby academic staff who were willing and available to complete the questionnaires were included in the sample. Fifty questionnaires were distributed, and all questionnaires were answered; however, a few of the questionnaires were only partially answered by the respondents. Fourthly, the population sample was drawn from academic staff from the Faculty of Law and Management, which might be too small to generalise these findings to a larger population.

FUTURE RESEARCH

The current study adopted a cross-sectional design to assess the organisational commitment among academic staff at the University of KwaZulu-Natal. For future research, researchers could adopt a longitudinal design so that participants are assessed over a period. This would enable researchers to obtain richer data and determine changes in attitudes among participants. This study could also be extended to support staff in the university. Moreover, the same study could be applied to different colleges and different campuses within the University of KwaZulu-Natal so that researchers would be able to compare the level of commitment across different campuses and faculties. The research study can include human resources practices that can be implemented to enhance effective commitment. Adding comprehensive managerial/policy recommendations is strongly encouraged.

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SURVEILLANCE CAPITALISM AND THE CHALLENGE OF AI ADOPTION: AN ANALYSIS

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ABSTRACT

Enterprises are making considerable digitalization investments in security, surveillance operations, and predictive customer behaviour using artificial intelligence (AI) and machine learning (ML). The outcomes of these investments are often economically, morally, and ethically encumbered due to AI applications' inherent prejudices of those who develop them, the interest of capitalists who finance them, and misuse by those who deploy it. The economics of AI adoption is too profitable for businesses to overlook, just as the accompanying sea of changes and challenges portends to be catastrophic to ignore. Important considerations necessary for the successful enterprise adoption of AI technology are often absent. Highlighting the challenges and proffering solutions, which is the focus of this paper, provides a compass against pitfalls in the investment and enterprise adoption of AI technology in a myriad of ways in which AI is set to underpin businesses.

Keywords: artificial intelligence, organizational change readiness, business value generation, integrated capability framework, surveillance capitalism

INTRODUCTION

For strategic reasons, organizations leverage analytics, artificial intelligence, and machine learning to serve customers better, streamline operations, gain productivity efficiency, and maximize profit. It has been projected that close to two-thirds of businesses and organizations are expected to use AI in some capacity in 2020 and beyond to strengthen their security efforts (Henry, 2020). According to the Gartner, Inc. 2019 CIO Survey, the number of businesses employing artificial intelligence (AI) has increased by 270 percent in the last four years and tripled last year. Virtually no business undertaking is exempt from this growing trend as competitiveness in the future will largely depend on its adoption but significantly on how it is used.

This trend extends to the retail or Fast-Moving Consumer Goods (FMCG) industry, which is increasingly deploying AI technology in security operations. They range from corner shops such as Jacksons Food Stores, big-box retail chains such as Target, Walmart, and Lowes all in the USA, to Switzerland's largest retail company and supermarket chain, MIGROS, which recently admittedly deployed artificial intelligence (AI) based security systems to combat pilferage using predictive models based on such attributes as physical appearance, hair colour, size and height, dressing, and gender (Tages Anzeiger, 2019; Hellmann, 2019). Deploying AI-based intelligent security systems to business advantage is transformational and expectedly brings business benefits. Problematic, however, is how the system is designed to achieve this objective. These attributes – appearance, hair colour, size and height, dressing, and gender- are high-level verbose concepts. The underlying indices with which the systems are parameterized to achieve this feat are hardly mentioned. Even at a high level, such characteristics are already troubling. These attributes are debunked dominant theories of the past century criminology. There is no scientific proof that these characteristics are a good predictor of crime and criminality.

Since the dawn of the digital age, as Eubanks (2019) noted, the decision-making process in areas where human discretion was previously important has been ceded to "sophisticated" machines, automated systems, and ranking algorithms using predictive models to control the outcome. With AI, what human assisting systems can do have just been elevated. Over the past decade, AI systems have improved extraordinarily at tasks ranging from information search and translation to answering important research biology and health questions, generating images,

making predictions, and the hope of powering autonomous vehicles. New and advanced predictive models with higher machinal learning capabilities are transitioning from the research laboratories into the enterprise environment (Piper, 2021).

Optimistically, AI will deliver growth in GDP and living standards beyond anything seen in decades. Proponents argue that AI resembles the phone and steam engine in its potential to change all industries and every person (Bootle, 2019). Artificial intelligence potential is still seen mainly from the rosy spectacle that AI enthusiasts such as Kai-Fu Lee and others saw decades ago. For these enthusiasts, AI is meant to be the "elucidation of the human learning process, the quantification of human thinking process, the explication of human behaviour, and the understanding of what makes intelligence possible (Lee & Quifan, 2021)". With the current and increasing potential of AI and machine learning, Lee and others may be proven right. However, what is often not mentioned is that with AI efficiency, scalability, and affordability, the number of actors who could use AI for malicious purposes will multiply, and so is the potential for abuse. After all, even though AI systems can perform tasks or make predictions, recommendations or decisions, their objectives are set by humans (Violino, 2021, Curtis, Gillespie & Lockey, 2020; Brundage, 2018).

There are reasons for this potential negative outcome and misuse, which are today real. In the development of AI applications, real and imaginary data are fed into machines as free raw intelligence materials. Based on these data, AI systems are tasked with anticipating what humans can do, either in the now or in the future, or both. Feeding these machines intended to predict customers' intentions with wrong datasets means that the premise on which the effort is based is flawed from the onset. The result, therefore, is not expected to be any different than flawed. Bad data makes for bad data science. This assertion holds for all analytics undertakings, especially predictive analytics. Flawed technology initiatives can result in more damage for an enterprise than benefits.

Notwithstanding, these false-premised prediction products are commercialized in the prediction marketplace, which Zuboff (2019) aptly described as "behavioral futures markets." As a result, we are faced with new types of challenges, especially challenges bordering on transparency and balanced judgment. So that as Groth and Nitzberg (2018, p.15) observed, "by introducing such a new and forceful element to our existence, we create new types of questions about values, power, and trust in our technologies and fellow humans alike."

Besides the false premise on which the Artificial Intelligence software is developed and deployed, equally troubling is the process, or lack of it, with which businesses intend to harness benefit from this investment and how the organizational readiness - processes and culture- will make or mar the objective. Therefore, there is a need to guardrail these systems' adoption, activation, and use. By so doing, we will be able to put proactive measures in place that will help businesses realize the intended benefits from AI adoption in general and AI-based surveillance operations in particular.

METHODOLOGY

This paper is a theoretical-based analytical outline related to artificial intelligence, machine learning, and predictive analytics as they are currently used in the enterprise, especially in security and surveillance. Based on theoretical insights on AI in recent related works, the paper presents a qualitative analysis of the challenges of AI in organizations, albeit the augmentation potentials. As declared by the retail operations referenced earlier, the attributes used for the system modelling provide a foundation for the hypothetical generation of scenarios of potential challenges. Building on this, a framework recommendation for enterprise AI adoption would be offered.

CONCEPTUAL OVERVIEW

In his book "The Age of Surveillance Capitalism," Zuboff (2019, p.3) raised the ultimate question for humans on the AI debate; "Are we all going to be working for the smart machine, or will we have smart people around the machine?" Furthermore, one could ask, at what point, and are we at that point in the AI incarnation, that human intelligence and responsibility could be outsourced to advanced technologies that mimic human cognitive and physical functions?

Artificial intelligence is a domain that is assumed still be in its initial phases of development. Nonetheless, this technology has migrated from the laboratories into the real world and is set to drive the future of humanity in myriad ways yet to be fathomed. Artificial intelligence is projected to have the potential to transform the productivity and GDP of the global economy. According to a PWC report, AI-enabled activities could raise the global GDP to 14percent by the end of 2030, which sums up to $15.7 Trillion (PWC, 2017).

AI tools migrating from the laboratories to the enterprise does not necessarily mean that it is fit for use, at least not in all situations and not for now. For instance, as reported by the Thuring Institute in June 2021, hundreds of AI tools built to catch covid were a flop as none of them helped (Heaven, 2021). So that all the projections and models that appeared accurate in the laboratories turned out to be a different story in real life. This does not diminish the potential of this technology because it is vast, both now and in the future.

It appears that even the conceptualization of the technology is semantically questionable. The term artificial intelligence tends to mask the fallibility of the systems and tends to accord it a true-state intelligence. The semantics tend to equate AI systems with the capability it does not possess, at least not yet. The consequence is that over time humans begin to accord the technology legitimate authority based on a few correct outcomes it may have produced, even when these outcomes may not necessarily correlate or match the expected results. An example is in the autonomous driving space, where the overreliance and trust in AI judgment have led to many fatalities. The term "autonomous" tends to accord the vehicle the capability and power it does not possess. In response to the growing number of these incidents and accidents, the US National Highway Traffic Safety Administration has set up an inquiry into the autonomous driving or autopilot systems of major players in the industry, covering an estimated 765,000 vehicles produced since 2014 (Gregg, Duncan & Siddiqui, 2021). It is worth noting that even when Tesla explicitly stated that the drivers should be in control at all times, Tesla autonomous vehicles have a good share of these fatal incidents because the human drivers relied on the intelligence of the AI systems that failed in situational response, such as stopping or giving right of way in traffic.

Even when AI is used to build models that mimic cognition and human understanding and has, in some cases, acquired such tags as "humanoids," it is nonetheless of narrower intelligence that does not have complete autonomy and consciousness like human beings. Artificial intelligence can be defined as a set of "if-else statements" programmed into a machine that commands it to behave in a certain way in certain predefined conditions. By their nature and function, machines produce results based on what it is asked to do. It follows the input begets output logic, hence Garbage-in-Garbage-out (GIGO). Therefore, notwithstanding the extent and the promisingly high capability of AI machines to learn independently, it is still situationally limited and contextually abysmal. Hence, as Agrawal, Gans & Goldfarb (2018) observed, the current wave of artificial intelligence has offered prediction capability as an essential element of intelligence rather than actual intelligence.

Human factor has also been identified as militating against adopting artificial intelligence (AI) technology for surveillance and security operations, notably preconceptions and biases. AI applications feature the developers' fundamental human preconceptions and biases. Bias creeps into AI in many ways. One way is by injecting pre-existing biases as business rules into code which are often challenging to eliminate. Also, as Geiger et al. (2021) noted, "while labeled data is usually equated with ground truth, datasets can — and do —contain errors." The authors also observed that the different ethnic and cultural background of the developers influences the annotation of the models or systems parameterization and can lead to the product reflecting an imbalance of cultural and social perspectives. AI systems, just like other machines, even with their machinal learning capability, mostly do what it has been configured to do premised on logic and instructions from humans. So that as Zuboff (2019) noted, it is not necessarily technology that is the problem, but the commercial interest and the logic built into it. The interest and biases of the surveillance capitalist and the system developers determine the AI technology outcome. Hence the processes used to build AI are inherently error-prone.

Undoubtedly, intelligent technology system, including surveillance system, is improving. However, the more significant issue is how it is anticipated, adopted, and used. Facial recognition is one such progress recorded in security and surveillance technology development. However, it is equally known that besides privacy concerns, Facial-recognition technology is biased for gender and skin colour and still produces too many false positives (Rousi et al., 2019). The validity of any predictive model depends on the quantity and, most importantly, the quality of data available

to develop it. Errors in predictive models are known to cause errors in model specification. An instance is when a model does not include significant predictors, and in some cases, factors that may be significant predictors may not have been accommodated or left unobserved (Nyce, 2007).

Often, enterprises and decision-makers have a silver bullet assumption that the problem is solved when technology is there, benefits accrue automatically. However, beyond technology, the mechanisms through which these values are realized more than the technical artifact are decisive in achieving expected outcomes (Orji, 2019). A starting point will be to have clarity on why and what the intended technology is meant to achieve. For instance, is the system meant to reduce or eliminate pilferage or produce statistics and fill the database for purposes other than what was declared? Is the system configured to explore what is out there with an open mind and develop policies and actions from the information gathered? Or, is the machine configured with a preconceived notion of what is to be found?

With the implicit and explicit biases injected along its development path and potential for abuse and misuse, it becomes imperative to critically analyze the "result" versus "outcome" objective of the AI technology adoption in security and surveillance. The use of scenarios will help illustrate the impact of this technology and how organizations could adequately benefit from it while safeguarding against unintended consequences. In addition, the broader opposing economic, moral, and ethical challenges depicted in the scenario in the subsequent section offer us a glimpse into the implication of adopting an AI-based security system without adequate organizational readiness.

Nightmare scenarios - the fear of Artificial Intelligence

In precise machine terms, what does hair colour, size, and height, for instance, mean? These attributes are too verbose to make any machine sense. Specific parameters are needed if the machine is to make sense of it. As this information is unavailable, we are compelled to create situations that closely reflects real-life experience utilizing the aforementioned attributes. Using these attributes in generating the analytical scenario in this paper, we have followed the organizations and "surveillance merchants" path to deliberately or indeliberately criminalize an entire subset of customers who share these attributes. What this means is that the system has been educated or miseducated from the onset to accept that these other subsets of humans who do not share these attributes, by default, do not and are not capable of crime, therefore should be ignored —a fallacy on its face, logic, and reality.

Hypothetically, using the aforementioned attributes, a tall, medium to big-sized, tan-skinned, dark-haired male in Jeans pants and a Hoodie sweatshirt enter the shop. The system predicts the customer as a person of interest, tags the customer as a suspect, alerts the security outfit that a potential criminal has entered the shop, and monitors the customer. By elimination, the opposite would be the case if the customer did not tick the attribute boxes based on the injected logic. In this instance, the system has done its job as expected either way. It produced an outcome, a statistic upon which the investment justification of this technology can be made over time. If the tagged customer breached the shopping rules and was then accosted by the alerted security for the necessary measures befitting such an act, the system did produce a successful result. In this scenario, the system worked as expected to provide augmented intelligence to human intelligence.

In another scenario, the tagged and monitored customer finished his shopping, paid for his items correctly, and left the shop but was accosted by the alerted security team based on the AI trigger. The suspect cooperated with security personnel and produced evidence of payment. In this scenario, the "AI augmentation" concept worked as designed and the outcome as intended. Nonetheless, the result was a false positive based on a false alarm.

Let us take for a moment that the human intelligence - security personnel- which the AI was meant to augment, in a reversal, placed absolute trust in the system and insisted that the suspect must have breached the shop because the supposedly intelligent system said so. The security escalates the situation and conducts an intrusive search, as is often the case in real life. Let us assume that this search produced no evidence of wrongdoing. Rather than apologize and let go, the security personnel resort to official intimidation and powerplay, as is often in real life, and wrongly records the customer information/ identity in the organization's crime database. Here is the start of the abuse that will create nightmare scenarios, both physical and psychological, depending on how the customer reacts.

Let us further assume that the customer remained civil, wrote an official complaint about the shopping ordeal, and demanded an apology for this uncalled-for event. On the contrary, the response to the customer was that the organization stands by her actions, followed by an "entry prohibition" order on the customer in any of its outlets nationally. In a society where that organization has a dominant share of the grocery and retail market, it is a life sentence, literally. However, being prohibited from the shop is only the tip of the nightmare Iceberg in today's interconnected world with potential consequences for this customer in every aspect of the customer's societal dealing where credibility is required. Here is why and how.

Through mergers, acquisitions, or strategic alliances, retail businesses collaborate with other shops and outlets. The same technology and system will be leveraged across these collaboration and alliance networks within and beyond the national borders despite the contrary promise on the corporate website data privacy statement. When data is propagated in more than a system, it is difficult to control, especially in an internet-driven ecosystem. Hence, though wrongly sentenced through failed human and augmented intelligence, the customer continues to be sentenced across alliance networks locally and globally. In addition, the customer data may find its way into the national database for crimes and misdemeanours if the databases feed on each other for updated crime reporting. This is both a potential and absolute nightmare for a person in every social touchpoint in which his character judgment will be required ranging from jobs to obtaining financial services, travels, insurance, and on and on. A somewhat life-long digital sentence with real-life consequences.

Thus far, we have functioned under the assumption of innocence in the organization's adoption and use of the technology in the scenario. We have assumed that what transpired in the preceding scenarios could be explained away as management oversight, failures in judgment, and contextual understanding. Nevertheless, it could be worse. What if the prediction product or the outcome of the logic actions goes beyond the immediate use, the data is turned into a commodity in Zuboff's "behavioural futures market," and the customers become products in themselves by extension? What if these supposedly intelligent technology products are driven by the "dual imperative of digital capitalism: extracting data from, and expanding control over, potentially everything and everybody" (Sadowski (2020, p.3). Data is the new capital, and commercial enterprises are unapologetic about profit as the motive for aggressive customer data collection and technology use. However, for the purpose of analysis in this writing, we abstract at the level of innocent technology and data use and proffer innocent equivalent practical solutions in the next section.

DISCUSSION AND IMPLICATIONS FOR PRACTICE

A framework for successful enterprise AI adoption

Arguably, it is hard to stop the momentum of technology innovation, especially AI technology, in enterprise and social life. However, the use and consequences can be controlled if the strategic plans also account for the new technology's impact. This would include an organizational readiness for the accompanying change that comes with new technology adoption. Organizational readiness would mean adapting the organization's resources, processes, and cultural capabilities as determinants of technology value outcome to work in a new way. To forestall the impact of the high-tech sorting and monitoring systems and the nightmare the AI digital surveillance revolution portends for many, enterprises implementing this technology can start with foreseeable proactive measures by adopting an integrated capability framework that encourages synergy between resources, processes, and culture.

Organizations across all industries employ Artificial Intelligence in various ways yet face severe skill shortages, according to the findings from the 2019 Gartner CIO survey on AI adoption. To turn AI into a driver of business transformation, it is not enough to have production-ready code. As AI moves into the enterprise, blended teams become essential for driving business value (Korolov, 2021). A broader set of skills are required, with a particular need for people with experience in operations who can translate technology capability into business benefits. The men entrusted with adding human intelligence to the augmentation provided by AI should be informed enough to understand that it is not called "artificial intelligence" for nothing. So that as Holford (2019) asserted, management could help enable AI for business advantage by encouraging individual and social practice and dialogue within the workplace. The author noted that organizations must consider partnering human decision-makers with AI when facing

the mutually interdependent aspects of uncertainty, complexity, and ambiguity. A well-informed resource is key to successful technology adoption.

Another critical success factor is process maturity. Besides skilled and informed resources, a well-defined process will ensure a buffer between use and abuse. In situations where mistakes are made, and misinterpretation is not deliberate, the process of dealing with such situations should be transparent. Misuse of machine intelligence and the accentuated abuse experienced by the customer in the scenario is undoubtedly not a preferred customer reward and loyalty reward program. The management's unapologetic and hardened power play stance in response to a customer dissatisfaction complaint should have been regarded as a business improvement opportunity by the management, which ought to know better. The response from the management, in this case, ties rightly into the next technology investment success determining factor, organizational culture.

As Chishti, et al. (2020) contends, a new type of organization is created as AI transforms the business. Hence a new culture that aligns with this change becomes imperative. A culture of perfection and being in the right at all costs might produce an outcome but perhaps not the intended result. In the scenario, the management, in adherence to the tenets of "self-defense" and "non-acceptance of fault" culture, reacted and elevated the level of punishment to the customer rather than de-escalate. The consequences of prohibiting the customer from the shop are well known to the management, and since they have the power to impose that punishment, they maximized it. At face value, the organization's willingness to adversely use the perceived powers as a weapon has no consequence for them, especially in a culture where "the customer is NOT right." However, in today's social media and interconnected world, vocal public, assertive customer advocacy, and the ever-growing prevalence of "cancel culture," this attitude might cost the organization more than it bargained for in image or revenue or both. A company's social identity in the socially conscious world of today, more than ever before, whether positive or negative, impacts its bottom line.

CONCLUSION

Undoubtedly, there is an augmentation potential of AI to enhance individual and organizational productivity. AI has complementarity to individual intelligence, which can lead to advancement, especially in quality, accuracy, and precision, and tends to get better with time (Benigo, Lecun & Hinton, 2021; Jaegle, et al., 2021; Wilkens, 2020; Radulov, 2019). This ability should, however, not be overestimated. Firstly, it is not yet fit for adoption in all situations in its present stage of development. Even when it is learning hard and deep to mimic humans, it has not learned deep enough to predict the complexity of human behaviour and still performs poorly in situational intelligence. In spatial surveillance and security augmentation, where contextuality is crucial, AI could be a double-edged sword with a backside of unintended effects.

AI can be a force for good, but only when it is harnessed around a framework that enables its value to be realized with the understanding that it is aimed to project, augment and extend human activities and not otherwise. The framework should be compassed along ethical rules guiding the technology's development and usage that keep humans in control (Taddeo & Floridi, 2018). As two reputable AI experts, Iansiti & Lahkhani (2020), warned, "ignoring an exponential system till it reaches a critical mass is a recipe for catastrophe." It is incumbent on the organization to recognize the immediate consequences and immediate response to the business and societal threat posed by these systems and its plan for the long-term transformation envisaged from adopting the same.

AI systems require new kinds of data, new firm and operational-specific skills and know-how, and new ways of working. More than technology, organizational readiness accounts for digital transformation success. If the necessary organizational change needed for the technological change to succeed is not made, a nightmare scenario and abuse will result from the "well-intentioned" technology investment. These potential nightmarish scenarios of this growing trend in the surveillance marketplace are at the root of the genuine fear of artificial intelligence.

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BUSINESS ETHICS COMPLIANCE PERCEPTIONS IN A PUBLIC ENTITY IN SOUTH AFRICA

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ABSTRACT

The organization under study, Construction Education and Training Authority (CETA) have suffered severe financial losses throughout the years. Having experienced a high rate of financial issues, overpayments are one of the main issues. These losses/issues occur owing to the ethical attitudes of the invoicing staff and the company delivering skills programmes to the trainees. The two parties' payment method was deemed insufficient. To analyse the reasons why overpayments occurred inside the CETA's finance department, this study intended to evaluate the perception of business ethics compliance. The study adopted a qualitative research approach in which structured interviews were used to collect the data. Twelve people were interviewed: the senior finance manager, two project managers, three finance managers, four invoicing employees, and one project accounting employee. Additionally, the participants were purposely selected per the problem encountered and the people involved in the occurrence of the issue. The research looked at why overpayments happened, whether staff felt responsible for them, and methods to enhance procedural compliance and payment accuracy. The researcher found that some workers knew about overpayments in the finance department and has highlighted that it was due to a lack of technology and processes that connected senior management with staff responsible for payments. Interestingly, overpayments have decreased over time as the CETA implemented procedures to hold both the individual and the business accountable for overpayments and any other unethical behaviour or actions taken by the employees or the organization as a whole. The study's findings helped the CETA understand why overpayments still occur and how to prevent them in the future.

Keywords: ethics, perceptions, CETA, SETA, ethical compliance, public entity.

INTRODUCTION

The Construction Education and Training Authority (CETA) is a South African public entity that is under the leadership of the South African government. It is considered one of the most impactful organisations in the country by having a positive impact on the lives of the people in South Africa, through the facilities and groundwork they provide. As a result, they have a significant role to play in the nation's economy and must maintain transparency and ethical behaviour throughout all CETA-related activities. According to CETA (2018), public entities continue to be the most important contributors to the development of South African society and the economy. This organisation (CETA) was established back in 2000 after the authorisation of the Skills Development Act in 1998 (CETA, 2018). The Skills Development Act was enacted to enhance the capabilities of the South African labour force, as well as to boost the value of the worker's life, their chances of finding a job, and labour skill flexibility. With CETA established as a result of this Act, Mavunga and Cross (2017) indicated that CETA's vision is to staple support of skills for all individuals in the South African construction industry and to aid a countrywide structure for the skills development in construction while their mission is to enhance construction companies' abilities to ensure national infrastructure growth and financial enablement. Responsiveness, respect, integrity, and professionalism are CETA's values. The CETA's vision, mission, and values direct it in the right direction by aligning the strategy and objectives with the vision, mission, and values (Engel, 2018).

The organisation is supported by the working-class people in the country in which the government uses the collected tax money to sustain all government entities such as the CETA, in return, CETA provides skills to citizens working in the construction industry through training and learnership programmes. Another form of sustainability

comes through industry training levies. These funds are gathered from industry-specific registered businesses in South Africa through a sort of tax levied on each employer and then distributed to a government training authority such as the CETA for training purposes. The Skills Development Act (1998) introduced the levy grant, which is used to fund industry-specific skills development projects in South Africa. If the company is listed with the South African Revenue Services (SARS) for Pay as You Earn, the levy is projected to be one per cent of the employee's pay (PAYE) (CHIETA, 2017). However, with all the great efforts put in by the government to improve the South African economy, many State-owned entities encountered various managerial issues, notably; financial issues, and corruption, as a result of unethical behaviour and CETA is no exception. Therefore, it is quite critical to conduct this study in order to find the root cause of all suspected unethical behaviour and address them appropriately in order to maintain the reputation of the organisation and ensure its continuous operations.

Problem Investigated

The CETA financial training supplier payment process exemplifies the problem explored in this paper. It includes overpayments made by CETA invoicing employees responsible for payments to organisations claiming to have run CETA learnership programmes. This could have been due to a lack of quality in processes, such as disordered paperwork, which is a kind of unethical behaviour, or a lack of ethics training, which could be a management consideration. However, in terms of the CETA's function in spending taxpayers' money, any form of unintentional overpayment to a trainer could be considered unethical. Staff may not have paid enough attention to the established protocols that govern the quality of CETA payments.

Research Objectives

Discussions with the purposively selected respondents took place among the staff in the CETA's finance division at the head office in Midrand, Gauteng. The primary objective of the research is as follows:
- To explore the extent to which the CETA payment staff was utilizing its stated internal procedures, with cognisance of its ethics guidelines, in the payment processes.

LITERATURE REVIEW

Ethics: General Overview

There are various ways in which ethical practices are conducted across different organisations. Consequently, researchers define the concept differently, notable; Vivier (2014) defines ethics as a set of behaviours one can use to decide what is right and what is wrong and further differentiate the good from the bad, while Peng and Meyer (2016) indicate that ethics refers to values, principles, and standards of conduct leading individual and firm behaviour. Jones and George (2018) stated that ethics is the inner guiding moral principles, values and philosophies that people use to evaluate or understand a situation and then decide what is the right or suitable way to behave or respond to the situation. In this study, the definition of ethics was adopted from Gamble, Peteraf, and Thompson (2015) and contained the request that the organisation itself upholds "common ethical beliefs to [guide] the activities and decisions as well as behaviour of its employees". Jones and George (2018) substantiated the concept of employees in an organisation taking individual responsibility for organisational decisions and ensuring ethical decisions are upheld. Given all the differences in terms of definition, for an organisation to establish a common form of what is understood about ethical business behaviour and organisational ethics, it is essential to have internal policies and procedures that will guide all employees. This ensures that no matter what personal ethical perspectives are held by employees when representing the organisation, a common set of beliefs is used. Ethics are very important for rightfully dealing with situations and ensuring consistency in decisions taken.

Great ethical practices create positive behaviour and environment within the organisation, it further creates many ethical gains that the organisation must face and manage. Many different day-to-day activities, such as being transparent and honest with the organisation's employees and customers about the way a firm conducts its affairs, can be achieved as a result of these gains. External and internal factors will necessitate the organisation's ongoing response

to new ethical difficulties as well as the modification of ethics processes and policies in order to achieve long-term sustainability and effectiveness. According to Szcześniak (2016), there's corruption and lies that has to be dealt with in the business world, many companies which progress gain fair credibility and simultaneously relish social trust. Business ethics is a fantastic approach for any organisation, and it also serves as a significant advantage for the organisation's image. In the long run, it is frequently the deciding factor in whether a given company will succeed or not.

Ethical compliance in public entity

A recent study by Robbins, DeCenzo, and Coulter (2013) concluded that corporate ethics is considered ethically compliant in a public entity. Robbins et al. (2013) described the types of unethical behavior that can occur in a business setting, including actions such as providing shareholders with false information, negligence regarding the security of information held by the organisation, and environmental damage, to name a few examples. As Singer (2018) points out, there are several types of unethical behavior that can occur in a public body.

1. Compliance with regulatory requirements, resulting in the misappropriation of government funds;
2. Interruption in designated procedures, resulting in the invalidation of operational operations;
3. Unethical behaviour on the part of an executive member of a board of directors.

Several researchers, including Robbins et al. (2018), have stated that in or der for ethics to be successfully implemented in an organisation, ethical practice must begin with the top management team, executive teams, board of directors, and supervisors. In order to increase ethics in their organisation, the top management team must put in place a formalized approach. Svejvig and Andersen (2015) stressed the significance of standardizing such a process through the use of internal policies and directives inside the organisation. The authors (Svejvig and Andersen, 2015) believe that it is critical for top managers to deal with ethics in the form of a process or policy; as a result, documents eliminate errors that allow for unethical behavior by ensuring that the same process guiding ethics is adopted and applied consistently throughout the organisation. To achieve its unique ethical business philosophies, Brown and Mitchell (2010) suggested that the public entities should identify the main characteristics of an ethical business culture that can be used as a foundation for developing or satisfying those specific ethical business philosophies. Those characteristics should include activities and processes that are geared toward enhancing investor stability, increasing managerial efficiency, fostering honesty in all acts, and fostering long-term, favourable opinions of the company among all stakeholders, among other things.

Ethics that govern all the SETA behaviours

The South African government implements guiding policies and procedures for the SETA and the CETA, of this study, to be compliant with government expectations of business ethics. Section 195 of the Constitution of South Africa (RSA, 1996) governs the public administration stating ethics and basic values that should be applied by all businesses whether government or private. The Constitution states that public administration is ruled by independent application of the stated ethics and values as cherished in the Constitution (RSA, 1996). Public strategies and the employment of these strategies help to strengthen the equality of the country (Tebele, 2016). Koenane and Mangena (2017:63) argued that democracy, ethics, and accountability are pillars of good governance; and when one of them is missing this is where mediocrity in authority, condoning negligence, corruption claims, fraud, and a lack of financial sustainability, comes in. However, even though the policies and procedures are implemented to guide public entities such as the SETAs, managers in top management positions at this public body are responsible for managing ethics within the SETA. Gillikin (2016) cited that both management and staff are accountable for ethical practices in organisations.

Goals of business ethics

As a result of all the positives of business ethics, Szcześniak (2016) highlights that there are five main goals within the business ethics, indicted as follows:

4. The primary goal is to make sound decisions from the standpoint of a corporation and to settle conflicts that arise as a result of the firm's actions in an ethical manner. In reality, the tools and procedures that are part of the business are a navigation system, ensuring that economic activity is conducted in a safe manner.

5. Business ethics is the establishment of norms of conduct. Common ground can be found between the people involved in a conflict, and organisational requirements can be met while personal values are respected.
6. Its purpose is to achieve optimal efficiency by eliminating the risk of dispute over an extended period of time.
7. Business ethics also aims to widen the scope of rationality in a variety of ways. Consequently, when calculating profit and loss, it is feasible to see things from a different perspective. This applies not just to the interests of individual workers or firms, but also to the necessity for local, regional, and global interests in the analysis of profit and loss.
8. It is also important to remember the aim of integration, which is the establishment of common standards that are relevant to all personnel inside the organisation.

Mele (2012) has additionally pointed out that an organisation's business ethics plan can be viewed as a component of its overall business performance strategy. When ethics is applied to business processes and behaviour, it can result in sound and sustainable management practices, whereas operating without ethics is regarded as poor management, which has a negative impact on the long-term viability of a company's operations. The ethical emphasis and innovation of organisations that regard ethics as compliance will be dependent on inspiring compliance with ethics inside their organisation's operations, according to Schoeman (2014). In order to engage in ethical organisational practices, organisations must carefully examine all stakeholders, both internal and external, who may be impacted by the organisation's decisions.

Role of ethics in business decision making

When it comes to making informed decisions in any process, ethics play a significant part. One of the most important qualities that managers must develop in order to make ethical decisions inside the organisation is the ability to make effective decision-making (De Villiers, Hankin and Woodside, 2016). Ho (2011) argued that ethical decision-making should be formalized as a management discipline, as doing so will assist organisations in developing collective trust, loyalty, and humility between the employer and the employee; Ho (2011) Explained in greater detail how ethical decision-making is influenced by a manager's personal and organisational principles as well as by societal ideals. Valentine. and Godkin, 2019. It is through the process of negotiating ethical difficulties that individuals encounter in the workplace that ethical decision making happens. This process is impacted by a variety of ethical paradigms/standards that are cited as situations are encountered/evaluated. The authors further indicate that when it comes to making ethical decisions, there is usually a sequence of actions that must be followed. Ethical decision making generally involves a series of sequential steps that occur when ethical concerns are considered, the four basic steps include; Recognizing ethical issues (Problems), Making ethical (moral) Judgements, Establishing ethical (moral) intentions and Engaging in ethical behaviour

Therefore, organisations need to create an ethical environment by making ethical decisions based on the above-mentioned steps. These aspects will enable the organisation to make decisions that are ethical and beneficial to the organisation. Ethics is the driver of quality decisions that are in the best interest of the organisation and is also noted as the representation of the standard in which decisions are made while providing a clear indication of organisational performance at all levels (Zollo et al., 2018). According to Hitt and Collins (2007), it is generally agreed that a well-developed internal decision-making competence is crucial to the effectiveness of a company's strategic and ethical decisions. Thus, the development of a high-quality decision-making capability within a firm has the potential to serve as the basis for competitive advantage. In recent years, there has been more examination of the ethics involved in corporate activity, particularly when it comes to adopting competitive shortcuts in order to maintain expected levels of company performance (Bernard, 2006). Furthermore, concerns including executive salaries, governance frameworks, environmental stewardship, community involvement, and employee interactions are frequently framed as ethical issues by stakeholders (Heath, 2006; Windsor, 2006). Therefore, such aspects require attentiveness when dealt with.

Cultural perspective on ethics

It is not a secret that there's a need for managers to inspire their teams in order to provide exceptional customer service whilst ensuring long-term value creation for constituents of the organisation. It is therefore vital for managers to ensure that several organisational aspects such as the organisational culture are taken into consideration when establishing business ethics. According to Grigoropoulos (2019) and Hoch, Bommer, Dulebohn (2018), for every organization to

be guided on the right path, there must be a synergy between strategy and culture in order for enterprises to attain excellence. The moral convictions and integrity of a leader can contribute to the development of strategic thinking and cultural building. When it comes to success or failure, leadership is the most important factor. Therefore, the procedures that are accountable for setting the foundations for the resourceful and ethical performance of the business fall within the purview of the leadership of both the organization and the educational system. It is one of the components of human activity in organizations that is considered to be the most powerful and vital. Given that leaders are the most influential body in any organization, which has a significant impact on the culture of the organization, they are the ones who should promote and model the organization's principles and values in accordance to the goals, mission, vision and business ethics that are communicated to employees (Grigoropoulos, 2019; Hoch, Bommer, Dulebohn, 2018),

In addition, it is essential to carefully analyze the social environment and culture of the community in order to bring it in line with the culture of the business. This will provide information that is not easily accessible or readily available, which will guide the company on how to build strategic plans that incorporate ethical policies and processes (Bolser, 2012; Grigoropoulos, 2019). It, therefore, remains vital for businesses to take theponsibility in the corporate world to create, install, and nurture business cultures, which are based on values and principles. It was found in a comprehensive study conducted by Saunders and Lockridge (2010), Preble and Reichel (2008), and Enginolu and Arikan (2016) that the culture of a company has become a significant factor for the ethical behaviour of professionals. According to research conducted by Craft (2016), an organization's position, ability to continue operations, and image are largely dependent on how successfully its ethical policy is applied. In addition, Stober, Kotzian, and Weißenberger (2018) discovered that the manner in which a corporation should behave ethically may vary from one business to the next. This sustained ethical business relies heavily on the culture of ethical conduct within the company (Anderson & Englehardt, 2007). Lastly, according to Guirdham (2016), in order for an organization to become innovative, there needs to be a constructive interaction established between the culture of the company and the ethics of the business.

RESEARCH METHODOLOGY

The research was aimed at gathering perceptions and perspectives of purposively selected staff members of the CETA payment system. The reason for the interpretive approach was to understand how people attempt to make sense of their surroundings (Saunders et al., 2016). According to Lyons and Kuron (2014), academics and experts are presently confronted with the perplexing chaos of proof produced in a diverse context within the specialised and academic perceptions of what is right and wrong in ethics. Joshi, Dencker and Franz (2011) further argued that to date, theoretical studies on business ethics in an organisation have remained more illustrative rather than explanatory (cause and effect). As indicated in the research problem, the study was based on the consideration that ethical behaviour may be considered in terms of employees making overpayments due to negligence or human error.

The study utilized a semi-structured questionnaire which had a predetermined list of questions to elicit information from the participant, but the participant had the chance to explore issues they felt were important (Anderson, 2004). Zikmund (2003) defined open-ended questions as questions that present a problem and ask the respondent to answer in his or her own words. Therefore, the mono method in the research design was a qualitative interview schedule to gather the perceptions of participants as non-numerical data, (Zikmund, 2003:110). The study utilised a qualitative research design. Saunders et al., (2016:142) noted that qualitative research is connected to an interpretive philosophy. This primary data was gathered through the creation of a questionnaire schedule of semi-structured interviews and open-ended questions derived from existing literature. Saunders et al. (2016) defined "semi-structured interviews as a wide-ranging category of the interview in which the interviewer commences with a set of interview themes but is prepared to vary the order in which questions are asked and to ask new questions in the context of the research situation". The sampling technique applied in the study was a purposive sampling process. The transcriptions were compiled in a single Microsoft Word document ready for content analysis.

RESULTS & DISCUSSION

In conclusion, the weaknesses that could have led to overpayments being made were identified from the interviews as:

1. Lack of adequate controls to monitor all error types within the finance department;
2. Lack of resources, such as manpower, from time to time when workload was heavy;
3. Lack of implementation of new information technology software that could have helped to catch errors before the overpayment was made;
4. General shortage of staff to manage the daily workload especially when it escalated in certain periods;
5. Pressure on employees to perform, no matter how heavy the workload;
6. Working environment, or lack thereof, and human resources;
7. Communication between units sometimes failed to make specific issues clear, resulting in overpayments; and
8. Regular training of staff members in the changing payment process and ethics at work.

The gaps were created because certain procedures were not implemented, as indicated by Bromell (2012); the importance of implementing policies and procedures for both top management and employees to adhere to. Type 2 and Type 3 participants felt that there was a need to eliminate errors that occurred in other divisions and came directly to them to sort out. Rosemann and Vom Brocke (2015) elaborated on how an organisation can be transformed. The CETA is struggling to transform itself into to a modern organisation because of issues such as lack of IT support that can help stop the payment process when an anomaly is spotted. Therefore, new strategies, such as IT development of the payment process, need to be created to enable the CETA to adapt rapidly to the ever-changing work environment, and reduce pressure on payment staff so that they can perform their task to the best of their abilities. Type 2 and Type 3 participants had a very good understanding of the processes and what were expected of them in their positions but battled with the existing semi-manual systems that allowed for accounting anomalies to slip in (CETA, 2018).

Robbins et al. (2013) described unethical behaviour. Unethical behaviour was not identified as a gap in the payment process of the CETA. The gaps identified were; first, the lack of controls of a procedural nature (the current process that is defined and followed fails to highlight certain accounting anomalies before payment is made). Second, a lack of resources (the type 3 participants who manually made payments have high workloads at certain times of the year, so have little time to identify anomalies manually). Third, a lack of implementation of new technology (the system is partially run by IT but it is not an integrated system that feeds in information gathered nationally across the CETA). Fourth, the shortage of staff (the type 3 participants comprise the same number each year even though workload has increased). Fifth, the pressure on employees (payment runs need to meet pre-defined timelines for delivery); sixth, the environment (the workplace environment is not fully IT aided). Seventh, communication (the top levels of staff [type 1] do not always know what the type 3 levels know and there is no way of brainstorming solutions as yet); and eighth, training of staff members (staff all approve of and have at some point had some sort of ethics training but this should be done more regularly). All these factors had an impact leading to errors made in the payment process, as identified by Type 2 and Type 3 participants.

Zhang and Bartol (2010) cited that managers feel obligated to achieve high performance results for the organisation, from ever-changing targets, regardless of how these results are obtained. Types 2 and 3 participants agreed with the statement made by the authors because the CETA delivers on their targets but the amount of pressure on an individual type 3 participant was sometimes too much, as each individual had more than 50 entities for which they were responsible. Types 2 and 3 participants also felt that the organisation needed to appoint new/more staff that will assist them with the amount of work. Schoeman (2015) cited that organisations that see ethics, as a compliance issue will ensure that their total ethical focus and creativity are based on motivating compliance within their organisational operations. Types 2 and 3 participants identified that the management of the CETA did not provide ethical training to their employees on a yearly basis, and that management did not emphasise the importance of ethical behaviour through ethical training, which could ensure mindfulness of the importance of making correct payments. The participants also identified that rewards were not given to employees that discovered anomalies, which might affect the creativity of the employees.

According to Thomas (2017), a committee consists of an executive and non-executive member, and the number of members are based on the responsibilities of the committee. Type 3 participants could not recall when the last ethical training was received, and ere not aware of any ethical committee within the organisation. Whitton (2001) believed that applying ethics is not costly, no sweat is needed, and training can be provided to the organisation to highlight an ethical culture. Types 1, 2 and 3 participants believed in this statement, as none of the participants indicated unethical behaviour related to the payment anomalies (i.e. overpayments are not deliberately planned).

Participants identified that these errors were made because of human errors, the work environment, and pressure due to the amount of work with which the employees are faced.

Gillikin (2016:10) stipulated that ethical leadership relates to an entity always operating ethically. The type 1 participant agreed with the statement as the leadership/leaders of the CETA were ethical and this had influenced the employees of the CETA, to the CETA's advantage. There might have been errors, but no fraud had been committed. The CETA (2018) indicated that their guiding processes exist for the payment system. Types 1, 2 and 3 participants had a very good understanding of the processes and procedures of their unit. They all knew what was expected of them in their positions and indicated a passion to do their jobs as well as they were able. Lastly, the CETA (2019) stated that it is aware of the situation that every employee is faced with trying to facilitate training to upskill learners in the industry. Types 1, 2 and 3 participants worked hard despite the gaps that had been identified in the CETA payment system because they have the CETA learners' interests at heart and the organisation's success as a whole as their goal.

Managerial Implications

1. Managerial recommendation 1: The CETA needs to equip their staff with training on an annual basis to ensure that their staff members have the operational ability and resources to perform their tasks and duties to the best of their abilities.
2. Managerial recommendation 2: The CETA needs to appoint more staff as the workload of the employees is, at times, too much allowing errors in the payment process to creep in.
3. Managerial recommendation 3: The CETA needs to focus on accuracy and accountability in order to eliminate errors; this could be implemented by introducing IT software that automatically carries out specific checks on the input data.
4. Managerial recommendation 4: The CETA needs to implement better controls around the data entered into the payment process, as payment staff have mentioned struggling with incomplete data sent to them from other units. New IT technology can assist in detecting errors. In addition, implementing an internal audit committee to detect errors in the payment processes and various units would also be an option.
5. Managerial recommendation 5: The CETA needs to involve their junior employees, as they know the root of, or reason for, the errors that occur and their involvement can assist in eliminating errors in the payment process.
6. Managerial recommendation 6: The CETA management needs to create an 'anonymous box' for handing in ideas from lower-level employees on improvement suggestions for each division.
7. Managerial recommendation 7: The CETA needs to communicate with their staff on a daily basis regarding the changes in the payment process and procedures.

CONCLUSION

The primary objective of the research was to explore the extent to which the CETA payment staff was utilising its stated internal procedures, with cognisance of its ethics guidelines, in the payment processes. By attaining each of the secondary objectives of this research strategy, has indeed attained the primary research objective. In attaining the research objectives, it is now possible to answer the research question posed: Do staff realise that overpayments are unethical business practice? The findings suggested that the participants all realised that overpayments were unwanted, and that they support the ethics policy of the organisation. To this end, the participants realised that when an overpayment is made it is unethical, but they have noted several internal organisational constraints that make the elimination of overpayments very difficult for them.

The results of the research indicated that unethical behaviour did not occur on purpose, but simply because of a human error made by employees of the CETA. The participants interviewed have already assisted the CETA's top management to eliminate errors for good by identifying the gaps in the processes of the organisation. All participants showed interest in eliminating the errors and transforming the organisation, to perform their duties to the best of their abilities. Reasons for the errors that continue to exist were discussed in this chapter and recommendations were given. Bromell (2012:2) emphasised the importance of having procedures and policies in an organisation. He also argued that both top management and employees must be involved (communicate) in the development of the

processes of an organisation. Therefore, top management and employees of the CETA need to work together to eliminate errors in the payment process.

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INTRODUCTION TO A NEWLY CREATED SCIENTIFIC DISCIPLINE: MANAGEMENT OF ALLSELVES' ENLIGHTENMENT AND EMPOWERMENT (MOSEE) WITH 5TH DIMENSION SPIRIT PARADIGM SHIFT WILL CONCILIATE THE MODERN MANAGEMENT PHILOSOPHIES: THE COMPLEXITY ECONOMICS(CE) OF DR. W. BRIAN ARTHUR

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ABSTRACT

In capitalist society, businesses tend to use human beings as a resource and tool for them to achieve the goal of maximizing profits of the businesses. As a result, the phenomenon of human alienation and polarization of wealth has been cited as serious social problems. Today, the conventional wisdom that material affluence and prosperity resulting from economic growth will bring happiness to the human society is shaken by the problem of "spiritual (consciousness) poverty in material affluence." To play a role as an economic system that contributes to the happiness and co-prosperity of the human society, capitalism must also evolve in keeping with the changes of In capitalist society, businesses tend to use human beings as a resource and tool for them to achieve the goal of maximizing profits of the businesses. As a result, the phenomenon of human alienation and polarization of wealth has been cited as serious social problems. Today, the conventional wisdom that material affluence and prosperity the times. In this article, to discuss the alternative of capitalism to fit the new era, we pursue a new realm of possibility through the new scientific discipline of MOSEE; Management Of allSelves' Enlightenment and Empowerment that the author of this article, has founded in 1990, and the co-author while at the same time announcing the new 5th dimensional factors of the spirit resource and asset (SRA) of human beings of the MOSEE. This aims to achieve a 5th-dimensional MOSEE revolution for the creation of the 21st century Universe Human Spirit Science Civilization by analyzing and evaluating the inherent structural constraints of the modern business philosophies and theories, such as the CE (Complexity Economics) of Dr. Brian Arthur and several other prominent scholars in the world nowadays. In other words, it will continue to carry out academic research, education, and human society activities that lead to the creation of the Universe Human Spiritual Science Civilization of 21 Century, beyond the Advanced Scientific Informative Civilization of 20 Century. We, coauthors of this article, are trying to conciliate the modern management philosophies and theories of the following prominent scholars such as the CE of Dr. Brian Arthur in the U.S.A. in this paper now.

(*Note: Spirituality may be called High level of Human Consciousness or High level of Spirit, As Spirit is more common in English, it is called Spirit in this article.)

Keywords: Management of allSelves' Enlightenment and Empowerment (MOSEE), Complexity Economics (CE), 4th dimension inherent structural constraints, sign curve of diminishing law of output, tangent curve of enlarging law of output, 5th dimension spiritual resources and assets, humanity, spiritual industry, universe human spirituality science civilization of 21C

INTRODUCTION

Purpose of research

This article is trying to conciliate the modern management philosophies and theories of the prominent scholars such as the CE of Dr. Brian Arthur. It examines the above mentioned philosophy and theory in light on the MOSEE: Management Of allSelves' Enlightenment and Empowerment that the author has founded in 1990, thereby addressing the 5th spirit dimensional vision of the business administration and creating the new realm of overcoming the structural constraints through this process, we want to clearly recognize the limitations and coping measures to resolve the limitation of modern management philosophy advocated by the prominent scholar of the world and open the way for the leap forward through the 5th dimension of transformation of the MOSEE of the Co-authors.

Dr. Brian Arthur's Complexity Economics (CE)

Complexity systems have a certain pattern or a completely unexpected property when numerous components exist and they affect one another. These formed patterns and properties affect again as they are fed back to each of the original elements," said Brian Arthur in 2013.

The emergence of Complexity Economics(CE) studies has been since the Santa Fe Institute in the United States, led by Brian Arthur, began its research on CE. (Dae Yong-ho 2001) The CE assumes that humans do not have full rationality, but have limited rationality. Man's computing power is not so great, and many economic actions are done only by rough calculations. The CE presupposes the law of Enlargement Return and Economies of Scale, and Brian Arthur asserts that the law of Enlargement Return is now being applied in the high-tech industry in the United States.

The research conducted in a similar perception to the economics of the complex system can include Evolutionary Economics has its origins in biology, whereas CE has its origins in physics, and as a result of these differences, evolution economics and complex economics are essentially the same in terms of perception of the economy, except that evolutionary economics focuses on the mutations, adaptations, and nonlinear dynamics of the object, and CE have a tendency to converge in research methodology. Thus, the focus of the study will change from a complex system to a complex adaptor. (Kim Chang-Wook 1997)

The epistemological view of CE

Recognizing the economic system as a complex system: A Study on Interaction between Elements in the Analysis of Economic Phenomenon Weak causal links can ma difference, so each component is not mutually advantageous (Paul Krugman et al., 1998). Complexity is also an infinite combination of simple systems, or the subtle differences and repeatability of the combination methods (Brian Arthur et al., 1997 p.213). Nonlinear Phenomenon and Economic Circulation Self Organization Evolution (Data: Paul Krugman et al (1998, p. 49).

Analytical Comments of the author of this article:
The ultimate truth system of CE cannot be found in the research paper of CE. In addition, the analysis of the effectiveness, the methodology development, experiment techniques, suitable training contents and special practical training tools cannot be found in the CE articles related.

The flow of CE research in three ways are introduced in the following Table.

Table 1: The flow of Complexity Economics (CE) research

Sortation	Neoclassical Economics	Complexity Economics: Institute of Economics of Kyo Do University of Japan	Complexity Economics: Santa Fe Research Institute of U.S.A.
Base of theory	19c Physics Balance Stability Deterministic Dynamics	Non Linear Dynamics	Structure, pattern of biology Self-organization and life-death cycle
Assumption	Mainly Enlarging Law of Return with respect to Inputs Human beings are the same	Feeling of Enlarging Law of Return with respect to Inputs Feeling, externality Human beings are the same in some cases or other Occasionally, it may be reported.	Mainly Enlarging Law of Return with respect to Inputs. Focus on individuals separate human beings from each other Different
System Stability	Without external shock Stability	Even without external shock Unstable	External shock operation (Open)
Analysis Element	Elements are Amount and price	Elements are Amount and price	Elements are patterns and possibilities
Balance	All are not balanced dynamics	Simultaneously complex with balance Dynamics; Collapse & Synthetic possibility	Economic development and structure change through ceaseless synthesis and decay
Object	Structurally simple	Essentially simple	Essentially complex

Paul Krugman et al (1997 P70), Brian Arthur et al. 1997 P213).

The co-authors' Management Of allSelves' Enlightenment and Empowerment (MOSEE) with 5th Dimension Consciousness (Spirit) Realization Conciliate, by In-depth Comparative Analysis and Examinations based on the following 18 factors; Dr. Brian Arthur's Complexity Economics (CE).

COMPARATIVE ANALYSES ON MANAGEMENT PHILOSOPHIES

The MOSEE (Management Of allSelves' Enlightenment and Empowerment) of Co-authors

The ultimate truth and philosophy of MOSEE
'Life Origin Source and Opening Living. Human and human organizations - the ability of the economic entity to

conduct the social work force (political circles) to realize that their lives are not separated among themselves and all relationships with the home family, work, society, country, and the world's human race, but rather a trans-connected existence as a whole. In other words, the self-created existence of a true bearing, the reality of being real, and the management focus on 5th dimension consciousness (spirit) resource asset in an infinity new realm. Therefore, free and self-sustaining creative management can only be achieved by escaping the obsession from the limited structural constraints of resources and assets such as land, capital, human resources and technologies with 4th dimension until now.

The MOSEE with 5th Dimension Spirituality Paradigm shift can simplify the Complex Phenomena of Complexity Economics of Dr. Brian Arthur. Republic of Korea has been using, in ten thousand long History, 'Hong-Ik Human Spirit' that means making all Human Benefited with Love widely around the area in the world. Republic of Korea became the 10th richest country in the world and advanced in liberal democracy as of 2018 from the world's 2nd-poorest country at 1960 among 256 countries in the world during only 58 years after Korean War. The U.S.A and the E.U have the salvation of Jesus Christ Christianity, the belief of love and the spiritual consciousness of Puritanism, based on all fields of politics, economy, society and culture and the advanced multi-cultural multi-ethnic civilization of modern mankind and is now on future-oriented lead. The development of the United States (U.S.A.) and the European Union (E.U.) is truly great. It is a far-fetched future dream that is still unthinkable at the level of Asian consciousness (spirit).

Brian Arthur's Complex Economics (CE)
The ultimate truth system in the thesis of complex economics (CE) cannot be found. In order for CE to become a new academic study, it must clearly show the following Requirements; It creates an ultimate truth with its unique philosophy, establish the unique area of research exploration, develop a unique theoretical framework to explore it, develop a unique methodological technique, and be able to recreate the individual and collective intelligence of individuals and communities as a unique educational system, and continue to identify the ability to quantify and measure efficiency and central performance while continuing to take specific action. Only by proving practical evidence CE can be established as a new scientific discipline whereas the MOSEE founded by the author, Jae Yoon Rhee have already developed all above-mentioned Requirements and eighteen (18) Factors clearly that cannot be explained here because of page space limitation of this paper.

Comparative Analysis for Definitions of Human

MOSEE of Co-author
Human is the Spiritual Being, living a life that is experiencing human Being and the world.

**Complexity Economics (C E) of Dr. Brian Arthur**
It reproduces the results that interact with the multifaceted of human limited rationality and value. In CE paper, the human Being insights are not found.

Comparing management performance

1) MOSEE of the Co-author
MOSEE invented Enlarging Law Curve of Output Performance with respect to the inputs due to the management for Concentration of Being. (Author's theory) Comparison of two curves: Diminishing Law Curve of Output Performance due to the management for Attachment of Possession and Enlarging Law Curve of Output Performance due to the management for Concentration of Being. In the figure below, the laws of mathematics are achieved through intensive management and the creation of new beings (people, families, businesses, society, countries, mankind) in resource assetization that are unconstrained because of the realization of the infinite creation of consciousness (spirit, spirituality) that has been newly discovered and adopted as an additional 5th-dimension variable as well as existing 4th-dimension variables, i.e., land, capital, human resources and technology innovations.

Figure 1: The focus of management consciousness (spirit spirituality) of Being is on the basis of Enlarging Law of Performing curve (the theoretical model of the author)

$$P_i = f(L, K, M, T, S)$$

L : Land
K : Kapital
M : Man
T : Technology
S : Spirit
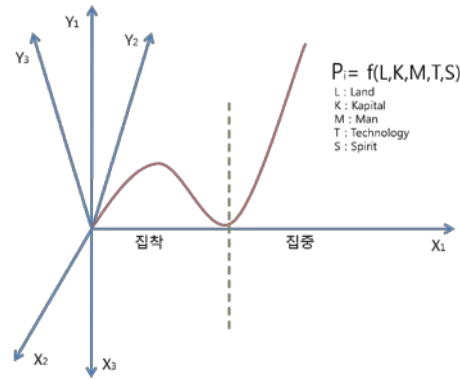
In the equation of P=f (L, K, M, T, S), S(Spirit) is a "human (Spirit) consciousness" and refers to spiritual resources. L refers to land, K capital, M human resources, T which refers to information and knowledge and technology on innovation.

CE (Complexity Economics) of Dr. Brian Arthur
The C E theory of Dr. Brian Authur discovered, in some cases of very high-tech industries, the Enlarging Law of Return (output) performance with respect to inputs. However, it is a theory based on experience insights limited to only high-tech product and service businesses.

There is no substantial adoption of 5th- dimensional variables and therefore the integrated theoretical system of C E is thought to be feeble. MOSEE can create something reality from No thing Space. The self-organizing autonomy in choosing the value of life is open to the completely free space "No thing space" and the public. C E theory is confined to areas where something is innovated from something. CE does not explore how to make "No thing space for the real freedom and self-reliance. Therefor C E has restrictive constraints for the choice making and self-sustaining power.

Comparative Analyses on the Language Behavior System

MOSEE of the Co-authors
The theory of creating an integrated creation of creative language and behavior (the theory of author).

Table 2: Integration Ability of Creative Language & Behavior (Author's Theory)
Creative Language Dimension System Table

Intent of communication	3rd Dimension Automatic Responsive based on Past Memories	3rd Dimension Intentionally Misleading and Inauthentic	4th Dimension Honest on Facts Explain to Fit World Circumstances	5th Dimension MOSEE Creative Daily Living to Create New World Circumstances

Language Function for Way of Thinking	Depend on Experiences Memories Many Unrealistic Unsystematic Thoughts Noises. Habitual Listening And Telling. Unreal Vicious Cycle of Interpretation	Intentionally Offensive and/or Self Protective Plotting, Two Extremes Separate; I am Right You are Wrong, Dominate Avoid Responsibility.	Words to Fit World and Circumstances Possession Managemnt with Attachment Innovative to Change a Little Better and More, Difference, Based On Past Way Of Thinking and Doing Experiences, Influences	Words to Create New World and Circumstances. Be Present with Awareness. Being Management with Concentration. Transformation by Self as Others with New View Point in New Realm of Possibility

The language system of **MOSEE** uses 5th dimension of the real creation (transformation) thinking and behavioral language creative language, and declares one's own choice, creating the reality and creating a new world. It is shown in below.

Complexity Economics (CE)
The language behavior system is 4th dimensional progressive improvement (change) accident and action language that adapts itself to reality and manages survival. The language of CE is confined to the 4th-dimensional language.

MOSEE's methodologies, techniques and tools with 100 Specific Ways have been developed already in design, application, experiment, measurement, indicator, quantification, and tracking of leap forward trends in 5th dimensions, etc. cannot be put here because of space limitation of this paper.

CONCLUSION

Through the Management Of allSelves' Enlightenment and Empowerment(MOSEE) founded by the author of this article in 1990, the individuals and organizations can create new circumstances and worlds by creating a new existence of the 5th-dimension consciousness (spirit) that is self-awakening allSelves' Enlightenment and Empowerment instead of knowledge management and the Being management instead of Possession management. MOSEE is to invent a 5th-dimensional Consciousness (Spirituality, Spirit) and achieve fully the true creative management by fully intact capability integrated with both internal and external capabilities.

Dr. Brian Arthur's Complexity Economics (CE) has the management economic principles based on the recognition of the Knowledge management of land, capital, human resources, technology innovation, household resources, and resources innovation without allSelves' Enlightenemnt and Empowerment and the Possession management without Being management are the 20th-century framework of thoughts that means making something from something which is called the Innovation not the Real Creation making something from No thing. Even though the Complexity Economics (CE) recognizes the people are not always rationale in their behavior, the CE does not invent the 5th dimension paradigm shift of the spirituality resources and assets. It is notable that CE found the special exceptional areas that are the highly innovative companies and businesses in which the enlarging returns of outputs with respect to inputs. The way to overcome the above limitations of Dr. Brian Arthur's Complexity Economics (CE) is through the creation of 5th-dimension human consciousness (Spirit, Spirituality) and the confirmation of the new philosophy of 'Life Origin Opening and Living'. and new theory of scientific discipline that is the Management Of allSelves' Enlightenment and Empowerment (MOSEE) which had been founded by Co-authors of this paper in 1990.

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REVISING SERVICESCAPES DIMENSIONS FOR THE METAVERSE, THE NEW FRONTIER IN DIGITAL RETAIL

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EXTENDED ABSTRACT

Introduction

During the third week of May 2022, Gap launched its first virtual experience in the Metaverse, partnering with Roblox (Kulp 2022). They created a virtual, augmented version of their brick-and-mortar stores for gamers to visit. They are not alone. Brands like Pacsun, American Eagle, Forever 21, and Ralph Lauren are a few names of the many brands building virtual stores in the Metaverse.

Some shopping malls and brand stores are rushing to replicate their brick-and-mortar experience in the Metaverse. However, in a 3D virtual space with no restrictions, like gravity, individually targeted customizations, colors, size, and more, should the retail spaces and experience design be the same as in the real world? What if the consumer shopping experience can be enhanced by changing how customers interact with brands in those immersive environments?

Our academic research focuses on what virtual environmental factors will enhance or diminish consumers' virtual experiences and lead to more purchases both online and in brick-and-mortar retail stores. Furthermore, our research seeks to determine to what degree a virtual presentation of the user experience can be an aid to trial or, in effect, a reasonable representation of the products and services in use.

The Metaverse challenge

The term Metaverse appeared for the first time in Neal Stephenson's science fiction novel *Snow Crash* (1992). The book's tale presents the Metaverse as an imaginary computer-generated three-dimensional universe where individuals can virtually dwell and interact.

Today's conceptualizations and early implementations of the Metaverse are, in essence, not far from that thirty years old idea. However, with the advent of blockchain technologies that enable the trade of cryptocurrencies and Non-Fungible Tokens (NFTs), users can now own and transact with digital assets on top of dwelling and interacting in those virtual environments. Consequently, Grider and Maximo (2021) present an updated version of the Metaverse definition as the "set of interconnected, experiential, 3D virtual worlds where people located anywhere can socialize in real-time to form a persistent, user-owned, internet economy spanning the digital and physical worlds".

Due to their persistent, user-owned, and transactive nature, Web 3.0 crypto Metaverses, in their open or closed versions, present new opportunities and challenges for brands and retailers. Dwelling and interacting in virtual environments can result in cognitive, affective, and conative changes (Slater et al. 2020), and a considerable "Virtual Spillover" exists between extended reality environments and the physical world (Franklin 2022). Hence, additional

touch points that are inherently different from any others considered before may need to be added to the interactive and dynamic customer's journey discussed by Lemon and Verhoef (2016). Therefore, academic research will need to provide insights, and practitioners will be required to rethink their digital, digital to Brick-and-Mortar or Brick-and-Mortar to digital offerings, pricing strategies in cryptocurrencies, virtual advertising tactics, and how and where their products will be presented and made available to virtual users. The latter is the focus of our research. According to Bloomberg (2021), shopping in the Metaverse is an 800 billion dollar opportunity.

Architecture and virtual spaces

Virtual Worlds platforms like Decentraland and Roblox offer the capability to design and construct buildings and structures in the Metaverse relatively easily. Those virtual spaces are usually designed and created by users and game designers that for the most part, lacking formal architectural training, end up imitating the real world (Moneta 2020).

Gadalla, Keeling, and Abosag (2013) assert that "Metaverse stores should be designed to leverage the characteristics of the platform to facilitate navigation and experience." The idea of moving within a virtual store should not focus on wandering from one (virtual) physical location to another but on moving between functional areas (Maher et al. 2000). For example, customers visiting the apparel section of a virtual department store should no longer need to walk through corridors and take virtual stairs to get to the footwear department in a world where they can be easily teleported or have the shoe racks replacing the ones that are in front of them by pressing a button.

Paradoxically, in a universe without physical limitations, buildings' design and construction are so far constrained to real-world limitations (Moneta 2020). In tandem, extant retailing on virtual worlds research, e.g., Papagiannidis et al. (2013), Papagiannidis et al. (2017), or Krasonikolakis et al. (2021) focus on constructs like 3D authenticity replicating real-world layouts, atmospheres, and functionalities.

Moneta (2020) argues that in order to embrace the true nature and revolution of virtual worlds, there is a "need to abandon the depiction of reality, and develop an understanding and application of architectural concepts and theories, giving life to truly utopian designs, to make the impossible possible." We are not contending that retail spaces in virtual worlds should not be studied in comparison or extending the functionalities of their real-world counterparts. We consider that there is a need to explore retail customers' behavior in atmospheres where the store design, layout, and product display depart from the mere copy and reflection of a limited real-world environment.

Servicescapes and Virtual World Atmospheres

The Stimulus-Organism-Response (S-O-R), its modifications and derived models are the most frequently used framework utilized by scholars to study how environmental factors affect online consumer behavior (Poggesi et al. 2022). Based on the S-O-R model, Bitner (1990, 1992) proposed a framework to study how customers' and employees' behavior is affected by their physical surroundings, including Ambient Conditions, Space/Function, Signs, Symbols & Artifacts dimensions.

Rosenbaum and Massiah (2011) considered those a physical dimension and added a social, a socially-symbolic, and a natural dimension. Nevertheless, much like online retailing, many of the components of those dimensions, such as temperature, air quality, odor, and others, are not directly related to audio/visual stimuli. While limited to visual and auditive cues, the study of online environments, e.g., Eroglu, Machleit, and Davis (2003), confirmed that atmospheric qualities affect consumers' behavior when transacting in online environments.

The online retail explosion required to adapt the offline servicescapes to the online nuances, and the research performed by scholars like Harris and Goode (2010); Hopkins et al. (2009); and Wu, Quyen, and Rivas (2017), to name a few, addressed the need to adjust rooted concepts to new environments.

In a similar fashion, our research aims to propose those needed servicescapes adjustments to understand consumer behavior in virtual environments. Following Gadalla et al. (2013) proposition that retailers in the Metaverse should design their stores not as a copy of their offline experiences but as ones that take advantage and adapt to the virtual environment characteristics; our first approach focuses on the concept of "divergence from reality" and how

different levels of distance from possible designs in the real world affect consumers' interactions with the environment and the products and services offered. Using different virtual architectural designs, we propose new dimensions to the Servicescapes that may allow an understanding of how consumers will behave in this real virtual world.

Theoretical implications

The research on consumer behavior in the Metaverse is limited. Moreover, there is a scarcity of studies that address shoppers' interactions with store atmospheres designed and implemented to maximize the clear environmental distinctions that the Metaverse offers. Therefore, there is an enormous opportunity for new theory building, proposing new measures that consider the character of the medium, and creating empirical tests that can validate those measures.

Servicescapes dimensions had the same evolution with the advent of e-commerce, and scholars created a significant body of literature on e-servicescape frameworks, typologies, and the application of those to different online products and situations. In the same fashion that Hopkins et al. (2009) considered a retailer website as an e-servicescape and postulated that those have specific features that will determine the *medium ambient conditions, spatial layout and functionality, and signs, symbols, and artifacts*, more research is needed to elaborate the ones that take place in an immersive virtual retail place.

On top of the above and considering the effort and billions of dollars lately committed to VR by companies like Apple (Mickle and Chen 2022), Oculus - owned by Meta / Facebook - (Culliford, Balu, and Dang 2021), and other big players such as Google, Sony, Microsoft, HTC to name a few (Data Bridge 2022), there will be a need for research that sheds light on the consumers and businesses interactions in the Metaverse on the diverse types of products.

Analyzing how the "reality divergence" between the real and virtual worlds affects consumers may provide the initial insights on a topic that is just starting to emerge and, according to industry trends, promises to occupy a significant part of people's daily activities and that requires to update existing typologies, frameworks, and theoretical propositions.

Practical implications

Hilken et al. (2022) provide an insightful observation regarding reality-enhancing technologies, their potential to impact consumer behavior, and the opportunities and challenges managers and scholars need to address. They note that "the momentum of technological development has arguably led to a situation in which the application of these technologies is outpacing managerial and academic understanding."

As more retailers embrace the Metaverse as an additional touchpoint in their customers' journey, it will be important to understand what strategies they will need to develop and apply to assure that investments can be amortized not only in a virtual store but also in all retail environments. Furthermore, brick-and-mortar will remain the largest source of consumer activity far out into the future. Hence, there is a significant value in understanding how the divergence of what consumers want, need, consume, and experience in virtual environments affects brick-and-mortar environments and vice-versa.

Specific marketing mix elements that are part of the store environment will likely not have the same impact on consumer behavior across all retail environments. For example, it will be important to learn what products and services need to be developed or adapted for the Metaverse and how those need to be displayed to virtual customers. How pricing is presented, and the currency used will also likely differ in virtual environments. Even the in-store advertising, signage, and other components of communications and product display will need to be understood to fully take advantage of having a presence in the Metaverse and their influence in other parts of the omnichannel.

To conclude, it is now understood that brick-and-mortar locations, web presence implementation, and mobile integration require different designs and, consequently, dissimilar designers' skillset. Therefore, insight into how divergence from other omnichannel places affects consumer behavior will allow brands and retailers to find the right partners to create and implement retail strategies that win in virtual worlds.

Keywords: Servicescapes, Metaverse, Digital Retail, Virtual Reality, Omnichannel

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CUSTOMER VALUE MANAGEMENT OF DIGITAL TRANSFORMATION: LITERATURE REVIEW AND CONCEPTUAL SYNTHESIS

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ABSTRACT

Management of value creation through digital technology is becoming an essential part of the company strategy. Organizations are seeking to transform their core operations with digital technologies and create value for customers in new ways. Digital transformation phenomena have been explored from different perspectives. Still, many organizations are not happy with the outcomes of their digital investments. Both managers and researchers would benefit from models covering multidimensional approaches to the topic. Existing literature does give theoretical guidance on concepts related to customer value management. Still, customer value management is only limitedly explored in the context of modern digital technology development. As the role of digital services in customer interactivity is becoming dominant in many business fields, there is a need to understand better the factors impacting customer value creation. This study integrates the existing theoretical models of customer value management. Existing literature is reviewed by establishing the theoretical foundation of customer value management and followed by a literature review of customer value management of digital transformation activities. In this review, customer value literature is summarized from the perspective of value suppliers and value receivers. In addition, the interactions and value delivery models are covered. Customer value management literature specific to digital transformation is being reviewed and summarized. Finally, different theories are integrated into one conceptual model summarizing different customer value management activities relevant to the digital transformation. This study presents a theoretical contribution to the body of marketing and strategic management literature.

Keywords: customer value management, digital transformation, customer value, value creation, value system

INTRODUCTION

Digital transformation is a key driver for business strategy renewal. Most organizations have integrated digital transformation as part of their core strategy or have a separate digital strategy to accelerate transformation. Digital transformation combines digital technology in business, leading to significant changes in value delivered to customers and how businesses operate. According to market research, digital transformation has forced companies to modify their business models and adapt to the new market reality (Sense Corp, 2018); flourishing companies have embraced digital disruption and modified their business models. Digital disruption in the existing market has modified business dynamics and brought a shift in customer behavior, threatening the existing association with customers and placing power in the hands of the customers. According to Sense Corp, customers demand modern and digital experiences similar to what they encounter in their everyday lives.

Worldwide spending on the technologies and services that enable digital transformation is forecast to reach USD 1.97 trillion in 2022, according to International Data Corporation (2018). International Data Corporation

forecasted digital transformation spending development from 2017 to 2022, with an annual 16.7% growth rate (International Data Corporation 2018). Digital transformation is primarily based on the availability of technology tho solve various business needs. Many organizations have gained operative benefits by digitally transforming their products and services, such as cost savings and increased productivity. As the availability of technology improves daily, companies struggle to compete through operational gains.

Michel Porter (1985) proposes that companies also manage their strategic positioning and operative efficiency. He defines six dimensions related to strategic positioning: right goal, value proposition, value chain, trade-offs, and continuity (Porter, 1996, 2001). We can see examples of companies in different fields doing successful digital transformation and companies struggling and losing market share. The media sector is a good example where traditional companies have recently faced a situation to reconsider their core value proposition and position in the value eco-system after a hundred years of success. Digital resources might present an opportunity for your business model, or they might be a significant threat (Mithas & Lucas, 2010). Mithas and Lucas (2010) argued, "how can we use technology as a strategic asset to enable new competencies or maintain a competitive advantage?"

Berman (2012) indicated that organizations seek opportunities in the era of constant customer connectivity, focusing on two complementary activities, including transforming their operations by using digital technologies and reshaping customer value propositions for higher customer collaboration and interaction. Berman elaborated on the effectiveness of digital transformation in customer value management, explaining that businesses focusing on transforming their operating models or generating new customer value propositions must create a new portfolio of abilities for responsiveness and flexibility to fast-changing customer requirements. The results indicated that engaging customers at each point where value is developed differentiated customer-focused businesses from those that target customers. The customer interaction in these areas often results in an open collaboration that expands online communities. Berman concluded that organizations focused on reshaping the operating model to optimize every value chain element around customer engagement points.

Within service business, companies have gained significant operative benefits from digital transformation. Still, current trends in technology development (e.g., artificial intelligence and data analytics) are creating new opportunities for value creation. Success in digital transformation management requires more insight into strategic focus areas. This research focuses on understanding the key concepts explaining the relationship between customer value management and business outcomes for digital services. Key concepts include some of the key theories related to value-oriented management and the transformation of services and products to digital formats.

While customer value management has been widely researched in management and marketing, the topic remains relevant in the constantly evolving environment. The Marketing Science Institution has prioritized cultivating the customer asset and understanding the impacts of technology on customer interface (2008). This research aims to conceptualize a holistic model for customer value management in digital transformation based on prior research.

LITERATURE REVIEW PROCESS

This study selected a systematic approach for literature, as proposed by Tranfield (2003), which entails a systematic collection of literature from online databases using keywords related to the research questions. This review aims to understand how other scholars have contributed to answering the study questions and identifying significant gaps. This review focuses on understanding the key concepts explaining the relation of customer value management in digital services. The specific context and phenomena under investigation are transforming existing products and services into digital. The review process workflow comprises 1) identification of research, 2) selection, 3) quality assessment, 4) analysis, and 5) synthesis. The first four workflow phases were conducted on an iterative basis based on analysis findings.

The review results are reported in two sections. First, the theoretical background of customer value and value creation is established. Second, a systematic review of current research on customer value management in digital transformation is reported. The findings are conceptualized in the model, followed by recommendations for further research.

THEORETICAL FOUNDATION OF CUSTOMER VALUE

Figure 1 collects critical concepts relevant to customer value management. Essentially, there is the promise of the value called a value proposition. This value is being "delivered" and enhanced via network to customers. Customers can also participate in value co-creation. Eventually, the customer makes a subjective perception of the value.

Customer value

Business organizations can acquire customers by recognizing and pursuing value on behalf of the consumer; the key driver is value creation. Value is relative based upon the comparative, situational, and personal nature (Sanchez-Fernandez & Iniesta-Bonillo, 2007). Prahalad and Ramaswamy (2004) suggested that value's meaning and the value creation process migrate from a firm- and product-centric view toward personalized consumer experiences.

Customer value is particularly complex; it is naturally preferential, cognitive-affective, and perceptual (Sanchez-Fernandez & Iniesta-Bonillo, 2007), and for value to be realized on behalf of the customer, there must first be an expectation. Through interrelationships between the customer expectations and actual performance, the value of a particular purchase can be quantified (Chen & Chen, 2010). Consumers' purchasing decisions are rooted in considering value, a construct comprising many dimensions. The level of value that a consumer perceives affects their behavioral intentions. Consumers are more likely to purchase or repeat purchases when the performance meets or exceeds their expectations. When performance fails to meet the consumer's expectations, they experience dissatisfaction. By achieving customer value, companies are essentially gaining customer satisfaction; the two are linked. Maintaining existing customers is cheaper than finding new customers, and satisfied customers are more likely to remain loyal, assisting organizations with long-term success (Chen & Chen, 2010). Achieving value fosters demand, which drives business success.

Value proposition

The concept of value is fundamentally shifting due to the modern economy's growing focus on experience; managers prioritize growth and value creation in the modern business environment. The value creation process has moved from a traditional product- and company-centric view toward personalized consumer experiences. Value creation and extraction are increasingly generated through interactions between consumers and organizations (Prahalad & Ramaswamy 2004), and value can be created through multiple elements, such as price, quality, and location. Therefore, companies are responsible for setting the delivered value based on their strategies and shareholders' values (Hassan 2012); perception of the expected value is the core of the value proposition.

Perceived value

According to Sanchez-Fernandez and Iniesta-Bonillo (2007), the concept of perceived value inherently implies a relationship between the consumer and the product. Zeithaml (1988) defined the concept of perceived value as a consumer's assessment of a product or service based upon perceptions of what is given and what is received. Lovelock (2000) defines perceived value as the difference between a given opportunity's perceived benefits and costs.

The value typology comprises three dimensions: self-oriented vs. other-oriented, extrinsic vs. intrinsic, and active vs. reactive (Holbrook 1999). Chen and Chen (2010) note that value perception may represent a better predictor of repurchase intentions than quality or satisfaction. Given the influence of perceived value upon purchase and repurchase intentions, it is an essential part of competitive strategy.

Value delivery and interactions

From the perspective of value-oriented management, consumer perceptions are essential because the concept of value is essential to the consumer, even on the most basic level. Furthermore, the "valence of experience" is also crucial for

understanding consumer behaviors because it alludes to how consumers' emotions and attitudes affect their overall experiences (Chen & Dubinsky, 2003). Huber, Herrmann, and Morgan (2001) investigate customer perspectives that correlate to many essential elements within interactive relationships. They find that the subjective evaluation task is performed, consciously or unconsciously, by customers in general when it comes to products and services; this is doubly true when a product or service is transformed into a digital format. Thus, it becomes clear that customer values and viewpoints are not static, and they constantly alter and change.

Prahalad and Ramaswamy (2004) state that desirable interactions that allow customers to create unique and memorable experiences with the company are essential for ensuring competitive advantage. Furthermore, the value must be jointly created by a relationship between the firm and the consumer, indicating that consumers aid value creation, showing how this co-creation benefits all.

Constructing meta-models allows for a more in-depth, effective, and retrospective understanding of customer value management concerning the digital transition. Brax and Visintin (2017) indicate that servitization meta-models allude to various increases, including the complexity of the offering for customers and the overall value level. At the same time, they state that such an approach allows for resolving conceptual incommensurability because it provides references to enable the practical application of value servitization.

Understanding multi-actor models is essential to managing a value creation system. As the number of actors with value creation systems increases, the possibilities for value creation become richer (Norman & Ramirez, 1998). Pil and Holweg (2006) proposed that companies should shift from linear value chain management to value grid management. Grönroos (2011) takes a more critical look at value co-creation, particularly regarding the purview of service logic. He states that the interactivity concept as part of value co-creation is not well-understood and that the customer is always, not sometimes, a co-creator of value.

Figure 1: Concepts for customer value management

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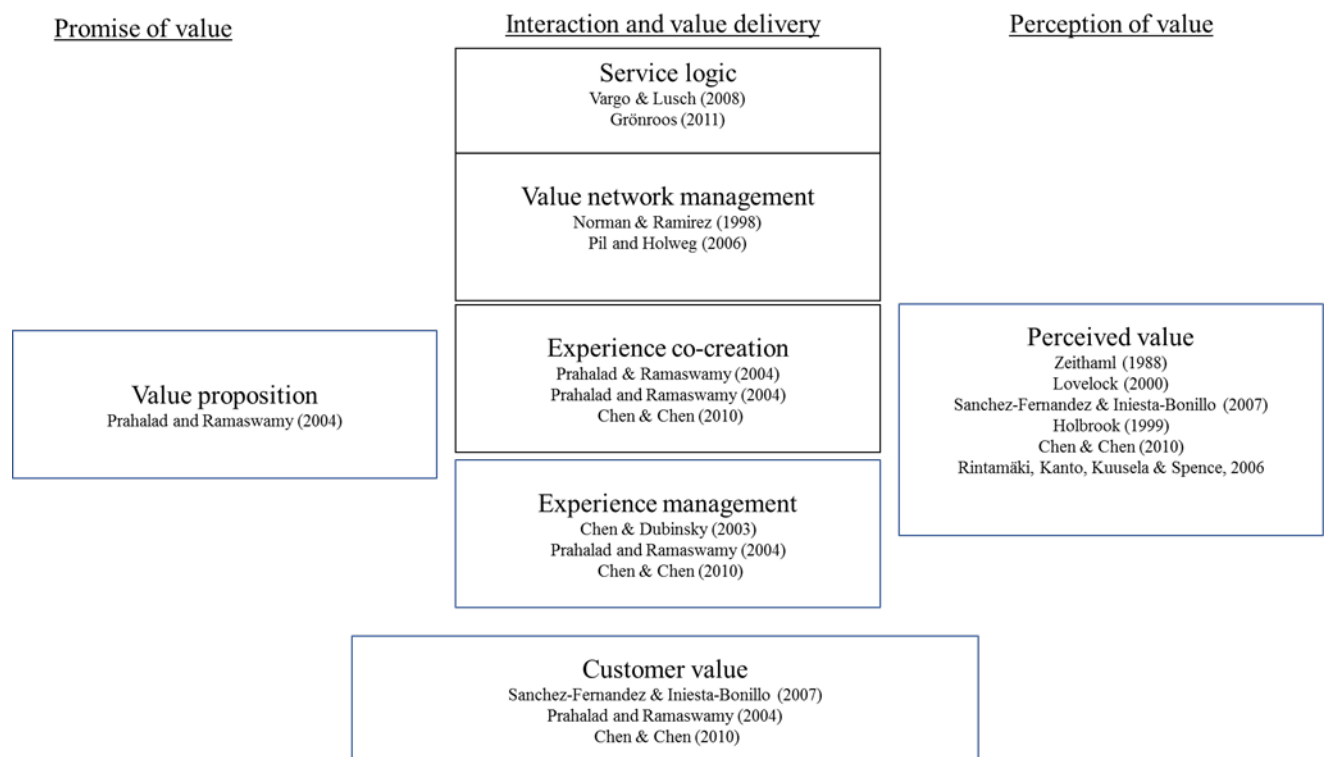
CUSTOMER VALUE MANAGEMENT RESEARCH ON DIGITAL TRANSFORMATION

This study focuses on customer value management in the context of digital services and managing customers' value in digital transformation. The search strings were developed for the first research area—the role of customer value management in digital services—using the keywords "customer value management," "digital services," and "digital transformation." The boolean terms "and" and "or" were used as interconnectors to filter the results in a specific manner. For the "and" command, the database provided results with all the keywords; the "or" keyword returned results with any keyword. We obtained millions of articles from Google Scholar and the Web of Science databases; however, because of Google's page rank algorithm, only the first ten pages were scrutinized for articles containing relevant information.

Conceptualization of value management

Customer value management has its roots in customer relationship management (Malthouse et al., 2013). While customer relationship management aims at maintaining good relations with customers to create value for customers and the company, customer value management acknowledges the existence of this customer value. It utilizes the data to enhance the mutual value of the digital services offered by the company. The core purpose of value management is to utilize data to acquire and retain reliable customers, thus enhancing the value accrued from the customers. However, Kukkonen (2016) only addressed the value to the company.

In a general sense, customer value can be conceptualized from two perspectives. First, customer value represents the fundamental benefit(s) that the customer accrues from the company's product or service. Creating this value is the company's responsibility; however, a company may sometimes include co-creation so that the value suits the intended customers. Second, customer value represents the company's benefit from delivering valuable products and services to its customers. Essentially, the company understands the customer's core needs through direct and indirect data collection, then develops its services to satisfy the customers' needs (Berman & Kesterson-Townes, 2012); however, one weakness of this position is that different customers may have varied tastes. While some corporations develop products and services tailored to the customer's specific needs, attaining such value creation might be tedious for some companies, such as those offering standardized software products (e.g., the Windows Operating System). The core benefit is increased sales volume and subsequent profitability margins due to positive brand recognition and awareness and positive reputational enhancement. As Kukkonen (2016) stated, at least 73% of all US firms have implemented customer value management systems to manage customer value to the corporation. Gupta et al. (2006) also introduced the concept of a consumer's lifetime value; the value of the customer is perceived from their expected future transactions. Because this view is more future-oriented, a customer does not need to bring immediate direct value to the company by purchasing its digital services; instead, the customer's future value is important (Venkatesan & Kumar, 2004). Even if the customer does not make an immediate purchase, they may make numerous future purchases and bring other customers through network marketing. These views correspond to Kumar and Agory (2010), who reiterate that customer value management could also produce behavioral attributes in customers that could bring indirect benefits to the corporation, including marketing through word of mouth or lifestyle changes that appear admirable to the customer's close associates; this value that the company accrues is referred to as customer engagement value.

Payne et al. (2008) suggested a different perspective: one of the best ways for a company to attain competitive advantage is through innovating and creating products and services tailored explicitly to customers' needs. Contrary to Baker (2002) regarding the difficulty with meeting customers' specific demands, co-creation effectively assists corporations in developing products/services that address the customers' specific needs, thus obtaining a competitive advantage (Prahalad & Ramaswamy, 2004).

Customer Value Management allows a company to engage customers to understand their needs and expectations and acquire innovative input. Similarly, Kukkonen (2016) addresses customers' knowledge and co-creation elements of value, which fall under the social value category alongside referral and influencer values. In their co-creation of the value management framework, Payn et al. (2008) identified customers as active participants in

creating value, marketers as the constructors of relationships and encounters with customers, and operational resources as the primary exchange units.

From the perspective of Verhoef and Lemon (2013), there are three emerging ways in which customer value management can benefit corporations, particularly those offering digital services: customer engagement management, customer experience management, and customer network management. Managing customer engagement involves planning and coordinating interactions among existing and potential customers and facilitating the creation of customer networks, which involve customers attracting others to the company. Managing such networks becomes efficient for a company offering digital services as online information spreads quickly. Like Payne et al. (2015), Verhoef and Lemon (2013) raise the importance of customer experience management, indicating that experience management enhances customer retention. In digital services, experience management entails collecting customer data (feedback) on experience with the company's services and utilizing this information to generate more value for the customers and the company.

Customer Value Management in digital transformation

Considering the numerous benefits of customer value management in digital services as addressed by various researchers (Kumar & Agory, 2010), it is necessary to understand how customer value is managed in digital transformation. Digital transformation is how a company implements several initiatives to explore and gradually adopt digital technologies to maximize value to customers and the company (Matt & Benlian, 2015). Much of the extant literature focuses on consumer value management regarding Service-Dominant and Customer-Dominant (SD and CD) logic. From the service-dominant logic, customers are regarded as equal participants in creating and managing value. Payne et al. (2008) suggested that value management should involve customers through co-creation in the digital era. In C-D co-creation, customers are central to the innovation in a company instead of equal partners in co-creation (Rihova et al., 2013).

Rihova et al. (2013) support Payne's argument of S-D co-creation, confirming that customers engage in the co-creation of value; without the customers' experience and feedback, the value-offering entity might not understand if their offerings are valuable. Co-creation introduces the concept of experience management, a fundamental aspect that determines the social and monetary value (and sometimes visitor value for companies that adopt digital business models). According to Kukkonen et al. (2016), experience in the digital age includes searching, selecting, comparing, and evaluating various products and services offered through contemporary digital technology, such as the Internet (Verhoef Lemon, 2009). Every business strives to digitally transform its services, products, and operations to reap the maximum benefits of digital transformation (e.g., quicker communication and efficient interaction with customers).

Payne et al. (2008) state that customer value management can only be effective if it involves customers' input. The corporation's role is to create critical encounters (e.g., usage, communication, and service encounters) and support encounters (e.g., promises of new developments with significant customer value and stories). Even though the study does not specifically examine corporations with digital services, the model fits within the digital services domain in several ways. First, encounter creation mainly involves communication that includes the digital transmission of information in the modern era. Faster transmission of information between a corporation and its customers can enhance value creation; customers readily provide feedback regarding proposed and existing products and ideas for improvements, making it easier for companies offering digital services to improve operations through digital encounters. In traditional society, encounters were physical in the real world (Verhoef Lemon, 2009); however, such encounters can be created digitally in the modern era. Meyer et al. (2018) added that digital encounters with customers enhance the relationship between the company and its customers, thus improving the lifetime value of customers.

To manage customer experiences, a company must constantly create elements that result in positive customer experiences: interface, price, and atmosphere of the digital shopping environment) (Malthouse et al., 2013); however, not all elements are under the company's direct control, such as influence from other people and the core purpose of product/service purchase. Luckily, these seemingly external sources of experience can be controlled through network management (Berman & Kesterson-Townes, 2012). The extant literature identified customer network management as essential for ensuring that customers positively market a company's brand through referrals. Managing such networks has become easier in the modern digital transformation era due to social media networks, blogs, and instant messaging.

Although the literature on network management does not provide an explicit framework for managing customer networks, it indicates the need for companies to manage customer networks as part of the broader customer value management.

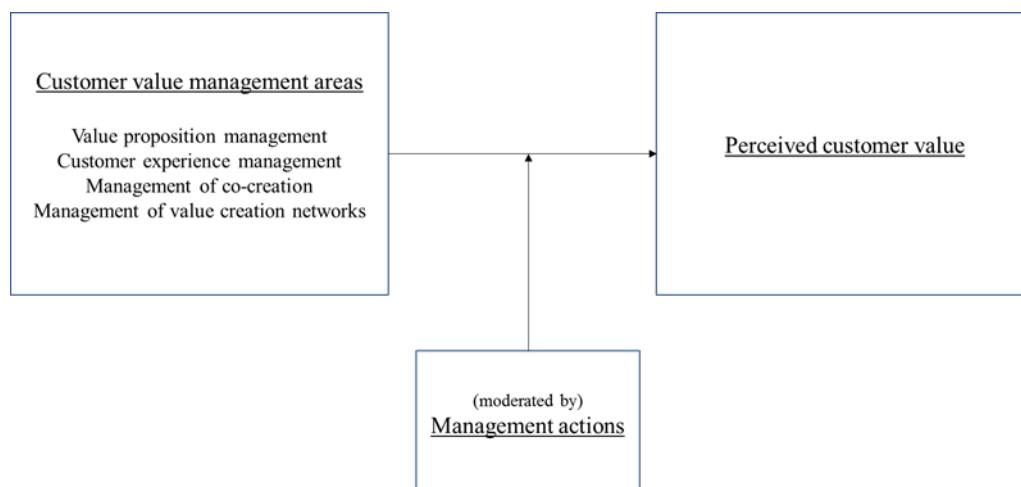## Summary of literature on customer value management in digital transformation

Numerous studies have addressed the role of customer value management; however, only Malthouse et al. (2013) and Kukkonen (2016) address customer value management in digital services. They also focused on how customer value management is achieved in the modern digital transformation age, identifying three main concepts: management through co-creation (engagement of customers), experiences management, and networks management.

CONCLUSIONS

Based on the literature, it becomes more apparent that the core nature of customer value is not static; rather, it constantly changes and adapts to its new environments. Individual perception of customer value is multifaceted and highly subjective; however, understanding this in customer value management and creation is challenging. In managerial practice, many businesses do not understand this element from even the most basic viewpoint. For this reason, each examined article attempted to understand customer value creation better, making it increasingly possible to comprehend customers' minds as they purchase a product or service. To understand customer value, we can focus on a customer's subjectively perceived value, which changes over time. As proposed and demonstrated by Rintamäki, Kanto, Kuusela, and Spence (2006), individual perception of value can be broken into elements.

Value proposition enables organizations to design and manage promises on anticipated value, as the customer perceives. Value chains and constellations are essential concepts for understanding how value is created and delivered to customers. Value co-creation is an activity where the traditional linear value chain becomes bi-directional (one producer and one consumer). Based on previous work, we can conceptualize customer value management in digital transformation into four different areas: 1) management of value proposition; 2) management of customer experience; 3) management of value co-creation; 4) management of value creation networks. Essentially management actions in these areas should contribute to perceptions of customer value. The model is presented in Figure 2.

Figure 2: Conceptual model for managing customer value creation of digital transformation

RECOMMENDATIONS FOR FURTHER RESEARCH

Customer value management has been widely researched, but there are gaps in the existing literature; analyzing existing literature indicates a conceptual foundation for customer value management. Many models presented to describe customer value and management are based on logical theoretical argumentation; however, they are often based on limited empirical evidence (Kukkonen 2016; Khalifa 2004; Rintamäki 2016). Therefore, further qualitative studies, such as in-depth interviews, are suggested to improve the models (Rintamäki, 2016).

Building a solid customer value model and customer value management is an apparent challenge for current research, and researchers have approached the topic from different levels of abstraction. The existence of various models confuses understanding from the same abstraction level, thus mitigating the impact of context. A systematic approach can improve theoretical models based on the empirical evidence in a specific context. The importance of understanding context in value perception has been recognized by the foundational work on customer value (Woodruff 1997) and empiric studies (Rintamäki 2016).

Regarding the specific context of digital transformation, little empirical research addresses the role of customer value management in digital services. This gap must be addressed to provide a complete view of how customer value management might affect digital services.

Furthermore, Verhoef et al. (2007) suggest that although there are solid models for customer value management, acceptance of these models is limited; they propose researching how customer value management changes decisions.

Moreover, measuring overall customer value has issues. Previous research suggested that building solid instruments for measuring value is more practical than measuring individual perceptions of value. Future research can determine the value-creating management activities that increase perceived customer value.

It should be taken into consideration that digital transformation is constantly evolving. Understanding the changes in value proposition and value chains that occur during transformation should help predict changes in perceived customer value. Existing literature provides a significant conceptual and theoretical foundation for customer value management; however, most research is in the general context of business or marketing management. Research tailored toward value management in the contemporary transformation age is still necessary.

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EVALUATION OF THE LOCAL MUNICIPALITY UNDER ADMINISTRATION: CASE OF EMFULENI LOCAL MUNICIPALITY IN SEDIBENG DISTRICT MUNICIPALITY, GAUTENG PROVINCE (SOUTH AFRICA)

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ABSTRACT

Emfuleni Local Municipality has been put under administration in 2018. The invocation of Section 139 of the Constitution happened when a provincial government intervened after assessing and concluding that a municipality did not fulfil an executive obligation in terms of both the Constitution and the executive obligation. This paper seeks to evaluate the impact the administration (Section 139) in Emfuleni Local Municipality (ELM), as an intervention on the embattled municipality. The study will employ a qualitative approach with the data collected utilising semi structured interviews scheduled from seven officials from the office of the Municipal Manager, and thirteen Community members according to their respective regions. Findings has revealed that the person appointed in administration and the municipal manager were the same person, with refuse piled on street corners in central Vereeniging, severely potholed streets with no sign of roadworks, continued electricity outages and sewage leaks, it appears the situation has not visibly improved in the intervening year of Finances.

Keywords: evaluation, section 139, service delivery, financial control/budget

INTRODUCTION AND BACKGROUND

Section 139 of the Constitution empowers a provincial government to intervene when a municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation. Moreover, as part of the support system in terms of intergovernmental relations, the National Council of Provinces (NCOP) has to be notified about any intentions by a province to implement section 139. Putting a municipality under administration means that there will be no executive positions and that an administrator will be appointed to manage and oversee the day-to-day running of the municipality. The mayor together with the executive also oversees the work of the municipal manager and department heads. The work of the municipality is done by the municipal administration that is headed by the municipal manager and other officials. In accordance with the Constitution and the Organised Local Government Act, 1997 (Act 52 of 1997), up to 10 part-time representatives may be designated to represent municipalities and participate in proceedings of the NCOP. The Department of Cooperative Governance aims to build and strengthen the capability and accountability of provinces and municipalities. This includes, continued hands-on support through the established system and capacity-building programme. Focusing on critical areas such as integrated development planning, local economic development (LED), financial management, service delivery and public participation evaluating the impact of government programmes in municipal areas. Augmenting performance and accountability by improving the quality of reporting on the Local Government Strategic Agenda and improving the monitoring, reporting and evaluation of capacity in local government coordinating and supporting policy development, implementing the Local Government Strategic Agenda, and monitoring and supporting service delivery (Parliament of SA:2020).

OVERVIEW OF MUNICIPALITIES IN SOUTH AFRICA

There are 278 municipalities in South Africa (SA), comprising eight metropolitan, 44 district and 226 local municipalities. They are focused on growing local economies and providing infrastructure and service. As directed by the Constitution, the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) contains criteria for determining when an area must have a category-A municipality (metropolitan municipalities) and when municipalities fall into categories B (local municipalities) or C (district municipalities). The Act also determines that category-A municipalities can only be established in metropolitan areas. Metropolitan councils have single metropolitan budgets, common property ratings and service-tariff systems, and single-employer bodies.

SOUTH AFRICAN EIGHT METROPOLITAN MUNICIPALITIES

Buffalo City (East London) City of Cape Town; Ekurhuleni Metropolitan Municipality (East Rand) Gauteng; City of eThekwini (Durban); Mangaung Municipality (Bloemfontein) Free State; Nelson Mandela Metropolitan Municipality (Gqeberha) and City of Tshwane (Pretoria). Metropolitan councils may decentralise powers and functions. However, all original municipal, legislative and executive powers are vested in the metropolitan council.

Emfuleni Local Municipality, falls under the non-metropolitan areas, which are consisting of district councils and local councils. District councils are primarily responsible for capacity-building and district-wide planning. The Local Government Municipal Structures Act of 1998 provides for committees whose tasks, among other things, prepare, implement and review integrated development plans establish, implement and review municipalities' performance-management systems monitor and review municipalities' performances prepare municipalities' budgets participate in decisions about the provision of municipal services communicate and disseminate information on governance matters.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

Local Government Turnaround Strategy (LGTAS) was introduced as a government programme of action and a proposal for better service delivery aimed at receptive, accountable, effective and efficient local government. Five focus areas aimed at advancing execution of the strategy have been identified as service delivery, governance, financial management, infrastructure development and fighting corruption. In addition, a Municipal Infrastructure Grant (MIG) aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting.

Figure 1: Local Government Barometer

State of Local Government Barometer

PROVINCE	Number of municipalities	Dysfunctional (Red)	Medium Risk (Orange)	Low Risk (Yellow)	Stable (Green)
Eastern Cape	39	11	14	14	0
Free State	23	11	11	1	0
Gauteng	11	2	7	1	1
KwaZulu Natal	54	11	20	22	1
Limpopo	27	3	21	3	0
Mpumalanga	20	6	9	4	1
North West	22	10	7	5	0
Northern Cape	31	9	16	5	1
Western Cape	30	1	7	10	12
Total	**257**	**64**	**111**	**66**	**16**

Source: BusinessTech, 2021

All the same, The KwaZulu-Natal provincial government has also placed uMkhanyakude and Nquthu Municipalities under administration in a bid to prevent the collapse of governance and bring back stability and order. The decision was taken during the first Provincial Executive Council (PEC) virtual meeting in 2021. According to the South, African Government News (2021) called it the drastic interventions by government taken in the best interest of the people of both municipalities.

In addition, the two municipalities were categorised in flagrant disregard of the Constitution and the law governing the functioning of municipalities. Interventions have been preceded by various efforts to support the municipalities in line with section 154 of the Constitution. In addition, uMkhanyakude was placed under administration because it has been entangled in internal strife that has severely compromised key areas of service delivery. "In such the council has failed to hold three consecutive scheduled meetings to consider matters that affect the functioning of the municipality and service delivery. There is a serious challenge with performing executive functions and oversight. There are allegations and counter-allegations of maladministration, fraud and corruption. The tensions have escalated to a point where the uMkhanyakude District Municipality could not pass the IDP (Integrated Development Plans) and budget. The council of uMkhanyakude District Municipality has not acted forensic reports on. The municipality operates on the budget that is unfunded in violation of the Municipal Finance Management Act.

There has been instability in the municipality since March 2020 when the municipal council purported to elect the mayor, following resignation of the former mayor. As a result, the municipality failed to comply with the requirements of the Municipal Systems Act related to the development and approval of the IDP and Budget Process Plan, which must be adopted on or before the 31st August annually. The mayor of the municipality has been unlawfully elected in violation of the lockdown regulations. The failure of the council meetings owing to instability resulted in the municipality's failure to adopt its IDP and Budget Process Plan for the year 2021/22, hence compromising a key executive responsibility and prejudicing the people of Nquthu. Meanwhile, in response to public violence, which included the torching of shops in the Durban city centre, the PEC has approved the establishment of an integrated law enforcement team to focus on the enforcement of immigration, employment and trade laws in the Durban city centre.

RESEARCH METHODS

The study was carried out in ELM, in Sedibeng District Municipality (SDM). Emfuleni Local Municipality (ELM) is one of three local municipalities that constitute the Sedibeng District Municipality. It is the western-most local municipality of the district, which covers the entire southern area of the Gauteng Province extending along a 120 kilometres axis from east to west. It covers an area of 987.45 km². The Vaal River forms the southern boundary of ELM and its strategic location affords it many opportunities for tourism and other forms of economic development. ELM shares boundaries with Metsimaholo Local Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg metropolitan area to the north and Westonaria and Tlokwe Local Municipalities to the west. ELM is strategically located with access to a well-maintained road network - N1 national route linking Johannesburg and Bloemfontein, which traverses Emfuleni Local Municipality. It has two main city/town centres, namely, Vereeniging and Vanderbijlpark. It forms the "heartland" of what was formerly known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa. It contains six large former peri-urban townships of Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso. The other ten small settlements tend to be suburban in nature and are within six kilometres radius of the above towns: they are Bonanne, Steel Park, Duncanville, Unitas Park, Arcon Park, Sonlandpark, Waldrift, Rust-ter-Vaal, Roshnee and Debonairpark. ELM is rich in history as it encapsulates the South African War with the signing of the peace treaty in Vereeniging, heritage assets such as the Sharpeville Monument and the liberation struggle epitomized by the signing of the Constitution of the Republic of South Africa (Act 106 of 1996) in Sharpeville. In their vision, "A progressive City that continuously improves the quality of life of its community. Mission "Providing responsive, effective, efficient, and sustainable municipal services in an Accountable manner and values "Subscribe to Batho-Pele Principles as well as being responsive, disciplined, accountable & transparent, respectful and honest; while the motto is "Vaal River City, the Cradle of Human Rights" (IDP, 2018/19). Employed a qualitative approach with the data collected

utilising semi structured interviews scheduled from seven officials from the office of the Municipal Manager, and thirteen Community members according to their respective regions.

Below, Figure 2 is the geographical map of Sedibeng District Municipality – with Emfuleni Local Municipality.

Figure 2: Sedibeng District Municipality

FINDINGS AND DISCUSSIONS

The municipality was put under administration in 2018 following a R1-million irregular expenditure bill. It also owed Eskom R2.7-billion. Although ELM has reached a payment agreement with Rand Water – one of the municipality's largest creditors. The municipality is drowning in debt of around R4.6-billion, with most of the money owed to Eskom and Rand Water. If a court order has been made, the debtor's estate will be placed under administration (administration order). This means that an Administrator is appointed who will ensure that the debtor pays the amounts due in terms of a judgment or other financial obligations. Even after the intervention residents of ELM, in the Vaal, have had to put up with a life of non-existent services such as uncollected refuse, power outages and sewage in backyards and increasingly potholed streets. The SA Human Rights Commission has called for cabinet to consider a national intervention in Emfuleni to avoid possible litigation against the government over the sewage crisis in the Vaal areas, which was one of the recommendations contained in a report released by the SAHRC following its investigations of the flow of sewage into the Vaal River.

CONCLUSION AND RECOMMENDATIONS

Although the ELM has been under administration for more than four years, it has been realised that the Section 139 has not been successfully brought any changes. It is recommended that provincial CoGTA should facilitate a workshop to the office of the Executive Mayor, Chief Whip of Council and the Speaker of Council on the Powers, Functions as at times distortion the lines, and tend to impinge on other's delegated functions. This has shown a potential to collapse governance if not responded to precisely with exactness. Council, as the highest body in the institution and it is legislated to sit once every quarter however provision ought to be made for Special sittings of Council. That can allow the possibility to process reports such as Budget, IDP and other outstanding mandatory reports on time. Oversight Committees such as Audit, Audit Performance and Municipal Public Account's Committees will be functional and effective. The provincial intervention, which was structured into five work streams to focus on service delivery and enhancing revenue collection, be effective. Service delivery, the work streams to focus on water and storm water infrastructure; sanitation; energy and electricity; cleaning and waste management; roads, maintenance, resurfacing and fleet managements; infrastructure as well as human settlement. Improved revenue collection and engagements with Rand Water and Eskom to agree on debt repayment terms so that there is no disturbance to the supply of water and electricity for communities. "The Premier has to convene monthly meetings with the Mayor, MECs and Members of the Mayoral Committee to review progress on the intervention with regard to service delivery improvements and financial recovery interventions. Weekly, the Premier and the Mayor to join the teams that are working in communities

to fix potholes and participate in the clean-up campaign. Lastly there should be stability in the Mayoral office, and municipal manager, such will allow a proper focus on the workflow.

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