Re-engineering Business Processes in the New Normal - The Business and Economic Development Post COVID-19 and the Restructuring of the Global Economy: Proceedings of 8th International Conference on Business and Management Dynamics

Edited by Michael Twum-Darko

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PREFACE

This book discusses the re-engineering business processes in the new normal and from the perspective of business and economic development and the restructuring of the global Economy. The contributions by the authors include social capital and its impact SMEs in South Africa, the impact of Government policy on entrepreneurial activities, the perceived impact of the COVID-19 pandemic on tourism in South African, The South African “EARS” context and the ap[plication of using social listening tool to mitigate the Global Health Infodemic, Accounting students’ perceptions of e-Learning during the COVID-19 pandemic, The mediating role of perceived social support for workplace bullying and psychological well-being, The effect of transformational leadership style on innovation behaviour among bank employees in South Africa during COVID-19; The impact of participative management structures in improving employee participation and employee involvement under conditions of developing a New Normal in Organisations, The relationship between marketing mix and customer loyalty in the FMCGs stores in South Africa, and Exploring perceptions of possible antecedents of effective corporate Governance in South Africa. This book contains various materials suitable for students, researchers, and academicians.

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Re-engineering Business Processes in the New Normal - The Business and Economic Development Post COVID-19 and the Restructuring of the Global Economy: Proceedings of 8th International Conference on Business and Management Dynamics

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ABSTRACT

The investigated the effect of social capital on the performance of SMMEs. The book discussed the impact of existing government policy on entrepreneurial activities in a Province in South Africa. Also, the book reveals the perceptions and experiences of small and medium enterprise owners from the tourism sector towards the COVID-19 pandemic in South Africa. Furthermore, the book investigated how social listening tools, such as EARS, can contribute to global health during an infodemic using South Africa as the context of the study to discuss the EARS tool. The book also determined the student perceptions of having to adapt to online learning in the Department of Accounting at a traditional university. The contribution of this book extends to the examination of the negative effects of workplace bullying as a stressor on employees' psychological wellbeing and how the availability of social support can reduce the negative effects of bullying. It further explores how processes can be enhanced by making use of employee participation and employee involvement structures in organisations. Finally, the book explores perceptions of possible antecedents of effective corporate governance within Eastern Cape Public Entities of South Africa. Social sciences research methodology framework such as structured and sequential research process where each stage feeding into the other have provided an all-inclusive base for the entire social sciences research practice in this book. Some of the studies in this book also used quantitative research approach and descriptive research design in order to

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determine influences and practices associated with the phenomena being studies.

Keywords: Social capital; SMMEs; economic growth; entrepreneurship; government regulatory framework; infodemic.

Chapter 1
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Social Capital and the Performance of the Small, Medium and Micro Enterprises in Eastern Cape Province of South Africa

Anesipho Klaas [a] and Tendai Chimucheka [a*]

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ABSTRACT

The small, medium and micro enterprises (SMMEs) are essential drivers to the social and economic growth. These enterprises have an essential role in employment creation and eradication of poverty in South Africa. SMMEs in South Africa are comprised of heterogeneous groups of businesses in various sectors including services, manufacturing and agriculture. This study investigated the effect of social capital on the performance of SMMEs. Thus, the primary objective of the study was to investigate the effect of social capital on the performance of SMMEs in Makana Municipality, and the secondary objectives were to determine the effect of bonding social capital on the performance of SMMEs and to determine the effect of bridging social capital on the performance of SMMEs. Purposive sampling was used to select the respondents. In order to collect data, the researchers distributed 126 questionnaires to SMME owners and managers in the towns within the Makana Municipality. It was found that all the forms of social capital have a positive effect on the performance of SMMEs.

Keywords: Social capital; SMMEs; economic growth; performance; entrepreneurship.

1. INTRODUCTION AND BACKGROUND

The small, medium and micro-enterprises (SMMEs) are seen as key drivers to social and economic growth (Matsongoni & Mutambara, 2021). These enterprises play an important role in employment creation and eradication of poverty in South Africa (Akpo, Ogunlela, Tengeh & Tengeh, 2021). SMMEs in South Africa are comprised of heterogeneous groups of businesses in various sectors including services, manufacturing and agriculture (van Aardt, Bezuidenhout, Bendeman, Booysen, Clarence, Massyn, Moos, Naidoo, Swanepoel & van Aardt, 2014). It is estimated that SMMEs account for 90% of firms and employ 63% of the workforce in the world (Munro, 2013). According to

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Mukumba (2014), in Africa alone, SMMEs comprise over 90% of business operations and contribute over 50% of African employment and gross domestic product (GDP). In South Africa, SMMEs contribute about 55% of all jobs (Mukumba, 2014). The lack of formal labour opportunities has been the main driver of establishments of SMMEs in South Africa (Bruwer & Coetzee, 2016).

SMMEs are increasingly playing an important role in the economies of many countries (Chundu et al, 2020). It is for this reason that the government, both local and national, invest in SMMEs. As such, the role that is played by social capital in enhancing performance in SMMEs needs to be understood clearly. Social capital involves the connections between individuals, defined as social networks and the norms of reciprocity and trustworthiness that arise from them. In a practical sense, social capital in SMMEs is an intangible exchange of business experience and skills. Networks within SMMEs generate trust and enhanced information exchange.

Small businesses throughout the world face many challenges, including lack of skills, lack of access to funding, failure to make profit and lack of sustainability, inefficient support, lack of access to technology and failure to adopt appropriate technology (De Vita, Mari & Poggesi, 2013 & Bruwer, 2013). Dewantoro and Ellitan (2021) states that one of the major problems causing failure of SMMEs is lack of social capital.

Social capital can be defined as norms and networks that enable people to act as a collective (Nthuni, 2014). It can also be defined as the networks of relationships among people who live and work in a particular society; making that society to function effectively. Social capital entails the actual and potential resources accessible through an actor's network of relationship (Venter & Urban, 2015). Social capital arises from networks, social norms, and trust and is just as important as financial and human forms of capital in sustaining a firm's value-creation processes" (Coleman, 1988). Three types of social capital, namely, bonding social capital, bridging social capital and linking social capital can be identified from literature. Bonding social capital describes closer connections between people and can be characterised by strong bonds such as the bond among family members, or members from the same ethnic group (Hawkins & Maurer, 2010). Bridging social capital addresses distant connections between people and is characterised by weaker, more cross-cutting ties such as business associates, friends, and acquaintance from different ethnic groups (Makina, Fanta, Mutsonziwa, Khumalo, & Maposa, 2015). The linking social capital is a link between the two social capitals (bonding & bridging). Linking social capital describes connections with people in positions of power. It is distinguished by relations between the people in the hierarchy, where there are different levels of power. This form of social capital is different from Bonding and Bridging as it is concerned with relations between people who are not on the same level.

This study sought to answer the following question:

- Does social capital have an effect on the performance of SMMEs in Makana Municipality?

The focus of this research was on bonding and bridging social capital. The independent variable is social capital and the dependent variable is SMME performance. Thus, the study sought to investigate the effect of social capital (bonding and bridging) on the performance of SMMEs in Makana Municipality.

1.1 Problem Description and Objectives

It has been established that SMMEs can be a solution to South Africa's high unemployment rate, poverty and inequitable distribution of income (Bruwer & Coetzee, 2016). Thus, with a strong SMMEs sector, the nation may be able to reduce the effects of these socio-economic challenges. It is worrying and important to realise that most of the SMMEs established in South Africa fail within a period of only five years (Cant & Wiid, 2013; Bruwer, 2013; Mukumba, 2014). Although the South African government has been promoting SMMEs since the attainment of democracy in 1994, it is disappointing that most of these small businesses continue to close down (Bruwer & Coetzee, 2016).

The empirical focus of this study is Makana Municipality in the Eastern Cape Province, which is still referred to as one of the poorest provinces in South Africa. While SMMEs in this area are expected to create employment, it is worrying that these entrprises are reported to be failing to grow and to even survive.

A significant number of SMME owners and managers tend to ignore the importance of social capital; hence it is important to address this in order to help reduce the number of SMMEs that fail to survive or grow. In addition to this, little is known about the effect of social capital on the performance of SMMEs (Tundui & Tundui, 2013).

The study had the following objectives:

The primary objective was to investigate the impact of social capital on the performance of SMMEs in Makana Municipality. In order to address this objective, the following secondary objectives were pursued.

1.2 Secondary Objective

- To determine the effect of bonding social capital on the performance of SMMEs
- To determine the effect of bridging social capital on the performance of SMMEs
- To determine the effect of linking social capital on the performance of SMMEs

1.3 Hypotheses

This study aimed to explore the effect of social capital on the performance of SMMEs in Makana Municipality. This study was, therefore, hoping to address the following hypotheses:

1.3.1 Primary hypothesis

H_{01}: Social capital does not affect the performance of SMMEs in Makana municipality.

1.3.2 Secondary hypothesis

H_{02}: Bonding social capital has no effect on the performance of SMMEs in Makana municipality.

H_{03}: Bridging social capital no effect on the performance of SMMEs in Makana municipality.

$H_{04:}$ Linking social capital no effect on the performance of SMMEs in Makana municipality.

1.4 Significance of the Study

The study will help the local government in Makana Municipality and in other towns as well, to know their standing and specific role in helping maintain SMMEs. In addition, the study will help combat the failure of SMMEs that highlights a set of critical issues, such as training to enhance SMMEs.

The study sought to help entrepreneurs understand the importance of social capital in businesses and how business operators should develop social capital. While filling the noticeable gap in the empirical evidence on the effect of social capital on SMME performance, the study also sought to make a significant theoretical contribution to the existing literature.

2. LITERATURE REVIEW

2.1 SMMEs in South Africa

SMMEs are broadly defined as small businesses ranging between medium-sized enterprises and informal micro-enterprises, employing over a hundred employees (Bureau for Economic Research, 2016). Informal micro-enterprises involve survivalist self-employed people from the poorest parts of the population. A majority of SMMEs in South Africa are concentrated on the very lowest end, operating as survivalist micro-enterprises. SMMEs include a very broad range of firms, some of which includes formally registered, informal and non-VAT registered organizations (Van Aardt et al, 2014).

The South African government policy on SMME development was outlined in the 1995 White Paper on SMME development. The Integrated Small Business Development Strategy provided an action plan with focuses on increasing financial and non-financial support creating a demand for the products and services provided by the SMMEs and reducing regulatory constraints (Bureau for Economic Research, 2016).

SMMEs have been globally "lauded for their significant contributions to GDP, employment creation and poverty reduction" (Soni, Cowden & Karodia, 2015). There are various definitions of SMMEs. As such, no single, universal and uniformly applied definition exists. According to Bureau for Economic Research (2016, p. 5), "the definition for SMMEs encompasses a very broad range of firms, some of which includes formally registered, informal and non-VAT registered organisations".

SMMEs have a very important economic role to play in the broader South African economy. Through provision of services to consumers and other enterprises, SMMEs contribute to a country's national product. Berry, von Blottnitz, Cassim, Kesper, Rajaratnam and van Seventer, (2002) state that this function encompasses the provision of products, and to a lesser extent, services to foreign clients, thereby contributing to overall export performance.

The growth of SMMEs, as explained in the following section, can play an important role in turning the economic situation around. Mpele-Lekhanya (2010, p19) states that "literature reveals that more clear policies and programs to support the development of SMMEs are an important part of the democratic government's program to create a better life for the local communities".

2.2 Growth of SMMEs

SMMEs are found in a number of business activities, "ranging from the single artisan producing agricultural implements for the village market, the coffee shop at the corner to a small-town sophisticated engineering or software firm" (Rungani & Fatoki, 2010). They are a very heterogeneous group of businesses. This means that we are surrounded by SMMEs. They, however, differ in terms of what they sell or produce and where they are located. SMMEs also play an important role in employment creation.

Olawale and Garwe (2010) state that government departments throughout the world focus on the development of the SMME sector to promote economic growth. In South Africa, SMMEs are operating in the context where there are growing inequality levels, and the unemployment rate is sitting at 27.2% which is the highest figure since September 2003 (Yu, 2017). Opening small businesses has been one of the measures that South Africans are taking to overcome the unemployment rate (Mahembe, 2011).

2.3 Challenges Faced by SMMEs

There are many challenges faced by SMMEs throughout the world, for example lack of skills, access to funding, profitability and sustainability and inefficient support. The lack of access to finance and poor profitability are at the top of the list of reasons why small businesses end up closing (Makina et al., 2015).

Various academic literature and public debate assumes that lack of financial resources generally restrains SMME development and growth (Zwane & Nyide, 2016). SMMEs face challenges to access outside funding, and as such, “there is a need to investigate bootstrapping as a means of obtaining resources which will lead to a reduction in the need for outside financing” (Zwane & Nyide, 2016, p. 433). SMMEs have a very critical role to play in creating employment, fighting poverty and boosting economic growth and development (Cant & Wiid, 2013). This means then that South Africa should not undermine the importance of promoting, nurturing and supporting small businesses.

2.4 Social Capital and Performance of SMMEs

Social capital has an impact on the growth of SMMEs, especially through contacts with other entrepreneurs. Social capital help SMMEs source resources from external environments and help grow. One of the determinants of success in SMMEs is financial capital. Rungani and Fatoki (2010) state that social capital of SMMEs in South Africa is important, because it helps SMMEs grow. Most SMMEs engage in networking activities like business associations in South Africa (Maloka, 2013). The networking activities contribute to business growth and success (Amra, Hlatshwayo, & McMillan, 2013). The South African SMMEs, particularly in Makhanda, experience difficulties in establishing and maintaining business networks which function effectively (Amra et al., 2013). The links between social capital and organizational performance, economic development, and particularly innovation performance are not very clear (Berry et al., 2002).

There is increasing proof of the positive role of social capital in accessing resources and capabilities from other factors and in establishing and maintaining business relationships (Rungani & Fatoki, 2010). However, little is known about how social capital impacts the performance in SMMEs. Focusing on this gap, this research investigates the impacts of social capital on SMME performance. The successful performance of SMMEs depends on resources and supporting networks (Chimucheka, Chinyamurindi & Dodd, 2019). The resources and support that SMMES receive are particularly important for small businesses that depend on some external factors to grow (Lekhanya & Mason, 2014).

Social relationships are very important to the entrepreneurial process, because of the information that is needed to start and develop a business (Agyapong et al., 2017). Entrepreneurs must build strong relationships with resource providers who are willing to share valuable information, technology goods and finance (Rungani & Fatoki, 2010).

The performance of SMMEs can be measured in the following ways: *goal approach*, *system resource approach*, *stakeholder approach* and *competitive approach*. The goal approach measures the extent in which a business attains its goals; while the system resource approach assesses the ability of an organization to obtaining its resources. The stakeholder approach and the competitive value approach evaluate performances of SMMEs based on their ability to meet the needs and expectations of external stakeholders including the customers, suppliers and competitors (Olawale & Garwe, 2010).

3. THEORETICAL FRAMEWORK

The study was theoretically-framed in terms of the theory of social capital by Robert Putnam, Pierre Bourdieu and James Coleman (Martikke, 2017), but in a critically-engaged manner. The very relationship between social capital and overall performance of SMMEs, whether in South Africa or elsewhere, is open to dispute; and, even if accepted, there are differing conceptualisations of the relationship between the two. For this reason, the researchers studied resources that are inherent in social relations (social capital) and how these affect business performances. The theory of social capital "proposes that networks of relationships constitute a valuable resource for the conduct of social and economic affairs, providing their members with the collectively-owned capital" (Bourdieu, 1986). Therefore, social capital theory focuses on the ability of SMME actors to extract benefits from their social structures, networks and memberships. The theory of social capital has been conceptually and theoretically marked by three dominant approaches, namely by James Coleman, Pierre Bourdieu and Robert Putnam (Martikke, 2017). The conceptual framework offers logical structure of connected concepts within social capital that helps provide a picture of how ideas in the study of the effect of social capital on the performance of SMMEs relate to each other within the theoretical framework. The following sections reviews literature, starting with a brief discussion of the three dominant approaches of social capital as relevant to this study.

3.1 Three Dominant Theories of Social Capital

The following are three critical theories informing social capital. These theories offer the original theoretical approaches to the study of the effect of social capital on the performance of SMMEs.

3.2 Robert Putnam on Social Capital

According to Putnam (1993), social capital is social networks, trust and norms of reciprocity between individuals. He considers social capital as characterised by regularity rather than one-off activities; face-to-face contact rather than distant contact or that mediated by communications technology; and active participation rather than various forms of participation" (Martikke, 2017, p. 3). Social capital is generated when people engage with each other daily through activities.

In defining two types of social capital, namely bonding and bridging social capital, Putnam defines bonding social capital as somewhat exclusive and characterised by the presence of reciprocity (Putnam, 1993). In contrast to this, bridging social capital are inclusive and outward looking – stimulating broader reciprocity. The latter type of social capital is "good for accessing information and resources outside the group" (Martikke, 2017, p. 3). Putnam's approach on the social capital theory is relevant for this study as it engages with the effect of these two types of social capital on the performance of SMMEs.

3.3 Pierre Bourdieu's Theory on Social Capital

Bourdieu, a French sociologist, "defines social capital as resources that are based on membership in a group" (Martikke, 2017, p. 7). He argues that social capital does not depend on the amount of a person's network, but also on the way network members have access to forms of capital. Therefore, it is not enough to have many connections in SMMEs, unless these offer a channel for accessing forms of capital to enhance performance in SMMEs. Therefore, "social networks do not happen naturally, but acquire ongoing work through material and symbolic exchange relations" (Martikke, 2017, p. 7).

Even though Bourdieu's concept is a contradiction of Putnam's theory, he has been considered a proponent of a constructivist idea of actors making their own choices and their own history, even though they are not totally free and do not employ the categories of thought of their own choice (Agyapong, Agyapong, & Poku, 2017).

3.4 James Coleman on Social Capital

Coleman "was the American sociologist who is considered to have coined the term social capital" (Martikke, 2017, p. 5). He is concerned with how structural characteristics of social networks influence individuals' behavioural choices. Coleman (1988) defines social capital as a relational structure between actors and among actors. Social capital as a relational structure is captured by the idea of social networks – that is, forms of relationships between individuals in a given population – in SMMEs for the purposes of this study.

The preceding discussions on the theoretical framework and the review of literature on SMMEs in the following sections are intrinsically linked. In most cases, a theoretical framework is "used as a guide for logically developing and understanding the different, yet interconnected, parts of the literature review" (Grant & Osanloo, 2014, p. 19). The theoretical framework and literature were also used to interpret the findings and underline the recommendations once data is collected.

4. RESEARCH METHODOLOGY

The study followed a positivist paradigm using a quantitative research approach. For this study, the researchers worked with owners and managers of registered SMMEs in Makana Municipality, Eastern Cape. Data was collected in 2019 from 126 SMMEs that were registered in Makana Municipality using purposive sampling technique. The researchers used a purposive sampling technique which allows researchers to judge the subjects that are representative of the population being studied. Purposive sampling (also called, judgement sampling) "is the deliberate choice of a participant due to the qualities the participant possesses" (Etikan, Musa, and Alkassim, 2016, p. 2).

To ensure validity, the researchers used questionnaires that were previously validated. The researchers also conducted a pilot study with 15 respondents before data was collected. The researchers also consulted experts and statisticians to ensure validity of data. In order to ensure reliability in this study, the researchers used Cronbach's alpha coefficient to ensure reliability. Table 1 below presents reliability test of the scales used in the study.

Table 1. Reliability test of the questionnaire

Variables	**Cronbach`s alpha coefficient**	**Cronbach's Alpha Based on Standardized Items**	**N of Items**
Bonding social capital	0.988	0.989	8
Bridging social capital	0.982	0.982	9
Linking social capital	0.978	0.978	6
All scales Section B	**0.992**	**0.992**	**23**
Section C: SMME performance	0.987	0.987	10
All scales (Section B and Section C)	**0.994**	**0.994**	**33**

The reliability of the scales are presented in Table 1 above. The Cronbach's alpha for all the scales was above 0.9. This indicated the reliability of the distributed questionnaires.

Statistical Package for Social Sciences (SPSS) version 20 was used to analyse data. Multiple regression analysis and correlation were used to analyse data. Correlation was used to test the association between the variables. The study has one dependent variable (SMMEs' performance) and three independent variables namely, bonding social capital; linking social capital bridging social capital. Multiple regression was used to test the effect of social capital on the performance of SMMEs.

4.1 Ethical Considerations

The principles of voluntary participation, informed consent, confidentiality, and anonymity were observed in this study. The researchers also applied for ethical clearance at the University of Fort Hare Research Ethics Committee.

4.2 Research Findings

The researchers distributed 126 questionnaires to the SMME owners and managers in Makana Municipality. Of the 126 questionnaires that were distributed, only 98 questionnaires were returned and used in this study. Thus, the response rate was 71% which is high.

In this study, 72.7% of the respondents were male while 26.3% were females.

4.3 Testing of hypotheses

Each hypothesis for the study was tested as discussed below.

H_{01}: Social capital does not affect the performance of SMMEs in Makana Municipality:

Multiple Linear Regression

In order to determine the association between dependent on independent variables, the multiple regression was done. The summary of the multiple linear regression model is presented in Table 2 below.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.945[a]	.892	.889	0.383	2.255

a. Predictors: (Constant), Linking Social Capital, Bridging Social Capital, Bonding Social Capital
b. Dependent Variable: SMME performance

Based on the results in Table 2 above, the model perfectly fit the data. In this case, the "Adjusted R Square is used to determine how well a regression model fits the data". In model one "1" both R^2 = 0.892, and the adjusted R square "0.889" suggesting that our independent variables explain over 88% of the variability of our dependent variable. The Durbin-Watson test for multicollinearity; a value between 1 and 10 suggest that there is no multicollinearity. In this case, Durbin-Watson is 2.255 suggesting that there is no multicolineality therefore the model was appropriate for hypothesis testing. Since the model is appropriate, ANOVA Table will test whether the data was fit for a regression model. The ANOVA Table is presented in Table 3 below.

Table 3. ANOVA Statistical significance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	114.477	3	38.159	259.961	0.000[b]
	Residual	13.798	94	0.147		
	Total	128.276	97			

a. Dependent Variable: SMME performance
b. Predictors: (Constant), Linking Social Capital, Bridging Social Capital, Bonding Social Capital

The *F*-ratio presented in the ANOVA Table 3 above is meant to test whether the actual regression model used in this analysis is fit for the available data. The results presented shows that the predictor variables statistically and significantly predict the dependent variable, Model one "1" *F*(259.961) with a mean square of "38.159", and a p=0.000; the sig or P-value is less than 0.05 (P<0.05) therefore "the regression model is a good fit of the data".

Table 4. Statistical significance of the independent variables model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.189	.133		-1.416	.160
	Bonding Social Capital	.294	.089	.274	3.310	.001
	Bridging Social Capital	.261	.084	.250	3.109	.002
	Linking Social Capital	.504	.084	.461	5.996	.000

a. Dependent Variable: SMME performance

Assuming a prediction (probability) of, p<0.05, it suggest that there is a significant relationship between the dependent variable and the independent variable.

Hypothesis 2: *H_{01}: Bonding social capital has no effect on the performance of SMMEs in Makana municipality:*

Reading from Table 4 above, bonding social capital is statistically significant at prediction (probability), p<0.05 (B=0.294, P=0.001). The positive Beta of "0.294" suggest that bonding social capital presents a positive relationship with performance of SMMEs. Therefore, it can be concluded that there is a statistically significant positive relationship between bonding social capital and performance of SMMEs. Therefore, the null hypothesis is rejected. The results are in line with the findings of Evans (2014) stating that social capital affects the performance of SMMEs.

Hypothesis 3: *H_{03}: Bridging social capital has no effect on the performance of SMMEs in Makana Municipality:*

Reading from Table 4, bridging social capital is statistically significant at prediction (probability), p<0.05 (B=0.261, P=0.002). The positive Beta of "0.261" suggest that bridging social capital presents a positive relationship with performance of SMMEs. Therefore, it can be concluded that there is a statistically significant positive relationship between bridging social capital and performance of SMMEs. As a result, the null hypothesis is rejected. The results are in line with the findings of Agyapong, Agyapong and Poku (2017) stating that social capital affects the performance of SMMEs.

Hypothesis 4: *H_{04}: Linking social capital has no effect on the performance of SMMEs in Makana municipality:*

Reading from Table 4, linking social capital is statistically significant at prediction (probability), p<0.05 (B=0.504, P=0.000). The positive Beta of "0.504" suggest that linking social capital presents a positive relationship with performance of SMMEs. Therefore, it can be concluded that there is a statistically significant positive relationship between linking social capital and performance of SMMEs. As a result, the null hypothesis is rejected. The results are in line with the findings of Agyapong, Agyapong and Poku (2017) who found that social capital affects the performance of SMMEs.

4.4 Hypothesis Testing Using Chi-Square Test

The study also employed the Pearson's Chi-Square test of independence to test the hypotheses, in order to determine if there is a relationship between social capital and performance of SMMEs. In order to determine the association between dependent and independent variables, the cross tabulation was done. The cross tabulation included the variables from the research hypotheses. In order to confirm the significance and strength of the relationship, the symmetric measure from Chi-Square analysis was considered.

4.4.1 Hypothesis 1: Social capital and performance of SMMEs

The cross tabulation of the factors for social capital and performance of SMMEs was conducted and yielded the results as presented in Table 5 below.

Table 5. Chi-Square Tests: Social capital does not affect the performance of SMMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	177.238[a]	49	.000
Likelihood Ratio	169.262	49	.000
Linear-by-Linear Association	81.831	1	.000
N of Valid Cases	98		

Reading from Table 5 above, we can observe that there is an association between social capital and performance of SMMEs. Pearson Chi-Square" is significant at (p<0.05). In order to confirm the significance and strength of the relationship the symmetric measure from Chi-Square analysis presented in Table 6 was considered.

Table 6. Symmetric Measures

	Value	Asymp. Std. Errora[a]	Approx. T[b]	Approx. Sig.
Kendall's tau-b	.846	.023	20.092	.000
Gamma	.979	.010	20.092	.000
N of Valid Cases	98			

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

The Gamma statistic shows whether there is a relationship between two ordinal variables, as is the case here. Gamma here is 0.979, which is quite strong and it is highly significant at (0.000) ("Approx Sig."). It can be concluded that social capital has an effect on the performance of SMMEs. Therefore we reject the null hypotheses which states that social capital does not affect the performance of SMMEs in Makana Municipality.

4.4.2 Hypothesis 2: Bonding social capital and performance of SMMEs

The cross tabulation of the factors for bonding social capital and performance of SMMEs was conducted and yielded the results as presented in Table 7 below.

Table 7. Chi-Square Tests: Bonding social capital and performance of SMMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	150.586[a]	49	.000
Likelihood Ratio	152.665	49	.000
Linear-by-Linear Association	78.445	1	.000
N of Valid Cases	98		

From Table 7 above, we can observe that there is an association between bonding social capital and the performance of SMMEs. Pearson Chi-Square is significant at ($p<0.05$). In order to confirm the significance and strength of the relationship the symmetric measure from Chi-Square analysis presented in Table 8 was considered.

Table 8. Symmetric Measures

	Value	Asymp. Std. Errora[a]	Approx. T[b]	Approx. Sig.
Kendall's tau-b	.813	.026	20.491	.000
Gamma	.960	.014	20.491	.000
N of Valid Cases	98			

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

The Gamma statistic shows whether there is a relationship between two ordinal variables, as is the case here. Gamma here is 0.960, which is quite strong and it is highly significant at (0.000) ("Approx Sig."). As a result we can conclude that bonding social capital has an effect on the performance of SMMEs. Therefore we reject the null hypotheses which states that bonding social capital has no effect on the performance of SMMEs in Makana Municipality.

4.4.3 Hypothesis 3: Bridging social capital and performance of SMMEs

The cross tabulation of the factors for bridging social capital and performance of SMMEs was conducted and yielded the results as presented in Table 9 below.

Table 9. Chi-Square Tests: Bridging social capital and performance of SMMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	151.189[a]	28	.000
Likelihood Ratio	148.479	28	.000
Linear-by-Linear Association	77.377	1	.000
N of Valid Cases	98		

Reading from Table 9 above, we can observe that bridging social capital has a significant influence on the performance of SMMEs. Pearson Chi-Square" is significant at ($p<0.05$). We can see here that χ (1) = 151.189, p = 0.000. In order to confirm the significance and strength of the relationship the symmetric measure from Chi-Square analysis presented in Table 10 was considered.

Table 10. Symmetric Measures

	Value	Asymp. Std. Errora[a]	Approx. T[b]	Approx. Sig.
Kendall's tau-b	.828	.025	21.334	.000
Gamma	.962	.012	21.334	.000
N of Valid Cases	98			

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

The Gamma statistic shows whether there is a relationship between two ordinal variables, as is the case here. Gamma here is 0.962, which is quite strong and it is highly significant at (0.000) ("Approx Sig."). As a result we can conclude that bridging social capital has an effect on the performance of SMMEs. Therefore we reject the null hypotheses which states that bridging social capital no effect on the performance of SMMEs in Makana municipality.

4.4.4 Hypothesis 4: Linking social capital and performance of SMMEs

The cross tabulation of the factors for linking social capital and performance of SMMEs was conducted and yielded the results as presented in Table 11 below.

Table 11. Chi-Square Tests: Linking social capital and performance of SMMEs

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	277.019[a]	56	.000
Likelihood Ratio	194.409	56	.000
Linear-by-Linear Association	81.705	1	.000
N of Valid Cases	98		

According to the reading from Table 11 above, there is statistically significant association between linking social capital and performance of SMMEs. "Pearson Chi-Square" is significant at ($p<0.05$). We can observe that "Pearson Chi-Square" is p = 0.000, at pχ (1) = 277.019. In order to confirm the significance and strength of the relationship the symmetric measure from Chi-Square analysis presented in Table 12 was considered.

Table 12. Symmetric Measures

	Value	Asymp. Std. Errora[a]	Approx. T[b]	Approx. Sig.
Kendall's tau-b	.819	.033	17.346	.000
Gamma	.945	.021	17.346	.000
N of Valid Cases	98			

The Gamma statistic shows whether there is a relationship between two ordinal variables, as is the case here. Gamma here is 0.945, which is quite strong and it is highly significant at (0.000) ("Approx Sig."). As a result, it can be concluded that linking social capital has an effect on the performance of SMMEs. Therefore, the null hypotheses stating that linking social capital has no effect on the performance of SMMEs in Makana Municipality is rejected.

5. CONCLUSION

This study concludes that social capital has an effect on the performance of SMMEs. The study discovered that all forms of social capital namely, bringing, bonding and linking social capital positively influences the performance of SMMEs. Their performance is largely influenced by the networks between people and businesses. Just as Jalali (2013) found that social capital influences the growth of entrepreneurship and performance of SMMEs, this study concludes that social capital plays an important role in the performance of SMMEs. The results demonstrated that there is a relationship between social capital and the performance of SMMEs.

6. RECOMMENDATIONS OF THE STUDY

This research provided an awareness for the government to engage with the SMMEs and create opportunities for them to grow. As such, the researchers recommends that government invests in the development of SMMEs.

The researchers also recommends that SMMEs should consider the effect of social capital on their performance. Given the importance of successful SMMEs to the growth of the country's economy and, the role these ventures play in addressing the unemployment problem, it is recommended that all SMMEs invest in developing their social capital. This can be done through budgeting for networking events in the Province as well as out of the Eastern Cape Province. To improve their social capital, SMMEs should ensure that they develop and maintain strong connections with their customers, suppliers, commercial banks as well as the government agencies.

It is recommended that government set funds to support the growth SMMEs especially in the area of networking and development of social capital. It is also recommended that Makana municipality conducts seminars for SMME operators and provide more opportunities for SMMEs to network. Thus, Makana Municipality should continue creating an environment that enables the SMMEs to grow.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 2
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Impact of Government Policy on Entrepreneurial Activities in the Raymond Mhlaba Local Municipality, Eastern Cape

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ABSTRACT

Orientation: Across all economies, the role of entrepreneurship in employment creation and poverty alleviation is acknowledged. Despite their contribution, entrepreneurs are still facing many challenges, which affects their survival. The government in trying to assist these businesses to cope introduced many policy interventions. However, within the SMME and entrepreneurship development literature, little attention is being given to understand the relevance of government policy on the demand side, which gives an entrepreneurial perspective on the relevance of these support programs in relation to their specific individual needs.

Research Purpose: The study explored the impact of existing government policy on entrepreneurial activities in the Raymond Mhlaba Municipality in the Eastern Cape.

Motivation for the study: Calls have been made within international and local literature for studies that give attention to factors that increase the success of small businesses.

Research Design, Approach and Method: Due to the nature of the information required to attain the research objectives a qualitative research approach was used. Data was collected using in-depth questionnaires, which were distributed to a sample of SMME owners/managers in Raymond Mhlaba Municipality.

Research Findings: The study concluded that government policy influences the performance and profitability of SMMEs. However, a lot of policy interventions still need to be developed and implemented to support entrepreneurial activities.

Practical/Managerial Implications: While SMME policy interventions exist it is imperative, to note the need for reorganisation these interventions and to incorporate the practical aspects in the form of SMME needs and expectations. Additionally, the public and private sectors should create a supporting environment that enhances the effective and efficient use of support programmes, which in turn will increase SMME success.

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Contribution: This paper is of importance to the SMME sector and policy makers since it provides ways to improve the SMME business support based on the recommendations given.

Keywords: Entrepreneurial activities; Government policy; municipalities; SMME development.

1. INTRODUCTION AND BACKGROUND

The role of entrepreneurship in ensuring poverty alleviation, equal distribution of income, economic growth and social stability is well documented in literature across economies. Ayandibu and Houghton (2017) highlights the increased attention given to entrepreneurship, to due to its potential in the contribution to economic growth and employment creation. Entrepreneurial activities address challenges such as poverty and unemployment through job creation, equitable distribution of income, sustainable economic growth and the overall stimulation of economic development (Fiseha & Oyelana, 2015; Hlengwa & Thusi, 2018; Bushe, 2019; Radebe, 2019 Mohamad, Masron & Ibrahim, 2021).

According to the Integrated Development Plan (IDP) in the Raymond Mhlaba Local Municipality, the unemployment rate is 45.88%, which is very concerning. The municipality also faces various challenges such as having a high number of unskilled workers, crime, skilled workers leaving the area for other jobs or for better paying jobs, unemployable individuals and the population stagnating (Mafukata, 2015).This puts the local economic growth under enormous pressure in this municipality. However, the red tape, which entrepreneurs and small business are facing, effects the accelerating of employment in the area (Zwane, 2019). According to the Botha et al., 2021, red tape concerns business face are centered on four issues, which are SARS, mandatory regulation, labour, and municipal issues. Therefore, the government and local municipalities need to eliminate these problems through development of necessary government reforms as well as adjusting current legislation to ensure that entrepreneurial and other businesses get the correct polices that encourages entrepreneurial activities (Mafukata, 2015; Radebe, 2019; Nieuwenhuizen, 2019; Naicker & Rajaram, 2019; Sekgota & Mamaile, 2021).

In order for local entrepreneurs to continue flourishing it is imperative for government to have polices and regulations which support their entrepreneurial activities. Many scholars indicate that the key focus needs to be on the amendment of rules and regulations, as they are a key component to ensure entrepreneurial activities in the local municipalities. The National development plan 2030's (NDP) main target for SMMEs is to ensure that they supply 90% of South Africa's jobs but the real reality is that 56% of jobs are provided by big businesses and government. This shows government policy focuses more on creating conducive environment for large corporates leaving SMMEs vulnerable competing with larger cooperates under the same rules/regulations. The rapid acceleration of the SMMEs will promote to new jobs being created and directly resulting into more taxes being paid by South African citizens and improving the standard of living of South Africa's most vulnerable (Berg, 2017; Muriithi, 2017; Dai & Si, 2018; Bushe, 2019; Hechavarría & Ingram, 2019; Mohamad et al., 2021).

To ensure that the government reaches the goal they set for themselves in the NDP 2030. They would have to work hand in hand with local municipalities to improve service delivery especially electricity supply to ensure entrepreneurial activities tap into new markets (Mthimkhulu & Aziakpono, 2015). In South Africa, one of the major causes of SMME failures is the lack of support structures and polices as well as systems that promotes entrepreneurship across the wide spectrum of South African. We are faced with a lack of SMMEs support structures and this will fall under the creation of an entrepreneurial ecosystem, which the government needs to provide for entrepreneurs. Therefore, the South African Government needs to increase its support structure for SMMEs, and this will improve the survival/growth rate of small businesses in the South African economic (Deborah, Wilhelmina, Oyelana & Ibrahim, 2015; Mthimkhulu & Aziakpono, 2015; Rungani & Potgieter, 2018; Bushe 2019; Moise, Khoase, and Ndayizigamiye, 2020).

2. PROBLEM DESCRIPTION AND OBJECTIVES

Evidence shows that South Africa is struggling with high levels of national unemployment, with a rate of 34.5 % (Statistics South Africa, Quarter 1: 2022) and the Raymond Mhlaba Municipality where the study is conducted the unemployment rate is even higher of 45.88% stated in the municipalities IDP. These numbers are somewhat aggravated by a huge shortage in skilled labour. Contrary to these challenges, the South African government is targeting to put in place strategies, policies and programmes that aim to build an enabling environment for SMMEs, since they are part of the unemployment solution (Masama, 2018; Rungani & Potgieter, 2018; Bushe 2019; Radebe, 2019; Madzivhandila & Musara, 2020; Bvuma & Marnewick, 2020; Mthethwa, 2021.).

The ease of conducting business report in South Africa dropped suggesting that it is harder to do business in South Africa than previous years and one of the contributing factors are the regulations, which the government has put in place that has a negative impact on doing business in its borders (Bonga & Mahuni, 2018; van der Waldt and Fourie, 2022). Some scholars indicated that our focus must be on improving SA's global competitiveness ranking and ease of doing business ranking. We need to focus on the key areas of concern such as starting a business, getting credit (availability), getting electricity, trading across borders, registering property and getting construction permits (Lawal, Worlu & Ayoade, 2016; Pawitan, Nawangpalupi & Widyarini, 2017; Schwab, Klaus, 2018; Bomani & Derera, 2018; Qazi et al., 2021).

In South Africa the development and implementation of business regulations by the government is creating some unintentional consequences for the SMME's, which are limiting SMME's chances to create employment opportunities and innovation. Thus, SMME's and Entrepreneurs in South Africa appear to have many challenges emanating from policy guidelines (Castaño, Méndez & Galindo, 2016; Berg, 2017; Dai & Si, 2018; Hechavarría & Ingram, 2019; Nieuwenhuizen, 2019; Sekgota & Mamaile, 2021). The main objective of the research is to impact of government policy on entrepreneurial activities in the Raymond Mhlaba local municipality, Eastern Cape. This will allow us to have a better understanding on the challenges experienced by SMME' from the time they want to formerly register their businesses, to the time the seek business support as well as tax regulations/compliance issues.

The argument of this study emanates from the fact, even though entrepreneurs have some personal characteristics and traits that affects the success of the business, government policies affect their entrepreneurial activities directly and indirectly. Many studies have focused on the impact of personal traits and characteristics leaving a gap on the impact of other factors such as government policy. It is indicated in literature that in South Africa the Small Business Act of 1996 was propagated to stimulate entrepreneurial activities in South Africa. However, the major question is that are the current polices in South Africa still promoting entrepreneurship as stipulated in the Small Business Act. This paper, therefore, seeks to examine the impact of government policies on entrepreneurial activities, and identify the specific policies that best promote entrepreneurial activities within a South African context. In order to achieve this objective the study also had the following secondary objectives:

- To determine how entrepreneurs perceive the government support available for entrepreneurial activities
- To ascertain the impact of VAT and TAX regulations/compliance on SMMEs entrepreneurial activities
- To ascertain the entrepreneurs awareness on the available government agencies that support entrepreneurial activities
- To determine the existence of an enabling environment for entrepreneurial activities
- To determine policies that hinders entrepreneurial activities

In order to increase the entrepreneurial activity in South Africa there is need to interrogate if the government has the right polices in place that supports entrepreneurship. Furthermore, it is imperative to examine the enabling entrepreneurial environment as well as the relevancy of the support that is given to SMMEs.

3. LITERATURE REVIEW

3.1 Resource-Based Theory

In the 1990s, the resource-based view (RBV) emerged as the dominant perspective on how organisations could achieve competitive advantage, and to understand how organisations differed from their competitors (in terms of what capabilities they possessed) and how these differences could be leveraged for competitive advantage (Grant, 1991; Alvarez & Barne, 2017; Fainshmidt, Wenger, Pezeshkan & Mallon, 2019; Hernández-Linares et al., 2021.). Therefore, RBV suggests that the more resources SMMEs are provided the more competitive they would be in the market in the Raymond Mhlaba Municipality, and the creation/sustaining competitive advantage allows SMMEs to survive/grow in the market. The resource-based theory (RBT) proposes that capabilities and business resources influence the business performance. Therefore, to achieve maximum profit and competitive advantage within a market, the resource-based theory proposed that an organization's internal resources and capability are the most important sources to achieve success as an SMME (Rungani & Potgieter, 2018; Mthethwa, 2021).

There have been past studies that illustrate that several factors hamper the sustained growth and survival of small businesses. Government's role in the survival and growth of SMMEs is a crucial one. The government must endeavor in doing activities that improve the SMME business environment to combat the challenges SMMEs are facing, through infrastructure development and improvement, such as road networks, buildings and communication technologies. To reduce some of these challenges the government should provide facilities to assist SMMEs and education/ training as support systems (Chimucheka & Mandipaka, 2015; Mthimkhulu & Aziakpono, 2015; Berg, 2017; Bushe, 2019; Madzivhandila & Musara, 2020; Mthethwa, 2021).

In addition, some scholars highlight that the government should make an effort to improve the intellectual capacity among entrepreneurs and improve their competences by encouraging them to take advantage and use existing programmes that are offered by government agencies Chimucheka & Mandipaka (2015). Numerous studies have recognized tax compliance costs and how it directly impacts small business performance (Hoeppli, 2014; Dai & Si, 2018; Hechavarría & Ingram, 2019; Matarirano, Chiloane-Tsoka & Makina, 2019; Maduku & Kaseeram, 2019; Madzivhandila & Musara, 2020; Moise et al., 2020).

In a study conducted by Matarirano, Chiloane-Tsoka & Makina (2019) study found that amongst the costs incurred by small businesses compliance costs have a significant effect on SMME performance. Furthermore, Business For SA (2020) identify opening or registering a business as one of their concerns, since South Africa is ranked as one of the lowest at 139 out of 190 counties. Policy choices have a material impact on economic growth over the long term, as small effects compound over decades, total factor productivity is low, given the shortfalls in education, and gains in productivity depend on competitive markets and the effect educational outcomes.

According to Bonga and Mahuni, 2018 the ease of doing business (World Bank) ranking in our country dropped from 35th in 2008 to 84th in 2019, which shows that we are not making any progress in helping SMMEs flourish in South-Africa. The cost of regulations, administrative and operations compliance are all the red tape, which SMMEs in South Africa face as a challenge. Matarirano, Chiloane-Tsoka & Makina (2019) indicated the need to ensure that we provide the entrepreneurs within South Africa the necessary skills such as bookkeeping to succeed and that the minimum resources which they have at their disposal are not used on compliance on TAX or VAT, where they could be trained to perform these skills or tasks. Therefore, the regulations on VAT/TAX usually affect the daily running of the business, as owners of SMMEs need to spend more of their time on complying with the rules and regulations of the government. This will ultimately lead to the SMMEs within South Africa not being productive or performing up to high standards. Subsequently this leads to businesses losing sales and customers, and eventually the growth or survival of SMMEs would be put at risk as it might lead to closer of business because of it being unproductive (Sekgota & Mamaile, 2021; Mthethwa, 2021; van der Waldt and Fourie, 2022).

Bushe (2019) identified that SMMEs fail to manage the inflow and outflow of cash in his or her business, and that lack of basic bookkeeping is often a major problem SMMEs face. Therefore, if SMME's have the necessary bookkeeping skills, the money paid to external service providers could go to other departments. With this in mind, we can say that the future of SMMEs is in the hands of the public and private to provide these skills of bookkeeping towards entrepreneurs so that they know how to manage the inflow and outflow of cash in his or her business effectively. This will improve their management skills and provide them with a skill that would bring value toward their future businesses (Mafini, Dhurup & Madzimure, 2020).

In November 2019, the Department of Trade and Industry (DTI) launched the pilot phase of their "Biz Portal" with the main objective to register your company through the portal for R175. According to the DTI minister, Ebrahim Patel this portal would be able to register a business within a day, which is a turnaround improvement of 40 days in comparison to the World Bank report (Malefane, 2013; Lings, 2014; Hechavarría & Ingram, 2019; Hlebela, 2020.). The support toward SMMEs deals with wide issues such as infrastructure challenges, lack of funding to SMMEs and the lack of commitment of government to intervene, and combat these challenges to ensure SMMEs survival and contribute positively toward the economy. Therefore, the investment toward infrastructure will be important to the small, micro and medium enterprises to ensure they are successful.

Watermeyer and Phillips (2020) indicated a positive relationship between employment opportunities, available skills, entrepreneurship, and the use of small, medium and micro enterprises in the creation and maintenance of infrastructure. Every type of crime is found in South Africa and this can put pressure on SMMEs, as businesses need to spend most of their resources on security. Bonga and Mahuni, 2018; Ngota, Mang'unyi and Rajkaran, 2018, sees crime and corruption as one of the key constrains and challenges to inclusive growth, and suggested that SMMEs who are impacted by crime should be supported. This will improve economic competitiveness, ensure that SMMEs performance is not limited and funds are spent on other parts of the SMME.

According to Rungani & Potgieter (2018), there is a huge gap in understanding SMME needs by all stakeholders, leading to a knowledge gap on how to effectively support small businesses. There is often information asymmetry between funding institutions and SMMEs and for this reason; banks do not trust SMMEs and SMMEs are reluctant to approach banks. This in turn makes it difficult for SMME funding accessibility needed for growth and business survival. The accessibility of capital for the SMMEs in the country is vital to South Africa's GDP and integral to any economic turnaround.

4. RESEARCH DESIGN AND METHODOLOGY

This study adopted a qualitative research method with an exploratory research design to investigate the impact of government policy on entrepreneurial activities in the Raymond Mhlaba Municipality. The philosophical view that was used for this research study was interpretivism as the underlying philosophy. Through this paradigm, the study will be able to gain a deeper, more insightful understanding of the Impact of government policy on entrepreneurial activities at Raymond Mhlaba Local Municipality in the Eastern Cape. Interpretivism as epistemology will also guide us to collect data in an interactive way. To understand the selected participant's entrepreneurial activities being effected by government policy, we hope to obtain a better frame of understanding regarding their experiences in the Raymond Mhlaba Local Municipality area. To gather primary data in-depth interviews were conducted. A sample of thirty respondents was drawn using purposive sampling method.

5. GENERAL INFORMATION FROM THE BUSINESSES

From the illustrations in Fig. 1 51% percentage of the respondents were females and 49% were male's owner/managers of the SMMEs. This is in line with studies such as Shava and Rungani, 2014; Cilliers and Strydom, 2016; Irene, 2017).

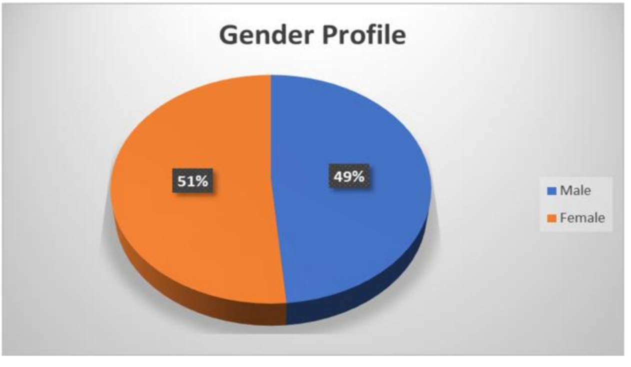

Fig. 1. Gender profiles
Source: Data Analysis

From the different respondents that were interviewed Table 1 provides a summary of the different sectors within which the SMMEs operate their businesses. As shown from the results most businesses are spread across all sectors with more than 20% operating in the farming.

Table 1. Different SMME sectors

Sector	Percentage
Wholesale and retail trade	15%
Manufacturing	5%
Community, social and personal services	10%
Transport & Communications	20%
Hospitality	15%
Farming	25%
Electricity, Gas & Water	10%

Source: Data analysis

To have a full understanding on the period of operation of businesses that the respondents are involved in Table 2 provides a summary. From the results, it can be noted that most businesses are still operating below 15 years. These results are in line with studies such as Chimucheka & Mandipaka, 2015; Bushe, 2019; Anggadini & Putri, 2021.

Table 2. SMME years of Operation

Length of operation in years	
Less than a year	20%
Between 1-5 years	30%
Between 6-10 year	35%
Between 11-15 Years	10%
Over 15 years	5%

In order to have a full understanding of the support that SMMEs receive from the government SMMEs were asked to indicate the type of businesses training that they received to enhance their business skills. From the results as shown in Fig. 2 70% of the businesses received informal training while 30% indicated that they received formal training. This shows that there is still work to be done to increase the formal business skills of SMMEs. The results are in line with studies such as Rungani and Potgieter, 2018; Mathane and Chiloane-Tsoka, 2020.

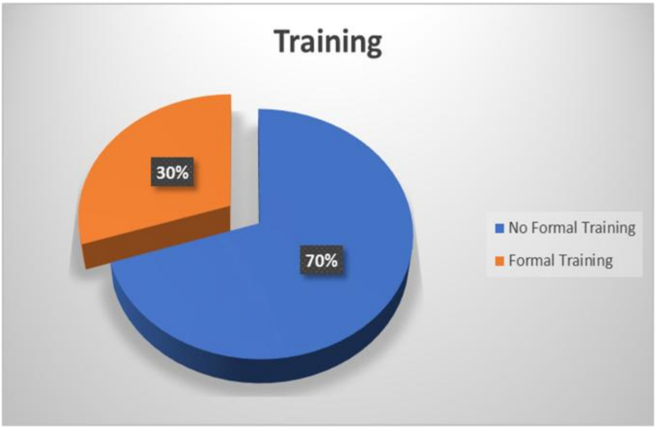

Fig. 2. Business Training

The results in Fig. 3 also show that 60% of the SMMEs highlighted that they do not have business plans while 40% indicated that they had business plans. These results are consistent with Madzivhandila and Musara, 2020.

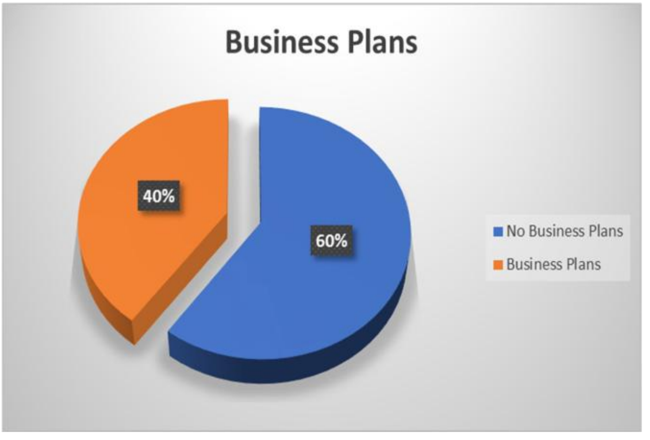

Fig. 3. Business Plans

6. IMPACT OF GOVERNMENT POLICY ON ENTREPRENEURIAL ACTIVITIES

In order to determine the impact of different government policies on entrepreneurial activities SMMEs were interviewed on different areas of government support that enhances or hinder their growth and performance.

Impact of VAT and TAX regulations/compliance on SMMEs entrepreneurial activities:

This was a very important research question considering that the tax compliance costs (TCC) incurred by SMMEs have significant effects on the performance and long-term sustainability of the business. Thus, from SMME owner/managers perspective there is violation of the principles of a good tax system in South Africa. In addition, the system enforces a heavy burden on them as taxpayers. They further highlighted that as SMMEs they are required to pay close attention to external tax compliance costs. The business owners/managers also stated that most tax compliance costs are unwanted and places an unnecessary burden on SMMEs because their resources are already constrained and cannot afford to use them on non-value adding activities such as tax compliance. The findings highlighted the need for SMMEs to incorporate tax compliance expenses in their pricing strategy and business planning process in order to safeguard the profitability and overall performance of the business. These results are consistent with studies such as Hechavarría & Ingram, 2019; Matarirano, Chiloane-Tsoka & Makina, 2019; Dai & Si, 2018; Sekgota & Mamaile, 2021; Mthethwa, 2021; van der Waldt and Fourie, 2022).

SMME government support:

Most of the SMMEs indicated that they are not aware of government support programs aimed to develop their business skills. Some SMMEs indicated that they are only aware of the support provided by SEDA through SMME workshops, which have also yielded positive benefits in improving their businesses. However, some respondents also further indicated that even though SEDA provides them with workshops their attendance does lead to them achieving business opportunities. Therefore, they relatively attend the workshops provided by SEDA. These results are in line with studies such as Rungani and Potgieter, 2018; Madzivhandila and Musara, 2020.

The sampled SMME owners/managers also indicated that the Department of Small Business Development (DSBD) must provide and develop more workshops aimed at building the capacity of the small businesses. They also highlighted that these workshops must be offered within SMMEs proximity to ensure accessibility to the owners and managers. Another notable contribution from the respondents was the need for the department to have specific needs assessments to ensure their full understanding of SMME needs before developing the appropriate intervention. Some the SMMEs were of the view that training for the sake of training is only wasting SMME's time and does not add to them becoming effective. According to the respondents, the workshops must focus on a range of issues that affect the survival and growth of businesses such as ways of growing the business during tough times and how to be competitive in the business environment. The results are consistent with studies such as Mafukata, 2015; Kaufmann et al., 2018; Radebe, 2019.

Without any exclusion, the owner/managers in the municipality highlighted lack of capital and funding as some of the major factors that impede the growth and sustainability of their businesses.

They further stated that they are operating on a shoestring budget, which makes it impossible for them to cover any unforeseen costs, which have a potential to harm their businesses. Some of the respondents also indicated that some of the reasons why they cannot have permanent employees with necessary business expertise due to a lack of adequate sustainable funding. This in turn has a ripple effect of the sustained growth of the business or entrepreneurial activities. These results are in line with studies such as Rungani and Potgieter, 2018; Madzivhandila and Musara, 2020.

All the respondents overwhelmingly supported the notion of receiving funding from the government during the first year of business operation. They further argued that if the Department of Small Business Development must establish more SMME financial support entities that assist qualifying SMMEs efficiently and effectively. They further indicated that the government must continue to relook at their policies that focuses on the SMME accessibility to finance bringing in more innovative ways of supporting SMMEs financially as well as developing more business hubs that provides SMMEs with affordable rentals. These results are consistent with studies such as Berg, 2017; Bushe, 2019; Madzivhandila & Musara, 2020; Mthethwa, 2021.

Knowledge of Government agencies that support SMME:

The majority SMMEs in the Raymond Mhlaba Municipality highlighted a lack of awareness on most the government support initiatives aimed at developing the SMMEs in the municipality. They indicated that some of the support, which is available, is not well advertised and communicated in time for them to attend and benefit from the initiatives. This is one of the major challenges given that the government has indicated its priority to grow the SMME sector. However, some SMMEs indicated that they know Nkonkobe Business Support Centre a municipal agency that provides business support to them such as business plan writing, company registration, and general business consultation. These results are in line with studies done by Berg, 2017; Mafukata, 2015; Nieuwenhuizen, 2019; Radebe, 2019.

Enabling environment for Entrepreneurial Activities:

SMMEs were requested to provide their views on how the government is providing an enabling environment that enhances their entrepreneurial activities. About 85 % of SMMEs indicated that they need the government to create a safe trading environment. They further highlighted that the unsafe trading environment in the Raymond Mhlaba Municipality pushes the customers away to other locations to spend their money. Unsafe trading environment was highlighted by respondents as one of the major challenges faced by their business. These results are similar with findings from Madzivhandila and Musara, 2020.

Many respondents also noted the high crime rate in the municipality as one of the things that affect entrepreneurial activities. The respondents indicated that a lot of them fear for their personal and customer safety. They further indicated that they are in constant fear of not knowing when they will be victims of robbery as such they fear for their lives and fear losing their inventory which they would have bought in bulk. Therefore, this will have a direct and indirect impact on the profitability of the SMMEs in this area. Thus, most of the sampled SMMEs expressed the view that government must create a safe trading environment for SMMEs. In addition, the respondents argued that it is the South African Police Service responsibility to develop strategies that enhances a safe environment for both the businesses and customers. This is in line with Bvuma and Marnewick, 2020.

All the respondents expressed the view that the SMME regulatory requirements in the country is a major constraint , especially during the process of wanting to formally register their businesses, SMMEs indicated that they were confronted with red tape when trying to conform to the requirements. Some respondents stated that they incur many expenses during the process of SARS registration and when they are ensuring that they have an accountant who ensure that financial documentation is compiled and checked in an effective manner. Other areas where red tape experienced is during the process of opening a bank account in some banks. The respondents said that government must review the policies and provide some relief to the SMMEs. This is in line with studies such as (Berg, 2017; Mafukata, 2015; Nieuwenhuizen, 2019; Radebe, 2019; Sekgota & Mamaile, 2021).

The respondents also indicated the need for the government to negotiate with the major cellular network providers (MTN, VODACOM, CELL C, TELKOM etc.) to reduce the cost of data in the country. Many SMMEs cited that they need data to make sure that they look for opportunities on the internet and to research of innovative ways of doing their entrepreneurial activities. Now most SMMEs do not have access to Wi-Fi, which is a tool that can enhance their ability to look for new opportunities and to reach their potential customers. Rental space was also cited as one of the impeding factors in implementing some of the entrepreneurial activities that SMMEs have. Most SMMEs highlighted that it is not possible for them to operate from their own premises and need affordable rental space in safe environments. Rental costs were cited as one of main challenges especially to new businesses. These results are in line with studies such as Madzivhandila and Musara, 2020.

7. CONCLUSION

The main findings of the study indicates that the government need to relook at their policies to ensure that they are effective and efficient in the support of entrepreneurial activities. Many small businesses are still not fully aware of the government support initiatives that are meant to assist in the development of their businesses. The lack of start-up capital is one of the major challenges being faced by SMMEs, which needs more government policy intervention. The findings support that of Brijlal and Jere (2018) that the owner is the key resource during the initial phase of the business. The owner does all the planning, costing, marketing and production. In such a situation, the growth of the business is dependent on the business experience/qualifications of the owner.

In addition, the findings of the study show that most owners of the SMMEs have issues regarding the impact VAT and TAX regulations/compliance on their SMMEs. With most of them suggesting that, more should be done to reduce the VAT & Income tax as most of them are challenged with cash flow problems because most of their funds are the owner's personal funds. The findings also showed the inability of government policies to stimulate entrepreneurial activities as well as lack of effective marketing of SMME support government policy interventions as most SMMEs do not know of assistance provided government agencies except services provided by SEDA. The study furthermore indicates the need for government policies not to adopt a broad paintbrush approach; but rather have the policies that speak to the specific needs of an SMME sector instead of focusing on a holistic approach across all sectors. The findings also indicated the need for government policy to improve on the enabling environment to allow development of polices that enhances safety business spaces as well as removing of red tape in all processes.

8. RECOMMENDATIONS OF THE STUDY

Government:

Since, the government has identified SMMEs as important to the development of the economy; they should make an effort to develop SMMEs managerial competencies to reduce the high failure rate of these ventures. The government and the local municipality should encourage and develop support structures that will help SMMEs operators to develop their managerial competencies.

The establishing of an SMME fund to assist in the financing and supporting of SMME development is highly recommended because the big banks in South Africa are not keen to help SMMEs. In addition, the government is encouraged to review the SMME regulatory framework as well as reducing of the red tape in all processes. Furthermore, the government must fast track the establishment of SMME business development hubs. This improves safety on business premises, provision of affordable rental space and improving of the general outlook of the business.

Local Municipality:

Local Economic Development Department should provide the necessary support resources for both the formal and informal businesses in the Raymond Mhlaba Local Municipality. In addition, they need to have a needs assessment through their SMME support agencies to inform development, which are in line with the SMME needs. There should also be better communication between the municipality and SMMEs to allow synergy of ideas from all the stakeholders.

Development of more Mentorship programmes within the municipality where SMME owners linked to mentors who in-turn will assist in building their businesses. The municipalities can also help SMMEs through funding a certain number of SMEs managers or owners to be able to acquire formal business competencies through training or education. The municipality may assist in the following;

- Assist SMME in business plan development
- Application for trade license
- Better communication between SMME and municipality to ensure synergy
- Youth SMMEs mentorship programs
- Review of the local regulatory framework

SMMEs owner/managers:

The SMMEs owners and managers should try to attend the business seminars to equip themselves with the managerial competencies and business skills. In addition, they need to also participate in government-organised workshops so that their voice is heard in terms of their needs.

Above all the government and local municipality should encourage and develop support structures that enhance entrepreneurial activities considering that SMMES are important in the development of the economy at large. This study only focused on entrepreneurial activities in the Raymond Mhlaba Local Municipality in the Eastern Cape province of South Africa as such it cannot be generalized across the whole country. More research needs to be done to look at the overall effectiveness of the government policies in enhancing entrepreneurial activities as well as improving the success rate and sustainability of SMMEs in South Africa.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 3
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The Perceived Impact of the COVID-19 Pandemic on the South African Tourism Sector

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ABSTRACT

This paper reveals the perceptions and experiences of small and medium enterprise owners from the tourism sector towards the COVID-19 pandemic in South Africa. Using a semi-structured interview process, ten business owners were interviewed to understand their views on the impact of the pandemic, the challenges they had faced, and the strategies they had implemented to deal with these challenges. The findings illustrated that the pandemic was experienced as devastating and critical. Most business owners experienced significant financial strain and job losses were a frequent consequence. The amount of provided governmental aid was not positively experienced by the majority of the business owners. All the participants were unprepared for the pandemic but quickly shifted into a proactive coping stance. Business strategies and practices have pointedly been altered as the tourism businesses have attempted to stabilise and survive into the 'new normal'. The participants remain positive about their business' future success. Financial planning and crisis management training are suggested as tools to enable the sector to enhance its ability to cope with future crises.

Keywords: Tourism; crises; COVID-19; pandemic; SMEs.

1. INTRODUCTION

The first infections of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) were recorded in China at the end of 2019. In January 2020, the World Health Organisation (WHO) declared an outbreak of this virus. The Coronavirus disease (COVID-19) spread and became a global pandemic (World Health Organization, 2020). No continent has been able to escape this virus, which has reported an average mortality rate of 3.4% (Worldometer, 2022). As of April 2022, the virus had infected over 510.2 million people worldwide and has resulted in 6.2 million deaths (de Best, 2022). However, WHO believes that many countries have undercounted the numbers who died from Covid-19. Rather,

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WHO estimates that is more likely that the COVID-19 pandemic caused the deaths of nearly 15 million people around the world. Of the deaths that were reported it is confirmed that 53% came from lower-middle-income countries such as Russia, Indonesia, Brazil, India, and South Africa. (Grimley et al., 2022).

The African continent has not been immune to the direct and indirect effects of the COVID-19 pandemic. Despite earlier projections that the African continent was likely to be ravaged by infections, Africa has recorded lower numbers of infections. The first case was recorded in Egypt in February 2020 (Agwanda et al., 2021). As of the end of May 2022, infections had increased to over 12 million with over 254 thousand deaths (Reuters, 2022). South Africa (SA) has emerged as the worst-hit country in Africa. According to the National Institute for Communicable Diseases (2022), as of the 20th of May 2022, there have been 100 916 recorded fatalities in SA. During the early phases of the pandemic, most of the confirmed cases of the virus were imported from Europe and the United States of America, rather than China where it originated (Shabir & Aijaz, 2020). Thereafter, infections in the country were largely due to community transmissions (Agwanda et al., 2021). The first case of COVID-19 was reported in SA on the 5th of March 2020.

With a rapid increase in infections, the South African government declared the country in a national state of disaster on the 18th of March 2020 (Bruwer et al., 2020). Part of this declaration involved the government introducing a range of restrictions including curfews, lockdowns, and social distancing (Nyadera & Onditi, 2020). The purpose behind these restrictions was to curb the spread of Covid-19 and allow the national health care system sufficient time to prepare itself. There were five levels of lockdown regulations. Alert level one was the most relaxed and alert level five was the most restrictive. As the country moved down the alert levels, South Africans obtained more of their liberties back. During level five, South Africans were only allowed to leave their homes to purchase or produce essential goods. Everyone was required to work from home, no local or international travel was permitted, the sale of alcohol and tobacco was banned and people were not allowed to exercise outside their homes. The national police and defense force ensured conformity to these restrictions. SA moved to level four on the 1st of May 2020, almost four weeks after the first imposition of the lockdown regulations. With this move, purchases beyond just essential goods were allowed, including food deliveries as long as it was within the curfew hours. They also regained the ability to exercise outside for three hours in the early morning (Greyling et al., 2021). South Africa only gained a reprieve on domestic travel under level two and international travel under level one. However, from the 31st of May 2020 until the 13th of September 2021, the country sporadically moved between level four and level one (South African Government, 2022). As a result of these restrictions, SA did not receive any foreign visitors for a period of six months from April to September 2020 (StatsSA, 2021a).

Likewise, to limit the spread of the virus, governments around the world implemented various restrictions and forms of lockdown. These have transformed the globally connected world into a ‘stay-at-home’ economy (Nummela et al., 2020). Given its effect on the entire world population and the economies, it has become a global emergency (Hall et al., 2020). The global economy entered a recession in the first half of 2020 due to the indirect and direct effects of the pandemic. These effects included commodity slumps, the shortage of materials, disrupted supply chains, and reduced demand (Kuckertz et al., 2020). The impact of this pandemic has resulted in a global economic crisis, with much worse impacts than those of the 2008 global financial crisis (Nummela et al., 2020). The COVID-19 pandemic has exposed the fragility of the global economic system. Given the heavy reliance on international markets, many economies have been devastated. In particular, however, the tourism sector has suffered under pandemic restrictions (Kuckertz et al., 2020). In 2020, the global tourism industry had a 78% reduction in activity in comparison to that experienced in 2019. This resulted in a loss of over $1.2 trillion in international tourism receipts (World Tourism Organization, 2020). In SA, foreign arrivals dropped from just over 10.2 million in 2019 to less than 2.8 million in 2020. This amounts to a 72.6% drop in the overall number of travelers (arrivals and departures) in the country. Only 23.6% of these tourists were from overseas countries with the vast majority being residents of the Southern African Development Community countries (StatsSA, 2021a).

The global tourism industry is mostly comprised of small and medium-sized enterprises (SMEs). Businesses are classified as SMEs based on two proxies, namely the total full-time equivalent of paid employees and the business’ total annual turnover (Writer, 2019). Estimates are that about 80% of all global tourism businesses are SMEs (World Tourism Organization, 2020). The ongoing COVID-19 pandemic has severely troubled these SMEs’ operations. They are significantly dependent on daily sales, which have been negatively and drastically impacted by the pandemic (Shafi et al., 2020). Whilst these SMEs are the business entities that have been most affected by the pandemic, they are also vital stimulants for future economic recovery (Portuguez & Gómez, 2021). This study aimed to investigate the perceived impact of the COVID-19 pandemic on this sector. The study sought to appreciate the challenges experienced and the strategies implemented to mitigate these challenges.

2. PROBLEM STATEMENT

Three themes predominate when discussing the status of any sector within a country. These are its economic importance, employment, and expenditure. These three themes are used as important benchmarks when comparing the status of sectors (StatsSA, 2021b). Before the COVID-19 pandemic, the tourism sector directly contributed 3.7% to SA’s GDP (Gross Domestic Product), constituting a larger contribution than agriculture, utilities (e.g. electricity, gas, and water), and construction. Tourism activities contributed R209 billion to the national economy in 2019. In the same year, the tourism formal sector employed 773 533 people, constituting 4.7% of the total workforce in SA. The biggest contributor to direct employment is the road passenger transport division, which accounts for about a third of all the jobs in the tourism sector. This division includes taxis and buses. In terms of expenditure, visitors spent R451.5 billion in 2019. Domestic visitors accounted for the larger portion of this tourism expenditure, contributing 73% of that money. Non-resident visitors exploring the country accounted for the other 27% (Maluleke, 2019). With the world of travel having been drastically changed due to the COVID-19 pandemic, the year 2020 will forever be known as the year the pandemic changed the world (StatsSA, 2021a). There is no doubt that the COVID-19 pandemic in 2020 and 2021 had a significant impact on the tourism sector. However, tourism remains a vital cog in the national economy. It makes a significant contribution to the economy, the livelihood of thousands of people, and the overall expenditure derived within the country (Malik-Nair, 2020).

The tourism sector is important in developing countries. The well-being of individuals in developing countries is linked to the survival of the tourism sector, in particular, the SME tourism sector (Rasool et al., 2021). This is associated with the fact that such business initiatives are the heart of employment in these countries. This can be particularly significant in the South African context where a large portion of the population is employed within the SME tourism sector (Sucheran, 2021). Research needs to be geared toward building an understanding of the challenges that threaten the survival of these businesses during the pandemic. However, during the progression of the pandemic to the African continent, studies conducted by international organisations have fallen short in terms of addressing the economic impact of the pandemic on individual African nations such as SA (Roeleveld, 2020).

SMEs, like large corporations, are exposed to several risks and their ability to survive and be resilient is important for several economic-related factors such as employment creation. However, SMEs are not adequately suited for managing risks and the available institutional support is to a large extent weak. SMEs located in developing countries tend to have weaker risk management, poor business continuity, and a lack of a culture of crisis management (Hall et al., 2020). Most of these SMEs do not have the expertise and resources to focus on the above-mentioned activities and therefore are extremely vulnerable to external and internal risks and disruptive shocks (Nicola et al., 2020). Overall, tourism SMEs had not experienced a global crisis, such as the COVID-19 pandemic, before. Therefore, the majority of tourism SMEs have been caught unprepared by the pandemic as they are completely unaware of crisis management approaches (Varelas & Apostolopoulos, 2020). Many of these SMEs simply entered into a ‘survival mode’ and did their best to survive and work towards the continuity of their businesses (Nummela et al., 2020). The delicate nature of this tourism sector means that it should be closely analyzed in capricious situations such as the COVID-19 pandemic (Kukanja et al., 2022).

To minimise the impact, there is a call for studies that will focus on exploring the SMEs’ ability to become more aware of global risks, and also can monitor, assess and enhance their business continuity and risk management capabilities in the context of the COVID-19 pandemic (Roeleveld, 2020). The impact of the pandemic on the world and its economies is still under investigation (Kukanja et al., 2022). Only a few studies (e.g., Alves et al., 2020; Lu et al., 2020; Portuguez & Gómez, 2021; Senz, 2020) have investigated the impact of the pandemic specifically within the tourism SME sector. Therefore, there has been a call for more empirical research aimed at minimizing the impact of the pandemic through increasing knowledge of the phenomenon (Qiu et al., 2020). Consequently, the study seeks to explore the challenges and strategies that can be experienced within South African tourism SMEs during the COVID-19 pandemic.

3. RESEARCH OBJECTIVES

Research objectives are clear and concise statements that serve to provide direction for the undertaken study (Bryman & Bell, 2015). The primary and three secondary objectives of the study are outlined below.

3.1 Primary Objective

The primary objective of the study was to explore the perceived impact of COVID-19 on SMEs within the South African tourism sector.

3.2 Secondary Objectives

i. To examine the extent to which the COVID-19 pandemic has affected SMEs within the South African tourism sector
ii. To understand the perceived challenges faced by SMEs in the South African tourism sector as a result of the COVID-19 pandemic
iii. To explore the strategies implemented by these SMEs to assist them in overcoming the challenges of the COVID-19 pandemic.

4. LITERATURE REVIEW

The literature review commences with an outline of crisis management theory. Tourism in general within SA is then discussed, with the final sub-section elaborating on the state of the national tourism sector during the pandemic.

4.1 Crisis Management

There are many definitions of the term ‘crisis’ in the literature. It is defined as an unexpected, unpredictable, and severe incident that necessitates a response from a business (Doern et al., 2019). Others view a crisis as a process that can climax into an event that disrupts the business’ normal functioning (Williams et al., 2017). Regardless of the form of the definition, crises are classified based on the cause, namely, economic, environmental, geopolitical, social, or technological (Portuguez & Gómez, 2021). Therefore, each cause would require a different response or approach in terms of crisis management.

By way of broad definition, crisis management is the collective responses and processes adopted by a business to cope with a crisis that threatens to damage the business and/or its stakeholders. Three steps are essential to the survival of a business during a time of crisis. These are pre-crisis preparation, a rapid response during the crisis, and a post-crisis recovery plan (McCool, 2012). Crisis management most often demands a blend of different reactive and proactive approaches (Kukanja et al., 2020).

4.2 Tourism in South Africa

Tourism can be defined as all the activities that are undertaken by individuals traveling to places that are located away from their usual environment and staying there for purposes such as leisure or business (Camilleri, 2017). Tourism is therefore the temporary movement of individuals outside their normal place of work or residence, together with facilities provided to cater for those visits and the activities undertaken during the stay in those visited places (Mnguni et al., 2019).

Tourism has been identified as a priority sector in SA in terms of boosting the local economy, foreign exchange generation, rural development, black economic empowerment, and subsequent poverty alleviation (Mnguni et al., 2019). The tourism sector is the lifeblood for many micro and small businesses. It is often the only economic activity in some of the country's remote and rural areas, creating employment opportunities for men, women, and youth across the country (Komani, 2020). Since the transition to the new democratic dispensation in 1994, resources have been geared towards creating a supportive environment for tourism development and poverty alleviation in the country. This was done to empower the sector in general and to redress past inequalities created by the apartheid system. This is in line with core values and distinctive features of pro-poor tourism. That is, putting previously disadvantaged and marginalised people at the center of these initiatives (Rogerson, 2005). The promotion of sustainable tourism in SA has been identified as an important strategy to bring about economic upliftment, community development, and poverty relief. South African tourism is therefore widely recognised as a tool through which development can be achieved, yielding benefits such as job creation and poverty reduction (Giddy & Webb, 2018).

According to Mnguni et al. (2019), there are four main divisions within the national tourism sector, namely the:

1. Hospitality division, which refers to the provision of food, beverages, and accommodation to tourists,
2. Transport division, where organisations focus on transporting the tourists in and around cities and/or the broader country,
3. Meetings, incentives, conferences, and events division, which refers to the hosting or arranging of events such as exhibitions,
4. Tourist attractions include shows or places popular with the tourists and range from beaches, galleries, museums, and World Heritage Sites to exhibitions.

The tourism sector is dependent on a steady stream of visitors and their related tourism expenditure. These visitors are either domestic or non-resident (i.e., inbound tourism) individuals. Within the SA, these two sets of visitors spend their money in significantly different ways. Non-specific products, road passenger transport, and air passenger transport were the three biggest expenditure items on domestic visitors' travel budget in 2019. In comparison, the top three expenditure items for non-resident visitors in 2019 were accommodation services, non-specific products, and tourism-connected products. Non-specific products are all non-tourism-specific products, of which only a minute portion of domestic supply is consumed by visitors. On the other hand, tourism-connected products are generally less orientated towards tourism. Tourism-connected products include general retail or "shopping" products, such as food, drink, clothing, and fuel. Visitors consume a smaller proportion (e.g., less than 25%) of the domestic supply of these tourism-connected products. This makes them quite distinct from tourism-characteristic products, which would cease to exist in a meaningful quantity, or whose consumption would be significantly reduced if visitors suddenly stopped traveling to the country. A product is regarded as a tourism-characteristic product if at least 25% of the total domestic supply is purchased by visitors. Examples include accommodation for visitors, road passenger transport services, restaurants, similar services, etc. (Maluleke, 2019; StatsSA, 2021b).

4.3 Tourism during and Post the COVID-19 Pandemic

In SA, as elsewhere in the world, the country's tourism sector was devastated by the novel Coronavirus pandemic in 2020 (Rogerson & Rogerson, 2020). The ramifications for tourism were evidenced immediately following the declaration of a national state of disaster. From an international comparative perspective, SA's lockdown regulations were extremely harsh (Kuhlmann et al., 2021). The COVID-19 pandemic wrought a devastating and destructive impact on the South African tourism sector, with its ramifications felt countrywide. Arguably, the impact of the pandemic will be hardest felt in those parts of SA where tourism is a critical sector of the local economy (Rogerson & Baum, 2020). A South African tourism industry survey revealed that 99% of responding businesses were affected by the COVID-19 pandemic (Komani, 2020).

The impact of the COVID-19-related economic crisis has been visible throughout the tourism ecosystem with some parts of the sector being more affected than others (Hoque et al., 2020). There has been agreement that small businesses have been most affected since they are particularly vulnerable to the repercussions of the crisis. Small businesses are to a large extent hit twice by the pandemic, first as operating in the most affected sector in the COVID-19 crisis, and second by being small (Bartik et al., 2020; Bogale et al., 2020). An analysis of Chinese SMEs in the tourism sector found that the COVID-19 crisis had the strongest effect on smaller businesses (Alves et al., 2020). This finding was supported in the literature review study done by Portuguez and Gómez (2021).

Tourism crises are frequently triggered by external factors. This may therefore contribute to further crises (Kukanja et al., 2022). These additional crises came in the form of market and production disruptions. Internationally, most tourism SMEs, post the hard lockdown period, found it difficult to resume their work. This was due to the inability of certain employees to return to work, a scarcity of materials, disrupted supply chains, and reduced demand (Lu et al., 2020). Within the context of the tourism sector in SA, made up predominantly of SMEs, the impact of crises is therefore amplified. There are specific characteristics of the tourism sector that make them particularly vulnerable and the impact of crises on them especially devastating. Amongst others, these are labour intensiveness, the percentage of family-owned SMEs, the seasonality of demand, predominantly low-profit margins, and the multiplying effects of tourism on the other sectors of the economy (Bulin & Tenie, 2020).

SMEs face the liability of ‘smallness’. In comparison to large organisations, they possess fewer resources, making them more vulnerable to various shocks. In addition, SMEs often also suffer from the additional liability of ‘newness’. They tend to lack experience and established partnerships. SMEs may also be disadvantaged in terms of their access to capital markets, a deficiency of management expertise, and limited financial resources (Kottika et al., 2020). SMEs are therefore generally understood to be less resilient to crises than larger organisations as they take longer (if at all) to return to their daily operations (Juergensen et al., 2020). Governmental support is therefore critical to preventing the bankruptcy of tourism SMEs (Al-Fadly, 2020; Bartik et al., 2020). However, SMEs also have characteristics that may assist them in crises. The liability of smallness might also be an advantage to the business. SMEs tend to be more flexible, and innovative, have flatter organisational structures, and normally have good personal relationships with their stakeholders (Eggers, 2020).

Another important aspect is the interdependent nature of the services offered by SMEs within the tourism sector. This has the potential of causing those entities additional issues. A crisis can have a significant impact on the whole tourism value chain (Couto et al., 2020). SMEs associated with the tourism sector had less ability to survive the shock associated with the pandemic and they were more likely to temporarily close than the larger firms in the sector (Komani, 2020). During the COVID-19 pandemic, the business operations of two-thirds of SMEs within the tourism value chain were strongly affected when compared to the estimated 40% of big companies. It was estimated that almost 80% will not survive the prolonged measures of the COVID-19 pandemic (Hoque et al., 2020).

Due to high fixed costs, many tourism SMEs faced serious liquidity problems. More than 60% of SMEs in the United Kingdom had not retained any cash savings for times of crisis (Cowling et al., 2020). Only 65% of American SMEs had financial resources to keep their businesses open for up to four months (Senz, 2020), whilst Bartik et al. (2020) established that, on average, small businesses only had two weeks' worth of cash on hand at the start of the pandemic. In a national tourism sector study conducted by SA’s Department of

Tourism, the Tourism Business Council of SA, and the International Finance Corporation, 1,600 respondents were surveyed. The study revealed that micro businesses claimed cash flow as their main priority, with small businesses prioritising financial support for recovery. Both medium and large businesses prioritized tax relief. Of the sample surveyed, 58% stated that they couldn't make their loan repayments in March 2020, while 54% said they couldn't cover their fixed costs. Half said they were forced to cut wages for more than half of their staff. Businesses reported having managed their workforce in different ways. Most favoured reduced wages over redundancies. Half of the businesses reduced wages for more than 50% of their staff, while 36% of businesses reduced wages for all their staff. A greater proportion (75%) of medium businesses had reduced wages than was found within small businesses, but a greater proportion (31%) of small businesses had applied for redundancies. The most commonly implemented mitigation measures were temporary closure (69%), supporting deferment instead of cancellation (60%), and significant downscaling (58%). The support facilities that most respondents were aware of and applying for were the Unemployment Insurance Fund scheme and the Tourism Relief Fund of the Department of Tourism. There was profound agreement that while there was a strong uptake in applying for these support facilities, the success rates were uniformly low. Despite this stark reality, 64% of the respondents felt neutral or positively believed that their business would survive to recover post the COVID-19 pandemic (Komani, 2020).

Crisis management practices are implemented within SMEs at management's discretion. However, a significant portion of Greek tourism SMEs was completely unaware of what crisis management is and the appropriate crisis management approaches to implement (Varelas & Apostolopoulos, 2020). Most tourism entrepreneurs seem to have been drawn into a 'survival mode' during the pandemic and are doing their best to ensure the continuity of their businesses. Most tourism SMEs had not previously experienced a global crisis such as the COVID-19 pandemic (Nummela et al., 2020).

During the COVID-19 pandemic, tourism SME owners needed to think outside the box and come up with innovations that could elevate their business (Chitsamatanga et al., 2021). During the hard-lockdown periods, tourism SMEs had to consider many 'new' business practices to remain viable. These included: allowing their staff to work on alternative days, salary restructuring, staff rotation, revision of variable pay schemes, temporary pay cuts, leave for idle staff, usage of contract staff, and working from home (Qiu et al., 2020). In terms of crisis management practices, the majority of Pakistan SMEs decided to reduce salaries, lay off employees, and limit their business operations (Shafi et al., 2020). Labour-related crisis management strategies were also reported by Kukanja et al. (2020). Chinese SMEs mainly implemented flexible human resources practices, whilst product diversification, market research, and increased learning were other survival strategies adopted (Alves et al., 2020). This was also a unique period for tourism SMEs that facilitated an opportunity for owners and staff to educate themselves (Chitsamatanga et al., 2021). Deferred investments, applications for funded work allowances, reduced expenses, renegotiated contracts, and reduced stock were popular strategies in Swedish SMEs (Thorgren & Williams, 2020).

During and post the pandemic SMEs have been advised to consider digitalisation as part of re-engineering their business processes. The concept of digitalisation has increasingly been regarded as part of the 'new normal'. Digitalisation as a survival strategy can include the digital marketing of products and services through social media (Kaushal & Srivastava, 2020). Furthermore, tourism businesses need to make a strategic business process shift from personal interactions to technologies to consistently limit personal contact, where possible. This could include more widespread use of check-in kiosks and bank transfer payments. Tourism SMEs should also be strategically examining their actual expenses to cut costs. This can involve reducing rental costs by hiring smaller office spaces, sharing office spaces, or even keeping the work-from-home practice if this is appropriate. Staff reduction may be a necessary practice as well as investing in solar energy instead of using generators (Hoque et al., 2020). Long-term automation technology, robotics, and artificial intelligence may help facilities minimize their fixed costs, increase efficiency and stability, and preserve social remoteness (Kaushal & Srivastava, 2020).

In the tourism sector, the declining demand is likely to shrink the industry and lead to increased prices. Increased hygiene costs coupled with capacity reduction regulations will have a gross impact on the profitability of the industry. In the short term, tourism businesses had to be flexible in terms of their offerings and the prices they charged to reduce their financial risks (Bogale et al., 2020). Creative business strategies were, and continue to be implemented within the tourism sector. To assist in alleviating the impact of the pandemic, various strategies were employed to mitigate the impact of COVID-19 on SMEs in the tourism sector. The diversification of products and/or services can reduce dependence on a limited number of clients in the market (Kaushal & Srivastava, 2020). Innovative new products, services, and packages with a varied range of previously unthought-of partners should be designed and launched. Tourism organisations should also use this opportunity to restructure and consider novel avenues for new products and services (Malik-Nair, 2020). SMEs must adjust their marketing strategies, concentrating on their strengths and offering high-quality products (Pottuguez & Gómez, 2021). Also, the outsourcing of certain services through appropriate flexibility contracts can minimize risk. Trust in travel and perception of risk will affect the speed of recovery for the industry. Tourism is most likely to return to pre-crisis patterns over the long term. Tourists may, however, set a higher hygienic value when choosing your accommodation. This will need to be factored into all post-COVID business process planning that is done (Kaushal & Srivastava, 2020).

During and now post the pandemic, SME owners and managers have the task of motivating and galvanizing their staff to achieve the maximum possible under challenging conditions (Chitsamatanga et al., 2021). Communication and creative solutions are key requirements in the rebuilding phase. SME owners are known to have regularly sent WhatsApp messages to staff and clients during the pandemic. For staff, this was key to keeping their hopes alive until the hard lockdown was over and they could re-join the workforce. Messages were sent to clients in key markets to remind them of the beauty of SA. This motivational communication aimed to encourage everyone during the pandemic to look to the future (Maylie, 2020). Post the pandemic, tourism service providers also need to plan for their relaunch, they should sharpen their market research and focus on a new branding strategy as the old one they were using will have been flawed by the pandemic. A great amount of growth often occurs at the point of the challenge. It is also widely agreed that every crisis also brings large amounts of opportunity. The national tourism industry is well-positioned to take advantage of the diverse opportunities waiting in the shadows of the pandemic (Malik-Nair, 2020).

5. RESEARCH METHODOLOGY

The research methodology of a study should explain the design followed (Zikmund et al., 2017). A research process is usually highly structured and involves a sequence of interrelated activities (Collis & Hussey, 2014). For this study, a research process was adapted from Quinlan (2011). Through the use of this research process, personal choice and random decision-making were therefore replaced with professional decisions (Cooper & Schindler, 2014). The research process followed in this study is depicted in Fig. 1.

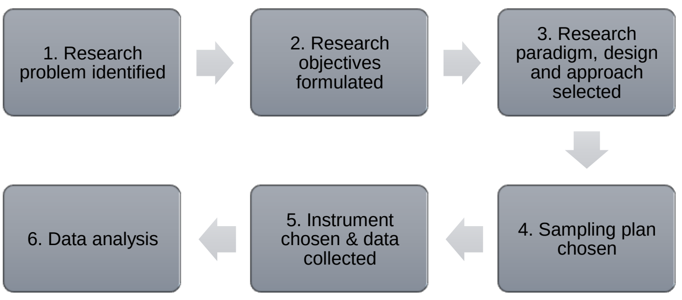

Fig. 1. The research process
(Source: adapted from Quinlan (2011))

5.1 Step One: Identification of the Research Problem

A research problem is an issue being investigated in a particular study. By effectively stating the research problem the topic of investigation is narrowed to something reasonable and worthwhile studying. A well-written problem statement defines the problem and assists in identifying the variables that are to be investigated (Zikmund et al., 2017). As explained earlier, the tourism sector is important in developing countries. The fragile nature of this sector means that it should be closely analyzed in volatile situations such as a pandemic (Kukanja et al., 2022). There has been a call for more studies aimed at minimizing the impact of the pandemic by developing knowledge of the phenomenon (Qiu et al., 2020).

This study answers that call through the following research questions:

- How has the COVID-19 pandemic affected SMEs within the tourism sector?
- What are the perceived challenges faced by tourism SMEs as a result of the COVID-19 pandemic?
- What are the strategies implemented by these SMEs to assist them in overcoming the challenges of the COVID-19 pandemic?

5.2 Step Two: Identification of the Research Objectives

The implemented COVID-19-related measures have had a great impact on the tourism sector. This is largely due to the unique nature of the sector which makes it more vulnerable to pandemics compared to other sectors (Hoque et al., 2020). Many scholars have started to examine the unique nature of the different issues related to the pandemic and tourism (e.g., Alves et al. 2020; Couto et al., 2020; Portuguez & Gómez, 2021; Shafi et al., 2020). However, there is not adequate knowledge of how the pandemic was experienced and dealt with within the South African context. To this end, and based on the three research questions identified in step one, the primary objective of the study was to explore the perceived impact of COVID-19 on SMEs within the South African tourism sector. From this objective, three secondary objectives were derived, as outlined in section 3.1.

5.3 Step Three: The Research Paradigm, Design, and Approach Selected

A research paradigm is a belief system that serves as a guide map for both the researchers and the subjects of the study (Bryman & Bell, 2015). From the primary objective comprising of investigating the perceptions and experiences of tourism SME owners on the perceived impact of the COVID-19 pandemic on their business, it is clear that an accurate account of these perceptions of such circumstances could only be achieved through an interpretivist paradigm. A descriptive research design was selected as the study aimed to build a descriptive view of the phenomenon being studied without looking at the cause and effect (Collis & Hussey, 2014). Based on the research paradigm and design, a qualitative approach was suitable. This approach allowed the researchers to probe more into the participant’s world. This approach also provided the researchers with an opportunity to assemble a detailed description of social reality from the participant’s point of view (Cooper & Schindler, 2014).

5.4 Step Four: Sampling Plan Chosen

The research adopted a non-probability snowball sampling technique. Snowball sampling population is usually applied in situations where the population is hidden which makes it difficult to compile a list of the sampling units. One of the main advantages of this sampling method is low search costs as respondents are selected based on referrals made by other respondents within the population of interest ((Zikmund et al., 2017). The snowball technique was initiated with participant A, who, thereafter, identified referrals. This continued until the sample size was achieved.

A total of 10 participants made up the sample for this study. These 10 participants came from the population of SME owners within the tourism sector of the Buffalo City Metropole. All 10 are from the hospitality division of the tourism sector, as outlined by Mnguni et al. (2019), in section 4.2. Three are restaurant owners, five are accommodation providers, and two are owner-managers of recreational (e.g., paintballing, biking activities, and picnic parks at a reserve) services.

5.5 Step Five: Instrument Chosen and Data Collected

Due to the qualitative research approach selected, the research instrument utilised in this study was a semi-structured interview. An interview schedule was developed and forwarded to external parties for peer review. Peer review ensures that the interview questions were clear and robust (Bryman & Bell, 2015). This peer-review process enabled the credibility of the interview questions to be confirmed, which contributed to accurate and valid findings and conclusions being drawn from the study (King et al., 2019). The semi-structured interview was employed to obtain the primary data. The same questions were repeated in each interview and probing techniques were applied for clarification. This allowed for similarities and differences within the sample to be identified. The interviews were recorded using an audio device.

5.6 Step Six: Data Analysis

The researchers used thematic analysis to make sense of the seemingly unrelated material. This technique was selected given its capability to identify, analyse and report on themes and patterns from the collected data (King et al., 2019). Initially, the audio recordings of the interviews were transcribed into a word processing document. This was done to ensure the factual accuracy and credibility of the data were maintained. Thereafter, the important content was highlighted and descriptive codes were ascribed to the transcript content. Descriptive codes that were shared were grouped creating an interpretative code. The interpretive codes were then clustered creating a network of themes. These interpretive codes were used on the whole data set. The final step of the thematic analysis involved identifying the overarching themes, which was done through diagrams to distinguish the suitable themes. From an ethical standpoint, the researchers were aware that their own bias may impact this analysis. For this reason, each researcher individually analysed the data and shared their findings with the other researcher. Overarching themes were identified from the composite analysis of both researchers in this study.

6. RESEARCH FINDINGS

In this section, the primary characteristics of the participants will be outlined as well as the main themes derived from the interviews with these participants.

6.1 Characteristics of the Participants

Table 1 shows the characteristics of the 10 participants in this study. The correct names of the participants were replaced with pseudonyms, representing the alphabetical letters A to J. There were an equal amount of male and female participants, with the majority (80%) being over the age of 30 years old. The majority (70%) of the participants are African, 20% White and 10% Coloured. Half of the participants are married, four single, and one martially separated. All of the participants had studied post-matric, with 40% obtaining a post-graduate degree. Four of the businesses run by the participants are family-owned, three are sole proprietorships, and the reaming three are partnerships. With regards to the years of business operation at the time of the outbreak of the COVID-19 pandemic, 40% had been operating for between 1–5 years, 30% for between 6-10 years, 20% between 11-15 years, and one was a very young business.

Table 1. Characteristics of the Participants

Pseudonym	Gender	Age	Population Group	Marital Status	Highest Level of Education	Type of Business Ownership	Years' Operating
Participant A	Male	28	African	Single	Post-Graduate	Sole proprietor	3
Participant B	Male	34	African	Single	Post-Graduate	Sole proprietor	2
Participant C	Female	44	African	Married	Post-Graduate	Family-owned	12
Participant D	Male	52	African	Single	Degree	Family-owned	15
Participant E	Male	47	African	Married	Diploma	Family-owned	9
Participant F	Male	38	White	Single	Post-Graduate	Family-owned	7
Participant G	Female	45	White	Married	Degree	Partnership	5
Participant H	Female	42	African	Married	Diploma	Partnership	10
Participant I	Female	37	Coloured	Separated	Degree	Sole proprietor	5
Participant J	Female	29	African	Married	Certificate	Partnership	Less than 1 year

The thematic analysis revealed nine core themes, which are discussed in the sub-sections that follow.

6.2 Impact of COVID-19 on the Businesses

The results identified that all ten of the participants perceived the COVID-19 pandemic to have negatively impacted their business operations. This was stated to be particularly true during the harder lockdown periods. During these periods the participants revealed that they were not generating any income as there were no clients within their businesses. Even long after the hard lockdown was lifted the participants were still experiencing the impact of the pandemic. Many stated that they continue to operate on a minimum scale as many people are still too scared to travel, especially to SA. The findings from this study confirm that some SME tourism businesses were unable to operate during the COVID-19 pandemic and this may lead to the closure of some of these businesses.

Participant B stated:

"I have seen a rapid decrease in bookings, meaning my business is not generating any capital."

Participant C confirmed this negative impact in the following statement:

"It has affected my ability to operate . . . my business depends on visitors whether it's for business purposes or leisure and international or domestic."

Participant D provides more evidence through the next acknowledgment:

"The COVID-19 pandemic has affected the operation of the business drastically, there was a lot of cancellations as people were scared and anxious because of the situation we were in."

6.3 Financial Constraints faced during the COVID-19 Pandemic

The participants shared the many challenges they faced during the COVID-19 pandemic. One of these challenges was the financial constraints they needed to overcome. Once again, all ten of the participants indicated this to be the biggest challenge they had to face during the COVID-9 pandemic. The study's findings also revealed that many SMEs were unable to generate income due to the COVID-19 pandemic. The lack of finances due to cancellations of bookings and the dearth of customers were key blockers that drove many of the participants and their businesses into financial turmoil. This has hindered the growth of these SMEs in the tourism sector. This was confirmed by the quotes below.

Participant A responded that the following were the main challenges faced during the pandemic:

"Inability to make a profit, financial difficulties and the loss of customers."

Participant J highlighted the major financial obstacle her small business faced with the following clear statement:
"The biggest challenge was debts".

Participant B confirmed that:

"A drop of profits. That was my biggest challenge, without a good turnover it became difficult paying my employees and upgrade equipment. Growth of the business was halted."
Participant F stated:

"It will be very difficult for my business to operate as efficiently as it did before the pandemic, we have lost so much already and barely surviving financially."

6.4 Compliance and Adaptation to COVID-19 Regulations

Following the financial constraints, the respondents shared a common need to comply and adapt to the COVID-19 health and safety regulations. Each participant indicated that they needed to develop a strategy that would enable the business to be compliant as quickly as possible to sustain their business during the COVID-19 pandemic. All ten of the participants indicated this to be the second biggest challenge they had to face during the COVID-19 pandemic. This challenge was revealed through statements such as:

Participant D stated:

"Basically, it's all about enhancing the safety procedures for the clients as well as the staff."

Participant I confirmed:

"We had to establish a way of operating with as less physical contact as possible."

Participants were challenged by needing to quickly learn and then comply with the new regulations. Furthermore, the participants consistently revealed that this further compounded their financial position. New equipment needed to be purchased to ensure compliance and staff needed to go on training. These businesses need to pay for these additional costs at a time when they were under enormous financial pressure.

Participant A stated:

"Complying to the COVID-19 safety measures, installing COVID-19 safety posters as to educate and remind people, installing sanitizing stations within the workplace and minimising the number of people and their movement within the workplace."

Participant C provides additional information in the following statement:

"I have to put more measures in place to be more compliant with the regulations. I have to ensure PPEs are available and spend more money on marketing to attract more clients."

Participant H stated the following as her strategy to keep her long-standing business going during the pandemic:

"I have developed safety precautionary measures in place like placing sanitisers possibly everywhere around the resort, also placing stickers on the ground to remind people of social distancing."

Participant I added:

"New skills had to be introduced to adjust the business to the pandemic times, we trained all our staffs how to properly wear masks with minimum irritations."

6.5 Staffing Challenges Due to the COVID-19 Pandemic

A persistently stated outcome of the pandemic was the financial strain of paying staff. Half of those interviewed stated that they had formally retrenched some, if not all, of their staff during the lockdown. This was consistently linked to the previous challenge mentioned, being the financial constraints these SMEs faced during the COVID-19 pandemic.

Participant C stated:

"I had to retrench my employees as I was not able to pay them all. Now post pandemic I will have to recruit employees that experienced."

Participant H added:

"The business had to cut down or let go of employees because there was no source of income coming in, the business wasn't making money and is currently making a loss."

Participant J confirmed:

"We had many challenges of having to let staff go because no revenue was coming in, our employees lost their jobs. We couldn't afford the basic necessities and the business wasn't operational."

It was not just retrenchments that resulted in the loss of staff in this sector. Employees were also lost through illness and death as a result of contracting the Coronavirus.

Participant C sadly acknowledged that some of her staff were lost during the peak of the pandemic. This placed a heavy toll on her as some had been working in her business for the last 15 years. She stated:

"I have lost good employees due to the pandemic and I haven't recovered from their passing."

Participant D confirms this staffing issue with the following statement:

"Losing staff due to health issues".

6.6 Possibility of Business Closure Due to the COVID-19 Pandemic

As mentioned in sub-section 6.2, all of the participants' businesses were negatively affected by the pandemic. Whilst some were able to survive the lockdown period, others were on the verge of closure due to the financial pressures and their inability to carry out their normal operating services.

Participant C stated that:

"I was even considering on closing my business or even selling it as there was a lot of challenges. There was no income at all."

Participant E sadly acknowledged that his business had not made it in the following statement:

"The challenges were forced closure of business due to the lockdown."

Participant G also stated:

"The business nearly closed down because of the pandemic."

Participant J anxiously added:

"If the pandemic would carry on or rather worsen it would be the end of the business.

So, I'm really hoping that's not the case so we can really work hard to lift it up again and have it operating again after."

6.7 Adaptation to Digital World Requirements

The COVID-19 pandemic has required businesses to rapidly move into the digital world. This became a necessity for two reasons. Firstly, businesses needed to develop new ways of attracting and/or servicing customers, and, secondly, to ensure overall compliance with COVID-19 regulations. Whichever the reason, it was inevitable that the business needed to purchase advanced equipment that would ensure less human contact for the safety of the staff and customers. Furthermore, for some, it also entailed procuring the services of professionals to upgrade their websites and other digital or social media platforms.

Participant A indicated that he had embraced a significantly more digital concept for his business to be able to offer the following to his customer base:

"Hosting digital/virtual events, ability to analyse demand and attract new customers through a new offer of service and creating online experiences."

Participant B put it simply and plainly by stating that in order to survive his business would need to:

". . . adopt a digital way of working."

Similarly, participant F stated:

"Introducing the digital world into the business for easier operation of the business."

In comparison, participant E had a more pragmatic approach and stated he simply needed to incorporate more digitilisation into his business. He stated:

"We utilised technological measure in the business to avoid customers standing in clustered queues and also overcrowding the place."

Participant G elaborates on this in the following statement:

"Skills that became a necessity in these COVID times was the ability to operate your business in a digital manner to protect both the staff and customers to avoid any physical contact if possible.

All the staff was trained to operate a machine whereby the customers will just tap their cards for any payment."

6.8 Perceptions of Government Assistance

All ten participants made some commentary during the interviews regarding the government relief fund and interventions provided during the COVID-19 pandemic. The relief fund that was allocated for SMEs within the tourism sector was aimed to aid and assist struggling businesses. The SMEs within the tourism sector were eligible to receive the fund as they were significantly affected by the pandemic. However, there were mixed responses from the participants regarding the success of these initiatives. Five participants confirmed that their businesses had benefitted from the relief funds that the government was issuing to assist businesses to overcome the challenges that were posed by the pandemic.

Participant C stated that:

"We were given funds by Eastern Cape Province Parks and Tourism relief funds from the government, and some were given holiday packages as well, so the government tried to assist us".

Participants G, H, I, and J also confirmed in their interviews that they had received certain funding from the government. Participant G was one of these SMEs that had positive comments to make about the relief received from the government during the pandemic:

"The government gave out relief funds to businesses but not all businesses including mine, which gets me to the conclusion that the government hasn't really been a vital relief stakeholder.

My business has been getting certain grants though."

Whilst acknowledging some assistance, participant J is not as affirming in her response recorded below:

"The government had helped out other businesses but not all businesses. For example, my business is surviving under thin ice by the little donations we get.

I really wish there was equality in the government helping out ALL businesses instead of a few, only recently has it reached out to the business."

From the above responses, it is clear that some of the participants were fortunate enough to receive some relief funding from the government. However, not all were as fortunate. Some of the SMEs did not receive the fund from the government, but some managed to get funding from other sources to help sustain themselves. In comparison to the more positive comments above, the next statements reveal the other perspective.

According to Participant A:

"The government tried to relief with special grants, but I honestly think the relief grants were not enough as many businesses lost a lot of money. We are unable to pay the staff and faced financial difficulties".

Participant H had a very similar viewpoint:

"The government has to protect the country's largest assets.

It hasn't been easy but the government tried with the relief grants, but it was not enough to save most businesses."

Participant D added:

"Personally, government made promises to assist with grants but not all of us benefited from the relief grant.

My business has not received any form of assistance from the government. But some businesses have benefited".

Participant E had the most solemn response. This statement was drawn from an SME that was forced to close after nine years of operation:

"Not all of us were fortunate to receive the relief funds but other business did receive some intervention from the government."

Participant F had a similar experience:

"The government acted poorly for some or most of us. I did not receive any relief grant nor assistance from the government."

6.9 Perceptions of the Post-COVID-19 Pandemic Era

The first theme discussed in this section outlined the perceived negative impact of the COVID-19 pandemic on the SMEs within the tourism sector. Following this, participants were probed regarding their views of the future post this pandemic. There were mixed responses here too. Two participants, namely participants A and F, were negative about their own business moving into the post-pandemic era.

Participant A stated:

"The new normal is making it very difficult for the business to operate in a normal way".

Whilst his business had closed, participant E was moderately positive about the tourism sector as a whole moving into the future. He stated the following:

"The post pandemic might increase sales and revenue for us as people will be travelling more."

The other 70% of the participants were even more positive about the future. This is evidenced in the following response from participant G:

"The post pandemic might impact my business positively as more people will be travelling because they have been couped up in their houses for a long time. Although, a lot of work has to be done to try and recover from the months of the lockdown."

Participant B also shows an element of optimism in the following statement:

"If there is no money being generated then the business suffers. Tourism generated a lot of money and if it is crippled, those who depend on it will suffer."

6.10 Generating Other Creative Strategies and Solutions for Sustainability

The last theme identified from this study was the creative strategies introduced by the business owners to overcome the challenges they were, and in many cases are still, facing in the tourism sector due to the outbreak of the COVID-19 pandemic. As mentioned in sub-section 6.7, some participants were clear about their need to adopt a more digital approach going forward to secure market share, and customer loyalty and to ensure they adhere to COVID-19 protocols. Others decided to change their *modus operandi* and diversify their product and/or service offerings. Many of the participants shared their creative coping strategies.

Participant A shared his strong digital presence strategy in the following statement:

"Hosting digital/virtual events, ability to analyse demand and attract new customers through a new offer of service and creating online experiences, were all implemented to adapt to the new changes caused by the pandemic".

Participant B explained a similar creative approach when he said he is:

". . . having more outdoors' activities."

In a similar vein, participant I:

". . . encouraged outside leisure spots other than everyone dining in the same space."

In her young recreational business, participant J decided to:

". . . bringing in new activities that don't require physical contact."

Notwithstanding the specifics, participant D stated:

"We also had to alternate various things for the business to stay afloat".

Training and the upliftment of skills was also a common creative strategy adopted by the participants as a way of coping and addressing the challenges faced during the pandemic. These developmental initiatives are confirmed by the following verbatim statements provided below:

Participant B said:

"I had to train my employees on how to operate digital equipment that was put in place to minimise contact and to minimise cluster queues."

Participant C posited that:

"*Food handling is very important we need to train our staff on how to handle food in hygienic manner to avoid contamination and adhering to protocols. Ensuring that the regulations are adhered to so that customers can be happy with our operations".*

Participant H agreed when she said:

"We had to introduce new skills such as keeping the business operating in an orderly manner and keeping the hygiene of the business in a good state which is important due to the pandemic we're facing."

Participant G stated that training of customers may also be necessary as they often don't comply with stated regulations which can compromise the business staff and annoy other customers. He believes that businesses:

". . . also need to educate our customers."

In terms of recommendations for other SMEs in dealing with the post-COVID pandemic and/or any similar crises that may occur, the participants had some advice to offer these business owners.

Participant E stated:

"Marketing and Business management skills. We need to learn how we are going to market our business differently after this pandemic and also how we are going to manage it for successful operation".

Participant B gave some general advice regarding the skill set of the business owner. He suggested that:

"Skills that are important in order to adjust the business is mainly the ability to adapt to changes presented to us by the pandemic."

Participant F agreed with the following advice:

"Try to diversify the business."

7. DISCUSSION OF FINDINGS

The primary goal of the study was to investigate the perceived impact of COVID-19 on SMEs within the tourism sector. Based on a literature review, the researchers formulated three research questions related to the primary goal. The findings related to these three secondary objectives will now be discussed.

The first research question or secondary objective sought to determine the extent to which the COVID-19 pandemic had affected SMEs within the tourism sector. The findings from this study certainly affirm the devastating and critical impact of COVID-19 on the participants and their tourism businesses. These businesses and their staff suffered greatly during the pandemic, both financially and through job losses. The tourism sector is by its very nature a demand-driven industry (Maluleke, 2019). Without the daily activity to generate income to sustain the business, the tourism SMEs were forced to close for several months, with one participant permanently closing their operation. The findings of this study confirm the significant impact of the COVID-19 pandemic on small businesses as established through other studies (e.g., Alves et al., 2020; Bogale et al., 2020; Hoque et al., 2020; Portuguez & Gómez, 2021).

The second research question was formulated to investigate the perceived challenges faced by SMEs in the tourism sector as a result of the COVID-19 pandemic. The COVID-19 pandemic crisis is unlike any previous crisis experienced within the tourism sector (Nummela et al., 2020). Similar to the findings of Varelas and Apostolopoulos (2020), all of the business owners from this study were completely unaware of what crisis management was and what the appropriate crisis management approaches were to implement. The SMEs, overall, had not experienced a global crisis like COVID-19 before and therefore simply entered into a 'survival mode'. As Kukanja et al. (2022) highlight, this helped these SMEs secure the continuity of their businesses in the short term. But, it compounded the already enormous challenge they had to come to terms with as the severity and implications of the pandemic exploded around them. The lack of adequate financial planning and liquidity to deal with management crises is consistent with the findings of other similar studies (e.g., Cowling et al., 2020; Kottika et al., 2020; Senz, 2020). In support of the findings gained by Bartik et al. (2020), the COVID-19 pandemic had certainly shone a spotlight on the financial fragility of the tourism SME domain. As found in other studies (e.g., Komani, 2020; Kukanja et al. (2022), government funding was not perceived favourably within this study and this was deemed an unnecessary challenge for the sector to overcome.

The third research question was created to investigate the strategies implemented by these SMEs to assist them in overcoming the challenges of the COVID-19 pandemic. It is evident from the participant's responses that compliance and adapting to the 'new normal' was essential for the continual operation of the businesses. As regulations were put in place by the South African government, the SMEs within the tourism sector had to ensure their compliance with the safety of their employees and customers. The measures taken by these businesses were to assure a healthy environment. However, these also came at a high cost, when they were already struggling financially.

The strategies implemented by the participants during and post the pandemic highlight that, within the tourism sector, the business processes have forever changed. Their business practices now, out of necessity and survival, must embrace the 'new normal'. All of the businesses interviewed in this study were caught unprepared and relied solely on reactive strategies. However, in practice, effective crisis management requires a mix of both proactive and reactive approaches (Kukanja et al., 2020). In support of other studies (Chitsamatanga et al., 2021; Qiu et al., 2020; Shafi et al., 2020; Thorgren & Williams, 2020), this study found evidence of out-the-box thinking and creative solutions to problems being experienced. Not only did this help the business survive the hard lock-down periods, but these solutions and practices have now been internalised and are part of the business processes going forward.

Two of the 'inherited' pandemic strategies, carried over into the new business processes, within the tourism SME landscape are the increased use of digitalisation and the increased diversity of products and services being offered. As found in other studies (e.g., Hoque et al., 2020; Kaushal & Srivastava, 2020; Komani, 2020), digitialisation has become a permanent part of the re-engineering of most tourism SMEs' business processes. These business owners also headed the advice provided and, as found in the study by Alves et al., (2020), focused on increased market research and product/service diversification as survival strategies going forward. In line with advice provided by Malik-Nair (2020), many of these SMEs have restructured their businesses and are offering, or at least considering offering, innovative new products, and services to novel markets.

Given this increased digitalisation and diversification of offerings, as well as the initial loss of some staff, training and development has become a necessity in the sector. This is consistent with the findings of other studies (e.g., Alves et al., 2020; Chitsamatanga et al., 2021). This strategy commenced during the hard lockdown as a way of passing the time, but it now is required for the continued success of these businesses. By introducing these new strategies and skills to the business they are trying to ensure that they can continue to operate despite the COVID-19 pandemic slowing down the operations of the businesses. The SMEs were all aware of the importance of the implementation of new skills to overcome the challenges brought to the businesses due to the COVID-19 pandemic.

8. MANAGERIAL IMPLICATIONS

These findings gained from this study do contribute to the existing knowledge on tourism SMEs during the COVID-19 pandemic. They provide further insight and understanding of the perceived challenges and required strategies needed to overcome such a crisis. Whilst it is unclear whether another crisis such as this will be encountered again, the presented findings can aid in preparing the sector for this event by providing new learnings and knowledge on the topic. Accordingly, the presented findings suggest several recommendations for stakeholders.

For SMEs, we infer the following suggestions. Firstly, tourism small business owners need to focus on increasing their awareness and ability to apply crisis management techniques. Whether due to retrenchments, illness, or death, the SME tourism sector now faces the challenge of replacing the staff lost during the pandemic. Recruitment and selection as well as the training and development of these recruits will be necessary to upskill them to the required level. This will cost the sector in terms of the financial costs but also the time and effort required to do so. Within this human resource function, crisis management awareness and training are also a necessity. Appropriate recovery and resilience approaches need to be learned within the sector. As suggested by Kukanja et al. (2022), whilst it is relatively difficult to compare crises and predict what the future will hold, the tourism sector should learn from the COVID-19 pandemic experience. Through the lessons learned and knowledge gained SMEs in the tourism industry can gain skills in crisis management. These skills should include a broad range of proactive techniques, such as enhancing creativity (Thorgren & Williams, 2020), deepening customer relationship management (Portuguez & Gómez, 2021), and increasing operational efficiency and overall competitiveness (Kottika et al., 2020). Second, continuous monitoring of business liquidity is essential within a small business. Few SMEs consider saving, retaining earnings, or bolstering their cash reserves. This habitual business practice needs to become a past practice. Instead, SMEs need to become aware and be trained on the importance of precautionary savings to enhance their resilience during crises. This issue leads to the third implication, which is for governmental consideration.

Whilst governments boldly proclaimed their concern with ensuring that businesses emerged with as little damage as possible from the COVID-19 crisis, they will need to carefully look at their initiatives and funding options offered during the pandemic period. In SA, these were not well perceived nor received. Whilst some businesses applied, the majority were unsuccessful in this application for assistance. There were many unanticipated problems with accessing the funding, such as bureaucratic difficulties and complexities in establishing eligibility. It would therefore seem that a good starting point for any government would be to address SMEs' cash and liquidity crises. The government should consider offering targeted grants to SMEs who develop and implement proactive crisis management activities.

9. LIMITATIONS

The major limitations of this study are the relatively small sample and the limited geographical area in which it was performed. A third limitation is the time of the research. The data was collected towards the latter part of 2020 and therefore only provides a snapshot of the SMEs at that time of the COVID-19 pandemic.

10. FUTURE RESEARCH

The main suggestion for further research work is to extend the study to obtain an understanding of how these same, and other, tourism SMEs are currently perceiving the pandemic. The study could also be extended to other provinces in SA to establish whether there were similar experiences and by determining which crisis management theory and/or model would be most applicable to tourism SMEs in SA. Further research should assess the long-term effects of the pandemic on the tourism sector using longitudinal data.

11. CONCLUSIONS

The findings from this study confirm that the COVID-19 pandemic was perceived by South African tourism SMEs as devastating and critical. The study has highlighted that the COVID-19 pandemic certainly posed severe challenges to SMEs within the local tourism sector. These included poor liquidity, inadequate financial planning, a lack of crisis management techniques, and staffing obstacles. These SMEs were mostly caught unprepared by the pandemic, with no proactive crisis management strategies to help them deal with these challenges. The SMEs were constantly on the back foot, reactively dealing with the moves between lockdown levels. Based on the findings it is also clear that the ‘new normal’ is very certainly now part of these SMEs present. Business processes have permanently been altered as increased diversification has been embraced, as well as innovative product and service lines to new marketplaces. The upliftment of staff through training and development to upskill them on these new business processes, as well as to ensure continued compliance with pandemic protocols, are now part of the daily operations in these South African tourism SMEs. The general outlook of the business owners does bode well for a more proactive manner in dealing with future crises that may occur.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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A Social Listening Tool to Mitigate the Global Health Infodemic: A Case Study of 'EARS' in the South African Context

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ABSTRACT

Since the start of the COVID-19 pandemic, there has been a tsunami of information posted on social media about the virus, safety precautions, and treatment options. Social media users are overwhelmed by the amount of information about the pandemic and often find it difficult to distinguish between what is useful or harmful information. This phenomenon is known as a 'health infodemic'. To mitigate the effects of the health infodemic, the World Health Organisation launched the Early Artificial Intelligence-supported Response and Social Listening (EARS) tool to track information about COVID-19. EARS is classified as a social listening tool that has the capability of tracking information about the pandemic on social media. The objective of the paper is to investigate how social listening tools, such as EARS, can contribute to global health during an infodemic. The study used South Africa as the context of the study to discuss the EARS tool. Data available about the tool and on the tool is presented in this study to illustrate the importance of social listening tools. This study found that the EARS tool is important for understanding information and tracking user-generated content on social media concerning COVID-19. In this regard, this makes it easier to identify and manage infodemics that are misleading and harmful to social media users.

Keywords: Infodemic; social media; social listening; Early Artificial Intelligence-Supported Response and Social Listening (EARS) tool; South Africa.

1. INTRODUCTION

During the COVID-19 pandemic, people used social media to look for health information to make sense of their environment including how to protect themselves from the virus or the best treatment options to recover from the virus. Zarocostas (2020) posits that the COVID-19 pandemic has caused increased

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consumption of health information. In a comparative study about social media usage before and after the COVID-19 pandemic by Luo, Chen and Liao (2021), social media usage in China increased from 17.2 to 21.4 hours per week. Similarly, Li, et al. (2020) highlight that there was a sharp jump in COVID-19 search queries on social media usage during the pandemic. BusinessTech (2021) reports that according to World Wide Worx, the COVID-19 pandemic also had a profound impact on South Africans' social media behaviour. There are approximately 38.2 million people in South Africa that have access to the Internet. The increase of Internet users is mostly driven by the increase in the use of mobile devices and applications. There are an estimated 100 million mobile connections in South Africa, representing an overpenetration of 169% of the population of just under 60 million people (BusinessTech, 2021).

Social media users have been creating and consuming information about the virus at a phenomenal pace during the COVID-19 pandemic, which contributed to the infodemic. Eysenbach (2002) coined the term 'infodemiology' and defines it as the spreading of health information on the internet. While infodemiology refers to the spread of health information, Rothkopf (2003) posits that the term 'infodemic' refers to the overload of both accurate and inaccurate information about a pandemic through digital and traditional media channels. This usually results in an increase in distrust by people towards the public health system, thereby making it difficult to manage the pandemic effectively and efficiently. Simon and Camargo (2021) elaborate that the use of the term 'infodemic' has become popular and widespread in public and academic discourse, especially during the COVID-19 pandemic. During this time, infodemics generated a lot of research interest worldwide which contributed to this niche area.

Currently, social media is overflowing with health information as anyone can create content, for example, about COVID-19. Typically, such user-generated content is not verified and authenticated before being disseminated to other social media users. This, therefore, creates a challenge known as disinformation where the user distributes the false information knowing that the information is false. In contrast, misinformation is information that is false, but the person who is disseminating it believes that it is true. Lastly, misinformation is information that is based on reality but is used to inflict harm on another person, organisation, or country (Santos-D'Amorim & Fernandes de Oliveira Miranda, 2020). An increase in social media usage generally leads to misinformation, disinformation, and malinformation since social media thrives on user-generated content (Chowdhury, Khalid & Turin, 2021). Journalists apply a principle of "social-first publishing" whereby their stories are posted directly to social media to meet audience demand in real-time, limiting their ability to properly interrogate facts. This allows misinformation to flourish as social media users are more likely to share sensationalist stories and are far less likely to properly assess sources or facts (UNESCO, 2018).

The World Health Organisation (WHO) has likened an "infodemic to a disease that spreads and circulates in the form of misleading information" (Elhadad, Li, & Gebali, 2020, p. 202). To increase the validity, credibility, and correctness of shared information on social media, the WHO has approached popular search engines and social media platforms to display the official WHO issued reports and statements as the first hit on any search that is related to COVID-19 (Shu & Shieber, 2020). Seddighi and Salmani (2020) also found that due to the interactive nature of Twitter, rumours, and misrepresentation can be questioned by users immediately and counteracted by re-publishing the correct or formal content. Online fact-checking sites also publish information daily about disinformation stories. The most prevalent categories of fake news include false preventions and cures, false claims about the nature of COVID-19, false diagnostic procedures, false origin stories, and false emergency measures (Huang & Carley, 2020).

Besides fact-checking, there are other means of fighting an infodemic, such as social listening. Social listening is gathering insights into what people's opinions are regarding a certain topic (Stewart & Arnold, 2018). Lutkevich and Hildreth (2022) concur that social listening entails identifying and assessing conversation trends about a company, individual, product, or brand on the internet. Picone, et al. (2020) highlight how social listening can be used particularly for COVID-19 and their study found that social media platforms such as Facebook and Reddit can be used as real-world data sources for gathering patient experiences.

The aim of the paper is to investigate how social listening tools, such as the EARS tool, can contribute to health information management during an infodemic. Therefore, the research objectives of this paper are, (1) to find out how the EARS tool contributes to monitoring health information about the COVID-19 pandemic and (2) to identify ways to mitigate an infodemic challenge in the South African context . The rest of the paper will discuss how infodemics influence global health and how artificial intelligence tools can help manage health information systems. This is followed by the methodology and results of the study after which the article concludes with the most important findings.

2. INFODEMICS' THREAT TO GLOBAL HEALTH

Cinelli, et al. (2020) indicate that the diffusion of information on social media is dependent on how people create, seek or avoid information according to their predisposed worldviews. Social media is defined as web-based computer-aided technologies that allow users to create content (Kaplan & Haenlein, 2012). The global nature of COVID-19 has also introduced a geographical problem as locally produced misinformation can be spread globally with a click of a button. This means that misinformation from an apparently credible source, such as a news agency in one country, has the potential to undermine the health authorities in another country (Huang & Carley, 2020). Even before the COVID-19 pandemic, Vosoughi, Roy and Aral (2018) postulate that the spread of false news is faster, deeper, and broader than accurate news.

The infodemic phenomenon is amplified because social media allows health information to be produced and shared faster than scientific evidence, which tends to be more rigorous in nature. This mismatch leads to an information overload on the social media platform, which is neither accurate nor true (Porat et al., 2020). During the COVID-19 pandemic, there was often a lack of transparent, actionable, credible, and inclusive information from trustworthy sources, leading to misinformation about COVID-19, unproven preventive measures, and the anti-vaccination movement (Park, et al., 2020).

The challenge with infodemics is that the information that is disseminated is often not authenticated and can be distributed by conspiracy theorists. Olatunji, et al. (2020) studied how infodemics are marred with conspiracy theories that may worsen a pandemic and the results indicated that the Nigerian society viewed COVID-19 infection as “an exaggeration by the government and media,” and as a “Chinese biological weapon.” In support of this view is a study by Gagliardone et al. (2021) which highlights that there is a risk of conspiracies in infodemics originating from social networking sites.

To highlight how infodemics are influential to societal behaviours in general, Arcos and Wilhelm (2021) state that people usually make decisions based on the information they are exposed to and are consuming, for example, on social media channels. Arcos and Wilhelm (2021) further elaborate that due to the reliance on social media for information, individual decision-making is therefore influenced by one's perceptions and assessments concerning the reliability and credibility of information sources. This highlights the importance of the need to manage infodemics.

3. ARTIFICIAL INTELLIGENCE (AI) FOR HEALTH INFORMATION MANAGEMENT

Infodemics become a threat to global health as this can negatively influence behaviours that people must uphold to end a pandemic, for example in the case of the COVID-19 pandemic. To limit the threat of infodemics to global health, fact-checking of information disseminated online is therefore imperative. However, due to the overflow of information on digital media, Picone et al. (2020) reiterate that it has become cumbersome to manually track health information on social media, hence AI usage is highly welcome. Cinelli et al. (2020) are of the view that information spreading on social media influences people’s behaviour and this results in altered effectiveness of strategic health plans and countermeasures deployed by governments.

Supporting the use of technology for health information management is Tsao et al. (2022), who indicate that machine learning can be used to understand public attitudes and sentiments on social media platforms. Usually, artificial intelligence (AI) in the form of High-Performance Computing (HPC) is used. The use of AI promises to improve health information and there have been advances in this area. For example, preceding studies such as Cilliers (2020) and Bhuyan et al. (2017) have outlined the use of mobile health (m-health) or electronic health (ehealth) applications for accurate health information provision and management of access to trusted health information sources. This is because m-health or e-health allows for personalised information and usually the sender of the information is a trusted source – which minimalises the risk of misinformation, disinformation and malinformation. With the increase of COVID-19 pandemic health information, especially on social media, it has become imperative to monitor and track what people are talking about. Due to the large volumes of information, using AI can easily identify and pinpoint threats to health information or opportunities to educate about health issues. There are many social listening tools that can be used to gather insights from digital communication channels.

4. EARLY AI-SUPPORTED RESPONSE AND SOCIAL LISTENING (EARS)

The early AI-supported response and social listening (EARS) tool is an initiative by the World Health Organisation (WHO) to combat the COVID-19 infodemic. According to the World Health Organisation (2022), the EARS tool is an artificial intelligence-supported social listening tool intended to assist health authorities in quickly identifying rising narratives and "information voids" that interfere with people getting the information they need to make good health choices. Purnat, et al. (2021) reiterate that the EARS tool summarises real-time information and online COVID-19 conversations. During pandemics information ages quickly, therefore, real-time, current, and up-to-date information is a necessity.

The purpose of this initiative, according to the World Health Organisation (2022, p. 1), is "listening to people's questions and concerns is an important way for health authorities to learn about what matters to communities in response to COVID-19. This social listening platform aims to show real-time information about how people are talking about COVID-19 online, so we can better manage as the infodemic and pandemic evolve." In Purnat, et al.'s (2021) view, the integration of social listening and various data sources can improve infodemic response.

In addition, the EARS tool provides readily available data for various uses by interested stakeholders. The EARS tool tracks weekly aggregates of publicly available social and news media, web analytics, and online search data to identify and understand online infodemic-related conversation patterns (World Health Organisation, 2022). This data is then used as an indicator of misinformation and disinformation diffusion which health authorities can use to identify risks caused by the COVID-19 infodemic. While beneficial for health professionals, McGowan (2022) suggests that the EARS tool can also be beneficial to librarians as they can use social listening tools such as TweetDeck, Feedly, and Hootsuite to inform the design of adaptive services, plan programs, and improve community engagement.

Besides being informative to various stakeholders, the EARS tool conducts visual network analyses to understand the ecosystems where misinformation can thrive (World Health Organisation, 2022). The overall aim is to assist health authorities globally, hence according to the World Health Organisation (2022), the EARS tool has established the use of a repository of about 200 active COVID-19 fact-checking groups whose sole purpose is to verify COVID-19 related narratives in more than 40 languages.

The main aim of the EARS project is to ensure infodemic management. The World Health Organisation (2021a) states that "infodemic management aims to ensure that people have the right information at the right time in the right format so that they are informed and empowered to adopt behavioural changes during epidemics to protect their health and the health of their loved ones and communities." With the help of such social listening tool, society can benefit by staying abreast with conversational trends about COVID-19.

Whilst the EARS tool is beneficial, McGowan (2022) however highlights that one of the limitations of the EARS tool is that it focuses only on 30 countries. An increase in the number of countries would ensure that there is an adequate representation of countries and tracking of various COVID-19 health information trends. Furthermore, McGowan (2022) queries the ethical implications when dealing with which information to present on the EARS tool from vast social media sources.

5. RESEARCH METHODOLOGY

In this study, a descriptive quantitative methodology was used. Descriptive quantitative studies describe the research variables (Bryman, 2016), which in this case are the conversation trends on the World Health Organisation's EARS website. In addition, Du Plooy (2009) also posits that quantitative research is objective and focuses on quantifying research results. For this study, the researchers make use of quantified data from the World Health Organisation's EARS tool website which can be accessed at https://www.who-ears.com/#/.

The purposive sampling technique was used since the researchers only required data from South Africa and particular conversation trends which are closely aligned to infodemics and misinformation. Purposive sampling in Creswell's (2014) view is a non-probability sampling type that selects units that suit the purpose of the research. Creswell (2014) further explains that non-probability sampling may be used when a researcher aims to describe rather than generalise the results. In this regard, this study sought to give a descriptive analysis of data presented on the EARS tool.

Data collection is the process of collecting and analysing data from selected data samples (Creswell, 2014). The researchers collected data from the EARS tool website. The EARS tool only provides data in 7-day or 30-day cycles, for the current cycle, the latter cycle was used starting from 25 April 2022 to 24 May 2022. Five broad categories of COVID-19 conversation trends were selected for tracking, namely the cause; the illness; the treatment; the interventions; and the types of information. In the next section, these categories will be discussed an analysed, supported by the use of graphs that were presented on the WHO website. Lastly, in this study, the data analysis and presentation entailed quantitative descriptive analysis of data.

6. RESULTS AND DISCUSSION

The EARS tool provides data for COVID-19 online conversations in 30 pilot countries. At the time of writing this article, 78,329,485 posts had been analysed since 15 December 2020. In addition, 41 COVID-19 categories were tracked in 9 different languages. World Health Organisation (2021b) indicates that the EARS social listening tool is free of charge to access Citibeats-powered AI. This study however focuses on the data from South Africa only.

The purpose of the EARS tool is to allow researchers or public health managers to track and quantify what people are saying on social media and other digital platforms across the world. These broad conversation categories include the cause, the illness, the treatment, the interventions, and the types of information. Under these broad categories are sub-categories that detail specific trending conversation themes. These findings are discussed in the following sub-headings.

6.1 The Cause (25 April – 24 May 2022)

The cause category has three sub-categories namely *stigma around the spread of the virus, the cause of the virus, and stigma about or by infected people*. The findings indicate that the proportion rate of stigma around the spread has decreased by 0.1% although the volume of conversation had risen by 1.1% during the 1-month study period.

During the past month, the National Government of South Africa had announced that the National State of Disaster had come to an end on 4 April 2022 and that going forward, the National Health Act would continue to monitor and manage the pandemic in South Africa (Ramaphosa, 2022). An explanation for the increase in conversation volume could be that people questioned if they were less likely to contract the virus than 2 years before and if so, would the symptoms be more 'flu-like' and easier to manage at home. Of course, conspiracy theorists postulated that this was always the case, and that COVID-19 is no more than the seasonal flu. This is supported by the next two categories which showed no increase in the proportion rate of the cause of the virus or stigma about or by infected people, but an increase in the volume for both categories. As COVID-19 is now better understood, most people have been infected and vaccine rates have improved in South Africa, the stigma about or by infected people has not been increasing although the volume of conversation, in line with the first category has increased slightly. However, the cause of COVID-19 has remained a mystery even though a WHO task team visited China early in 2022 to ascertain if the virus originated from a market or laboratory. Below is Fig. 1 showing these categories.

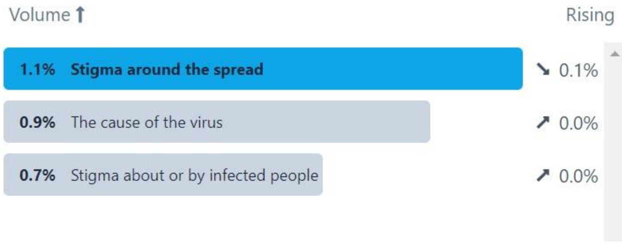

Fig. 1. The cause sub-categories
(Source: World Health Organisation EARS, 2022)

The EARS tool also allows for drilling down in a specific category. In Fig. 2, the category chosen was the stigma around the spread of the virus, which illustrates the conversation rate per day. This makes it easier for scientists to determine what the impact of specific events or news stories are on social media. In return, public health officials can keep track of these events and prepare a response to these events if they pose a threat to the accuracy of health information on social media. This category is significant as it shows the prevalence of misinformation and disinformation concerning the spread of the virus, hence the importance of monitoring infodemics on social media.

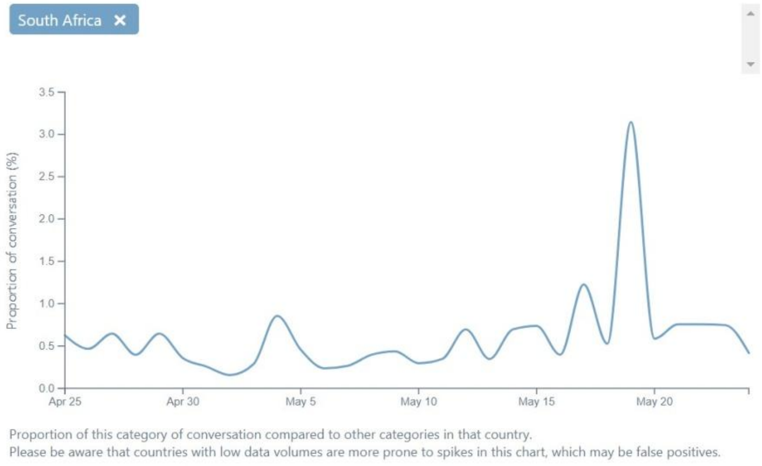

Fig. 2. Stigma around the spread trend
(Source: World Health Organisation EARS, 2022)

6.2 The Illness (25 April – 24 May 2022)

In this category, the researchers found that the highest volume was amongst the transmission settings (5.3%), COVID-19 variants (2.7%), demographic vulnerability and risks (2.5%), modes of transmission (2.3%), and impact on mental health (2.0%) sub-categories. While the volume of conversation is increasing, the proportion is generally on the decrease for the top five sub-categories and this can be attributed to the South African government's announcement about the end of state disaster, vaccination of the public, and general public knowledge about the COVID-19 virus.

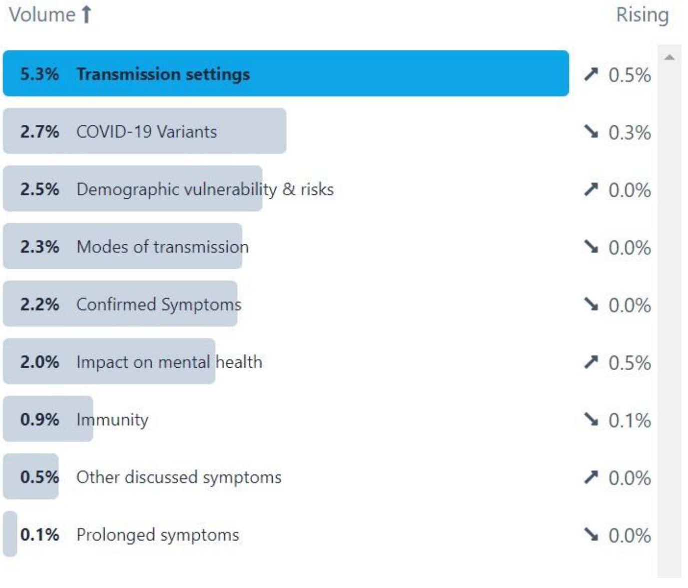

Fig. 3. The illness sub-categories
(Source: World Health Organisation EARS, 2022)

There are two categories with an increase in proportion rate. The first category is transmission setting which increased by 0.5% that can be attributed to the end of the state of disaster and increasingly relaxed rules for social distancing while the second category, impact on mental health, indicates a shift amongst social media users from the initial response to COVID-19 to the impact the virus has had on their long-term wellbeing. These are important indicators for public health officials that their message should also change from primary prevention to the sometimes unintended consequences of the pandemic and how best to deal with these from a public health resource perspective.

In Fig. 4, the transmission settings trend has the highest peak of 2.0% proportion of conversation in early May 2022 which correspond to the initial media reports of the fifth COVID-19 wave. The trend has decreased and continues to do so. Such a decrease can be attributed to the public's understanding of how COVID-19 is transmitted and how transmission can be avoided or controlled. In addition, the general decline in COVID-19 transmission rates during the 5th wave in South Africa could be a cause for less alarm, therefore impacting the conversation rate on this topic.

While there is evidence of a general decline in the conversation about the transmission settings, this study, however, highlights that COVID-19 transmission conversations on social media need to be paid attention to, particularly since a lot of misinformation and disinformation may emanate from this topic. In previous studies, researchers such as Olatunji, et al. (2020) found out that there are many conspiracy theories among social media users concerning the transmission of the COVID-19 virus. In this regard, it is imperative to monitor the discourse about the transmission of the virus.

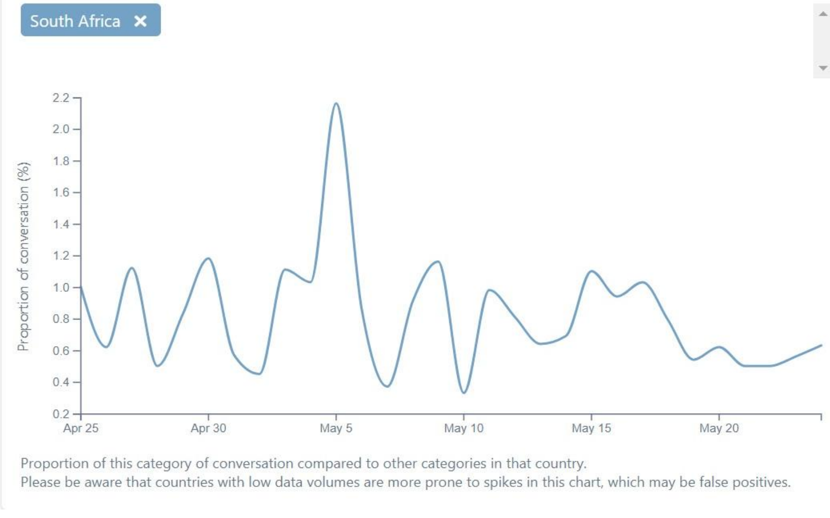

Fig. 4. Transmission settings trend
(Source: World Health Organisation EARS, 2022)

6.3 The Treatment (25 April – 24 May 2022)

One of the findings is that the treatment category has seven sub-categories. The highest trending in volume proportion is the COVID-19 vaccine (16.1% and rising at 1.2%), current treatments (3.1% and decreasing at 0.1%), general vaccine discussion (1.8% and rising at 0.1%), science and R&D (1.6% and rising at 0.1%) and the fifth-highest is health care workers and vaccine (1.4% and decreasing at 0.5%). The treatment and vaccine categories are closely linked to misinformation since conversations on social media entail how COVID-19 can be treated and contributions to this topic can be misleading and harmful if they are not credible and authentic.

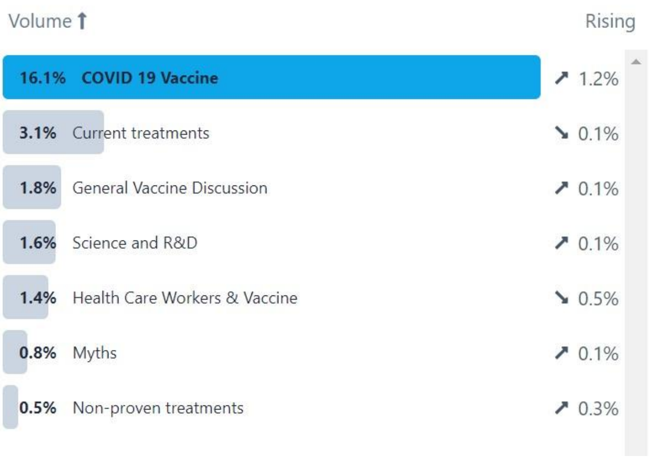

Fig. 5. The treatment sub-categories
(Source: World Health Organisation EARS, 2022)

In Fig. 6 below, a detailed view of the COVID-19 vaccine sub-category is shown. While it is rising at 1.2% as indicated above, the proportion of conversation was at the highest on 21 May 2022. The latest data indicate this sub-category is slowly decreasing. This can be attributed to the decrease in people requiring a vaccine since more than 36 million vaccines administered have been recorded in South Africa as of 31 May 2022 (COVID-19 Portal, 2022).

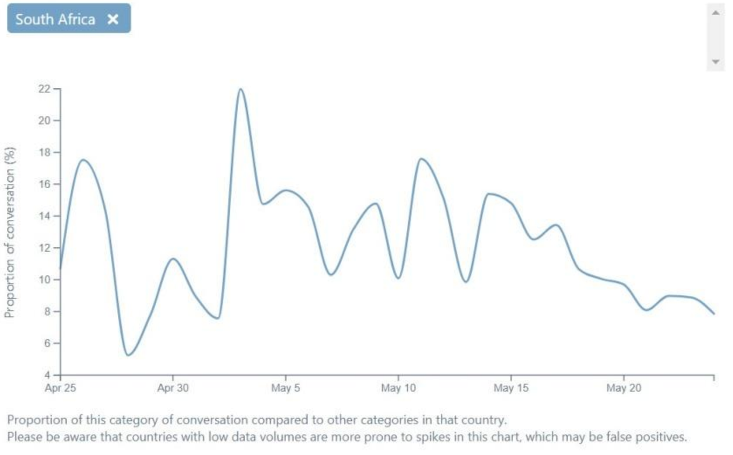

Fig. 6. COVID-19 vaccine trend
(Source: World Health Organisation EARS, 2022)

This COVID-19 vaccine trend shown in Fig. 6 is highly discussed as seen in the proportion of conversation and this calls for closer monitoring of this trend as it can lead to misinformation and disinformation of people about the vaccine. When such misinformation occurs, it may lead people not to take the vaccine, which is detrimental to efforts of eradicating the COVID-19 virus.

6.4 The Interventions (25 April – 24 May 2022)

The interventions category has five high volume sub-categories namely industry and economic impact (18.2%), travel measures (4.4%), supportive care (4.1%), reduction of domestic movement (3.7%), and faith (3.1%). In this category, the industry and economic impact sub-category is rising at 1.7% and generally, the other high-volume sub-categories are decreasing as shown in Fig. 7 below. This could be attributed to people focusing on resuming full operations and reviving and running their businesses as there is now a move to the long-term effects of COVID-19 as could be seen in previous categories

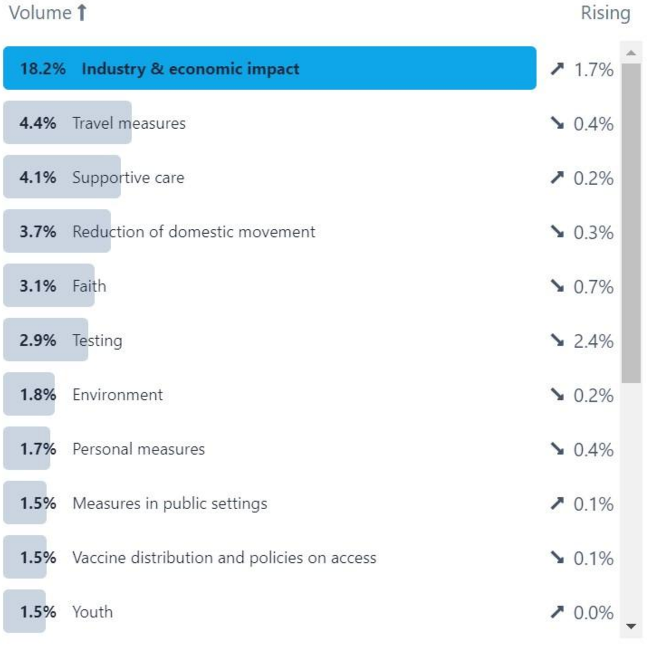

Fig. 7. The interventions sub-categories
(Source: World Health Organisation EARS (2022)

In Fig. 8, the industry and economic trend is presented in graph format. In this graph, it is visible that there is a high volume of conversation about how COVID-19 impacted businesses and the economy in general. The general outlook is that the trend's proportion fluctuates, and this can be caused by different government interventions or announcements about COVID-19 which may affect business activities.

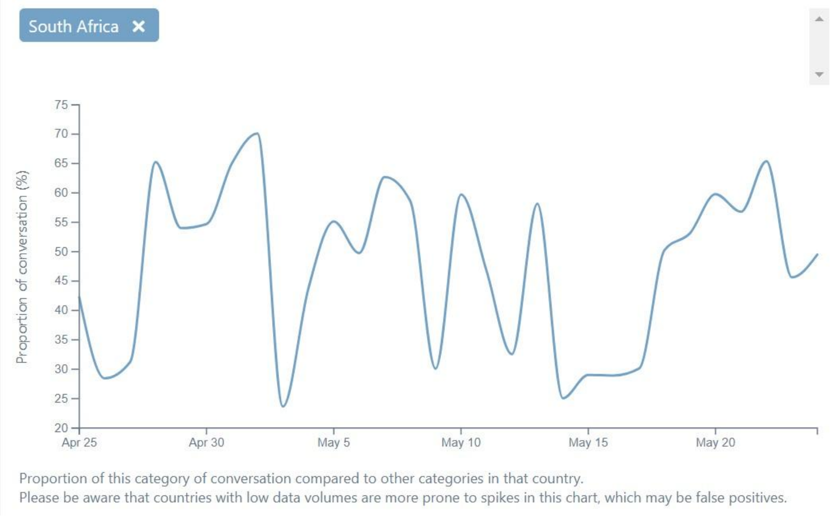

Fig. 8. Industry & economic trend
(Source: World Health Organisation EARS, 2022)

The industry and economic trend can also harbour misinformation and disinformation which can cause panic in how people conduct their business ventures. For example, when COVID-19 struck, people started panic-buying due to the influence of misinformation or disinformation, and this negatively affected the supply chain and businesses in general. In this light, misinformation and disinformation can occur in any of the categories and sub-categories being monitored by the EARS tool, therefore the need for close attention always.

6.5 Types of Information (25 April – 24 May 2022)

The last category that the researchers identified was the types of information. In this category, there are only three sub-categories which are statistics and data (2.2% and rising at 0.5%), mis- and disinformation (1.8% and rising at 0.1%), and sources and influencers (1.6% and rising at 0.3%). It is important to note that all the sub-categories under the types of information category are rising both in volume and in conversation proportion. This is because the information is crucial to South African society and can therefore shape how COVID-19 is perceived.

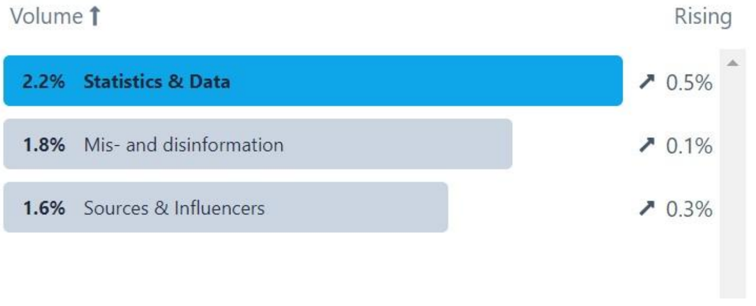

Fig. 9. Types of information sub-categories
(Source: World Health Organisation EARS, 2022)

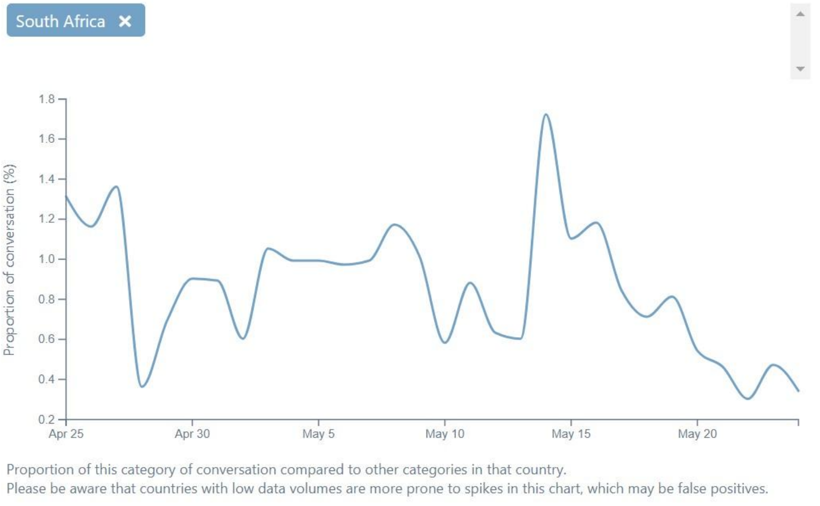

Fig. 10. Statistics & data trend
(Source: World Health Organisation EARS, 2022)

As seen in Fig. 10, the statistics and data conversation trend are fluctuating with peaks of 3.8% and lows of 1.1%. It is vital to note that to curb misinformation and disinformation, there is a need to monitor how statistics and data are included in the COVID-19 conversation. Statistics and data play a crucial role in ensuring the credibility of information sources. The statistics and data trend is supposed to disarm misinformation and disinformation, however, this trend may be manipulated by conspiracy theorists hence the need to closely monitor what social media users share on social media.

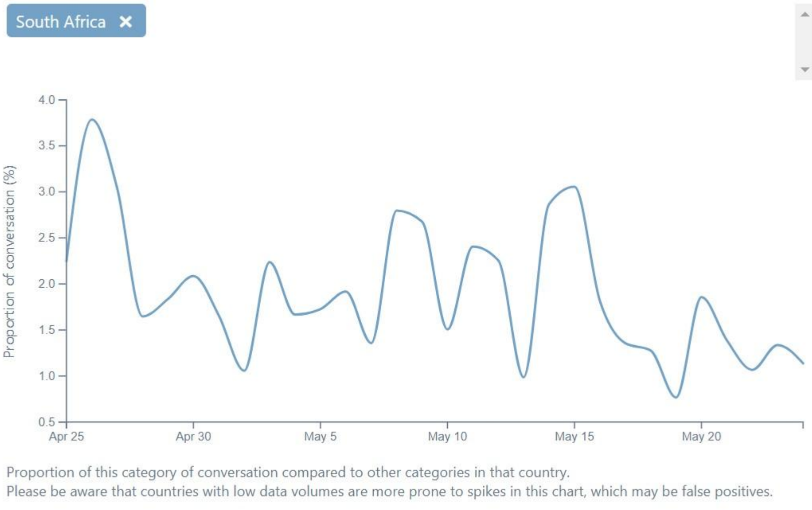

Fig. 11. Mis- and disinformation trend
(Source: World Health Organisation EARS, 2022)

Crucially important to this study is the mis- and disinformation trend highlighted in Fig. 11. The data revealed that conversation about mis- and disinformation was increasing in South Africa at a rate of 0.1%. The researchers discovered that the highest proportion was 3.5% on 26 April 2022, while the lowest was 1.4% on 24 May 2022. While it seems as if there is a decline in misinformation and disinformation, it is, however, crucial to keep a close guard on this trend. However, it is also important to note that in the previous 30 days, the misinformation and disinformation trend has been fluctuating. This could be coincidental with the alertness towards the 5th wave and the discovery of the new Omicron XE which was discovered in the United Kingdom. This fluctuation raises concern for a constant need to monitor the occurrences of misinformation on social media.

7. IMPLICATIONS FOR SOUTH AFRICA

In the previous section, the findings indicated how the COVID-19 discourse proportions are in South Africa. With many South Africans having access to social media, amplified COVID-19 infodemics have been recorded. The numerous narratives picked up by the EARS tool affect the nation's efforts to curb the COVID-19 infodemic. The findings also indicated that the cause, the illness, the treatment, the interventions, and the types of information categories which are tracked by the EARS tool directly address misinformation and fake news thereby highlighting the need to regulate health information sharing on social media platforms. Not only does this affect the health sector's policymaking but also the economic and business entities. It is in this light that this study points out the implications that an infodemic can have on South Africa's pandemic management.

Infodemics can be controlled to avoid negative implications. A study by Eysenbach (2020) indicates that an infodemic can be fought through, "(1) information monitoring (infoveillance); (2) building eHealth Literacy and science literacy capacity; (3) encouraging knowledge refinement and quality improvement processes such as fact checking and peer-review; and (4) accurate and timely knowledge translation, minimizing distorting factors such as political or commercial influences." In South Africa, the implementation of these strategies needs to be improved to better manage infodemics.

In addition, Offer-Westort, Rosenzweig and Athey, (2021) state that Sub-Saharan Africa can make use of policies to battle the coronavirus infodemic among social media users, especially in Nigeria and Kenya which have a high number of social media users. Drawing from this study, South Africa has a growing number of social media users and can resolve the COVID-19 infodemic by implementing the suggested resolutions outlined below.

7.1 Need for a Social Media Listening Tool

It is irrefutable that the EARS tool is beneficial for tracking and understanding the COVID-19 infodemic. From the tool interested stakeholders can track very early and gather insights into societal perceptions. Considering that South Africa has 11 official languages, it is therefore imperative for South Africa to make use of its own social media listening tool. This will allow for a contextualised and better tracking of narratives concerning the COVID-19 infodemic. A preceding study by Sommariva, et al. (2021), has also recommended the use of social listening tools to effectively disarm infodemics before they influence general social perceptions. It can be a good advantage to design and create a South African social media listening tool. With reference to the mis- and disinformation trend shown in Fig. 11, the conversation rate is quite high, therefore the higher the need for South Africa to have its own social media listening tool.

A social listening tool is not only needed at the national level. Businesses can also have their social listening tools that are contextualised to their products and services. This will make it faster for businesses to identify sentiments from their target audiences about their products and services so that mitigative measures such as strength, weaknesses, opportunities, and threats (SWOT) analyses can be applied before negative effects occur.

7.2 Need for Social Media Regulation in South Africa

Apart from the above-mentioned, it is also necessary for social media platforms to regulate themselves, especially concerning content creation and sharing. When social media platforms have their regulations about usage, this will protect social media users from consuming misleading infodemics. With the increased access to smartphones and social media, there is a growing debate about social media regulation in South Africa. The Protection of Personal Information Act (POPIA) is one of the social media regulations that the South African government introduced to curb misinformation, disinformation and malinformation that could be harmful to social media users (POPIA, 2022). According to Mushwana and Bezuidenhout (2014) not only should social media regulation be applicable to social media users, but to organisations as well. To achieve this, organisations can regulate the use of social media through implementation of social media policies. Currently, in South Africa, the following regulation was gazetted, "all Internet sites operating within .zaDNA top level domain name must have a landing page with a visible link to www.sacoronavirus.co.za." (BusinessTech, 2020). This regulation is aimed at making the government's trusted information source to be visible and accessible to many online users. In addition, major social media platforms such as Facebook also regulate sharing of links thereby intensifying the efforts to curb misinformation. The need for social media regulation in South Africa is seen in the findings of this study, which show the probability of misinformation and disinformation in the five categories which were tracked by the EARS tool.

In their study, Luo, Chen and Liao (2021) posit the need for self-regulation in the use of social media. This highlights that societies cannot rely on the governments only for the regulation of social media, but also on themselves. In the same vein, the South African business community can adopt this and self-regulate. Noting from the findings, the discussion trends for the industry and economic impact caused by COVID-19 were high, meaning that businesses have to practice and promote social media regulation.

7.3 Need for Use of Trusted Sources on Social Media

The use of trusted sources on social media is imperative. Social media allows for the sharing of links (Kaplan & Haenlein, 2012, Arcos & Wilhelm, 2021). This entails the use of links and or backlinks to external content that is posted on social media and thereby making the credibility of information highly vulnerable or credible. Including links to trusted sources not only thwarts misinformation but can reinforce social media regulation and therefore improve the credibility of social media content. This imperative can therefore be implemented as self-regulation by social media platforms, social media users, and content creators such as businesses to ensure that trusted and credible sources are used on social media to avoid misinformation.

The need for using trusted sources in South Africa's social media platforms or any media is highlighted through the findings of this study, especially in the types of information category where there is a high conversation proportion of the statistics and data trend shown in Fig. 10. This is a cause for concern as statistics and data can be used to fuel misinformation and disinformation.

8. CONCLUSION

This study acknowledges the use of the World Health Organisations' EARS tool for better management of the COVID-19 infodemic. The use of social listening technology can benefit not only the public health stakeholders but business and economic stakeholders who depend on the perceptions and attitudes of the societies in which they operate. The data indicate that there is generally a decrease in the proportion of conversational topics, especially when people now understand more about COVID-19 and the South African government announced the end of the national state of disaster. Economically for businesses, this implied the highly anticipated return to normalcy in business operations. However, this research's limitations could be the use of the EARS tool as the only source of data. Considering that the EARS tool is run on a global scale, there might be the omission of vital information in other languages. In addition, the EARS tool provides already quantified and processed data which gives researchers no access to raw data collected from online platforms. Future studies can conduct comparative studies using actual data from social media platforms in their countries and compare it to the EARS data.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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APPENDIX

Appendix A: Data source. World Health Organisation EARS. (2022).

Available:https://www.who-ears.com/#/

Chapter 5
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Accounting Students' Perceptions of E-Learning during the COVID-19 Pandemic

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ABSTRACT

E-learning became the norm for thousands of university students in South Africa during the Covid-19 pandemic. E-learning provided opportunities to access learning material and flexible learning when students could not access classrooms. However, at traditional universities in South Africa, e-learning prior to the pandemic was limited at best, with no opportunity to provide training to lecturers on how to incorporate the technology into their teaching pedagogy once the pandemic started. This paper aims to determine the student perceptions of having to adapt to online learning in the Department of Accounting at a traditional university. A quantitative survey was used to collect data from 48 senior Accounting students during a semester course in 2019. The survey was based on the TPACK framework. The results showed that respondents indicated that their lecturers integrated digital tools in teaching and learning because social distancing and working from home demanded such practices. Overall, the students' perceptions of e-learning were favourable, supported by their perceptions of their lecturers' technology skills, teaching strategies, and content knowledge.

Keywords: E-learning; accounting; COVID-19; TPACK framework.

1. INTRODUCTION

Coronavirus disease (COVID-19) was declared a pandemic on 11 March 2020 by the World Health Organisation (WHO, 2020). In South Africa, the first case of Covid-19 was recorded on 5 March 2020, and a national state of disaster was announced on 15 March 2020 by the South African president, Mr. Cyril Ramaphosa. President Ramaphosa further placed South Africa under national lockdown from 26 March 2020 up to 30 April 2020, after which gradual, phased easing of lockdown restrictions began. The National Coronavirus Command Council announced that there would be five alert levels during the national state of disaster. Level 5 comprises the most stringent restrictions within the risk strategy, with level 1 comprising the least stringent restrictions (National Institute for Communicable Diseases, 2020).

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Minister of Higher Education, Science, and Technology, Mr. Blade Nzimande, announced that all South African Universities would close on 18 March 2020 (Dell, 2020). All South African Universities were required to put plans in place for remote multimodal teaching and learning in order for students to continue with their learning activities which meant that education delivery methods needed to be changed in a very short time. Many contact University programs have had to adapt their teaching and learning pedagogies to online, technology-driven delivery methods. E-learning relates to 'the use of electronic media for various learning purposes that range from add-on functions in conventional classrooms to full substitution for the face-to-face meetings by online encounters' (Guri-Rosenblit, 2005). E-learning was popular prior to Covid-19 due to the increase in access and use of the Internet and the increasing popularity of mobile applications to improve access to learning opportunities (Aljawarneh, 2020). E-learning is intended to provide learning flexibility as students can access learning material at any time. E-Learning tools assist the student to self-regulate their study process, discovering knowledge at their own pace, and increase their ability to handle application-type problems, as can be found in accounting (Akugizibwe & Ahn, 2020). Some students raised concerns that the move to e-learning would prevent students in rural areas from continuing their studies due to data and connectivity problems. To assist these students, the Department of Higher Education provided mobile data and laptops through university grants to students to access learning material during the lockdown period. The University of Fort Hare made 12 000 laptops and modems, and data available to students for online learning during the 2020 academic year (Ngqakamba, 2020). However, little thought was given to how to move the teaching and assessment activities at the university online, change lecturers teaching pedagogy, and students' experience during this time of online learning. This paper aims to determine Accounting students' perceptions on having to adapt to online learning during the Covid-19 pandemic at a traditional university. The rest of the paper is outlined as follows: the next section provides the literature review, followed by the methodology, results, and discussion.

2. LITERATURE REVIEW

The use of technology has resulted in a change in the learning environments due to computer-based training, web-based training, or mobile learning (Hamidi & Chavoshi, 2018). As a result of Covid-19, educational institutions have been forced to expedite their development of online education methods and resources through e-learning (Guri-Rosenblit, 2005). There is limited research on e-learning within the accounting education sector (Grabinski et al., 2020). It has been argued in some research studies that e-learning is most suited to social sciences and humanities rather than fields such as mathematics, medical services, and chemistry (McCabe, Smith & Ferreri, 2017). Grabinski et al. (2020) state that accounting requires methodical work and systematic studies. Therefore, moving from a traditional delivery method of teaching to online e-learning will require some out-of-the-box thinking for lecturers.

However, many academics within traditional universities have not previously engaged in e-learning. They, therefore, do not fully understand how to use this form of teaching or change the learning pedagogy to accommodate e-learning (Grabinski et al., 2020). The development of online e-learning material relatively quickly can pose several disadvantages and risks. Academics that have not previously developed e-learning material often perceive the development and delivery of e-learning as more complex and challenging than it is in practice (Grabinski et al., 2020). In addition, the anxiety experienced by an academic can be increased by using unfamiliar software. Some of the most common disadvantages of e-learning identified are the lack of personal interaction between lecturers and students and a lack of interaction between colleagues (Kumar, 2018). Belaya (2018) summarised the disadvantages of e-learning as follows: learners must have a high degree of self-discipline, time management, and concentration; the learning environment must be conducive to learning, this includes the lack of equipment and connectivity problems; not all study modules are appropriate to be taught with online platforms and lecturers may have challenges in defining assessment criteria.

The transition from a traditional lecturer environment to online learning platforms may be problematic, especially in accounting, where a accounting-based curriculum is taught online (Yaniawati et al., 2020). Many lecturers do not have the technical skills to maximize available technology to create a conducive learning environment (Hidayat, 2020). In developing e-learning within a program, lecturers must plan adequately, design, and implement their e-learning initiatives to conduct successful e-learning (Al-Juda, 2017). The barriers identified by students in the study conducted by Ssekakubo et al. (2011) include poor internet access by users; a knowledge gap between the three e-learning stakeholders, namely the students, lecturers, and the institution, and the majority of students in developing countries have not been exposed to many ICT solutions. Using ICT solutions, this trend created a high ICT illiteracy rate and low comfort levels, which indirectly leads to low comfort levels and low acceptance by students of e-learning.

2.1 The TPACK Framework

The attitude and perception of students toward the use of technology in their courses are essential (Aryadoust, Mehran, and Alizadeh, 2016). Studies investigating student cognition of technology-supported learning can provide feedback for reflection on learning initiatives (Chuang *et al.*, 2018). Technological Pedagogical Content Knowledge (TPACK) was identified as the framework to investigate the perceptions of e-learning in this study. TPACK can be used as a construct in both development and research projects and helps understand the integration of technology in teaching and learning.

Mishra and Koehler (2006) developed the TPACK framework as a by-product of studying teachers at all different levels with design experiments to see how their classrooms operated. The most significant change recorded during the experiments was the use of technology in the classroom. Mishra and Koehler (2006) introduced the TPACK model that includes seven types of knowledge related to integrated practices: technological knowledge (TK), pedagogical knowledge (PK), content knowledge (CK), pedagogical content knowledge (PCK), technological pedagogical knowledge (TPK), technological content knowledge (TCK), and technological pedagogical content knowledge (TPACK).

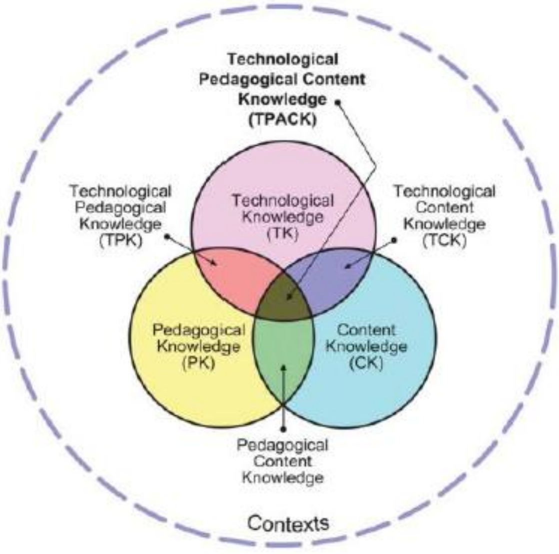

Fig. 1. The TPACK framework (Koehler & Mishra, 2008)

The seven main components of TPACK can be defined by (Koehler & Mishra, 2008) as follows:

- TK: the component associated with teachers' knowledge of utilizing technological tools.
- PK: the component associated with teachers' knowledge of teaching strategies.
- CK: the component associated with teachers' knowledge of utilizing technology in instructional practices.
- TPK: the component associated with teachers' knowledge of utilizing technology in instructional practices.
- TCK: the component associated with teachers' knowledge of presenting the subject content via technology.
- PCK is the component associated with teachers' knowledge of employing optimal teaching strategies to present the intended subject content.
- TPACK: the component associated with teachers' knowledge of fostering students learning of a specific content via optimal technology pedagogy.

TPACK has been selected as the framework for this study due to the benefits associated with the framework. The cost-effectiveness and ability to assess many students relatively quickly was considered an advantage (Graham, 2011). TPACK was further selected as it is considered to be one of the most employed instruments in a variety of subject matter areas in education (Graham *et al.*, 2009).

3. METHODOLOGY

The methodology made use of a positivism paradigm with a quantitative approach. A cross-sectional survey was used as the primary data collection method. The survey was developed by using the Technological Pedagogical Content Knowledge (TPACK) model, which has been widely validated in teaching and learning scholarly literature (Mishra & Koehler, 2008; Graham, 2011). McGraw-Hill (2019) reports that the TPACK Mode defines teacher knowledge, which in this instance, encompasses both knowledge of general pedagogical principles and skills and the knowledge of the subject matter to be taught. Lectures for accounting modules are by nature, experts in the field of accounting, therefore, that knowledge should be clearly explained in the TPACK model. This study adopted a previously used TPACK questionnaire that had been tested and proven to be effective. The objective was to align this study with past studies with the goal of obtaining closely related results. A pilot study was conducted to ascertain the plausibility, validity and usability of the research instrument. In order to ensure that the research instrument was user-friendly, reliable, two academics were identified to pre-test it and the responses indicated that the instrument could be used for the current study. Section A of the questionnaire focused on the demographic characteristics of gender, age range, and Information Technology skills. Section B focused on the TPACK variables, namely technological, pedagogical, content, technical, pedagogical knowledge, technological content, pedagogical content, technological pedagogical content, and technological integration and application. Respondents were expected to choose an option that best represented their opinions using a five (5) point Type Likert Scale (1=strongly disagree; 2=disagree; 3=neither agree nor disagree; 4=agree and 5=strongly agree). The study obtained ethical clearance from the University Ethics Clearance Committee (CIL0001).

For the TK construct, a total of five (5) themes were asked, while four (4) themes were designed for the PK construct. For the CK construct, five (5) themes were asked, while five (5) themes were applicable to the TPK construct, with four (4) themes for the TCK. There were five (5) themes for the PCK, seven (7) themes for the TPCK and seven (7) themes for the TIA construct respectively resulting in 43 themes that were measured in this study.

The survey was distributed electronically to 111 postgraduate students in the Department of Accounting. The study was conducted during the second semester of 2020 at a traditional university where teaching activities were moved online due to the Covid-19 pandemic. These students were taught in a face-to-face classroom before the pandemic and were then introduced to e-learning strategies post the Covid-19 pandemic by the department. Thus, they were in a good position to reflect on their participation in the new teaching pedagogy. The data was analysed by using SPSS V25 and presented using descriptive and inferential statistics, specifically the Wilcoxon Signed-Rank Test. The results are presented in the next section.

4. RESULTS

As pointed above, a total of 43 themes were asked for all the eight TPACK constructs. An average of five questions were asked for each construct. As discussed in the preceding section, the specific themes/questions for each question delineate how many questions were posed. Two open-ended questions were posed to elicit participants' views regarding the issue at hand. Forty-eight (48) responses were usable in the study, representing a response rate of 43,2%. Of the 48 respondents, 23 were males, and 25 were females. Thus, both genders were well-represented in the study. Within the eight TPACK constructs, respondents were given the opportunity to choose options that represented their opinions regarding students' perceptions of e-learning during COVID-19 pandemic. In each of the construct, there were negative and positive statements that helped to fulfil the research aim (See attached Questionnaire, Appendix A).

Respondents had to report their perception of their own IT skills, which are paramount to e-learning. Just more than half of the respondents (52%) indicated they considered their IT skill level as average, while 15% indicated their IT skill as above average.

The Wilcoxon Signed-Rank test was used to analyse the data. The test static (1176.000) was calculated by a statistical test which describes how far the data was observed from the null hypothesis of no relationship between TPACK variables. The relationships or absence of such relationships among the elements of the TPACK model are explained in a subsequent section in this paper. The observed results from the TPACK model show statistical relationships of the TPACK constructs. The observations could not be discussed in isolation because past studies have proven that the TPACK components are related or work as a synergy to produce the framework.

The attitude and perception of students toward the use of technology in their courses are essential (Aryadoust, Mehran, and Alizadeh, 2016). Studies investigating student cognition of technology-supported learning can provide feedback for reflection on learning initiatives (Chuang *et al.*, 2018). The standard error (97.269) measures the accuracy with which the sample was distributed (representing the population using standard deviation). The standard test statistic was calculated to be 6.045. Using the Sign (2 tailed) approach, the α-value <0.05 means that the association between variables was statistically significant. These results were consistent throughout the eight TPACK components. Therefore, Table 1 below summarises the overall results in line with the Wilcoxon Signed Rank tests.

Table 1. One-sample wilcoxon signed rank test summary

Total N	48
Test Statistic	1176.000
Standard Error	97.269
Standardized Test Statistic	6.045
Asymptotic Sig (2-sided test)	.000

Using the eight components/variables of the TPACK framework, the authors conducted the exact measurements and calculated the correlations between their different sets of results. The eight items are shown in Table 2, whose means and standard deviation vary. The mean (29.1667) and std dev. (3.46000) for Technology Integration Application (TIA) is the highest. Technology Integration and Application (TIA) comprises Technological Knowledge (TK), Technological Content Knowledge (TCK), Technological Pedagogical Knowledge (TPK), Pedagogical Knowledge (PK), and Technological Pedagogical Content Knowledge (TPCK). This means that data were spread out, and there was a lot of variance in the observed data around the mean, (Babbie 2017). That is, the standard deviation is larger when data values are spread out from the mean, exhibiting more variation. The μ' (represents the population mean) for TCK is 16.1875 with an std. dev.(σ) 2.34889 demonstrate that the observed data were not spread out but close to the mean. There were little variances in the observed data around the mean.

Table 2. Item statistics

	Mean	**Std. Deviation**	**N**
Technological Knowledge	20.5625	2.78985	48
Pedagogical Knowledge	20.0625	3.15828	48
Content Knowledge	21.9375	2.61262	48
Technological Pedagogical Knowledge	21.4792	2.54316	48
Technological Content Knowledge	16.1875	2.34889	48
Pedagogical Content Knowledge	19.6458	3.03518	48
Technological Pedagogical Content Knowledge	27.8958	3.52039	48
Technology Integration Application	29.1667	3.46000	48

The illustration in Table 3 shows Cronbach's Alpha scores of .850 and .859, which are acceptable levels of reliability. Therefore, the results were reliable and valid.

Table 3. Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.859	8

Table 4 below provides a quick and straightforward description of the data collected for the eight variables. The mean of 22.117 and variance of 18.776 for the eight items show that data was evenly spread away from the mean. In addition, the data shown in Table 4 describes the size, center, spread, shape, and spread of data distribution but does not compare data from different groups. The difference between the lowest and highest values for the eight variables was 12.979, the spread of data from the lowest to the highest value.

Table 4. Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	22.117	16.188	29.167	12.979	1.802	18.776	8

Table 5 below summarises the total item scores for all eight variables. The mean scores for the variables are between 147,7708 to 160,7500, which indicates good discrimination. The item-total correlation of all eight variables is above 0.4, which indicates very good discrimination. In addition, the squared multiple correlation scores are also above 0.4- very good discrimination. All variables have more than 0.9 Cronbach's Alpha reliability coefficient scores. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale.

Table 5. Item-total statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TK	156.3750	291.856	.769	.669	.917
PK	156.8750	280.197	.783	.715	.916
CK	155.0000	295.277	.789	.714	.916
TPK	155.4583	299.317	.763	.649	.918
TCK	160.7500	310.787	.684	.509	.924
PCK	157.2917	296.254	.646	.519	.927
TPCK	149.0417	265.785	.826	.724	.913
TIA	147.7708	268.393	.817	.783	.914

5. DISCUSSION

This paper aims to determine the student perceptions of having to adapt to online learning in the Department of Accounting at a traditional university. The measurements carried on the eight TPACK components illustrated different datasets (See Table 2 above). The mean scores and std deviation vary considerably so. When data values are spread out, this denotes more variation. Chuang et al (2018) state that when the deviation is small. Some data was clustered away from the mean for TIA, TK, TCK, TPK, PK and TPCK while data was tightly clustered around the mean for TCK. The standard deviation summarised the differences of each observation from the mean. The TPACK framework was used to investigate the various aspects of e-learning from the student's perceptions. Each of these aspects is discussed below.

5.1 Technological Knowledge (TK)

Respondents were asked to choose options that best described their opinions using a 5-point Type Likert Scale. All respondents indicated that their lecturers used different digital tools and had adequate knowledge to use them. In addition, the study revealed that lecturers knew how to deal with technical problems related to software, cloud computing, and other social networking platforms such as Facebook and WhatsApp. This view is supported by Graham (2011) and Kurt (2019), who state that TK is mainly concerned about available digital tools which were well-known and appropriate for the classroom.

5.2 Pedagogical Knowledge (PK)

As put forward by Mishra and Koehler (2006), teachers are expected to adopt and implement instructional strategies to meet students' needs and the requirements of the lesson plan. All respondents expressed that lecturers used a variety of teaching strategies, evaluation methods, and techniques and understood students' learning difficulties and performance. Koehler and Mishra (2008) state that teaching is a complicated practice, and as such, respondents admitted that it required the interweaving of many kinds of specialised knowledge and strategies. Teachers practice their craft in highly complex, dynamic classroom contexts that require them to shift and evolve their understanding constantly.

5.3 Content Knowledge (CK)

Respondents revealed that lecturers possessed sufficient content knowledge of the subjects they taught. It is possible that some teachers might not be well-versed with the content of the subject because of limited knowledge or experience in the area. McGraw-Hill (2019) and Kurt (2019) concur that the teacher should be knowledgeable about the content before becoming an expert in the subject, as it then becomes easy to relate content to real-life settings. For example, content about information security would require one to know what it is, how it happens, its effects, and give examples. Respondents also indicated that their lecturers developed the learning material (content) for the subjects taught; thus, it became easier to relate the content with real-life examples.

5.4 Technological Pedagogical Knowledge (TPK)

Respondents indicated that they understood how to use their digital tools as a vehicle for the learning outcomes and the experiences they wanted. Challenges are associated with teaching with technology (Koehler & Mishra, 2008). Given the emergence of the global COVID-19 pandemic, many institutions of higher learning have moved over to online learning management systems to preserve the academic project. This COVID-19 era has accelerated the pace of technology adoption (World Health Organisation [WHO], 2020). Therefore, teachers have been exposed to several digital tools to impart knowledge to students, including Google Classroom, Blackboard Collaborate, Moodle, Prezi, and Udemy.

5.5 Technological Content Knowledge (TCK)

In this era of COVID-19, lecturers interact with their students through online teaching and learning platforms such as Blackboard Collaborate, Zoom, Google Meet, or Microsoft Teams. Respondents indicated that their lecturers digitised all learning and teaching material shared online. For example, taxation, auditing, financial management, and financial accounting were readily available as digital content. They knew how best their students learn and the appropriate strategies used.

5.6 Pedagogical Content Knowledge (PCK)

Modules might have different content, but the delivery of that content requires appropriate practices so that the learner can understand and apply to practice what is taught. With rapid technological advancements, the Internet is proving to be a source of information where locally-oriented content creators share material directly with their audiences. However, there is no quality assurance in the information found on the Internet (World Economic Forum, 2020). Respondents indicated that lecturers used online videos, voice-over PowerPoint, quizzes, games, group activities (case groups), and interactive discussions to ensure everyone participated.

5.7 Technological Pedagogical Content Knowledge (TPACK)

Respondents indicated that lecturers presented content using appropriate strategies, technologies, and techniques (tutorials, quizzes, and mock online tests). In addition, lecturers were deemed engaging, approachable, and accessible online. The responses are supported by Smidt, Baran, Thompson, Mishra, Koehler, and Shin (2009). They state that teachers/lecturers have to possess the required knowledge to integrate technology into their teaching in any content area. TPCK comprises CK, PK, and TK as fundamental components of knowledge to teach content using appropriate pedagogical methods and technologies.

5.8 Technology Integration and Application (TIA)

Respondents indicated that their lecturers integrated digital tools in teaching and learning because social distancing and working from home demanded such practices. The study also revealed that technology resources such as computers, mobile devices-smartphones and tablets, social media platforms and networks, the Internet, and software applications were used daily in online classroom practices. These views were supported by Smidt et al. (2009), Kurt (2019), and McGraw-Hill (2019) that some institutions of higher learning were driving towards a virtual classroom environment. Yaniawati et al. (2020) state that there has been a transition from traditional classroom practices to online practices.

From the illustration in Table 5 above, all the variables confirm students' perceptions as positive towards their lecturer's use of technology for learning and teaching in the Accounting module. The emergence of the COVID-19 has been a game-changer in higher education institutions, thus, forcing universities to transition from the traditional face-to-face classroom to an online learning management system. Yaniawati et al. (2020) confirm that this transition is problematic, including data costs, poor internet connectivity, and a lack of ICT skills for lecturers and students. Hidayat (2020) states that a lack of skills can contribute to resentment or resistance to change. In developing e-learning within a program, lecturers must plan adequately, design, and implement their e-learning initiatives to conduct successful e-learning (Al-Juda, 2017). Many students and staff members did not understand online learning management systems, thus creating some negativity towards their ability to meet stakeholders' expectations and needs. Bordoloi, Das, and Das (2020) state that it is essential for management at universities to acknowledge their weaknesses and discuss existing challenges hindering the provisioning of modernised online education in developing countries. This approach will diffuse the negativity toward lecturers' use of technology in an online learning environment.

Technology readiness is a critical component determining people or a firm's propensity to embrace technology to accomplish goals (Raman, 2019). To successfully implement a technological innovation, an institution must be ready to cater to all the requirements demanded by the innovation. Infrastructure, support structures, training, etcetera are some things that should be put in place to support the successful integration of technology in education (Raman, 2019). In the ever-expanding global village, developments in the field of ICTs have witnessed a significant rise in their influence and use in the education discipline (Tubagus & Muslim, 2020).

6. CONCLUSION

The study affirmed that students' perceptions of the use of technology in the classroom are positive. While the transition to e-learning was unexpected and unplanned, the challenges brought about by transitioning to a new teaching pedagogy were overcome by technological savvy staff and students that worked together to overcome the perceived challenges. The findings from this study revealed that TPACK is an ideal framework for measuring attitudes and perceptions among accounting students as the framework is comprehensive enough to support the various challenges that technology-orientated learning faces in the classroom.

This study was confronted with methodological limitations in that the study sample was small and only focused on one cohort of accounting students. The authors recommend that a similar study be conducted with larger sample size and students from various degrees and universities for future research. Furthermore, the study recommends establishing a proactive approach toward technology readiness adoption at universities.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 6
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Workplace Bullying and Psychological Well-being: The Mediating Role of Perceived Social Support at a Selected Government Department

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ABSTRACT

Orientation: The well-being of an employee is severely affected when that employee is continuously exposed to stressful environments such as a bullying environment. When employees feel that they are not receiving the protection and support they perceive they are supposed to be getting they often resign from their positions. The failure to provide an environment that is free from bullying behaviour will result in an organisation incurring heavy financial loses. It is essential for an organisation to be able to control such behaviour thus create a conducive environment that does not affect employee's self-esteem and self-confidence.

Research Purpose: This study seeks to examine the negative effects of workplace bullying as a stressor on employees' psychological wellbeing and how the availability of social support can reduce the negative effects of bullying.

Motivation for the Study: Bullying in the workplace has been recognised as an international problem due to its increasing magnitude and the harmful consequences on individuals and organisations.

Research Approach, Design and Method: The study used the quantitative approach to test the hypothesis, a sample of 276 employees at the Department of Education were used.

Main Findings: The study findings provide evidence that workplace bullying is a stressor that impacts the psychological wellbeing of individuals which can be buffered by the existence of social support.

Practical/Managerial Implications: The current study results suggested that perceived social support mediates the relationship between workplace bullying and psychological wellbeing. As indicated earlier on that workplace bullying seem to be prevalent in the department of education though to a small extent it can be recommended that the department put in place various initiatives that increase employees' perceptions of being supported. Promoting an environment that allow

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employees to accept one another, being involved and that promote transparency is key in making employees feel at home and can contribute towards combating workplace bullying. Involving employees and showing great concern for their welfare contributes significantly towards increasing their perception of receiving social support. Through accepting one another, it will be rare for employees to subject one another towards such a negative act. Such initiatives create a favourable working environment where workplace bullying is less prevalent.
Contributions/Value-add: Significant relationships were found to exist on all these tested study hypotheses leading to the rejection of all study null hypothesis. The study main hypothesis was tested and the study can conclude that the relationship between workplace bullying and psychological well-being is mediated by perceived social support.

Keywords: Workplace bullying; psychological well-being; perceived social support.

1. INTRODUCTION

Workplace bullying is an organisational phenomenon that has garnered research attention in the field of industrial psychology internationally and nationally (Hauge, Skogstad & Einarsen, 2016; Winefield, Saebel & Winefield, 2015; Momberg, 2015; Cunniff & Mostert, 2014). The level of the occurrence of workplace bullying in public departments is reaching alarming rates (Nahum-Shani & Bamberger, 2017). Workplace bullying has been found to affect any sector in a country (Pietersen, 2017). There is consensus in literature that workplace bullying is a common phenomenon occurring in most organisations (Zapf, Einarsen, Hoel & Vartia, 2016; Uchino, 2016; Brotheridge & Lee, 2018).

In South Africa, higher rates of workplace bullying have been reported in the public sector (Dinsdale, 2016; Pietersen, 2017) and approximately 77.8% of South Africans had experienced workplace bullying. Steinman, (2014) reported that employees in South Africa are experiencing workplace bullying especially females. Demographic factors such as age, gender and race are found to be playing a role in stimulating workplace bullying in the workplace (Pietersen, 2017). According to De Wet and Jacobs (2013) most teachers are being exposed to workplace bullying making the teaching environment hostile. Similarly, Fahie and Devine (2016) found workplace bullying to be prevalent among primary school teachers in South Africa.

This phenomenon has extensive problems at different levels, which is employee and organisational level (Giga, Hoel & Lewis, 2018). At individual level anxiety, insomnia, depression and suicides are the negative consequences of workplace bullying (Hogh, Mikkelsen & Hasen, 2014). At the organisational level, several costs such as voluntary turnover and replacement, absenteeism, decreased motivation, decreased productivity and decreased employee performance are the negative consequences of workplace bullying (Hoel, Sheehan, Cooper & Einarsen, 2017).

Performance and service delivery have been poor and deteriorating in public departments (Abrey & Smallwood, 2014). According to a report by the Department of Labour there was 9.1% increase in the number of sick leave days taken by employees in the public sector due to psychological health related issues between 2012 and 2013 (Department of Labour, DoL 2014). Absenteeism due to sickness has been high and frequent from lower ranking employees who are perceived as experiencing high levels of mistreatment and bullying (Ndhlovu, 2017).

The health and wellbeing of employees is affected when employees are exposed to prolonged bullying in the workplace (Aquino & Thau, 2019). Bullying is a stressor and the act of bullying deteriorates one's self-worth thus causing stress which has a negative impact on the employee's well-being. Einarsen et al. (2014) argued that there is sufficient evidence indicating that bullying is a powerful psychosocial hazard in the workplace with substantial negative implications for individuals. The well-being of an employee is severely affected when that employee is continuously exposed to stressful environments such as a bullying environment.

It is difficult to reduce stress in the workplace but it is believed that its effects can be buffered or moderated (Nahun – Shani & Bamberger, 2017). An environment that is perceived to be supportive to the employees is deemed to be helpful in buffering the negative effects of workplace bullying on an individual (Uchino, 2014). More stress, anxiety and deteriorating health and employee wellbeing are the effects of bullying in the workplace which can be buffered or reduced if one perceives the organisation, his/her peers or supervisors as being supportive socially (Duru, 2017). A supportive social environment boosts one's self-esteem and thus might be helpful in minimising the effects of workplace bullying.

According to Karasek and Theorell (2016), social support refers to "the overall levels of helpful social interaction available on the job from both co-workers and supervisors" (p. 69). Social support is defined as the process of interaction in relationships which improve coping, esteem, belonging, and competence through actual or perceived exchanges of physical or psychological resources (Nahun – Shani & Bamberger, 2011). Emotional, esteem, network, information and tangible support are the different forms of support offered to employees.

It is against this background that the empirical study was conducted to determine if the deteriorating wellbeing of employees can be attributed to their exposure to workplace bullying in the industry. Employee wellbeing was studied as a possible consequence of workplace bullying. Previous studies have put more attention on the job-related consequences of workplace bullying. The focus of the empirical study was to explore psychological and physiological well-being as possible effects of workplace bullying on an individual employee and if having a supportive working environment is likely to reduce the impact of workplace bullying on well-being.

The types of bullying that were measured in the study are actions associated with work-related bullying, person-related bullying and physical intimidation. In the study, work-related bullying is viewed as negative acts that can deter productivity and work performance such as unreasonable deadlines or impractical workloads, extreme inspection of assignments, or allocation of insignificant tasks or given no responsibilities (Einarsen et al., 2009). Person-related bullying behaviour entails negative behaviour such as making offensive comments, excessive bantering, spreading gossip or rumours, incessant disapproval, playing practical jokes and psychological threats (Einarsen & Hoel, 2009). Physical intimidation in this study is seen as the invasion of one's personal space, threats of violence, physical abuse or mistreatment (Einarsen et al., 2011).

1.1 Statement of the Problem

Workplace bullying if not managed, is associated with negative job related and health related problems that have negative consequences on an organisation. Health related problems such as anxiety, insomnia, social isolation and depression are encountered by employees when they are exposed to negative acts such as workplace bullying (Högh, Henriksson & Burr, 2005; Winefield et al., 2010; Nahum-Shani & Bamberger, 2011). Job related problems such as organisational productivity and performance is affected when one is not well as a result of mistreatment in the workplace (McCormick, Casimir, Dyurkovic & Yang, 2006). Therefore, this study seeks to investigate whether workplace bullying is associated with psychological and physiological well-being in government departments and whether this association is mediated by perceived social support.

1.2 Research Objectives

The main objectives of this study are:

- To examine the negative effects of workplace bullying as a stressor on employees' psychological wellbeing
- To determine how the availability of social support can reduce the negative effects of workplace bullying.
- To provide results that may help improve the physiological and psychological well-being of teachers in South Africa

1.3 Theoretical Background

Affective Events Theory (AET) has been used in research. It is a psychological model designed to explain the connection between emotions and feelings in the workplace and job performance, and job satisfaction. The theory states that there is a relationship between the employees' internal influences such as emotions and their reactions to incidents that happen during their workday that affect their performance, job commitment, and long-term job satisfaction (Widyatama & Ade, 2015). According to this theory the affective, emotional and mental state of an individual is from how ones assess the experiences from the surrounding environment (Ashton-James & Ashkanasy, 2018).

The foundations of the theory are based on the belief that human beings are emotional and emotions guide their behaviour (Weiss & Cropanzano, 1996). Affective events cause emotional reactions of individuals which in turn determine individuals' behaviour and attitudes. A positive affective event produces positive emotional responses such as happiness while a negative affective event creates a negative emotional response. The more employees in the public sector are exposed to the negative effect of workplace bullying the more they will encounter more negative affective emotions, which may eventually affect their psychological well-being.

The exposure to workplace bullying in the public sector can lead to employees failing to meet the three basic needs thus resulting in deteriorating employee well-being. However, a supportive working environment is likely to promote need satisfaction and optimal well-being. The more the employees are exposed to workplace bullying, the more dissatisfied they will be, hence poor employee wellbeing. The more supportive the environment is, the more likely the employee psychological well-being despite the presence of workplace bullying.

2. LITERATURE REVIEW

Workplace bullying is the emotional abuse and mistreatment of an employee by another employee or by superiors and can include the setting of high expectations by superiors (Bernotaite & Malinauskiene, 2017). According to Johnson (2019) bullying includes behaviours that can be either directly or indirectly displayed towards an individual. Direct bullying includes behaviours such as intimidation, criticism, public humiliation which are behaviours that occur at a face to face and interpersonal level (Einarsen et al., 2014). Indirect bullying are behaviours such as gossiping, spreading rumours, intentionally excluding the targeted person and such behaviours tend to affect the targeted individual emotional level (Johnson, 2019).

Bullying behaviour in the workplace can be displayed by the supervisor or a colleague of the victim (Tehrani, 2016). The structure in an organisation is determined by the interplay between colleagues and supervisors in the organisation. Organisational levels or hierarchical levels within an organisation are given structure by colleagues and supervisors and this range from top management level to the lowest level which is unskilled workers (Department of Labour, 2010). The power plays that exist within these relationships determine the direction of bullying. Organisations that have poor organisational structures are more susceptible to workplace bullying directed towards subordinates by supervisors (Hoel, Glasø, Hetland, Cooper and Einarsen, 2018). Such organisations make use of leadership and management styles such as authoritarian leadership styles and impose things on subordinates.

Recent studies have also indicated that the greatest amount of bullying in workplaces is as a result of fellow colleagues or employees (Owoyemi & Sheehan, 2017). Ortega, Høgh, Pejtersen, and Olsen, (2016) reported that supervisors may not be the main culprits of workplace bullying but co-workers comprise the most aggressors in the workplace. Co-workers are characterised with acts of sarcasm, rudeness, practical jokes and humiliation which can negatively affect another fellow employee (Tehrani, 2016). According to Lewis, Sheehan and Davies (2018) fellow employees contribute to workplace bullying more than supervisors as they engage in behaviours such as isolating fellow employees and gossiping. It is thus evident that in the workplace bullying can be direct or indirect and can come from either an employee's supervisor or fellow colleague.

Impaired psychological well-being and low self-esteem have been reported as the consequence of workplace bullying (Notelaeres, Baillien, De Witte, Einersen & Vermunt, 2015). Anxiety and fear increases on people who are victims of bulling and there is lowered belief in their professional competence and lowered self-efficacy (Einarsen & Nielsen, 2009). Momberg (2017) further reported that bullying affects self-esteem, results in fatigue and burnout and stress when the bulling behaviour is occurring and for a considerable time after the behaviour has occurred. According to Rugulies et al., (2016) workplace bullying is associated with depressive disorder and stress disorder. Such disorders have negative consequences on an individual mental health and sometimes lead to suicide (Rugulies et al., 2016). Workplace bullying also have physiological effects on an individual such as sleep disorders (Hogh, Mikkelsen & Hansen, 2015). Chronic heart diseases and coronary heart diseases have been reported as developing when individuals are exposed to bulling behaviour (Nielsen, Hetland, Mathhiesen & Einersen, 2014; Notelaeres et al., 2016).

Literature provides that employees' self-esteem and self-confidence is affected by bullying behaviours and apart from that they suffer emotionally and physically (Murray-Harvey, Skrzypiec & Slee, 2012). The severe physical and physiological implications highlighted above in turn have serious organisational outcomes or consequences. Employee job satisfaction is affected when employees are exposed to bullying and this in turn increases their intentions to leave an organisation (Markovits, Davis & Van Dick, 2017). This is further supported by Frenking (2016) who revealed that many employees quit their jobs due to workplace bullying behaviour from their fellow work colleagues and supervisors. Working relationships are affected when an individual is continuously bullied by either a supervisor or fellow work colleague as aggressive interactions are created thus leading to dissatisfaction and the thought of leaving the organisation and not deal with such kind of interactions (Nielsen & Einersen, 2016). When employees feel that they are not being protected against bullying their intentions to quit are increased and they eventually leave an organisation.

When employees feel that they are not receiving the protection and support they perceive they are supposed to be getting they often resign from their positions. Absenteeism increases among victims of bullying in the organisation because of physical and mental illness (Nielsen, Tangen, Idsoe, Matthiesen & Mageroy, 2015). This affects the viability of certain business functions as employees are continuously absent and the organisation pays employees while they are home (Hoel & Cooper, 2013). Organisational commitment, engagement and motivation is adversely affected when employees feel management is doing nothing or has done nothing to protect them enough against workplace bullying either from supervisors or other peer employees (Balducci, Allfano & Fraccaroli, 2016). Having employees who are committed towards achieving organisational goals is critical for organisational success thus the need to protect employees against bullying behaviour.

The productivity and competitiveness of an organisation is adversely affected due to lower job satisfaction, motivation, engagement, commitment and the increased absenteeism by bullying victims (Kimberly, 2014). Performance and productivity in the organisation is affected negatively due to increased absenteeism and turnover which results from lower job satisfaction and work motivation resulting from continued exposure to bullying behaviour (Einarsen, Hoel, Zapf, & Cooper, 2016). Bullying victims have feelings of inadequacy and they are continuously criticised and they often put less effort to their work thus affecting productivity (Deniz & Gulen-Ertosun, 2014). Production time is also lost as a result of increased absenteeism and turnover. Production time and financial implications are also encountered by an organisation due to increased legal battles that might occur between the organisation and employees who feel the organisation didn’t do enough to protect them from bullying behaviour (MacIntosh & Doherty, 2016). Also with increased voluntary turnover costs are incurred die to the continuous process of recruiting new employees to fill in for those that have left.

From the list of the effects of bullying it can be noted that both an individual employee and the organisation suffer from bullying in the long term. Employees suffer emotionally and physiologically. While at the other side an organisation is affected as a bullying culture is dangerous for the organization's success. Employees are reluctant to join and remain in an organisation where there is a culture of bullying and no effort is being made to rectify such behaviours. Performance and productivity is affected thus competitiveness and organisational success is negatively affected. The failure to provide an environment that is free from bullying behaviour will result in an organisation incurring heavy financial loses. It is essential for an organisation to be able to control such behaviour thus create a conducive environment that does not affect employee’s self-esteem and self-confidence.

3. RESEARCH DESIGN

3.1 Research Approach

The research paradigm informing the empirical study is the positivist philosophy. The methods employed in the empirical study results in quantifiable measurements that lead to statistical analysis. Objective interpretation of the statistically analysed data was done thus justifying the need to use the positivist paradigm as the philosophy informing the empirical study (Quinlan (2011).

Positivist paradigm depends on quantifiable observations or measurements that lead to statistical analysis (Johnson & Gill, 2010). A quantitative methodology was used while conducting the proposed study. This approach is appropriate for the proposed study as the proposed study focuses on testing the predictive or cause effect type of hypothesis (Creswell, 2014). A questionnaire was utilised as the research instrument allowing the researchers the ability to reach a large number of respondents as used in previous research. Simple random sampling technique was adopted in this study. A sampling frame which was a complete list of all the employees was obtained from the management of the department. Using a table of random numbers participants were randomly drawn from the sampling frame.

3.2 Research Strategy

Part I: General information

This section included all general instructions which accompany the questionnaire with regard to the completion. The participants were requested to read the instructions carefully and to answer all the questions as accurately as possible.

Part II: Biographical information

The second section dealt with the participant’s biographical details. It was developed in order to gain biographical data, such as the gender of the participant, age, employment status and length of employment in the organisation.

3.3 Workplace Bullying Scale

Workplace bullying was measured in section B using the revised version of the Negative Acts Questionnaire-Revised (NAQ) which consisted of 22 items and was developed by Einarsen, Hoel, and Notelaers (2009). Einarsen, (2009) reported an internal consistency reliability of 0.81 for the scale and participants were asked to score their responses on a five point likert scale ranging from “strongly disagree” (1) to “strongly agree” (5).

3.4 Psychological Well-Being Scale

Psychological well-being was measured in section C with the Flourishing Scale (FS) developed by Diener, Wirtz, Tov, Kim-Prieto, Choi and Biswas-Diener, (2010) that consisted of eight items describing aspects of human functioning. This scale has a reliability coefficient of 0.83 (Diener et al., 2010). Responses were scored using a 5-point Likert-type scale ranging from “strongly disagree (1) to “strongly agree” (5).

3.5 Perceived Social Support

Perceived social support was measured in section D with Imbault-Jean's (2004) adapted version of Karasek's (1988) concept of social support. The coefficient alpha for the 4-item measure was reported to be 0.75. Responses were scored using a 5-point Likert-type scale ranging from "strongly disagree (1) to "strongly agree" (5). The higher the total score, the stronger was the perceived social support received.

Employees were informed of their rights and that participating in the study was voluntary; ethical consent was shown through signing an ethical agreement form. The researcher also applied for institutional permission to conduct the study and an ethical clearance certificate granted as an outcome of this process.

3.6 Reliability Test

Reliability:

The researcher adhered to the issues of reliability and validity, particularly when collecting, analysing and interpreting the data (Creswell, 2014). The Cronbach's alpha coefficient was used to test for internal consistency (Pallant, 2011). Generally, the Cronbach's alpha coefficients for the constructs used in this scale were above the recommended threshold of 0.70 as deemed an acceptable reliability coefficient (Nunnally, 1978).

Data analysis:

Below are the results for the internal consistency of the main data collection instruments. Cronbach's alpha coefficient was used to test for the reliability of the research instrument. Table 1 below presents Cronbach's alpha coefficients which were obtained for the respective scales.

Table 1. Cronbach alpha for the measuring instruments

Instruments	Cronbach alpha	Number of items
Negative Acts Questionnaire (NAQ)	0.81	22
Flourishing Scale (FS)	0.83	8
Imbault-Jean's (2004) adapted version of Karasek's (1988) concept of social support	0.75	4

The Cronbach alpha for the Negative Acts Questionnaire (NAQ) (measuring workplace bullying) was 0.81; while that for Flourishing Scale (FS) was o.83 and for the perceived social support was 0.75, that for job engagement 0.98. As all these coefficients exceeded 0.70, the scales can be considered to have an acceptable degree of internal consistency.

Hypothesis:

Hypothesis 1: Workplace bullying and psychological wellbeing hypothesis

$H1_0$: There is no significant relationship between workplace bullying and psychological wellbeing.

$H1_1$: There is a significant relationship between workplace bullying and psychological wellbeing.

Workplace bullying was modelled as an independent variable on psychological wellbeing in order to determine if a statistically significant linear relationship exists between these two variables. Table 2 shows the simple linear regression model summary and overall fit statistics. The resultant model revealed a significant fit (F = 182.292; p = 0.000). In this model, workplace bullying explained a significantly small amount of the variation in the dependent variable (R^2 = 0.419, R^2 Adjusted = 0.416). The Durbin-Watson d = 1.940, is between the two critical values of 1.5 < d < 2.5 and therefore we can assume that there is no first order linear auto-correlation in our linear regression data.

Table 2. Simple linear regression model fit summary for workplace bullying on psychological wellbeing

Source	df	Sum of Squares	Mean Square	F Value	Pr>F
Regression	1	31.889	31.889	182.292	0.000*
Residual	253	44.258	0.175		
Total	254	76.147			
Model Summary					
R^2 (Adjusted R^2)			0.419(0.416)		
Durbin-Watson Test - Test for auto-correlation			1.940		

** Significant fit. Note: Independent variables: Constant, Workplace bullying; Dependent variable: Psychological Wellbeing*

Table 3. Parameter estimates for the workplace bullying and psychological wellbeing model

Parameter	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	**Std Error**	**B**		
Constant	5.588	0.126		44.386	0.000*
Workplace Bullying	-.876	0.065	-.647	-13.502	0.000*

** Significant fit. Note: Independent variables: Constant, Workplace Bullying; Dependent variable: Psychological Wellbeing*

The parameter estimates in Table 3 reveal that workplace bullying has a statistically significant negative effect on psychological wellbeing (β_1 = -.876; t = -13.502; p = < 0.001). Thus at 5% level of significance we reject the null hypothesis in favour of the alternative and conclude that workplace bullying has a significant and negative linear relationship with psychological wellbeing. The resultant unstandardized simple regression model is:

Psychological Wellbeing *= 5.588 - 0.876* Workplace Bullying + residual* ε

The null and corresponding alternative hypothesis of the first hypothesis is presented above. The Spearman rho and linear regression model techniques were used to test this first hypothesis. The Spearman correlation co-efficient between workplace bullying and psychological wellbeing was reported to be r_s = -.502; p = <0.0001. The resultant model of the linear regression results on the relationship between workplace bullying and psychological wellbeing found a significant fit (F = 182.292; p = 0.000). The parameter estimates of the linear regression analysis revealed that workplace bullying has a statistically significant negative effect on psychological wellbeing (β_1 = -.876; t = -13.502; p = < 0.001). The results from the analysis lead one to reject the null hypothesis and choose the alternative hypothesis.

The findings from the analysis suggest that a significant negative relationship exist between workplace bullying and psychological wellbeing. These findings support the association between workplace bullying and psychological wellbeing. The findings suggest workplace bullying is an essential factor that contributes to the department employees' psychological wellbeing levels. The significant negative relationship suggested by the findings show that the more the workplace bullying employees experience the lower there psychological wellbeing levels and vice versa. The findings suggest that employees that experience high levels of workplace bullying are not psychologically well. As workplace bullying increases psychological wellbeing decrease. The negative relationship reported to exist between these two variables is supported in literature. The study findings together with the literature findings approve the significant association between workplace bullying and psychological wellbeing (Trepanier, Fernet & Austin, 2013; Einarsen & Nielsen, 2014; Bernotaite & Malinauskiene, 2017).

Hypothesis 4: The mediating effect of Perceived social support using multiple linear regression models

$H4_0$: Perceived social support does not moderate the relationship between workplace bullying and psychological wellbeing.

$H4_1$: Perceived social support moderates the relationship between workplace bullying and psychological wellbeing.

To quantify the effect of the mediating variable, multiple linear regression models were utilised. We want the mediating variable (Perceived social support) to affect the dependent variable (psychological wellbeing), but the independent variable (workplace bullying) to no longer affect the dependent variable or to still affect the dependent variable (psychological wellbeing) but in a smaller magnitude. If a mediation effect exists, the effect of the independent variable (workplace bullying) on affect dependent variable (employee wellbeing) will disappear (or at least weaken) when the mediating variable (Perceived social support) is included in the regression. The effect of the independent variable (workplace bullying) on the dependent variable (psychological wellbeing) goes through the mediating variable (Perceived social support).

Table 4. Multiple linear regression model fit summary for workplace bullying and Perceived social support on psychological wellbeing

Source	**df**	**Sum of Squares**	**Mean Square**	**F Value**	**Pr>F**
Regression	2	45.719	22.860	189.321	<0.000*
Residual	252	30.428	.121		
Total	254	76.147			
Model Summary					
R^2 (Adjusted R^2)			0.600(0.597)		
Durbin-Watson Test - Test for auto-correlation			1.932		

** Significant fit. Note: Independent variables: Constant, Workplace bullying; Perceived Social support; Dependent variable: Psychological Wellbeing*

Table 4 shows that the multiple linear regression model for workplace bullying and Perceived social support on psychological wellbeing is statistically significant (F = 189.321; df = 2; p = <0.0001). The β coefficient (Table 5) shows that workplace bullying (β_1 = -0.525; t = -8.322; p = <0.0001) and Perceived social support (β_2 = 0.448; t = 10.702; p = <0.0001) all had significant effect on psychological wellbeing. From the β_1 coefficients in H1 workplace bullying had a significant and negative effect on psychological wellbeing which has a more negative effect than the one in the multiple linear regression model. From our multiple linear regression model it can be seen that the effect of workplace bullying on psychological wellbeing still exists, but in a smaller magnitude, thus Perceived social support partially mediates between workplace bullying and psychological wellbeing (partial mediation).

The null and corresponding alternative hypothesis of the final hypothesis is stated above. This hypothesis tested the main study objective which was to determine the moderating effect of perceived social support on the relationship that exists between workplace bullying and psychological wellbeing. The multiple linear regression model results for workplace bullying and Perceived social support on psychological wellbeing was found to be statistically significant (F = 189.321; df = 2; p = <0.0001). From the multiple linear regression model results it is evident that the effect of workplace bullying on psychological wellbeing still exists, but in a smaller magnitude, thus Perceived social support partially mediates between workplace bullying and psychological wellbeing. The results suggest that perceived social support mediates the relationship between workplace bullying and psychological wellbeing. Though the mediation is partial evidence is there that perceived social support mediates the relationship of the other two variables leading to the rejection of the null hypothesis in favour of the stated alternative hypothesis.

Table 5. Parameter estimates for the workplace bullying and Perceived social support on psychological wellbeing model

Parameter	Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
	B	Std Error	B			Tol	VIF
Constant	3.209	0.246		13.061	0.000		
Workplace bullying	-0.525	0.063	-0.388	-8.322	0.000	0.730	1.370
Perceived social support	0.448	0.042	0.499	10.702	0.000	0.730	1.370

** Significant fit. Note: Independent variables: Constant, Workplace bullying, Perceived social support; Dependent variable: Psychological Wellbeing*

Limited previous studies examining the mediating effect of perceived social support on the relationship between workplace bullying and psychological wellbeing have been done thus the need to conduct this study. Few of the conducted studies have concluded that the relationship between workplace bullying and psychological wellbeing is mediated by perceived social support (Sloan, 2012; Lester, 2013; Milner et al., 2013 and Bernotaite & Malinauskiene, 2017). According to Nahum-Shani and Bamberger (2011), the moderating effect would be that social support modifies the relationship between the stressor and strain and is only effective when the stressors are present.

Similarly, Sloan (2012) reported that social support from both co-employees and supervisors buffer the effect of workplace bullying on employee psychological wellbeing. In addition, Milner, Russel and Siemers (2013), reported that social support mediates the relationship between workplace bullying and its effects. Furthermore, Bernotaite and Malinauskiene (2017) also reported that the effects of workplace bullying such as job strain and psychological stress are minimum when there is high social support received.

The study findings provide evidence that workplace bullying is a stressor that impacts the psychological wellbeing of individuals which can be buffered by the existence of social support. When employees are stressed because of workplace bullying their psychological wellbeing is affected. However, when they are provided social support the effects of workplace bullying on the psychological wellbeing of the employees is mediated. The results suggest social support moderates the relationship between workplace bullying and psychological wellbeing, such that study participants who experience workplace bullying but perceive high levels of social support are less likely to experience lower psychological wellbeing levels. The negative strain of workplace bullying is buffered by the social support employees or participants receive resulting in improvements in workplace bullying.

From the linear regression results, it can be suggested that a workplace environment that increases employee’s perceptions of having social support can positively contribute to their psychological wellbeing even if workplace bullying is present. The study results show that perceived social support at as a moderator, thus mitigating effects of workplace bullying on psychological wellbeing. Participants who report to be victims of workplace bullying and at the same time reported perceived social support levels have better psychological wellbeing compared to participants who experience higher levels of workplace bulling and lower perceived social support levels.

The perceived social support operates as a buffer against workplace bullying through meeting the coping requirements stimulated when employees encounter such a negative act. Participants who are subjected to higher workplace bullying who at the same time receive more or higher social support are able to develop social resources that are important in protecting them against bullying negative effects thus resulting in better psychological wellbeing levels.

4. LIMITATIONS OF THE STUDY

The current study used a quantitative research approach. A questionnaire was used for data collection and it was deemed cost effective and time saving that interviews. In order to get an indepth understanding of o Due to financial and time constraints the research was only conducted in the Eastern Cape Province in South Africa and the sample n = 277 was small a larger sample would have yielded different results. The study was also limited to employees within the department of Education and did not focus on other government departments. The generalization of the findings from this study should take note of the limitations.

5. CONTRIBUTION MADE BY THE STUDY

The study has made a noteworthy contribution to knowledge regarding the interrelationships between the independent variable (workplace bullying) and the moderator variable (perceived social support), on the one hand, and the dependant variable (psychological well-being), on the other hand. Most importantly, the study was conducted in the Eastern Cape Province of South Africa, where there were no indications of any similar study having been previously conducted.

Significant relationships were found to exist on all these tested study hypotheses leading to the rejection of all study null hypothesis. The study main hypothesis was tested and the study can conclude that the relationship between workplace bullying and perceived social support is mediated by perceived social support.

6. RECOMMENDATIONS FOR FUTURE RESEARCH

For future research purposes incorporating other research instruments that can help elicit additional information to improve the quality of the results and conclusions will be key. The use of multiple research tools also assists alleviate the common variance problem. Multiple research instruments enable triangulation of results thus enhancing the quality of information obtained, conclusions drawn from the results and recommendations made based on the conclusions. Generalisation of study results can only be made on employees working in the department thus further studies can be conducted in other departments in the municipality, district, province or nation to have results that can be generalised across department employees. In addition, a study can be conducted in other workplace settings that can help assist develop a universal framework that can aid in reducing the prevalence of workplace bullying. Future studies should also be conducted that ascertain the direction of bullying in the workplace. Such studies can determine either bullying is from fellow employees or supervisors thus promoting development of specific initiatives to tackle the problem than adopting a holistic approach.

7. CONCLUSION RELATING TO THE ENTIRE STUDY

Little attention has been placed on workplace bullying research Carroll and Lauzier (2017) particularly in the South African context. This propelled the conducting of this study to better understand workplace bullying, its prevalence and its relationship with other psychological variables. The main objectives and hypotheses of the study were stated in the first chapter. The research hypotheses were tested using the research methodology techniques described in chapter three. All the study research objectives were realised in this study. Workplace bullying was found to have a significant negative impact on perceived social support and psychological wellbeing. However, a significant positive relationship was found between perceived social support and psychological wellbeing. Significant relationships were found to exist on all these tested study hypotheses leading to the rejection of all study null hypothesis. The study main hypothesis was tested and the study can conclude that the relationship between workplace bullying and perceived social support is mediated by perceived social support.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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Chapter 7
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The Impact of Participative Management Structures in Improving Employee Participation and Employee Involvement under Conditions of Developing a New Normal in Organisations

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ABSTRACT

The Conference theme is spot-on with description of Re-engineering business processes in the new Normal. It is highly unlikely that we will revert directly to Pre-Covid business and management processes. This paper explores how processes can be enhanced by making use of employee participation and employee involvement structures in organisations. Employees are likely to show less resistance to change if an employee participation and employee involvement is used.

Keywords: Employee participation; employee involvement; organisational structures and business and management processes.

1. INTRODUCTION

The theme of this year’s conference is Re-engineering business processes in the New Normal. But what does this mean in everyday life and what does it imply for our businesses and organisations? The COVID 19 pandemic is still with us and the final impact on the Global Economy is yet unknown. What we do at this early stage is to create some possible scenarios of what the future can hold for us and the business organisations in and with which we work.

Ciraldo, (2022) makes some predications of what the future might hold. “As companies/organisations tiptoe towards reopening as the COVID 19 pandemic show signs of easy up, many leaders choosing to take alternative routes and change their business models. Even in these early days of recovery, there is a new normal”.

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When the economy goes through a big upheaval, it often creates a seismic shift in how organisation operate. It happened during the 2008 recession. Economists predict and even deeper one is about organisations and businesses recover in post-COVID world.

The new normal definition alludes to new ways of doing things due to drastically altered circumstances.

The five major changes that Ciraldo highlights are:

1. A dispersed, productive workforces – the first sign that a new normal is upon us is that remote workers will not be going back to the office.
2. The new normal and internal communication – organisation will digitally reconfigure their communications strategies around how and where their workforces perform their work. Trust and regular communication are what workers want from their managers. This new internal communication could also support employee participation and its variations in organisations.
3. New normal operation best practices: embracing automation. Groceries stores now order and delivery services such Checkers' sixty 60.
4. A new age of innovation: With the right digital tools many schools and tertiary education institution could shift from contact classes to remote classes within weeks.
5. Forward-thinking risk management: Many organisations should take this opportunity to create an organisational or enterprise risk management framework to anticipate and be prepared for the next crisis, whatever it might be.

Van Looy (2021) in her position paper argues that post-COVID period could be utilised as time to introduce radical business process improvements. She also points out that business organisation experienced similar turbulent times in the 1980s-1990s with computerization and in the early 2000s with e-commerce and e-business. She further also highlights that there is often employee resistance to the introduction to these new processes and provides suggestions of how to neutralize employee resistance. We disagree with sneaky approach influence employee and our paper will show some that employee participation and employee involvement within the industrial democracy philosophy is more likely to reduce employee resistance and to sustain new business processes.

2. BACKGROUND TO THE STUDY

This research aimed to look at the impact of Participative Management Structures on increasing employee participation and involvement at work. The study was carried out at a University in the Eastern Cape.

Participatory management is a leadership style that invites people at all levels of society to contribute to the organisation's administration. Companies that use this method typically have official management positions, but those managers like to provide comments and solicit input from other employees. Participatory structures, such as work councils and union-management committees, offer conditions in which workers can influence the organisation's direction and policies.

Workplace forums are committees of employees elected by their peers to represent them at work. They meet with the organisation's management on a regular basis for consultation on work-related matters. Employee-elected forums are not intended to replace collective bargaining but rather to address issues that are better resolved through dialogue rather than collective bargaining (Labour Relations Act, 1995). These include non-wage factors such as industrial restructuring and the adoption of new technologies (Labour Relations Act, 1995)
Employee participation refers to corporate activities in which employees collaborate to achieve the organisation's common goals. When an employer provides the ideal environment in which participation is communal, team-oriented, and takes advantage of everyone's unique characteristics, it enhances employee morale and promotes a more inclusive workplace (Samson, 2018). Employee involvement entails providing employees with the opportunity to participate in decision-making at their workplaces. Employee involvement is defined as a direct connection between management and employees that enables workers to take responsibility for the project's outcome. The primary distinction between employee participation and employee involvement is that participation refers to the actual business activities performed by employees, whereas involvement refers to the level of input that employees have into the decision-making process regarding which business activities they perform. (Samson, 2018).

The research concentrated on the influence of participative management on the organisation, the benefits of employee engagement, and alternate explanations for all variables will be discussed. A problem statement and research objectives have been developed for this study. In this research project related literature, research techniques and research findings, will be presented.

2.1 Problem Statement

Employee involvement and participation is the most significant metric for a company or organisation in the twenty-first century. Employee involvement refers to the business activities in which employees collaborate to achieve a common purpose in the organisation, and employee participation implies that employees are given the option to assist them in making decisions at their job (Hyman & Mason, 1995). The challenge of employee engagement is that HR practitioners believe that there is a lot to do with how employees feel about their work experience and how they are treated in the organisation (Cox & Marchington, 2006). There are numerous reasons why employees do not participate in the work of the organisation, which is detrimental to the organisation. Many organisations, both locally and globally, have recently witnessed numerous industrial conflicts and labour riots, which have resulted in disagreements between management and employees. All of this has emerged because of employee's discontent with some decisions made by management and boards of various organisations without any activity by the staff of the organisation, which are deemed damaging to their well-being and development. (Grimsrud & Kvinge, 2010). In this context, as companies become more aware of the problem of inefficient decision-making by employees, the subject under consideration seeks to investigate and identify the main causes and effects of inefficient decision-making on employee's inferiority or non-discrimination, as well as to seek solutions to these issues. Employee disengagement can lead to decreased organisational performance (Grimsrud & Kvinge, 2010).

The purpose of this study was to investigate the impact of Participative Management Structures on increasing employee participation and involvement at work. In this study, both the independent and dependent variables are examined. This research will add to the existing literature and will assist organisations that do not have participatory management structures in demonstrating the benefits of having participatory management structures to increase employee performance in the organisation.

2.2 Objectives of the Study

The following objectives were set for this investigation:

- To investigate if there are any active participative management structures at the University.
- To investigate the benefits of participative management structures.
- To investigate the impact of participative management structures on the level of work engagement amongst employees.
- To investigate the impact of participative management structures in improving employee participation and involvement.
- To investigate the perception of staff members on participation management, work engagement, employee participation and involvement.

2.3 Research Questions

- Are there participative management structures at the university? And if not, why not?
- What are the benefits of participative management structures?
- Do participative management structures have an impact on employee participation and involvement?
- Do participative management structures play any role in the organisation?

2.4 Hypothesis

Ho: There is no significant influence of Participative Management Structures on employee participation in work engagement.

H1: There is a significant influence of Participative Management Structures on employee participation in work engagement.

Hypothesis 2:

H0: There is no significant influence of Participative Management Structures on employee involvement in work engagement.

H1: There is a positive influence of Participative Management Structures on employee involvement in work engagement.

Hypothesis 3:

H0: There is no significant difference among staff members in their perceptions of participation management, work engagement, employee participation and involvement.

H1: There is a significant difference among staff members in their perceptions of participation management, work engagement, employee participation and involvement.

2.5 Significance of the Study

Employee involvement and participation generally forms the foundation of inform and consulting with employees on aspects of decision-making. Employee involvement is an important approach in creating better relationship between employees and management topic and between employees and employee groups in a workplace. The Workplace Forums, a form of participative structure in South Africa, is designed to provide non-adversarial opportunities for employers and employees to cooperate through consultation and joint decision-making on a range of work-related issues, excluding wage negotiations.

The purpose of this research was to investigate the impact of participatory management systems on increasing employee participation and involvement at work. New evidence has been gathered to update previously researched information on this subject by other researchers. The study emphasized the significance of employee participation and involvement in the workplace, as well as the individual and organisational advantages of such participation and involvement. The evaluation of the study's findings and discussion of the study's conclusions may serve as pointers for further research in this area of management sciences.

2.6 Literature Review

The literature section examines the concepts such as participative management, work engagement, employee participation, and involvement. The section also presents the advantages and disadvantages of participation management.

2.6.1 Industrial democracy

Industrial democracy is a system in which workers participate in decision-making, responsibility-sharing, and on-the-job power. Workers are listened to and participate in decision-making in participatory management organizational designs; in industrial democracy organizations, they also have the last say (Webb & Webb, 1897). In Germany, an organization with more than 2,000 employees or 1,000 employees in the coal and steel industry has half of its board of directors elected by shareholders and half by employees. Industrial democracy, in general, refers to the organisational model in which workplaces are governed directly by people working in place of private or state ownership of the means of production, and there are also representative versions of industrial democracy. Representative industrial democracy comprises decision-making mechanisms such as the formation of committees and advisory groups to enhance communication between management, trade unions, and employees. Muller-Jentsch (2007).

Both pluralist and Marxist thinkers have slammed the overall concept of industrial democracy. The pluralist thesis is that participation in management weakens trade unions' ability to effectively represent their members in collective bargaining (Clegg, 1960). According to Clegg (1960), the pluralist critique amounts to a different definition of industrial democracy based on resistance (through collective bargaining) rather than participation. The Marxist critique is that it is impossible to acquire workers' control progressively in capitalist society through employee participation in economic companies (Clegg, 1960).

According to Du Toit (1997), the subsequent RDP White Paper explained that "Industrial democracy will facilitate greater worker participation and decision-making in the workplace, the empowerment of workers will be enhanced through access to company information, human resource development, and education and training are key inputs into policies aimed at higher employment, the introduction of more advanced technologies, and reduced inequalities. Discrimination on the grounds of race and gender must end. Parties to collective bargaining will be encouraged to negotiate affirmative action policies to address discrimination and the disparities of power between workers and employers" (Du Toit, 1997).

2.6.2 Workplace forums

The Act, according to Du Toit (1997), does not define "workplace forums" in any explicit way. In general, it refers to a body of employee representatives formed in accordance with sections 80 or 81 of the Act and charged with the broad tasks outlined in section 79 of the Act." However, upon closer investigation, it is evident that these two portions allow for an almost infinite number of forms and functions. There is no predefined model for workplace forums with established rights, authorities, and responsibilities equivalent to works councils. Du Toit (1997).

The general functions of workplace forums:

Chapter V of the Labour Relations Act (no 66 of 1995) section 79 states the general functions of the workplace forums which are (Labour Relations Act, 1995).

a) Must seek to promote the interests of all the employees in the workplace, whether or not they are trade union members.
b) Must seek to enhance efficiency in the workplace
c) Is entitled to be consulted by the employer, with a view to reaching consensus about the matters referred to in section 84; and
d) Is entitled to participate in joint decision-making about the matters referred to in section 86.

According to Bischoff, Masondo & Webster. (2018), the Labour Relations Act (section 34A (2)), as amended in 1981, permitted for the formation of works councils comprised of employees and management representatives. In actuality, it appears that relatively few works' councils were formed after 1981. Where they were established, they were quickly taken over by trade unions, and where this did not occur, a schism developed between the works council and the shop steward committee. (Bischoff, Masondo, & Webster, 2018).

According to Bischoff et al (2018), instead of works councils, management in the 1980s and 1990s began implementing forms of 'employee involvement, rather than actual participation, such as briefing groups, communication schemes, quality circles, 'green areas,' and suggestion programs. (Bischoff, Masondo, & Webster, 2018).

According to Van Der Walt (2002), the desire for employee engagement in decision-making only became statutory when the LRA of 1995 and Workplace Forums were implemented. The Labour Relations Act includes provisions for the formation of Workplace Forums with the goal of improving industrial democracy in the workplace. The execution of these provisions may alter human behavior and relationships in South African workplaces.

Van Der Walt (2002) points out that the Labour Relations Act 66 of 1995 is the cornerstone act of the South African labour system and it also serves to promote democracy.

Van Der Walt (2002) states that section 1 of the LRA sets out the objectives of the Act and together with section 1 d (iii), demonstrates the government's promotion of democracy and particularly democracy in the workplace (in other words, industrial democracy). It reads as follows:

"To promote

(i) Orderly collective bargaining.
(ii) Collective bargaining at sectoral level.
(iii) Employee participation in decision-making in the workplace; and
(iv)The effective resolution of labour disputes."

According to Van Der Walt (2002), the inclusion of WPFs into the industrial relations system has two additional primary goals: to promote employee interests and to improve the efficiency of South African workplaces.

2.6.3 Employee participation

Employee involvement is described as a process in which employees participate in decision-making rather than merely carrying out orders. It is a part of the workplace empowerment process. The decentralization of power within an organization to individual decision makers is referred to as empowerment. Teamwork is a key aspect of the empowering process. Members of a self-governing team are encouraged to make their own decisions while adhering to the norms and processes set out.

Employee participation is also a component of the modern organisation's march toward human resource development. Employees are given the authority to make decisions for themselves and the organization (Business Case Studies, 2019). Gonzalez (2009) classified employee participation into three categories. These are information, counsel, and representative engagement. Informal involvement refers to intra-organizational communication. Employees must be given knowledge about the organization and its competitors, as well as information about their divisions and performance. Open communication processes and information disclosure are examples of information sharing. Consultative involvement takes into account the numerous approaches created by the management team to get feedback from its employees, which may include individual meetings, group presentations, and employee surveys. Representative participation is required for a range of projects, including problem-solving committees and semi-autonomous committees that allow employees to make decisions on specific issues. (Gonzales, 2009).

Marchington (2005) identified four key aspects of employee participation in the organisation:

The degree of involvement: – this indicates the extent to which employees, either directly or through their representatives, may have some form of influence on management decisions.

Scope: – The scope of management decisions that are open to influence by subordinate employees may differ depending on the subject matter and may range from trivial to strategic decisions.

The level: – the level at which the subordinates may be involved in management decisions varies substantially and can range from departmental level through to division and headquarter level.

Forms of participation: – participation may be direct or indirect. Direct participation refers to a face-to-face involvement while, indirect participation occurs when workers are represented by trade unions in workers' council or high-level consultation committees and through collective bargaining. (Marchington, 2005).

Employee participation at each level of the decision-making process is not at all harmful if managed efficiently. The whole process can be well-coordinated and controlled by the sincere and honest efforts of human resource managers.

The importance of employee involvement and participation for both employees and an organisation. (Essays, 2018)

It generates commitment to the organisation

Employees will be more devoted to work and the organization if they are more involved in all aspects of the organisation's activity. Because this will make them realize how vital they are to the organization, and they will now feel obligated to give their all to the organization.

It helps the organisation improve performance, especially in the face of the change

Employee involvement is critical to increasing the organisation's performance. When employees are involved and participate in the organization, they learn everything about the organization, including its strengths and faults. Employees who are involved in decision-making might bring new and creative ideas to help management address the problem. Motivated people are always incredibly productive. Therefore, when all employees are engaged and motivated, the organisation's performance improves. (Essays, 2018)

It improves the challenge and satisfaction of the work experience

When employees are asked to share their difficulties or recommendations about their jobs, it not only motivates them but also develops their perspectives and potentials, making their work experience more satisfying and effective.

It helps organisations in attracting and retaining skilled labour

An organisation can retain and attract skilled labour by involving it in its activities. Employees always want to work in that particular organisation where they find democracy at the workplace and are free to explore their potential and can resist anything that is wrong or that they don't want. In this way, not only qualified employees remain in the organisation, but this also attracts more skilled employees. (Essays, 2018)

2.6.4 Work engagement

In everyday life, "engagement" refers to the involvement, commitment, passion, enthusiasm, absorption, focused effort, and energy. For instance, Merriam-Webster dictionary describes engagement as “emotional involvement or commitment” and as “the state of being in gear.”

According to (Wah, 1999) employee engagement first emerged in business. Although the origin of the term is not entirely clear, it was first used in the 1990s by the Gallup organization. According to a global survey among CEOs, engaging employees is one of the top five most important challenges for organisations (Wah, 1999). According to the study by Schaufeli (2012), the first scholar who conceptualized engagement at work was Kahn (1990), an ethnographic researcher, who described it as the “harnessing of organization members’ selves to their work roles: in engagement, people employ and express themselves physically, cognitively, emotionally, and mentally during role performances”. In other words, engaged employees put a lot of effort into their work because they identify with it. In its turn, according to Kahn, engagement is assumed to produce positive outcomes, both at the individual level (personal growth and development) as well as the organizational level (performance quality). (Kahn, 1990).

According to (Maslach & Leiter, 1997), job engagement is also regarded as the positive antithesis of burnout, as mentioned in the work of Schaufeli (2012). In contrast to those who suffer from burnout, engaged employees have an energetic and effective relationship with their work; rather than stressful and demanding, they see their work as challenging. As a result, engagement is defined by energy, involvement, and efficacy, which are the polar opposites of the three burnout qualities — tiredness, cynicism, and diminished accomplishment. (Schaufeli W. B., 2012) (Maslach & Leiter, 1997).

(Schaufeli, Salanova, Gonzàlez-Romá & Bakker, 2002) stated that engagement is regarded as an independent, distinct concept that is negatively related to burnout. It is defined in its own right as “a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption”.

Vigor is defined by high levels of energy and mental resilience when working, as well as a willingness to devote effort in one's work and perseverance even in the face of adversity. Dedication is defined as being deeply interested in one's work and feeling a sense of significance, passion, inspiration, pride, and challenge. Absorption is characterized by being fully attentive and happily engrossed in one's work, causing time to fly by and making it difficult to disengage oneself from work. (Schaufeli W. B., 2012).

According to Kahn (1990), the fundamental reference of engagement is the work role, whereas for others who regard engagement to be the antipode of burnout, the essential reference is the employee's work activity or the work itself. The reference in business contexts is not the job function or the job activity but the organization. Furthermore, both academic definitions of engagement agree that it has a behavioural-energetic (vigor), an emotional (dedication), and a cognitive (absorption) component.

2.6.5 Participative management

Participative management is an open kind of management in which employees actively participate in the decision-making processes of the firm. Managers that appreciate the value of human cognition and seek a solid relationship with their employees use the notion. They recognize that staff members are the intermediaries who deal directly with clients and meet their demands. This type of management has been embraced by many organizations in order to beat the competition in the market and stay ahead of the competition. They accept employee's new ideas, concepts, and opinions and include them in the decision-making process. (Juneja, 2015).

According to Juneja (2015), Participative Management is also known as 'Industrial Democracy,' 'Co-determination,' 'Employee Involvement,' and 'Participative Decision-making'. Employee participation in organizational decision-making is not a novel concept. However, the idea could not gain that much popularity among organisations. According to studies, just 3-5 percent of organizations have applied this notion in their daily operations. Even though the notion of participative management is as old as the institution of employees and employers, a huge majority of organizations do not use it.

The concept of involving employees at all stages of decision-making is straightforward. Open and honest communication always yields positive benefits for both the organization and the workforce. The use of freedom and openness in an organisation's operations elevates it to the next level and improves its foundation. On the other side, some organizations outright reject the notion of a participatory decision-making process. According to Juneja (2015), employees misuse their freedom of expression and participation in decision-making as it provides higher status to employees and empowers them.

According to Juneja (2015), several organizations have embraced this management style and are now seeing great outcomes. Toyota is a prime example. For almost a decade, the organization has used recommendation schemes and staff interaction methods. Every year, the management receives almost 2,000,000 proposals and ideas, with approximately 95 percent of these being implemented by the organization. Toyota is one of the world's fastest growing companies, with around 5,000 improvements per year. Everything works smoothly if a complete corporate policy is developed and implemented.

The article by Juneja (2015), further makes an example of British Airways, it states that the company is another great example of participatory management. During economic downsizing, employee's suggestions helped them cut the annual cost of their operations by 4.5 million pounds. This is just unbelievable. The company would have suffered from huge losses had it not adopted employee's suggestions. (Juneja, 2015).

2.6.5.1 The scope of workers' participation in social, economic and personnel decision-making

Social Decision-Making: This refers to workers' participation in decisions about working hours, workplace rules and regulations, welfare measures, worker safety, employee welfare, health, and cleanliness. Employees in this group have a say in decisions affecting these specific areas. They may take advantage of their freedom and, in some cases, exert control over management. (Juneja, 2015).

Economic/Financial Decision-Making: This includes employee participation in various financial or economic aspects such as manufacturing processes, cost-cutting, automation, shutdown, mergers and acquisitions, and layoffs. Inviting ideas from employees on a variety of topics, such as how to reduce operating costs, can be extremely beneficial.

Personnel Decision-Making: The employee's participation in personnel decision-making refers to their involvement in different management processes, including recruitment and selection, work distribution, promotions, demotions and transfers, grievance handling, settlements, voluntary retirement schemes, and so on. Participation of employees in these processes can safeguard their interests and motivate them to work hard for the betterment of themselves as well as the organization. (Juneja, 2015)

2.6.5.2 The main objectives for to introducing a participative style of management in organizations

Juneja (2015) identified the following reasons why it is important for organisations to introduce participative management in the workplace.

To Make Best Use of Human Capital: Participative management does not restrict organizations to exploit only the physical capital of employees. Rather it makes the best use of human intellectual and emotional capital. It gives employees an opportunity to submit their ideas and proposals to enhance corporate operations and create a better working environment.

To Meet the Psychological Needs of Employees: When employees have a say in the decision-making process, it gives them psychological satisfaction. It is a simple force that drives them to improve their performance, create a proper channel of communication and find practical solutions to design better organizational processes.

To Retain the Best Talent: Participatory management is one of the most effective strategies to retain the best talent in the industry. It gives employees a sense of pride to have a say in the organizational decision-making process. Once they are valued by their seniors, they stick to the organization and become management's partners in meeting specific goals and achieving success.

To Increase Industrial Productivity: In today's competitive world, motivation, job security and high pay packages are not enough to increase industrial productivity. Leadership, flexibility, the delegation of authority, industrial democracy and employee say in decision-making are important to increase the annual turnover of any organization.

To Establish Harmonious Industrial Relationship: Participatory form of management is an unbeatable tact to establish and maintain cordial relationships with employees and workers union. The success of an organization depends on its human resources. Employee empowerment acts as a strong force to bind the employees and motivate them to give their best to the organization.

To Maintain a Proper Flow of Communication: Two-way communication plays an important role in the success of any organization. Employee participation in decision-making ensures proper flow of communication in the organization. Everyone contributes their best and tries to strengthen the organization by contributing their best to improve business processes.

Juneja (2015) states that "Participative management is beneficial to the organization as well as employees. It gives employees a higher degree of enjoyment at the workplace that drives them to work harder. It is equally rewarding for the management as it ensures tremendous improvement in work culture within the organization as well as an increase in its productivity".

Even though participatory management is a globally recognized idea, most businesses are still hesitant to implement it. Both the employer and the employees are delighted with this management approach. It brings management and employees closer together, and as a result, it should be widely embraced.

Juneja (2015) claims that Markowitz (1996) and Lawler (1990) worked separately in the field and established the following benefits of participative management:

Innovation and increased efficiency: The problem-solving process and openness to new ideas can result in innovation. Apart from this, as mentioned above, there is also knowledge sharing amongst the workers and the managers. This means that those who are part of a certain process at the ground level give inputs for improved efficiency of the same. This has dual implications, helping improve the quality of products and curtailing the cost of manufacture.

Timeliness: There is improved communication between the managers and the workers and between workers across different units. A loophole or flaw is reported in time.

Employee satisfaction and Motivation: Empowering the employees increases their ownership or stake in their work. This increases efficiency and productivity. Consequently, there is decreased absenteeism and less employee turnover. This also works in attracting more people to the organization and the job.

Product quality: A say in decision-making means that workers can immediately pinpoint and suggest remedial measures for improving the efficiency of the process they are a part of. This means that quality control in a product or service is exercised for the lowest level.

Less supervision requirements: There is a greater focus on the management of self with due emphasis on widening one's skill set. One of the major benefits of this is that there is a lesser need for supervision and support staff.

Effective grievance procedure: Increased communication paves the way for a reduced number of grievances and quick and effective resolution of dispute (often on the spot). Union - management relationship is also benefited and strengthened.

Hiring Flexibility: Hiring flexibility is increased as a result of cross-training. Increased coordination among team members also offers a comfort zone for the newly hired.

Employee's overall ownership of their job increases because of participative management. Increased efficiency, production, morale, and job satisfaction can all result from this empowerment. However, because participatory management necessitates a broad shift in corporate culture, its adoption, particularly when a bureaucratic decision-making style is in place, can be difficult. (Juneja, 2015).

The study that was conducted by Juneja (2015), identified the following limitations of participative management in organisations.

Employee's right of not participating this means that the employee has the right to not participate. Certain people do not believe in the usefulness of participation and therefore opt-out of the same. Some labor unions, for example, question the usefulness of participation reasoning that participation offers deep management insights into the workers and they may then use it against the latter. (Juneja, 2015).

Manipulation: Managers may sometimes use participation to manipulate employees. This may be both conscious and subconscious. Similarly, representatives of the labour unions may also exploit the workers in the name of participation. (Juneja, 2015).

Workers Psychology: An existent psyche amongst the employees, that they are the workers, and their primary purpose is to serve their masters (management), prevents them from participating. It is therefore of little interest to such people. (Juneja, 2015).

General Bias: Resistance to change inside the, as mentioned earlier is the biggest hurdle to participative management. Managers decline to share power or to delegate, apprehending that they may lose authority by doing so. Workers similarly show disinterest in the participation presuming everything to be well in order. Further, there is bias from the top management who step back on their promises when they fail to see participation deliver results in a quick time. (Juneja, 2015).

Trade Unions: Trade unions are integral to the success of participative management; they may be equally detrimental to the success of the same. Most of the trade unions engage in politics and are little bothered about participation. Add to it, the approach of representatives or individuals is also not very favorable. Workers join trade unions for personal rather than organizational reasons. Membership is regarded as a kind of protection against mishaps like accidents, dismissal, and other problems whereby union interventions can rescue the worker. Naturally, the motive of participation is diluted. (Juneja, 2015).

According to the article by (Juneja, 2015), participative management cannot work in isolation. It involves each and every member of the organization. For deriving benefits and success out of the same, no single member or employee group can be left out. There are limitations but they arise because there either one or the other group is left out or there is a serious communication gap that needs to be taken care of. (Juneja, 2015).

2.6.5.3 Arguments of previous research

Employee participation in decision-making is currently a hot topic of discussion. Participation of employees in organizational choices has been increasingly significant in recent years. Employee involvement, according to critics, is a waste of time and money. They contend that this leads to employee power being unchecked. They can resist anything in the organization that they don't like, and the organization is powerless in the face of them (Gonzales, 2009). Marks stated that, "Participation and involvement of employees should be limited and if this crosses the limits than management are likely to lose the control on its employees." (Essays, 2018).

High participation management, according to Lawler (1992), emphasizes the distribution of authority down the organizational hierarchy, claiming that those closest to the job duties or with the most information should have some say in the decisions made (Lawler, 1992). Hannah (2020) cited Weisbord's (1988) work, which states that participative management practices emphasize sharing power, such as involving employees in problem-solving and decision-making processes, thereby increasing their ability to influence decisions that affect their jobs and maximizing their contributions to their work. (Hannah, 2020).

Experts argue in support of employee involvement, arguing that granting employees the right to independence and self-dignity does not imply that an organization is giving them the power to make a mess. Their main goal is to increase workplace democracy and motivate employees to reach their full potential. (Essays, 2018).

Some have argued that by involving employees in decision-making, an organisation's privacy may be jeopardized. However, proponents of employee involvement and participation argue that evaluating employee's opinions or involving them in various operations of the organization has nothing to do with the organisation's privacy. In today's changing world, we see overall employee participation and involvement in the organization expanding day by day. (Hyman & Mason, 1995).

Kanter (1982) claimed that because it entails the exchange of knowledge between workers and managers, the participatory nature of decision-making processes inside the organization produces more beneficial results than the bureaucratic structure. Because they are directly involved in these activities, workers appear to be better knowledgeable than their managers about products and services, processes, and work assignments. As a result, their opinions and suggestions could be extremely useful in shaping the organisation’s strategy and improving performance. (Kanter, 1982).

Lawler (1990) listed a number of advantages to employee participation in the organization. Employee participation, he said, contributes to more efficient and innovative ways and practices in the workplace, as well as improved communication inside the company (between managers and workers and in the workplace). Employee participation results in increased work satisfaction and lower pay for employees. Furthermore, it leads to better flexibility and motivation for employees in terms of employee engagement training and teamwork. Furthermore, higher work motivation and better working methods contribute to a higher rate of output and, as a result, to a higher quality of the organisation’s products and services. Finally, improved labor-management relations and greater communication contribute to the elimination of many internal problems and the most effective resolution of existing conflicts. All these elements work together to boost the organisation’s performance. It is also worth noting that Lawler (1990) found a number of negative outcomes connected with employee involvement. Participation in decision-making is slower than the traditional style of leadership, because it involves a significant number of people who must accept decisions.

According to Markovitz (1996), employee’s morale is strong, and they are more committed to their work as a result of their enhanced engagement in decision-making processes. Employees accomplish their duties more precisely because they have the authority to make decisions. Grimsrud and Kvinge (2010) state that employee participation is related to aspects such as responsibility, control rights, income rights and risk-taking. (Grimsrud & Kvinge, 2010).

2.6.5.3.1 William Kahn’s theory of employee engagement

The organizational psychologist William Kahn is regarded as the father of employee engagement because he developed the theory in 1990 while doing his research on “Psychological conditions of personal engagement and disengagement at work”. According to (James, 2018), Kahn’s research involved two workplace studies: the first on in a summer camp and the second one in an architecture firm. Through his time in these organisations, he defined engagement as an employee’s ability to harness their “full self” at work, and identified three psychological conditions that enable it: (James, 2018).

1. Meaningfulness: Does an employee find their work meaningful enough (to the organisation and to society) to warrant them engaging their full self?
2. Safety: Does the employee feel safe bringing their full self to work without risk of negative consequences?
3. Availability: Does the employee feel mentally and physically able to harness their full self at this particular moment?

According to James (2018), Kahn's findings distinguish engagement from ordinary hard effort. Loyalty and ownership are displayed by conscientious employees who can harness their full potential. An engaged employee, for example, will take on work without being asked because they want to and believe that their extra effort will help their company. (James, 2018).

2.6.5.3.1.1 Applying Kahn’s theory of employee engagement

In a 2015 interview with Workforce Magazine, William Kahn summarized how managers could apply his theory, he said that “Approach employees as true partners, involving them in continuous dialogues and processes about how to design and alter their roles, tasks and working relationships – which means that leaders need to make it safe enough for employees to speak openly of their experiences at work.” (Andie, 2015).

The most important thing an employer can do, according to James (2018), is creating a supportive culture that allows employees to be themselves while being "safe" from undue control or criticism. Focus groups, feedback surveys, and working parties do not require a large budget or sophisticated facilities to understand your employee’s needs. It is beneficial to simply listen. (James, 2018) The study that was conducted by Mark (2020) cited the work of (Kahn, 1990) which identified three principal dimensions of employee engagement - physical, cognitive and emotional.

Physical engagement – This dimension relates to the extent to which employees expend their efforts, both physical and mental, as they go about their jobs. Kahn (1990) used examples of employees describing themselves as 'flying around' during their work and experiencing high levels of personal engagement during that time. He linked the ability to expend physical and mental energy at work with increased feelings of confidence. (Mark, 2020).

Cognitive engagement – this dimension means to be engaged at this level, the employees need to know what the vision and strategies of their employers are, and what performance they need to deliver to contribute to them as much as possible. Kahn (1990) also drew attention to the meaning that people attached to their work, theorizing that more knowledge encouraged more creativity and confident decision-making. (Mark, 2020).

Emotional engagement – This dimension is based upon the emotional relationship that employees feel with their employer. A positive relationship requires the organisation to learn how to create a sense of belonging at work, encouraging employees to trust and buy in to the values and mission of the organisation. Kahn (1990) cited the likes of positive interpersonal relations, group dynamics and management styles as practices that would make people feel safe and trusted. (Mark, 2020).

2.6.5.4 Follett's organisational theory

Mary Parker Follett, also known as the "Mother of Modern Management" was born in America in the 1860s, studied at Cambridge, came from a well-off Quaker family and dedicated herself to being a social worker. All in addition to being one of the founders of organisational group dynamics theory (James, 2017). James (2017) states that "Follett's organisational theory focuses on individuals and the power of autonomy in encouraging employees to work collaboratively. Follett came to management theory from an unusual angle". Not long after graduating, she became a social worker in one of Boston's poorer neighbourhoods (James, 2017). Follett recognized the negative impact of a lack of community space on those around her and set out to form social and educational organizations. This was the start of her investigation into group dynamics. Her basic premise, that individuals and society shape one another, was developed in community centres rather than in boardrooms. When she brought her theories to the workplace, she discovered the same dynamics: a group would be successful if it was given the freedom to establish its own roles and collaborate. (James, 2017).

She developed the idea of leadership through 'power with' not 'power over': in other words, the true leader focuses on collaboration, with conflict resolved through compromise.

Power with

Rather than establishing a strict hierarchy and delegating power to certain individuals over others, Follett believed that workers should practice co-active power. Powering with their team is better than power over them; this way, each member feels just as valued as the next. This does not mean that hierarchy should be eliminated entirely, however. The structure is still crucial, but employees should not feel like they are less valuable than their managers. (Caramela, 2018).

2.6.5.4.1 Applying Follett's research to employee engagement

Follett's work was virtually forgotten after her death. However, there was a rebirth of interest in 'soft' organisational theory in the mid-twentieth century, including Elton Mayo's Human Relations Movement, which drew on Follett's group dynamic theories. Employees are more engaged, productive, and happy if they are given autonomy within their tasks, treated as intelligent persons, and permitted to work together, according to Follett's highly modern-looking attitude. (James, 2017).

3. RESEARCH METHODOLOGY

This study followed a quantitative research approach adopting a correlational survey research design. This study used convenience sampling, which is a non-probability sampling method that relies on data collection from population members who are readily available to participate in the study. The sample comprised 90 employees of the university, with a concentration on both genders between the ages of 22 and 65. Members of both unions and non-unions have been included in the study.

3.1 Data Collection

The surveys were both physically and electronically distributed by the researchers. After the participants had finished the questionnaires, the researchers collected them. Since a number of staff members are working remotely during the COVID-19 epidemic, a web-based questionnaire was also used. Participants of the study received a link to the questionnaire through email. A structured questionnaire was utilized. The questionnaire comprised several sections: The first section contained instructions for filling out the questionnaire, and a consent form. Biographical information about the participants was included in Section A of the questionnaire, along with questions regarding gender, age, home language, length of service, race, and occupation. Questions about participatory management, work engagement, employee involvement, and participation were found in Section B. Employee involvement had 15 items, employee participation had 17 items, work engagement had 15 item and participative management had 16 items. The Cronbach’s Alpha showed found that the items that were used in the scale for data collection were appropriate and they were reliable. Data was captured by the researcher using SPSS and Microsoft Excel. The researcher coded the data as it was being captured.

3.2 Research Findings

3.2.1 Hypothesis 1

H_0: There is no significant relationship between Participative Management Structures on employee participation and work engagement.

H_1: There is significant relationship of Participative Management Structures on employee participation and work engagement.

Table 1. Correlation between the variable

	Employee involvement	Employee Participation	Work engagement	Participative management
Employee involvement	1			
Employee Participation	0.766870305	1		
Work engagement	0.703576906	0.815024325	1	
Participative management	0.768945938	0.89992333	0.907739187	1

The table above shows that the correlation coefficient between employee involvement and the other variables is between .70-.90 and this means that there is a high correlation between the variables. The table above show that the coefficient between work engagement and participative management is 0.91 which is greater than .90 and this means there is a very high correlation between participative management and work engagement. Hence, the null hypothesis is rejected.

3.2.2 Hypothesis 2

H_0: There is no significant difference of Participative Management Structures on employee involvement.

H_1: There is a positive difference of Participative Management Structures on employee involvement.

Table 2.

t-Test: Paired Two Sample for Means		
	Participative management	*Employee involvement*
Mean	59.45333333	57.16
Variance	82.03495495	84.00108108
Observations	75	75
Pearson Correlation	0.768945938	
Hypothesized Mean Difference	0	
df	74	
t Stat	3.206189369	
P(T<=t) one-tail	0.000993523	
t Critical one-tail	1.665706893	
P(T<=t) two-tail	0.001987046	
t Critical two-tail	1.992543495	

In the above table the P-value is 0.00 and this means that our p-value is less than alpha, and we reject the null hypothesis which states that, there is no significant difference of participative management on employee involvement in work engagement. This means that participative management does have influence on employee participation. The Pearson correlation (0.8) also shows that there is a close relationship between these variables.

3.2.3 Hypothesis 3

H_0: There is no significant difference among staff members on the perception of participation management, work engagement, employee participation and involvement.

H1: There is a significant difference among staff members on the perception of participation management, work engagement, employee participation and involvement.

Table 3.

SUMMARY				
Groups	*Count*	*Sum*	*Average*	*Variance*
Participative management	75	4459	59.45333	82.03495
Work engagement	75	4193	55.90667	114.8155
Employee Participation	75	4383	58.44	91.00649
Employee involvement	75	4287	57.16	84.00108

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	534.2266667	3	178.0756	1.915522	0.127094	2.635106
Within Groups	27517.49333	296	92.9645			
Total	28051.72	299				

In the table above the p-value (0.13) is greater than alpha (0.05) and this means that there is no difference among the staff of the university on how they perceive the variables of this study. We there for reject the alternate hypothesis which states that: **H_1: There is a significant difference among staff members on the perception of participation management, work engagement, employee participation and involvement**.

3.2.4 Hypothesis 4

H_0: There is no significant difference among union and non-union staff members on the perception of participation management, work engagement, employee participation and involvement.

H1: There is a significant difference among union and non-union staff members on the perception of participation management, work engagement, employee participation and involvement.

The researchers used a t-Test to see if there is a difference in perception of the variables between union and non-union members. The researcher used the following tables to see the difference in perception between the members of the university who are part of unions and those who are not part of unions, the researchers tested each variable separately to get reliable results.

Table 4.

Employee Involvement		
t-Test: Two-Sample Assuming Unequal Variances		
	Union	*Non-Union*
Mean	56.20833333	57.6078431
Variance	101.8242754	76.8431373
Observations	24	51
Hypothesized Mean	0	
df	40	
t Stat	-0.583666066	
P(T<=t) one-tail	0.281360992	
t Critical one-tail	1.683851013	
P(T<=t) two-tail	0.562721985	
t Critical two-tail	2.02107539	

On the table above the researchers focused on the t Stat value and the t critical two tail value to find out if the is a difference between the members who are part of a union and those who do not form part of any union, on the perception of employee involvement. Since t stat (0.58) is less than 2, therefore we cannot conclude that there is any difference in perception between members who are part of unions and those who are not.

Table 5.

Employee Participation		
t-Test: Two-Sample Assuming Unequal Variance		
	Union	*Non-Union*
Mean	58.416667	58.45098039
Variance	54.862319	109.452549
Observations	24	51
Hypothesized Mean	0	
df	62	
t Stat	-0.0162992	
P(T<=t) one-tail	0.493524	
t Critical one-tail	1.6698042	
P(T<=t) two-tail	0.9870481	
t Critical two-tail	1.9989715	

The table above was used to test if the is a difference between the members who are part of a union and those who do not form part of any union, on the perception of employee participation. Since t stat (0.016) is less than 2, therefore we conclude that there is no significant difference in perception between members who are part of unions and those who are not.

Table 6.

Work Engagement		
t-Test: Two-Sample Assuming Unequal Variances		
	Union	*Non-Union*
Mean	56.66666667	55.5490196
Variance	31.53623188	155.012549
Observations	24	51
Hypothesized Mean	0	
df	73	
t Stat	0.535657058	
P(T<=t) one-tail	0.296911936	
t Critical one-tail	1.665996224	
P(T<=t) two-tail	0.593823871	
t Critical two-tail	1.992997126	

On the table above the researcher focused on the t Stat value and the t critical two tail value to find out if the is a difference between the members who are part of a union and those who do not form part of any union, on the perception of work engagement. Since t stat (0.53) is less than 2, therefore we cannot conclude that there is any difference in perception between members who are part of unions and those who are not.

Table 7.

Participative Management		
t-Test: Two-Sample Assuming Unequal Variance		
	Union	*Non-Union*
Mean	58.875	59.7254902
Variance	35.766304	104.7231373
Observations	24	51
Hypothesized Mean	0	
df	69	
t Stat	-0.4517971	
P(T<=t) one-tail	0.3264161	
t Critical one-tail	1.6672385	
P(T<=t) two-tail	0.6528322	
t Critical two-tail	1.9949454	

On the table above the researcher focused on the t Stat value and the t critical two tail value to find out if the is a difference between the members who are part of a union and those who do not form part of any union, on the perception of participative management. Since t stat (0.45) is less than 2, therefore we cannot conclude that there is any difference in perception between members who are part of unions and those who are not.

Based on the results from the above tables the researcher has found out that there is no significant difference between employees who are part of unions and those who are not part of unions on the perception of employee involvement and participation, work engagement and participative management. Hence the 4th null-hypothesis is accepted

4. DISCUSSION, IMPLICATIONS AND CONCLUSION

The researchers discovered that the university has an active, participative management structures. Some of the study participants are members, and others not. The correlation results demonstrated that participative management had a beneficial impact on work engagement. According to the correlation table, the coefficient between work engagement and participatory management is 0.91, which is more significant than 0.90, indicating that there is a very high dependable association between participative management and work engagement.

Employee level route model results showed that most employees in public universities perceived a higher level of participative management being implemented in their organizational units compared to private univeristies, according to a study done by (Hooijberg & Choi, 2001). This suggests that public institutions exhibited a more participative character than private universities. Earlier research into the use of participative management in government organizations backed this conclusion (Hooijberg & Choi, 2001; Zeffane, 1994).

5. RECOMMENDATIONS

Some suggestions have been provided in this study to raise the importance and benefits of participatory management in a company or organisation.

- Managers should increase the frequency and level of worker's participation in decision-making because employees are part of the organization.
- Managers should put more effort into encouraging a participative management approach during the decision-making process.
- The involvement methods should be expanded to give a chance to all the stakeholders to participate and contribute to the shaping of the university through decision-making. Therefore, it is recommended that suggestion boxes be put in places where staff and other stakeholders can submit their suggestions. A special committee should evaluate the suggestions so obtained. Furthermore, is suggested feedback be given on the suggestion received which would encourage continued use of the suggestion box system.

- This study also recommends that the organisations should increase employee awareness of participation programs, and they must encourage the introduction of a complete participation program among their employees, so they will become more aware to their participation and be more engages in their work.
- The university should ideally provide an environment where employees can freely express their ideas freely without fear of rejection.
- The management at the universities and in organisations should increase worker participation in the decision process as general employees are the people who perform the core operational tasks, and often they have a unique perspective on the day-to-day activities of the organisation. This also increased the chances of by-in new practices, policies and procedures by management.

6. SUGGESTIONS FOR FURTHER RESEARCH

More research on specific aspects of employee participation in decision-making in businesses in general, and public institutions in particular, should be performed. Considering the value and benefits of participative management, particularly in terms of an organisation's growth and stability. This study however does not cover all the researchable facets of the idea of participatory decision-making. As a result, a suggestion has been made for further research into the idea of participation, particularly in issues that impede the implementation of participatory management at the university and any other organisation.

This should be done to increase public awareness of measures to broaden the scope and character of participatory management systems. Although this study was limited to one campus of the university, the researchers recommend that future research should include all the universities in South Africa.

7. DELIMITATIONS

The sample selection decided the scope of this research. The study is limited to the one campus of one university in the Eastern Cape Province of South Africa's, due to budgetary and time constraints.

8. CONCLUSION

Re-engineering new or revised business processes in organisations and businesses have much higher likelihood of sustainable success if this is done using the knowledge and technology of business literature on employee participation and employee involvement organisational and business decisions.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 8
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The Effect of Transformational Leadership Style on Innovation Behaviour among Bank Employees in South Africa during COVID-19

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ABSTRACT

The turn of the century has brought its challenges for South African banks which include but are not limited to increasing competition and rising costs as a result of increasing regulatory requirements, financial and technological innovation, entry of large foreign banks in the retail banking environment, and challenges of the recent financial crisis (Mabwe & Webb, 2010). Furthermore, with respect to current economic challenges Buehler et al. (2020) predict that banking institutions will have to play a critical role post-Covid-19 in stabilizing the system for their customers, employees, and economies. The crisis inturn also presents a chance to continue to build the economy in the post-Covid-19 environment and an opportunity for African organisations to become hubs for innovation (Tyson, 2020).

The aim of this study was to assess the relative effect of Transformational Leadership on Innovation Behaviour in a group of bank employees and determine if there are any significant differences in innovation behaviour on the basis of age. The primary hypothesis that transformational leadership will have an effect on Innovation behavior was confirmed, while the secondary hypothesis which relates to the difference in Innovation Behaviour on the basis of age was not confirmed. Innovation Behaviour is considered to be a valuable and necessary skill in the current global and regional economic climate.

Recommendations are put forward on how Transformational leadership can be utilized in banking institutions to increase employee Innovation Behaviour. Recommendations include inter-alia the need for banking institutions to look at leader behaviours in terms areas for development and the investment into creating a culture that encourages learning.

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The analysis was based on data from a survey sent to 813 South African bank employees with 80 respondents who completed an online questionnaire. Pearson-Product Moment Correlation and Regression statistics were used to answer the primary hypothesis, while the Kruskal-Wallis test was utilized to examine how age affects the differences in innovation behavior.

Keywords: Transformational leadership; innovation behavior; age; banking institutions; COVID-19.

1. INTRODUCTION

After analysing economic forces and global events, few people would deny that the nature of work and employment has changed around the world over the past few decades and, more importantly, the present (Barley, Bechky & Milliken 2017). Martins and Geldenhuys (2016, p.8) noted that: “Globally economies are trending toward more concentrated wealth, globalization and ecological concern”. Tyson (2020) noted that the circumstances have been worsened by one of the most significant events of the 21st century that is the Covid-19 pandemic, which has caused a convulsive shock to the global economy. Poverty is expected to increase by 2% of the regional African population, with 26 million people expected to fall under the poverty line, erasing five years of progress in poverty reduction (Tyson, 2020).

Furthermore, in the South African context governmental authorities are uncertain about the depth and duration of the economic downturn from the Covid-19 crisis (BusinessTech, 2020). The pandemic is already radically worsening Africa's economic outlook, with growth expected to collapse to a negative 1.6% and a real per capita fall of 3.9%, making 2020 the worst year since records began in 1970 for the continent's economic growth (Tyson, 2020). Baret, Celner, O'reilly, and Shilling (2020) note that the uncertainty surrounding the pandemic could result in further work disruptions and delays as organisations adjust their practices and policies. South African organisations are exposed to falling commodity prices, lower mining and manufacturing activity, disruption to global supply chains, declining tourism, falling global demand, and social containment measures (Fitch Ratings, 2020).

The turn of the century has brought its challenges for South African banks which include but are not limited to increasing competition and rising costs as a result of increasing regulatory requirements, financial and technological innovation, entry of large foreign banks in the retail banking environment, and challenges of the recent financial crisis (Mabwe & Webb, 2010). Furthermore, with respect to current economic challenges Buehler et al. (2020) predict that banking institutions will have to play a critical role post-Covid-19 in stabilizing the system for their customers, employees, and economies. The crisis inturn also presents a chance to continue to build the economy in the post-Covid-19 environment and an opportunity for African organisations to become hubs for innovation (Tyson, 2020). In order to do accomplish this proposed growth, African economies will need strong financial institutions.

The pandemic will compound existing threats to the banks' operating environment and their financial profiles stemming from a prolonged period of poor economic growth, power supply shortages, weak business confidence, and deep social inequalities (Fitch Ratings, 2020). The Fitch ratings (2020) report presents that operating profits are likely to be negatively affected by a rise in credit impairments and pressure on margins from lower interest rates. Therefore, banks need to actively consider the short and medium-term financial risk and regulatory compliance implications resulting from the continuing uncertainty around the Covid-19 (Baret, Celner, O'reilly, & Shilling, 2020).

One of the tests facing organisations in the recent economic era is increasing their responsiveness to radical changes in market demands as well as the effective utilization of new technology and ways of working (Dorenbosch, van Engen & Verhagen, 2005). The workforce is becoming more diverse, more educated, and technology is driving productivity within organisations, e-commerce is affecting both the supply chain, and sales and organisations are becoming more networked and knowledge-based (Cascio & Montealegre, 2016). The speed of change in the modern age is rapid, and innovation at its centre has created an environment of instability and change.

The 2018 Deloitte Global Human Capital Trends paints a picture of the changing nature of the organisation. The report speaks about the rise of the social enterprise, which refers to organisations that value and makes use of artificial intelligence (AI), robotics, and automation technologies as well as value well-being and social capital, all of which is then used to gain competitive advantage (Deloitte Insights, 2018). According to experts, technological innovation and customers will set the "new rules of the game" in the banking sector (Tornjanski, Petrovic, & Milanovic, 2016 p73). In the face of increasing competition, stricter regulation, and an unstable environment, banking institutions will have to take on a more innovative approach to their business strategy. As a result of the unpredictability of the coming times, employees in these institutions will need to be innovative to adapt to the market successfully (Birkingshaw, Zimmermann, & Raisch, 2016).

Innovation and the study thereof have been identified as a critical factor of success and survival for companies due to the push from various environmental forces within the millennial context, including globalization, technology developments, and increased competition (Patterson, Kerrin, & Gatto-Roissard, 2009). Indeed Self, Bandow, and Schroeder (2010) note that facing various forces destabilizing the business landscape, organisations are now under more pressure than ever to innovate if they wish to survive. In a situation in which environmental forces are dire, a firm's human capital becomes an intangible asset as innovative employees will help their Organisations achieve superior economic benefits relative to their competitors (Liu, 2016).

An essential consideration in the changing age context and innovation is how individuals' age relates to their ability to produce economically relevant novelties (Frosch, 2011). Demographic differences and similarities can be significant

predictors of various work-related attitudes (Choi, 2007). Research contributions have shown that the relationship between age and performance indicators depends very much on the investigated performance dimension (Gobel & Zwick, 2009). Numerous studies support the proposition that age negatively relates to cognitive functioning (Gobel & Zwick, 2009, Lallemand & Rycx, 2009). In contrast, other researchers have emphasized that increased age is often accompanied by increases in crystallized intelligence (Ng & Feldman, 2008). Frosch (2011) notes that most studies on age and innovation behaviour suggest that the capacity to produce economically relevant, novel achievements follow a curvilinear inversely U-shaped functional form with age, with most innovation taking place between the ages of thirty-five and fifty depending on the domain.
As noted above, empirical studies on the relationship between age and innovation behaviour are not conclusive enough. Indeed it is noted that the frequently reported inverted u-shaped relationship between age and productivity could, for example, be the outcome of restrictive parametric assumptions (Gobel & Zwick, 2009).

2. OBJECTIVES OF THE STUDY

The following objectives were inferred:

2.1 Research Objective I

To determine through a non-experimental research design whether leadership style explains variances in innovation behaviour among employees in the banking sector in South Africa.

2.2 Research Objective II

To determine through a non–experimental research design if a difference exists in innovation behaviour among employees in the banking sector in South Africa with regards to age.

3. LITERATURE REVIEW

3.1 Innovation Behavior

As a foundation for organisational innovation, employee innovative behaviour is a critical factor for service firms' performance and long-term survival (Li & Hsu, 2016). The current market and economic environment have many practitioners and academics agreeing that organisations need to foster, develop, and use their employees' innovative potential (Dorenbosch, van Engen, & Verhagen, 2005). Peter Drucker, known to some as the founder of modern management, once said, "The enterprise that does not innovate, ages and declines. Furthermore, in a period of rapid change such as the present, the decline will be fast" (Ditkoff, 2012, p. 2). Innovation behaviour is described as the behaviour related to developing new markets or improving business routines within organisations

(Amo, 2005). From this definition, it can be deduced that innovation goes beyond just research and development. However, it is more a state of mind and behaviour that seeks to explore possibilities, engage capabilities, and make new connections to improve the way of doing business and business productivity. This notion is supported by Odetunde and Ufodiama (2017) who note that employees in organisations use creativity and innovation to modify and enhance their work processes to benefit themselves or the organisation.

Innovation behaviour in employees, which is linked to creating solutions, is essential if banking institutions are to deal with the issues and problems that come with dealing with the challenges that come with the current business environment (Yua & Woodman, 2010). Indeed Reuvers et al. (2008) note that the marketplace's realities have forced organisations to increase their flexibility, responsiveness, and efficiency, amounting to the necessity for continuous innovation of products and internal processes. Therefore since the foundation of innovation is ideas, and it is people who develop, carry, react and modify ideas, the study of what motivates individuals to innovate is crucial (Scott & Bruce, 1994).

It has been argued that engaging in innovative acts in the workplace brings benefits and costs for employees beyond a sense of intrinsic enjoyment (Yua & Woodman, 2010). Previous studies have reported that employee innovative behaviour is a critical factor for service firms' performance and long-term survival as a foundation for organisational innovation. Kao, Pai, and Zhong (2015) argue that innovation behaviour introduces something new into the way of life of an organisation, timing, and placement of what can generally be described as the individuals and collective processes related to consumers. Indeed as noted by Yua and Woodman (2010), one of the significant reasons people innovate in the workplace is to bring performance gains, be it in organisation processes or products.

Camarate and Brinkman (2020) note that banks operating in the current landscape need to reorganise for growth, to drive sustainability by implementing an organisational model, processes, and systems that unlock potential and agility for growth. This reorganisation includes introducing new ways of working to enhance client-centric operations, which drive efficiency and reduce costs (Camarate & Brinckmann 2020). Indeed, the pandemic has accelerated the shift and transformation with many firms fast-tracking the testing and implementation of business continuity/contingency plans, which include alternate workplace arrangements such as split work sites, working from home, and rotating shifts for all types of employees (Baret et al., 2020). Hammond, Neff, Farr, Schwall and Zhao (2011) note that there is a particular gap in the published literature in relation to quantitative assessment of the predictors of employee innovation behaviour.

3.2 Transformational Leadership

Urbancova (2013, as cited in Odetunde and Ufodiama, 2017) believes that creative and innovative organisations do not emerge by accident; instead, leaders drive and control deliberate changes in structure, culture, and process in order to transform such organisations into creative, effective, and productive ones. Research on leadership style has shown that it can influence an organisation's strategic planning, control of organisation systems, innovation, creativity, and performance (Nguyen, Mia, Winata, & Chong, 2017). Mitchell (2018) argues that in the current global and economic context of consistent and sometimes unpredictable change coupled with rapid technological development, innovation will perhaps be a defining trait of the organisation that thrives over the coming decades. Mitchell (2018) further questions what it takes to lead innovation, given that traditional leadership behaviours were mainly developed to produce excellence in the context of the relatively predictable operation. Transformational leadership style is one form of leadership that has received much attention in recent times as a driver or influencer of employee innovation (Watts, Steele, & Hartog, 2019).

Transformational leadership refers to how leaders motivate followers to identify with organisational goals and interests and perform beyond expectations (Buila, Martinez, & Matute, 2019). Transformational leadership attempts to create emotional links with its followers and inspire higher values (Garcia-Morales, Jimenez-Barrionuevo, & Gutierrez-Gutierrez, 2012). Theories of transformational leadership have emphasized stimulating innovation as a core leadership function. Transformational leadership in contrast to transactional leadership, which is its antithesis, has been argued to be an incredibly effective way to engender innovative behaviour (Pieterse, Van Knippenberg, Schippers, & Stam, 2010). This study provides an opportunity to advance our knowledge of transformational leadership's influence on innovation behaviour.

4. RESEARCH METHODOLOGY

4.1 Research Design

A non-probability technique was used, specifically convenience sampling. Convenience sampling is a type of nonprobability sampling where members of the target population that meet specific practical criteria, such as knowledge of the topic, accessibility, geographical proximity, availability at a given time, or the willingness to participate will be included in the study (Etikan, Musa, & Alkassim, 2016). This sampling method is the most commonly used sampling technique in which respondents are often chosen because of their availability and knowledge of the topic under investigation (Acharya, Prakash, Saxena, & Nigam, 2013).

4.2 Data Gathering

In order to access the sample population, email requests were sent to HR managers of 6 South African banks mostly within the Free State and Gauteng provinces. Due to the Covid-19 pandemic physical visits were not possible as most bank managers and back office employees were working from home. Only one provincial bank department responded and provide access to forty employees with a response rate of 25% (10). Due to the low response rate, the professional social network platform, LinkedIn was then utilised to gain access to more respondents. Messages were sent to LinkedIn members registered as employees of South African banks on the platform. A total of 813 survey links were sent to bank employees from 6 South African banks which had a total of 70 respondents, indicating a response rate of just under 10%. Respondents were duly informed of the voluntary nature of the survey and of their right to withdraw at any time during the completion thereof.

4.3 Questionnaires

Three questionnaires were administered to the respondents. The self-developed demographic questionnaire posed questions related to the respondents number of years employed (NYE) and supervising responsibility (SR).

The study used the Leader Behaviour Scale developed by Podsakoff et al. (1990) to measure transformational leadership. Day and Antonakis (2012) note in their research that after the seminal model by Bass, the Podsakoff inventory is the most widely used transformational leadership model. The leader behaviour scale is a 23 item scale that measures transformational leadership on six dimensions, namely: 1) Identifying and articulating a vision, 2) Providing an appropriate model, 3) Fostering the acceptance of group goals, 4) High-performance expectations, 5) Providing individualised support and 6) Intellectual stimulation. The instrument has five additional items measuring transactional leadership, making it a total of 28 items. These dimensions are measured on a 7 point Likert scale which requires participants to rate their managers on questions such as "Inspires others with his plans for the future," "Insists on only the best performance," and "provides a good model for me to follow" (Podsakoff et al., 1990). This questionnaire e has high validity and reliability scores in previous studies conducted on employees working in a corporate context.

The third questionnaire utilised in this study is the Innovative Work Behaviour Scale (IWBS) developed by De Jong and Den Hartog (2008). The IWBS is a 10 item scale that measures innovation along four dimensions that are: 1) Idea exploration (2 items), 2) Idea generation (3 items), 3) Idea championing (2 items), and 4) Idea implementation (3 items). The questionnaire makes use of a Likert scale with responses which vary from 1 to 5 (either never–always' or 'disagree–agree') (de Jong & Den Hartog, 2008). In terms of absolute, incremental, and parsimonious fit, the mentioned four-factor model performed better than competing models, including a three-factor model that merged opportunity exploration and idea generation into a single dimension (de Jong & Den Hartog, 2008). The four IWB dimensions show high positive inter-correlations of .60 and above (de Jong & Den Hartog, 2008).

4.4 Ethical Considerations

In line with the values and ethical code of the HCPSA, the following ethical considerations were taken into consideration throughout the study:

- Informed Consent – Participants were informed of the study's purpose and their respective rights concerning participation in the study. An informed consent form, along with a brief abstract of the study, was sent to all participants, along with the questionnaire. In this way, participants had a better understanding of the purpose of the study and their.
- Respect for Participants - This principle requires that participants be treated with respect during and after a study. This was done by ensuring that all participants have communication access to the researcher for any queries or questions. All queries and questions were responded to and dealt with professionally and fairly.
- Professional Integrity – concerns the researcher's conduct of behaviour and practice when carrying out professional work. This also meant making sure that any contracts entered into with participating institutions align with the ethical standards and guidelines set out by the HPCSA.
- Protection from harm – Care was taken to ensure that the questionnaires administered will not have any sensitive or triggering questions. This also meant protecting the participant's identity and use of information for any other purpose than that for which it was intended.

The ethical principles mentioned above are the primary principles that govern the research; however, they are not the complete list. The study was deemed to be ethically sound and received approval from the research ethics committee of the University of the Free State.

5. RESULTS AND ANALYSIS

Statistical procedures were applied to the data to draw inferences on the relationship and effect of the variables on different outcomes, stated in the objectives of the research project. Two main statistical procedures were planned for, that is firstly, correlation statistics to determine the relationship between transformational leadership and innovation behaviour. Secondly analysis of variance (ANOVA) to test for differences in innovation behaviour with regards to age. The procedures were used to test the two hypotheses set for this study.

In order to assess impact or effect it is essential to first determine whether there is a relationship between variables, as well as the strength and direction of the relationship (Aron, Aron, & Coups, 2014). Best practice dictates that to determine relationships multiple procedures should be utilized. For this particular research, scatterplots, Pearson’s correlation was utilized to determine the relationship between the variables for the study.

5.1 Hypothesis 1

5.1.1 Null Hypothesis

- The relationship between innovation behaviour cannot be explained by transformational leadership style among employees working in the banking sector in South Africa.

5.1.2 Alternative Hypothesis

- The relationship between innovation behaviour can be explained by transformational leadership style among employees working in the banking sector in South Africa.

The scatter plot illustrates the relationship between Transformational leadership and Innovation behaviour. What is observed in this chart is a positive correlation between transformational leadership and innovation behaviour, granted the general simultaneous increase in scores for both variables. The distribution generally shows a linear pattern which comes across as moderate with regards to strength of relationship between transformational leadership and innovation behaviour.

A regression line is also inserted into the graph below using the regression function of Microsoft Excel (2016). The regression line is a visual display of the linear prediction rule and the equation applied is also inserted (Aron, Aron, & Coups, 2014). This theoretically shows the predicted value of innovation behaviour (y) for each point increase in organisation learning culture. The steepness of the regression line knows as its slope is an indication of the amount of increase the line moves up for every unit it moves across (Aron, Aron, & Coups, 2014) which theoretically means the average rate of change required in learning culture to result in an increase in innovation behaviour also known as the regression coefficient ($r = 0.3316$)

In Fig. 1 a positive correlation between transformational leadership and innovation behaviour is observed. The distribution generally shows a linear pattern which comes across as strong with regards to strength of relationship between transformational leadership and OLC.

The scatter diagram was included to see at a glance if there were any observable patterns of relationship between the variables in this study before continuing with further statistical application as the lack of a relationship would indicate a lack of effect for the regression analysis. Because the scatter plots indicated positive relationships between the two variables, it was imperative that this be confirmed statistically using the Pearson product-moment correlation which was applied using the Statistical Package for the Social Sciences (SPSS) program.

Fig. 1. Scatterplot for Innovation Behaviour and Transformational Leadership

5.2 Pearson-product Moment Correlation

With regards to innovation behaviour and transformational leadership, a statistically significant positive correlation was registered (R=.418 and P = .000). The effect size can also be interpreted as moderate correlation/ substantial relationship.

Odetunde and Ufodiama (2017), in their study of the effect of Transformational Leadership and Organisational culture on employee innovation and creativity, had similar findings, which led them to the assertion that employee innovation was associated with healthy and visionary leadership in interaction with a supportive culture. Furthermore, they suggested that leadership impacts organisational culture to affect employee creativity and innovation (Odetunde and Ufodiama, 2017). Similar results were found by Aslam (2012) in his study, citing that transformational leadership was significantly correlated with innovation behaviour in organisations.

These assertions were supported in the current study's findings, shown by the moderate to a strong relationship between Transformational Leadership and Innovation Behaviour. Therefore the first alternative hypothesis is accepted.

5.2.1 Hypothesis 2

5.2.1.1 Null hypothesis

- There are no statistically significant differences in innovation behaviour with regards to age amongst employees in the banking sector.

5.2.1.2 Alternative hypothesis

- There are statistically significant differences in innovation behaviour with regards to age amongst employees in the banking sector.

The study's secondary objective was to determine whether there were significant differences in innovation behaviour regarding age. To achieve this objective, comparisons were made with five different age groups within the workforce using the Kruskal-Wallis statistical equation. Statistical analysis was applied to determine if there significant differences and because the dependent variable is a continuous variable (IB) and the independent variable is categorical (age), the most appropriate test statistic was between the Analysis of Variance (ANOVA) and the Kruskal-Wallis test. Although the sample size was big enough for ANOVA, the groups are not fairly equal in size and thefore Kruskal-Wallis test was deemed to be the most appropriate.

The results indicate that the 41-50 age group has the highest mean rank (42.46) with regards to innovation behaviour followed by the 31-40 age group which has the second highest mean rank. Because there were no participants in the 61+ age group, the test statistic did not recognize this group, therefore the 51-60 age group is recognized as having the lowest mean rank. What is however important to note is that the results provided from the statistic are not statistically significant ($p = 0.865$).

Research projects that have looked at innovation behaviour concerning demographic characteristics have provided alternating perspectives on the effect of age. Bygrave and Zacharakis argue that as a person gets older in an organisation, their degree of pessimism increases with regards to taking risks in business (ElKhouly & Marwan, 2015). It has been argued that cognitive abilities decrease with age, and young people are thought to be more motivated to exert higher effort, given the need to impress their employers (Lallemand & Rycx, 2009). Ng and Feldman (2008) note that generally, fluid intelligence, short-term working memory, and cognitive speed decrease with age, deductive reasoning, and professional expertise are likely to increase. Ng and Feldman (2008) note that older workers are generally stereotyped as less technologically savvy and less willing to adapt quickly in volatile environments than younger workers. Frosch (2009) argued that innovation was higher in certain age groups based on the industry that one works in, noting that innovation was higher amongst younger employees in knowledge-intensive fields. In more experience-based fields, innovative performance peaks later and remains stable until late in the career (Frosch, 2009). For technological workers, the studies suggest that innovation first increases and decreases with age (Frosch, 2009). Choi (2007) suggested that increasing age might reflect increasing company experience, skills, and power to initiate changes, all of which may promote innovative behaviour. The author's view is that all the components mentioned by Ng and Feldman (2008) may be necessary at any of the different stages of innovation behaviour, reflecting the lack of significant differences. However, this is subject to further investigation and research due to the fact that the sample was biased in terms of age.

This study indicates that there are no significant differences in innovation behaviour with regards to age in bank employees in South Africa. Therefore, the second null hypothesis was accepted.

6. IMPLICATIONS OF STUDY FOR THE BANKING SECTOR

Innovation has become an even more important characteristic of businesses that intend to thrive in the current economic and social environment. This study has provided some insights for the banking institutions in South Africa, especially those who wish to develop or improve their innovating ability. It can be argued that organisation innovation, which is a source of competitive advantage, stems from innovation behaviour by members of the organisation. Transformational leadership is most common in western-type societies and is considered to affect the employees' motivation, vision and empowerment as well as the banks' total function and well-being (Belias & Koustelios, 2014). But what is evident from this research is that innovative behaviour is not ascribed to generational differences. Therefore, to improve innovation, an institution must create a space where innovation behaviour is encouraged amongst all employees.

Innovative behaviour has been argued to be primarily a motivational issue (Piererse et al., 2010). In line with innovation behaviour and transformational leadership, Scott and Bruce (1994) found that the role expectations had a positive influence on subordinates' innovative behaviour. This positive influence is attributed to the quality of the relationship between supervisor and employee, noting that high-quality dyadic relationships may give subordinates the autonomy and discretion necessary for innovation to emerge (Scott & Bruce, 1994). Redmond et al. (1993, as cited in Jung, Chow, & Wu, 2003) found that when leaders supported constructive problem solving and followers' self-efficacy, followers displayed higher creativity levels. Noruzy et al. (2013) support Scott and Bruce's (1994) assertion, citing that transformational leadership supports innovative behaviour and strengthens motivation to enhance the organisation's results. It is further proposed that when a transformational leader questions the assumptions and reframes problems, he/she stimulates followers and helps establish a culture that values creative thought processes, risk-taking, and innovative work approaches (Jung, Chow, & Wu, 2003).

7. IMPLICATIONS OF THE STUDY FOR MANAGEMENT

The results of this study suggests that transformational leadership affects innovation not only at the strategic level of a bank, but also in operational teams. Hence, the appointment and continuous development of transformational leaders throughout the different levels of a bank is vital for sustainable innovative behaviour. Banking institutions can incorporate the ideas of transformational leadership in succession planning and the leadership recruitment strategy. Managers of banking operations have to pay attention to selecting an appropriate leadership style, thereby enhancing innovative behaviour, team performance and service quality.

Innovation behaviour is composed of distinct stages, including idea exploration, idea generation, idea championing, and implementation, which all require different behaviours from leaders to manifest. The measurement of these distinct stages of transformational leadership elements and the identification of these stages, should be built into the formal performance/development assessment process.

Transformational leaders pay significant attention to their followers' individual needs and encourage their personal development, along with the achievement of their working group's goals (Belias & Koustelios, 2014). Based on the assessment of transformational leadership elements, development should be customised to address individual training needs within the banking sector. It would be recommended that banking institutions look at the leader behaviours in terms of which of the elements of transformational leadership are absent and present to provide training to address the gaps in knowledge, skills, and behaviours of leaders. It may be that most leaders have some transformational leadership elements but maybe lacking in other transformational leadership areas, which may have an effect on one of the stages of innovation behaviour.

To ensure innovative behaviour, senior management of banks should stress the importance of innovative behaviour through visions, mission statements or different communication channels with employees at all levels in the organisation.

8. LIMITATIONS OF STUDY

The questionnaires utilized were self-report measures, resulting in a single-source bias. Participants were asked to rate their supervisor's leadership style, which is heavily dependent on the perspectives and opinions that may not be a true reflection of the style of leadership employed, thus implying a bias.

Furthermore, it was also noted in the results that most of the participants were between 18 and 40 possibly because of the data collection method utilized, meaning that most of the perspectives and results obtained may be limited to that demographic group within the workplace, to the exclusion of the older demographic group within the workplace.

The study was also conducted and administered in the midst of a global pandemic, which had an impact on the accessibility and availability of participants. Other adverse effects of the pandemic are not clear in terms of its influence on perceptions of respondents relating to aspects investigated in this study. It did however impact the possibility of administering paper based questionnaires for the survey, which may have increased response rate and included more participants that are not necessarily active on the LinkedIn platform.

9. CONCLUSION

It has been suggested that banking institutions are the backbone for sustainable economic development (Maredza & Ikhide, 2013). The banking sector plays a vital role towards economic goal attainment which positions them as critical guardians of growth in a context such as the one in which South Africa currently finds itself (Maredza & Ikhide, 2013). The current globalized economic environment is becoming increasingly dynamic and competitive (Reuvers, van Engen, Vinkenburg, & Wilson-Evered, 2008). In the new global economy, the importance of innovation for organisational effectiveness is now widely accepted (Yua & Woodman, 2010). From this research it is evident that, through their ability to enthuse followers to work towards a particular vision, the appointment, retention, assessment and development of transformational leaders are essential for the banking sector.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 9
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The Relationship between Marketing Mix and Customer Loyalty in the Fmcgs Stores in South Africa

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ABSTRACT

The study seeks to analyse the effects of marketing mix on customer loyalty. While the specific objectives were to determine the relationship between price, promotion, place, product and customer loyalty. Quantitative research survey design was adopted for the study, both primary and secondary sources of data were utilised during the investigation. Data was collected via questionnaires and analysed utilizing ANOVA test and multiple regression. Hence, it was discovered that there exists a positive relationship between the marketing mix elements and customer loyalty. It also evident that business' operations are centred on satisfying the needs of customers so that they remain loyal. Therefore, making the marketing mix a crucial tool for business' success. The study recommends that the supermarkets in King Williams Town should stock superior and unique products, which satisfy the needs of customers and of course, intense promotion should be encouraged i.e. advertising, personal selling, packaging as well as their branding skills whilst making sure those products are well distributed in order to boost customer loyalty.

Keywords: Price; promotion; place; product; customer loyalty.

1. INTRODUCTION

We are living in a dynamic world in which all operations are changing every day to meet the new world's demands. In marketing terms, we find out that marketers are operating in sort of a perfect market in which they are now mainly defined by competition. Competition has become part of their daily lives in which they will be competing for customers as well as their survival in the market in terms of performance. As a result, marketers need to examine the increasing interest in the relationship between marketing mix and customer loyalty. The marketing mix elements are price, place or distribution, promotion and product. According to Norsyaheera, Lailatul, Siti and Siti (2016) customers are said to be adopting a

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switching behaviour because of the rapid growth of new entrance in the market. This shows the need to plan the marketing mix in order to ensure customer loyalty. However, it is of great concern that many business organizations are failing to operate efficiently in the competitive market. They are characterized by low performance which is a clear sign that small businesses (Supermarket) are lacking marketing strategies which work for the betterment of their operations.

Ruddick (2015) opines that there has been a decline in the sales and profits of supermarkets, and one of the reasons why this happened is centred on more choice for shoppers. This proves that customers are not being loyal in terms of their buying behaviour. Also in Hawthorne (2017) there has been a backlash of customers which led to the decline in sales due to the fact relating to health issues. In this regard, it can be deduced that the marketing mix is an important tool to enhance customer loyalty. This is because it also helps the marketer to know and meet the needs of consumers which results in customer loyalty. Before now, there were a few participants in the market which means that there was no competition in the market. However, considering that the market has changed, Norsyaheera et al (2015) states that the application of the marketing mix in business, helps to improve customer loyalty. This is a clear reflection that the marketing mix is the sole cause of how organizations perform and how customers are attached to the organization.

The marketing mix is a tool which was introduced by the marketing department in order to redress the issue of low customer loyalty. According to Kotler and Armstrong (2018), products should be well priced, promoted as well as distributed in a manner that customers are attracted. Previous studies (Norsyaheera et al, 2015; Ruddick, 2015) has investigated the application of the marketing mix; reasons why supermarkets are losing money etc. but there is insufficient literature on the effect of marketing mix and customer loyalty of supermarkets in King William's town, South Africa. This research, therefore seeks to clarify how the marketing mix affects customer loyalty so that this gap is filled. The research questions this study seeks to answer is: what is the effect of marketing mix on customer loyalty?

1.1 Research Objectives

The primary objective of this research is to explore the effects of marketing mix on customer loyalty. While the specific objectives were;

1. To determine the relationship between price and customer loyalty.
2. To assess the relationship between promotion and customer loyalty.
3. To measure the relationship between place and customer loyalty.
4. To examine the relationship between product and customer loyalty.

2. CONCEPTUAL REVIEW

Marketing mix:

Marketing mix refers to a set of manageable marketing tools that can be used by a company to create an auspicious response from the market it is targeting, as asserted in Margarita (2016). According to Kotler and Armstrong (2018), marketing mix refers to a set of strategic marketing tools which are: the product, price, place and promotion that the firm blends to produce the response it wants in the target market. Souar, Mahi and Ameur (2015) also support to say that the marketing mix is a business tool used by the management of organizations which enable them to remain in the global competitive environment.

Table 1. Other marketing mix definitions

Author	Definition
Owomoyela et al (2013)	Marketing mix is referred to as a business tool that is used by the management of organizations which enable them to remain competitive in the global environment.
Indumathi and Dawood (2016)	Marketing mix is the set of selling tools for helping companies to aim the target customers in marketing.
Norsyaheera et al (2016)	Marketing is a set of steps that deliver value that could be remembered by customers and can create a relationship with customers as well as providing benefits to the organization
Londre (2018)	The set of tactical marketing tool (product, price, place and promotion) that the firm blends to produce the response it wants in the target market.
Smith (2018)	Marketing mix is to organize all aspects of the marketing plan around the habits, desires and psychology of the target market. This orientation considers marketing as it applies to the theory of the "4 Ps."

(Owomoyela et al., 2013: Indumathi and Dawood, 2016: Norsyaheera et al., 2016: Londre, 2018: Smith, 2018).

The marketing tools are as follows:

Price:

Price is the aggregate charged for a product or service. Margarita (2016), asserts that this is the marketing tool that generates revenue for the organization and has a greater impact on customer fulfilment and loyalty. Indumathi and Dawood (2016), assert that price includes issues such as list prices, credit, discounts, repayment terms and conditions. Owomoyela et al (2013), defines price as a cost of producing, delivering and promoting the product charged by the organization. Price is one of the most significant marketing mix elements and it is also considered by scientists as the significant element of the market which results in the increase of not only profits but also the market share. However, it must be noted that price is not only one of the key causes in a competitive situation, which directly affects sales of companies and profitability meters, but it also stands as one of the most flexible marketing mix elements, which can quickly adjust to environmental changes. Therefore, it is price that is professed as the only element of the marketing mix which leads to generation of revenue and the most important customer satisfaction and loyalty factor. Palade (2011), asserts that, price is the only marketing mix variable which leads to profits, the others are there to generate expenses and investments. It is a very flexible element of the mix and can be changed rapidly, unlike product characteristics and placement activity.

Promotion:

This is a process of informing, persuading and influencing a buyer to make choice of the product to be bought. Mohammad (2015) also gives his point of view to promotion as sending persuasive messages concerning a particular product to customers. Souar et al (2015), adds on to say that promotion is concerned with any vehicle you use for getting populaces to know more about your product or service. In this case, advertising, public relations, point-of-sale displays, and word-of-mouth promotions are all traditional ways for promoting a product. Promotion can be viewed as a way of closing the information gap between would-be sellers and would-be buyers. Owomoyela et al (2013), also supports the notion that promotion is part of specific efforts to encourage customers to tell others about their services. It is discovered that promotion has become a dire factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to tail its advertising and marketing objective. According to Mittal (2014), the objectives of the promotional mix are to build awareness, creating interest, providing information, differentiating the product as well as stimulating demand.

Product:

Product refers to the goods and services which are offered by the organization. Products can be tangible or intangible. The essence here is paying for the benefits that a product will provide for a given price as in (Kotler and Armstrong, 2018). Pourdehghan (2015) is of the view that in marketing mix, a product is defined as what is offered to market for noticing, buying, or using which may meet a need. To define a product according to Souar et al (2015), it is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Owomoyela et al (2013), asserts that the product is the core of the marketing mix strategy in which retailers can bargain consumers symbolic and experiential qualities to differentiate products from competitors. However, it is also apprehensive to what the product means to the consumer. Marketers should take note of the attributes of a company's products which include brand name, newness, quality and complexity because they have an impact on consumer behaviour. The physical appearance of the product, labelling information and packaging can also influence whether consumers will notice a product in-store, examine it, and purchase it.

Place:

Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make a purchase. In Owomoyela et al (2013), place is defined as anywhere that the customer can obtain a product or receive a service. Whereas, Souar et al (2015), defines place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Owomoyela et al (2013), goes on to say that it encompasses all decisions and tools which relate to making products and services available to customers. Place can be categorized into open market, institutional houses merchant houses, and direct delivery.

The above-mentioned tools make up the marketing mix. Therefore, if an organization manages well its marketing mix, it is more likely to perform well by capturing the attention of customers. It is important also that we know what is meant by customer loyalty.

Customer loyalty:

Customer loyalty can be best defined by Claudia (2013), as the proportion of times a consumer picks the same product or service in a precise category compared to the total number of purchases made by the purchaser in that category, under the condition that other suitable products or services are accessibly available in that category. Souar et al (2015), defines customer loyalty as a customer's repeated visitation or repeat purchase behaviour while including the emotional commitment or expression of a favourable attitude toward the service provider. In Owomoyela et al (2013), customer loyalty is defined as a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour.

The four key elements: price, promotion, place and product which fall under the marketing mix served as independent variables. On the other hand, the dependent variable reflects the outcome of the study. Therefore, in this research customer loyalty is the dependent variable. Those elements are used as the study setting to determine the relationship between marketing mix and customer loyalty as shown in the diagram below:

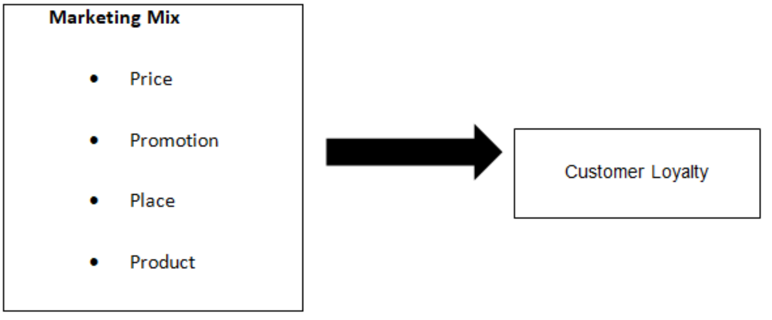

Fig. 1. Conceptual framework

Norsyaheera et al (2016)

The Attitudinal Theory:

According to Oni and Fatoki (2013), the attitudinal theory was introduced in the 1969, which suggests that a customer's willingness to recommend a service provider is often reputed to be an alternate indicator of customer loyalty. For true loyalty to be in effect the customer must have a favourable attitude towards a product and purchase it repeatedly. The success of a business is grounded on loyal customers who have a tie with the business enterprise and this tie links the customer to the enterprise to such an extent that the customer cultivates a preference for the business enterprise.

When true loyalty exists, customers will regularly conduct repeat purchase transactions with the business enterprise for the sole reason that customers have a strong preference for that business enterprise. Customer loyalty is not merely based on quality, price, physical facilities or satisfaction but is based more on customer feelings and perceptions about the business enterprise. The marketing maxim on customer loyalty is that it costs five times more to acquire a new customer than to retain an existing one. Customer loyalty results from committed customers who display repeat purchase tendencies or behaviour towards the business enterprise will be committed to purchasing the goods offered by that particular enterprise.

The Relationship between Price and Customer Loyalty:

According to Khizindar, Al-Azzam and Khanfar (2015), there is a positive relationship between price and customer loyalty. Souar et al (2015), asserts that the price you set for your product or service plays a large role in its marketability. Pricing for products or services that are more commonly available in the market is more elastic, meaning that unit sales will go up or down more responsively in response to price changes. They go on to say that the price should always remain affordable so as not to lose customers and reduce sales thus customers become loyal to the product.

In addition, there is scarcity concerning scholars who found a negative relationship between price and customer loyalty. Owomoyela et al (2013) hypothesised that there is a negative relationship between price and customer loyalty. However, the researcher further rejected the hypothesis by accepting the alternative hypothesis which states that there is a positive relationship between price and customer loyalty. Therefore, this research hypothesizes that there is a positive relationship between price and customer loyalty.

The Relationship between Promotion and Customer Loyalty:

Souar et al (2015) elaborates on the point that there is a significant positive relationship between promotion and loyalty. Promotion is explained as any vehicle marketers employ for getting people to know more about your product or service. Advertising, public relations, point-of-sale displays, and word-of-mouth promotion are all traditional ways for promoting a product. Promotion can be viewed as a way of closing the information gap between would-be sellers and would-be buyers. It is not possible for customers to be loyal to products they do not know once customers are well informed about the product in a persuasive way they will become loyal to the product and thus bringing forth a positive relationship between the two variables.

On the other hand, there is scarcity of literature concerning a negative relationship between promotion and customer loyalty. Although Owomoyela et al (2013) hypothesised that there is a negative relationship between promotion and customer loyalty, the test results rejected the hypothesis and accepted the alternative hypothesis which states that there is a positive relationship between promotion and customer loyalty.

The Relationship between Place and Customer Loyalty:

According to Owomoyela et al (2013), place is any way that the customer can obtain a product or receive a service. Souar et al (2015) is of the view that there is a significant positive relationship between place and customer loyalty. Customers are influenced to continue buying the product only if the distribution that is place, of the product is favourable to them. Indumathi and Dawood (2016), explain that an organization should pay attention to place decisions, because of the importance of the product and consumption occurring at the same time and at the same place, a place that provides all information of customer, competition, promotion action, and marketing task for it to gain loyalty.

In contrary there has been little information to prove the negative relationship between place and customer loyalty. Also, Owomoyela et al (2013) hypothesizes a negative relationship between the two variables, but went on further to reject it and accept the alternative hypothesis. Therefore, this research hypothesizes that there is a significant positive relationship between place and customer loyalty.

The Relationship between Product and Customer Loyalty:

Souar et al (2015) defines a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Therefore, while developing a service product it is important that the package of benefits in the service offer must have a customer's perspective. Marketers should be careful when producing so that they do not produce products that do not meet consumers' needs. If they do so, customers will be dissatisfied hence low loyalty. In addition, a negative relationship between product and customer loyalty has not been found due to scarcity of information. Owomoyela et al (2013) also hypothesised that a negative relationship exists between product and customer loyalty, but the researcher further rejected the hypothesis and accepted the alternative which states that there is a positive relationship between product and customer loyalty.

In today's challenging market, creating and upholding customer loyalty is more compound than it used to be in the past years. This is a result of technological advancement and widespread internet use. Loyalty building involves the company focusing on the value of its product and services and to display that it is interested to fulfil the need or build the relationship with customers emphasize that "loyalty is more profitable." The expense to gain a new customer is much more than retaining existing ones. Loyal customers will encourage others to buy from you and think more than twice before changing their mind to buy other services. Customer loyalty is not gained by an accident, it is constructed through sourcing and design decisions. Designing for customer loyalty requires customer-centred approaches that recognize the want and interest of the service receiver. Customer loyalty is built over time across multiple transactions. A relationship with a customer is equally important in customer loyalty and this requires that a company works in a broader context that extends beyond itself, as no company can be world class at everything. The following is an account on some authors who did studies which are more similar to this one.

3. METHODOLOGY

This research follows a survey design. Because of opinions of respondent was gathered through administration of Questionnaire. A sample size of sixty-eight (68) was utilised for the study from selected supermarkets located in King Williams Town in Eastern Cape Province South Africa, this was determined via Rao soft online calculator at 95% level of confidence and 5% margin error. The data obtained was analysed utilizing Statistical Package for Social Sciences, specifically, data was collected via questionnaires and analysed utilizing ANOVA test and multiple regression to determine the significance of variables, degree or strength of relationship between variables.

Validity and Reliabilty:

Validity: For the purposes of validity a **pilot study** was conducted on 10 respondents from different supermarkets in King Williams Town. Basing on the results of the pilot study, the researcher found out that respondents were facing difficulties in responding to long questions which needed their personal views and also they were failing to disclose their positions in the organization. Therefore, adjustments were made by the researcher by putting a range on position in the organization and also removing the long questions at the end of the questionnaire. The adjustments were successful in bringing up cooperation and a better response rate.

Reliability- For reliability purposes, Cronbach alpha was used. The following Table 2 shows the Cronbach alpha coefficients for this study.

Table 2. Reliability statistic

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Number of Items
0.703	0.704	24

The Table 2 shows that the constructs of this study had a 0.7 Cronbach alpha which is an acceptable level of reliability. It also shows an acceptable internal consistency which lead the researcher to the conclusion that the scales used in this research were reliable.

Analysis:

Multiple regression analysis for hypothesis test on effect of marketing mix on customer loyalty the multiple linear regression analysis was used. The model is assumed to be a linear function of more than one explanatory variable (Gujarati, 2004). Four hypotheses were tested which stated the significant effect of independent variables on customer loyalty:

X_1: Product
X_2: Price
X_3: Promotion
X_4: Place

The study tested all the hypotheses using multiple regression analysis, and the results interpreted according to the values of t, R^2 and F values at the 95% level of significance. The regression analyses results are shown in the table below, illustrating the first four hypotheses of the study.

Direct relationship analysis:

Table 3. Model summary

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
	.875[a]	.766	.749	9.611

Table 4. ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
	Regression	16668.281	4	4167.070	45.112	.000[b]
	Residual	5080.453	55	92.372		
	Total	21748.733	59			

Table 5. Coefficients

Coefficients[a]							
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
	B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
(Constant)	35.115	3.512		9.999	.000		
Product	8.585	3.206	.195	2.677	.010	.799	1.252
Price	15.794	3.046	.359	5.185	.000	.885	1.130
promotion	21.197	3.509	.459	6.041	.000	.737	1.357
Place	11.645	2.904	.288	4.010	.000	.821	1.217

The ANOVA Table 4 above shows that from the research findings, the F-value was statistically significant, with a p-value of 0.000, indicating that the model was statistically significant. The coefficient of determination (R^2) was 0.766, meaning that approximately 76.6% of variability of the dependent variable (customer loyalty index) was accounted for by the significant explanatory variables in the model. Thus, the regression model was adequate. Gujarati (2004) states that, in determining model adequacy, we look at some broad features of the results, such as the R^2 value and F-value, which were both statistically significant in this study.

Model specification:

From the coefficients table, the regression model established for the direct relationship was:

$$Y = 35.115 + 0.195 X_1 + 0.359 X_2 + 0.459 X_3 + 0.288 X_4 + e$$

Where: $\mathbf{X_1}$ = Product, $\mathbf{X_2}$= Price, $\mathbf{X_3}$ = Promotion and $\mathbf{X_4}$ =Place, **e** = error, term $\boldsymbol{\beta_0}$ = constant term $\boldsymbol{\beta_{1,\,2,\,3,\,4}}$ **=** coefficient terms of Product, Price, Promotion, Place respectively.

4. FINDINGS AND DISCUSSION

H_1: Price has a significant positive relationship with customer loyalty:

Test of Hypothesis for Price factor

The regression results showed a positive relationship between price and customer loyalty for supermarkets in King Williams Town. The estimated coefficient of the price was (0.359) and a p value of (0.000), showing that price factor is statistically significant influencing customer loyalty for supermarkets in in King Williams Town, as a result the study rejected the null hypothesis and accepted the alternate hypothesis. This proposes that there is a positive relationship between price factor and customer loyalty of supermarkets in King Williams Town that is statistically significant. These finding also agree with those in Owomoyela et al., (2013), which states that price is positively related to customer loyalty. Therefore, it is important that marketers pay much attention in regard to their pricing strategies in order to retain their customers, hence building loyalty.

H_2: Promotion has a significant positive effect on customer loyalty:

Test of Hypothesis for Promotion factor

Research hypothesis three established the effect of promotion factor on customer loyalty of Supermarkets in King Williams Town. In reference to the coefficients table, the study found out a positive relationship between promotion factor and customer loyalty with $\beta= 0.459$ and $p<0.05$. The statistical p value is $p= 0.000$ which is less than p value of 0.05 hence being statistically significant. The null hypothesis therefore was rejected and alternative hypothesis was accepted. This means that marketing mix promotion factor has a positive significant effect on customer loyalty for supermarkets in King Williams Town. Following studies by Souar et al (2015), it is also proven that promotion has a significant positive relationship with customer loyalty. Owomoyela et al (2013), also supports the same notion. Therefore, the findings of this research are consistent with those of the previous researchers which makes it valid and reliable for use by academics and marketers

H_3: There is a significant positive relationship between place and customer loyalty:

Test of Hypothesis for Place factor

Hypothesis was carried for establishing the effect of place factor on customer loyalty on supermarkets in King Williams Town. In reference to the coefficients table, the study found out a positive relationship between place factor and customer loyalty with β=0.288 and p=0.00. The p value for the effect between place factor and customer loyalty is $p<0.000$, the value is less than 0.005, therefore it is statistically significant. The study rejected the null hypothesis and accepted alternative hypothesis and concluded that there is a statistical positive significant relationship between place factor and customer loyalty of supermarkets in King Williams Town. Existing literature suggests that the way in which products are distributed to customers matter in terms of how they consider being loyal to the providers (Souar 2015). Discussions by Owomoyela (2013) state that place has a direct effect on customer loyalty. Therefore, the results of this study are consistent with previous researches which make it valid to consider.

H_4: There is a significant positive relationship between product and customer loyalty:

Test of Hypothesis for Product factor

The table of coefficients summarizes the multiple regression estimates of marketing mix factors affecting customer loyalty in Supermarkets located in King Williams Town. The β values indicate the direction and number of units (as coded) of change in the dependent variable due to a one unit change in each independent variable. In this study, first research hypothesis tested significance effect of marketing mix factor product on customer loyalty, product factor was statistically significant at 5% significance (0.010). This result presents that product factor has a significant positive (B=0.195) effect on customer loyalty. As a result, the null hypothesis was rejected and the alternate hypothesis was accepted. This suggests that marketing mix product factor has influence on customer loyalty showing probability test that it is statistically significant.

These findings also relate with those found in Souar et al (2015), which state that there is a significant positive relationship between product and customer loyalty. Also in Owomoyela et al (2013), although the hypothesis stated a negative relationship between product and customer loyalty, their findings indicated that there is a significant positive relationship between product and customer loyalty. This makes the findings of this research relevant considering that mentioned previous researchers also came up with the same findings. Therefore, product is an important element of the marketing mix which boosts customer loyalty.

5. IMPLICATION OF THE RESEARCH

This research contributes to the challenge of whether the marketing mix is an effective tool in boosting customer loyalty in the Eastern Cape Province or not. Norsyhaeera et al (2016) asserts that the marketing mix elements impact customer satisfaction which is a medium between marketing mix and customer loyalty. Therefore, in this case marketing mix elements are said to affect customer loyalty in supermarkets. The literature and empirical findings in this research highlights on the outcomes which promote the implementation of the marketing mix strategy. The results confirmed the importance of marketing mix in enhancing customer loyalty. Therefore, this study contributes more to the success of supermarkets in Eastern Cape through providing them with the knowledge on how to affect customer loyalty through the marketing mix strategy.

6. CONCLUSION

This study has investigated the effect of marketing mix elements on consumer loyalty with special reference to supermarkets located in King Williams Town. Various related literatures were reviewed in line with the objectives. The results revealed that there is a strong relationship between marketing mix elements (price, promotion, place and product) and consumer loyalty. Base on the findings of this study, it can be concluded that price, product, place and promotion mutually and independently predict consumer loyalty. This result is supported by Owomoyela et al (2013), who reveal that marketing mix elements have become major business tools in the journey to pursue marketing objectives. This research contributes to the challenge of whether the marketing mix is an effective tool in boosting customer loyalty in the Eastern Cape Province or not. Norsyhaeera et al (2016) asserts that the marketing mix elements impact customer satisfaction which is a medium between marketing mix and customer loyalty. Therefore, in this case marketing mix elements are said to affect customer loyalty in supermarkets. The literature and empirical findings in this research highlights on the outcomes which promote the implementation of the marketing mix strategy. The results confirmed the importance of marketing mix in enhancing customer loyalty. Therefore, this study contributes more to the success of supermarkets in Eastern Cape through providing them with the knowledge on how to affect customer loyalty through the marketing mix strategy. The researcher concluded that marketing mix elements have significant effect on consumer loyalty.

7. RECOMMENDATIONS

Taking into consideration the conclusions above, the researcher recommends that supermarkets in King Williams Town should produce superior and unique products which satisfy the needs of customers and charge competitive prices that do not chase away customers. They should also position their products appropriately on the market to gain market share. Moreover, promotion should be taken into consideration very seriously. They should make use of intensive promotion of their products basing on advertising, personal selling, packaging as well as their branding skills. This is done to attract many customers and by attracting them through quality products they will remain loyal. The way products are distributed should be up to standard making sure that products are available whenever customers need them as well as providing other distinctive functional benefits to consumers.

It is also important that they pay more attention to their customers in order to understand their needs and expectations as well and to keep in touch with them. Customers are viewed as the most important element of a business' operations. Without customers no business can run therefore, making sure that the customer is the king helps to secure intimate relations that will last for a lifetime. Also customer satisfaction surveys should be conducted in a systematic and continuous way to ensure its effectiveness in retaining customers for the business.

Since many supermarkets seem to fail because of lack of knowledge concerning the marketing strategies, the researcher recommends that they engage in the contraction of some marketing consultancies. These will help them to implement the marketing mix strategy and attract many customers who will become loyal to the business. Also the supermarkets should aim at gaining economies of scale so that their costs of production will be lower so as to cover up for the marketing mix implementation. It is also beneficial for the government to help these supermarkets through some funds so that they may be able to cover up for the marketing mix budget which will help them to gain more profits. Marketing mix is indeed an important strategy for supermarkets in King Williams Town, therefore the researcher recommends that every effort aimed at the success of its implementation should be conducted.

8. SUGGESTIONS FOR FURTHER RESEARCH

This study focused on the supermarkets in King Williams Town, this means that the study was bound by geographical limitations. Therefore, for the purposes of further research, a study of the similar nature should be conducted in other geographical areas to assess effectiveness. Moreover, in future research, aspects of people, processes and physical evidence which are an extension to the 4ps of Marketing mix should be put into consideration as they also impact the customer loyalty. The use of interviews to get in-depth information on the study might also be helpful. It is also expected that respondents can easily express their views and experiences verbally using their own words and impressions to answer questions. Facial expressions and gestures provide a deeper understanding and better outcome of the phenomena that will be under study.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Chapter 10
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Construction SMEs versus Economic Growth: The Eastern Cape Perspective

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ABSTRACT

Globally, small and medium enterprises (SMEs) are recognised as the engine and backbone of economic growth, especially for emerging countries such as South Africa. However, construction SMEs in South Africa are faced with some major challenges that hinder their contribution to the economic growth of the country. The study sought to investigate the factors that hinder the contribution of construction SMEs to the economic growth in the Eastern Cape province, in South Africa. The sample size of the study comprised 303 construction SME owners/managers in the Eastern Cape province. Nevertheless, for this conference, the findings of the study are based on the reviewed literature, supplemented by a pilot study with 30 construction SME owners/managers as participants. The study revealed key factors that influence the contribution of construction SMEs to economic growth in the Eastern Cape province. These factors include insufficient/inadequate financial resources, innovation, business management skills, and investment in human capital, as well as a lack of Information Technology use, along with skills shortages, and too many government regulations. The South African government and private sector thus need to develop mechanisms that will cushion construction SMEs through the development of policies that will enable these firms to contribute to economic growth.

Keywords: Construction industry; construction SMEs; economic growth; contribution; Eastern Cape.

1. INTRODUCTION

Construction SMEs are recognised to be the engine and support of economic growth on a global level, more so in emerging countries such as South Africa

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(SA) (Engidaw, 2022). In support, Tlapana and Mngeni (2021) state the construction sector in developing countries, for example SA, is viewed as a key strategic driver of economic growth. Several authors agree construction SMEs are important to economic growth, and it is vital to acknowledge these small enterprises operate in a turbulent environment and are not immune to the challenges faced by the business community (Windapo, Olugboyega and Odediran, 2020 and Amoah, Bamfo-Agyei and Simpeh, 2021). In fact, Lu, Wu, Peng and Lu (2020) state that even though SMEs are key drivers of growth, they are often most vulnerable when there are public crises such as the COVID-19 pandemic. In the same vein, Rajagopaul, Magwentshu and Kalidas (2020) concur that SMEs in SA are the lifeblood of economic growth and are the most at risk especially in times of COVID-19.

Literature indicates attempts to improve the performance of the construction industry in SA, through the identification of critical factors affecting performance of the construction sector (Chimucheka 2013, and Adeyemi 2018, cited in Mafundu and Mafini 2019). Previous research in the South African construction sector, as Mafundu and Mafini (2019) explain, has mainly focused on larger business entities, while construction SMEs face major challenges that affect their performance (Eke, Aigbavboa and Thwala, 2015). Wentzel, Emuze and Smallwood (2016) state that internal factors of construction SMEs that lead to business failure emanate from insufficient management skills, as well as financial knowledge, and lack of expertise in functional areas such as marketing and human resources. Some of the internal factors found to be lacking in the construction SMEs include the inability to set strategic goals, reluctance to seek advice and a lack of management commitment (Wentzel et al. 2016). This is echoed by Mafundu and Mafini (2019), who find key factors affecting SME business growth to include the lack of access to finance, policies that regulate the way to conduct business, and failure by these small enterprises to adapt to change. A thorough understanding of critical factors that affect the economic contribution of construction SMEs, therefore, becomes crucial to better comprehend the emerging factors that limit the contribution of construction SMEs to the economic growth in SA, as this will enable key knowledge for developing innovative ideas and generate practical solutions to address these emerging challenges (Zamani, Rahman, Fauzi and Yusof, 2021).

2. AIM AND OBJECTIVES

2.1 Aim

The aim of this study was to define and discuss various factors that influence the contribution of South African, Eastern Cape construction SMEs to the economic growth of the province and the country.

2.2 Objectives

- To determine factors that hinder the economic contribution of Eastern Cape construction SMEs; and

- To recommend strategies that can be utilised to enhance the contribution made by construction SMEs in the Eastern Cape to the economy.

3. LITERATURE REVIEW

The construction industry is a key driver of economic development, worldwide, and contributes to the Gross Domestic Product (GDP) of every country, creating extensive employment opportunities in both the formal and informal sectors (Frimpong, Sunindijo, and Wang, 2020). Furthermore, this is linked to the performance of construction SMEs, as they account for the majority of businesses in the construction industry, as opposed to larger businesses (Sogaxa, Simpeh and Ndihokubwayo, 2021). In support, a report generated by the Department of Trade and Industry (dti) reveals that construction SMEs in South Africa underwrite meaningfully to the country's GDP and have proven to be the main contributors to job creation (Lekhuleni, Mulongo and Kholopane, 2018). Regrettably, although their contribution to the country's GDP is significant, 50 percent of construction SME entrepreneurs who start a firm fail within the first year, 60 percent in their second year and 90 percent by their 10th year (Rungani and Potgieter, 2018; Wentzel et al., 2016). This is attributed to challenges, such as the ongoing global COVID-19 pandemic, faced by construction SMEs that limit and impede the performance, development, and growth of the SA construction sector (Bikitsha and Amoah, 2020).

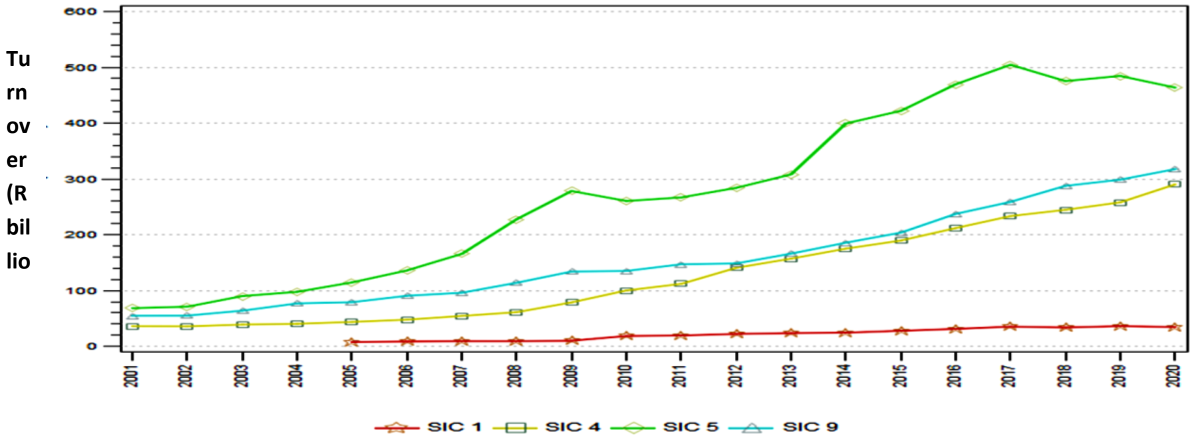
Impediments to the growth of construction SME, according to Shah, Gundu and Abhikjain (2017), comprise both internal and external factors. A study of the construction industry in African countries (SA, Kenya, Namibia, Swaziland, and Mauritius) by the African Competition Forum (ACF, 2019) found the following challenges faced by the construction markets to include: input market and vertical integration effects on vertical relationships; with horizontal relationships comprised of, amongst others, information sharing, joint ventures, conflict of interest, cross directorships, and sub-contracting; while barriers to entry and market concentration affect market structure; alongside regulation, consisting of public procurement, standard setting, and anti-competitive regulations, in addition to pricing and concurrent authority, which were also emphasised. This supports findings by Wang, who used enterprise survey data from the World Bank on 119 developing countries and found the main factors that constrain SME growth are access to finance, the high tax rate, competition, and electricity, as well as political factors, especially in Africa. Furthermore, the study proved finance is the biggest obstacle to SME growth (Wang, 2016). These studies confirm results from research on SME constraints in Nigeria, where it was discovered that lack of finance, poor infrastructure, and difficulty in obtaining machinery, spare parts, and raw materials, are the main factors that hinder business growth of small enterprises (Mambula, 2002; Taiwo and Falohun, 2016). Furthermore, research on SMEs in Maputo, Mozambique, identified financial, legal, social, and external, along with internal barriers as key constraints to SME growth (Louis and Macamo, 2011). In addition, a recent comparative study conducted by Refiloe, Derera, McArthur and Ndayizigamiye (2020), revealed access to finance, high interest rates, and income tax affect SMEs in South Africa more than those in

Lesotho. Moreover, Mafundu and Mafini (2019) discovered key threats to construction SMEs, including unethical practices in tender processes, unfair tender adjudication, and a shortage of critical skills. Therefore, internal and external challenges that affect SMEs, specifically small- and medium-sized construction enterprises in SA, need to be studied and addressed. This will add to the existing body of knowledge on construction SMEs, as well as enable sustainable business growth of these small enterprises (Refiloe et al., 2020).

3.1 Finances

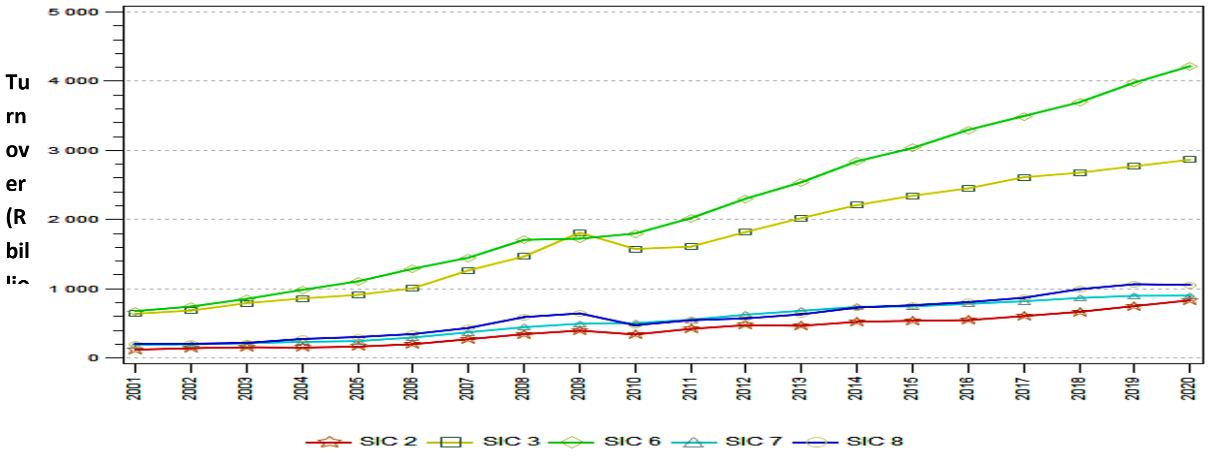
Wentzel et al. (2016) state that South African construction SMEs are facing certain challenges, which include lack of capital, due to the difficulty in accessing finance. According to Al Amri and Marey-Perez (2020), COVID-19 resulted in construction projects having to be stopped, while others had to be delayed, which resulted in construction businesses incurring heavy financial losses. The authors further posit this has worsened the financial position of construction SMEs, as they need finance for better business performance. The impact of the COVID-19 pandemic on the SA construction sector specifically, can be more clearly demonstrated by comparing the country's pre-pandemic annual construction industry financial statistics for 2018-2019, against that of 2019-2020. Where the already struggling construction sector, after shedding 140 000 jobs in the first and third quarters of 2017, had shown an increase in turnover of 1.1 percent for the 2018-2019 period (StatsSA, 2019), a year later, the pandemic had wreaked havoc and the sector's turnover decreased by -4.3 percent for 2019-2020 (StatsSa, 2020). A time series of turnover per industry from 2001 to 2020 (Fig. 1a, b) illustrates construction industry growth in SA compared to the other eight sectors surveyed (StatsSa, 2020).

Performance of construction SMEs is severely threatened by any financial challenges, as with any enterprise, to the extent where a business becomes unable to fulfil its financial obligations (Al Amri and Marey-Perez, 2020). As Lu et al. (2020) highlight, it has become the norm that many SMEs do not have working capital. Therefore, when SMEs were required to shut down operations for a month or more due to various lockdown levels imposed by government, which restricted movement, physical contact and industry operations, construction SMEs had no cashflow to pay overheads such as wages, rentals, and revolving loans (Lu et al., 2020). In addition, Rajagopaul et al. (2020) find cashflow management likely under much pressure during the COVID-19 pandemic, with Castillo (2005 cited in Lu et al. 2020) emphasising the importance of SMEs keeping some cash as savings, where these savings would enable a firm to pay overheads during a time when there is no income. Therefore, lack of finance and insufficient cashflow are factors that could influence the contribution of construction SMEs to economic growth. A report conducted for the National Credit Regulator (NCR) on literature reviewed concerning SME access to credit and support in SA, discovered major constraints that hinder SMEs to access credit, namely: lack of business managerial skills, information on available products, and financial literacy, as well as poor business plans, in addition to external factors, with these constraints shown to have led to government failure to support SMEs in SA (Mahembe, 2011).



SIC 1 - Forestry and fishing; SIC 4 - Electricity, gas and water supply; SIC 5 – Construction
SIC 9 - Community, social and personal services (excluding general government and educational institutions)

Fig. 1a.



SIC 2 - Mining and quarrying; SIC 3 – Manufacturing; SIC 6 – Trade; SIC 7 - Transport, storage and communication; SIC 8 - - Activities auxiliary to financial intermediation, real estate and other business services (excluding financial intermediation, insurance, pension funding and business services not elsewhere classified)

Fig. 1b.

Figs. 1a and 1b. Time series of turnover per industry from 2001 to 2020
(Source: StatsSa 2020:6,7)

3.2 Innovation

Internationally, the expansion, distribution, and embracing of innovation within the construction industry has been identified to happen at a slower rate than for other sectors (Hunt and Gonzalez, 2018). Nevertheless, Li, Song, Wang and Li (2019) argue many nations have started to recognise the importance and value of innovation as a driver of economic growth. Rosman, Suffian, Marha, Sakinah and Mariam (2018) posit that innovation transforms opportunities into ideas, then turns those ideas into practices, which enable a business to be competitive. These studies corroborate findings by Egbu (2004), who stated construction SMEs should adopt different measures, including education and training of construction staff and promoting an innovation supporting culture that can enhance intellectual capital, in order to achieve innovation. Moreover, Rosman et al. (2018) maintain the success of construction SMEs depends on innovation and implementation of new technologies, which significantly impact the dynamics of their external environment (Li et al., 2019). Innovative entrepreneurs typically introduce entrepreneurial changes that include the re-engineering of business management processes. For example, construction SMEs in China gain competitive edge in the market because they concentrate their efforts on innovation, to the extent where innovation forms part of their business processes (Li et al., 2019).

3.3 Business Managerial Skills

Manjula and Sindhura (2021) aver business management affords firms certain tools to be used for strategic planning and policy development. According to Fatoki (2018), the fact that SMEs are critical to the development of a country's economy, in both developed and developing countries, has created an interest in the management development field of entrepreneurial design of organisations. There is consensus amongst authors that over the years the management of construction SMEs has deteriorated drastically (Wentzel et al., 2016; Eke et al., 2015; Thwala and Phaladi, 2009). According to Wentzel et al. (2016), this emanates from the lack of business management training and skills, as well as limited family business culture in SA. In some cases, business owners for small construction firms employ unqualified family members, which sometimes lead to rapid business closure (Arifi, 2018). In addition, during the start-up of their businesses, owners are unable to separate between their business and family situations, which results in business funds being used to pay for private expenses, instead of limiting it to the payment of business expenses only (Anzagira, Owusu-Manu and Badu, 2021; Thwala and Phaladi, 2009). Eke et al. (2015) agree that non-effective financial management during the start-up stages of the business is a major cause of business failure of construction SMEs. Furthermore, Mafundu and Mafini (2019) contend the lack of practical business management is evident, especially in black-owned SMEs in the construction sector, which is a significant impediment for business performance. Shah et al. (2017) established a critical challenge that resulted in SMEs being stagnant, is the reluctance of owners or managers to diversify control over company functions to professional managers. For construction SMEs to re-engineer the globe, tangible, and practical measures such as government support should be put in place to transform business management in construction SMEs, for performance to be optimised (Mafundu and Mafini, 2019; Mutti and Hughes, 2002). Lastly, construction SME owners/managers need to know and understand what existing skills are needed and must attend refresher courses on the relevant business management skills required (Thwala and Phaladi, 2009).

3.4 Human Capital

According to Li et al. (2019), human capital is viewed as the most vital intangible asset of a company. Human capital theory advocates education and training as an investment in human capital that results in improved employee productivity and efficiency, thus enabling the firm to contribute to economic growth (Rosman et al., 2018). Nevertheless, Isaacs, Visser, Friedrich and Brijal (2007) suggest education and training need to be localised through researching local environments and circumstances, as this will foster appropriate development of construction SME resulting in job creation. Thwala and Phaladi (2009) argue SA is characterised by a systematic lack of investment in human capital, which has resulted in the labour force having a skewed distribution of crafts and skills. In support, Dithebe, Aigbavboa, Oke and Muyambu (2018) determined that factors influencing the contribution of the construction sector to economic growth include financial, productive, regulation and human resource factors. According to Abdissa and Fitwi (2016), the downfall of SMEs is their lack of human capital that is experienced, productive, and innovative. Tayeh, Alaloul and Muhaisen (2019) maintain that investment in human resources is important for SMEs to improve their operational skills. Therefore, to create human capital, a firm should recruit and retain outstanding staff, with a decent level of education, experience, and training, to create value for the company (Rosman et al., 2018). Regrettably, the construction industry reflected an employment cost decrease (-2,0%) in 2018 - although employment cost increased by 2,2% for most industries (StatsSA, 2019), and an employment cost decrease of -8.4% in 2019, reflecting the impact of various factors, amongst which the 140 000 jobs that were shed in the first and third quarters of 2017 (StatsSa, 2020), as well as the effects of COVID-19. It follows that a lack of investment in human resources is a factor that could influence the contribution of Construction SMEs to economic growth.

3.5 Skills Shortage

Although the South African government is addressing the issue of skills shortage through interventions, for example, equity legislation, skills shortages remain a reality in SA (Langeni, 2020). The South African construction industry is not immune to the challenge of skills shortages since one of the major constraints for many construction SMEs is the lack of competent, skilled labour (Eke et al., 2015). Araya (2020) and Silva, Warnakulasuriya, and Arachchige (2018) consider the low skills level among workers in the construction industry as one of the more significant factors that leads to poor contractor performance. Oyelana and Fiseha (2014) argue that although construction SMEs are critical to the contribution of GDP, it is evident most of these enterprises lack both technical and managerial skills. Dithebe et al. (2018) confirmed the deficiency of key critical skills is one the factors influencing construction sector performance. According to Silva et al. (2018) and Rasool and Botha (2011), the major problem associated with skills shortages is that it affects the productivity level. Akomah, Ahinaquah and Mustapha (2020) agree the skills shortage impacts productivity performance as it is difficult to fill vacancies. To address this skills shortage issue, Dithebe et al. (2018) suggest the South African regulatory body, namely, the Construction Industry Development Board (CIDB), should ensure developed construction firms perform skills and training transfer to SME construction companies. For example, in the United Kingdom, the government has established the Construction Industry Board (CIB), which plays a key role in empowering the construction industry by facilitating training programmes for critical skills (Lenard and Abbott, 2001). Likewise, in Sri Lanka, the regulatory body for the construction industry, the Construction Industry Development Authority (CIDA), has dedicated resources to ensure small businesses are incubated by the larger business to bridge the skills gap (Gunawardhane and Karunasena, 2016).

3.6 Regulatory Framework

In every country there are numerous licences, registrations and certifications that need to be adhered to by SMEs in order to conduct a business and these are regulated by government (Sawaya and Bhero, 2018). SMEs are not exempted from the constraints associated with macro environmental factors, which include payment of registrations, licence fees and taxes (Cant and Johannes, 2013). Abdissa and Fitwi (2016) concur and contend these regulatory constraints are some of the factors that negatively affect SME performance in both developed and developing countries. In some cases, the nation’s legal and regulatory laws negatively impact SME operational performance, because of the complex registration and licencing requirements (Anderson, 2017). For example, during COVID-19, the South African government introduced rules and regulations under which essential services and permitted businesses were required to operate to curb the spread of the virus (Fubah and Moos, 2022). These directives include amongst others, curfews, social distancing, and the wearing of masks, as new policies (Fubah and Moos, 2022). Ngibe (2020) states regulatory requirements for SMEs are a huge burden for businesses; these include compliance with registration for income and Value Added Tax (VAT), as well as the Unemployment Insurance Fund (UIF), Compensation for Occupational Injuries and Diseases (COID), and Pay As You Earn (PAYE). In SA, it takes 176 days for a business owner to deal with licencing issues and there are 18 procedures to be followed to ensure licencing matters are fully addressed (Abor and Quartey, 2010). Lekhanya (2015) also points out that bureaucratic licencing procedures are a major challenge and an obstacle faced by SME owners/managers in SA. Furthermore, a study by Maingi, Kinanga, and Odimba (2019), on the effect of business regulatory procedures in Kenya, discovered that registration and licencing procedures influence the growth of youth-owned SMEs. Thus, the need exists to investigate the influence of business registration and licencing on the contribution of construction SMEs to the Eastern Cape economy.

3.7 Technology

According to Anjum (2019), SMEs globally have recognised the importance of information technology (IT), resulting in more SMEs that plan to invest in technology-related projects to achieve more of a competitive edge in the market. The author further states IT enables innovation within the SME sector, hence, SMEs need to understand that embracing IT is now a necessity (Anjum, 2019). However, Cherian and Kumaran (2016) are of the view the use of IT in the construction sector is low, even though it has the greatest potential to increase productivity in the sector. Ntwoku, Negash and Meso (2017) argue that in developing countries such as Cameroon and SA, SMEs may not have the resources to innovate their own IT. As Acar, Ak, Sey and Arditi (2005) explain, construction SMEs can use IT as an enabler for integration, collaboration, knowledge management, and procurement, as well as site management and process improvement. In addition, Cherian and Kumaran (2016) affirm construction sector SMEs could take advantage of IT by using the foremost internal processes of IT, which are e-tendering, e-site, e-procurement and e-quality. For instance, it was discovered in Malaysia that construction SMEs use IT to enhance the teamwork and support between staff and as a tool to aid knowledge and information dissemination between project teams, qualifying the advancement of new knowledge for innovation (Gaith, Khalim, and Ismail, 2012).

4. RESEARCH METHODOLOGY

A mixed methods approach was adopted for the study to gain an understanding of the factors influencing the contribution of construction SMEs to the economic growth in the Eastern Cape. This was achieved through a literature review, supplemented by a field study, with the collection of primary data from construction SME owners/managers in the Eastern Cape province. The sample frame of the main study consists of 303 construction SME owners or managers. However, for this conference, the study findings are based on the review of literature, supplemented by a pilot study undertaken with 30 construction SME owners/managers, due to the empirical study still in the process of completion. The pilot study utilised simple random sampling (SRS), commonly known as random sampling. The survey questionnaire comprises close-ended questions and multiple-choice options, was designed on google forms, and a link was sent to construction SME owners/managers who agreed to form part of the study, with a summary of key questions set out in Table 2. The survey questionnaire was also sent via email to construction SME owners/managers. Likert scaling was utilised to rank questions that have an agreement level.

Table 1. CIDB category of Construction SMEs

Construction Industry Development Board (CIDB) grading	Frequency	Percentage
Grade 1	9	30
Grade 2	5	17
Grade 3	5	17
Grade 4	6	20
Grade 5	4	13
Grade 6	1	3
Total	30	100

Table 2. Summary of key questions

Research area	Question
Type of business	Type of SME construction business? Response alternatives: general building; civil engineering, mechanical engineering, electrical engineering (building), electrical engineering (In), specialist works (SB to SQ)
Type of ownership	Type of ownership? Response alternatives: sole proprietor, partnership, private company, public company, close corporation
Finance	Lack of access to loans from financial institutions affect construction SMEs' contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Lack of financial investment by construction SMEs affect their contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Innovation	Level of education will improve the ability of construction SME entrepreneurs to be innovative? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Lack of innovative behaviour by construction SMEs affect their contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Business managerial skills	Lack of managerial controls of daily operation by construction SMEs affects their contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Lack of financially managing business funds by construction SMEs affect their contribution to economic growth?

Research area	Question
	Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Human capital	Lack of investment in human capital by construction SMEs affects their contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Construction SMEs' failure to provide training and development of workers causes operational skills gaps? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Skills shortage	Skills shortages in the construction sector affect the contribution of construction SMEs to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Lack of technical skills affects the contribution of construction SMEs to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Regulatory framework	Lack of government policy support affects the contribution of construction SMEs to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Too many South African SME regulations affect construction SMEs' contribution to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree
Technology	Lack of expertise in modern construction technology makes it difficult for construction SMEs to contribute to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree Failure to adopt up-to-date technology affects the contribution of construction SMEs to economic growth? Response alternatives: strongly agree, agree, neutral, disagree, strongly disagree

5. FINDINGS

A comprehensive literature review was conducted on factors influencing the contribution of construction SMEs to the country's economic growth. Study findings are thus based on literature reviewed and completed survey questionnaires from construction SME owners/managers in the Eastern Cape province.

5.1 Secondary Data Findings

The current noticeable gaps identified in the literature review are tabled below to reflect the secondary data findings, related to the respective questions posed:

Table 3. Secondary data findings

Research area	Literature review	Noticeable current gaps
Finance	Many researchers indicated lack of finance is a major obstacle for construction SMEs' growth (Wentzel et al., 2016; Al Amri and Marey-Perez, 2020). They added this is caused by lack of investment from both government and the private sector. This affects construction SMEs' performance, leaving them unable to fulfil financial obligations. COVID-19 was also shown to place immense strain on the cashflow of construction SMEs due to effect of lockdown regulations imposed by the South African government (Rajagopaul et al., 2020)	Construction SMEs lack finance. Insufficient financial support by the South African government and private sector is evident.
Innovation	Promotion of education and training for employees of construction SMEs enhances intellectual capital to attain innovation (Egbu, 2004). Implementation of innovation by construction SME entrepreneurs increases likelihood of business to be competitive in the market. Innovation offers a construction SME with the opportunity to re-engineer its business management processes (Rosman et al., 2018).	There is sufficient evidence that innovation enables businesses to be competitive in the market. It also presents firms with opportunities to streamline their processes to maximise performance.
Business managerial skills	Many authors agree construction SMEs lack	Lack of business managerial skills in

Research area	Literature review	Noticeable current gaps
	business managerial skills (Wentzel et al., 2016; Eke et al., 2015; Thwala and Phaladi, 2009). Due to the deficiency of business management in construction SMEs, business funds are used for personal means (Anzagira et al., 2021; Thwala and Phaladi, 2009)	construction SMEs is evident. Construction SMEs need to identify key training and attend courses to boost their skills.
Human capital	Education and training are an investment in human capital and are linked to employee productivity and efficiency, which result in a firm being able to contribute to economic growth (Rosman et al., 2018). Lack of investment in human capital has resulted in uneven crafts skills distribution in the labour force (Thwala and Phaladi, 2009). To enhance human capital a firm must recruit and retain outstanding staff who have formal education, experience, and training (Rosman et al., 2018).	Lack of investment in human capital is evident in SA
Skills shortage	Most construction SMEs are affected by skills shortages, especially technical and managerial skills (Oyelana and Fiseha, 2014). The major challenge with the skills shortage is that it affects productivity levels (Akomah et al., 2020; Silva et al., 2018; Rasool and Botha, 2011). To cultivate skills development in SA, the CIDB needs to be in the forefront and encourage large firms to mentor young firms.	Skills shortages remain a major challenge in construction SMEs.
Regulatory framework	Researchers agree SMEs, including construction	Many regulations in SA are a challenge to the

Research area	Literature review	Noticeable current gaps
	SMEs, are faced with numerous regulatory constraints in SA (Cant and Johannes, 2013; Abdissa and Fitwi, 2016; Lekhanya, 2015). Governmental regulations have a negative impact on the operational performance of SME businesses (Anderson, 2017).	SME sector and affect their performance.
Technology	IT promotes innovation within SMEs and they need to embrace its use to attain a competitive edge (Anjum, 2019). Use of IT is low in the construction sector even though it can increase productivity (Cherian and Kumaran, 2016).	Lack of IT use is evident in the construction sector.

5.2 Quantitative Study Findings

Information obtained regarding respondents' highest qualification, type of business ownership and average annual turnover in the last three years are tabled below:

Table 4. Highest qualification of respondents

	Frequency	Percentage (%)
Secondary Education	0	0
Matriculation	6	20
Certificate	7	23
National Diploma	11	37
Post-Graduation Diploma	3	10
Batchelor of Technology	2	7
Post Graduate Degree	0	0
Honours Degree	0	0
Master Degree	1	2
Doctor of Philosophy	0	0
Other	0	0
Total	30	100

The highest qualification of respondents who participated in the study are illustrated in Table 4, with the majority having achieved a national diploma (37%), followed by those with a certificate (23%), then respondents with matric (20%), and respondents with a post-graduation diploma (10%), as well as respondents who hold a Bachelors of technology (seven percent) and lastly, respondents who have attained a Master's degree (three percent).

Table 5. Type of business ownership

	Frequency	Percentage (%)
Sole proprietor	2	7
Partnership	1	3
Private Company	17	57
Public Company	1	3
Close Corporate	9	30
Other	0	0
Total	30	100

Table 5 shows that most construction SMEs in the study have been operating as a private company (57%), followed by those who operating as a close corporation (30%), and as sole proprietor (seven percent), with the least number operating as a public company (three percent), and as partnership (three percent).

Table 6. Average annual turnover of construction SME business in the last three years

	Frequency	Percentage
Less than R200 000	7	23
R200 001 to R3 000 000	5	17
R3 000 001 to R6 000 000	4	13
R6 000 001 to R10 000 000	7	23
R10 000 001 to R20 000 000	3	10
R20 000 001 to R26 000 000	4	13
Other	0	0
Total	30	100

Most construction SME respondents indicated an average annual turnover (Table 6) of less than R200 000 (24%), followed by those with an average annual turnover of R6 000 001 to R10 000 000 (23%), then SMEs that achieved an average annual turnover of R200 001 to R3 000 000 (17%), followed by those with an average annual turnover of R3 000 001 to R6 000 000, and those SMEs with an average annual turnover of R20 000 001 to R26 000 000 (13%) each, while the least respondents indicated an average annual turnover of R10 000 001 to R20 000 000 (10%).

5.3 Finance

Respondent information regarding insufficient access to loans by construction SMEs, lack of financial investment, innovation, business managerial skills, and human capital, as well as skills shortages and the regulatory framework, in addition to inadequate technology and related skills/staff, are graphically demonstrated below (Figs. 2-15):

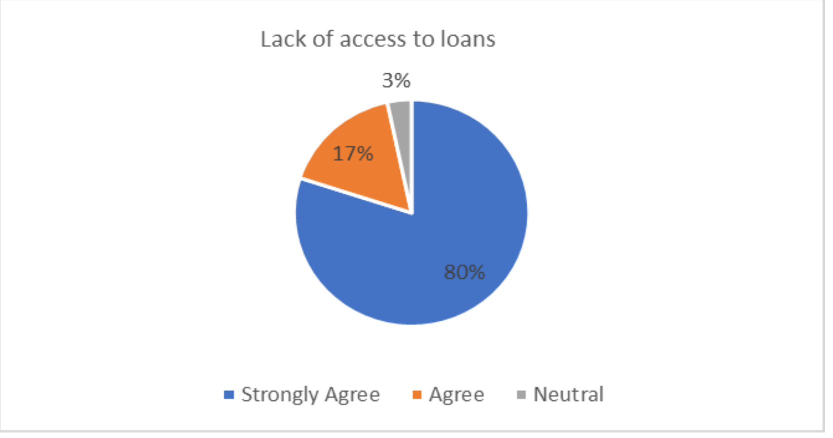


Fig. 2. Lack of access to loans from financial institutions affect construction SMEs' contribution to economic growth

As shown in Fig. 2, the findings reflect strong agreement by 80% of respondents that lack of access to loans from financial institutions affect construction SMEs' contribution to economic growth. While 17% agreed, three percent remained neutral. These findings, supported by Mahembe (2011), reflect that lack of access to credit by SMEs is evident and caused by poor business plans, as well as lack of financial literacy by SME owners/managers.

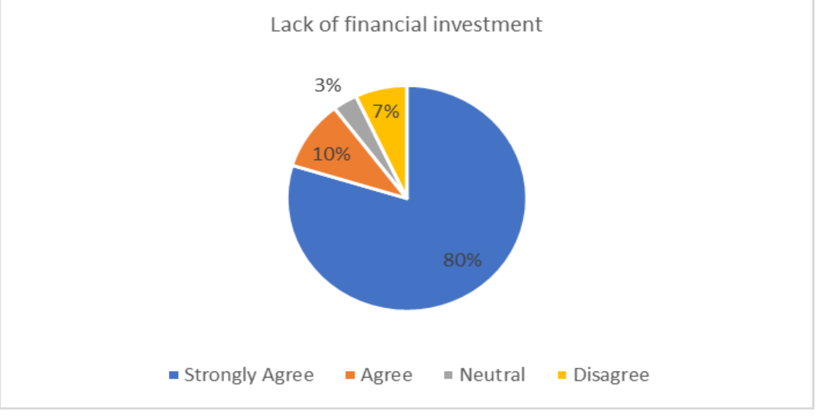


Fig. 3. Lack of financial investment by construction SMEs affects their contribution to economic growth

The results illustrated in Fig. 3 indicate that 80% of the respondents strongly agreed lack of financial investment by construction SMEs affects their contribution to economic growth. While 10% agreed, three percent remained neutral and seven percent disagreed. Lu et al. (2020) emphasised the need for SMEs to save money to enable them to invest in their businesses.

5.4 Innovation

Fig. 4 indicates that the majority of respondents strongly agreed (80%) that level of education will improve the ability of construction SME entrepreneurs to be innovative, while 20% of respondents agreed. These findings are reinforced by Egbu (2004), as the author states construction SMEs should adopt different measures, including education and training of staff and promoting an innovation-supporting culture that can enhance intellectual capital to achieve innovation.

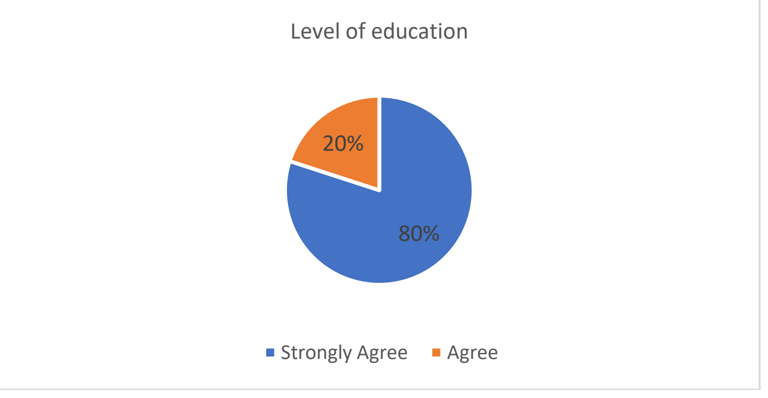


Fig. 4. Level of education will improve the ability of construction SME entrepreneurs to be innovative

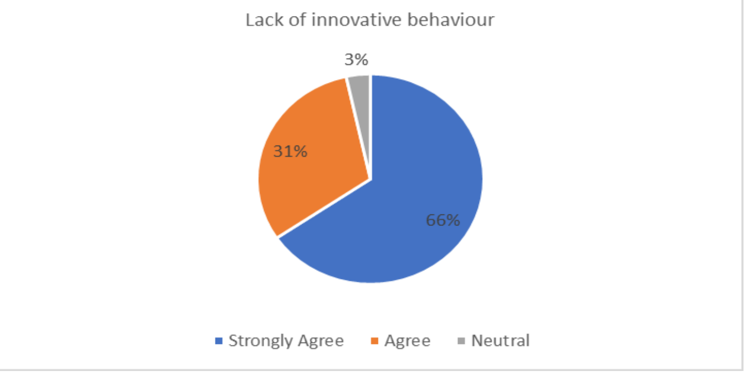


Fig. 5. Lack of innovative behaviour by construction SMEs affects their contribution to economic growth

Based on findings illustrated in Fig. 5, it is reflected that most respondents (66%) strongly agreed that lack of innovative behaviour affects the contribution of construction SMEs to economic growth, 31% agreed and three percent remained neutral. These findings are corroborated by Li et al. (2019) when they state that many nations have started to recognise the importance and value of innovation as a driver of economic growth.

5.5 Business Managerial Skills

Many authors have reiterated that over the years the business managerial skills of construction SMEs have weakened significantly (Wentzel et al., 2016; Eke et al., 2015; Thwala and Phaladi, 2009). Hence, Fig. 6 indicates 67% of respondents strongly agreed that lack of daily operation managerial controls of construction SMEs affects their contribution to economic growth. While 23% agreed, three percent remained neutral and seven percent disagreed.

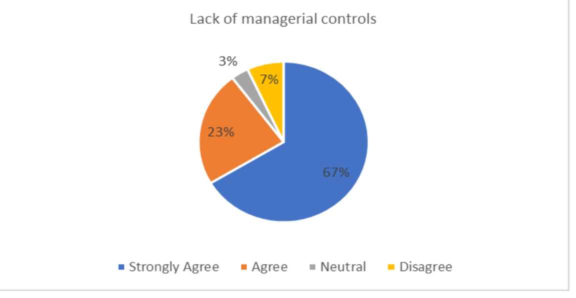


Fig. 6. Lack of daily operation managerial controls by construction SMEs affect their contribution to economic growth

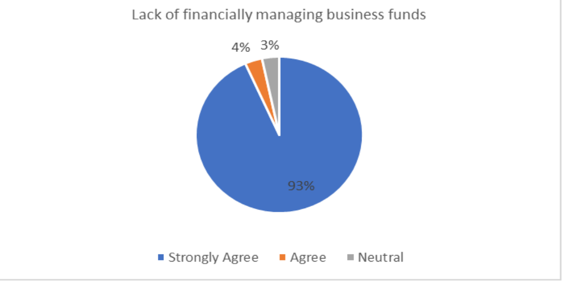


Fig. 7. Lack of financial business fund management by construction SMEs affects their contribution to economic growth

Fig. 7 indicates that 93% of respondents strongly agreed the lack of financial business fund management affects the contribution of construction SMEs to economic growth, four percent agreed, while three percent remained neutral. These findings are supported by Anzagira et al. (2021) and Thwala and Phaladi (2009), who state that during start-up, SME owners are unable to separate their business and family situations, which results in business funds being used to pay for private expenses, instead of limiting it to payment of only business expenses.

5.6 Human Capital

Results shown in Fig. 8 indicate 80% of the respondents strongly agreed that lack of investment in human capital by construction SMEs affect their contribution to economic growth. While 10% agreed, three percent remained neutral and seven percent disagreed. The literature supports these findings, with Thwala and Phaladi (2009) who argue that SA is characterised by a systematic lack of investment in human capital, leading to a biased distribution of crafts skills in the labour force. Therefore, investment in human resources is important for SMEs to improve their operational skills (Tayeh et al., 2019).

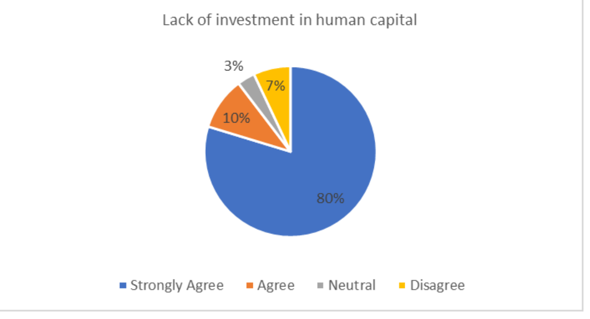


Fig. 8. Lack of investment in human capital by construction SMEs affects their contribution to economic growth

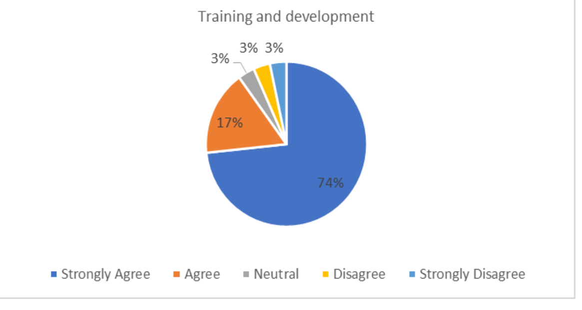


Fig. 9. Construction SMEs' failure to provide training and development of workers causes operational skills gap

The results illustrated in Fig. 9, show 74% of respondents strongly agreed that construction SMEs' failure to provide training and development of workers causes skills gap. While 17% agreed and three percent were neutral, three percent respectively disagreed and strongly disagreed. To support these findings, Silva et al. (2018) and Rasool and Botha (2011) state lack of training is a major problem associated with skills shortages as it affects the level of construction SME productivity.

5.7 Skills Shortage

Fig. 10 indicates that 67% of the respondents strongly agreed skills shortages in the construction sector affects the contribution of construction SMEs to economic growth. Agreement was indicated by 16%, while seven percent remained neutral and 10% of the respondents disagreed. These findings are corroborated by Araya (2020) and Silva et al. (2018), stating that the low skills level among workers in the construction industry is one of the major factors that leads to poor contractor performance.

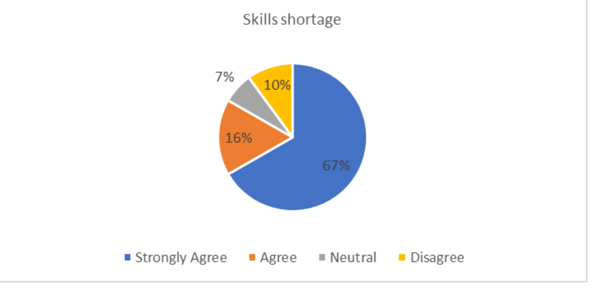


Fig. 10. Skills shortages in the construction sector affect the contribution of construction SMEs to economic growth

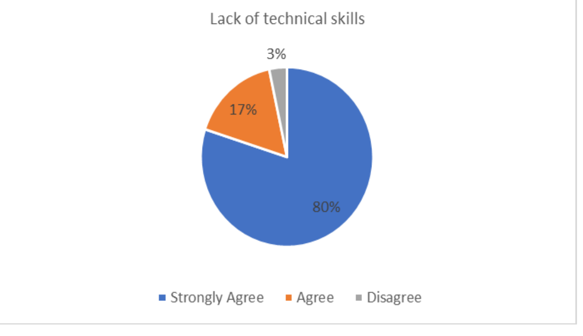


Fig. 11. Lack of technical skills affect the contribution of construction SMEs to economic growth

As depicted in Fig. 11, 80% of respondents strongly agreed that lack of technical skills affect the contribution of construction SMEs to economic growth. While 17% agreed and other three percent remained neutral. These findings are supported by Oyelana and Fiseha (2014), who state it is evident that most construction SMEs lack both technical and managerial skills, which limit their performance.

5.8 Regulatory Framework

Based on results illustrated in Fig. 12, the findings show most respondents (67%) strongly agreed that lack of government policy support affects the contribution of construction SMEs to economic growth. Agreement was indicated by 27% of the respondents, while three percent remained neutral and three percent disagreed. To support these findings, Lekhanya (2015) points out that bureaucratic licencing procedures are a major challenge and an obstacle faced by SME owners/ managers in SA.

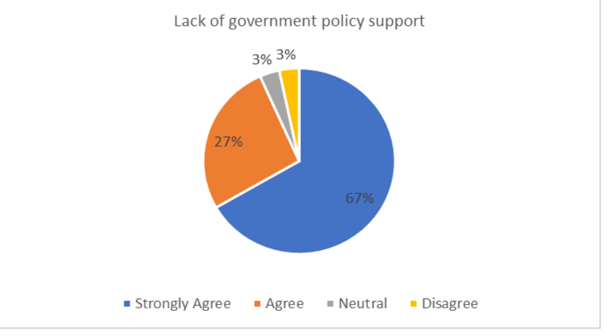


Fig. 12. Lack of government policy support affects the contribution of construction SMEs to economic growth

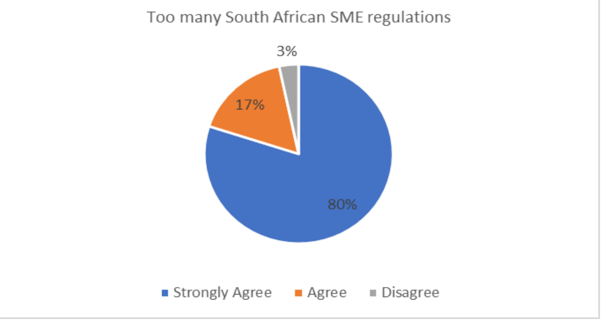


Fig. 13. Too many South African SME regulations affect the construction SMEs' contribution to economic growth

Fig. 13 shows most respondents (80%) strongly agreed that too many South African SME regulations affect construction SMEs' contribution to economic growth, while 17% agreed and the other three percent disagreed. These findings are supported by Ngibe (2020), when he states SME regulatory requirements that are lengthy to complete, for example, income tax registration, VAT, UIF, and COID, as well as PAYE compliance, are a huge liability for businesses.

5.9 Technology

The findings illustrated by Fig. 14 show that 60% of the respondents strongly agreed the lack of expertise amongst government officials affects construction SMEs' contribution to economic growth. While 37% agreed, the remaining three percent of respondents indicated their disagreement. These findings are supported by Ntwoku et al. (2017), who argue that SMEs in developing countries, such as Cameroon and SA, may not have the resources to innovate their own IT.

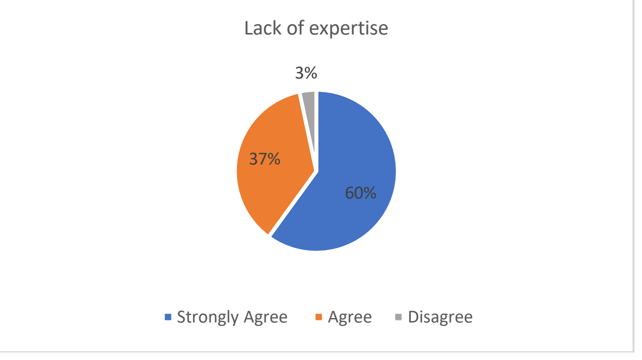


Fig. 14. Lack of expertise in modern construction technology makes it difficult for construction SMEs to contribute to economic growth

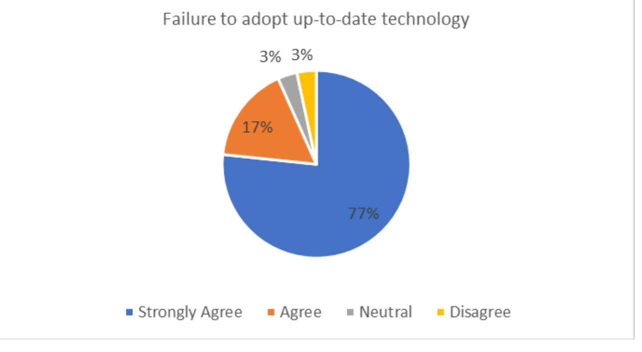


Fig. 15. Failure to adopt up-to-date technology affects the contribution of construction SMEs to economic growth

Fig. 15 indicates that 77% of respondents strongly agreed failure to adopt up-to-date technology affects the contribution of construction SMEs to economic growth. A further 17% agreed, while three percent were neutral and the other three percent disagreed. These findings are confirmed by Cherian and Kumaran (2016), who are of the view that the use of IT in the construction sector is low, yet, it has the greatest potential of increasing productivity deficiency.

6. LIMITATIONS

The study findings are based on relevant literature reviewed and preliminary results of a pilot study, as the empirical study is ongoing. Based on this, the study findings cannot be generalised for the full sample of all Eastern Cape province construction SMEs.

7. IMPLICATIONS

The study offers some critical information in understanding the key factors construction SMEs have control over, which include, financial investment, human capital, innovation, and IT. The practical implications of this research will assist policymakers in formulation of policies aimed at enabling SMEs to participate in boosting the economy.

8. CONCLUSION

This study used a review of literature and quantitative research to assess factors influencing the contribution of construction SMEs to economic growth in the Eastern Cape province, SA. The findings revealed the contribution of construction SMEs is constrained by several factors. The factors that influence the contribution of these firms to economic growth include: lack of finance, innovation, business management skills, and investment in human capital, as well as skills shortages, too many government regulations and a lack of IT use. The study findings proved these factors are a major impediment to the contribution of construction SMEs to economic growth. Therefore, if construction SMEs are to play a vital role in the re-engineering of economic growth through their contribution, proper care needs to be taken to address the identified factors. To achieve this, construction SMEs need to ascertain areas with gaps in operational requirements. Thereafter, they need to invest in human capital through formal education and training, as this will not only close the skills gap, such as business managerial skills, but also enhance innovation. When construction SMEs are recruiting, staff with a decent level of education, experience, and training must be considered in order to create value for the company. The CIDB must be entrusted with the responsibility of empowering construction SMEs, where larger firms are encouraged to mentor small firms to promote skills transfer. The South African government needs to assess the impact of regulations aimed at construction SMEs and streamline these to remove red tape. Construction SMEs need to invest in up-to-date IT and recruit IT knowledgeable staff. Government should invest in construction SMEs by providing financial support and encourage the private sector to follow suit. Furthermore, government financial agencies must have workshops to develop construction SME entrepreneurial skills on the development of proposals and applications for finance which include drafting of a business plan. Lastly, construction SMEs must keep some cash as savings, as this would enable these enterprises to invest in business operations.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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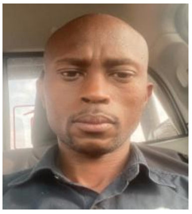

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Critical Environmental Factors Affecting Social Entrepreneurship as a Tool for Sustainable Development in the Townships in KwaZulu-Natal Province

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ABSTRACT

Social entrepreneurship is prescribed in literature to play an important role in achieving sustainable development globally. However, social entrepreneurship faces many challenges that affect its effectiveness in solving social problems. A general lack of in-depth understanding is found by policy makers and other relevant stakeholders of the factors that could hinder social entrepreneurship as a tool for sustainable development in South Africa, especially in the townships in KwaZulu-Natal. This lack of understanding leads to the continuous failure of social entrepreneurship to thrive and grow, resulting in this study, with the aim to address this research gap, by investigating social entrepreneurs' views on critical environmental factors affecting their contribution to sustainable development. A quantitative research approach was used to collect and analyse data for the study, with primary data collected from three townships in the KwaZulu-Natal province. Ninety social entrepreneurs participated in the study and the questionnaire was self-administered by the researcher to each respondent. It was found that the lack of adequate resources, poor policy and regulations, rapid technological changes, and corruption, as well as the COVID-19 impact, lack of management competence and skills, and lack of education and training development, along with a lack of marketing skills, were some of the critical environmental factors affecting social entrepreneurship in KwaZulu-Natal townships. It is recommended government establish laws and regulations pertinent to social enterprises, with the specific view to eliminate the confusion regarding what legislative framework governs them, while it is suggested financial institutions provide capacity training to nurture social enterprise business ideas, more so for those in the townships. Moreover, for social entrepreneurship to thrive, grow, and contribute to sustainable township development, government needs to develop a conducive environment.

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Keywords: Social entrepreneurship; sustainable development; environmental factors; townships; KwaZulu-Natal.

1. INTRODUCTION

Social entrepreneurship has become trendy and is gaining popularity as a tool to bring about change and sustainable development in most countries of the world (Littlewood & Holt 2018). This phenomenon has recently become more prominent, showing that worldwide, as an alternative model, the development and growth of social entrepreneurship has the potential to meet the needs of the marginalised and the vulnerable (Littlewood & Holt, 2018; Elliott, 2019). Literature reveals social entrepreneurship is imperative as a means to improve social conditions (Sroka & Meyer, 2021), especially in a country such as South Africa (SA) where there has been a continuous drop in Gross Domestic Product (GDP), an increase in unemployment to a record 34.5 percent as at the first quarter of 2022, or 45.5 percent when expanding the definition to include those who have given up seeking jobs (StatsSA, 2022), and the jobless situation of more than six million South Africans of working age, accelerating social entrepreneurship activities becomes crucial in the country (GIBS, 2018: 10). However, there are still critical environmental factors affecting the contribution of social entrepreneurship in SA, including those operating in South African townships, with specific reference to townships in the KwaZulu-Natal (KZN) province. Petrus (2019) describes these environmental factors as environmental dynamism and refers to them as the rate of change, unpredictability, volatility, and instability in an environment.

Many researchers indicate that in SA, social entrepreneurship development and value creation are constrained by, among others, poor access to finance (Sroka & Meyer, 2021; International Labour Organisation (ILO), 2017), lack of adequate legal framework (GIBS, 2018; Littlewood & Holt, 2018; Dzomonda, 2021), and the impact of the COVID-19 pandemic (Anakpo & Mishi, 2021; Joel & Nel, 2022). GIBS (2018) identifies internal factors, such as shortage of managerial, technical and marketing skills as a major persisting challenge for South African social entrepreneurship development and growth. Despite the vast amount of research indicating factors affecting social entrepreneurship and its contribution to sustainable development, very little research has been done on township social entrepreneurship in SA, more especially, in the KZN townships. Mefi and Asoba (2020) support the premise that it is important to do more work to understand social entrepreneurship in South African townships because of its potential to address social problems such as unemployment, poverty and crime. A well-established and supported Social Enterprise (SE) sector will ensure the use of business management strategies that focus on developing benefits with social purpose and providing solutions to problems affecting communities (Fernández-Laviada, López-Gutiérrez & Pérez, 2020).

2. PROBLEM STATEMENT

There is evidence from literature reviewed that in SA, access to finance, lack of adequate legal framework, lack of government support, technological changes, managerial skills, technical skills, educational and training, as well as marketing skill are some of the main factors affecting social entrepreneurship contribution to sustainable development (British Council, 2020; Ngatse-Ipanqui & Dassah, 2019; Mthembu and Barnard, 2019; Urban and Ndou, 2019, Manyaka-Boshielo, 2017). These findings were classified further in a study conducted in the Limpopo province by Dzomonda (2021) and indicate that access to finance, lack of government support, difficulties in attracting and retaining qualified employees, and crime, weaken social entrepreneurship interventions towards dealing with social ills among marginalised communities. Hence, failure to understand the significant influence the factors within an environment have on social entrepreneurship, is considered one of the reasons SEs might not be operating at maximum capacity to create adequate social value in a country such as SA, and specifically in communities such as townships (Littlewood & Holt, 2018; Ngatse-Ipangui & Dassah, 2019; Rivera-Santos, Holt, Littlewood & Kolk, 2015).

3. AIM AND OBJECTIVES

The primary aim of this study is to investigate critical environmental factors affecting social entrepreneurship as a tool for sustainable development in the townships of the KZN province of SA.

The objectives of this study are:

- To establish critical environmental factors hindering social entrepreneurs in contributing to sustainable development in KZN townships.
- To examine, from a social entrepreneur's perspective, and understand what needs to be done to improve the social value creation and contribution by SEs to sustainable development in the townships in KZN.

4. LITERATURE REVIEW

The review of literature focused on a brief definition of concepts, the theoretical background of the study, the importance of social entrepreneurship in township economies, as well as the environmental factors affecting social entrepreneurship in SA, as discussed in the following sub-sections.

4.1 Brief Definition of Concepts

Social entrepreneurship: The increasing interest in social entrepreneurship from various disciplines such as sociology, economics, management, and entrepreneurship in recent years has brought about numerous research studies and contributions that overlap (Matsimela, 2017). Hence, the definition of the term and what it in fact entails varies, remaining a heated debate by scholars (Rivera-Santos et al., 2015). However, one of the generally acceptable, broad-measure definitions of social entrepreneurship that forms the basis for this study, is by the Global Entrepreneurship Monitor (GEM) (2016:9), which describes the concept as "individuals who are starting or currently leading any kind of activity, organization or initiative that has a particularly social, environmental or community objective".

Sustainable development: Although many definitions abound, the most used definition of the sustainable development concept can be traced back to the 1987 Brundtland Commission, which described it as “development that meets the needs of the present without compromising the ability of future generations to meet their needs” (Bueno Montaldo, 2013:1; Emas, 2015:1). This means the present generation has the responsibility to not neglect the social and environmental aspects of society, while pursuing economic growth.

Township: In SA, the term “township” refers to the underdeveloped urban living areas that started in the early 19th century, enacted by the Group Areas Act of 1950, which allowed for non-whites (Africans, Coloureds and Indians) to be removed from suburbs designated for ‘whites only’ during the apartheid period (Department of Co-operative Governance and Traditional Affairs (COGTA), 2009). According to Manyaka-Boshielo (2017), townships are usually saturated by informal settlements and, in general, these areas commonly lack adequate infrastructure and basic amenities, with most people living in these areas having to travel outside their residential areas to find employment in order to provide for themselves and their families.

4.2 Theoretical Background

Structuration theory: This theory was developed in 1984 by a British sociologist, Anthony Giddens, who argued that human agency and social structure are not two separate concepts; as such, humans are completely free to create the environment they live in (Lamsal, 2012: 111). Mair and Marti (2006: 39) support this theory when they emphasised social entrepreneurship cannot be understood purely in an economic sense, similar to traditional business entrepreneurship; it has to be examined in the context of its social and local environment. By implication, it is thus impossible to separate social entrepreneurship from the structure (community, society, and so forth) (Mair and Marti, 2006: 40). In other words, structuration theory provides the ability to adequately examine the various ways a particular context enables or constrains social entrepreneurship appearance and how social change occurs. Maas (2013) mentioned the importance of structuration theory in understanding the underlying cause(s) and direction in how social entrepreneurs interact with their environment This theory is closely linked to the study objectives, as it highlights that for social entrepreneurs to be successful in a particular environment, there needs to be a structure that contributes to civil society, and are open, available, active and supportive (Razavi, Asadi, Esfandabadi & Ekbatani, 2014).

Social enterprise theory: The proponent of SE theory, Drucker (1985), believed an important characteristic of an entrepreneur is the ability to always search for change, respond to it, and exploit it as an opportunity, which could either be commercial or social in nature. According to this theory, entrepreneurship should not necessarily be for profit-making, but should be driven by the combination of innovation and resources for the purpose of improving the well-being of people and providing them with opportunities (Drucker, 1985). Martin and Osberg (2007: 30) agree with this theory when they emphasise the motivation of social entrepreneurship is driving social change, and it is set apart by the long-lasting transformational benefit to society. Deshwal (2015: 977) mentions that SEs offer great potential for economic and societal gains, as well as playing an increasingly important role of complementing the social services offered by charitable organisations and government agencies. However, for SEs to create social value and bring change in society, an understanding is needed of the context they operate in, to effectively exploit opportunities and create the necessary change.

4.3 The Importance of Social Entrepreneurship to the South African Township Economy

Considered as one of the solutions to address the high poverty level, rising unemployment, and rampant crime, social entrepreneurship is also meant to overcome social challenges in SA townships, through the provision of social innovative solutions that are sustainable and effective (Ngatse-Ipanqui & Dassah, 2019). The main parameter that differentiates townships and cities in SA, nevertheless, tends to border on socio-economics (Bvuma & Marnewick, 2020), with almost 60 percent of township working-age populations unemployed (Serrano, 2020), and while estimates forecast another million people in the country would be pushed into poverty as a result of the COVID-19 pandemic (Bittar, 2020), a study a year later determined poverty would become a likelihood for a further three million South Africans (Alvarez-Iglesias, Garman & Lund, 2021); meaning more impoverished people in the townships. Nonetheless, social entrepreneurship can, through intervention and innovation, create a new, more stable and just equilibrium, resulting in relief to some acceptable level and an improved standard of living for township communities (Manyaka-Boshielo, 2017). While social entrepreneurs focus on attending to social townships concerns, their survival also depends on generating profits and wealth creation. Littlewood and Holt (2018) state businesses are crucial in ensuring development and transformation in areas such as South African townships, particularly through Corporate Social Responsibility (CSR) activities. Furthermore, interest in and engagement with social entrepreneurs in these townships are on the rise, due to the innovative mechanisms they provide to deal with sustainable development problems that are complex. As social entrepreneurs are involved in a variety of community activities, much broader than education, health and housing, the socio-economic impact of township social entrepreneurs cannot be ignored (Kajiita & Kang'ethe, 2020).

Despite township social entrepreneurs being very dynamic and innovative, their significance in township development is not fully understood and they are, sometimes, seen in a negative way (Ngatse-Ipanqui and Dassah, 2019). Another known factor is the lack or partial knowledge of social entrepreneurship impact in the townships, as it becomes problematic for "the field to effectively contribute to sustainable development, improve cohesion in the townships, gain support from the members of the communities and create institutions" (Ngatse-Ipanqui & Dassah, 2019). However, through social entrepreneurship, a major opportunity is created in the township for entities or organisations to develop innovative solutions to social problems that neither the government nor charitable organisations are alleviating, allowing that some environmental and social contexts tend to stimulate social entrepreneurship more strongly than others (Mefi & Asoba, 2020). Overall, the literature thus shows that an understanding of the township context will enable social entrepreneurs to identify opportunities that can initiate change, allowing them to operate at their full potential, while additionally presenting activities to replicate throughout the country, assisting to achieve its sustainable development goals. Interestingly, while the context of townships plays an important part in social entrepreneurship operations, the qualities and features of who is classified as a social entrepreneur and the structure of how activities of a SE are managed, should not be different in the townships when compared to other parts of the country (Manyaka-Boshielo, 2017).

4.4 Environmental Factors Affecting Social Entrepreneurship

In management, the meaning of the term “environment” does not inevitably denote the physical surroundings, and can be interpreted to refer to anything that surrounds the business organisation (Eruemegbe, 2015), with consideration of factors that contribute to growth promotion or restraint (Ayyagari, Kunt & Maksimovic, 2008). Petrus (2019:28-36) describes these environmental factors as “environmental dynamism” and refers to them as “the rate of changes, unpredictability, volatility, and instability in an environment”. These competitive environment changes affect how businesses compete, as well as their response to the development of the business and the demands of customers (Drnevich & Kriauciunas, 2011). Therefore, within a particular society, the environmental factors generate some level of drive and enthusiasm in the randomness, variability and changes, which social entrepreneurs need to be familiar with, in order that they can develop strategies to minimise or negate the impact on not only their activities but also their contribution to sustainable development. These environmental factors comprise both internal and external factors.

According to Islam (2016), internal factors refer to those factors within the organisation, while external factors are those external to the organisation that impact its social activities. Included as part of internal factors are leadership quality, management efficiency, education and knowledge, as well as experience and skills, entrepreneurial ability, social innovation capacity, and human capital, along with a high risk-taking propensity, competence to identify opportunities, motivations, impact of growth/performance, as well as the effectiveness in social value creation of social entrepreneurship (Islam, 2016; Gray, Kirkwood, Monahan & Eternaddar, 2018; Griffiths, Gundry and Kickul, 2013). External factors, for example, include frameworks, whether legal, political or regulatory, as well as cultural values in society, together with economic and technological factors (Dobele, 2011). Mahadea (2008) shows that internal environmental factors constitute as much of a burden as that of external environmental factors, where the development and growth of any entrepreneurial setup is concerned, including SEs; there may also be variations in the intensity of the effects these factors may have on the organisation. This means a correlational relationship exists between entrepreneurship, such as social entrepreneurship, and factors in the internal and external environment that may affect social entrepreneurs' contributions to sustainable development.

4.4.1 External factors

Policy and Regulation: Authors such as Lavisius (2016) and Jiatong et al*.* (2021: 1-15) highlight the importance of social entrepreneurship to the economy of a country, which shows how appropriate government policies and regulations are in supporting social entrepreneurship development and assisting these entrepreneurs to successfully play their role in the country. In addition, policy uncertainty has risen over the years and made forward economic planning and opportunity searches more inscrutable for even for the most skilled entrepreneurs and business strategist, in addressing business challenges (Bryan, 2013). Dobele (2011: 101-107) concluded, in a Latvian study that one of the main external factors that hinders extension of SEs in the country is the lack of legislation that recognises it as a legal entity. Thus, it is important for the South African government to develop social entrepreneurship policies and regulations that are SE friendly and create a platform that encourages participation, as well as growth and survival (Dzomonda, 2021: 1-17). Presently, there is no appropriate legal framework for social entrepreneurship in SA that specifically deals with the operations and activities in township communities, including KZN (GIBS, 2018). Littlewood and Holt (2018) indicate a limited explicit engagement with social entrepreneurship in either policy or regulation by the South African government, as well as no specific legal form for SEs, compared to other countries around the world, creating obstacles and barriers to effectively operate and for the sector to develop. The ILO (2013) states that although some organisations have succeeded, despite all the limitations, the lack of a dedicated legal form and regulatory framework prevents the sector from growing and fulfilling its potential of contributing to economic growth, job creation and service delivery. It is, therefore, important for SA to have a defined legal form for SEs that will allow their effective operations, particularly in township communities, without unnecessary red-tape and restrictions.

Lack of funding: The GEM (2016) revealed that in SSA, 90 percent of social entrepreneurs require money to start their operation and 82 percent invest their own money. Furthermore, 67 percent rely on funding from family, 42 percent rely on banks or other financial institutions and only 38 percent rely on government programmes, donations or grants. In SA, access to grant funding remains a major challenge to social entrepreneurs and limits their capacity to create social value, which affects their contribution to sustainable development, especially in local communities (Maphalla, Nieuwenhuizen & Roberts 2009). This sentiment is supported by findings of the British Council (2020: 34) in SA, which revealed 70 percent of SEs indicated access to grant funding a key barrier to their growth. In recent years, social entrepreneurs in SA have experienced limited access to state resources and support, as well as declining international donors (Littlewood & Holt, 2018). These critical factors affect owners/managers of SEs when developing strategies for social value creation, frustrate their growth and development, and provide little encouragement to engage in social entrepreneurship.

Lack of government support: According to Abidin and Kaka (2014), government at all levels should provide maximum support to social entrepreneurs, because they bring resources and leadership into communities that need their services and help address some pressing problems. The authors further highlight that government support can be in the form of acquisition of resources, creating awareness, and coordination and implementation. Wolk (2007) mentions it is important for government to encourage social entrepreneurs to innovate, create an enabling environment for their efforts, reward their performance, and help scale their successes, in addition to producing knowledge to help them solve social problems. Vuuren, Bonnici, Wells and Vermeltfoort (2021) suggest government can support social entrepreneurs through informative and innovative approaches, as well as new initiatives, by sharing existing public data and co-creating new kinds of data, build capacities for mutual understanding and collaboration, develop funding models, and promote collaborations between the public, private and social sectors. However, in SA, lack of government support is still considered one of the major factors affecting social entrepreneurship and its contribution to sustainable development (Littlewood & Holt, 2018; Dzomonda, 2021). Government support in SA is mainly customised around for-profit entrepreneurs and not necessarily for social entrepreneurs (Dzomonda, 2021).

Technological changes: Technology has revolutionised the way businesses operate and small businesses such as social entrepreneurs should consider using the most effective technology available in their operations to create competitive advantage in the economic market place (Vitez, 2019). According to a study in the Eastern Cape, SA, Tendai, Nicole and Tafadzwa (2018) conclude that when a business does not keep abreast with rapid technological changes, it may not survive competition in the business environment. This is also applicable to social entrepreneurs, especially those operating in the townships in KZN. SEs need ICT innovators who can transform ideas into tangible opportunities that produce real results to survive and be successful (Wamukoya & Ng'weno, 2017). Courtois and Bonnici (2022) believe adapting to technological changes is key to scaling innovative SEs towards sustainable development and empowering citizens to drive social inclusion.

Corruption: One of the environmental factors that affects development in many countries globally, corruption, in varying degrees amongst political dealings, is a behavioural consequence of power and greed, in the context of inadequate governance (Lewis, 2017). According to Tomaszewski (2017), corruption causes disruptions in the activities of government institutions, which becomes a serious obstacle to investments and innovative activities and hinders the development of entrepreneurship in terms of broader social groups. Corruption distorts the decision-making process associated with public investment and affects the composition of government expenditure, which may lead public officials to allocate public resources less based on public welfare than on the opportunity to extort bribes (Transparency International, 2014). Corruption in SA is very harmful, not only to individuals but also to society, due to its effect on other pressing sustainable development goals, as well as escalating into unemployment, reduction in tax revenue, decline in business operations and ultimately, economic collapse (Ofusori, 2020). The Corruption Perception Index (CPI) of Transparency International (2020) reveals SA ranked 69 of 180 countries, with a score of 44 points of 100. The failure to move above the 50-point mark for nearly 10 years shows the extent of corruption and its damaging effects in the country (Mabuza, 2021). Hence, for social entrepreneurs to effectively create social value and contribute to sustainable development in local communities such as KZN townships, the issue of corruption in government needs to be addressed, in order for government funds and financial support to reach the appropriate social entrepreneurial activities or projects.

COVID-19: The COVID-19 pandemic has had a damaging effect on many businesses, with the United Nations Development Programme (UNDP) (2021) stating that the pandemic and related lockdown regulations affected many vulnerable players (micro and informal businesses) in the South African economy, including SEs. Despite the economic relief packages that provide cash pay-outs, unemployment checks, and support for businesses, the long-term COVID-19 effects on the economic downturn will take some time before it can be fully reversed (Kerlin & Dowsett, 2021). Okuwhere and Tafamel (2022) mention the unprecedented damage caused by the COVID-19 pandemic on entrepreneurship in Africa could be persistent and threaten the survival of SMEs, including SEs, thereby increasing the level of unemployment across Africa, as well as generate critical challenges for entrepreneurship development. Chetty, Beharry-Ramraj, and Gurayah (2022) highlight that youth entrepreneurship in SA, which form majority of social entrepreneurs in the country (GIBS, 2018) was negatively affected during the shutdown of businesses and protection of the elderly by staying at home, but due to their innovative mind-set they used the lockdown as an opportunity to repurpose their business. Khambule (2020) is of the opinion that whilst the South African government's R500 billion social and economic relief is an important way to stimulate economic activities, many in the informal economy, such as social entrepreneurs may not be protected. Farhoud et al. (2021) suggest that although social entrepreneurs are facing a crowdfunding crisis because of the pandemic, they need to move fast from situating their crisis experience and reflect on their business needs to the identification of new opportunities and roles in their operating environment, such as in the KZN townships.

4.4.2 Internal factors

Management competence and skills: In a study conducted by Ncube and Chimucheka (2019), it was revealed that management competence influences SMME performance, including SEs. In addition, these managerial competencies are referred to as the knowledge, skills, behaviour and attitude relating to planning, teamwork, strategic action, global awareness, self-management and communication competencies that are essential for every manager or owner if they are to improve the performance of their businesses (Ncube and Chimucheka, 2019). Some of the apparent reasons that makes SEs fail to denote better performance include poor commitment and insufficient competencies, management competence (Iskandar and Kaltum, 2022). According to Kim (2019), there is a positive relationship between management competency and economic and social performance of a SE. In other words, the higher the management competency, the economic social performance of the SE also improves. Consequently, it is important for owners/managers of SEs to have management competence in order to improve their social value creation effectively and efficiently, including those operating in the KZN townships.

Education and training development: Education and training development is considered very important for SEs as it serves a bridge that transforms people from unskilled to skilled and reintegrating them into the workplace, which will have a positive impact on the organisation performance (Makararavy and Anurit, 2009). In addition, the provision of entrepreneurship education and training can strengthen the entrepreneurial capacity of individuals to develop new ventures, which Waghid and Oliver (2017) assert could have positive economic implications for society. According to Shahid and Alarifi (2021), there is a gradual realisation of the importance of developing social entrepreneurs through education and training because it propels the development and replication of interesting approaches to social innovations in general. Education and training development can play a crucial role in creating entrepreneurial behaviour that consist of the ability to deal with a series of tough issues, to possess well-developed problem-solving skills, provide a mix of experimental learning, skill-building, and most importantly, a mind-set shift that will enhance social value creation (Ndou, 2021). In SA, it is believed low-level education and training development limits the effectiveness of social entrepreneurs' contribution to community development, as education and training development are regarded as important mechanisms that could address some of SA's broader social challenges such as economic exclusion, unemployment and crime (Littlewood & Holt, 2018).

Technical Skills: Technical skills refers to the ability to use knowledge, skills, and resources, and the proficiency in applying tools and techniques, and practical competencies that enables on to perform their duties (Javani, Abolhallaje, Jafari & Fazl Hashemi, 2017). The recent trend reinforced by the COVID-19 pandemic has pushed the idea that technologies, particularly those customised in the digital and software domains, offer a unique opportunity to solve societal challenges at scale (Calderini, Chiodo, Gerli & Pasi, 2021). It is therefore, important to have the relevant technical skills as the business environment changes, which include; Conversion Rate Optimisation (CRO), Search Engine Optimisation (SEO), content marketing, and user experience, as well as email marketing, social media, writing, and outsourcing or delegation (Patel, 2016). All these technical skills are crucial for entrepreneurs, including social entrepreneurs, to help them have a significant impact in their communities. Although social entrepreneurs are considered crucial in solving social problems in SA, shortage of technical skills remains one of the major barriers to SEs and inclusive entrepreneurs in the country (Mbaile, 2020). Hence, lack of the appropriate technical skills will affect social entrepreneurs' contribution to the economic and social conditions of SA, including the townships in KZN.

Marketing skills: according to Satar, Siraj and Chesti (2016), as with mainstream entrepreneurial ventures, SEs need to embrace some innovative entrepreneurial approaches to their marketing to successfully achieve their objectives. In addition, the scenario of simultaneously pursuing both the social as well as the financial returns of their investments requires social entrepreneurs to make tough decisions concerning which products and services to offer and which market segment to pursue (Satar et al., 2016). A study conducted in India by Aathira, Krishna and Rani (2021) reveal that SEs are becoming creative in marketing their products, from traditional word-of-mouth publicity to using platform such as Facebook and Tiktok, which are cost effective yet high yields avenue for marketing. Asgari Ghods (2019) highlight that entrepreneurial marketing helps the SE to compete in the market, to attract finance to its structure, employ volunteers, and present its products and services to the target audience. Oji, Iwu and Haydam (2017: 2) assert that in SA, lack of proper marketing strategies and skills contribute to business failures on an ongoing basis. It is therefore important for SEs in SA, including those operating in the townships in KZN to improve their marketing skills if they are to compete favourably and contribute to sustainable development.

5. RESEARCH METHODOLOGY

The approach to the study was exploratory and quantitative, with a questionnaire used to collect primary data from social entrepreneurs operating in three township areas in the KZN province. The choice of a quantitative study was based on its reference to a set of strategies, techniques and assumptions used to study social and economic processes through exploring numerical patterns (Coghlan & Brydon-Miller 2014), which includes methodologies such as questionnaires, structured observations or experiments. Closed-ended questions were developed from literature reviewed, which acted as source of information for the questionnaire. The survey questionnaire was distributed to the desired sample of 90 respondents from the selected townships (Inanda, Ntuzuma and KwaMashu), identified through non-probability sampling, in the form of snowball sampling. In this sampling technique, the sample group grows, as with a rolling snowball, as one participant introduces the researcher to another participant who fits the research criteria, who in turn introduces the researcher to a third participant, and so on (Cohen & Arieli, 2011:424). Snowball sampling was used because SEs are an emerging venture in SA and, as such, there is a lack of a specific regulatory framework for SEs as a sector or subsector (GIBS, 2018; Kajiita & Kang'ethe, 2020; Dzomonda, 2021). Hence, their population is unknown and no specific database exists for social entrepreneurs in SA from which to constitute a sampling frame. The inclusion criteria were based on the following: the social entrepreneur has been operating for the past one year, the social entrepreneur is only pursuing a social issue and not for personal gain, the social entrepreneur is registered with the Department of Social Development or intends to do so in the near future, and the social entrepreneur is involved in an income generating venture. A quantitative technique was used for the design of the questionnaire and the questions were designed in 5-point Likert scale form, which presents a series of attitudes towards a variable or object, with numerical values assigned ranging from strongly agree to strongly disagree. The questionnaires were personally administered to provide clarity to issues immediately to respondents, where necessary. Data analysis was performed by using the social science statistics package, SPSS (27.0). The final usable sample is shown in Table 1 below.

Table 1. Biographical information of the social entrepreneurs surveyed

Variables	Category	Frequency	Percentage
Educational background	Matric	10	11.1
	Diploma/Certificate	31	34.4
	Degree	19	21.1
	Honours	17	18.9
	Masters	10	11.1
	PhD	2	2.2
	Others	1	1.1
Age group	18-25	16	17.8
	26-32	33	36.7
	33-39	25	27.8
	40-49	9	10.0
	More than 50	7	7.8
Gender	Male	39	43.3
	Female	51	56.7
Location	Inanda	30	33.3
	Ntuzuma	30	33.3
	KwaMashu	30	33.3
Type of social enterprise	Non-Governmental Organisation (NGO)	16	17.8
	Not-for-Profit Organisation (NPO)	26	28.9
	Hybrid	13	14.4
	Profit oriented	33	36.7
	Others	2	2.2
How the social enterprise is owned	Partnership	16	17.8
	Manager and sole owner	42	46.7
	Manager and jointly owned	19	21.1
	Others	13	14.4
Years of operation	1 – 2 years	14	15.6
	3 – 5 years	35	38.9
	6 – 8 years	28	31.1
	9 – 11 years	4	4.4
	More than 11 years	9	10

The highest qualification of most participating social entrepreneurs surveyed was found to be a diploma/certificate (34.4%), while 21.1% had obtained a degree. The majority of SEs in the study area are found to be run by women (56.7%), while 43.3% are owned/managed by men. Considering the age of the participants, those between 26 and 32years of age constituted the highest percentage (36.7%), followed by participants in the age group of 33 to 39years (27.8%). Most of the SEs (33 or 36.7%) are profit-oriented, with 26 (28.9%) operating as NPOs, while a total of 16 (17.8%) are NGOs, and 13 (14.4%) SEs are hybrid. While the majority of the SEs (42 or 46.7%) are solely owned, 19 (21.1%) are jointly owned. In terms of years of operation, most SEs (35 or 38.9%) have been operating for three to five years, while 28 (31.1%) have been in operation for six to eight years. The biographical participant information provides the contextual knowledge needed to understand specific social, cultural, or interactional contexts (Kaźmierska, 2014).

6. RESEARCH FINDINGS

The frequency distribution and descriptive statistics related to the critical factors affecting the social entrepreneurship contribution to sustainable development in the townships in KZN are table below (Table 2). In total, 90 social entrepreneurs were considered in the study. In terms of external factors, where policy and regulations in SA are concerned, 29 (32,2%) and 38 (42,2%) of the respondents agreed with the statement. There were seven (7,8%) of the respondents who were unsure whether they agreed or not, while a lesser number of 10 (11,1%) and six (6,7%) respondents disagreed with the statement. A Chi-square test was conducted to determine whether social entrepreneurs' contribution to sustainable development is affected by lack of policy and regulations. The result showed that $\chi^2 = 47.222$; df = 4; P =0.000, indicating that lack of policy and regulations affects social entrepreneurs' contribution to sustainable development in the KZN townships. In terms of lack of government support, 33 (36,7%) and 38 (42,2%) of the respondents agreed with the statement that increased government support will improve social entrepreneurs' activities and this will, in turn, contribute to sustainable development in the townships in KZN, with seven (7,8%) respondents who indicated neutral, and seven (7,8%) and five (5,6%) who disagreed. A Chi-square test was conducted to determine whether increased government support will improve social entrepreneurs' contribution to sustainable development in the KZN townships. The result revealed that $\chi^2 = 57.556$; df = 4; P =0.000, signalling social entrepreneurs' contribution to sustainable development will improve with government support.

With regards to lack of funding, 44 (48,9%) and 25 (27,8%) of the respondents agreed with the statement that lack of access to funding affects social entrepreneurs' activities and their contribution to sustainable development in the townships in KZN, while 10 (11,1%) were neutral, and six (6,7%) and five (5,6%) of the respondents disagreed with the statement. A Chi-square test was conducted to ascertain whether lack of access to funding affects social entrepreneurs' contribution to sustainable development. The result show that $\chi^2 =$ 61.222; df = 4; P =0.000, indicating that lack of access to funding affects social entrepreneurs' contribution to sustainable development in the KZN townships. Considering rapid technological changes, 31 (34,4%) and 34 (37,8%) respondents agreed with the statement that rapid technological changes are affecting social entrepreneurs' activities in KZN townships, while 13 (14,4%) were unsure and remained neutral, seven (7,8%) and five (5,6%) disagreed. A Chi-square test conducted to determine whether rapid technological changes affect social entrepreneurs' contribution to sustainable development. The result show that χ^2 = 41.111; df = 4; P =0.000. indicating that social entrepreneurs' contribution to sustainable development in the KZN townships is affected by rapid technological changes. In terms of corruption in government, 28 (31,1%) and 28 (31,1%) agreed with the statement that corruption in government affects social entrepreneurs' activities and their contribution to sustainable development in KZN townships, while 15 (16,7%) indicated neutral, and 10 (11,1%) and nine (10,0%) respondents disagreed. A Chi-square test was conducted to determine whether corruption in government affects social entrepreneurs' contribution to sustainable development in the KZN townships. The result revealed that χ^2 = 19.667; df = 4; P =0.001, indicating that government corruption affects social entrepreneurs' contribution to sustainable development in the KZN townships. Regarding the impact of the COVID-19 pandemic, 39 (43,3%) and 35 (38,9%) of the respondents agreed with the statement that the COVID-19 pandemic has affected social entrepreneurs' activities and their contribution to sustainable development in KZN townships, while 10 (11,1%) remained neutral, and three (3,3%) disagreed. A Chi-square test conducted to ascertain whether the COVID-19 pandemic affected social entrepreneurs' contribution to sustainable development in the KZN townships. The result showed that χ^2 = 69.111; df = 4; P =0.000, which means that COVID-19 pandemic affected social entrepreneurs' contribution to sustainable development.

Concerning the internal factors, the statement on management competence and skills saw 28 (31,1%) and 38 (42,2%) of the respondents that agreed, while 11 (12,2%) remained neutral, and eight (8,9%) and five (5,6%) disagreed. A Chi-square test was conducted to ascertain whether lack of management competence and skills affects social entrepreneurs' contribution to sustainable development. The result revealed χ^2 = 45.444; df = 4; P =0.000, indicating that social entrepreneurship contribution to sustainable development in the KZN township is affected by lack of management competence and skills. With regards to education and training development, 26 (28,9%) and 37 (41,1%) of the respondents agreed that lack of adequate education and training development affects social entrepreneurs' activities in the KZN townships, while 10 (11,1%) remained neutral, and 12 (13,3%) and five (5,6%) disagreed with the statement. A Chi-square test was conducted to determine whether social entrepreneurs' activities are affected by lack of education and training development. The result show χ^2 = 38.556; df = 4; P =0.000, signalling that lack of adequate education and training development affects social entrepreneurs' contribution to sustainable development in the KZN townships.

Considering technical skills, 25 (27,8%) and 38 (42,2%) of the respondents agreed with the statement that lack of technical skills affects social entrepreneurs' activities which, in turn, impacts their contribution to sustainable development in KZN townships, while 10 (11,1%) remained neutral, and 10 (11,1%) and seven (7,8%) disagreed with the statement. A Chi-square test conducted was conducted to determine whether lack of technical skills affects social entrepreneurs' contribution to sustainable development in the KZN townships. The results revealed $\chi^2 = 38.778$; df = 4; P =0.000, indicating that social entrepreneurs' contribution to sustainable development is affected by lack of technical skills. Regarding marketing skills, 21 (23,3%) and 40 (44,4%) of the respondents agreed with the statement that a lack of marketing skills affects social entrepreneurs' activities in KZN townships, while nine (10%) remained neutral, and 12 (13,3%) and eight (8,9%) respondents disagreed. A Chi-Square test was conducted to ascertain whether social entrepreneurs' contribution to sustainable development is affected by lack of marketing skills. The result show that $\chi^2 = 39.444$; df = 4; P =0.000, signalling that lack of marketing skills affects social entrepreneurs' contribution to sustainable development in the KZN townships.

Table 2. Frequency distribution and descriptive statistics of critical environmental factors affecting social entrepreneurship contribution to sustainable development

Statement		Frequency Distribution						Descriptive			
		strongly agree	Agree	Neutral	Disagree	Strongly disagree	% Agree/Strongly Agree	Mean	Std Dev	p-value	N
Lack of adequate policy and regulation	Count	29	38	7	10	6	67	2.1778	1.19529	0.000	90
	%	32,2	42,2	7,8	11,1	6,7	74,4				
Lack of government support	Count	33	38	7	7	5	71	2.0333	1.12629	0.000	90
	%	36,7	42,2	7,8	7,8	5,6	78,9				
Lack of access to funding	Count	44	25	10	6	5	69	1.9222	1.17299	0.000	90
	%	48,9	27,8	11,1	6,7	5,6	76,7				
Rapid technological changes	Count	31	34	13	7	5	65	2.1222	1.3996	0.000	90
	%	34,4	37,8	14,4	7,8	5,6	72,2				
Corruption in government	Count	28	28	15	10	9	56	2.3778	1.30322	0.001	90
	%	31,1	31,1	16,7	11,1	10	62,2				
COVID-19 pandemic	Count	39	35	10	3	3	74	1.8444	0.98199	0.000	90
	%	43,3	38,9	11,1	3,3	3,3	82,2				
Lack of management competence and skills	Count	28	38	11	8	5	66	2.1556	1.13089	0.000	90
	%	31,1	42,2	12,2	8,9	5,6	73,3				
Lack of education and training	Count	26	37	10	12	5	63	2.2556	1.17618	0.000	90
	%	28,9	41,1	11,1	13,3	5,6	70				
Lack of technical skills	Count	25	38	10	10	7	63	2.2889	1.21085	0.000	90
	%	27,8	42,2	11,1	11,1	7,8	70				
Lack of marketing skills	Count	21	40	9	12	8	61	2.4000	1.23434	0.000	90
	%	23,3	44,4	10	13,3	8,9	67,7				

7. DISCUSSION

This study investigated the critical environmental factors affecting social entrepreneurship as a tool for sustainable development in selected KZN townships. The idea was to uncover these challenges as a way of finding solutions that will improve the contribution of social entrepreneurship to sustainable development in the townships in KZN province. The findings of this study demonstrate that social entrepreneurs operating in the KZN townships are faced with a plethora of environmental factors that hinders them from effectively creating social value, which can sustainably solve some of the social problems affecting township communities. The findings of this study are corroborated by other exciting findings.

For instance, Mendez-Picazo, Galindo-Martin and Castano-Martinez (2021) mention that environmental factors directly impact social entrepreneurship activities in any country. Such factors hinder social entrepreneurs from adequately addressing the social problems in their communities (Islam, 2016). Considering the specific challenges faced by social entrepreneurs in the KZN townships, lack of marketing skills was rated the most pressing factor affecting most participant. Participants agreed it was a factor hindering their contribution to sustainable development. This finding is supported by other existing studies. Since social entrepreneurs are competing for resources with commercial entrepreneurs in a resource constrained environment, Satar et al. (2016) state it is imperative for them to develop an innovative entrepreneurial approach to marketing, in order to improve their social value creation and contribute to sustainable development. In this regard, the use of various social media platforms has become instrumental for any business to build awareness, gain recognition and market products and services (Urban & Maphathe, 2021); not having an online presence could mean the enterprise does not exist. Bierman (2021) mentions that in a country such as SA, where 40 percent of its population are active social media users, not using social media to effectively market products or services leaves SEs unable to engage with a significant segment of the population. Oji et al. (2017) believe the use of social media for marketing will create a two-way communication pattern that will help build customer communication and loyalty to a wider range of products and services. To that effect, it will be detrimental for social entrepreneurs to not move with the trend to develop marketing strategies, rather than expect the good-will around their mission to be their marketing tool (Punia, 2013).

Corruption in government was rated as the second most pressing factor affecting most participants. In terms of corruption in government, the results illustrate that most of the social entrepreneurs surveyed agreed corruption in government hinders their operations and slows down their social value creation in their communities. It is important to note that most project initiatives implemented by social entrepreneurs requires government approval. Hence, approaching bad institutional systems that support corruption to obtain the necessary documentation and approval becomes challenging for social entrepreneurs to achieve their goal. This finding is supported by scholars, such as Durably (2015), who reports that the level of social entrepreneurship lowers as corruption rises. To that effect, navigating through systemic corruption in order for social entrepreneurs to improve the lives of vulnerable individuals and communities is difficult (Seo, 2020). This challenge of corruption is considered harmful to the growth and institutional quality of a country, as well being a major deterrent for both entrepreneurial spirit and activities (Afridi, 2016). Furthermore, social investors are deterred from putting their resources behind programmes and enterprises controlled by bad institutional systems that support corruption (Maretich, 2019).

Lack of technical skills was regarded as the third critical environmental factor affecting the social entrepreneurs surveyed. This shows that social entrepreneurs who do not have adequate technical skills necessary to effectively create social value will, in turn, affect their contribution to sustainable development in the KZN townships. To operate at full capacity and grow their business in this digital age, social entrepreneurs need to be technically knowledgeable (Patel, 2016). Having adequate technical skills empowers social entrepreneurs to democratise access to information, creating business value, and enabling new capacities (Rattner, 2014). According to Galvanauskaite (2014), having the appropriate technical skills will help social entrepreneurs fill the gap neglected by other sectors and contribute positively to their impact on economic and social conditions.

The fourth critical environmental factor affecting social entrepreneurs' contribution to sustainable development in the KZN townships was determined as education and training development. On that note, it is pertinent to understand that every organisation requires the right education and training of employees to help the organisation with its daily activities. Lack of education and training development affects the ability to effectively manage the internal environment of the SE, such as assets, capacities, organisational processes, and information (Kraja & Osmani, 2015). According to Roslan, Hamid, Ijab and Bukhari (2019), insufficient education and training development impacts social entrepreneurs through not having the necessary knowledge, skills, personal well-being, and abilities, to explore and identify new opportunities, therefore, not allowing pressing social issues in the communities to be addressed. Education and training development will strengthen social entrepreneurs' capacity to develop new ventures and product lines that will expand their scope and enhance positive implications for society's development (Waghid and Oliver, 2017).

Policy and regulations were regarded as the fifth major environmental factor affecting the social entrepreneurs surveyed. The participants agreed that lack of an adequate regulatory framework for social entrepreneurship in SA was a factor affecting their contribution to sustainable development in the KZN townships. This finding is supported by other existing studies in SA and in other contexts. According to Littlewood and Holt (2018), the lack of a specific legal form for social entrepreneurs in SA creates a huge obstacle for their effective operation and the social sector to develop. This is unfortunate, because social entrepreneurs need an institutional environment with the appropriate policy and regulations in order to operate and function effectively (Popov, Veretennikova and Kozinskaya, 2018). The policy and regulations provide the rules of the game that guide social entrepreneurial activities, and when there are no clear rules or delays in decision-making, social value creation will be negatively impacted. The importance of social entrepreneurship in a country's economy makes it appropriate for government to develop the policy and regulations that will help them thrive and play their role in contributing to the country's development (Jiatong et al*.,* 2021).

Management competence and skills were regarded as the sixth critical environmental factor affecting the social entrepreneurs surveyed. This shows that SE owners/managers need to have management competencies and skills, in order to effectively provide functions such as organisation, integration, planning, measurement and budgeting, as well as development of people (Heinecke, Kloibhofer and Krzeminska, 2014). Having the management competence and skills will enable social entrepreneurs to be more efficient, using strategic planning and control mechanisms to provide higher impact with a limited budget (Mthembu and Barnard, 2019). According to Wranka-Pospiech (2016), lack of management competence and skills could affect relationships with different stakeholders, as well as legitimacy and accountability in delivering organisational objectives, while also infringing on organisational performance. Consequently, SE owners/managers in the KZN townships need to have management competencies and skills to run the enterprise effectively and efficiently to its full potential.

Technological changes were rated as the seventh critical environmental factor impacting social entrepreneurs' contribution to sustainable development in the KZN townships. On that note, it is pertinent to understand that any business, whether for profit or not, needs to remain up-to-date with the rapid technological changes around the world, so it may function and compete comparatively. The significant importance of technology to entrepreneurs, even those without a technological focus or products, cannot be over-emphasised, as they need to adjust their business practices to rapid technological changes in order to be relevant and competitive (Mark and Putzschel, 2014). According to a study conducted by Adeyemi (2019), adapting to rapid technological changes will lead to increased productivity and employment in any country, as well as helping social entrepreneurs to improve performance and organisational culture, and reduce process and product cost. The inability to adapt to rapid technological changes will hinder social entrepreneurs to better understand and quantify the problem to be solved, as well as limit their ability to move from proof of concept, to proof of application (Mihda, 2017).

The eighth critical environmental factor affecting social entrepreneurship as a tool for sustainable development in the KZN townships was that of lack of government support, with this lack agreed to be a key challenge by the social entrepreneurs surveyed. Lack of government support as a stimulant of motivation, as well as both tangible and intangible resources, affects social entrepreneurial intention (Stephan, Uhlaner and Stride, 2015). The degree of government support to entrepreneurial motivation will improve the confidence of social entrepreneurs in identifying problems in their communities and developing quick and sustainable ways to address them (Rapando, 2016). Furthermore, excessive government red tape and bureaucracy impact social entrepreneurs negatively (Yusoff, Awang and Sidik, 2021). The miscommunication between SEs and government agencies, as well as the confusion of SEs with traditional social and non-profit sectors limit government support (Yusoff et al., 2021). In SA, the lack of government developing policies to support SEs affects their ability to access the resources needed to make a real difference to the communities they serve (GIBS, 2018). In addition, every social entrepreneur requires financial support for start-up and growth, as such, lack of government financial support will hinder their ability to survive in the current dynamic environment (Littlewood & Holt, 2018).

Lack of funding was rated as the ninth critical environmental factor affecting social entrepreneurs' contribution to sustainable development in the KZN townships. Most social entrepreneurs surveyed agreed they lack the necessary funds to enable adequate implementation of innovative solutions to the pressing social issues in their communities. Lack of funding is considered one of the main reasons more than 70 percent of SMMEs in SA, including social entrepreneurs, shut down within the first 5-7 years of operation (Dietrich, 2019). It is also believed that because most social entrepreneurs do not have proper business plans and other relevant documents needed to access funding from financial institutions, their chances of securing funding are extremely limited (Daoui, 2017). A report by GEM (2016) reveals that 67 percent of social entrepreneurs in Sub-Saharan Africa rely on family members for funding, 42 percent rely on banks and other financial institutions, 38 percent rely on government programmes, donations or grants, while 82 percent invest their own money. It was further revealed in a study by the British Council (2020) that 70 percent of social entrepreneurs in SA indicated lack of funding limits their growth. With the limited access to funding from financial institutions and the state, as well as declining international donors, it is important for social entrepreneurs in SA to develop strategies to be financially sustainable, in order to effectively create social value and contribute to sustainable development (Littlewood & Holt, 2018).

The COVID-19 Pandemic is rated as the tenth critical environmental factor affecting social entrepreneurship as a tool to sustainable development in the KZN townships. Most social entrepreneurs surveyed agreed their activities have been affected by the COVID-19 pandemic. The pandemic has exposed systemic inequalities of the global economic system, with social entrepreneurs solving both government and market failures, through service to excluded and vulnerable populations and the most affected by COVID-19 impacts (Bonnici, 2020). The closure of non-essential business and institutions, as a result of the national state of disaster lockdown regulations, affected revenue generation for many small businesses such as SEs, requiring them to develop coping strategies and changing business models or risk disappearing (Kang and Seidl, 2021). For social entrepreneurs in the service sector, where physical proximity matters have often been affected in the extreme by the pandemic's social distancing guidelines (Belitski, Guenther, Kritikos and Thurik, 2021). According to Roan and Udayakumar (2021), this moment of crisis provides an opportunity for social entrepreneurs committed to creating positive social impact and contributing to the sustainable development of local communities.

8. LIMITATIONS

The study did not include all townships in the KZN province, with only three townships covered in the survey. It is, therefore, not appropriate to generalise the findings to other townships in the province. Since the study is exploratory, quantitative in nature and makes use of a small sample, generalisation of the results should be done with care and further research, with a large sample, is encouraged.

9. IMPLICATIONS

The implications for this study include theoretical and social entrepreneurship practice implications.

9.1 Theoretical Implications

All relevant stakeholders, including SE owners/managers and the South African government, must have a clear understanding and knowledge of related theories that will help social entrepreneurs and their enterprises to grow and thrive. New theoretical discoveries, with regard to how to maximise the economic, social and environmental benefits of social entrepreneurs, should be developed and implemented. Theoretical frameworks and models that are important in enabling social entrepreneurship to grow in SA, particularly in townships, remain lacking and need to be addressed. This also means SE owners/managers need to understand and acknowledge the importance of social entrepreneurship in the South African economy and the contribution of social entrepreneurs to the country in achieving its sustainable development goals.

9.2 Implications for Social Entrepreneurship Practice

This study provides some knowledge and understanding of various reasons and contributing factors affecting the growth and development of SEs in KZN townships. Numerous aspects are shown to lead to the underperformance of SEs in these townships, including: lack of management competence, skills and experience; lack of technical skills; lack of adequate education and training development; and lack of marketing skills. SE owners/managers should, therefore, improve their human capital with all the necessary skills and competencies, in order to adequately create social value that will contribute to sustainable development. This study further demonstrates how various factors in the external environment affect social entrepreneurs' contribution to sustainable development in the KZN townships. In addition, the study shows that unless factors such as lack of adequate government support, lack of access to funding and the effects of COVID-19 are effectively addressed, social entrepreneurs may not operate at their maximum capacity.

10. CONCLUSION

This study investigated social entrepreneurs' opinions and perspectives about why social entrepreneurship is failing to contribute to sustainable development, and what they think should be done to improve their contribution. The findings of this study reveal that external environmental factors such as lack of adequate policies and regulations, lack of government support, lack of access to funding, and rapid technological changes, as well as corruption in government, and the effects of the COVID-19 pandemic, are some of the reasons social entrepreneurship, as a tool for sustainable development in the townships in KZN, is negatively affected. This study further found internal environmental factors, such as lack of management competence, skills and experience, lack of technical skills, inadequate education and training development, along with a lack of marketing skills, are major problems affecting SE operations in the KZN townships.

11. RECOMMENDATIONS

The findings of this study suggest many challenges remain to be addressed by the South African government, as well as all the affiliated stakeholders, such as financial institutions. Therefore, the following recommendations would be helpful in addressing the identified problems. Government should endeavour to eliminate corruption that directly or indirectly affects SEs and hinders the easy access to resources that will enhance their activities. Government should establish laws and regulations that will favour SEs, while simultaneously eliminating the confusion social entrepreneurs currently face in terms of what legislative framework governs them. Financial resources are critical for any business' survival; therefore, funding should be easily accessible to social entrepreneurs and financial institutions should eliminate bottle-necks that hinder access to finance, in addition to providing capacity training to nurture business ideas of SEs, more so for those in the townships. Government should, furthermore, assist social entrepreneurs with mentorship and monitoring in order to enhance their performance and growth, while the need also exists for government provision of regular training and workshops for social entrepreneurs in the townships, to reduce their lack of skills. Moreover, free education and training development should be introduced for social entrepreneurs in the townships, where the government should provide all necessary support for social entrepreneurs affected by the current COVID-19 pandemic.

12. RECOMMENDATIONS FOR FUTURE RESEARCH

This study was aimed at establishing critical environmental factors affecting social entrepreneurship as a tool for sustainable development in the townships of the KZN province, as well as what needs to be done to improve their contribution. Based on the findings and limitations of this study, further research could include a larger sample size and research in other townships in KZN, as well as other provinces in SA. An in-depth, qualitative research could also help to better understand the nature of the challenges affecting social entrepreneurship as a tool for sustainable development in the townships.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Selected Key Internal Factors Underpinning Local Government Funding in the Municipal Sector in South Africa

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ABSTRACT

Since the dawn of democracy in 1994, the South African government embarked on transforming the Local Government (LG) agenda, advocating for a developmental LG system by changing "political, institutional and administrative systems, thereby creating a new framework for the municipal finance landscape" (Coetzee and Kleynhans 2019: 1). In this regard, all municipalities play a critical role in alleviating levels of poverty and addressing inequality through the promotion of growth that supports economic and social development. This study seeks to determine the impact of the internal factors underpinning local government funding in the municipal sector. The study put forward the arguments that relate to the municipal performance including managerial competency, competitive advantage, lack of Local Government (LG) innovation, stakeholders' consultative capacity, poor financial management, and weak municipal accountability and institutional oversight. Empirical data was collected from 30 key staff members including senior managers from four municipalities in Zululand district jurisdiction. A self-designed questionnaire was applied to solicit both qualitative and quantitative data. 5-point Likert scale part of the questionnaire was used for quantitative data collection and open-end questions section of the questionnaire was used for qualitative data collection. The outcomes of the study showed that municipal competencies such as managerial, financial acumen and strategic are critical for service delivery. Moolman (2018: 1) asserts these demands form the basis of factors that contribute to cost overruns, inadequate planning, poor cost estimates, and scope changes, along with project delays, corruption and material price escalation in municipalities. It is envisaged a study of this nature would offer insights into solutions to the major causes of social service inefficiencies, social inequality and social injustice from a LG funding point of view. Further, the study projects useful implications for municipal management and community to ensure that stakeholder engagement is critical for municipality performance and growth.

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1. INTRODUCTION

Local Government (LG) finance is regarded as one of the critical aspects to improving the well-being of the general populace at community level. It deals with the generation of funds in the form of revenue, expenditure and utilisation of financial resources, in order to bring socio-economic transformation to the people at grassroots level. As posited by Sunday et al. (2014 :84-85), LGs are the third-tier administrative structure of government, created to bring people closer through decentralised governance by rendering social services, thereby promoting national development. Finance becomes essential in mitigating and enabling the lives of people through provision of infrastructure that fosters the supply of basic social services, such as construction and maintenance of roads, markets, schools, and healthcare centres, to mention a few. Sunday et al. (2014: 84-85) and Baker et al. (2019: 1) concurred that finance viability in LG, backed by effective management, public accountability, fiscal autonomy, staff motivation and a servant leadership attitude among politicians, forms the cornerstone in building capacity that encourages social development at grassroots.

Aborisade (1981 as cited by Sunday et al. 2014: 84) acknowledged the importance of finance in the affairs of both public and private sector organisations and was quoted thus:

> *"Finance is like a thread that runs round the cloth. If the thread is pulled wrongly at one end, it will affect the design and control of cloth and destroy its beauty. … It (finance) must be handled with care. It must be disbursed absolutely according to the financial regulations."*

This study examines the problems associated with internal factors that underpin the financial performance of municipalities wherein lack of adequate funding, poor service delivery and acquisition of necessary skills contribute to the perennial state of affairs in South African municipal sector in general. Unit of analysis of this study is the Zululand District Municipality (ZDM) which is one of the ten district municipalities in KwaZulu Natal province of South Africa, together with five local municipalities under its purview. ZDM jurisdiction has experienced capacity developmental challenges (IDP, ZDM 2018). These challenges inhibit full mitigation of programmes that meet the desired outcome in relation to servicing the relevant communities. Mphahle and Zandemele (2021) concur that the South African local government is characterized by inadequate expertise and management capacity which has devastating effects on service delivery.

Two sampling techniques, namely the convenience sampling method and the simple probability were considered. In convenience sampling respondents are selected on the premise that they are readily available Wema et al, 2008 (in Chetty 2015:10). A sample size 6 municipalities out of a population of 43 municipalities (excluding 1 metropolitan) was considered. The reason for selecting 6 municipalities hinged on representativeness of 14% that provides a practical measure of the impact of the internal factors characterizing those municipalities which are outside the metropolitan and the associated implications for Local Government, given the commonality of lack of sound infrastructure thereof and provision of better service delivery across the municipalities.

It was anticipated that the response rate of the four municipalities out of 6 which formed the target the unit of this study in Zululand jurisdiction would be approximately 100 per cent, however owing to the corona pandemic the rate dropped to 67 per cent. Two municipalities failed to participate during the field survey as most of their key personnel were isolated for a longer period.

UN-HABITAT (2015:1) and Avery and Obah (2018:1) further concurred that the funding and financing of municipalities have become a daunting and a challenge exercise globally for national governments, in terms of financial capacity and ability of municipalities to raise their own revenue to pay for basic public services and infrastructure, as mandated by the Constitution. These challenges include poor economic growth, and high levels of unemployment and poverty. A well-grounded and supported Local Government (LG) sector in any country has been identified by Baker et al. (2019: 1) as a major source and repository of service delivery, employment creation, creating job opportunities and generally mitigating socio-economic aspects of communities.

1.1 Aims and Objectives

Thus the aim of study was to investigate the selected internal factors that underpin LG funding in Zululand municipalities in the KwaZulu Natal province of South Africa. The objectives that augment the aim of the study are:

- To examine the selected internal factors related to municipal performance from both financial and capacity building perspectives;
- To institute possible mechanisms to overcome challenges associated with the identified internal factors that foster improved service delivery.
- To develop a model that foster municipal financial performance.

Ideally, these objectives are envisaged to make a contribution towards knowledge of municipal finance and able to provide some insights through practical steps in mitigating related challenges that may arise. These practical steps can be undertaken following the identification of internal environmental pediments that inhibit local economic development.

1.2 Research Design

According to Cooper and Schindler (2003:149), the research design is viewed the blueprint for collecting, measuring and analysing data. This study follows a two pronged approach, namely a literature review and questionnaire. The qualitative part of the research was extrapolated from the open-ended section of the questionnaire. The other portion the qualitative research was obtained from the secondary sources included in in the literature review section namely legislation, policy documents, journal articles, books, conference papers, internet and other resources. The quantitative part of the data collection was conducted by means of administering a questionnaire wherein evaluation of the objective data consisting f numbers for the analysis of causal relationship between variables was done.

The research questions and objectives provided guidance when devising a research strategy. This study fulfils the triangulation strategy by involving both qualitative and quantitative research (mixed) methods that reflect certain approaches to knowledge production that would be utilized to resolve the challenges associated with internal factors that may be lurking within the operational tenets of the municipalities and /or other public service entities.

2. THEORETICAL FRAMEWORK

Badenhorst (2007) fingered out that the conceptual framewok not only assists in examining key concepts used in research but also able to identify the relationship between concepts, analysis of data, and drawing conclusions. In this study we underscore an academic conversation premised on the elements of the conceptual framework that take on board the tenets of human capital development, performance improvement coupled with some sections of Municipal Finance Management Act (MFMA) (56 of 2003). in Mphahlele and Zandamela (2021) made a write-up on these issues but failed to include the legislation in relation to financial administration and financial performance on municipal sector. This gap has been addressed wherein municipal objectives were taken on board to guide municipal management to perform better. A proposed model is presented on section 7 and an Appendix A is attached.

3. LITERATURE REVIEW

In the recent past, though short-lived, the South African Local Government (LG) sector witnessed a surge of improvement in terms of access to basic services to poor households. In 2016, StatsSA (cited in Ncube and Pillay 2020) indicated that 90 percent of households had piped water, 88 percent had access to electricity, which is much improved from the eight percent in 2002, and 64 percent had waste removed regularly. StatsSA (2016) further indicated, in terms of sanitation, 13.7 percent of households used unventilated pit toilets, two percent used bucket toilets and 2.4 percent had no sanitation facilities at all.

From 2018, however, the LG landscape in SA started to deteriorate dramatically, with many municipalities reported by then Minister of Co-operative Government and Traditional Affairs (COGTA), Dr. Zweli Mkhize, as dysfunctional and unviable (Ncube and Pillay 2020). The breakdown of the situation in the municipal sector, as presented by COGTA in 2018, stood thus: seven percent of the country's municipalities were reported as functioning well; 31 percent were reasonably functional, and the rest were either almost dysfunctional or totally dysfunctional. Table 1 indicates a breakdown, listing 87 municipalities that include both District and Local Municipalities. The list was released by COGTA in 2018 to show the extent of dysfunctionality and distressed municipalities in the South African LG sector (RSA 2018).

Table 1. A list of dysfunctional municipalities in South Africa per province

Province	Number of municipalities
KwaZulu-Natal	18
Eastern Cape	14
Limpopo	13
North-West	10
Northern Cape	8
Free State	7
Western Cape	7
Gauteng	6
Mpumalanga	4
Total	**87**

Source: COGTA (2018)

The data in Table 1 above provides a list of the nine provinces, where the top three (KwaZulu Natal, Eastern Cape and Limpopo) constitute 52 percent of the dysfunctionality of the South African LG landscape. This picture displayed a gloomy and undesirable state of affairs. The reasons for this situation in the researchers (our) view could be attributed to a lack of funding, to a greater extent, and other critical factors uncovered by researchers such as Chilu and Nomandin (2013) and Bwowe (2019), with their reasoning presented in the next sections of this chapter.

The sustainability of municipalities depends on both external and internal factors; more importantly, internal factors are critical as they are key drivers of the operations of an institution. Municipalities continue to be at risk, owing to the following internal factors.

3.1 Managerial Competence in Municipalities

The concept of competence has been defined in various ways in the literature. In most cases, competencies are associated with tasks, skills, outputs, and knowledge, as well as processes, role expectations, responsibility, and core content related to specific fields or jobs, as Morudo (2017: 1) and Madumo (2016: 5) identified. The importance attached to this concept lies in the effects of service backlogs that characterise South African municipalities, as Meyer and Venter (2014: 1) pointed out. Morudo (2017: 1) argued the performance of municipalities should be measured within the context of the unique challenges faced by weaker and more vulnerable municipalities, typified by complex development problems, including massive infrastructure backlogs that require extraordinary measures to address funding and delivery capacity requirements.

Managerial competencies are categorised into several classifications, which may include but are not limited to Core, Specific and General Competencies, from the view of the Dullah Omar Institute (2017). Core competencies comprise expertise and skills that drive high performance and are foundational for organizational growth and development. On the one hand, specific competencies are aligned to a particular position; for example, a line manager's leadership competency to influence a team towards goal achievement. General competencies, on the other hand, refer to basic capabilities embracing good working relationships among colleagues, communication, and listening skills for team members (Dullah Omar Institute 2017; Amsler & O'Leary 2017; LGSETA 2017). Thus, competency is a combination of skills, knowledge and attitude, which correlate with job performance. The level of competency can be measured by using standardised metrics and can typically be improved through targeted training and staff development initiatives, as posited by Amsler and O'Leary (2017).

The South African LG sector is no exception to these competencies, which are viewed as the cornerstone embedded in senior management positions in municipalities. Mosha (2010: 25) and Mello (2018: 12) identified that most African LGs experienced challenges in finance, due to mismanagement of funds attributable to lack of administrators' managerial skills and mismanagement of resources allocated for development, as a result of corrupt practices and tendencies.

A study by the Dullah Omar Institute (2017) enumerated typical competence frameworks crafted and encapsulated in the public sector in general and the municipal sector in particular. These identified models include the Boyatzis Competence Model (1982), which focused on behavioural indicators that influence job performance; the Slocum et al. (2008) Managerial Competency Model, which places six sets of management competencies with associated sub-competencies; Louw's Managerial Competency Model (2012); and the OECD (2019) Framework on Public Service Leadership and Capability. Additionally, there are senior Public Management Competencies promulgated in legislation and/ or compiled official documents such as the Public Service Act, the Senior Management Service (SMS) Competency Framework; Municipal Performance Regulations for Municipal Managers, as well as the Municipal Finance Management Act (2003) (MFMA) and the associated competency regulations.

3.2 Competitive Advantage in Municipalities

Capacity building is a generic notion used for institutional strengthening, institutional development and organisational development. Callahan and Kloby (2009:219) emphasise on the recruitment of the right people for the right job; resources such as time and public funds not to be wasted in the process of policy implementation; and public managers and public service managers and politicians' ability to account for their activities. These factors ensure effective performance management towards effective governance.

Habib (2015) asserted that when municipal leaders are challenged on service delivery issues, wherein LG sector needs to ensure that their employees are capacitated in terms of quantity and quality. Nzimakwe (2012: 139) highlighted that local government is not only about provision of services but also developmental, further asserting that in LG, ensuring synergy between planning process and implementation remains a challenge. The LG Municipal Systems Act 30 of 2000, stipulates that HR should be developed to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient (EEEs) and accountable way (RSA 2000).

3.3 Lack of LG Funding Innovation

Despite population trend dynamics, low levels of capital spending seem to be one of the greatest causes of municipal failure, according to the Bureau for Economic Research (BER) 2021. Sustained levels of low capital spending affect the ability of municipalities to expand access to water, sanitation, electricity and housing, which can be attributed to the lack of innovation in terms of spending available funds (BER 2021; Fourie 1998; Goldswain 2018).

A municipality revenue and expenditure management innovation determines its ability to contribute towards economic development and poverty reduction. In terms of revenue, different municipalities overall rely on varying sources. For example, in the setting of South African LG, whereas district municipalities and rural municipalities mostly depend on government transfers, reliance by metros, large, and small town municipalities depend more on own charges, including electricity and water charges. Substantial disparities exist in terms of expenditures at LG level. Capital expenditure items are also markedly different across different municipalities. For instance, electricity is more important for metropolitan, city and town municipalities in the South African context, than there are for rural and district municipalities; whereas a more important expenditure item for the latter is roads, in comparison to the former.

3.4 Stakeholders Consultative Capacity

Lack of coordination in intergovernmental relations and support for local municipalities have been cited by the National Treasury (NT) 2017, as part of the reasons stakeholder consultative capacity is affected. There are instances where District Municipalities send contractors to act, without prior arrangements with Local Municipalities, for example on water and sanitation services (NT 2017). Another area that lacks coordination is in respect to the implementation of indirect conditional grant where a province or national departments implement projects without consulting LMs. This has a serious repercussion as LMs remain responsible for the maintenance of assets delivered by districts or other spheres of government

Klepsvik and Koppernjan (2016) and Nabatchi (2018:14) point out that the municipal manager must manage the communication between the political structures and office-bearers and the administration (Municipal Systems Act

2000, section 55(1)(j)). Instructions, queries and other communications from council, committees, the (executive) mayor or the speaker to the administration cannot bypass the municipal manager' office because the municipal manager is accountable for the entire municipal administration. In the event of communications going directly to officials or departments, the municipality would have to establish clear communication between those and the municipal manager to the level of detail required for the municipal manager to answer to his or her accountability towards the council.

3.5 Poor Financial Management

Poor financial management oversight of municipalities, are characterized by mismanagement, misallocations of funds, lack of competence skills and misappropriation of funds, including lack of good governance are the underlying reasons for poor performance, as fingered by Garcia-Sanchez, (2012) and Ngcobo, (2017). However, Fourie, (1998) put the question on why these problems of governance were so widespread, and why interventions were ineffective in remedying the situation, remains unanswered.

These research attempts have either focused on proactive financial governance or the causes of financial mismanagement, leaving space for research into what could be done when a municipality already finds itself in financial distress (Watson, et al., 2015; Cohen, et al., 2012; Franzsen et al, 2017:1). It has been indicated in various Auditor-General South Africa (AGSA) reports (AGSA 2020, 2019, 2018) that many municipalities were spending more than the resources available, to them. This meant that most of the municipalities were unfunded. According to Ncube and Pillay (2020:22), in 2017. 56 percent of 257 municipalities passed funded budgets, whilst 44 percent of the municipal councils opted to adopt budgets they knew were unfunded. In this regard many municipalities inevitably ushered themselves in financial distress. Financial distress is associated with some costs to the organization that may lead to bankruptcy if not timeously relieved, as explained by the Deloitte Report (2017).

In recent years, South African LG landscape experienced financial failures that were in the public domain including financial management challenges in municipalities as presented by Cohen, et al., (2012) such as the 2018 collapse of VBS Bank, which resulted in significant losses to municipalities which had invested (in violation of the applicable regulations) in the mutual bank; the record number of service delivery protests (237 of which took place in 2018 and 218 in 2019); and unfavourable reports from the Auditor - General, indicating fruitless and wasteful expenditure cost municipalities, for example R2,07 billion was spent on those irregular expenditures in the 2018/19 financial year (AGSA, 2019).

Endemic corruption has been referred to as “systemic corruption”, which is “primarily due to the weaknesses of an organization or process” (http:\\Wikipedia.org, 2018). Endemic corruption and political inertia at local level make it easy for organizations to flout regulations with impunity (Sunday Times, nd).

The LG sector in SA has been a victim to rampant corruption as reported by the media, judiciary and government in general. Corruption from a public service perspective, "inhibits the flow of service delivery in communities and it erodes the basic moral fibre of society", as posited by Naidoo (2017: 1). The effects of corruption are dire and constrains the growth and development of municipalities. Lack of professional ethics and deficient laws regulating corruption as a criminal offense were pointed out by Franzsen et al. (2017: 1), including the lack of prosecution and sanctioning of it are viewed as chief cause for the emergence and spread of corruption.

3.6 Weak Municipal Accountability and Institutional Oversight

The municipal public accountability committees (MPAC), including audit committees, have been identified as weak and inadequately empowered to fulfil the oversight role (FFC 2016/17 cited in Ncube and Pillay 2020). The evidence showed these structures can neither effectively hold the executive to account, nor the lack of accountability in councils, where little or no response is seen to AGSA reports and other statutory body reports on annual report findings and recommendations. Furthermore, AGSA observed issues of conflict of interest in the municipal sector, wherein employees' interests were not declared and/or had not been adequately investigated, despite it having been reported.

The above-mentioned internal factors characterise the challenges facing Local Government (LG) funding, thereby undermining the capabilities of municipalities to unleash basic service delivery to their communities, as mandated by the Constitution.

4. RESEARCH METHODOLOGY

Research was conducted to collect data from selected municipalities operating in Zululand district jurisdiction, namely: Abaqulusi, Nongoma, eDumbe and Zululand District Municipality (ZDM). The research followed a mixture of qualitative and quantitative approaches. The research design was descriptive in nature.

Literature review was used as a source of information to formulate the questionnaire, while a combination of closed and open-ended questions in a questionnaire was used. In addition, secondary data was obtained from municipal reports, unpublished documents, agenda and minutes of meetings, correspondence and memoranda.

4.1 Respondents

The target population of the study was municipalities that were located in Zululand district. The KZN province is constituted of 10 district municipalities, 43 local municipalities and 1 metropolitan. Zululand district jurisdiction has 5 Local Municipalities and 1 District Municipality, as mentioned above.

There was no suitable sampling frame available from which to draw a probability same, a quota sampling approach was used to select respondents from four municipalities, namely, Nongoma, Abaqulusi, eDumbe and Zululand District Municipality (ZDM). These areas were selected as they have relatively large rural populations, allowing sufficient key personnel and municipal management to be identified considering amount of responsibilities that the target municipalities hold. The quotas were based on geographical areas and a number of employees per each municipality (Lekhanya and Rogers, 2014). The specific sample elements in each quota group were selected using convenience sampling. A total sample of 30 respondents from four municipalities was used.

4.2 Questionnaire

The questionnaire was also used as the measuring instrument for this study. The questionnaire was divided into 3 sections and 32 questions which measured various themes such as Biographical data, Success factors of local authorities funding models, Management of Local Government Finance, Challenges associated with infrastructure funding in municipalities, and Assessments on various issues on Local Government Financial Management.

The questionnaire adopted a Likert Scale format which consisted closed-ended questions. For the basis of ascertaining from the respondents their experience, knowledge of innovative leadership factors and insight, open-ended questions were incorporated in the questionnaire. The respondents were required to state independently their personal views based on pre-determined statements.

4.3 Data Collection

The questionnaires were distributed, collected and administered by the principal researcher (myself) to all six municipalities within Zululand district jurisdiction. Only two municipalities were not able to respond and participate in this study. To improve response rate and validity, instructions were provided throughout the questionnaire and explanations on any grey area were given on site during and after distribution.

5. ANALYSIS

Questionnaires were checked for completion and missing information, data was then captured using SPSS version 24.0. The first analysis involved frequencies, which was also used to check the coding of data. Variable were then screened, identified those that were dominating and/ or influential on the dependent variables of the study. Finally, descriptive statistics were used to describe and compare the data that was collected.

6. RESEARCH FINDINGS

The respondents from the municipalities that participated in the survey reflect considerable diversity according to location of municipality, department, number of years worked, age and gender distribution. The profile of the respondents is presented in Table 1. The profile reflects a suitably heterogeneous sample that is not biased towards any specific type of municipality. In the remainder of this section the result is presented for the questions related to the issues being investigated, as identified in the research objectives.

6.1 Internal Factors Influencing Municipal Financial Performance

The primary aim of this section was to dissect and understand the internal critical factors that influence the operations of municipalities in achieving sustainable service delivery in their respective jurisdictions.

As mentioned above, these factors were identified through rigorous literature searches and were also used to some extent in the formulation of aims and objectives of the study. The findings presented points to the level of understanding of the relevant statutory instruments (qualitatively) and the municipal objectives and strategies (quantitatively) in Zululand District jurisdiction.

Table 2. Municipal objective: Improving quality of service

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	19	63.3	63	63.3
Important	10	33.3	33.3	96.6
Not Important	0	0	0	96.6
Not Sure	1	3.3	3.3	100

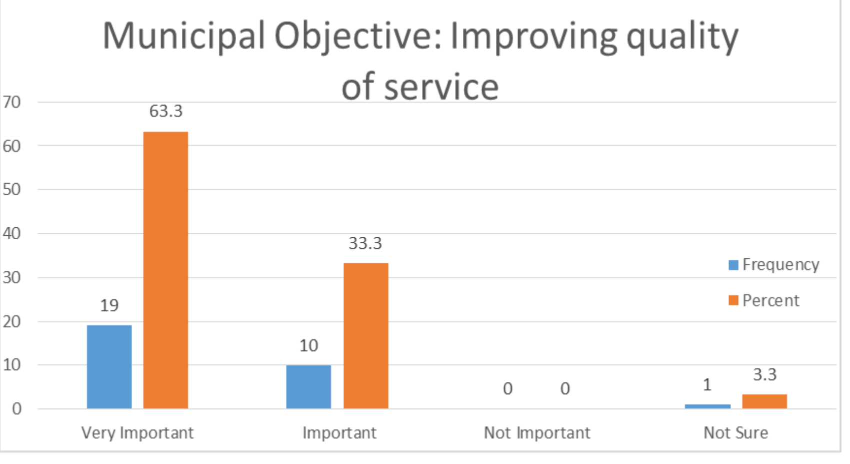

Fig. 1. Municipal objective: Improving quality of service

In answering this question on the importance of the municipal objective on improving quality of service, the respondents had high regard on the very important option (63.3%), followed by 43% for the important option. Table 2 and Fig. 1 above indicate the responses to that effect. These two options unanimously reflect and give impetus to the municipality management to scale-up issues of service delivery in order to avert intermittent protests that have characterized most of municipalities in South Africa. Only a mere 3.3% were not sure about the importance of this objective. These overwhelming responses also indicate the primacy of policy on the core mandate of provision of basics such as water, electricity, refuse collection management.

Table 3. Municipal Objective: Improving access to infrastructure

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	16	53.3	53.3	63.3
Important	13	43.3	43.3	86.6
Not Important	1	3.3	3.3	100
Not Sure	0	0	0	100

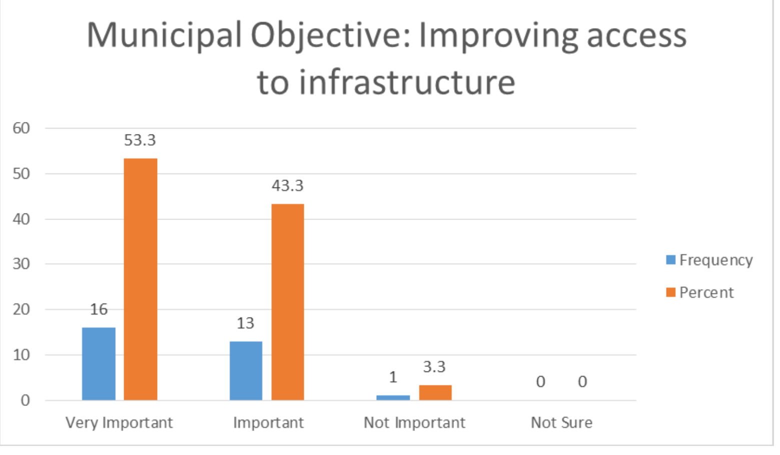

Fig. 2. Municipal Objective: Improving access to infrastructure

Table 3 and Fig. 2 further reflect the importance municipal objective on the importance of improving access to infrastructure within the municipality. More than half of the respondents (53.3%) and 43.3% indicated that the option of objective on improving access to infrastructure was very important and important respectively.

Participants were asked to highlight their views on municipal objective on improving efficiency relating to the implementation of relevant plan of action, strategic decisions and quick feedback on issues raised by stakeholders.

Fig. 3 and Table 4 illustrate a combined positive response of 96.7% in terms of the importance of this objective. 3.3% were not in favour of the objective.

Table 4. Municipal objective: Improving efficiency

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	20	66.7	66.7	66.7
Important	9	30.0	30.0	90.7
Not Important	1	3.3	3.3	100
Not Sure	0	0	0	100

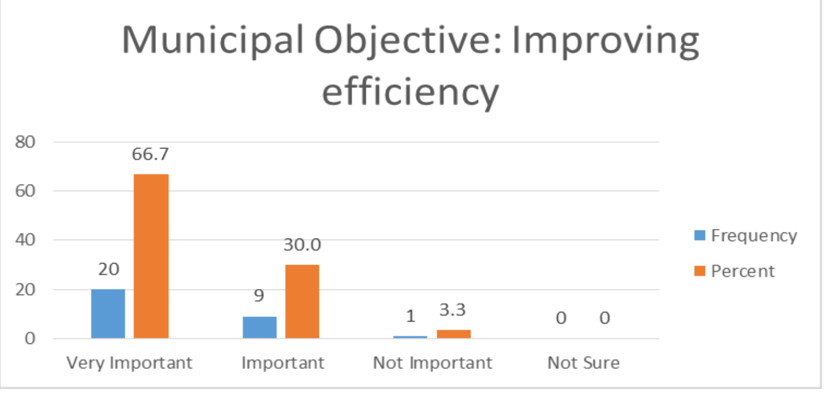

Fig. 3. Municipal Objective: Improving efficiency

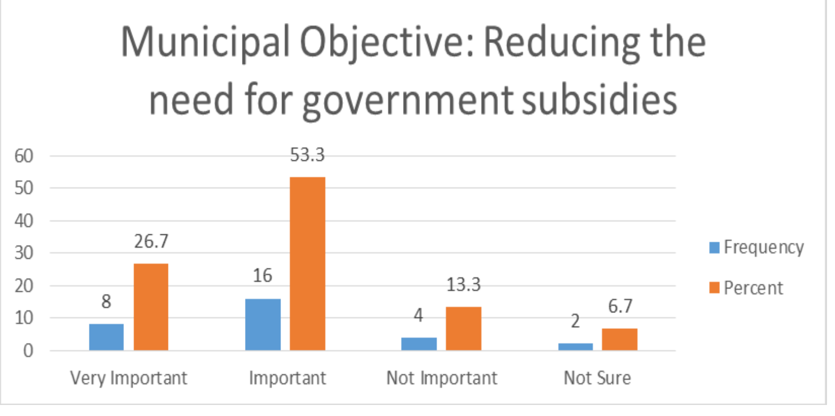

Fig. 4. Municipal Objective: Reducing the need for government subsidies

Table 5. Municipal Objective: Reducing the need for government subsidies

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	8	26.7	26.7	26.7
Important	16	53.3	53.3	80.0
Not Important	4	13.3	13.3	93.3
Not Sure	2	6.7	6.7	100

53.3% of the respondents as reflected on Table 5 and Fig. 4, were of the view that the municipal objective on the need on reducing government subsidies to municipalities to be important but only 26.7% indicated the option of very important. A significant 13.3% were on the contrary (Not Important option) and 6.7% were not sure.

Table 6. Municipal Objective: Promoting Innovation

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	16	53.3	53.3	53.3
Important	9	30.0	30.0	80.3
Not Important	1	3.3	3.3	83.3
Not Sure	4	13.3	13.3	100

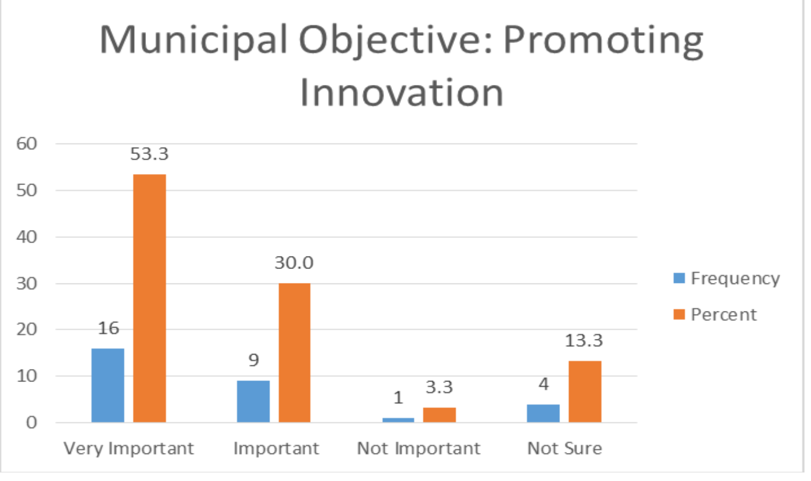

Fig. 5. Municipal Objective: Promoting Innovation

Research participants were required to indicate the importance on the municipal objective on promoting innovation. From Table 6 and Fig. 5 above, it is evident that there is dire need for municipalities to embark on the promotion on innovation to mitigate lack of funding, improve revenue collection and institute acquisition of new infrastructure, etc.

Table 7. Municipal Objective: Speed of service delivery

	Frequency Distribution			
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Important	27	90.0	90.0	90.0
Important	3	10.0	10.0	100
Not Important	0	0	0	100
Not Sure	0	0	0	100

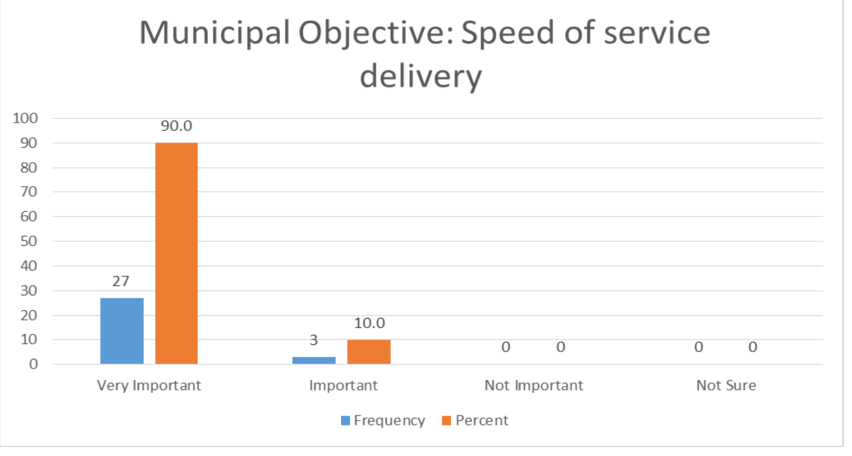

Fig. 6. Municipal Objective: Speed of service delivery

According to Table 7 and Fig. 6, the majority of participants (90%) indicate on the very important option on the municipal objective on Speed of service delivery. This is critical were in most of the cases and incidents reported, most municipalities develop inertia to quickly attend to these incidents.

6.2 Reasons for Lack of Service Delivery in Municipalities

The responses were categorised into 8 categories which are politics and corruption, Lack of funding, Lack of Skills, Lack of transparency, Poor planning, Non Approval of MIG and/Late approval, Poor revenue generation. Respondents gave more than one response. The modal mentioned reason was Politics and corruption which made up 35.6% of the responses. Here respondents mentioned that there was lack of political will, influencing the award of tenders and cadre deployment. The second modal reason was lack of funding which made up 25.6%. Respondents were of the opinion that there was need for more funding from the government especially for rural municipalities. Together with Politics and corruption they made up more than half of the reasons with 61%. Lack of skills was the 3rd modal response accounting for 10.2%. Transparency, Poor planning, MIG approval, and poor revenue collection all equally made up 5.1% each. The other 8.5% was made up of other reasons which were lack of information, inadequate citizen participation, failure to manage change, increased population, improper tender allocation, high staff turnover.

Table 8. Reasons for lack of service delivery in municipalities

Managerial Competence in Municipalities	Frequency	Percentage
Politics and Corruption	21	35.6
Funding	15	25.4
Lack of Skills	6	10.2
Other	5	8.5
Transparency	3	5.1
Poor Planning	3	5.1
MIG Approval	3	5.1
Poor Revenue Collection	3	5.1

6.3 Lack of LG Funding Innovation

The response of 55.2% strongly agreed, while 20.7% agreed that Management of local government finances should be the sole responsibility of accounting officers not politician. Those who gave a neutral response made up 13.8%, while the disagreed and strongly disagreed made up 6.9% and 3.4% respectively. When asked if there is need to revisit the structure and revenue allocation of the existing local government funding models almost respondents were in agreement. 56.7% strongly agreed and 40% agreed with a minor 3.3% neutral. None were in disagreement.

There was an equal percentage of 30% of those strongly agreeing and those with neutral response when asked if the criteria being used for revenue allocation in local authorities by the national government are not equitable and have a bearing on basic services delivery to the communities. Similarly disagree and strongly disagree responses were given by 6.7% each. The other 26.7% agreed.

Both strongly agree and strongly agree were given by 10% each to the question the provisions of Municipal Finance Management Act, Public Finance Management Act, and Municipal Strategic Act are inadequate to promote sound local government administration. 23.3% agreed and 26.7% were neutral while the other 30% disagreed.

6.4 Participatory Development through Community Engagement Initiatives is Paying Dividend in this Municipality

70% of the respondents were of the opinion that Participatory development through community engagement initiatives is paying dividend in this municipality while 3.3% said no and 26.7% were not sure.

Table 9. Responses on community engagement initiatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	70.0	70.0	70.0
	No	1	3.3	3.3	73.3
	Not Sure	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

The respondents were asked to rate the statement "A more engaged citizenry is able to achieve a higher level of cooperation and make local authority accountable". The rankings ranged from 1 to 10 with 1 being very high and 10 very low. The modal rank was 7 with 23.3% followed by 4 and 5 with 16.7% each. Rank 1,2 and 3 followed with 13.3% each while 10 had 3.3%.

6.5 Challenges Associated with Infrastructure Funding in Municipalities

This section constituted of open ended questions. Here the respondents gave their own views in a more detailed manner. However, as expected some respondents gave one word responses whilst others added more details. To analyse, we noted the key responses across the board and formulated the response categories where necessary.

Question 1: What is the economic status of the communities now, compared to before the construction and/or rehabilitation of the road/ storm waste water/ bore-hole/ dam/ stadium/ installation of electricity?

The responses of this question were classified into three categories, that are unsatisfactory/no change, somewhat Improved, Improved/ satisfactory

Table 10. Responses for economic status before and after installation

Responses	Frequency	Percent
unsatisfactory/no change	18	60.0
somewhat Improved	8	26.7
Improved/ satisfactory	4	13.3

More than half of respondents said there was no change in the communities. The reasons they gave include high unemployment still being a problem, unfinished projects, limited water and electricity supply and deteriorating infrastructure due to age and lack of maintenance. Just over a quarter (26.7%) were of the view that there was somewhat some improvement although minor. They stated that water supply and electricity supply is starting to improve and roads are starting to get attention. Only 13.3% are of the view that there is satisfactory improvement. Most did not expand on why but one mentioned an improvement in the economic status.

Question 2: Do you think funding from the appropriation is a better funding model compared to the other models of basic services infrastructure funding? Give your reasons for your answer.

The responses for this questions were categorised into 3 categories that is yes no and both. The results are shown on Table 11 below:

Table 11. Response on Funding from the appropriation

Funding from the appropriation Responses	Frequency	Percent
No	14	46.7
Yes	12	40.0
Both	4	13.3

Almost half (46.7%) of the respondents did not think that appropriation is a better funding model compared to other models. The reasons were mainly that they believed the funding from government is not enough to cover all the expenses of the municipalities. Another reason was that corruption is rampant and the people responsible are not held accountable. 40% believed it was a better funding model. The reasons stated included the following: some municipalities especially rural ones do not generate enough revenue to be able to cover expenses, the funds come with conditions hence the municipality cannot deviate from the intended use, it is common and municipalities are used to it and lastly it limits self-enriching from MIG tendering system. The remaining 13.3% preferred a mix of both, whereby the government can add on the shortage in funds.

Question 3: Do you have any basic services infrastructure in progress? If yes, give the details in terms of its duration and budget as well as the type of grant/ fund.

Table 12. Responses on work in progress

Responses	Frequency	Percent
Yes	13	43.3
Both/Neutral	6	20.0
No	11	36.7

43.3% were aware of infrastructure projects in progress. The projects mentioned were mainly roads construction and maintenance, halls, clinics and schools. The projects expected duration was 12-18 months for halls and electricity installation while roads could take longer. Another one stated that there was road maintenance and clinics buildings and this could take from 2- 5 years with a budget of R3.2M. One mentioned walkways for R3.2m expected duration of one year and community halls for R2.8m with an expected duration of 8 months. The rest did not stipulate the time limits nor the projects but only that there are projects being done.

36.7% said there were not projects being done. The other 20% said they were not aware or they were not in a position to know this as they were from departments that do not deal with projects.

Question 4: Do you think there is/ was value for money on the basic social services and infrastructural development undertaken by the relevant local authorities? Responses are indicated on Table 13 below:

Table 13. Responses on value for money

Responses on value for money on the basic social services and infrastructural development undertaken	Frequency	Percent
No	13	43.3
Yes	10	33.3
Neutral/Both	7	23.3

33.3% were opinion that there is value for money. The reasons given included that the people are benefiting from the infrastructure development and that need analysis was done before implementation hence projects were a necessity. 43.3% believed that there was no value for money. Their reasons classified into three subcategories which were time taken, substandard work and politics and corruption. Here 35.7% said that the projects took longer than expected to complete, 50% said the projects were substandard and of poor quality. While the other 14.3% were of the view that political influence and corruption were a hindrance in the effective rendering of the services. 23.3% were neutral or they felt there was value in some and no value in others. They felt more could still be done.

Question 5: Local authority budget and finances are managed in a participatory and transparent manner. Use the continuum indicated to rate yourself against this statement in your municipality.

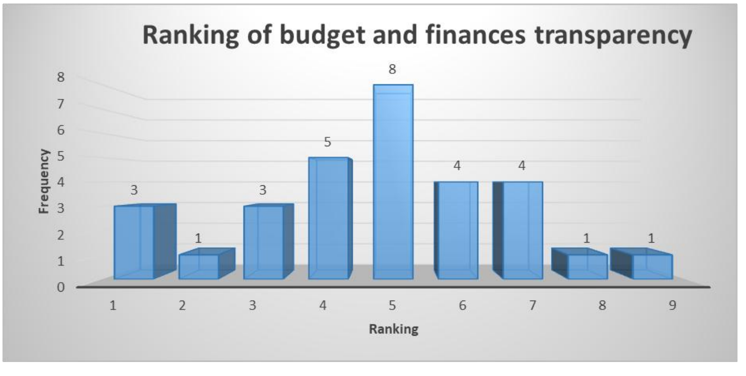

Fig. 7. Ranking of transparency in municipal budget process

In order to investigate the respondents' views on transparency of budget and financial management, the respondents were asked to indicate how they rate themselves on a continuum scale from 1 to 10 with 1 as very high rating and 10 as very low hating. The modal rank was rank 5 which is the neutral response and it made up 26.7% of the responses. Rank 4 followed with 16.7% while rank 6 and 7 made 13.3% each. Rank 2, 8 and 9 made up 3.3% and lastly rank 1 and 3 made up 10% each. The above average rankings 1-4 made up 40% while the below average ranks 6-10 made up 43.3%.

7. PROPOSED MUNICIPAL HYBRID FINANCIAL PERFORMANCE MODEL

This study hones a hybrid theoretical framework anchored on Human Resource Capital Theory (HCT), Performance Improvement Theory and the Municipal Finance Management Act (MFMA) (56 of 2003). Mphahlele and Zandamela (2021) concur that HCT advocates for investment in training (Smell and Dean, 1992); informal workplace education (Schultz, 1981) and on-the-job education (Corazzins, 1967; Mincer 1974). On the contrary Ubel, et al (2010 in Mphahlele and Zandamela 2021) argued that the "mere presence of education and training do not warrant successful outcome or functional capacity development". Performance Improvement Theory on the other hand is grounded on the performance that is developed through skills development accuracy (Gilbert, 1978; Rummler and Brache, 1988 cited in Mphahlele and Zandamela, 2021).

The inclusion of Municipal Finance Management Act (56 of 2003) as part of this hybrid theoretical framework stems from the view that it is premised in its mantra on municipal financial performance as alluded by Graves and Dolley (2009). The MFMA model also emphasizes on the prevention of unauthorized, irregular and fruitless expenditures by local authorities in the main, which are mandated by the state to safeguarding LG.

8. LIMITATIONS

The sample for the study was small and limited to four municipalities out of a total of six in Zululand municipal jurisdiction, and therefore generalising from these findings should be done with care. At the time of conducting surveys for this study, the world and SA in particular, was experiencing an unprecedented COVID-19 pandemic wave that affected data collection. Some of the key personnel in local municipalities were not at their workplaces due to isolation reasons and COVID-19 protocols. Further limitations attributed to the use of a structured questionnaire which prevented respondents to the chosen factors, despite in certain cases, their desire to further discuss more on other issues and constraints.

9. SIGNIFICANCE OF THE STUDY

The study is significant for the following reasons:

- The study highlights the internal factors influencing municipal financial performance
- The study discusses socio-economic conditions as a means of providing additional insights into factors affecting municipalities.
- Though the study was focussing on a selected sample of municipalities in the Zululand jurisdiction, the study provides impetus to other researchers to conduct similar studies in other municipalities outside KZN province.
- The proposed integrated L G funding model would assist municipalities in KZN province to improve their internal capacities on financial, human capital and infrastructure development.

10. IMPLICATIONS

The premise of promoting good governance in South African municipalities is based on mitigating the prevalent and inherent socio-economic challenges, including massive service delivery protests, poverty, rampant corruption, and inequalities. This gives impetus and calls the municipal management to be full aware and guard against complacency in hiring competent personnel. The development of the framework for selected tents of municipal internal factors are expected to contribute significantly on municipal financial performance.

11. CONCLUSION

The paper investigated the impact of internal factors on local government funding in the Zululand municipal jurisdiction. It was found that the most significant internal factors impacting the local government funding at municipal level were hinged on managerial competencies, competitive advantage, stakeholder's consultative capacity, poor financial management and weak municipal accountability and oversight.

The purpose of this study was to design and test a theoretical framework that include human capital , municipal performance and municipal finance managent issues.

The ability of these municipalities to collect and administer own revenues is very important and is influenced in the main by socio-economic circumstance as argued by Brand, (2016:1). In the literature presented in this paper, it was noted that rural based municipalities, such as the Zululand municipal jurisdiction is increasingly dependent on government grants and transfers. These socio-economic circumstances have a bearing on the nature of social services spending, the fiscal capacity, the level of infrastructure investment, and the quality of governance in determining infrastructure investment in municipalities.

The impact and challenges mentioned above continue to undermine the municipal sector capability to discharge its constitutional obligations according to the views of Baker, et al., 2019. In South Africa, the then Minister of COGTA, Dr. Zweli Mkhize, in his 2018 budget statement projected a grim outlook of the municipal sector wherein only 7% of the local municipalities were well functional, 31% were reasonably functional and the remaining 62% were ranging from almost dysfunctional to outright dysfunctional, as alluded in the FFC Technical Report (2020: 20-21). Furthermore, the Report fingered that 50% of the 55 district municipalities fell in the dysfunctional category also.

Lack of basic infrastructure also impact negatively on the local government provisioning of service delivery due to underfunding and/ or lack of funding, misappropriation of funds, rampant corruption and project overrun costs. There is clear evidence from the literature review that points out the disparities consequences emanating from lack of basic service infrastructure funding in municipalities in general. The rural municipal sector is the most affected in terms of isolation resulting low agricultural productivity wherein local economy is impacted due to lack of road infrastructure that link to markets, as an example.

The literature review findings in this study show the importance of paying more attention on fundamental tenets that need to be oiled to keep municipalities rendering critical service delivery to the communities without prejudice in terms of adequate funding and, sound and proper good financial governance.

12. RECOMMENDATIONS

In order to contain the challenges presented on internal factors literature, the LG sector is encouraged to re-engineer its internal processes and operations as it is considered to be the third tier level closest to the people at the grassroots level. It is recommended that more needs to done to promote citizenry participation through the use of Information and Communication Technology (ICT) and Management Information Systems that monitor, harness and foster dissemination of information real time.

Recruitment of qualified and experienced key personnel including management staff should not be an option but should be spot on. There should not to be a compromise, as the effects of hiring incompetent staff are dire, as discussed in the literature review section.

Municipal Management should be empowered and re-skilled in the sphere of municipal finance management and able to articulate relevant legislation on LG sector in order for them to operate within the confines of the law.

13. RECOMMENDATIONS FOR FURTHER RESEARCH

The thrust of this paper was to institute an understanding and appreciation with the regards to the challenges associated with internal factors that characterise the LG funding in non-metropolitan municipalities, with specific reference to

South African LG sector. Further studies on the turnaround strategies that will contribute to smooth running of municipalities through good governance and sound financial management.

The findings highlighted in this study, should be further broadened to include similar studies in other South African provinces with a large sample in order to assess whether these findings are typical of all the provinces.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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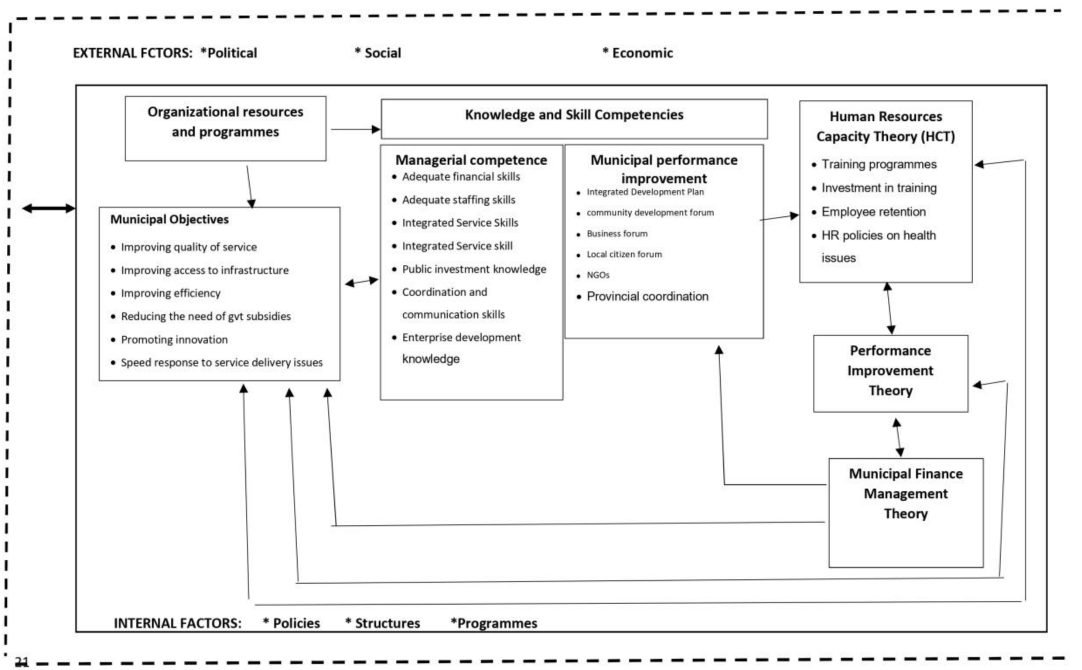
APPENDIX A



Proposed municipal hybrid financial performance model
Source (Authors, 2022)

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Entrepreneurship Education on Developing Entrepreneurship Competencies in University Students: KwaZulu Natal Government Funded Universities' Case Study

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and Lawrence Mpele Lekhanya [a]

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ABSTRACT

South Africa as a developing country has a high rate of unemployment, while the failure rate of start-up businesses is also high. These issues have triggered the South African government's efforts to help solve the unemployment crisis through the promotion of entrepreneurship. Critical questions remain, however, such as whether entrepreneurship education in universities is effective enough to develop an entrepreneurship mindset in students, and how effectively these institutions can influence students to value self-employment and create their own businesses rather than remain job seekers. Therefore, the aim of the study ought to explore the effectiveness of entrepreneurship education on promoting entrepreneurship competencies in university students. A mixed method approach was used to collect data from 223 respondents. The data collected, coded, and captured was analysed in order to draw inferences. Data collected using close-ended questions was analysed by means of Statistical Programme for Social Sciences (SPSS) version 24.0. A series of relevant statistical analysis methods including descriptive and inferential analysis were then conducted. NVIVO 10 software was used to analyse the data obtained using open-ended questions and from the interviews helping to uncover trends. The findings indicated that lack an inclusive model that meets the quality standards required for successful teaching of entrepreneurship despite the dedication of many instructors. Resource constraints were identified as serious inhibiting factors including especially a lack of experienced and trained teachers of entrepreneurship. At this phase more students' awareness about entrepreneurship was achieved. The study recommends that further education in subsequent phases of student life and learning experience, should be focused on additional development of their

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competences and required skills, abilities and knowledge needed later in the market context.

Keywords: Entrepreneurship; entrepreneurship education; entrepreneurship competencies; self-employment; Government funded universities.

1. INTRODUCTION

People around the world are increasingly seeing entrepreneurship as an avenue to create wealth, stimulate economies, and fulfil self-employment hopes. Entrepreneurship has also become a powerful tool for creating jobs and improving economic conditions in the labour market and economy as a whole (Ncube and Zondo 2018). Moreover, with the advent of the Fourth Industrial Revolution, a variety of additional competencies involving creativity, innovation, and agility are required for young entrepreneurs. Many South African government educational institutions are currently considering embedding entrepreneurship education within their curricula. Considering the shifting entrepreneurial environment, teaching staff (educators, lecturers, and instructors) must constantly be adjusting the educational practices, procedures, and curricula to ensure the best outcomes for future entrepreneurs. Universities need to entice students through programmes that are relevant. As the entrepreneurial environment has changed, so have the expectations of educational programmes (Waghid 2019).

Various educational institutions in South Africa and globally have already introduced entrepreneurship education into their programmes, but there is little research and no certainty regarding how these institutions should go about optimally incorporating entrepreneurship into the curricula and programmes already in place (Iwu et al. 2019; Waghid 2019) with the particular goal of inculcating an 'entrepreneurial mind-set' which is open to taking risks and empowered to embark on starting a business venture. Ahmad and Buchanan (2015: 361) ask: "Should entrepreneurship in these institutions be integrated as a module, as a full subject, or an extra-curricular short course? Are there in fact some fields of study in which it is not necessary?" Chimucheka (2014) and Bauman and Lucy (2019: 2) respond to this question in the affirmative, stating that such education should involve all students regardless of their majors, to improve their competitive advantage and for the benefit of society as a whole. Unfortunately, entrepreneurship is often delivered through a normative theory-based approach. According to Rideout and Gray (2013); and Ustav and Venesaar (2018) a more appropriate approach is a programmatic approach which considers the context and is responsive to that, and which is therefore more experiential. Typically, students are only furnished with knowledge about entrepreneurship in order to enhance their traditional business management knowledge and skills (Boi 2018: 54; Waghid 2019). Nowadays entrepreneurship education to be effective must consider a range of factors including enhanced teaching and learning facilities, appreciation of social and cultural influences, and curriculum renewal, according to Solomon, Alabduljader and Ramani (2019) and Waghid (2019).

2. RESEARCH PROBLEM

"It might be expected that entrepreneurship education is already well established with a clear framework and specific theories. However, this has not happened so far, and the area needs further research" (Ramchander, 2019: 3). Entrepreneurship programmes in universities are a recent innovation (Mustapha and Selvaraju 2015: 155; Bauman and Lucy 2019) and it has been suggested that more research is needed particularly in terms of types, objectives and outcome of these courses. Kuratko and Morris, (2018) and Ramchander (2019: 3) also suggest that more clarity is required on the ways we educate our entrepreneurs. Hence this research represents an attempt to clarify debates on whether entrepreneurship education may play a role in developing entrepreneurial mind-sets and may help to identify characteristics which positively influence entrepreneurial intention in South Africa where the problem of graduate unemployment has become a major issue (Chimucheka, 2014; Fatoki, 2018). According to Stats SA (2022), the Quarterly Labour Force Survey (QLFS) for the first quarter of 2022, the unemployment rate was 63,9% for those aged 15-24 and 42,1% for those aged 25-34 years, while the current official national rate stands at 34,5%. Although the graduate unemployment rate remains relatively low in government funded universities compared to private educational institutions, unemployment among the youth continues to be a burden, irrespective of educational attainment. The unemployment rate among young graduates (aged 15-24 years) declined from 40,3% to 32,6%, while it increased by 6,9 percentage points to 22,4% for those aged 25-34 years. Mashau, Fields and Nyawo (2019) found that there has been an increase in the number of higher education institutions both public and private, and an increase in the number of students enrolled, resulting in a huge increase in the number of graduates, which means that a large number will inevitably be unsuccessful in their job searches. Development of entrepreneurial competencies can change this by producing "job providers and not just job seekers" (Ahmad and Buchanan 2015: 351). However, the majority of graduates currently lack the self-confidence needed to start up a business (Aji et al*.* 2019).

3. AIMS OF THE RESEARCH

Weinberger et al. (2018) note that there is existing research that found either a negative or negligible relationship between entrepreneurship education and an entrepreneurial mind-set. This study will test these findings and also explore existing curricula in further detail from the point of view of both students and teaching staff in order to establish the reasons for this conclusion and whether it still pertains. This study sets out to evaluate the extent to which the characteristics of entrepreneurship education curricula i.e. business plan activities, case studies, introduction of entrepreneurial networks, support and feedback provided by mentors or instructors, may influence entrepreneurial mind-sets and competencies in students. This research advocates re-curriculation at the universities in South Africa so as to include the knowledge, competencies and aptitudes needed to start a business.

This study therefore to explore the effectiveness of entrepreneurship education on promoting entrepreneurship competencies in university students in the province of KwaZulu-Natal (KZN), as well as the challenges in promoting entrepreneurship education in South African universities.

To achieve this aim, the following secondary objectives will be addressed:

- To assess the nature of the competencies that entrepreneurship education promotes in universities.
- To explore and examine the extent to which public institutions of learning support and promote entrepreneurial activity on campuses.

4. LITERATURE REVIEW

As globalization and structural changes in the economy continue to confront the African countries with new challenges, there is a shift on African comparative advantage towards knowledge-based activities. Each citizen, in order to be able to adapt flexibly to this rapidly changing and highly interconnected world, will need a wide array of key entrepreneurship competences. In this setting, the dual role of education, both social and economic, is recognized as a key role which ensures that African citizens can be able to acquire these necessary key competences. Focusing more on the economic changes (due to Covid-19 and its pandemic and Rushia-Ukrain Conflicts) and the need for all citizens to be able to adapt in the global competitive market the sense of initiative and entrepreneurship seems to have a clearer and more important role. According to Orobia et al*.* (2020), competences are powerful predictors of intention and behaviour in entrepreneurship studies and have been applied successfully in a wide variety of fields. Entrepreneurship can play a critical role in achieving the socio-economic goals of employment creation, economic development and equitable distribution of wealth (Akhuemonkhan, Raimi and Sofoluwe 2013; Cho and Honorati 2014; Waghid 2019), and in the reduction of poverty through the provision of goods and services (Touzani et al*.* 2015; Wilson and Martin 2015; Waghid 2019). It will not be possible however, according to Urban and Chantson (2017), to achieve these generic goals fully and solve the challenges faced by South Africa today, considering the wide range of challenges that are faced by universities.

Jayeoba (2015), Bignotti and Le Roux (2016), and Ncube and Zondo (2018: 1) concur that entrepreneurship in South Africa is confronted by various challenges, including high failure rates, low employment capacity, lack of growth in businesses and lack of educated entrepreneurs. These challenges are deemed to be the explanation for the lack of entrepreneurship knowledge and skills as well as the lack of access to finance (Ramchander 2019: 3). However, according to Ondiba and Matsui (2019: 3), "it is possible that entrepreneurial performance can be improved by entrepreneurship education". This indicates that improved entrepreneurial performance can lead to an improved rate of establishment of new ventures, increased profitability, and growth and survival of businesses (Ramchander 2019: 2). Although it may seem difficult to determine the relationship between entrepreneurship education and performances innovative start-up mindset, some output measures of entrepreneurship education can be used to determine the relationship. Changes in entrepreneurship competencies, changes in orientation towards entrepreneurial careers, changes in personal assessment of entrepreneurial skills and knowledge are some of the output measures for assessing entrepreneurship education (Chimucheka 2014: 9). Through provision of entrepreneurship education and motivation, the performance of business ventures should improve and therefore assist in the reduction of poverty and unemployment in the nation (Ncube and Zondo 2018: 4).

4.1 Entrepreneurship Education

One of the main research foci in the field of entrepreneurship is the nascent entrepreneur's ability to identify and exploit business opportunities (Franco and Haase (2009). A key element in this ability is learning (Le Cornu 2017). Entrepreneurs are extraordinary learners since they learn from everything and everyone, especially from their disappointments (Franco and Haase 2009; Le Cornu 2017). According to Rani, Srivastava and Vyas (2016), the entrepreneurial learning process is not limited to the business venture creation phase because it is dynamic so is constant throughout the business's lifetime. Thus, entrepreneurship is a never-ending learning process aimed at the identification of new or continued business opportunities (Franco and Haase 2009).

Organisation-learning theory proposes that the two key entrepreneurial learning mechanisms are intuiting and interpreting (Le Cornu 2017). The entrepreneurial learning process is affected by external motivation and is contingent upon the internal predisposition to preparedness and creativeness (Edwards-Schachter et al. 2015). Entrepreneurship education involves both training and education. Entrepreneurship training focuses on the formation of the competencies, behavioural change, and the mind-set required for recognising and starting new businesses (Lahn and Erikson 2016; Bridge 2017: 684). Entrepreneurship education instils functional skills to develop the kind of knowledge, character, attitude and values that enable the student to address a broad range of problems (Bauman and Lucy 2019). Entrepreneurship education is a precondition for entrepreneurship training and it needs to form part of teachers' training programmes. Entrepreneurship is a "science" and an "art" (Fayolle and Gailly 2008; Bagheri and Lope Pihie 2013; Nag and Das 2015). According to Mustapha and Selvaraju (2015), the content of the "science" component enables students to build theoretical foundations and a knowledge structure that advances the understanding of entrepreneurship. The "science" aspect is teachable via conventional methods, but the "art" aspect requires teachers to draw from their own experience and creativity to develop interactive teaching activities (Fayolle and Gailly 2015).

4.2 Entrepreneurship Competencies

Armuna et al. (2020: 73) argue that entrepreneurship competencies are underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles, and skills which result in venture birth, survival, and/or growth. Entrepreneurial competencies are underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles, and skills which result in venture birth, survival, and/or growth. According to Matricano (2020: 156), entrepreneurship competencies are linked with the entrepreneurs' ability to be innovative, creativity, be able to identify opportunities, identify strengths and weaknesses. Silveyra, Herrero and Pérez (2021) emphasise that entrepreneurship competencies combine creativity, a sense of initiative, problem-solving, the ability to marshal resources, and financial and technological knowledge. These competencies enable entrepreneurs and entrepreneurial employees to provoke and adapt to change (Solesvik 2013: 257). Sandroto et al. (2018) define entrepreneurship competencies as the total ability of an entrepreneur to perform their role successfully. Competencies are collection of attributes that are suitable or fit the purpose of fulfilling a particular task (Rasmussen, Mosey and Wright 2015). Hu and Yuan (2020) recommend that entrepreneurship competencies be measured using individual level competencies, which can be classified into four categories namely; personal and relationship, business and management, entrepreneurial and human relations competencies.

- Personal and relationship competencies denote to the ability to negotiate with others, and to preserve a good personal network of work contacts, developing long term credulous and devoted relationship with others (Armuna et al. 2020).
- Business and management competencies, comprises numerous business tasks such as managing of finance, budgeting, business operations as well as the business planning (Amini, Arasti and Bagheri 2018).
- Human relations competencies refer to the grouping of human relations functions and the management in the business. It embraces staff development, hiring of new staff members, leadership and motivating staff (Amini, Arasti and Bagheri 2018)
- Entrepreneurial competencies are associated with the entrepreneur's ability to be innovative, creative, be able to identify opportunities strengths and weaknesses (Ataei et al. 2020; Silveyra, Herrero and Pérez 2021).

Entrepreneurial competencies contribute significantly to any firm's performance and growth (Ghosh, 2019). For firms to compete successfully both locally and globally, students must be equipped with strong entrepreneurial competencies.

4.3 Entrepreneurship Education Intentions

Regarding an entrepreneurship educational intention, Bauman and Lucy (2019) notes that despite the varying definitions of entrepreneurship and the absence of one commonly accepted definition of the term, all the accepted definitions revolve around the concept of initiating or attempting to start up a business. According to Rauch and Hulsink (2015), intention is a state of mind (a mind-set) which influences an individual's focus in a particular direction towards the accomplishment of desired goals. Entrepreneurial intention can therefore be seen as the decision a person makes about starting their own business at some time in the future (Pruett 2012; Bignotti and Le Roux 2016; Ghosh 2019). Intentions are a bridge between beliefs and subsequent behaviour (Fayolle and Gailly 2015; Jayeoba 2015). In this way, individuals form attitudes about a particular behaviour based on their perceptions (beliefs) of the outcomes of carrying out such behaviour and the existing cultural beliefs about such behaviour (Belitski and Heron 2017). Thus, attitudes drive behaviour (Eggers et al. 2010), and without intentions action is less likely to occur (Rauch and Hulsink (2015); (Jayeoba 2015); Jabeen et al. (2017). Rauch and Hulsink (2015) believe that individuals can experience key moments of motivation that radically transform their heart and mind which cause them to think seriously about becoming an entrepreneur or a job creator. Robb, Valerio and Parton (2014) echo this when they note that entrepreneurial beliefs are fuelled by motivation, but actual intentions are required for the idea to be realised. Rauch and Hulsink (2015) point out that the term entrepreneurial intention has a similar but more concrete meaning than terms such as entrepreneurship awareness, entrepreneurship potential, aspiring entrepreneurs, entrepreneurship proclivity, entrepreneurship propensity and entrepreneurship orientation. Hoang et al. (2021) mentioned that self-efficacy influences the development of both entrepreneurship career intentions and subsequent actions. Moreover, attitudes are open to change: entrepreneurship attitudes may be influenced by instructors and practitioners. By developing attitudes of innovation and achievement as well as self-esteem, instructors can change students' perceptions and feelings of entrepreneurship.

4.4 Significance of Entrepreneurship Education

The main objective of entrepreneurship education in universities, as highlighted by Mustapha and Selvaraju (2015) is to produce "entrepreneurial graduates as well as graduate entrepreneurs". Nieman and Nieuwenhuizen (2009) point out that the key aim of entrepreneurship education is to increase the variety of ideas experienced by students, to learn how to exploit a business opportunity, and to become familiar with the sequence of actions required to create a new venture. Chimucheka (2014) is of the view that entrepreneurship education in South Africa:

- "Tries to prepare people to be responsible, to take risks, to manage the business and to learn from the outcomes by immersing themselves in real life learning experiences.
- The main objective of entrepreneurship education is to foster the creation of new entrepreneurs who could start new ventures.
- Entrepreneurship education seeks to prepare people to be responsible, enterprising individuals, who become entrepreneurial thinkers and contribute to sustainable economic development. It is also the objective of

entrepreneurship education to encourage creative thinking and to promote a strong sense of self-worth and accountability.

- Entrepreneurship knowledge and competencies are essential resources for the success of the SMMEs and ultimately for economic development.

Entrepreneurship education has been driven especially by academics, business leaders, entrepreneurs as well as government officials seeking an advantage in a globalised world" (Chimucheka 2014: 406).

4.5 Entrepreneurship Curricula in Universities in South Africa

The idea of curriculum is hardly new, but the way it is understood and theorized has altered over the years and there remains considerable dispute as to meaning. It has its origin in the running / chariot tracks of Greece. The word curriculum according to Kuratko and Morris (2018) originated from a Latin word currere: meaning the course to be run. This implies a track, a set of obstacles that an individual is to overcome, something that has a beginning and an end, and something that one aims at completing. Educational institutions have established courses of study through which individuals are to pass. Successful completion of such course warrants certification of competence (Boi 2018; Waghid 2019). The degree structure and curricula design in the School of Management and Administration aims to achieve personal qualification. The goal is achieved by adopting sequential learning within the Majors offered in the faculty. The concept of curriculum as a term in educational discourse has been used in a wide variety of ways because educationists view it in different ways. An entrepreneurship curriculum contains information on how students can identify and shape opportunities, understand business concepts, develop operational plans, fund and launch ventures, and manage and grow new enterprises (Fulgence 2015; Iwu et al. 2019).

There are an increasing number of academic courses being offered in institutions of higher education in South Africa as core or elective subjects (Robb, Valerio and 2014; Solomon, Alabduljader and Ramani 2019). The SA government is constantly promoting an entrepreneurial culture in schools, colleges and universities with the goal of creating an entrepreneurial and innovative society by introducing initiatives like the Youth Empowerment Scheme and the Youth Development Fund to encourage and empower youth with entrepreneurial and survival skills (Herrington et al. 2010; Iwu et al. 2019). However, there are still some challenges in implementing entrepreneurship education in government funded universities since there is a lack of resources to enhance entrepreneurship education (Jones and Iredale 2010; Bauman and Lucy 2019). "Effective entrepreneurship education entails a relationship between the goals, the audience, the content, the method and finally the assessment that will be used" (Ismail, Sawang and Zolin 2018: 168). In the South African context these five issues are not treated as a whole and are addressed individually Chimucheka 2014; Rauch and Hulsink (2015). Furthermore, Tehseen et al. (2019) stipulated that assessment still focused mainly on tests and written exams and that the teaching of the entrepreneurial module in fact did not stimulate students to be creators of jobs, but rather encouraged them to seek employment with a stable income.

Ustav and Venesaar (2018) found that the lack of adequate training and resources hampered the implementation and development of entrepreneurship. It was suggested that training for entrepreneurship teaching staff, the provision of resources and closer co-operation between government and service providers would assist in the improvement of the provision of entrepreneurship education (Waghid, 2019). Thus, as a discipline, entrepreneurship education always tries to instil some skill so that students can play a role of catalyst for socio-economical change. It is argued that an entrepreneurship mind-set requires a number of entrepreneurial competencies. Despite the relevancy of the entrepreneurship education in developing entrepreneurship mindset in students, only a small percentage of government funded university student population takes part in entrepreneurially minded learning opportunities. This gap can be attributed to several factors. From a program perspective, many degrees are already at credit capacity which allows limited room in the existing curriculum to add new courses. From a student perspective, entrepreneurship education is thus positioned as optional and requires extra time and funding. Finally, from an educator perspective, the majority of faculty members across government funded universities have not been trained in entrepreneurship and may not know where to start.

4.6 Challenges of Entrepreneurship in SA

As discussed, government funded universities are provided with various supports for entrepreneurship education. However, a substantial number of universities are still facing difficulties in implementing entrepreneurship education effectively. One of the major issues is no access to funding. In SA, universities struggle to gain funding and attract investment into their programmes (Chimucheka 2014). There are a number of investors or financiers and opportunities for innovative solutions for fund-generation, the key is for programme coordinators to identify and approach the one best suited for their entrepreneurship education programme (Mashau, Fields and Nyawo 2019). Lack to basic entrepreneurial training is also said to be another major challenge for entrepreneurship education to be effective. From elementary school to university graduation, young South Africans are educated and prepared to join the workforce, but this training often fails to include the basic groundwork required for entrepreneurship. This omission in education system can hamper aspiring entrepreneurs from attaining the key skills they need at the outset of their fledgling business. Lastly, limited access to business networks (Bignotti and Le Roux 2016). Gaining access to the right business networks can often be an intimidating task for entrepreneurship instructors in universities who are always occupied with other administrative duties.

5. RESEARCH METHODOLOGY

The pragmatic research philosophy was deemed appropriate for this study and lies in between positivism and interpretivism which enables the use of both qualitative and quantitative methods (Creswell and Clark 2018). While it was contended that there is an objective reality out there to be studied, captured and understood, it was also important to try to understand the viewpoint of the research subjects and their interpretation of the world around them. As such, pragmatism was considered to be the most ideal philosophy because it provided a set of assumptions that support the mixed methods approach.

According to Dawson et al. (2017), no single method, theory, or observer can capture all that is relevant or important in reality, therefore, the use of a pragmatic research philosophy allowed for the triangulation of the research methodology and data collection methods thereby minimising the fundamental weaknesses and methodological biases inherent in each method. The triangulation of research methods enabled the researcher to acquire specific facts about a particular situation while simultaneously elevating these to the level of shared meaning. As such, the convergence of qualitative and quantitative methods served to increase the probability of generalising the findings since data was gathered from different sources and by different methods.

The target population were the final year students in Business Administration in 4 KZN universities (the University of KwaZulu Natal, the University of Zululand, the Durban University of Technology and Mangosuthu University of Technology). The total population of the study was 758 and the sample size was 256 which was determined through Krejcie and Morgan (1970). Two hundred and twenty-three (223) responses were received, making a response rate of 85%. Interviews were conducted with twenty participants which were purposively selected (five from each university). Focused individual interviews were conducted, which are also based on the designed questionnaires. The qualitative responses from the interviews and open-ended questions in the questionnaires, were used to describe and interpret people's feelings and experiences in human terms rather than only through quantification and measurement.

The interview process was monitored by the research assistant and was conducted by the researcher. The respondents were asked questions and the researcher, and his assistant wrote down the responses. The researcher opted for writing down the responses, instead of recording them, as the large numbers of respondents involved would have entailed too great a monetary expense and too great expenditure of time on the transcription process. The data collected, coded, and captured was analysed in order to draw inferences. Data collected using close-ended questions was analysed by means of Statistical Programme for Social Sciences (SPSS) version 24.0. A series of relevant statistical analysis methods including descriptive and inferential analysis were then conducted. NVIVO 10 software was used to analyse the data obtained using open-ended questions and from the interviews helping to uncover trends. Words with similar meanings were identified and displayed by means of word clouds and tree maps. Cluster analysis revealed the main themes and sub-themes (entrepreneurship education promotion and transformation, and entrepreneurship education and science part). Thematic analysis was used to analyse the collected data. Best practices were, then, identified based on the results of the investigations.

6. QUANTITATIVE RESEARCH FINDINGS

This section presents the results and discusses the findings related to the data obtained from this study. Questionnaires were used as the primary data collection tool to collect data from the selected respondents (that is, teachers and students). The data collected from the responses were analysed with SPSS version 25.0. This section presents the descriptive statistics in the form of graphs, cross-tabulations and other figures related to the quantitative data that was collected. Inferential techniques including the use of correlations and chi square test values were interpreted using p-values. The second part of the chapter presents and analyses the qualitative data, using the NVivo statistical package. The literature surveyed forms the context for presentation of the findings, and the theoretical frameworks are applied to the results as appropriate.

6.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin (KMO) and Bartlett's Test was conducted first in order to determine the suitability of factor analysis. The KMO Measure of Sampling Adequacy should be greater than 0.50 and Bartlett's Test of Sphericity less than 0.05 (May, Hunter and Jason 2017) the conditions are satisfied, factor analysis can proceed.

As is evident from Table 1, all the conditions were satisfied for factor analysis. The values of each sub-theme exceeded the threshold value with Sig. 0.000 respectively, indicating that the sampling and hence the clustering under each sub-theme were statistically significant in measuring the same thing.

In this study, "assessment of whether an entrepreneurship education curriculum promotes business start-up" had a 0.807 KMO measure of sampling adequacy. The results (BTS = 198.684; sig. = 0.000) indicate that the data was appropriate for the purpose of factor analysis. This means that this sub-theme and its component variables collectively had a positive impact on the effectiveness of entrepreneurship education.

Thus, teaching staff in universities perceived that entrepreneurship education was beneficial. The results (BTS = 225.601; sig. 0.000) show that the data was appropriate for the purpose of factor analysis. The results of the KMO measure of sampling adequacy was 0.821, which showed that there were sufficient items for each of the factors. The two tests supported the appropriateness of the principal component analysis technique.

Table 1. KMO and Bartlett's test

		Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
			Approx. Chi-Square	**Df**	**Sig.**
B1	Assessment of Whether an Entrepreneurship Education Curriculum Promotes Business Start-Up	0.807	198.684	28	0.000
B2	Investigating the Perceptions of Educators About the Benefits of Entrepreneurship Education	0.731	223.178	28	0.000
B3	Investigating the Key competencies that Entrepreneurship Education Promotes	0.797	249.237	21	0.000
B4	Ascertaining the Role of Public Institutions in Promoting Entrepreneurship Education	0.869	406.298	28	0.000

The results (BTS = 203.653; sig. = 0.000) indicate that the data were appropriate for the purpose of factor analysis. The result of the KMO measure of sampling adequacy was 0.695. The results indicate that there were enough items for each of the factors. The two tests supported the appropriateness of the principal component analysis technique. All of the conditions were satisfied for factor analysis. The findings reveal that there are attributes and key competencies needed in entrepreneurship education in universities in order for it to be effective and to produce entrepreneurially minded graduates. The results are in line with the findings by Reilly and Jones (2017) that entrepreneurship education is an important avenue for the development of an entrepreneurial mind-set and skills amongst young people which can benefit society as a whole and not just their business ventures. The sub-theme "ascertaining the role of public institutions in promoting entrepreneurship education" had a KMO result of 0.869 indicating the strong significance of the sub-theme and its component variables to the study. The results (BTS = 406.298; sig. = 0.000) indicate that the data was appropriate for the purpose of factor analysis, which means that universities have a positive impact on promoting the effectiveness of entrepreneurship education.

6.2 Descriptive Analysis

Assessment of whether an entrepreneurship education curriculum promotes business start-ups:

This Fig. 1 represents a mean scale score to the statement "assessment of whether an entrepreneurship education curriculum promotes and encourage students to start-up businesses".

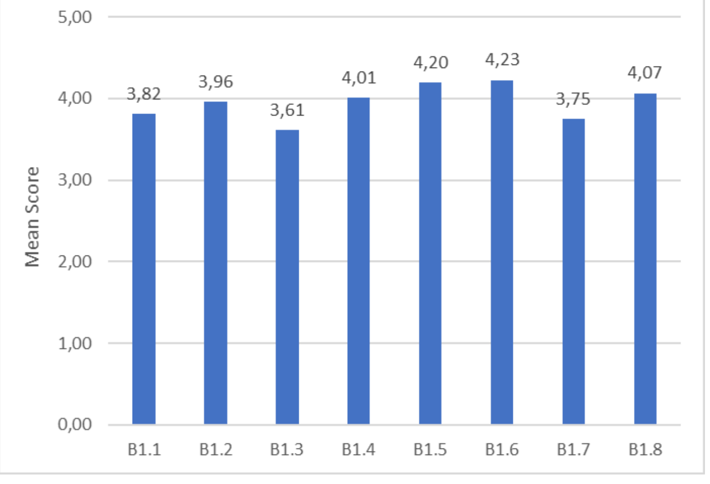

Fig. 1. Assessment of whether an entrepreneurship education promote entrepreneurship

Effective entrepreneurship education offers students access to the skills and knowledge needed to start an entrepreneurial venture:

Entrepreneurship education offers students skills and knowledge needed to start a business according to students' perception (M =4,20; SD = 0,87). The results reveal that (x2 = 53; df = 3; P = 0.001), which means that there is a correlation between entrepreneurship education and the skills needed for business start-up. Iwu et al. (2019: 2) contend that entrepreneurship education promotes entrepreneurial knowledge, skills, attitudes and behaviours, and Farny et al. contend that graduates of such programmes are able to acquire creative and innovative skills and be able to identify opportunities and create new businesses.

The entrepreneurship education curriculum in the institution is designed to equip students with the skills needed to start up their own businesses:

Figure shows the students' views on the effectiveness of entrepreneurship education. The statement "entrepreneurship education curriculum in the institution is designed to equip students with the skills needed to start up their own business" reveal that the mean of level of agreement is (M = 3,96; SD = 0,96). The findings reveal that the majority of students believe that the existing entrepreneurship curriculum equips students with enough skills to start-up their own ventures. The findings are in agreement with the statement by Bauman and Lucy (2019: 2), the authors stated that entrepreneurship education can train particular skills and improve the chances of performing the related behaviour. The findings are supported by a Chi-square test that was conducted to determine if the entrepreneurship education curriculum in universities equips students with the skills needed to start-up their own ventures. The results reveal that (x2 = 66.851; df = 4; P = 0.001) for this variable, indicating that a majority of teachers believe that the curriculum they have is capable of producing entrepreneurial graduates.

As part of the curriculum offered by the institution, the entrepreneurship programmes include practical elements aimed at encouraging the creation of new businesses:

According to Fig. 1, 66.7% (M = 4,01; SD = 95)) shows thatthe respondents were in agreement with the statement that entrepreneurship programmes include practical elements aimed at encouraging the creation of new businesses as part of the curriculum offered in government funded universities). Regarding the entrepreneurship curriculum offered by universities, the Chi-square test is (x2 = 51.793; df = 4; P = 0.000) in the scoring patterns amongst the respondents. The results differ from Ismail, Sawang and Zolin (2018: 178) who stated that education in South Africa is designed to produce job-seekers rather than producing job creators.

Investigating the perceptions of educators about the benefits of entrepreneurship education:

Fig. 2 below represents a mean scale score on the statement "investing the perception of educators about the benefits of entrepreneurship education".

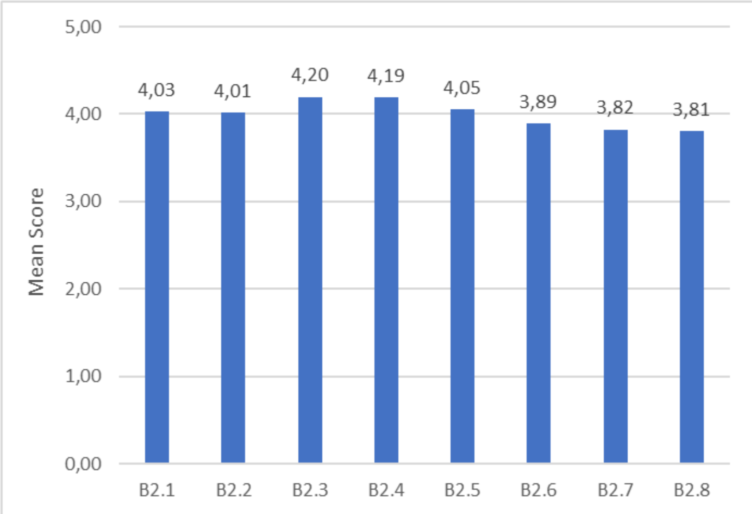

Fig. 2. Investigating the perceptions of educators about the benefits of entrepreneurship education

Entrepreneurship education helps students to consider self-employment as a valid graduate career option:

It must be noted that the mean value of level of agreement (M =4,20; SD = 0,84) students perceive entrepreneurship education vital in helping them consider self-employment as a valid graduate career option. With reference to the statement "entrepreneurship education helps students to consider self-employment as a valid graduate career option", the Chi-square Test is significant at $p < 0.05$ with a Chi-square test at ($x2 = 16.621$; df = 2; P = 0.001).

Entrepreneurship education seeks to prepare students to be responsible enterprising individuals who become entrepreneurial thinkers and contribute to sustainable economic development:

Entrepreneurship education seeks to prepare students to be responsible, enterprising individuals who become entrepreneurial thinkers and contribute to sustainable economic development (M = 4,19; SD = 0,83). With reference to the statement "entrepreneurship education seeks to prepare students to be responsible, enterprising individuals, who become entrepreneurial thinkers and contribute to sustainable economic development", the Chi-square Test is significant at $p < 0.05$ with a Chi-square test is ($x2 = 24.897$; df = 2; P = 0.000). The results reveal that students perceive entrepreneurship education as a key factor in cultivating entrepreneurial mindset in students. According to Waghid (2019), entrepreneurship can play a critical role in achieving the socio-economic goals of employment creation, economic development and equitable distribution of wealth.

Entrepreneurship education determines individual entrepreneurial interests:

It can be observed from the Fig. 2 above that (M = 3,89; SD = 0,82) majority of respondents agreed with the statement that entrepreneurship education determines individual entrepreneurial interests and 13.8% were neutral. The result shows that ($x2 = 22.552$; df = 2; P = 0,001), which indicates that indeed entrepreneurship education determines individual entrepreneurial interests. However, results about entrepreneurship education interests are somewhat inconclusive, and that more detailed research is needed to get a full understanding of the link between entrepreneurship education and attitudes-interests (Aji et al. 2019).

Entrepreneurship education fosters the creation of new entrepreneurs who could start new ventures:

According to students' perception entrepreneurship education fosters the creation of new entrepreneurs who could start new ventures (M = 3,82; SD = 0,95), which shows that entrepreneurship education curriculum in universities is designed to influence entrepreneurship behaviour in students. The result is supported by the Chi-square test ($X2 = 50.552$; df = 2; P = 0.001), shows that entrepreneurship education has a significant and positive impact on creation of new businesses. Based on the aforementioned findings, the entrepreneurship education programme in universities exhibited a positive response from the students as manifested by a significant increase in their attitude toward starting a business and entrepreneurial mindset.

7. QUALITATIVE RESEARCH FINDINGS

Interviews were conducted with twenty purposively selected respondent respondents (five from each university). Data collected using close-ended questions was analysed by means of Statistical Programme for Social Sciences (SPSS) version 24.0. A series of relevant statistical analysis methods including descriptive and inferential analysis were then conducted. NVIVO 10 software was used to analyse the data obtained from interviews helping to uncover trends. Words with similar meanings were identified and displayed by means of word clouds and tree maps. Cluster analysis revealed the main themes and sub-themes. Thematic analysis was used to analyse the collected data. Best practices were, then, identified based on the results of the investigations. Participation in the research was voluntary and individuals who participated were not subject to any benefit. Prior to the commencement of each interview, a brief explanation of the study was provided to the participant/s to improve their understanding of the study and its background.

Table 2. Summary table of key findings

Research Questions	Theme and Subthemes	Key Findings
Research Question 1 What is the perception of PILs students about entrepreneurship education curricula and modules offered in public institutions of learning in terms of promoting entrepreneurship competencies?	**Role of Entrepreneurial Education** • Promoting pathway to business start-up • Extent of Transformation - SA youths into entrepreneurs	To this question study found that teachers in PILs use different methods to teach entrepreneurship (that is research, theory and practical aspects) but more emphasis is on theory. Majority of respondents asserted that *the entrepreneurship education offered in PILs do promote skills and knowledge about starting a business but does not teach the much-needed competencies to help one sustain through start up stage*. Student respondents highlight that teachers give them the opportunity to come up with their own business ideas but the PILs do not have funds in place to help them put the business ideas into action. *We make ourselves open and share with others what we are doing and what our thoughts are.*
Research Question 2 What is the perception of students about the benefits and effectiveness of the content of entrepreneurship education in PILs?	**Different and Distinctive** • Different and worthy of distinction • Distinctive features lesson content Important entrepreneurship subjects Making entrepreneurship modules more entrepreneurial	To this question, it is found that there is element of practical component related to giving students a hands-on approach to business creation and allowing students to relate to the content. It was pointed out by students that the entrepreneurship programme in PILs is using theoretical content than practical components, and established that there is little influence on students to develop entrepreneurship mindset. It can be noted that *the practical modules are not accompanied by experiential learning to motivate students to start their small businesses on campus.*

8. LIMITATIONS OF THE STUDY

Due to the way in which the sample was selected (purposive sampling), and the lack of time and/or unwillingness by respondents to complete the questionnaires, the sample is not fully representative. 85% of those who agreed to participate finally completed the survey and took part in the individual interviews. This study focused both on educators and students in PILs in Kwa-Zulu Natal. The study to focused only on final year students and teaching staff in the commercial stream or management department in KZN. Graduates were not included and nor were successful or unsuccessful entrepreneurs within the community, which restricted the breadth of respondents whose experience would have been valuable. Also, there was no control group of students who were not involved in entrepreneurial education courses. Most of the research variables are subjective evaluations; therefore, it is difficult to completely avoid the deviation caused by subjective opinions. Future research can expand entrepreneurship education in more aspects, which can be discussed from a global perspective.

9. IMPLICATIONS

Regarding the effectiveness of entrepreneurship education in government funded universities, entrepreneurship education should aim to improve entrepreneurship competence, and even if students have no intention of starting a business at present, entrepreneurship education can lay a foundation for the future. The finding shows that the development of entrepreneurship skills, knowledge and competences has an impact on influencing business creation, and education and curriculum reform must promote the development of entrepreneurial ability at all stages of education to improve entrepreneurial intention. Therefore, strengthening entrepreneurship education and cultivating entrepreneurship knowledge and competence encourages university students to start businesses in the future.

10. SUGGESTION FOR FUTURE RESEARCH

The study suggests there is a need to conduct detailed qualitative research that cross-examines the methods of teaching and learning of entrepreneurship in SA Universities. Also, there should be a that explore the effectiveness of entrepreneurship education after degree completion.

11. CONCLUSION

This study concludes that entrepreneurship education programmes for both students and teaching staff in government funded universities are confronted with several challenges. The development of enhanced entrepreneurship curricula is the common challenge, which includes cultivating entrepreneurship mind-sets in students and acting as alternatives to traditional entrepreneurship educational approaches. It can be noted that despite the number of initiatives (that is, encouraging entrepreneurship skills and knowledge, developing curriculum that respond to the labour market, etc) aimed on developing entrepreneurship curriculum in government funded universities, entrepreneurship competencies and mind-sets have not been properly developed in these institutions. The study found that the teaching approaches that are mainly used in universities are lectures, group presentation, and group or individual assignments. The involvement of entrepreneurship experts, simulation/creation of small businesses, development of business models, entrepreneurship workshops and involving successful entrepreneurs as guest lecturers are strategies which are hardly ever utilised in classes.

The fact that the South African government has realised the importance of entrepreneurship education is positive. However, all stakeholders, including business owners and managers, should also do their best to improve entrepreneurship knowledge and skills. To achieve this, additional resources (funding and teaching resources) are required to ensure the effective implementation of measures to address entrepreneurship education challenges. This study adds its weight to the consensus that entrepreneurship education is relevant for the development of South Africa and Africa at large. Human capital is a key national asset in the contest for survival in the era of globalisation, especially in relation to the Fourth Industrial Revolution (4IR) and COVID-19. Moreover, the findings of the study are in line with the National Higher Education Strategic Plan which seeks to transform higher education in order to produce human capital with an entrepreneurial mentality and high-level entrepreneurial skills and competencies (Department of Higher Education and Training, 2019). Therefore, the study recommends that further entrepreneurship education in subsequent phases of student life and learning experience, should be focused on additional development of their competences and required skills, abilities and knowledge needed later in the market context.

12. RECOMMENDATION

It is recommended that universities collaborate and work together with secondary schools as a balanced partner in solving problems in implementing inclusive entrepreneurship education. Barriers and problems in secondary schools can be a source of decision making and material for the university in designing entrepreneurship curriculum and instruction in relevant subjects. An effective entrepreneurship education programme should result in increased entrepreneurship activity. In attempts to achieve support for curricula that will give rise to such an outcome, the designed curricula must relate to the theory of knowledge, especially with regard to its methods, validity, and scope, and the distinction between justified belief and opinion. There should be emphasis to design curricula that is South African and avoid over-reliance on European sources to design teaching.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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The Role of Graduate Attributes on Student Success in the Higher Institution of Learning: A Case Study of Durban University of Technology, South Africa

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ABSTRACT

Graduate attributes have received significant attention in recent years as the higher institutions of learning seek to renew and articulate their tenacities. Though many claims are made with respect to the implementation of graduate attributes, there is emergent acceptance of the proposition that the strongest evidence of their achievement is their explicit embedding in assessment. The higher institutions have always endeavoured to develop desirable qualities in their graduates. However, for many students, this has been an implicit rather than explicit consequence of their university experience as the development of graduate attributes has traditionally been considered so fundamentally inherent to all teaching and learning as to warrant no further special attention. The study examined the influence of graduate attributes on student success in Durban University of Technology. The population consisted of Public Relation Management programme. The results indicated that there is a vast amount of significant relationship between graduates attributes and student success. The overall findings of the study provided evidence that graduate skills and attributes relate positively to general employability of industry sector. Therefore, the study recommended that there must be a constant need for collaboration between the higher institutions and the industry to ensure curriculum is developed in a way that it can serve both the need of employer/industry partner and the need of the student in order to transform and acquire the adequate graduate attributes suitable for employment.

Keywords: Graduate attributes; higher institution of learning; employability; industry sector; students.

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1. INTRODUCTION

Barrie (2012) notes that the importance of graduate attributes (GAs) in higher institutions of learning has increasingly gained attention in related educational literature. Graduate attributes are one of the ways that higher education institutions can communicate with students, industry, government, and other stakeholders (Mahon, 2022:2). Barrie (2004:262) cited Bowden, Hart, King, Trigwell and Watts (2000) who defined graduate attributes as:

> *"the qualities, skills and understandings a university community agrees its students should develop during their time with the institution and consequently shape the contribution they are able to make to their profession and society ... they are qualities that also prepare graduates as agents of social good in an unknown future."*

The graduate attributes are the qualities, skills, and understandings a university community agrees its students ought to develop during their time there. Most university courses have traditionally focused on the development of disciplinary expertise or technical knowledge, but these attributes go beyond that. Graduates with these qualities can also serve as agents of social good in an uncertain future (Bowden, Hart, King, Trigwell & Watts 2000). Graduate attributes tend to be described as equivalent to sets of key skills, such as transferrable skills or generic skills (Ya-hui & Li-yia, 2008). The equivalence makes the point that graduate attributes are important as they have generality and transferability, and go beyond mere knowledge.

Simply put, graduate attributes are qualities that the graduates from any given institution of tertiary education are felt to demonstrate (Mahon, 2022:2). Gupta and Garg (2020:4) sustain that higher institutions of learning need to produce employable graduates by intellectual creativity development which is required for effective problem solving, independent thinking, conflict resolution through negotiation skills and other 21st Century skills. McCabe (2010) alluded that both universities and students want not only to survive but to thrive, prepared to tackle the key challenges faced by the societies of today and tomorrow. Acknowledging the new role of the university in preparing students to be employable in the knowledge-based economy, the development of a general set of graduate attributes has been recognized as one of higher education's most important tasks.

Graduate skill development in higher education has stemmed from growing pressures on industry from intense global competition and rapid technological advances; in recent years, this pressure has increased due to fewer graduate vacancies and contraction in job markets (Osmani, Weerakkody & Hindi 2017:54). According to Bridgstock (2009), universities around the world are under pressure to demonstrate that they are effectively and efficiently providing relevant and worthwhile education to produce graduates that are able to function in the knowledge economy and that meet the demands of the 21st century labour market. Osmani, Weerakkody & Hindi (2017:53) notes that the universities will need to integrate employability attributes and skills into their curriculum and consider programs and training workshops outside the curriculum to equip students with the right interpersonal and applied skills that are currently in demand in the industry sector.

Numerous scholars such as Ragland & Ramachandran (2014); Mihail & Kloutsiniotis (2014); Yap, Ryan, & Yong (2014); Sin & McGuigan (2013); Cox, Al Daoud, & Rudd (2013); Azevedo, Apfelthaler, & Hurst (2012); Wilton (2011); Hopkins, Raymond & Carlson (2011); Wellman (2010); Finch, Hamilton and Wellman (2010); and Thomson (2009) indicated that there are several graduate attributes that are essential for industry sector. These attributes includes communication, teamwork, problem solving, competencies in using information and communication technology, creativity, interpersonal skills, leadership, self-management, critical thinking, time management, and research skills. It should be noted that the mere listing of graduate attributes by the higher institutions of learning is not sufficient to produce graduates who can contribute positively to the economy of a country (Sibuqashe, 2019:56). Sibuqashe (2019:56) further pointed out that the multi-faceted pedagogical practices can assist in the holistic development of the graduates. This involves moving away from the traditional teaching and assessment to a more constructively aligned outcomes-based system where intended outcomes are described first. This is to ensure that students are able to develop their own knowledge out of what they have been taught (Sibuqashe, 2019:56).

Du Pré (2009:37) states that the main characteristic of the higher institution is the relevance of its curricula and research programmes, which are related to the problems and concerns of industry, the community and society at large. Du Pré (2009:37) further states that the higher institutions are expected to broaden the educational approach, to expose students to a range of disciplines, including those from the humanities and social sciences, and to enable them to make intelligent decisions and choices about a range of issues involving technology. Hughes & Barrie (2010:325) cited Bowden et al. (2000) notes that the qualities, skills and understanding a university community agrees its students should develop during their time with the institution. These attributes include but go beyond the disciplinary expertise or technical knowledge that has traditionally formed the core of most university courses. They are qualities that also prepare graduates as agents of social good in an unknown future. It is evident that these skills are an addition to the disciplinary knowledge that the students acquire in their university courses.

South African higher institutions are under immense pressure to equip graduates with the requisite skills, knowledge and attributes that would enable them to be highly entrepreneurial. Employers sought and prioritised graduates who possess practical competencies and 21st century skills such as problem solving and communication, with little to no mention of cultural understandings and attitudes towards inclusion and diversity (Oraison, Konjarski and Howe 2019:189). Bennett et al. (2017:59) advocate for a pedagogical shift towards processual approaches in which responsibility for employability development is shared by academic and professional staff, students, and leadership. Graduate attributes have the potential to constitute a transparent form of communicating both a university's mission and what distinguishes that institution from others. However, in their current standard, lists of graduate attributes do no not typically achieve this potential as they frequently lack a theoretical foundation and do not lend themselves to straightforward means of attainment measurement (Mahon, 2022:14). However, the current challenges for higher institutions is on how to produce graduates as forward thinkers with creative ideas and relevant skills to operate in a digital space whilst still contributing to the organizations productivity (Ramnund-Mansingh & Reddy 2021:210).

2. PROBLEM STATEMENT

Higher education institutions are faced with challenges to review their agendas in an era of ever-changing technology, globalization, and internationalization (Sibuqashe, 2019:35). As a technologically driven knowledge economy grows, higher-education students' graduate attributes become increasingly critical (Coetzee, 2012). It is becoming increasingly imperative for educational institutions of learning to demonstrate that the skills and attributes of their graduates contribute positively to their employability upon completion of their studies (Spencer, Riddle and Knewstubb, 2012). Marock (2008) notes that graduates who are entering the workforce today face a number of challenges, such as a decline in employment opportunities, loss of job security, rapidly changing technologies, and an increasing personal responsibility to keep up with changes in the body of knowledge, upskilling, employability, and lifelong learning. Barrie (2004) noted that graduate attributes are the skills and characteristics that define a university graduate and are therefore regarded as the essential outcomes of university learning.

Coetzee and Roythorne-Jacobs (2012) argue that graduate attributes are much stronger now than in the past due to the changing world of work and the emergence of the knowledge economy. In order to meet the current demands, higher education institutions should be mindful of the ever-changing demands of the labour market (Shivoro, 2018: 5). According to Spencer, Riddle, and Knewstubb (2012), there is growing concern that there is a disconnect between what higher education institutions teach and what employers are looking for in graduates. Consequently, Coetzee (2012) states that this has led to a worldwide call for higher education institutions to demonstrate that their pedagogy programmes align with the needs of employers. According to Ya-hui and Li-yia (2008), to meet the challenges of the changing times, students must become lifelong learners who are flexible and capable of adapting to changes in their upcoming life and career circumstances on a consistent basis.

In South Africa there is a lack of research that specifically reflects the trends in respect of the employability of graduates in the industry sector (Mulaudzi 2015: 2). Furthermore, Mulaudzi (2015:7) pointed out that there is a paucity of research into understanding the relationship between graduate attributes and skills, self-perceived employability and graduate satisfaction with the industry sector. In addition to developing students' knowledge base, the Durban University of Technology is in an age of supercomplexity and uncertainty, focuses on developing students' ability to cope with changing life and career circumstances. To this end, it is important to note that the immediate recipient of university education is the student, who is expected to apply the knowledge and skills for function in the 21st century labour market (Shivoro, 2018: 5). It is, thus, hoped and anticipated that this research will provide valuable insights to enable students graduates to align their strategies in such a way as to meet the supply and demand challenges for scarce skills in the industry sector.

3. AIM OF THE STUDY

The aim of this study was to evaluate the influence of graduate attributes on student success at Durban University of Technology, South Africa.

To achieve the aim of this study, the following objectives were formulated:

- The establish synergy with industry sector in attaining graduate attributes in aligning to autonomy of the programme
- To establish whether or not the graduate attributes have the ability to enhance student success; and
- To explore factors affecting the graduate attributes of Durban university of Technology students

4. LITERATURE REVIEW

Barrie (2006) argues that graduate attributes are complex and hence generate disturbance because they can be understood in multiple different ways. Notably, Walker and Campbell (2013) notes that graduate attributes have become an important factor in the graduate recruitment process. The various scholars such as [Nel & Neale-Shutte 2013; Ismail, Ferreira & Coetzee 2016; McAllister & Nagarajan 2015; Murdoch-Eaton & Whittle 2012; and Pretorius & Ford 2016] noted that such attributes typically include interpersonal skills, the ability to work in a team, respect for multiculturalism and diversity, effective communication skills, creative thinking and problemsolving skills. It is argued here that graduate attributes are an alternative means of communication for universities which would allow them to demonstrate their values and differentiate themselves from other institutions. However, there are serious flaws with the current state of graduate attributes which universities would be well advised to address, including a lack of foundation and a lack of measurement (Mahon, 2022:2).

McCabe (2010) noted that graduate attributes are the "qualities, skills and understandings" a university community agrees its students should develop during their time at the institution and, consequently, shape the contribution they are able to make to their profession and as a citizen. Furthermore, McCabe (2010) pointed out that these attributes include but go beyond the disciplinary expertise or technical knowledge that has traditionally formed the core of most university courses. They are qualities that also prepare graduates as agents of social good in an unknown future.

Bowden et al. (2000)'s definition of graduate attributes incorporates two main types of attributes, such as those which relate to an individual's capacity for citizenship (including participation in democratic processes, social cohesion, equity and human rights and ecological sustainability) and thus ability to contribute towards a well-functioning society and those which relate to an individual's capacity to obtain and maintain work and thus contribute to economic productivity (Bridgstock 2009). Additionally, the main impetus for the recent interest in graduate attributes, is part of the move towards developing 'human capital' to meet the needs of the 'new knowledge economy' (Bridgstock 2009). Human capital development and the role of higher education in contributing to economic growth and societal progress is certainly not a new phenomenon.

Ya-hui and Li-yia (2008) notes that the learning of both knowledge and skills in higher education is, of course, considered necessary for students preparation for the changing workforce. Yet, if one merely possesses knowledge and skills, they may not be well applied because one lacks the disposition to make the use of them a lifelong "habit of mind". A more inclusive account of graduate attributes should then include a mix of knowledge, skills and dispositions (Ya-hui and Li-yia, 2008).

In the context of a rapidly changing information, knowledge, and intensive economy, employees must be both immediately and sustainably employable. Such to happen, employees must not only maintain and develop knowledge and skills that are specific to their own discipline or occupation, but must also possess 'generic' skills, dispositions and attributes that are transferable to many occupational situations and areas. Bridgstock (2009) stated that these generic skills are defined as 'those transferable skills which are essential for employability at some level for most. Generic skills have also been variously known as 'core skills', 'key competencies', 'transferable skills' or 'underpinning skills' (Barrie, 2006).

There is an assumption implicit in much of the literature that academics share a common understanding of the concept of graduate attributes (or its many synonyms) as the 'core achievements of higher education (Barrie, 2006). However, the diversity of descriptions of graduate attributes, and the variation in the teaching and learning processes of graduate attributes curricula in different disciplines, along with the reported 'patchy' implementation, prompts questions as to the extent to which individual academics vary in their conceptual understanding of what 'graduate attributes' are. Such variations in conceptual understanding might imply, amongst other things, different valuing of the importance and relevance of addressing such outcomes in the context of university curricula and teaching. It would seem likely that the variation in the descriptions of graduate attributes and the variation in curriculum models and individual teaching and learning approaches in academics' classroom contexts, reflect different individual understandings, even if there are shared common features to these understandings.

5. ATTRIBUTES THAT ALLOW GRADUATES TO PROSPER IN A POSTMODERN WORLD

Ramnund-Mansingh and Reddy (2021:209) notes that the competition in the labour market in South Africa is excessive due to the lack of jobs for skilled graduates. The unemployment crisis is currently a global one with the COVID-19 pandemic. The unpredictable economies have resulted in companies shrinking their workforce (Ramnund-Mansingh and Reddy 2021: 209). However, both higher instutions of learning and students have become more aware and acknowledge the change in the employment patterns, and are determined to work towards incorporating employable attributes in the relevant qualification programmes (Ramnund-Mansingh and Reddy (2021:209) cited Zakaria et al. (2020).

There is a growing consensus that graduate attributes would become more intrinsic in graduates if integrated into the curricula from the onset of a qualification (Kember 2009). Graduate attributes are now a fixture in higher education and are perceived as statements of desirable graduate learning outcomes. Graduate attributes are a widely accepted curriculum construct in the higher institutions of learning. Higher education institutions are mandated to integrate these competencies into the curriculum in order to develop and empower graduates to function in a highly competitive and dynamic work environment [Nel & Neale-Shutte, 2013; Ismail, Ferreira & Coetzee, 2016; McAllister & Nagarajan, 2015; Murdoch-Eaton & Whittle, 2012; and Pretorius & Ford, 2016].

According to Barrie (2006), in line with the university's mission the revised policy identifies three holistic overarching attributes as important outcomes of university education, consist of scholarship, global citizenship and lifelong learning. The attributes include and go beyond the disciplinary expertise or technical knowledge that has traditionally formed the core of most university courses. They are qualities that also prepare graduates as agents of felt change in an unknown future (Sibuqashe, 2019: 7). Furthermore, Barrie (2006) explained the attributes in details as follows:

1. **Scholarship:** An attitude or stance towards knowledge: Graduates of the university will have a scholarly attitude to knowledge and understanding. As scholars, the university's graduates will be leaders in the production of new knowledge and understanding through inquiry, critique and synthesis. They will be able to apply their knowledge to solve consequential problems and communicate their knowledge confidently and effectively.
2. **Global citizenship:** An attitude or stance towards the world: Graduates of the university will be global citizens, who will aspire to contribute to society in a full and meaningful way through their roles as members of local, national and global communities.

3. **Lifelong learning:** An attitude or stance towards themselves: Graduates of the university will be lifelong learners committed to and capable of continuous learning and reflection for the purpose of furthering their understanding of the world and their place in it. Hill et al. (2016) argue that graduate attributes should be viewed as an orientating framework of educational outcomes that should be agreed upon by the university community.

6. GRADUATE ATTRIBUTES ENCOMPASSES EMPLOYABILITY

Due to the increasing global economic competitive market, the graduate employment patterns and the recruitment of workers across boundaries, and graduate careers have changed significantly across the world (Tran, 2012; Rae, 2007). Department of Government Communication and Information System Newsletter (2022) notes that the possible root causes of unemployment are inadequate education and lack of productivity are costing jobs. Unemployment increases progressively with decreased educational levels; and the education system is not producing the skills for the labour market. This means that university curricula should be adjusted to meet contemporary and future needs of society. The universities need to ensure that students who are graduating have the right set of attributes to fill the available vacancies in the job market (Osmani, Weerakkody & Hindi 2017:53). Furthermore, Osmani, Weerakkody & Hindi (2017:53) pointed out that universities need to ensure that their graduate programs are equipped to deal with the demands of diverse industries by ensuring that graduates are job ready and equipped with the right skills and attributes when leaving university. In light of the above, graduates need to be ready to join a new world of adding value, lifelong learning, portfolio careers, self-development and an overwhelming need to stay employable (Tran 2012).

The higher institutions across the world have always endeavoured to develop the most desirable qualities in their graduates. For many students, this has been an implicit rather than explicit consequence of their university experience as the development of graduate attributes has traditionally been considered fundamentally inherent to all teaching and learning (Sibuqashe, 2019:8). According to Griesel (2002:54) higher education curricula are obliged to be economically responsive and produce graduates who can meet the country’s resource needs and participate in the world of the 21st century, graduates who will contribute positively to the world of work, either as employees or as employers.

Ogude, Nel and Oosthuizen (2005:1) argue that productivity and competitiveness depend on the ability to produce highly skilled and adaptive knowledge workers who can manage and manipulate knowledge and information and adjust to volatile and unpredictable global markets. This poses a challenge to HEIs to develop students who can effectively compete in global markets while contributing to the socio-economic needs of the society.

Ramnund-Mansingh & Reddy (2021:208) notes that graduate attributes play a synergistic role in employability and preparestudents for employment. The graduate attributes promoted by each university are often different due to the competitiveness of the higher education sector and the importance for universities to be different or distinctive from each other to attract students and build their brand (Wong, Chiu, Copsey-Blake &Nikolopoulou, 2021:2). Some of the common graduate attribute examples include creative and critical thinking; problem solving, teamwork and communication skill; professionalism and leadership readiness; and intercultural and ethical competency (Ramnund-Mansingh & Reddy 2021:208).

However, governments around the world are concerned that higher education makes the greatest possible contribution to 'human capital', the quality of which is believed to be crucial to national well-being. The development of graduates' employability is seen as vitally important (Barrie, 2004). Graduate employability has been discussed for some time, but there have been difficulties with its definition and conceptual clarity (Bridgstock 2009). The literature suggests that graduate employability is more than just getting a job or accumulating skills, and should not be confused with employment rates or seen as a measure of institutional success or otherwise. In extending the notion that the employability of graduates is intricately related to the higher education quality and attributes that graduates receive, it is necessary to note that employability is approached in different ways.

Dacre, Pool and Qualter (2013) present a learner-centred, holistic pedagogic approach to developing employability' regarding learning in higher education as enabling and creative. Employability education goes beyond lists and categorization of employability attributes and move towards an approach to personal development and career planning that enables graduates to apply their acquired skills in context. Yorke (2004) workers need not only to have learned a lot but also, above all, have learned how to learn. This is the notion of educability. Yorke (2004); Bridgstock (2009) states that graduates must have the capacity not only to adapt but also to be creative in rapidly changing work environments. This is the notion of employability, or, even better, sustainable employability adopted definition of employability as a set of achievements skills, understandings and personal attributes that makes graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy (McQuaid & Lindsay, 2005; Hager & Holland, 2007).

According to O'Connor and Lynch (2011), the analysis of surveys of graduate employers at national level suggest that employers look for graduate skills in four broad areas:

- Self-reliance skills
- People skills
- General employment skills
- Specialist skills.

7. METHODOLOGY

This study is qualitative in nature and used interviews to address the research problem (Creswell 2014). The qualitative approach focuses on interpretation (understanding) rather than quantification. There is more use of words about real situations than about numbers and its concern is context with regards to behaviour or situation as inextricably linked in forming experience (Gichohi 2019:135). The population consisted of 7 students from Public Relations Management Programme at the Durban University of Technology. The population was manageable and there was no need for a sampling. The response rate of 86% who participated in the focus group interviews. The qualitative data gathered from the focus group interviews were initially transcribed verbatim. The data was then checked for accuracy. Themes were determined using manual coding as well as NVIVO. Codes were allocated and different themes on strategic teaching emerged. Data obtained from the focus group interviews are discussed under the themes that emerged.

8. RESULTS

The objective of the study was to establish synergy with industry sector in attaining graduate attributes are aligned to autonomy of the programme. The results pointed out that the collaboration is evident in the Public Relations Management programme and industry sector. The focus group interviews affirmed that the majority of academic staff were in contact with industry partners and were constantly striving to rework outcomes and use latest technology to enhance the attainment of graduate attributes. For instance, Respondent A pointed out that

> "… *professional body … who meets annually … puts a lot of things out there… and in some ways kind of indirectly indicates what Universities should be looking at in terms of practice…hence we take all these technological advancements that have been employed within industry…adjust the outcomes*…"

These assertions indicated the close relationship between the department and industry and the quest to use latest technological advancements to enhance the attainment of graduate attributes. The programme provides its students with an educational experience that prepared them to face relevant 21st century employment, societal, and economic challenges in an authentic manner, and to become responsible citizens. Respondent A further indicated that "*the exposure to the world of work makes us distinctive*".

This indicated that the learning experiences are designed to enable students to provide a reasoned account for their own beliefs, practices and attitudes and to challenge embedded social-cultural constructs and beliefs. In support, Dewey, Montrosse, Schr€oter, Sullins, and Mattox (2008) pointed out that job markets change frequently due togovernment policy, funding, theoretical shifts, and other factors and higher institutions should explore evaluation of competencies that may be necessary in particular settings. Furthermore, James, Warhurst, Tholen, & Commander (2013) notes that the higher instutitions, governments, professional societies, accrediting bodies, and employers should work together to continuously renew and improve curriculum based on the evolving needs of the market.

The industry sector showed support to the students of the Public Relations Management Programme by providing them with the opportunities to complete their inservice training. Through the development of the graduate attributes, the industry sector enhances students to lead fulfilling and productive professional lives, in order to give them a strategic edge in the world of work and to enhance their leadership capacities in public life and the communities where they will live. With respect to the dimension autonomy, both, positional and relational, the code 'collaborative' is applicable as the programme was developed by academics with some degree of industry feedback. Hence, academic and negotiated design of the curriculum. The affirmation is in the following quotation by one of the interview respondents.

> "*We get feedback from the supervisor and we do industry visits where the employer completes the questionnaire based on student training and student's needs*". [Respondent C].

It is evident from the work integrated learning programme that students are in constant contact with industry partners. The staff from programme programme attested that they are in constant contact with industry partners and are focussed on assumptions by Breslow (2004), in "acquiring real time data through remote means". In support, Griesel and Parker (2009) suggested that the boundaries between the higher institution and industries needs to become more porous with the management of both engaging each other. There should be a platform where experts in industry share their expertise with higher education. Engagement with industry and professional bodies cement the design of consistent graduate attributes. Whilst curricula and graduate attributes are often developed with industry involvement that endeavours to address the gap between academic goals and industry needs (Gill, 2018).

Similar study conducted by Griesel and Parker (2009) on the graduate attributes: a baseline study on South African graduates from the perspective of employers. The findings indicated that there are gaps between employer expectations and higher institution outcomes. The results pointed out that students struggle to apply knowledge they received from university in given tasks and responsibilities. This caused a great concern to employers who still have to retrain the newly appointed graduates. It was further discovered that employers have a more complex view of the role of higher education and that employers and higher education may be misreading each other's positions.

The study also revealed that employers value the conceptual foundation, knowledge and intellectual approach to tasks produced by higher education (Griesel and Parker, 2009). However, graduates lack those aspects. The study also revealed that graduates lack full understanding of the work or industry where they are employed and they also lack understanding of the common language between higher education and employers. This lack of common understanding has led to a disjuncture between what is taught in the higher instution of learning and what is required by the industry.

To explore factors affecting the graduate attributes of Durban University of Technology students: It is apparent that some gaps still exist between what is taught in the degree programme and industry requirements. Spencer et al., (2012) states that there is increasing concern that there is a gap between what academic institutions teach and the type of attributes and skills which employers look for in graduates (Spencer et al., 2012). The following quotation by Respondent A alludes to the academic and technical skills deficit.

> "…*because they lack certain technical skills or academic skills*…"

> "…*we had a foundation programme but it wasn't really structured, I can call it semi-structured like an add-on*…" (Respondent A).

Zakaria et al. (2020) validates the above assertion by stating that there are claims from various stakeholders, mainly employers who describe graduates from universities as individuals who do not completely acquire the relevant employable attributes that are deemed essential in the workplace. In addition, the apparent mismatch between the skills and attributes acquired by graduates at tertiary institutions and the needs of employers is creating a problem (Mohlala, Goldman & Goosen, 2012).)

Internal programmes to address the technical and academic skills gap were implemented by both programmes. However, the need for greater structure and inclusion of these programmes within the main programme is required to enhance the attainment of graduate attributes within both programmes. It seems that the low marks gained in the matriculation examinations impacts negatively on the pass rates in the programmes. One respondent asserted that some inexperienced staff members produced better results compared to their experienced colleagues. The respondent alluded to quality measures being compromised in these instances. Bath et al., (2004) confirmed that there was a reciprocal relationship between generic skills and discipline specific skills.

> "*they don't want to listen to the experienced staff … experienced staff is a threat…better pass rates…quality* …".

These findings confirm the need for the University to adjust procedures to enable graduates to attain qualities that ensure they complete tasks correctly and to perfection the first time. Moreover, graduates need to develop qualities that ensure they complete tasks within timeframes. Lack of equipment and resources seemed to be one of the challenges that impacted on the attainment of graduate attributes.

> "*Resources are short in terms of teaching the practical, they are very old and outdated … we don't have a variety*" (Respondent H).

> "*Most of the students don't have resources…we find ourselves compromising"* (Respondent J).

> "*There is no recreation space for our students, and there is no resting space*" (Respondent E).

It was also evident that the DUT developed graduate attributes formed the conceptual base against which discipline specific graduate attributes were incorporated.

> "*Thank you for giving us opportunities to work outside our creative abilities to show us that we have more than what we believe … you do not put us in a structured environment but you gave us the ability to go and create which we never thought we would be able to do and more importantly you showed us that there is more …"* (Respondent A). It is, thus, plausible that, if the organization provides employees with training opportunities that enhance their skills and attributes, this would add to their overall employability and, subsequently, to their retention value to the organisation (Mulaudzi 2015:107).

> "*Industry advances very quickly and we have to make sure that the students are up to speed … If you don't have the technology you cannot be competent"* (Respondent B). These affirmations further supported the DUT developed graduate attributes with respect to technologically savvy graduates.

9. CONCLUSION

The overall findings of the study provide evidence that graduate skills and attributes relate positively to general employability of industry sector. It is believed that the findings of this study will contribute valuable knowledge to the existing body of knowledge and that these findings will provide a basis upon which further questions may be asked in order to obtain a better understand of the associations between graduate employability and graduate attributes. The findings of this current study may potentially have implications in respect of the way in which the industry sector attract and engage students who are in the emerging adulthood phase. Graduates demonstrating high levels of graduate skills and attributes (self-perceived graduateness) and high self-perceived employability are likely to be viewed by organizations as high potential employees.

The findings indicated that there is a positive and significant relationship between the graduate skills and attributes of individuals and their general employability. Accordingly, a higher level of graduateness may indicate a more work-ready and employable graduate and one who possesses more than just discipline specific competence.

10. RECOMMENDATIONS

- There must be a constant need for collaboration between the higher institutions and the industry to ensure curriculum is developed in a way that it can serve both the need of employer/industry partner and the need of the student in order to transform and acquire the adequate graduate attributes suitable for employment.
- In order to overcome the challenge of lack of skills in the industry sector, institutions of higher learning must ensure that graduates possess the right mix of transferable skills, knowledge and abilities that transcend field-specific content.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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Exploring Perceptions of Possible Antecedents of Effective Corporate Governance within Eastern Cape Public Entities

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ABSTRACT

Corporate governance is a system by which an organisation is directed or controlled; and governance practices are not standard across countries as a result of diverse legal structures and cultural settings adopted by different states. The Eastern Cape Public Entities (ECPEs) have an important role to play in pursuing the economic, social and developmental state agenda. The study's main objective was to explore perceptions of possible antecedents of effective corporate governance within ECPEs. The EC province has ten (10) public entities with mandates and enabling legislations to enhance the sustainability issues. Eight (8) public entities participated in the study. Positivistic research paradigm was undertaken by the quantitative research method. Non-probability sampling was used. Primary data was collected using the survey method with structured self-administered questionnaires. The empirical results showed that ethical values, organisational culture and policy regulatory framework had a statistically significant impact on corporate governance of ECPEs; while employee morale, leadership, and role clarification were found not to have a statistically significant impact on corporate governance. The findings of this study are envisaged to assist in ensuring effective governance of public entities in order to encourage accountability, public confidence in the corporate system and to drive public policy.

Keywords: Corporate governance; ethical values; leadership; organisational culture; regulatory framework.

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1. INTRODUCTION AND BACKGROUND

Corporate governance is a topical issue and is used in government, businesses, higher learning institutions, non-profit organisations and sport associations, both nationally and internationally (Aras & Crowther, 2008:434). It is concerned with structures and duties within organisations (Handley-Schachler, Juleff & Paton, 2007:624). It is thus, a set of instruments that include ownership concentration, director shareholding, board of directors and executive payment (Obembe & Soetan, 2015:252). Matei and Drumasu (2015:495) argue that corporate governance of the public entities is a theory, which is gathering more attention, both in specialised literature and in practice. Public entities' corporate governance in respect of the leadership and control process thus involves a set of clear guidelines and principles (e.g. integrity, honesty or sincerity, transparency and responsibility), clear risk management and control instruments; all needed to achieve the purpose of public entities, specifically satisfying public needs. According to Accelerate Cape Town (2017), sound corporate governance, is globally recognised as a critical requirement for successful growth and development. South Africa's King Code of Corporate Governance is world-leading and is regarded as one of the most comprehensive approaches to governance. However, many countries around the world, including South Africa (SA), is experiencing substantial careless or wasteful and irregular spending of public resources, and poor governance of these public entities is impacting on financial stability and long-term sustainability.

Adegbite (2012:258) argues that corporate governance is intensely dependent on the greater environment within which organisations operate. The main aim of corporate governance is to offer reassurance to investors and to ensure that executives are operating towards attaining results in the best interests of all shareholders and stakeholders (Arora & Sharma, 2016:420). Corporate governance practises are also not standard across countries; and this dissimilarity is a result of diverse legal structures and social locations adopted by different states and provinces (Bhasa, 2004:5). The objective of corporate governance principles is to enhance investor or shareholder confidence in the governance processes (Reddy, Locke & Scrimgeour, 2010:191). Corporate governance helps to outline and understand the relationships between all internal and external stakeholders. Furthermore, it ensures that appropriate governance structures are put in place to facilitate a proper flow of information or reporting structure to allow informed decision making by governing boards (Patel & Robinson, 2010:218). Since 2009, South Africa has been grappling with corporate governance challenges in national and provincial government departments, including public or state entities (Kanyane & Sausi, 2015). Public entities must operate in the best interests of all citizens or communities and should follow applicable procedures, processes, prescripts or regulations and corporate governance guidelines. Rondinelli (2007: 21) concurs that there is rising validation that most public entities either do not subscribe immensely to development, or they perform their public service roles ineffectively and inefficiently. Tshikovhi (2017) is also of the opinion that particular challenges facing public entities in South Africa are relevant to the statutory and guiding charter; and that these challenges are acknowledged as potential barriers to effective and efficient regulation of public entities. Although some research has been concluded regarding corporate governance in South Africa (see for example Armstrong, Segal and Davis, 2005; Chilenga, 2016 and Nevondwe, Odeku & Tshoose, 2014), very limited research has been finalised on public entities within the Eastern Cape (EC) province. It is envisaged that the results of this study could contribute significantly to corporate governance literature with special attention on the EC province. Against this background, the aim of this study is to explore perceptions of possible antecedents of effective corporate governance within Eastern Cape Public Entities (ECPEs).

2. PROBLEM STATEMENT

During the 2008 financial crisis, poor corporate governance with no compliance was evident in the collapse or failure of renowned international organisations, financial institutions and state entities (Tarraf, 2011:93). This has resulted in job losses and affected financial system instability whereby organisations, financial institutions and state entities were also unable to honour their debt obligations to creditors, resulting in liquidations or seeking strategic equity partners and bailouts from their governments (IMF Global Financial Stability Report, 2016). Moyo (2016) concurs that the upsurge in corporate failures has led to acknowledgement of the reflective impact of corporate governance practices on the organisations' survival, including public entities. The degree to which public entities observe the basic principles of good corporate governance is also a progressively dominant influence for attracting capital investment, maintaining economic stability and encouraging economic growth and development. Good corporate governance is as critical for public entities or state-owned enterprises as it is to private and non-profit organisations. Timothy (2018) concurs that South African public entities, or state-owned enterprises, have been overwhelmed by fiscal mismanagement and ineffective corporate governance.

In the Auditor-General of South Africa (AGSA) Audit Report (2020/21), various public entities have been identified with regard to accumulated irregular expenditure over a number of years as a result of non-alignment with procurement processes and requirements. In addition, there were no effective steps taken by most of these entities to prevent irregular expenditure. According to the Public Finance Management Act (PFMA) of 1999 (Section 9.9.1 of Treasury Regulations), "the accounting officer of a department or public entity must exercise all reasonable care to prevent and detect irregular expenditure and must for this purpose implement effective, efficient and transparent process of financial and risk management." Therefore, in terms of governance practises, the responsibility of assessing a public entity is upon the Accounting Officer or Chief Executive Officer in order for the entity to continue as a going concern.

The EC province has ten public entities with mandates and enabling legislations to enhance the provincial economic development or growth and sustainability issues. In terms of the annual reports, corporate governance structures such as the board of directors, audit and risk committees, remuneration committees, social and ethics committees and compliance committees were established with clear responsibilities that effect good corporate governance. Furthermore, these structures were assigned to reduce the likelihood of corruption or fraud, addressing conflicts of interest, health, safety and environmental or social responsibility. ECPEs are driving government mandates or developmental agendas to improve the livelihood of the province's citizens as well as to allow the provincial economy to function properly (Mazzucato, 2018:27). It thus means that the state through its public entities should play an important role in promoting economic development in respect of technological solutions and engaging in innovations. In return, the state could benefit from the indirect high return in respect of tax receipts from economic growth (Pradella, 2017:3). Therefore, Accounting Officers or Chief Executive Officers should ensure that good corporate governance practises in public entities are implemented effectively and sustainability in delivering on the developmental agenda of the province. Inkpen and Ramaswamy (2018:97) stress that "public entities are accountable to their government owners, their employees, stakeholders and the population at large." Hilb (2004:76) argues that an all-inclusive charter is vital for the direction and control of public entities that pursue the goal of integrating fundamentals of responsibility, compensation and sustainability reporting to ensure exciting operations of the board as well as effective corporate governance. In addition, Mubangizi and Ile (2012:78) assert that good governance spreads outside the capability of the public sector to the guidelines that produce a valid, effective and efficient plan for the conduct of public policy. It suggests that public affairs are managed in a transparent, accountable, participatory and equitable manner.

Although various authors (see for example Pillay, 2011, Fourie, 2014:30 and Kanyane & Sausi, 2015:28) attempted to put corporate governance of public entities under the spotlight, it seems that very limited research has been prepared regarding possible factors that could impact on effective governance of these entities, especially in the EC province. The main research question to be addressed in this study is: What are the perceptions of possible antecedents of effective corporate governance within ECPEs? The results of this study could contribute to corporate governance literature in South Africa, with a special focus on public entities within the EC province. Many studies only focus on corporate governance within the private sector and not in public entities or state-owned enterprises.

3. RESEARCH OBJECTIVES

3.1 Primary Objective

The main objective of this study is to explore perceptions of possible antecedents of effective corporate governance within ECPEs.

3.2 Secondary Objectives

In order to achieve the primary objective, the following secondary objectives have been identified:

- To explore factors or antecedents impacting effective corporate governance of ECPEs; and
- To recommend strategies or techniques that can be implemented to ensure effective corporate governance of ECPEs.

4. LITERATURE REVIEW

4.1 Corporate Governance Conceptualisation

Corporate governance is a term often used in relation to the processes and systems by which an organisation or society operates; it can be a protector against the financial crises in firms and public or state entities (Wajeeh & Muneeza, 2012:198). Madanoglu and Karadag (2016:1806) indicate that corporate governance is rules or guidelines (aligned with state laws) approved amongst the shareholders, the board of directors, executive management and the internal and external stakeholders. Governance structures and responsibilities within firms were critical to encourage good corporate governance with regard to the ethical culture, effective control, good performance and legitimacy (King IV Report, 2016).

Corporate governance practise is an important risk management and value-added instrument adopted globally, which assists companies to receive excess returns or have a maximising long-term strategy (Shank, Hill & Stang, 2013:387 & 391). In addition, corporate governance is the system that supports economic efficiency, sustainable growth and financial stability (ElGammal, El-Kassar & Messarra, 2018:276). It was further indicated that good governance promotes the welfare of society when the resources are limited to meet the minimum expectations of the people. There are benefits of good corporate governance that assist in building investor confidence, reducing the management agency cost and promoting efficiency or better transparency, which results in considerable economic gains (Bose, 2009:97; Wajeeh & Muneeza, 2012:198).

Mahrani and Soewarno (2018:43) concur that corporate governance is rules that governing the relationship between the shareholders, executive managers, employees, governments, creditors and the external stakeholders in relation to their rights and obligations. It comprises a number of dimensions such as the quality of institutions, effective monitoring, transparency in respect of financial performance or position and rule of law (Baum, Hackney, Medas & Sy, 2019:20). This means that stakeholder management creates a system of greater control over managerial actions to reduce agency costs or improve trust; and thus, gave rise to a firm’s good performance and success. Furthermore, corporate social responsibility (CSR) activities may aslo bring future benefits to firms’ financial performances, employees' morale, reduced transaction costs, investment attraction and business expansion or competitiveness (Mahrani & Soewarno, 2018:42; Stuebs & Sun, 2015: 86). Dangmei and Singh (2017:205) find that organisations with high employee morale benefit in terms of high productivity or efficiency, invention, safe work environment, punctuality and product quality. With regard to disclosures and transparency, there is statistically significant evidence that environmentally sensitive entities would present excellent integrated reporting to legitimise their business (Beitendag, Fortuin & De Laan, 2017:8).

The literature revealed that compliance is related to ethics which assists individuals in determining between good or bad, right or wrong aligned with the laws or other societal guidelines (Awang & Amran, 2014:109). Furthermore, focuses on what is right or good in an economic activity (Turyakira, Venter & Smith, 2012:108). ElGamma, El-Kassar & Messarra (2018:286) find that ethical practices have a positive impact on corporate governance. The deficiency in leadership trust and ethics in the public or state entities has discouraged good corporate governance, and thus impacts public policy execution to improve socio-economic conditions, growth and development (Ndalamba, 2019:38). Moreover, the literature review discovered that a strong organisational culture implies that individual employees are informed and conform to what is expected in the organisational context (Kokt & Ramarumo, 2015:119).

The internal audit function has relationship between the economic resource owners and those who are charged with management of these resources (Erasmus & Coetzee, 2017). Audit committees support executive management and the internal audit functions in performing the duties in line with relevant legislation (Van der Nest, 2005:76). On the other hand, risk management detects the future uncertainties as it relates to the internal control systems. Kabuye, Bugambiro, Akugizibwe, Nuwasiima and Naigaga (2019:6) assert that the separation of internal audit and risk management responsibilities is crucial in order to ensure the internal audit independency or assurance with clear roles or expectations. The independent audit and risk committees are linked to fewer incidents of fraud, and thus bring business benefits to the firm.

Van Eeten (2017:430) defines governance as a policy driven control over the IT resources, services and systems. IT systems deliver a platform for business, and as a result, IT governance has become an essential part of corporate governance (Van Wyk, 2018:72). IT governance decides the IT related risks efficiently and effectively; however, the regulations or policies have an influence on the administration of ICT knowledge management ((Abu-Shanab & Shehabat, 2018:302). Abu-Shanab and Shehabat further reveal that the policy-regulated framework should be built on or be well suited to principles of corporate governance. In other words, legislative framework compliance is critical in relation to data security or privacy in order to protect the firm's performance and national security (Hasbini, Eldabi & Aldallal, 2018:92). Based on the discussion above, corporate governance is defined as a system by which firms are directed, controlled and level of compliance with relevant rules and regulations.

5. POSSIBLE ANTECEDENTS OF CORPORATE GOVERNANCE AND HYPOTHESES

In this study, the employee morale, role clarification, organisational culture, leadership, ethical values and policy regulatory framework are envisaged to have an influence on effective corporate governance.

5.1 Employee Morale

Employee morale is a responsive perception whereby employees feel good about work responsibilities or duties and their work situation; as a result, it accompanies the level of enthusiasm and willingness of the employees to work together to achieve job performance or the goals of the organisation (Dangmei & Singh, 2017:205). One of the techniques of encouraging morale is an incentive in the form of employee remuneration for their job performance, or efforts that result in solving a clash in organisational goals, individual prospects and ambitions (Ogedegbe & Bashiru, 2014:112). Thus, employee morale relates to high job participation, which improves work and career pleasure, teamwork and organisational assurance (Cheng, 2012: 103).

Price (2015:213) claims that organisations with satisfied and committed employees produce a better work setting that promotes risk taking or bringing new ideas; because there is more trust, a shared set of values, and norms that embrace the organisational environment. The non-financial aspects such as employee engagement in respect of work-related issues such as the amount of energy, commitment, devotion and employee recognition when they perform or produce good results, are actually vital to improve employee morale or motivation (White, 2014:17). Positive employee morale is characterised by discipline, confidence and willingness to perform assigned duties (Shaban, A-Zubi, Ali & Alqotaish, 2017:2). Productivity is directly related to employee morale (Tiwari, 2014:8) and there is a trend that link the productivity of employees with their level of morale (Ngambi, 2011:764).

Jackson, Rossi, Hoover and Johnson (2012:649) state further that employee morale includes various typically emotion laden attitudes shared with employees in the workplace. Two of the main attitudes of employee morale are job satisfaction and emotional organisational commitment. Job satisfaction refers to an enjoyable and positive emotional state resulting from the evaluation of the employee's work or skills. On the other hand, emotional organisational commitment is an employee's emotional attachment to, identification with, and involvement in the organisation. However, the work performance and efficiency of an employee was found to be determined by employee morale (Senthilnathan & Rukshani, 2013:8).

Generally, employee morale possibly ranges from high to very low morale (Devi & Ravi, 2018:14999). The organisation with high employee morale benefits in terms of greater production or assembly performance, invention, safe work environment, punctuality and quality of the products (Dangmei & Singh, 2017:205). On the other hand, low employee morale is related to negativity of feelings in respect of displeasure, discouragement and dislike of the work (Ogedegbe & Bashiru, 2014:113). Patel and Desai (2013:324) discovered that the expansion of employee morale, productivity and performance, is intensified by workplace fun. It is concluded that workplace fun is a booster to retain employees, provide happy working environment and making the company to survive in the competitive market environment (Patel & Desai, 2013:326). In this study, employee morale is defined as a positive outlook or emotions and pleasure or happiness about job activities or settings and eagerness to collaborate to achieve the set targets. Against this backdrop, the following is hypothesised:

$H0_1$: Employee morale does not impact corporate governance perceptions of ECPEs.

5.2 Role Clarification

Zheng, Thundiyil, Klinger and Hinrichs (2016:111) state that role clarity refers to the degree to which information is provided to employees on how to perform their jobs and the adequacy of information with regard to roles that increase employees' perceptions of ambiguity reduction. Role clarity is further defined as the degree to which individuals believe that they have clear guidance concerning expected roles and behaviour associated with their job (Wang, Gan & Wu, 2016:606). In addition, role clarity is related to numerous positive organisational outcomes such as citizenship behaviour, work motivation, turnover and employee health. Zheng, et al. (2016:112) suggest that organisational development (OD) practitioners have, for ages, focused on interventions such as responsibility charting, role analysis, and role negotiation, designed to remove sources of role ambiguity. Role ambiguity is defined as the lack of clarity about duties, objectives, and responsibilities needed to fulfil the employee's role (Nobel, Campbell, Hannah & Wortinger, 2010:206).

In terms of the work context, role clarity varies in the extent to which jobs are clearly defined and employees are provided with adequate information to perform their roles effectively (Lau, 2015:143). Role clarity helps employees to understand what is expected of them in their jobs; and have knowledge on the available means to carry out their job tasks (Newman, Allen & Miao, 2015:614. Lau (2015:146) indicate that role clarity relates to agreed tasks or responsibilities listed for each position in an organisational structure. In other words, the employees are clear about their roles, what is expected of them and are likely to identify the arrangement as being reasonable and unbiased. With the low level of role clarity, employees will be less likely to share ideas in the form of helping each other in order to achieve the objectives of the organisation (Newman, et al., 2015:612).

Nansubuga and Munene (2013:235) state that role clarity is the degree to which an individual gets information about the expected results of the tasks to be done in specific terms. In other words, role clarity increases the perception of being competent among individuals because they understand what they need to know, what they need to be able to do and how it will be done. Role clarity is concerned with strategy and mission to provide a sense of direction, decision guidelines, and performance criteria for individuals in performing specific tasks (Nobel, Campbell, et al., 2010:206). Lynn and Kalay (2016:177) further argue that role clarity has been presented to be an important influence on team members' performance enhancement, organisational commitment and job satisfaction. Role clarity is beneficial in enhancing communication, flexibility and responsiveness at every level of strategy implementation (Mafuba, Kupara, Cozens & Kudita; 2015:31). In this study, role clarification is defined as clear, sufficient information about the expectations and conduct related to the job in line with approved tasks for each job. Based on the discussion above, the following is hypothesised:

$H0_2$: Role clarification does not impact corporate governance perceptions of ECPEs.

5.3 Organisational Culture

Organisational culture acts as the “glue” that stimulates a unified effort from individual employees, whereby it produces the best in them regarding efficiency and effectiveness in achieving the goal of the organisation (Trivellas & Dargenidou, 2009:387; Odor, 2018:35). Organisational culture is defined as shared values and beliefs that help employees of an organisation to understand the organisational function and provide them with norms for their behaviour (Martin & Desmond, 2013: 461). Organisational culture is a system of shared assumptions, which separates organisations from each other and contains the main features that organise and admire their values or an agreement between employees on a certain kind of behaviour towards each other (Seyedyousefi, Fard & Tohidi, 2016:412).

Organisational culture is the collective behaviour of employees in the organisation considering the leadership styles and internal stakeholders, which forms the rules that guide employees' behaviours (Odor, 2018:32). A strong organisational culture assists the employees to adjust to the external environmental needs; and enables them to respond or act in a short period of time, as a result of improved self-confidence, commitment, ethical behaviour and job stress reduction (Tanase, 2015:28 & Odor, 2018:33). Strong organisational culture foundations can protect the organisational market position and create a satisfying working environment (Taşkıran, Cetin, Özdemirci, Aksu & İstoriti, 2017:133 & 138). On the other hand, a weak organisational culture relates to employees who stick to rules and regulations not because they generate job satisfaction, but because of fear of consequences regarding their failure to act (Odor, 2018:33). Seyedyousefi, et al. (2016:416) suggest that a weak organisational culture deters employees from sharing and distributing their knowledge in an attempt to keep a personal supremacy base and enhance their performances. Taylor and Carroll (2010:30) state that organisational culture is a management approach that involves the use of strategic projects achieved through a variety of managerial practices; which include training courses, benchmarks for managerial performance, reward and appraisal systems, and counselling procedures.

Men and Katy (2018:471) assert that a participative organisational culture promotes a symmetrical communication system which develops an employee-organisation relationship. It means that the role of communication is crucial in shaping and changing culture, so the communication system of an organisation may be utilised as the method of changing the culture. Organisational culture is understood to be an appropriate concept to engage the impact of the human aspect in bringing new ideas, due to its relationship with values, beliefs and work settings that encourage innovation (Hafit, Asmuni, Idris &Wahat, 2015:119). This can result in efficiency and effectiveness in respect of organisational performance. In contrast, most leaders recognise organisational culture as the most significant barrier to creating and leveraging knowledge assets (Men & Katy, 2018:471).

Suppiah and Sandhu (2011:465) argue that employees, in general, are motivated to store instead of share knowledge to maintain a competitive advantage. An organisational culture that encourages knowledge sharing can be developed with the right incentives, leadership and technology, among others. Organisational culture is considered to be the most effective in showing expected employee behaviour that will encourage the employees to produce more organisational outputs and be more motivated (Taskıran, et al., 2017:137). The foundation for the system and practices of management, benefits from organisational culture, as it gives standards in terms of what is right or not right which smooths the operation’s procedures (Koskinen & Ajmal, 2008:10). In this study, organisational culture is defined as clear collective values, norms or standards that help employee to understand the firms’ operations and behaviour of the employees towards each other. Therefore, in the light of the above, the following is hypothesised:

$H0_3$: Organisational culture perceptions do not impact corporate governance perceptions of ECPEs.

5.4 Leadership

Brookes (2014:203) suggests that leadership is increasingly considered as a shared and distributed process, whereby decision making is informed by intelligence-oriented problem solving. Leadership is a social process to engage colleagues, individually and in teams, to face challenges; and then work together to advance mission-aligned goals (Swensen, Gorringe, Caviness & Peters, 2016:550). It means that leadership dynamics depend on the situation where there is an assignment at hand; and this context seems to dictate when and how leadership appears. Good leadership behaviour and attitudes are central to the satisfaction and the morale of the employees (Dangmei & Singh, 2017:205).

Chapman, Johnson and Kilner (2014:284) identify the styles of leadership such as authoritarian (provides a clear direction and takes the team forward with shared goals), democratic (encourages participation and exchange of ideas from her or his team regarding the directions the team should take and what actions they should prioritise) and affiliative (promotes good relationships and communication within the group). Solomon and Steyn (2016:13) further mention two styles of leadership; that is, empowering and directive leadership. Empowering leadership promotes self-leadership, participativeness, goalsetting and innovation by subordinates. Directive leadership entails providing subordinates with precise guidance on what needs to be achieved, how it should be done and the necessary quality standard. Sethibe and Steyn (2015:329-330) note two styles of leadership, transformational and transactional leadership. Transformational leadership refers to leaders who focus their efforts on long term goals, place value and emphasis on developing a vision and inspiring subordinates to pursue the vision. Transactional leadership is described as a style, in which a leader-follower relationship is based on a series of exchanges or bargains between leaders and followers. These styles affect group productivity and interactions with other group members and the leader.

Mitiku, Hondeghem and Troupin (2017:368) argue that transformational leadership holds four behaviours such as best influence, stimulating motivation, individualised reflection and knowledgeable stimulus. Transactional leadership involves three behaviours such as contingency rewards which gives role clarification and exchanges of material reward for service provided, passive management by exception, which comprises behaviours that mediate after problems occurred, and active management by exception that relates to close performance monitoring or acting when problems arise. In the African context, leadership styles indicate a preference for charismatic or value based, team oriented, participative and a human approach (Mitiku, et al., 2017:370). Allio (2012:10) claims that leadership can be developed whereby an organisation can be established to create a long-term sustainable leadership capability. For the purpose of this study, leadership is defined as a process of engaging the employees to cooperate in resolving work related problems to achieve the firm’s goals. In the light of the above, the following is hypothesised:

$H0_4$: Leadership perceptions do not impact corporate governance perceptions of ECPEs.

5.5 Ethical Values

Ethical values are referred to as a system of principles that help or govern individuals in defining good or bad, right or wrong and involves seeing whether the behaviour is right or wrong (Chryssides & Kaler, 2001:51; Ghillyer, 2010:84; Pae & Choi, 2011:323a; Shaw, 2011:7). Furthermore, it is the basis for what is permitted and prohibited in line with the laws and other societal guidelines defining moral behaviour. The ethical features of decisions arise when one or more decision choices infringe on moral standards. The moral standards can be referred to as a norm that authorises or forbids certain behaviour, such as the norms forbidding theft, lying and moral principles such as principles of rights, principles of justice and principles of values (Awang & Amran, 2014:109 - 110).

Mpinganjira, Robert-Lombard, Wood and Svensson (2016:342) indicate that leaders have adopted a vision to move their firms towards a better ethical culture. Smith (2014:1) notes that the important role of leadership is to endorse and sustain the ethical values of the firm. Morton (2005:61) elaborates that the firm's employees should be educated that integrity and honesty matter and are fundamental to the internal and external stakeholders. According to Smith (2014:83), integrity originates from three main principles; namely: authenticity with self, authenticity with others and holding commitments; whilst honesty can be guaranteed through the formation of the ethics committee, code of ethics or conduct, ethics training and whistle blowing policy. For the firm to be considered ethical, it should balance both in pursuing profit and fulfilling its social responsibility (ElGammal, El-Kassar & Messarra, 2018:274). This means that the firms should recognise and comply with strong ethical standards set by the board of directors towards its stakeholders; and this can have a positive effect on good corporate governance (ElGammal et al., 2018:278). According to this study, ethical values are referred to as the values that direct, guide and help employees to understand or be mindful of morality and honesty. In line with definition above, the following is hypothesised:

$H0_5$: Ethical values do not impact corporate governance perceptions of ECPEs.

5.6 Policy Regulatory Framework

The policy regulatory framework intends to support countries to develop and implement good regulatory practices, assist countries to achieve better social, economic and environmental objectives; help governments in improving regulatory quality to foster competition, innovation, economic growth, and meet important social objective (OECD, 2019). Regulatory frameworks guide how organisations work in respect of their activities (ASM International, 2018). Moreover, the regulatory policy is key in improving and adapting the regulatory system of the firms in respect of modern times and cooperating with their peers domestically or abroad for their policy objectives (OECD, 2018). The European countries and Japan are more advanced in terms of the regulatory environment; and this brings many benefits in the major sectors of the economy; thereby resulting in an upsurge of the real gross domestic product levels of approximately 3 to 6 per cent through reforms (OECD, 1997:15). The regulatory frameworks are shown in the statutory environment in respect of the rules and regulations (Hodge, 2007). According to the OECD (2005), the public or state entities should ensure a level playing field in markets where the entities and private sector firms compete to avoid market failures or distortions. Therefore, the regulatory framework should build on and be fully well suited with the principles of corporate governance. The legitimate form of state or public entities often includes a strict definition of the activity of the entities concerned, preventing them from diversifying or extending their activities in new sectors and/or in a foreign country. These restrictions have been legally set to prevent misuse of public funds, stop exaggeratedly ambitious growth strategies and prevent state or public entities from exporting sensitive technologies.

In terms of the board structure, the state as a controlling shareholder is in a unique position to nominate and elect the board members without the agreement of the other shareholders. The state or public entities' board should separate the roles of the chairperson and CEO as a good governance practise. The framework is implemented to reduce and address the agency problems between the shareholders and the executive management of the firm (Shah & Napier, 2016). Moreover, the state has a duty to ensure an effective regulatory framework that offers adequate flexibility to permit markets to function effectively and respond to new anticipations of shareholders and other stakeholders, and thus be consistent with the rule of law, transparent and enforceable (OECD, 2015a). Therefore, the rules are associated with principles such as disclosure, transparency, openness and information, participation, enforceability, legitimatisation, checks and balances (Kanyane & Sausi, 2015:30).

According to the Comparative Report of the State-Owned Enterprise (OECD, 2003a: 24 & 25) by OECD, the state or public entities are considered to be the same as any company in the private sector and subjected to the same company laws and regulations. Conversely, in some OECD countries, the state or public entities are subjected to specific laws, which can be notable, by various provisions regarding the board, mandatory level of disclosure, and these are not subjected to bankruptcy laws. Shareholder oversight is spread between various shareholder departments, while policy departments in some instances, are not the shareholder departments but are involved with direct policy. The Public Service Act and Section 65 of the PFMA requires the Minister of each Department, who might also be the Executive Authority of a state or public entity, to table an annual report in the legislature within six months of the end of each financial year, by 30 September. This implies that annual reports should be tabled by Parliament a month after the accounting officer has received it from the entity (Du Toit, 2005). For the purpose of this study, policy regulatory framework is referred to as policies that are aimed at the application of relevant laws or regulations that govern the firm's operations. Based on the discussion above, the following is hypothesised:

$H0_6$: Policy regulatory frameworks do not impact corporate governance perceptions of ECPEs.

6. HYPOTHETICAL MODEL

The model is created based on models of corporate governance by OECD's insider-outsider model of corporate governance (2003), the ASM International's framework for corporate governance (2018), Guo, Smallman and Radford model (2013) and the literature review. In this study, the independent variables include employee morale, role clarification, organisational culture, leadership, ethical values and policy regulatory framework, which are envisaged to have an influence on effective corporate governance (dependent variable) within ECPEs as depicted in Fig. 1 below. The hypotheses have been detailed or formulated in section 5 above.

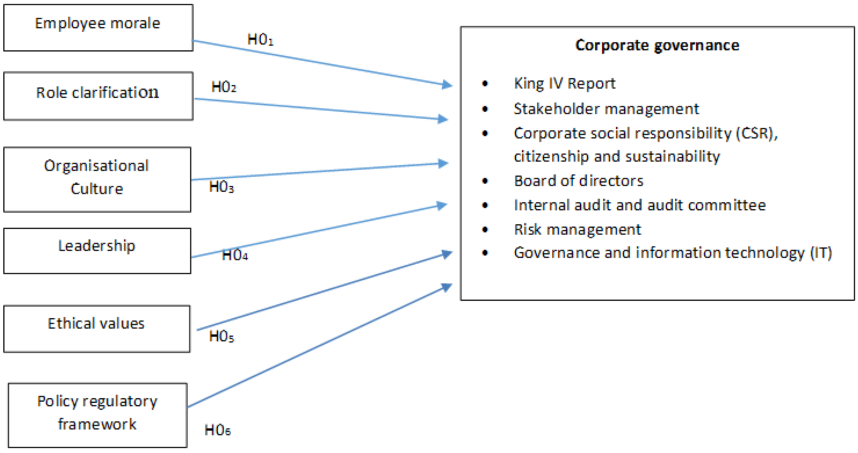

Fig. 1. Hypothetical model (Source: Own construction)

7. RESEARCH DESIGN AND METHODOLOGY

The research design is the choice of research method, and on the other hand, research methodology is the key activities or step by step processes to implement a selected research tool (Cassim, 2017:87). This section outlines the research design and methodology adopted for this study.

7.1 Research Paradigm

A research paradigm is a basic system and framework with assumptions or a manner of understanding the world reality as well as studying it (Rehman & Alharthi, 2016:51). Collis and Hussey (2003) indicate that there are two main research paradigms; namely positivist and phenomenological research. The positivist paradigm refers to quantitative research whilst the phenomenological paradigm refers to qualitative research. The combination of either research design or paradigm is called methodological triangulation or mixed methods. In this study, positivist research paradigm was used with quantitative research method.

7.2 Research Approach

There are different research methods; namely descriptive, exploratory, correlation, historical and comparative research (Walliman, 2011:90). This study employs a descriptive research approach by attempting to describe the perceptions of respondents from ECPEs regarding antecedents of effective corporate governance. An exploratory research approach was also followed as an in-depth assessment of perceptions among ECPEs was conducted for the first time in the EC province.

7.3 Population

The population is the total pool of individual organisations, businesses groups or people that are potentially available for observation and have features that the research hypothesis refers to (Wellman & Kruger, 2002:46). The population of this study is the ECPEs. According to Estimates of Public Entities Revenue and Expenditure (2020), the Eastern Cape Provincial Government has ten (10) public entities.

7.4 Sampling

Walliman (2011:95) indicates that there are largely two forms of sampling methods; namely probability and non-probability sampling. For the purpose of this study, non-probability sampling by means of convenience and snowball sampling was used. Non-probability sampling was convenient by means of the survey technique in order to gain access to the whole population; namely, the ECPEs. In this study, snowball sampling refers to the top office; for example, Chief Executive Officers' (CEOs) office of the organisation to identify the executive, senior and middle management or professionals in the sample in order to complete the survey.

The sample size is defined as a small or large sub-group of individuals or a representative of the target population (Wellman & Kruger, 2002:47). According to Huragu and Chuma (2019:47), a sample size of thirty (30) respondents is statistically significant or a representative of the whole population if the study is conducted in a structured or appropriate method. Therefore, the increased sample size representation can lead to the accuracy of the results. The total target sample size was one hundred (100) officials from ten (10) public entities. The research tool or questionnaire was scheduled to be distributed by electronic mail to ten (10) ECPEs. The email contacts of CEO Offices of the entities were obtained from the Eastern Cape Provincial Treasury (ECPT) contacts list. According to Gill & Johnson (2010:132), electronic email surveys offer cost savings and are much quicker to execute and non-responses are easy to identify, and the investigator is able to make a follow up. Of the ten (10) public entities, one withdrew from the study while one entity was used for pilot study. Effectively, eight (8) public entities participated in the study.

7.5 Pilot Study

A pilot study is a common practise to pre-test the questionnaire on a small number of participants before it is used in serious data collection (Walliman, 2011:98). Furthermore, a pilot study was undertaken to identify mistakes or errors in design and instrumentation as well as to provide representation for selection of a probably sample (Cooper & Schindler, 2014:85). The pilot study was conducted at one (1) entity to get feedback or optimise the research tool and ten (10) questionnaires were distributed. With regards to the pilot study outcome, there were no amendments on the measurement tool and it gave the assurance of readiness of the measuring instrument for distribution to participants. On the advice of Woyo and Slabbert (2021:4), the responses of the pilot study were not included in the sample size and in the final analysis of the study results.

7.6 Data Collection

The secondary data and literature review were sourced from publications, annual reports, audit reports, financial statements, journal articles, textbooks, media articles, acts or regulations and the Internet. Search engine such as Google Scholar, Emerald, AOSIS Publishing and UNISA Library: East London were utilised to access journals with topics related to factors that can influence corporate governance as well as corporate governance issues. These sources gave a background on corporate governance in ECPEs in respect of disclosure of financial or economic, social and environmental issues, Eastern Cape economic performance and theoretical reviews from research experts. For the primary data collection, the survey method was selected using the structured and self-administered survey questionnaire as a research tool. The questionnaire is a quick, cost effective or more efficient instrument for surveying a large sample of respondents in a short period; and it is easily analysed or generalised to a larger population (Nardi, 2018:73). It is possible though that the distribution of survey questionnaires can have a low response rate (Walliman, 2011:97). For this study, a total of one hundred (100) questionnaires' were distributed and responses rate was forty-four (44%) per cent.

7.7 Questionnaire Design

Cassim (2017:29) and Walliman (2011:73) specify that data can be measured and classified through nominal and ordinal, interval and ratio measures. The measuring instrument was developed based upon existing scales, literature and self-developed items. For this study, a five-point Likert-type scale was utilised, and the distributed questionnaire consists of three sections. Section A assessed the factors that could affect effective corporate governance in ECPEs, using a Five-Point Likert-type ordinal scale. Section B explored perceptions of ECPEs regarding aspects of corporate governance, using a Five-point Likert-type ordinal scale. Section C identified the demographic characteristics of the respondents, using a nominal scale.

7.8 Data Analysis

The raw data from survey questionnaires were checked or cleaned, coded and transferred to an MS Excel spreadsheet. The IBM SPSS Statistics version 27 was utilised to analyse the data for this study. Descriptive data was used in order to summarise the raw data in terms of mean scores and standard deviation. Advanced statistical analyses methods such as confirmatory factor analysis, reliability testing (Cronbach's alpha), regression and correlation analyses to test the hypotheses of the study were executed. The reason that confirmatory factor analysis was used as opposed to exploratory factor analysis was a result of a small sample size.

7.9 Validity and Reliability of the Measuring Instrument

Cassim (2017:75) states that there are two types of validity; namely internal and external validity. Furthermore, internal validity refers to the accuracy of the research project undertaken and the demonstration of a cause and effect relationship. According to Cassim (2017), external validity refers to the extent whereby the researcher can generalise the findings to other situations and it is limited to the case study. Face and content validity are assured by means of the expert judgement of researchers in the field of management, public administration and statistics. Questionnaire items were based on an extensive literature review. Reliability is determined by the extent to which items or questions measuring the same phenomenon or indicators produce the same outcomes irrespective of their number or how many questions occur in an instrument (Kumar, 2014:215 -216). Cronbach's alpha coefficient was used to assess the internal reliability of the study variables, where the cut-off point is 0.70 (Viviers, Krüger & Venter, 2012:124).

8. EMPIRICAL RESULTS

8.1 The Demographic Information of Respondents

The respondents' demographic outcomes are shown in Table 1.

As depicted in Table 1, respondents consisted of fifty-seven per cent (57%) males and forty-three per cent (43%) females. In terms of the education qualifications, forty-five per cent (45%) of respondents obtained postgraduate qualifications, twenty-five per cent (25%) had a bachelor's degree, eighteen per cent (18%) had a diploma or national certificate, and seven per cent (7%) had other qualifications, while five per cent (5%) had matric or a Grade 12 certificate. With regard to position held by respondents, sixty-four per cent (64%) cent were managers, twenty per cent (20%) were professionals who are specialists, seven per cent (7%) were CFOs, seven per cent (7%) were "other" in respect of administrative roles and two per cent (2%) were CEOs. The majority of the respondents (33%) were employed in their organisations for a period of between one to five years, while twenty-nine per cent (29%) were employed for six to ten years, twenty-four per cent (24%) for eleven to fifteen years, ten per cent (10%) for sixteen to twenty years and five per cent (5%) were employed for more than twenty-one years. Fifty-five per cent (55%) of the respondents were from a medium-sized organisation with a staff complement of between fifty-one to one hundred ninety-nine employees, whilst forty-five per cent (45%) were from a large organisation with a staff complement of more than two hundred employees. In addition, ninety-eight percent (98%) of the respondents were from the public sector while two per cent (2%) were from the private sector. With regard to the ECPEs' main activities, respondents indicated that their organisations were involved in economic infrastructure (45%), transport (18%), tourism (11%) and "other" activities such as business, economic development and regulatory oversight at, twenty-five per cent (25%).

Table 1. Demographic profile of respondents

Gender	Range	N	%
	Male	25	57%
	Female	19	43%
	Total	**44**	**100%**
Education Qualification	Matric /Grade 12	2	5%
	Diploma / National certificate	8	18%
	Bachelor's degree	11	25%
	Post graduate degree / diploma	20	45%
	Other	3	7%
	Total	**44**	**100%**
Position	CEO	1	2%
	CFO	3	7%
	Manager	28	64%
	Professional	9	20%
	Other	3	7%
	Total	**44**	**100%**
Employment period	[1 - 5]	15	33%
	[6 - 10]	12	29%
	[11 - 15]	10	24%
	[16 - 20]	5	10%
	[21 +]	2	5%
	Total	**44**	**100%**
Employment size	Medium 51-199	24	55%
	Large 200+	20	45%
	Total	**44**	**100%**
Sector	Public	43	98%
	Private	1	2%
	Total	**44**	**100%**
Main activity	Economic Infrastructure	20	45%
	Transport	8	18%
	Tourism	5	11%
	Other	11	25%
	Total	**44**	**100%**

Source: Own construction based on SPSS output

8.2 Reliability of the Measuring Instrument

Construct reliability was measured utilising Cronbach's alpha coefficient. In terms of the statistical analysis, all of the factors in this study had Cronbach's alpha scores above 0.7, and therefore, all factors can be deemed reasonably reliable as shown in the Table 2. This means that these values are indicative of internal reliability (Loury-Okoumba & Mafini, 2021:12).

Table 2. Cronbach's alpha values

Variable	Original value	Final value
Employee Morale (EM)	0.831	0.831
Role Clarification (RC)	0.794	0.794
Organisational Culture (OC)	0.843	0.843
Leadership (L)	0.849	0.849
Ethical Value (EV)	0.784	0.784
Policy Regulatory Framework (PRF)	0.801	0.801
Corporate Governance (CG)	0.901	0.901

Source: Adapted from SPSS output

8.3 Factor Analysis

Factor analysis refers to a technique where there is systematic interdependence or interrelations among a number of variables and explains these variables concerning their common dimension or factors (Cheng, 2012:104; Kothari & Garg, 2019:357). Construct validity was assessed utilising model fit through a combination of goodness-of-fit indices in the confirmatory factor analysis (CFA). CFA is a tool for assessing construct validity as it provides a test of how well the theory about the factor structure fits the actual observations (Zikmund, Babib, Carr, & Griffin, 2013:595; Brown, 2015:1). The model of fit is assessed through a combination of goodness-of-fit and acceptable fit indices. The goodness-of-fit indices cut-offs are shown in the Table 3 below.

Table 3. Goodness-of-fit indices cut-offs

Index	Cut-off for Good model fit	Cut-off for Adequate model fit
CMIN/df	< 3.00	< 5.00
GFI	> 0.95	> 0.90
SRMR	< 0.05	< 0.08
RMSEA	< 0.08	< 0.10
P-close	> 0.05	> 0.05
(X^2) p-value	> 0.05	> 0.05

Source: Brown (2015); Engelbrech & Hendrikz (2020); Kyriazos (2019); Pasquale, Sciacca & Hichy (2017); Petscher, Schatschneider & Compton (2013)

8.3.1 Confirmatory Factor Analysis (CFA) results

CFA was used to test model validity to ensure that all the parameter estimates are statistically significant (p-value <0.05). The motive for using CFA was because the sample size of this study was small. Therefore, CFA was performed as per individual factor, namely Employee Morale (EM), Role Clarification (RC), Organisational Culture (OC), Leadership (L), Ethical Values (EV), Policy Regulatory Framework (PRF) and Corporate Governance (CG). Table 3 shows the relevant goodness-of-fit indices for Employee Morale (EM), Role Clarification (RC), Organisational Culture (OC), Leadership (L), Ethical Values (EV), Policy

Regulatory Framework (PRF) and Corporate Governance (CG). There are two criteria to determine model fit or confirm the factor structure; namely, acceptable model fit and close to meeting values for acceptable fit. Acceptable model fit is indicated by a chi-square (X2 p-value) probability greater than or equal to > 0.05 (≥ 0.05) (Suhr, 2006:7; Kyriazos, 2019:788). Furthermore, the model fits the data well if CFI is greater than or equal to > 0.95 (≥ 0.95) and SRMR is smaller than or equal to < 0.08 (≤0.08) (Pasquale, Sciacca & Hichy, 2017:1517; Elbanna & Elsharnouby, 2017:1025). For the reporting of the chi-square (X2) test, RMSEA, CFI, and SRMR were recommended (Petscher, Schatschneider & Compton, 2013:198). According to Suhr (2006:7), statistically significant parameter estimates are required to be determined by dividing the parameter estimate by the standard error (t = β/S.E). The goodness-of-fit or adequate indices are illustrated in Table 4 below.

Table 4. CFA results per variable

Variable	P-Value	CMIN/DF	RMSEA	P-close	SRMR	CFI
Employee Morale (EM)	**0.048**	2.240	0.170	0.072	**0.0727**	0.919
Role Clarification (RC)	**0.291**	1.232	0.073	0.352	**0.0564**	**0.975**
Organisational Culture (OC)	0.016	3.063	0.219	0.025	**0.0712**	0.906
Ethical Value (EV)	**0.122**	1.737	0.131	0.165	**0.0682**	0.939
Policy Regulatory Framework (PRF)	**0.865**	0.376	0.000	0.89	**0.0312**	**1.000**
Corporate Governance (CG)	0.022	1.363	0.092	0.089	**0.0801**	0.908

*****Note: Chi-square (X2) P-value, CMIN/df – degrees of freedom, RMSE - root mean square error of approximation. P-close - p- value for test of close fit, SRMR – standardised root mean residual, CFI - comparative fit index
Source: Adapted from SPSS output

8.4 Descriptive Statistics

The descriptive statistics is depicted in Table 5 below.

Table 5. Descriptive statistics

Variable	Mean score	Standard deviation
Employee Morale (EM)	3.767	0.77422
Role Clarification (RC)	3.7682	0.73279
Organisational Culture (OC)	3.5102	0.73703
Leadership (L)	3.5898	0.78278
Ethical Value (EV)	3.9068	0.67286
Policy Regulatory Framework (PRF)	3.7648	0.74284
Corporate Governance (CG)	3.7512	0.67112

Source: Adapted from SPSS output

Ethical Values (EV) received the highest mean score of 3.907 while Organisational Culture (OC) received the lowest mean score of 3.510. This means that respondents somehow agreed that there are ethical values in their organisations. Most respondents somehow agreed that the organisational culture in their organisations is in place. It appears that the entire mean values cluster around point four (agree) when rounded off. It means that the majority of respondents tended to agree (point 4 on the scale) with the statements. In terms of the standard deviation, Leadership (L) displayed the highest score of 0.783 whilst Corporate Governance (CG) presented the lowest score of 0.671. Overall, it appears that there was not much deviation around the mean scores and relatively low standard deviation scores were obtained at nearly 0.73. Standard deviation scores of less than one (1.0) usually indicate not much variation around mean scores (Dreyer, Viviers & Mans-Kemp, 2021:6).

8.5 Correlation Analysis

Correlations between the constructs is presented in Table 6 below.

Table 6. Correlation matrix

Variable	**EM**	**RC**	**OC**	**L**	**EV**	**PRF**	**CG**
Employee Morale (EM)	1	0.811	0.677	0.746	0.725	0.622	0.677
Role Clarification (RC)		1	0.676	0.645	0.684	0.704	0.658
Organisational Culture (OC)			1	0.739	0.589	0.523	0.697
Leadership (L)				1	0.756	0.596	0.684
Ethical Value (EV)					1	0.737	0.804
Policy Regulatory Framework (PRF)						1	0.762
Corporate Governance (CG)							1

**Coefficient interpretation: |r| < 0.3 Small; 0.3 < |r| < 0.5 Medium; |r| > 0.5 Large*
*** Correlation was significant at the 0.01 level (2- tailed).*
Source: Adapted from SPSS output

Table 6 above depicts a moderate to very strong positive relationship between variables. There were significantly large positive associations between the seven variables. Therefore, it was necessary to perform regression analysis to assess predictions or responsiveness between the variables (Loury-Okoumba & Mafini, 2021:12).

8.6 Regression Analysis

Multi-regression analysis is illustrated in Table 7.

Table 7. Multi regression analysis

Parameter	B	Std. Error	Beta	t	P-values
Employee Morale (EM)	**0.062**	0.136	**0.072**	**0.456**	0.651
Role Clarification (RC)	-0.127	0.142	-0.139	-0.895	0.376
Organisational Culture (OC)	**0.337**	0.116	**0.37**	**2.92**	**0.006*** **
Leadership (L)	-0.086	0.129	-0.1	-0.665	0.51
Ethical Value (EV)	**0.441**	0.147	**0.442**	**3.002**	**0.005*** **
Policy Regulatory Framework (PRF)	**0.321**	0.115	**0.355**	**2.797**	**0.008*** **

*R = 0.879; R2 = 0.774; F = 21.061 Significance level at * = p < 0.05; ** = p < 0.01; *** = p < 0.001*
Source: Adapted from SPSS output

A multiple regression analysis was performed to determine whether factors, namely Employee Morale (EM), Role Clarification (RC), Organisational Culture (OC), Leadership (L), Ethical Value (EV), and Policy Regulatory Framework (PRF) could be used as significant predictors of Corporate Governance (CG). It was seen that the model was statistically significant (F = 21.061, df = 6, Sig = 0.000, R^2=0.774). It was found that Organisational Culture (OC) (B = 0.337, t = 2.92, sig = 0.006), Ethical Value (EV) (B = 0.441, t = 3.002, sig = 0.005) and Policy Regulatory Framework (PRF) (B = 0.321, t = 2.797, sig = 0.008) were statistically significant predictors of Corporate Governance. Furthermore, the t-values exceeded the critical value of 2.024, while p-values are less than (< 0.05) or 95 per cent level of statistical significance. This means that the Ethical Value (EV), Organisational Culture (OC) and Policy Regulatory Framework (PRF) influence Corporate Governance (CG). For all other explanatory variables such as Employee Morale (EM), Leadership (L) and Role Clarification (RC), p-values were higher than > 0.05; and the results confirmed these variables did not influence Corporate Governance (CG).

9. MODIFIED HYPOTHETICAL MODEL OF THE STUDY

This study was assessing factors impacting effective corporate governance of ECPEs. With regard to the hypotheses of the study, relationships between Corporate Governance (CG) and various factors envisaged to have an impact on effective corporate governance, were investigated. The empirical findings reveal that: Ethical Values (EV), Organisational Culture (OC) and Policy Regulatory Framework (PRF) significantly influenced (< 0.5) Corporate Governance (CG). This means that the null hypotheses for these variables were rejected and the alternative hypotheses were accepted, as shown Table 8.

Table 8. Modified Hypothesis

Null Hypothesis	**Reject or Accept**
$H0_1$: Employee morale does not impact on corporate governance perceptions of ECPE's	Not significant (NS); null hypothesis was accepted.
$H0_2$: Role clarification does not impact on corporate governance perceptions of ECPE's.	Not significant (NS); null hypothesis was accepted.
H03: Organisational culture does not impact on corporate governance perceptions of ECPE's	**Significant (S), null hypothesis was rejected, and alternative hypothesis was accepted.**
H04: Leadership does not impact on corporate governance perceptions of ECPE's.	Not significant (NS); null hypothesis was accepted.

Table 8. Modified Hypothesis (continue)

Null Hypothesis	**Reject or Accept**
$H0_5$: *Ethical values* do not impact on corporate governance perceptions of ECPE's.	Significant (S), null hypothesis was rejected, and alternative hypothesis was accepted.
$H0_6$: *Policy regulatory framework* do not impact on corporate governance perceptions of ECPE's.	Significant (S), null hypothesis was rejected, and alternative hypothesis was accepted.

Source: Own construction based on the study findings

10. DISCUSSION OF THE STUDY FINDINGS

Based on the modified model, Organisational Culture (OC), Ethical Values (EV), and Policy Regulatory Framework (PRF) factors significantly depicted a noteworthy influence on Corporate Governance (CG). The outcomes were in line with findings by Sari, Lubis, Maksum and Lumbanraja (2018:685) that postulated that Organisational Culture (OC) has a significant positive effect on corporate governance in state-owned companies in Indonesia. In addition, Fotak, Lioukas and Voudouris (2020:19) supported the results by empirical evidence that strong ethical values are the key elements for effective corporate governance. On the other hand, Abu-Shanab and Shehabat (2018:302) found that the policies and regulations have the highest influence in the information technology (IT) governance. Moreover, Nery da Cunha, Marcon, Caetano da Silva and Gambirage (2021:59)'s paper supports architects of regulatory bodies to ensure that managers are making decisions based on or from the effective corporate governance of state-owned entities.

Employee Morale (EM), Role Clarification (RC) and Leadership (L) did not influence corporate governance, in other words, there was no effect between these variables and CG. In support of these findings, Ritz, Giauque, Varone & Anderfuhren-Biget (2014: 128) found that there is no direct relationship between leadership and employee behaviour in respect of the application of public service values, which relates to stakeholder management (citizens, businesses or non-profit organisations) and corporate social responsibility (social and environment aspects). However, Egbunike and Odum (2018:96) found that leadership, in respect of the board of directors, is considered as the main pillar in the internal corporate governance structure. In contrast, other authors revealed the following findings:

- Dangmei & Singh (2017:205) confirmed that organisations with high employee morale, benefit in terms of the high productivity or efficiency, invention, safe work environment, punctuality and product quality as the components of corporate social responsibility (CSR), citizenship and sustainability.
- According to Abbott (2003:333), employee morale has a positive relationship with profit maximisations whereby employees work hard to serve or keep customers loyal, and thus, lead to sustainability of the firm.
- Park and Choi (2020:14) found that there is positive relationship between clear understanding of the performance goals in respect of role clarification and individual performance, and thus may be enhanced by higher levels of independency, that allow employee to take control of work performance.

The majority of respondents were of the opinion that they were not provided with opportunities at work to grow and learn in accordance with performance management system of the ECPEs; and that management was not involving lower level employees on corporate governance practices in terms of encouraging the employees to explain and justify their activities to relevant stakeholders.

11. CONCLUSION

The results confirmed that organisational culture, ethical values and policy regulatory framework were central to encouraging effective corporate governance of the ECPEs, as explained below.

- With regard to organisational culture, the empirical results reveal that organisational culture could impact the public entities' sustainability objectives, and in turn, can lead to effective corporate governance. The impact of organisational culture on corporate governance was in accordance with legitimacy theory, in respect of promoting legitimacy in the community, where the public entity or firm operates (Mahrani & Soewarno, 2018:43).
- For ethical values, ethical leadership can reduce corporate governance failures and climate change challenges that put immense pressure on public entities or firms to become better corporate citizens and preserve the environment the entities are operating in. The results bolster the emphasis of the establishment of the ethics committees to monitor public entities' ethics or codes of best practise, responsible corporate citizenship,

stakeholder relationships and sustainable development, as well as codes of ethics training for employees (Fourie, 2012:99; Mpinganjira, Roberts-Lombard, Wood and Svensson, 2016:340). Furthermore, the influence of ethical values on corporate governance was in line with stakeholder theory in respect of encouraging legality in the community where the public entity or firm operates, and thus, contribute to revenue generation for the firm in the near future (Mahrani & Soewarno, 2018:43).

- In terms of policy regulatory framework, legislation encourages a culture of compliance and legitimates the direction of the investors as well as importance of the stakeholder relations in order to protect the firm's performance or support sustainable development. In addition, the impact of a policy regulatory framework on effective corporate governance was aligned with the agency theory in respect of minimising the agency costs or conflicts between managers and the shareholders; where, executives are not acting in the best interests of the shareholders or citizens in case of public entities (Bokpin, 2011).

In light of the above, the findings with regard to factors such as employee morale, role clarification, organisational culture, leadership, ethical values and policy regulatory framework were in accordance with the main objective of this study: "*To explore perceptions of possible antecedents of effective corporate governance within ECPEs*".

12. RECOMMENDATIONS

Employee morale, role clarification and leadership are effective factors for the day-to-day operations of public entities in achieving what is expected, in terms of work performance objectives or productivity in accordance with the norms and standards, while not forgetting the well-being of the employees in the organisation. Furthermore, organisational culture, ethical values and policy regulatory framework are critical factors in ensuring effective governance of public entities in order to encourage accountability, public confidence or trust in the corporate system, drive public policy with the aim of achieving economic developmental objectives that contribute to economic growth, which in turn, would improve living standard of the country's citizens. Based on the empirical results and conclusion, the study's recommendations are detailed below:

Table 9. Recommendations based on significant variables

Organisation culture
Management of ECPEs should: Ensure that there are shared values that assist employees to understand the organisation's operations. Ensure that clear norms or standards are set for employees' behaviour towards each other. Ensure that there is strong emphasis on employees and a concern for their well-being. Promote innovation or bringing new ideas to improve work performance.

Organisation culture
Ensure that there is knowledge sharing about work-related activities amongst the employees.
Ethical values
Management of ECPEs should: Ensure that there is compliance with a written ethics code of conduct. Ensure that there are values guiding explain what is right or wrong. Ensure that there is transparency of information, which allows members to be held accountable for actions taken. Ensure that unethical behaviour is quickly disciplined at all levels. Ensure that there is a recognition that integrity and honesty are important to all stakeholders.

Table 9. Recommendations based on significant variables (continue)

Policy regulatory framework
Management of ECPEs should: Ensure that compliance policies and procedures are developed by management and approved by the Board. Ensure that there is understanding of dispute resolution mechanisms available for protection and enforcement of the rights of all stakeholders. Ensure that integrated sustainability reporting and disclosure are independently verified. Ensure that policies are flexible enough to permit reform in response to technological change and socio-economic needs. Ensure that an information technology governance framework is developed and implemented throughout the organisation.

13. LIMITATIONS OF THE STUDY

The study was limited to eight ECPEs in the Eastern Cape Province, South Africa. It recorded a small sample size of forty-four (44) due to the outbreak of the COVID-19 pandemic, which restricted the physical access to public entities in compliance with health and safety protocols and ECPEs' officials were working from home. Furthermore, the closed-ended questionnaire as administered could have limited the views and opinions of the respondents. Participation in this study was voluntary and the employees may have been reluctant to respond to corporate governance issues more readily than others, thus resulting in possible sample bias.

14. CONTRIBUTION OF THE STUDY

The findings of this study have contributed to the body of knowledge regarding public entities' literature in South Africa by focusing on possible factors impacting effective corporate governance. The public sector can utilise the findings of this study to scrutinise and successfully utilise measures or strategies to ensure effective corporate governance in South African public entities. Factors impacting effective corporate governance for Eastern Cape Public Entities are not well documented and represent a significant gap in literature. Findings of this study could contribute towards closing this gap. This study could create an awareness of the importance of encouraging effective corporate governance of public entities in South Africa. It is envisaged that the results and recommendations of this study could be used to implement effective corporate governance of public entities. The results of this study could also be replicated by other public-sector industries to ensure effective corporate governance. The findings of this study can also assist government in policy formulation with regard to the implementation of effective corporate governance programmes. The study used a sound and well-developed research design and methodology; which have been justified or applied. This can be utilised by other similar studies to conduct empirical research in the field of public corporate governance. This study provided useful and practical guidelines to public entities to ensure effective corporate governance.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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