BANKSETA
PROGRAMMES

BANKSETA PROGRAMMES	SAQA ID	NQF LEVEL	CREDITS	CONTACT	ONLINE
National Certificate: Micro Finance	23453	NQF L3	121	✔	✔
Further Education & Training Certificate: Micro Finance	23433	NQF L4	144	✔	✔
Further Education & Training Certificate: Banking	20185	NQF L4	120	✔	✔
National Certificate: Banking	20186	NQF L5	120	✔	✔
Sales and Customer Relations Learnership	20186	NQF L5	128	✔	✔
Core Banking and Financial Services Learnership	20186	NQF L5	122	✔	✔
Credit and Risk Assessment Learnership	20186	NQF L5	131	✔	✔
Retail Banking Sales and Marketing Management Learnership	20186	NQF L5	132	✔	✔
National Certificate: Banking Services Advice	48533	NQF L5	120	✔	✔
National Certificate: Generic Management	59201	NQF L5	136	✔	✔
LP 96099: Customer Management: Banking	59201	NQF L5	136	✔	✔
LP 96100: General Management: Banking	59201	NQF L5	136	✔	✔
LP 96101: Skills Development Management: Banking	59201	NQF L5	136	✔	✔
LP 96102: Strategic Management: Banking	59201	NQF L5	136	✔	✔
National Certificate: Financial Markets and Instruments	50481	NQF L6	121	✔	✔

INSETA
PROGRAMMES

INSETA PROGRAMMES	SAQA ID	NQF LEVEL	CREDITS	CONTACT	ONLINE
Further Education and Training Certificate: Long Term Insurance	49649	NQF L4	140	✔	✔
Further Education and Training Certificate: Retail Insurance	49835	NQF L4	140	✔	✔
Further Education and Training Certificate: Short Term Insurance	49929	NQF L4	150	✔	✔
Further Education and Training Certificate: Wealth Management	57917	NQF L4	150	✔	✔
National Certificate: Wealth Management	57608	NQF L5	120	✔	✔

QCTO
PROGRAMMES

QCTO PROGRAMMES	SAQA ID	NQF LEVEL	CREDITS	CONTACT	ONLINE
Occupational Certificate: Insurance Claims Administrator (Insurance Claims Assessor)	99668	NQF L4	131	✔	✔
Occupational Certificate: Insurance Agent (Insurance Underwriter)	91784	NQF L5	156	✔	✔
Occupational Certificate: Compliance Officer	91671	NQF L6	240	✔	✔
Occupational Certificate: Organisational Risk Practitioner	94222	NQF L6	125	✔	✔
Occupational Certificate: Bank Teller	101673	NQF L4	49	✔	✔
Occupational Certificate: Financial Advisor	105026	NQF L6	515	✔	✔

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Editor's Note

Following the successful launch of the inaugural volume and issue of the *Journal of Banking, Insurance and Management Studies* (JBIMS), I am delighted to announce the release of the third issue of this bi-annual publication. FHE is the higher education arm of Felix Risk Training Consultants (FRTC) which will be offering business and management higher education programmes at all levels. FRTC has been in further education and training for the past 10 years and has focussed primarily on the finance and insurance sector. JBIMS provides an exciting opportunity to consider the truly inter – and transdisciplinary nature of business at a time of great change across the wider business landscape.

The objective of JBIMS is to publish up-to-date, high-quality, and original research papers alongside relevant and insightful reviews. As such, the journal aspires to be vibrant, engaging, and accessible, and at the same time integrative and challenging. Research Papers, which will be more traditional in form and demonstrate a sound theoretical and/ or methodological underpinning and a clear contribution to knowledge in the field will primarily be considered for publication. However, Special Issues of the journal may also be published which will provide a short, contemporary, and provocative "opinion piece" on an issue, or synthesis of issues, pertinent to the banking, insurance, and management sectors in general. Critical Reviews may also be published which will provide a critical and concise yet comprehensive and contemporary review of a theme specific to the banking, insurance, and management sectors. Practitioner papers are also welcome. All types of papers, however, will be subject to the journal's double-blind review process.

Any papers that you wish to submit, either individually or collaboratively, are much appreciated and will make a substantial contribution to the early development and success of this journal. Best wishes and thank you in advance for your contribution to the Journal of Banking, Insurance and Management Studies. We hope you enjoy reading the articles published in our second Volume and we look forward to receiving your papers for the third Issue to be published in June 2021.

Prof Krishna Govender
Chief Editor

Green marketing in the construction industry in Zimbabwe: employees' perspectives

George Hove
Management College of Southern Africa, Durban, South Africa

Abstract: The purpose of this paper is to examine employee awareness of green marketing, the initiatives taken by contractors and the challenges encountered in implementing green marketing in the construction industry in Zimbabwe. While there is a large body of literature on green marketing, the extent to which the concept has been embraced in the construction industry in Zimbabwe is somewhat missing. This paper reports on a quantitative study using an explanatory research design, conducted among a sample of 182 executives from a population of construction companies registered with the Construction Industry Federation of Zimbabwe. The data analysed using STATA version 12 revealed a positive awareness of green marketing among most employees, and a positive perception of the practices by the construction employees. However, there are challenges in the implementation of green marketing, including lack of green standards.

Key words: Construction industry, environment, green marketing, organisational performance

Introduction

In recent years, environmental issues have become high on the global agenda, as organisations embrace environmental protection as part of their competitive strategies (Dean & Pacheco 2014). As governments and international institutions are changing and adopting legislation and policies that address environmental awareness, both customers and business organisations are looking at performance from a different perspective, changing their behaviour in favour of protection (Sandu 2014; Ahmad 2014). Marketers are under scrutiny regarding the effects of their products on the environment and this has led organisations to integrate green practices into their systems as an assurance to customers that an appropriate environmental system is in place. This has also caused most companies to include environmental issues on their corporate websites (Trireksani & Djajadikerta 2014:19). It is now common practice for customers, governments, communities, and public interest groups, to ask for (International Sandards Organization) ISO 14001certification to ensure that the environmental responsibilities are being managed in an organised and serious way.

With increasing awareness of environmental problems, it is a global challenge to reduce the negative impact on the environment (Du, Wang, Brombal, Moriggi, Sharpley & Pang 2018:2, Sandu 2014:555). Environmental discussions and debates on global warming, greenhouse gases, depletion of natural resources, the hole in the ozone layer, environmental pollution control and deforestation are still high on the agendas of many countries, evidence that practice of environmental marketing is expanding, and business firms are embracing new strategies (Dean & Pacheco 2014:15).

While a substantial body of literature exists on green marketing in other parts of the world (Dean & Pacheco 2014:14; Zhu & Sarkis 2016:293; Arseculeratne & Yazdanifard 2014:130), academic studies on the awareness of green marketing practices in Zimbabwe have generally been limited (Mbasera, Du Plessis, Saayman & Kruger 2016:2). Furthermoe, there are a few studies (if any) that have investigated green marketing concerns within the construction industry in that country. Furthermore, most of the studies on green marketing focus primarily on customer perceptions. Yet the emergence of green marketing has increased environmental awareness among environmental groups, employees, policymakers, and, most of all, the customers (Thakur 2016:77). In fact, the perspective of construction employees regarding green marketing practices has not been explored, even though the success of implementing green marketing is largely achieved by employees. The construction industry is labour intensive by nature which implies that contractors rely heavily on manpower to exercise green practices.

Moreover, a review of the literature has also shown the omission of socio-demographic factors in green marketing studies in the Zimbabwean context. The role of socio-demographic factors on environmental issues is vital and well documented (Ibok & George 2014:47). Socio-demographic factors form a subset of ethical behaviour that organisational employees demonstrate and understanding the implications is important. An attempt to identify and examine the socio-demographic characteristics of employees in an organisation would show whether employees are environmentally conscious and would be able to draw some organisational environmental implications in the policy-making process.

Socio-demographic characteristics have gained a lot of attention as the key profiling variables (Hartono 2008:55). In this article, the socio-demographics used to profile the employees were gender, age,

education, job experience and company size. These factors were important to determine the employees' environmental consciousness. According to several researchers (Patel, Modi & Paul 2017; Ibok & George 2014), males displayed higher environmental concerns than their female counterparts. This view is also supported by Grunert and Kristensen (1994) who argued that males generally spend their time outside their homes and thus have more opportunities to become aware of environmental problems, which could lead to more knowledge than females. However, there are contradictions that appear in some studies. For, example, a study by Lee (2009) analysed the gender differences of adolescents in Hong Kong and concluded that female adolescents are more concerned with issues related to the environment, than male adolescents. This view is in line with Mostafa (2007) who argued that women are more aware and concerned with environmental issues than men. Therefore, socio-demographic factors provide appropriate guides as to who is more environmentally conscious in terms of gender, age, job experience and education.

Even though the government and organisations are becoming more conscious of the need for environment-friendly practices (van Der Merwe 2007), the question that has remained unanswered in the Zimbabwean context is, 'To what extent has green marketing been embraced in the construction industry in Zimbabwe?'

It is against the above background that this paper reports on a study undertaken to examine employee's perception of green marketing in the Zimbabwean construction industry. This article examines the extent to which green marketing has been embraced in the construction industry in Zimbabwe, employees' awareness of green marketing; perception of green marketing practices of contractors, and perception of the challenges faced by contractors in implementing green marketing.

Literature review
Green marketing has evolved (Sivesan, Achchuthan & Umanakenan 2013:52) and in recent years, it has been adopted as a tool by most competitive and successful organisations, since marketers realised that customers have become a force to be reckoned with, in accelerating awareness of corporate environmentalism (Coetzee & Bean 2016; Rajeev 2016; Rosenbaum & Wong 2015). This is evidenced by the many studies undertaken on the concept assessing the awareness, attitudes and behaviour of businesses and customers (Ravi & Beloor 2016; Poorova, Mandicak & Hruby 2015; Yunus & Rahman 2014; Tiwari 2014; Peattie & Crane 2005; Jain & Kaur 2004).

The concept of green marketing
The conceptualisation of green marketing can be traced back to 1975 when the American Marketing Association (AMA) introduced it in a workshop on "Ecological Marketing" (Zhu & Sarkis 2016:290; do Paco & Raposo 2009:365), and it later came into prominence in the late 1990s and early 2000s (Deshpande 2011). However, despite there being numerous studies, there is no consensus as to what constitutes green marketing. According to Polonsky (1994:2), it consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these occur with a minimal detrimental impact on the natural environment. Bukhari (2011:375) defined the concept as 'representing the selling of environmentally friendly products that promote good health and do not cause environmental degradation.' Deshpande (2011) argued that green marketing consists of developing and promoting products and services that satisfy customers' wants and needs for quality, performance, affordable price and convenience without having a detrimental impact on the environment. According to the AMA, it is the marketing of products that is presumed to be environmentally safe, thus incorporating a broad range of activities, including product modification, changes to the production process, packaging changes, and modifying advertising.

Based on a review of the literature, the working definition of green marketing adopted for this study is that provided by the AMA, since it has common features including environmental sustainability, production of environmentally safe products and customer satisfaction.

Benefits of green marketing
While the need for green marketing has been attributed to the deterioration of the environment (Saxena & Khandelwal 2010:278), there is common understanding in the literature that from a strategic standpoint it has a crucial competitive advantage and is considered a point of differentiation and positioning of the offer (Dean & Pacheco 2014:14; Zhu & Sarkis 2016:293; Moravcikova, Krizanova, Kliestikova & Rypakova 2017:2; Arseculeratne & Yazdanifard 2014:130). Competitive advantage refers to a firm's

ability to earn consistent profits over rival firms in the industry by delivering a service which cannot be matched easily and in recent years firms have recognised the value of green marketing in strategic formulation as a step towards catering for customer needs and as a way of identifying themselves with customers. Leonidou, Leonidou and Hultman (2011:25) argued that, when practised well, green marketing leads to competitive advantage and can be a central part of a company's brand and value proposition. This is in line with Chaudhary, Tripathi and Monga's (2011:9) view that firms which develop new and improved products and services with environment inputs in mind give themselves access to new markets and increase their profit sustainability. Nadaf and Nadaf (2014:95) added that firms which practive green marketing enjoy a competitive advantage over those which are not concerned about the environment.

A review of literature (Turner & Polonsky 2016; Rajeev 2016; Eneizan, Zainon & Obaid 2016; Rosenbaum & Wong 2015; Thulasimani 2012; Ahmad 2014) indicated some of the benefits of green marketing, as improved environmental performance, prevention of pollution, new customers and markets, enhanced image with the public, increased efficiency, and reduced costs. There may also be enhanced employee morale as most feel proud and responsible to be working for an environmentally responsible company. There is also resource conservation as regulators, lenders and investors, i.e., stakeholders, enjoy enhanced compliance, employee awareness of environmental issues and responsibilities, reduced liabilities, competitive advantages and fewer accidents.

However, some organisations view green marketing as an additional cost that reduces profit (Wymer & Polonsky 2015: 243). These authors argue that increasing renewable inputs increases costs more than any additional revenue that may result, namely, marginal costs exceeding marginal revenue.

Green marketing practices
Companies worldwide have started making use of green marketing strategies and techniques in their marketing practices. For example, an empirical study conducted in India by Laheri, Dangi and Vohra (2014:147), showed that pressure from government and environmental lobbies caused firms to go green in order to combat pollution and preserve natural resources. Green marketing has become an important ingredient of most companies (Arseculeratne & Yazdanifard 2014:130), and as Czinkota and Ronkainen (1992:39) proposed, corporations need to find solutions to environmental challenges through marketing strategies, products, and services. In order to remain competitive, they are making numerous attempts to keep up with the environmental movement (Chen & Chai 2010:28). Some of the practices include new technologies for handling waste and air pollution, product standardisation to ensure environmentally safe products, providing natural products and those oriented towards resource conservation and greater occupant health (Czinkota & Ronkainen 1992:39). These practices assure that the company plays a legitimate role in providing for the needs of the society, as well as the opportunity to achieve industry pre-eminence (Lekhanya 2014:625).

Other green marketing practices noted in the literature include the packaging and labelling of products (Rahman, Barua, Hoque & Zahir 2017:9); however, some organisations are putting effort into green activities beyond packaging and labelling. In a study by Singh (2013:49), a broad range of activities that should be incorporated under green marketing was identified, including product and advertising modification, changes to the production processes and packaging. The practices by firms intend to show a commitment to environmental conservation.

Customer retention
The emergence of green concepts created an opportunity for entrepreneurial growth. Firms have noticed that customers are becoming more concerned about their everyday habits and impact on the environment (Rahman, Barua, Hoque & Zahir 2017:9), resulting in most profit-driven businesses branding products in line with it to capture market opportunities associated with the green concept. For example, Cherian and Jacob (2012:118) reported that businesses such as Wal-Mart promote the concept of organic foods as a way of improving the environment by promoting 'green' products and issues as well as meeting customers environmental demands. According to Kaur (2015:66), 87% of people from various nations, such as Brazil, Canada, China, France, Germany, India, the UK and the USA, have shown an interest in reducing their impact on the environment, achieved through taking action against environmentally friendly products. However, Kaur (2015:66) argues that showing interest and taking action on the interest are two different activities.

In other empirical studies, Cherian and Jacob (2012:117) reported that companies have seen this change in customer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. In support of the above views, Rahman, Barua, Hoque and Zahir (2017:10) highlighted that marketers focus on environmental awareness in organisations and develop strategic green marketing activities, promoting them in order to gain a new footing. The authors stressed that this would draw customers to adopt a new perception towards the product, thus, green marketing plays an important role in attracting and retaining customers (Azad, Nobahari, Bagheri, Esmaeeli & Rikhtegar 2013:1369).

Challenges of green marketing
In the light of growing global concern, green marketing has gained much support from many countries; however, despite this, many are still encountering challenges in implementing the concept (Ahmad 2014:3). Green marketing requires renewable and recyclable materials, advanced technology, especially for water treatment, but the majority of people and organisations are not aware of the concept, hence there is a need to create awareness of green products and their uses. According to Windapo (2015:6098), green buildings are a result of using green products. However, it is a challenge for many organisations to implement the concept because it is too costly and requires large investments in research and development (Thulasimani 2012:450). For example, in South Africa, Woolworths invested approximately R10 million in sustainable initiatives for its distribution centre in Midrand (van der Merwe 2007). Some small 'cowboy' companies may not afford to raise the capital and regard the concept as costly (Cekanavicius, Bazyte, Dicmonaite 2014:85). Another challenge encountered is the lack of standards or public consensus about what constitutes green marketing (Govender & Govender 2016:77). This lack of consensus has slowed the growth of green marketing because organisations are often reluctant to promote their green attributes, while customers are often sceptical about the claims (Seyrek & Gul 2017:309). For example, in South Africa the standards and benchmarks to assist with green issues seem to be lacking and this could be helped by the establishment of a green rating system (van der Merwe 2007), the benefit of which is that various measures would be taken to achieve set targets for the different measures and awards points for their achievement.

Implementing green marketing is a labour-intensive process, which does not always result in financial gain. There are internal and external costs that inhibit implementation in many organisations and these costs include outside staff training, consultant fees, in-house training and specialised training costs, certification costs, internal manpower costs and investment costs for improving environmental performance, depending on the objectives set out in an environmental management programme.

In light of the literature review, in order to explore the concept more specifically with respect to employees in the Zimbabwean construction industry, it is hypothesized that:
H_1 There is a relationship between green marketing practices and customer retention.
H_2 There is a relationship between the socio-demographic characteristics of employees and their environmental consciousness.

Research methodology
The study was quantitative in nature and an explanatory research design was used because little information exists about green marketing in the Zimbabwean context. The population of the study was limited to building and civil engineering employees of construction companies registered with the Construction Industry Federation of Zimbabwe (CIFOZ). According to the CIFOZ 2018 register, there were 250 members in the above two categories. A simple random sample was used to select a small group of construction companies to participate in the study. Using the sampling calculator based on a 5% significance level, the sample size required was 152 or more construction companies.

It was anticipated that 20% would not respond to the questionnaires, hence an adjustment for attrition and non-participation resulted in a targeted sample size of 182 construction companies' employees who were foremen of the respective construction companies.

Data collection
A questionnaire with 27 items was developed by researcher based on a literature review (Coetzee & Bean 2016; Thakur & Gupta 2012; Lekhanya 2014; Thulasimani 2012; Dean & Pacheco 2014:14; Zhu & Sarkis 2016; Arseculeratne & Yazdanifard 2014). All of the variables were measured using a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5).   The scale allowed the

respondents to express their degree of agreement that varied in terms of relative intensity. The questionnaire had five sections, Section A with five items about biographical information of the respondents. This data was collected in order to get a better perspective on the type of respondents. Section B had five items which assessed the awareness of respondents about green marketing, section C had seven items which tested green marketing practices, section D had six items which examined employees' perception of how the customers perceive the organisations, while section E which had six items that tested the challenges encountered by companies when implementing green marketing. The validity and reliability of the instrument were tested, and the results showed that the variables in the instrument were relevant for the study.

Data analysis
The first segment of data analysis included creating variables awareness, practices, and employees' perception of how they think customers feel and challenges. This method of analysis provided an overall response for each section as either agree (coded 1), disagree (coded 0) and neutral (coded 2). These coded responses were then exported to STATA version 12 for analysing.

Test of normality and test of difference
To analyse the descriptive statistics, the test of normality was conducted using used the Shapiro Wilk test and distributions of histograms. Statistical tests on normality and deviation were conducted on demographic factors and the different assessment outcomes. Two groups of statistical tests of difference, namely, parametric and nonparametric were used for bivariate analysis. Parametric tests were used for normally distributed data, namely the t-Test for comparing means between two independent groups and one-way ANOVA to compare means for more than two independent groups, assuming normality (Saunders, Thornhill & Lewis 2009). The p-value shows the significance level and if its $p<0.05$, the null hypothesis is rejected and if it is $p>0.05$, the null hypothesis is accepted.

The independent t-test compares the means between two groups using the spread of scores as the measure. If there is a low likelihood of difference between the two groups, it is represented using a large t statistic, where the $p < 0.05$ is statistically significant (Saunders *et al*. 2009). In a one-way analysis of variance (ANOVA) test, the variance is analysed using ANOVA both within and between the groups by comparing the means. The F-ratio, as a result, would represent the differences, and when there is a low likelihood of difference between groups, F statistic is large with $p<0.05$ showing statistical significance (Saunders *et al*. 2009). For data that were not normally distributed, non-parametric tests were used. For the difference between two independent groups, a Mann-Whitney U test (Wilcoxon rank-sum test) was used, a non-parametric equivalent of the parametric independent t-test. Similarly, a Kruskal-Wallis H-test was performed for more than two independent groups.

Regression analysis
Regression analysis consists of measuring the coefficient of determination as well as the regression equation using independent variables. The values of the dependent variable can be predicted using values of independent variables, resulting in a regression equation. For this study, linear regression analysis was conducted with awareness, practices, employees' perception of how customers feel and challenges as the dependent variables, and socio-demographic factors as the independent variables, to come up with four regression equations. The coefficient of determination (R^2) is the amount of variation in the dependent variable, which is explained by the independent variables, based on the equation and the adjusted R^2 takes account of the number of independent variables from the equation.

Findings
Explanatory results
A reflected in Table 1, the majority of participants were male (79%) and (55%) aged between 30 and 49 years. Most (51%) of the employees in the construction industry had at least 10 years' job experience and 75% had attained a university degree. Most companies involved in the study (48%) had employed less than 10 staff, while only 7% of the companies had more than 50 employees.

Table 1: Demographic Characteristics of Respondents

Characteristics	N=135 n (%)
Gender	
Male	107(79.3)
Female	28(20.4)
Age in years	
<30	20(14.8)
30 – 49	74(54.8)
>50	41(30.4)
Job experience in years	
<5	46(34.1)
5 – 10	69(51.1)
11 – 20	13(9.6)
>20	7(5.2)
Formal Education	
Diploma level	34(25.2)
Degree level	101(74.80)
Company Size	
<10	65(48.2)
11 – 20	35(25.9)
21 – 50	25(18.5)
>50	10(7.4)

Source: Researcher's compilation from survey results

Employees' assessment of green marketing awareness

Table 2 (below) shows the overall awareness of the participants (employees) of the green marketing concept. Employees 'agreed' to being aware of the benefits of green marketing. However, most were unaware of the benefits of having green accreditation as they mostly disagreed to this statement. Generally, most employees were aware that large businesses and government, preferred businesses that practised green marketing since most agreed as reflected by the mean of 2.91. Overall, the employees were aware of green marketing practices, since the mean score was 0.87.

Table 2: Green marketing awareness

Awareness	Mean	SD	Outcome
B6. Aware of the green marketing concept.	2.71	1.09	Agree
B7. Every member of staff knows what is expected of them - and why.	2.91	1.18	Agree
B8. Aware of the benefits of green marketing	2.81	1.14	Agree
B9. Aware of the benefits of holding a green accreditation	3.39	0.954	Disagree
B10. Aware that large businesses and government departments prefer businesses that practice green marketing	2.91	1.06	Agree
BA - Overall Response	2.95	1.08	Agree

Source: Calculated from the survey results

It is evident from Table 3, that most employees generally 'agreed' that the construction companies used environmentally friendly material in all their construction sites and all construction material was checked for 'green' conformance. There was also a general agreement that lights and computers at construction sites were shut off when not in use, and most of the companies had switched to renewable energy sources such as solar power. However, most construction companies had no policies or procedures in

place to help manage waste more efficiently on construction sites as most employees 'disagreed" with this statement, as reflected in the mean of 3.07.

Table 3: Assessment of green marketing practices

Green marketing practices	Mean	SD	Outcome
C11. The company uses environmentally friendly material in all its construction activities.	2.59	1.11	Agree
C12.All construction material checked (supplier labels and packaging) for 'green' conformance.	2.70	1.16	Agree
C13. Have policies and procedures in place that help us to manage waste more efficiently on construction sites	3.07	1.09	Disagree
C14. The company donates money to causes that benefit the environment.	3.41	1.02	Disagree
C15. Management takes a lead in the management of environmental issues.	3.38	0.953	Disagree
C16. At all our construction sites, we shut off lights and computers when they are not in use	2.49	0.969	Agree
C17. All our construction sites have switched to renewable energy sources such as solar power,	2.56	0.997	Agree
CP –Overall response	2.88	1.04	Agree

Source: Calculated from the survey results

Table 4 reveals that most clients of the construction companies had a positive perception of the companies' green marketing practices. This is highlighted by an overall agreement, as reflected in the means of 2.49 and 2.31 respectively. Green marketing also resulted in an improvement in sales for most of the companies, compared to their competitors, with most employees agreeing as implied by the mean value of 2.82.

Table 4: Perception of customers

Green marketing challenges	Mean	SD	Outcome
D18. Positive perception of our green marketing practices from our clients	2.49	0.953	Agree
D19. Loyal customers and are happy about our green marketing practices	2.31	0.878	Agree
D20. Even though our customers complain about our pricing structure, they still contact us on most of their projects	2.56	1.06	Agree
D21. Recently, an improvement in our sales growth has been realised compared to our competitors due to green marketing practices.	2.82	0.997	Agree
DR – Overall Response	2.54	.972	Agree

Source: Calculated from the survey results

As reflected in Table 5, the majority of customers were unwilling to pay a premium for green products, since the mean score was 2.27, which implies that they 'agreed" with the statement. Overall, employees 'agreed' that there was a lack of standards and public consensus on what constituted "green". The requirement of advanced technology for 'green marketing' which entailed large investment in R & D as a

challenge for most of the companies. However, most employees 'disagreed' that the majority of the customers were unaware of green products and their uses, since the mean response was 3.69.

Table 5: Green marketing challenges

Green marketing challenges	Mean	SD	Outcome
E22. Green products require renewable and recyclable material, which is costly	2.19	0.842	Agree
E23. Majority of the customers are not willing to pay a premium for green products	2.27	0.775	Agree
E24. There is a lack of credibility or trust by customers on green products	2.29	0.907	Agree
E25. Majority of our customers are not aware of green products and their uses	3.69	0.916	Disagree
E26. There is a lack of standards and public consensus to what constitutes "green"	2.42	0.966	Agree
E27. Green marketing requires advanced technology, which entails large investment in R & D	2.22	0.816	Agree
EC – overall decision	2.51	0.87	Agree

Source: Calculated from the survey results

Test of normality
Table 6 presents a summary the results of the test of normality for all factors based on Shapiro-Wilk test. From the table, it can be observed that gender, age, and formal education were normally distributed on awareness ($p>0.05$). All socio-demographic factors on the assessment of green marking practices deviated from normality ($p<0.05$) while all socio-demographic factors on employees' perception of how they think customers feel were normally distributed, except for customer size.

Table 6: Test of normality

Variable	Gender	Age	Job Experience	Formal Education	Company Size
Awareness	Normal	Normal	Deviated	Normal	Deviated
Practices	Deviated	Deviated	Deviated	Deviated	Deviated
Perception	Normal	Normal	Normal	Normal	Deviated
Challenges	Deviated	Deviated	Normal	Deviated	Deviated

Source: Calculated from the survey results

The association between awareness and all socio-demographic factors
Since Table 7 reflects that the p-value (0.873) for gender was greater than 0.05, the independent t-test provided insufficient evidence to claim that awareness of male and female participants on green marketing practices was different. Based on the ANOVA results, the level awareness of green marketing among age groups was similar, with a p-value of 0.512. Similarly, the length of job experience did not seem to affect the level of awareness of green marketing. This finding was also true for the level of formal education p (0.396) and company size p (0.358).

Table 7: Cross-tabulation- demographics of construction employees with awareness of green marketing

Characteristic	N	Mean	SD	p	Test Used
Gender				0.873	t-test
Male	107	0.87	0.71		
Female	28	0.89	0.63		
Age				0.512	One-way ANOVA
<30	20	0.95	0.69		
30 – 49	74	0.81	0.66		
>50	41	0.95	0.77		
Job experience				0.658	Kruskal-Wallis
<5	46				
5 – 10	69				
11 – 20	13				
>20	7				
Formal Education				0.936	One-way ANOVA
Diploma Level	34	0.88	0.73		
Degree Level	101	0.87	0.69		
Company Size				0.358	Kruskal Wallis
<10	65				
11 – 20	35				
21 – 50	25				
>50	10				

Source: Calculated from survey results using STATA software

Table 8 reflects that the length of employment was significantly associated with green marketing practices, evidenced by (p=0.041) from the Kruskal-Wallis test. Table 8 also shows that no significant difference exits in green marketing practices between male and female employees, with a p-value of 0.634. The age of the employee also did not affect their perception of green marketing practices, shown by an insignificant difference (p=0.096) among the different age categories.

Table 8: Cross-tabulation- Employee Demographics and Green Marketing Practices

Characteristic	N	Mean	SD	p	Test Used
Gender				0.634	Mann-Whitney
Male	107				
Female	28				
Age				0.096	Kruskal-Wallis
<30	20				
30 – 49	74				
>50	41				
Job experience				0.041	Kruskal-Wallis
<5	46				
5 – 10	69				
11 – 20	13				
>20	7				
Formal Education				0.074	Kruskal-Wallis
Diploma Level	34				
Degree Level	101				

Source: Calculated from survey the results

Table 9 reveals no significant difference in green marketing challenges between male and female employees, with a p-value of 0.714. The age of an employee was also not associated with green marketing challenges, p-value 0.788, nor were job experience, level of education or company size significantly associated with green marketing challenges.

Table 10: Cross-tabulation - employee demographics and green marketing challenges

Characteristic	N	Mean	SD	p	Test Used
Gender Male Female	107 28			0.714	Mann-Whitney
Age <30 30 – 49 >50	20 74 41			0.788	Kruskal-Wallis
Job experience <5 5 – 10 11 – 20 >20	46 69 13 7	0.96 0.91 1 1.2		0.160	ANOVA
Formal Education Diploma Level Degree Level	34 101			0.075	Kruskal-Wallis
Company Size <10 11 – 20 21 – 50 >50	65 35 25 10			0.279	Kruskal-Wallis

Source: Calculated from the survey results

Discussion

The study examined the extent to which green marketing has been embraced in the Zimbabwean construction industry by surveying the views of the employees on the concept as practised in the industry. Specifically, the study focused on the awareness, practices, employees' perception of how they think customers feel and challenges encountered by contractors on green marketing.

The empirical findings indicated that general employees are aware of green marketing practice in the Zimbabwean construction industry. Employees agreed to the awareness of the benefits of green marketing such as improved environmental performance, prevention of pollution, resource conservation and increased efficiency. The result also show that Zimbabwean contractors have recognised the benefits of green marketing and that customers require green products based on employees' perceptions. This finding is in line with Arseculeratne and Yazdanifard (2014) who argued that the growing concern among consumers towards environment has forced business organisations to make changes in their marketing strategies. Contractors are positioning their brands in a manner that supports customer intentions, seeking value for going green and incorporating this message into their marketing programme and communicating the green concept to their customers.

Of concern, however, is that most of the contractors were unaware of the benefits of having green accreditation, which enables them to portray their buildings as green and thus gain a competitive advantage. This would also become a new marketing tool that could be used to create a new corporate image and product differentiation. The absence of green rating standards mean that contractors are less attractive to most international companies operating in Zimbabwe. If this standard could be embraced, contractors would improve the efficiency of resource consumption and control of environmental impacts (Petrovic, Djordjevic, Milicevic, Nastasijevica & Parunovic 2015:237).

The assessment of green marketing practices demonstrated that most employees had a positive perception about organisations' green marketing practices and further confirmed customers were loyal and happy about the practices. The positive perception has a great impact both on society and contractors as green practices promote health and safety, cost-effectiveness and efficiency, as well as performance, reputation and convenience. Therefore, contractors need to monitor their activities involving their products, the processes and advertising and fully align with the green marketing concept. This would enable contractors to reach most of the environmentally conscious customers, improving sales growth when compared to their competitors.

Conclusions

The current study contributed to the stream of research on green marketing, by focusing on the emerging economy of Zimbabwe, since most of the research on this topic has concentrated on other emerging economies, such as India and China. The results demonstrated a positive awareness in most employees to the green marketing concept. Further, there is a positive perception of green marketing practices as evidenced by loyal and satisfied customers about. However, there are challenges encountered by contractors in the implementation, notably recyclable material required for green products, customers not being willing to pay a premium for green products and lack of credibility or trust by customers on green products.

The results from this study contribute to the body of academic knowledge as the results have shown that customers respond favourably to green marketing practices. The theory base, which was used to drive this study, could be amended as a result of the insights from the study.

Recommendations

Based on the key findings, the following recommendations are made:

- The lack of internationally recognised environmental standards such as green accreditation was noted in the Zimbabwean construction industry. The industry regulating authority should therefore enforce environmental quality standards in the industry. In particular, government policies and the development of a rating system (green accreditation) could stimulate the development of green marketing in the country. The contractors would, therefore, gain a competitive advantage, thereby improving organisational performance.
- In order to prevent further negative impact on the environment, contractors are encouraged to make green marketing a business norm. Contractors have the duty to make customers understand the need for green buildings in Zimbabwe and that future generation would benefit from their current environmental actions.

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The impact of cross-functional co-operation on the export performance of SMEs: a case study of the manufacturing sector in Zimbabwe

Godwell Karedza,
Faculty of Business, Economics and Accounting, Zimbabwe Ezekiel Guti University, Zimbabwe

Abstract: While the impact of cross-functional teams in different organisations and various economic environments has received much academic attention, studies on the effect of cross-functional teams on the performance of firms in developing countries has not received much attention. Moreover, while previous researchers focused on co-operation in cross-functional teams, they ignored the impact of cross-functional co-operation on the performance of SMEs which engage in export performance. Thus, the aim of this paper is to reflect on the capacity of manufacturing SMEs in Zimbabwe to embrace cross-functional co-operation as a market-driven strategy, to enhance their export performance.

A quantitative study was conducted using a sample of 345 manufacturing SMEs from Harare, which exported the following categories of products, namely, processed foods, leather and textiles. The findings revealed that cross-functional cooperation and involvement influenced the export performance of the SMEs; however, the influence is insignificant, implying that the effect of cross-functional cooperation on the export performance of SMEs is minimum in Zimbabwe. Thus, it was concluded that SMEs in Zimbabwe have not fully embraced cross-functional teams to enhance their export performance. Managers and SME business owners are therefore encouraged to form strategic innovation teams that work towards a common understanding through functional synergies, since in the long run, this will enhance their export performance.

Key Words: cross-functional co-*operation, cross-functional teams, export performance, SMEs*

Introduction

Small and Medium Enterprises (SMEs) comprise a significant sector in the Zimbabwean economy due to inter-alia, their employment provision (Manuere, 2012), contribution to the gross domestic product (Dumbu and Chadamoyo, 2012), and alleviation of poverty (Government of Zimbabwe (GoZ), 2012).The Confederation of Zimbabwe Industries (CZI) Manufacturing Survey (2011) reported that SMEs in the manufacturing sector account for employment 57% of the Zimbabwe population. In 2012, SMEs contributed about 60% to the GDP and employed about 5.8 million people, which implies that about 70% of the Zimbabwean population depends on the SMEs (Government of Zimbabwe (GoZ), 2014). According to reports (ZimTrade, 2015), a major proportion of Zimbabwe's total exports are in the form of manufactured goods. Although the input of the manufacturing sector has fallen to about 14% of the gross domestic product, it is still a significant sector for economic development in Zimbabwe (ZimTrade, 2015). In spite of the SME manufacturing sector's contribution to the economy, the sector has been facing many challenges.

Research (ZimTrade, 2016) confirms that Zimbabwe continues to experience a huge trade deficit due to the poor performance of exports, exacerbated by a huge import bill which is mostly consumptive. The aforementioned report reveals that exports in 2015 were $2.7 billion, representing a decline from the year 2014, which was $3.5 billion. This trend is worrisome, since exports are envisaged as the main driver of economic development. The export performance of the manufacturing sectors between 2014 and 2015 indicates that the sectors' capacity to export is declining (Herald, 2016). ZimTrade (2016) further reports that 'estimates from the Reserve Bank of Zimbabwe reveals that in 2015, manufactured exports were about US$475.2 million, having declined by about seven percent compared to 2014.'

Karedza, Sikwila, Mpofu and Makurumidze (2014:38) highlight that "the obstacles hindering the development of SMEs are currently a topical issue, especially in developing countries as governments are seeking ways to improve the efficiency in the operating environment of SMEs." Chinomona (2012) argues that this kind of habitual failure in SMEs can be attributed to their inability to form strategic teams that spiritually cooperate in their daily tasks. Pimenta, Lago da Silva and Tate (2014:2) state that "cross-functional cooperation relates to the use of integrating mechanisms in activities that require expertise from different functions." The intensity of inter-firm integration depends on the competence of cross-functional relations amongst people, and cross functional teams (CFTs) can be viewed as a strategy to develop these relations (Topolsek and Curin, 2012). Furthermore, CFTs are viewed as a tool used to conquer inter-functional barriers that prohibit firms from becoming successful; for instance, to be successful, managers have to encourage mutual understanding among members (Majchrzak, More, and Faraj, 2012). The CFTs are important as they facilitate interaction between members while performing short-term tasks, such as the development of new products (Turkulainen and Ketokivi, 2012).

The legislature of Zimbabwe has continuously viewed export activities as key for domestic income growth and employment creation. Zimbabwe's current liquidity problems are as a result of inter-alia, a very low export base and expanded import charges (GoZ, 2015). An increase in exports can assist Zimbabwe which depends on SMEs to address the high unemployment which "rose to 11.3% from 10.7% in 2011" (IMF, 2016:38). Evidence from a number of researchers has shown that for the SMEs to be productive, they have to functionally cooperate so that they can share their expertise (Topolšek and Čurin, 2012). Pimenta, Lago da Silva and Tate (2014:2) argue that "cross-functional cooperation relates to the use of integrating mechanisms in activities that require expertise from different functions." However, prior studies on the effect of cross-functional teams on firm performance have been generally directed in developed nations and in this way, little are known on the same from the developing parts of the world, for example, African nations in general, and Zimbabwe in particular (Chinomona, 2012).

In spite of the SME manufacturing sector's contribution to the economy, the sector has been facing many challenges. Thus, this paper attempts to address the impact of cross-functional teams on the export performance of SMEs in Zimbabwe.

Literature review

The Effects of Cross Functional Teams on the Export Performance
Topolšek and Čurin (2012) state that the objective of encouraging cross-functional teams in an organization is to enhance relationships among workers which in turn improves organisational performance. Blindenbach-Driessen (2015) highlight that cross-functional teams are groups formed with the intentions of jointly working together in developing opportunities that require diverse expertise and include personnel from different functions. Innovation is one of such tasks that require people from various backgrounds to provide an input into the final product. Van Beveren and Vandenbussche (2010) found out that the easiest way to break into export markets is to innovate. Love and Ganotakis (2013) analyzed the effect of exporting on the subsequent innovation performance of a sample of high-tech SMEs based in the UK and the results revealed that innovation is key to SMEs' export performance. Diversity in cross functional teams has been associated with positive outcomes, and as such the presence of different thinking capabilities in a team can promote creativity and innovation (Leung and Chiu, 2010). Similarly, Song and Song (2010) argue that the level of R and D-marketing integration is positively correlated with innovation project success as well as performance. However, the Information Gap is still regarded a major and serious problem for SMEs, even in the current era of extensive information availability. The literature shows that SMEs that are unable to gather and use export market information exhibit a lower probability of exporting and lower export intensity (Koksal and Kettaneh, 2011). Larson and Gray (2011) assert that, general information about a project should be provided in order to provide an overall understanding to the project team. A study conducted by Song and Song (2010) reveals that communication technologies have a positive effect on marketing-research and development integration efforts, both in terms of project success and new product performance. The aforementioned researchers suggest that these technologies should be used as supplementary tools to human gatekeepers (controllers of information flows between divisions) to improve the quality and quantity of information flows between cross-functional unit members (Song and Song, 2010). Alternatively, the influence of diversity in cross functional teams has been linked with positive outcome, and as such the availability of different thinking capacities in a team can enhance creativity and innovation (Leung and Chiu, 2010).

The meaning of diversity within the workplace is not limited to those attributes which are observed but also include invisible characteristics such as differences in educational background, creativity, comprehension, learning style, and problem-solving ability (Nafukho, 2011).Well-managed diversity programs are associated with positive outcomes on variables such as turnover intention (Groeneveld, 2011), organizational commitment (Ashikali, and Groeneveld, 2015), job satisfaction (Choi and Rainey, 2014), and perceived organizational performance (Choi, 2010; and Oberfield, 2014). For example, Choi and Rainey (2010) observed that there is a negative relationship between racial diversity and perceived organizational performance actually becomes positive when effective diversity management practices are accounted for. In general, diversity is associated with greater creativity, and performance (Bell, Villado, Lukasik, Belau and Briggs (2011). Furthermore, cross-functional teams are linked to employee productivity (Sultana, Irum, Ahmed, and Mehmood (2012) and productivity is linked to export performance. The aforementioned researchers state that productivity is the capacity to complete certain tasks as per specified accurate standards, completeness, cost and speed. Furthermore, Kien (2012)

indicates that expanding worker's productivity can bring prompt better results, for example, competitive advantage, maintaining strategic and monetary results, accomplishing organizational objectives and satisfying stakeholder's esteem recommendations. Benrazavi and Silong (2013) also consider teamwork as a critical component that adds to employee performance. A study by Manzoor, Ullah, Hussain, and Ahmad (2011) reveal that teamwork is positively related to employee performance which can be unpacked to yield namely, higher profitability, better organizational performance, competitive advantage and expanded product quality and quantity. Khuong and Tien (2013) concur that successful teamwork has constructive outcome on employee's motivation, self-viability, and performance. Workers who work as a team are better able to resolve conflicts, "applying social network theory to group conflict focuses attention on an individual's connections or centrality in conflict networks, that is, group member's perceptions about inter-personal conflict with other members in the network" (Jen, 2013: 128). Similarly, affective integration is positively related to satisfaction among individual team members but equivocal in terms of team effectiveness (Cronin, 2011). A recent study suggests that teams that perceive more conflicts engage in less biased information processing, they are highly accurate at assessing team performance, and have lower identification with the team, all of which enhance a team's ability to stay focused and have a more accurate and multifaceted understanding of the task during problem solving (Breugst, Shepard, and Agunis, 2012). Thus, it is assumed that an organization with a teamwork approach and less conflicts, is more likely to be productive and positively related to export performance. Based on the foregoing discussion of teams, the effect of cross-functional teams on the export performance of SMEs, the following hypothesis is proposed:

H₁ There is a positive and significant relationship between cross-functional cooperation and involvement and the export performance of SMEs in Zimbabwe.

Based on the above hypothesis, the following conceptual framework (Figure 1) is proposed

Figure 1: Conceptual framework
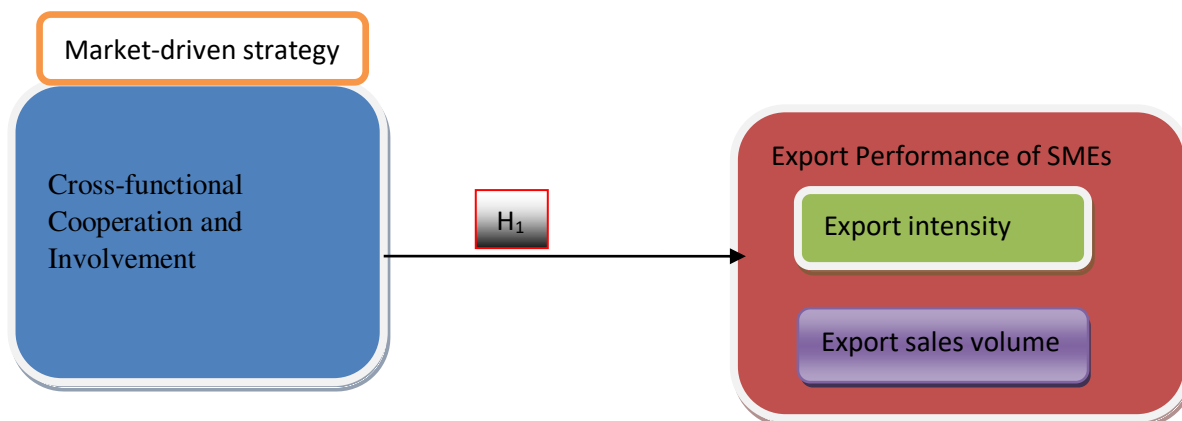
Research methodology

Makanyeza (2014:153) states that "measurement refers to the assignment of numbers to objects, and the assignment of numbers is done following certain rules". This calls for the researcher "to base his/her decision of which concepts to measure on corresponding research questions and hypotheses in a particular research" (Zikmund & Babin (2007:297). The items used to measure cross-functional cooperation were adapted from previous related sources inter-alia; Blindenbach-Driessen (2015); Pimenta et al. (2014:2); and Daspit et al. (2013). Owing to the work of the aforementioned researchers, various characteristics that measure cross-functional value were developed namely, leadership roles sharing, knowledge transfer, organisational learning, team spirit, diverse expertise and team diversity. These characteristics were then used to develop a questionnaire with scaled questions as reflected in Table 1.

Table 1: Cross-functional value scale

	Variable number	Code
We have export functional teams in our organisation	A1	ACFV1
Our functional teams share leadership roles	A2	ACFV2
We have export innovation teams that jointly work together to produce innovative products and export solutions	A3	ACFV3
We use diverse expertise from all functions to strategically produce a product for export.	A4	ACFV4
Our teams are willing to transfer knowledge generated from departments and markets to export-led production activities.	A5	ACFV5
Effective communication on CFTs improves export performance	A6	ACFV6
CFTs work create an enabling environment to boost exports	A7	ACFV7
CFTs promote diversity which in turn increases exports	A8	ACFV8
CFTs creates team spirit which increases organisational learning	A9	ACFV9

Source: Researcher's Compilation

Sampling

According to Makanyeza and Ndlovu (2016:28), there are approximately 1,500 registered exporting SMEs in Harare. However, the study mainly concentrated on the following categories namely, group A food processing, group B leather and group C textiles. The respondents were stratified and randomly selected. The researcher adopted the SEDCO's (2014) definition of an SME to select participants namely, that a firm employing not more than 75 people and with a fixed asset base not exceeding US$500,000 and must be formally registered. Using the aforementioned criteria, the following sample sizes were reached namely, from group A 44 participants were selected from group B 132 participants were selected, and from group C, 169 were selected. From a population of 550, only 345 participants met the selection criteria and were sent some questionnaires and given three weeks to respond. 332 questionnaires were returned and were usable and this is shown on Table 2 below.

Table 2: Response rate

| Sample Group	Expected Response	Actual Response
GROUP A:Leather processing manufacturing firms	44	42
GROUP B: Food processing manufacturing firms	132	130
GROUP C: Textile manufacturing firms	169	160
Total questionnaires	**345**	**332**
Response Rate from questionnaires	**100%**	**96.2%**

Source: Compiled from primary data

Results

Cross-functional cooperation and involvement
Cross-functional co-operation and involvement are internal influences that affect the export performance of SMEs and are also the market driven strategies that enhance the performance of firms. In this study there were nine (9) statements that were used to measure this construct (cross-functional cooperation and involvement) and the response to the statements is depicted in Figure 2 below.

Figure 2: Availability of export cross-functional teams in SME firms
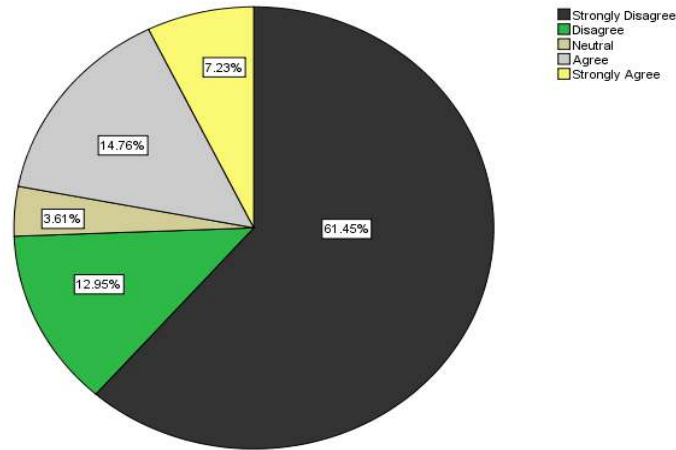
Source: Compiled from Primary Data

Figure 2 illustrates that the majority (61.5%) of the respondents 'strongly disagreed' with the statement "**We have export functional teams in our organisation.**" Thus, It is not only about having cross-functional teams that enables firms to perform but the ability to share leadership roles as the alternating of these roles acts as motivational tool which is an ingredient to enhance a firm's performance. In this regard, SME owner-managers were asked to indicate their teams' shared leadership roles and their responses are reflected in Figure 3 below.

Figure 3: Sharing of leadership roles in cross-functional teams
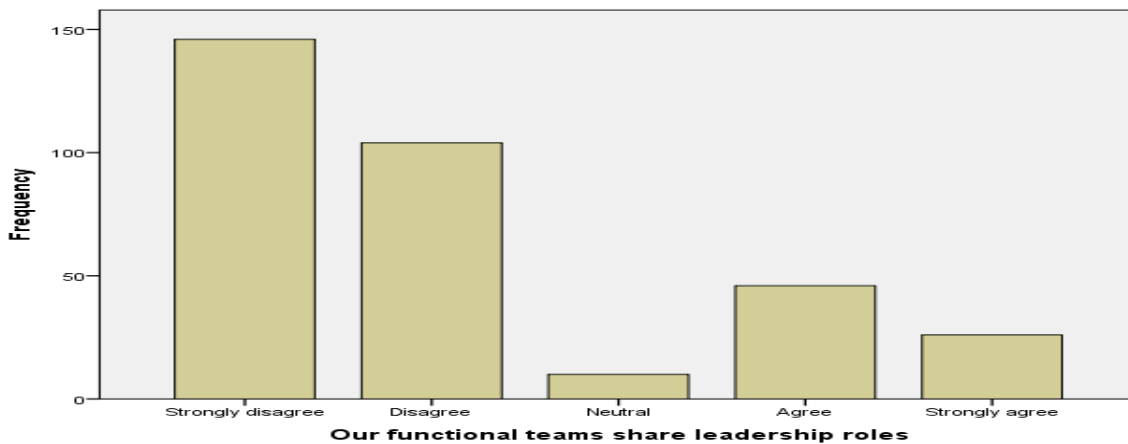
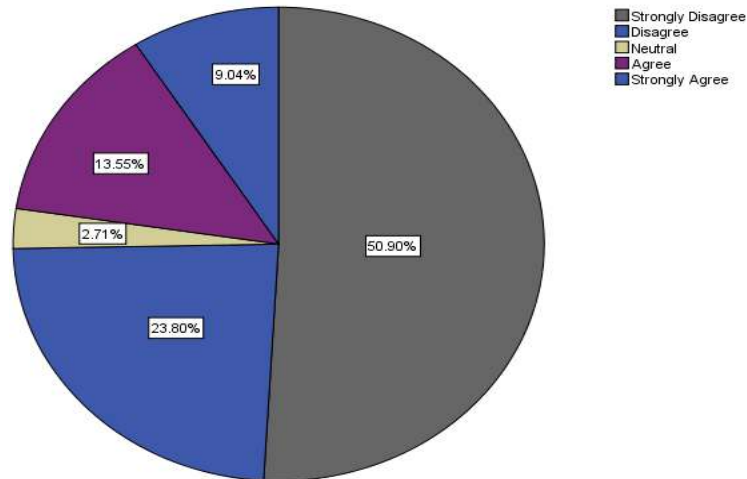Source: Compiled from Primary Data

Figure 3 above illustrates the response to the statement "**Our functional teams share leadership roles.**" The majority (44 %) of the participants 'strongly disagreed' with the statement.

The SME owner-managers were also asked whether their firms had export innovation teams that produce innovative export solutions, and their responses are given in Figure 4 below.

Figure 4: Export innovation teams

Source: Compiled from Primary Data

Figure 4 above illustrates the response to the statement "**We have export innovation teams that work to produce innovative products and export solutions,**" reveals that the majority (50.9%) of the participants 'strongly disagreed' with the statement. For these innovative teams to be effective, cooperation should be the centre stage of sustainable performance and all members from each department should strategically cooperate in the manufacturing processes. In order to probe the aforementioned with respect to the SMEs in Zimbabwe, the owner-managers were asked about the ability of their functional teams to cooperate and accept each other's ideas in coming up with the final product for export. The following responses were given as shown on Table 3 below.

Table 3: Diverse expertise from all functions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	175	52.7	52.7	52.7
	Disagree	77	23.2	23.2	75.9
	Neutral	13	3.9	3.9	79.8
	Agree	43	13.0	13.0	92.8
	Strongly agree	24	7.2	7.2	100.0
	Total	**332**	**100.0**	**100.0**	

Source: Compiled from Primary Data

Table 3 above reflects responses to the statement "**We use diverse expertise from all functions to strategically produce a product for export.**" It is evident that the majority (52.7%) of the participants 'strongly disagreed' with the aforementioned statement, which clearly demonstrates that, the majority of the functional department do not strategically, cooperate with their workmates to produce products for export.

It became apparent from a review of the literature that for cross-functional teams to be successful, departments must be willing to transfer knowledge to export-led production centres and this will then determine the export performance of a firm. In an effort to probe this with respect to the sample, the SMEs owner-managers were asked whether their departments practised the transfer of knowledge to export-led production centres and the responses are depicted in Figure 5 below.

Figure 5: Departmental transfer of knowledge to export-led production centres
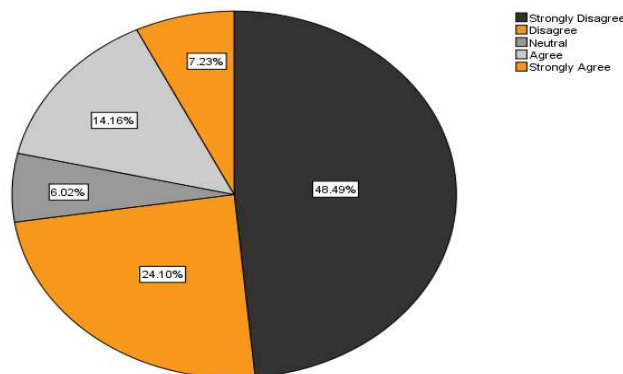

Source: Compiled from Primary Data

Figure 5 illustrates the response to the statement "**Our teams are willing to transfer knowledge generated from departments and markets to export-led production activities.**" It is evident that the majority (50.6%) of the participants 'strongly disagreed' which implies that the SMEs are not willing to share their knowledge with the desired export production centres. Thus, this could probably better explain why most of the SMEs in Zimbabwe are not exporting innovative products.

Cross-functional cooperation is not only about the willingness of the departments to transfer knowledge generated but it also involves effective communication of the generated knowledge among the group members. The owner-managers were asked about the aforementioned and their responses are highlighted in Figure 6 below.

Figure 6: Cross-functional effective communication

Source: Compiled from Primary Data

Figure 6 above which illustrates the response to the statement "**Effective communication on our teams improves export performance,**" reveals that the majority (48.5%) of the participants 'strongly disagreed' with the statement.

Again, team spirit is pronounced by creating an enabling environment that works towards a common goal. To explore this further, the SME respondents were asked to provide an input regarding the aforementioned and their responses are depicted in Table 4 below.

Table 4: Create an enabling environment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	150	45.2	45.2	45.2
	Disagree	98	29.5	29.5	74.7
	Neutral	14	4.2	4.2	78.9
	Agree	47	14.2	14.2	93.1
	Strongly agree	23	6.9	6.9	100.0
	Total	**332**	**100.0**	**100.0**	

Source: Compiled from Primary Data

Table 4 above illustrates the response to the statement "**Our teams work to create an enabling environment to boost our exports.**" It is clear that the majority (45.2%) of the participants 'strongly disagreed' with the statement.

The promotion of diversity is one of the key elements of cross-function teams that enhance the export performance of a firm and as such the researcher was keen to find out whether SMEs in the selected category namely, food processing, textiles and leather products in Zimbabwe work to promote diversity. The responses obtained from SME owner-managers are depicted on Figure7 below.

Figure 7: Promotion of diversity at workplace
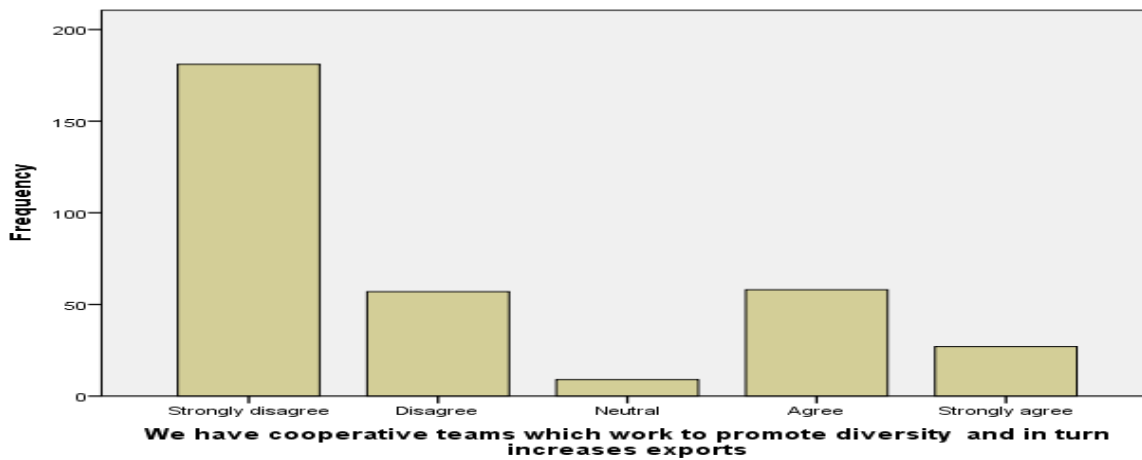
Source: Compiled from Primary Data

Figure 7 above which illustrates the response to the statement "**We have cooperative teams which work to promote diversity and in turn increases exports,**" reveals that the majority (54.5%) of the participants 'strongly disagreed' with the statement.

One of the components of cross-functional teams is team spirit, which is very crucial in maintaining togetherness which in turn boosts exports. The SME owner-managers were therefore asked about the level of team spirit in their firms, and their response are captured in Figure 8 below.

Figure 8: Team spirit among workers
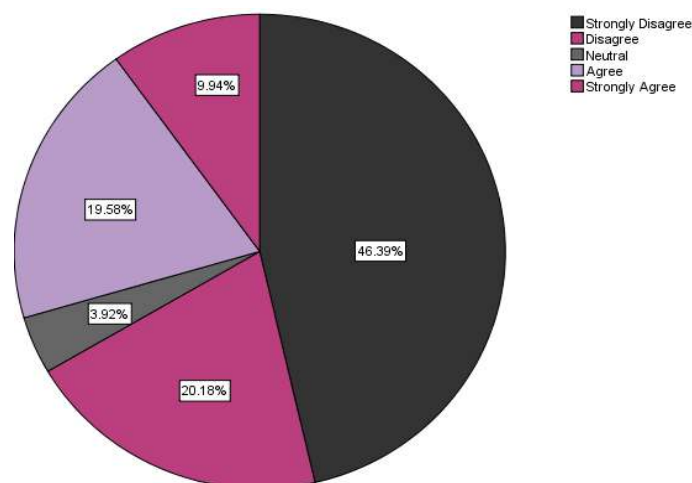
Source: Compiled from Primary Data

Figure 8 above illustrates the response to the statement "**Team spirit increases organisational learning in our firm.**" It became clear that the majority (46.4%) of the participants 'strongly disagreed' with the statement, which implies that the majority of the SMEs lack team spirit and they have an individual approach towards work.

Table 5: Hypothesis test results

Proposed hypothesis relationship	Hypothesis	Path Coefficients	T-Statistics	P-Values	Rejected/ Supported
CFCI → SEP	H4	0.042	0.234	0816	Rejected

Note: CFCI = Cross Functional Cooperation and Involvement; SEP = Export Performance of SMEs.

The results in Table 5 confirm that there is a relationship between Cross-Functional Cooperation and Involvement and Export Performance since a path coefficient of 0.042 was realized after testing H1. Furthermore, the results indicate that Cross-Functional Cooperation and Involvement is positively related to the Export Performance in an insignificant way (t=0.234) hence, hypothesis H1 is rejected.

Discussion

Based on the internal influences that affect the export performance of the SMEs, this study endeavoured to determine the effect of Cross-functional Cooperation and Involvement (being one of the market-driven strategies), on the export performance of SMEs. It emerged from the study that cross-functional cooperation and involvement influenced the export performance of SMEs; however, the results reveal that the influence is insignificant, implying that the effect of Cross-functional Cooperation and Involvement on the Export Performance of SMEs in Zimbabwe is minimal. These findings are different from that reported by some other researchers (Topolšek & Čurin, 2012), who found positive and significant relationship between cross-functional cooperation and involvement and firm performance. This could be linked to the size of the firms considered for the study as indicated by Mahmoud (2011). Drawing from the research findings, it can be pointed out that SMEs in Zimbabwe have not fully embraced cross-functional cooperation and involvement to enhance their export performance.

Conclusion and recommendations

The findings show that Cross-functional Cooperation and Involvement have a positive influence on the export performance of SMEs, but the relationship between the two variables is insignificant. Therefore, it is now clear that cross-functional cooperation and involvement do not have much effect on the export performance of SMEs in Zimbabwe. Hence, it can be concluded that this market-driven strategy (Cross-functional Cooperation and Involvement) is not applicable to the manufacturing SMEs in Zimbabwe who would like to enhance their export performance.

Thus, it is recommended that the SME owner-managers should attempt to develop vibrant teams with diverse expertise that create an enabling environment to boost exports; hence, this will result in sustainable export competitive advantage of SMEs. Moreover, SME owner-managers are encouraged to form strategic innovation teams that work towards a common understanding through functional synergies which in the long run, this will enhance their export performance. Furthermore, SMEs should improve their internal relationships so that each employee is influenced to make a meaningful contribution to enhance export performance. SME owner-managers should also create an effective system that enables free transfer of knowledge across all departments in an organisation and this will help in enhancing export performance.

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The implementation of service level agreements by the Namibian government pension funds sector

M Isaaks
Harold Pupkewitz Graduate School of Business,
Namibia University of Science and Technology (NUST)

Abstract: The aim of this study was to explore the implementation of Service Level Agreements (SLAs) between the Namibian Government Institutions Pension Funds (GIPF) and its customers (pensioners). The challenges and benefits in implementing SLAs, consequences of a failure to implement SLAs, and strategies for developing SLAs between GIPF and its customers was discussed. A mixed methods study was conducted among a sample of 100 participants, using questionnaires and interviews. It became evident that although SLAs are in place at the GIPF, there is need for more information to be disseminated to customers about monitoring and evaluation of the agreements. The challenges faced by the GIPF include lack of knowhow by pensioners on how to complete claim forms and supply correct banking information to the GIPF. The staff at the GIPF have challenges in capturing correct customer data, resulting in overpayments, underpayments, unverified payments, and several administrative errors. The major consequence of the failure to implement SLAs was delays and backlogs in paying pensioners and the benefit of SLAs was the establishment of good relationships with the pensioners. The clarification of duties and responsibilities of each party and regular monitoring and evaluation, were considered to be appropriate implementation strategies.

Keywords: service level agreement, government pension funds, Namibia

Introduction and background

The Government of Namibia established the Government Institutions Pension Fund (GIPF) in 2008 to be the custodian of all state workers' pension funds, and thereafter embarked on a Business Process Improvement Project (BPIP). The main objective of the BPIP was to holistically and sustainably streamline optimisation of resources, reduce risks, increase service delivery and reduce errors (BPIP, 2018). The findings of the BPIP were used to establish a Service Level Agreement (SLA) between the GIPF and its stakeholders, with the intention of reducing delays in the processing of claims caused by poor or incorrect filing and poor management of files and incomplete documents received, resulting in extended delays in finalizing pensions pay-outs.

It became evident from the Business Process Improvement Project (BPIP, 2018), that the GIPF is facing the following challenges: receipting of incomplete and inaccurate data, administrative errors, inaccurate contact details of beneficiaries, lack of relevant supporting documents, overpayment of beneficiaries, underpayments of benefits, un-enrolled beneficiaries and un-verified beneficiaries. Additionally, the GIPF has a prolonged payment process on claims, duplication of functions, and numerous member complaints.

The strategic vision of the GIPF is to be a leading global pension fund in Namibia. To be a global leader, the GIPF needs to focus on improving service levels. The GIPF's values are based on Integrity, Service Excellence and Teamwork. In order to become a leading pension fund globally, GIPF should strive to attain a high level of service delivery.

The BPIP (2018) revealed that the GIPF is facing the following problems: insufficient number of staff in the records management unit, late submission of payroll data to create invoices, discrepancies in payroll data, incorrect capturing of beneficiaries' information, none-contribution by members on maternity, payment of members outside the government's payroll and interruptions caused by too many enquiries. There are delays especially if a specific staff member goes on leave and there is no one to replace the worker. Additionally, staff members have limited pension fund skills and understanding of back-office processes, un-automated processes with duplication of functions, no document disposal guidelines in place, constant backlog in filling supporting documents, and closed bank accounts by the time a claim is about to be paid. The GIPF is also encountering late reflections of payments on clients' accounts, slow responses on the benefit rejection reprocessing, lack of a computerised system to process the payments, calculations are done manually, errors on systems generated letters, manual submission of payroll information to finance, lack of internet services, manual submission of bulk payment listing, employers not providing remittance advices, late reconciliation of members' payments, members being unaware of the rules and the benefits from the GIPF and general member apathy on retirement fund issues (BPIP, 2018).

As a service provider, it is important for the GIPF to have a Service Level Agreement (SLA) in which the term of the service is stipulated for all claim types. The SLA constitute an agreement between the GIPF and its stakeholders (beneficiaries), which is fully understood and accepted by both parties.

In light of the above, this research aimed to investigate the implementation of service level agreements by the GIPF. The objectives of the research involved investigating the challenges in implementing SLAs, the consequences of a failure to implement SLAs, the benefits of implementing SLAs and determining the best strategies for developing SLAs between the GIPF and its customers.

Literature review

Service level agreements
According to Yaqub (2015), a Service Level Agreement (SLA) refers to a contract that is reached through cooperation and negotiation by the service provider and the customer. SLAs clearly identify the type of service to be offered by the service provider to the customer, contractual agreement terms, service quality and the roles of the concerned parties.

According to Brown (2018), an SLA is important and essential in strengthening the relationship between a business and its stakeholders and it (the SLA) acts as safety net of accountability. The SLA helps to create clear and define communication boundaries which employees can use to communicate with their stakeholders (Brown, 2018).

o'Donnell (2014) is of the view that SLAs cannot be seen as the solution to problems and challenges that may affect the contractual relationship between the service provider and customers. However, SLAs provide a benefit in that they assist in the clarification of duties and obligations between the service provider and the customer.

An SLA also provides for remedial action when the level of service provided by the service provider is below the expected quality levels. It empowers the consumer to terminate the agreement if the provided service fails to match the expected standards as indicated or provided for in the agreement.

According to a study carried out on 200 SLAs in Australia by the Australian National Audit Office (2010), it was found that more than three quarters of the SLAs provided an excellent outline of the duties, responsibilities, quality and performance standards and the aims of the SLAs. It was evident that vital information related to the provision of services included in the SLAs were, providing clarity on the reasons, benefits and objectives of the SLAs, as well as the duties of both the service provider and the customer. Few SLAs included service performance measurable indicators, although SLAs could improve overall performance reporting by better aligning the performance indicators to objectives and outcomes. Furthermore, the audit indicated that SLAs that were relevant and had clearer specifications on funding arrangements, particularly the nature and source of funds (Australian National Audit office, 2010).

Furthermore, a review of SLAs in Ireland in 2012, by the Comptroller and Auditor General, found that some SLAs by the government departments and state-owned enterprises and local authorities contain some service level performance measurement indicators, ranging from the expected quality to be provided, ways of evaluating the quality, and ways of monitoring service provision (Comptroller and Auditor General, 2012).

The main reason for the failure of SLAs is the absence of enthusiasm by the service providers, and this can be overcome by having many service review meetings during the early days of implementing an SLA. o' Donnell (2014) identified some of the reasons that may lead to the failure of SLAs as the practice of providing information that is irrelevant and more than required, omitting key performance indicators, and setting unattainable goals and objectives.

In the case of the GIPF, an SLA is a document prepared by the GIPF perceived as a guiding and living document by its employees, clearly explaining the products (pension schemes and services) offered to the customers (pensioners, beneficiaries, and members). The SLA outlines the products, their quality, and key performance indicators.

Despite the positive aspects of SLAs, there are certain disadvantages, some of which are reflected below.

- The involvement of all stakeholders such as customers and service providers in the development, implementation, monitoring and evaluation of the SLA is time consuming and expensive,

- The implementation of SLAs normally results in the use of more documentation and bureaucracy,
- Other departments within the organisation supplying services may be seen as external service providers, rather than part of the same organisation,
- Training of employees will be essential to avoid possible resistance to change on the benefits of the SLAs and the need for its successful implementation and
- There is a danger that organisations may come up with key performance indicators which are derived by the marketing department which are only aimed at achieving the marketing rather than the institutional objectives.

A well-crafted SLA is an essential document as it helps the pension fund such as the GIPF to achieve its mission and vision and the following must be included in a good SLA:

- Nature of the service offered to customers,
- Quality of the service to be offered such as the ability to satisfy the intended needs,
- Evaluation mechanisms on the provision of the service,
- Procedures to be followed in resolving service provision issues,
- Timeframe for resolving service level issues, and
- The penalties to be levied on the service provider for violating the provisions of the SLAs.

The GIPF is Namibia's largest defined benefit (DB) pension fund which implies that a good SLA is vital for the success and achievement of organisational strategic objectives and goals. The SLA sets defined promises to customers and reduces the chances of disappointing customers (Courcoubetis & Siris, 1999). However, Rana et al. (2008) explain that establishing SLAs can set unrealistic expectations and in some cases where SLAs are not met, this puts companies in difficult situations. Thus, it is important for companies to communicate beforehand if SLAs cannot be met. In addition, setting SLAs may drive costs up because sometimes overtime needs to be requested to meet SLAs which can be costly. Rana et al. (2008) further state that SLAs may be detrimental to relationships between the involved parties, and some may be difficult to monitor.

The drafting of an excellent or good SLA requires full participation and negotiation of the main important stakeholders. Negotiations are important when drafting the SLA document to ensure that it satisfies and meets the needs of both parties, that is, clarify the service specifications, quality, monitoring, evaluation and implementation of the SLAs (O'Donnell ,2014). Consensus is a by-product of the negotiation process in the drafting of the SLA. Finalisation and incorporation of all the important aspects and components of the SLA is of paramount importance and is guaranteed through the full participation and involvement of the main parties to the SLA (O'Donnell, 2014). Consensus is essential as it forms the basis for the implementation of the SLAs as all the parties will be aware of the contents of the agreement, their obligations, expectations, as well as the monitoring and evaluation mechanisms.

SLAs assist in quantifying quality aspects of the service to be provided by the service providers (through performance indicators), which clearly or explicitly explains what must be provided by the service provider to the consumer. Quantifying service levels is essential and includes identifying the needs of the customers and doing a proper cost benefit analysis is necessary.

Supplying quality services requires both the service provider and the consumer to play their role and fulfilling their responsibilities as outlined in the SLAs. This means that the SLAs assist in the provision of clarity on the roles that must be played by each part. The successful implementation of the SLA essentially requires the clarification of the objectives and aims to be achieved. One of the paramount components of an SLA is that there must be clarity on the stakeholder's individual and possibly shared responsibilities.

An excellent or good SLA must incorporate how the service is going to be delivered. Different delivery methods of the service may include licensing, contracting, etc. and will need to be clearly illustrated in the SLA (O'Donnell, 2014).

When drafting a good SLA, it is essential for both parties, that is, the service provider and the customer to agree on the values associated with the provision of the services aimed at achieving the goals of the desired outcomes.

There is need for the incorporation of provisions for a clause that outlines the period in which the service level agreement will be evaluated on a specified time frame. This is essential for improving the performance and successful implementation of the SLAs (Blackwell, 2002).

The SLA must incorporate the ways and the parties to be involved in dispute resolution if any, especially the third parties (Rana et al., 2008). An SLA must also incorporate the ways of making adjustments or alterations on the SLAs and the remedy for the violation of the provisions of the SLAs by both parties (Rana et al., 2008).

Retirement insurance

Employee retirement refers to the time when an employee voluntarily departs from the organisation after reaching a statutory age, having gone through a number of occupations or positions or having worked for a number of organisations during one's working life (De Manuel & Lanno, 2013). The retirement and insurance plans are categorised into the defined benefit and the defined contribution plans.

Arjas (2009) developed a claims model structure that is normally followed by the beneficiaries or customers when they claim their benefits. Claims refer to the point where the beneficiaries approach their Pension Fund such as the GIPF, Old Mutual, etc. to provide all the relevant information that must be processed by the organisation to enable the organisation to calculate the settlement due to the customers. The claims process follows a series of stages or steps from the time that the customer/pensioner/beneficiary or policyholder provides the information to the fund to the time that the claim is paid following deliberations and consideration.

The GIPF offers a variety of benefits to its customers (pensioners, beneficiaries and members) such as Normal Retirement, Early Retirement, Resignation/dismissal, Retrenchment, Disability benefit, Ill-Health Retirement, Death benefits, and Funeral Benefit. The provisions of all these products (services) depend on the SLAs designed by the GIPF.

SLAs for pension claims

The pension claims procedure goes through many steps or stages from the time a claim is made to the time the claim is settled. According to Roff (2014), the initial or first step in the pension claims is the lodging of the claim or the notification of the claim by the customer (pensioner/policy holder/beneficiary). This notification as the initial step must be made *verbatim* or be provided in a completed claim form issued by the pension fund such as GIPF.

Once the claims have been made by the pensioner/member or beneficiary, the second stage involves the review of the claim(s) by the insurance company of pension fund. Roff (2019) indicates that the review of the claim stage involves the organisation assessing the information provided by the claimant and comparing it with the information provided in the SLAs. This may include verification of the authenticity of the documents provided by the claimant and ensuring that all the required information is provided to enable the pension fund or insurance company to make the correct calculations. Where there is need for the involvement of the legal department, the provision of additional documents or information, at this stage, all the necessary documents will have to be provided. This is the most important stage in the pension claim process, it requires that the organisation meticulously evaluates and interprets the provisions of the service agreements to ensure that no part will incur a loss, both the pension fund and the customer (pensioner, beneficiaries, or members). Also, this stage is of utmost importance because of numerous implications and ramifications that may occur because of failure to make the correct interpretation of the SLAs or computation of the settlement amount (Roff, 2013). At this stage, qualified and experienced personnel must be involved to ensure that all the main issues are addressed correctly, on time and accurately; this may include professional investigations where necessary (James, Lyn, & Rowe, 2009).

James et al. (2009) state that after the review process of the claim, the pension fund must acknowledge receipt of the claim from the claimant. If there is need for more information, the pension fund must request for more information, documents or proof from the claimant.

Skilled human resources are essential for the survival of the pension fund organisation, since if the organisation does not have adequate skilled employees, this may affect its ability to provide the services to the claimants as outlined in the SLAs. In order to improve organisational performance, effectiveness and efficiency, there is a need to have adequate skilled employees dealing with the claims, from the time

the claim is reported to the time the claim is settled or rejected. Competent human resource personnel are essential for the claim's management and implementation of the SLAs (Wedge & Handley, 2013).

The challenge in claims management is that organisations in the pensions sector must continuously make use of the latest technology, as failure to adopt and use the latest technology may result in poor service delivery. Some challenges with regards to implementation of SLAs may be lack of commitment, operational governance, and knowledge gaps.

Yaqub (2015) identified numerous challenges that can affect the implementation of SLAs and these are summarized as follows:

- o Letting the service provider draft the SLA without taking into consideration the needs of the customer,
- o Developing of SLAs for marketing purposes only and this normally occurs to serve the interests of the service provider, especially if the customers are consulted and involved in the drafting of the SLA
- o Preparing the SLAs in a hurry,
- o Not involving the customers fully in the process,
- o Excluding remedial regime of any kind,
- o Having long evaluation periods on the performance,
- o Avoiding benchmarking with the best external service providers in the industry
- o Losing sight of the objectives, and
- o Failure to include a right to termination of the contract.

The brief, yet concise review of literature relevant to SLAs in the space of pension funds provided greater context for the study. The discussion now proceeds to the research design and methodology which was used to achieve the aim of the study.

Research methodology

Since s descriptive research design provides a more structured explanation than the exploratory research design because it describes, explains, and validates findings, this research design was adopted for this study, since it enabled the researcher to acquire an accurate account of the impact of the delays in processing pensioners' claims.

The use of the descriptive design implied that the study could be either quantitative or qualitative. The researcher however used the mixed research method approach in collecting data from the GIPF staff members and stakeholders, using a questionnaire and interviews. The use of the mixed method was to overcome the limitations of the two approaches, thus allowing the researcher to get rich information that could not be obtained using each method alone (Almeida, 2018).

Population and sample

The geographical context of the research was in the Khomas region, Windhoek, Namibia, where the GIPF Head Office is situated. The target population included the GIPF staff members as well as its customers, for example pensioners and active government workers, parastatals, mission hospitals, and regional councils in Windhoek. The study population comprised of 280 workers and management at the GIPF and 5 160 customers (pensioners and GIPF members).

Purposive sampling was used since it relied on the judgment of the researcher in selecting participants for the study. After the location was identified, the researcher then made use of maximum variation sampling which is a sampling technique that is used to capture a range of perspectives relating to the delay in payments, the effects of those delays to the members and the best improvement strategies (Strauss & Corbin,1990).

Thereafter, simple random sampling was used to choose respondents for quantitative data collection, since this sampling method needed less effort to compile and contact respondents and less time to complete the process.

The research study targeted 100 respondents comprising 20 from management, 30 employees and 50 members.

Data collection

Questionnaires, interviews, and document reviews were used in gathering primary data. The questionnaire was considered to be relevant to the study due to the numerous benefits that can be derived from their use, such as providing respondents the freedom to express their opinions freely, because confidentiality was maintained.

The questionnaire was designed, with the following sections: Section A contained general information and Section B was made up of a 5 – point Likert scale, addressing questions on the impact of failure to implement the SLAs on the operations of GIPF and service satisfaction on the side of the customers (mostly pensioners and members).

The researcher sought permission from the GIPF, including the employees and other stakeholders. After permission was granted and received, the researcher conducted the research by administrating the questionnaires to the employees at the GIPF and the pension fund members.

Personal interviews

The research guide was used to conduct the semi-structured interviews. Twenty (20) participants drawn from the management, employees and members of the GIPF, took part in the interview in order to provide data on turn over and retention strategies among the officials.

A pre-test of the questionnaire/pilot study was carried out under actual conditions on a group of people similar to the respondents of the study. The aim was to ascertain if there were any problems in understanding the questions. Where this was evident, the questions were reworded to ensure that there was common and better understanding (Saunders et al., 2016). The pilot study was conducted among 10 people, comprising of two (2) members of management, three (3) employees and 5 members, all of whom did not participate in the actual research study. The pilot study made it possible for the researcher to refine some of the questions in both the interview schedule and research questionnaire and to remove any ambiguities that was apparent. The pilot test was necessary because it provided the researcher with the assurance that questions were clear to the respondents, thereby useful in meeting the research objectives.

The researcher managed to distribute and collect the questionnaire from the targeted respondents from the GPIF in Windhoek, Namibia, in five working days.

Data analysis

The primary data collected through the questionnaire was classified and tabulated using the excel spreadsheet and the information was analysed and interpreted in order to draw conclusions and recommendations. Thematic analysis was used to analyse the qualitative data.

Research findings

One hundred research questionnaires were distributed and out of these questionnaires, a total of 70 were returned, representing a 70% response rate. Of the 70 respondents in the survey, 40 were male representing 57.14% of the respondents, and 30 were female, representing 42.86% of the respondents. Of the 70 participants, 35 (50%) were GIPF stakeholders, 15 (21.43%), were GIPF employees and 20 (28.57%) were GIPF managers.

Implementation of the service level agreement

It became evident from the interviews that the GIPF has SLAs in place, and they are standardised and apply to all the customers who are members of the GIPF. These contracts show different products that are available to the customers or GIPF members, showing the different categories of benefits that are available to members depending on their contributions. The respondents acknowledged that the contract contains obligations of the GIPF aimed towards the satisfaction of customers.

It became evident not all the respondents were aware of the actual process that was followed by the GIPF in developing SLAs. However, the management representatives indicated that they did have standard SLSs in place, but these are updated regularly. When updating the SLAs, the GIPF conducts market research to find the best practices from regional countries, especially Botswana, South Africa and Mauritius and other commonwealth countries such as Australia, Canada, the UK and New Zealand. After conducting market research, the information or best practices are incorporated in the development of the new SLAs that will be adopted. This is done to enable the GIPF to adopt the best practices which

can enable the GIPF to be one of the leading pension funds administration company in the Southern African Development Community (SADC).

The research findings revealed that 80% of the respondents they knew about the Service Level Agreement (SLAs), that is, a contract that is reached as a result of negotiation between the GIPF, 5.7% were not aware of the SLAs and 14.3 % were not sure about the existence of the SLA at the GIPF.

Impact of a failure to implement the SLA between the GIPF and its customers.

The research findings revealed that 100% of the respondents 'strongly agreed' that failure to implement the SLAs may result in the GIPF's members not receiving their pension pay-outs on time. This validates the findings of the Business Process Improvement Project BPIP (2018), which indicated that the GIPF is facing challenges relating to delayed payment of claims, duplication of functions, reduction of turnaround times for other benefit claims and lots of member complaints. Furthermore, the BPIP (2018) highlighted that customers normally face some delays especially if a specific staff member goes on leave, as well as late reflection of payments on the clients' accounts and late reconciliation of the members' payments. These findings in general, indicate the importance of SLAs to the GIPF and its stakeholders since failure to implement results in negative impact on the members.

The above concurs with findings of Freeman et al. (2014) who indicated that under the stakeholder theory of SLAs, those that are likely to benefit from the provision of a service are considered to be stakeholders (shareholders, debtors, customers, consumers, buyers, community, etc.). Stakeholders may also suffer if the service provider is unable to provide the promised service by the service providers. In this case, not adhering to the SLA can affect the GIPF members negatively as they can suffer the consequences of claims being paid out late. The managers must only be there to safeguard the interests of the owners of the organisation or shareholders, but they must make decisions with the interests and needs of stakeholders as their main priority. Therefore, the main objective of any organisation must be to safeguard and advance the interests of both the organisation and its main stakeholders (Freeman et al., 2014).

Benefits of implementing SLAs between GIPF and its customers.
The findings indicate that the vast majority (64.2%) of the respondents 'strongly agreed' that the successful implementation of the SLAs will help to improve the working relationship between the GIPF and its stakeholders. The research findings support the findings on SLAs reported by Courcoubetis and Siris (1999). These researchers indicated that a good SLA is vital for the success and achievement of organisational strategic objectives and goals, as it sets defined promises to customers and reduces the chances of disappointing customers. Courcoubetis and Siris (1999) further assert that these promises also to help the internal staff to stay focused in order to meet the promises made to customers by focussing on the right procedures. Implementing SLAs will allow the company to establish Key Performance Indicators (KPIs) by which customer services can be rated. By doing so, processes can be improved to produce better quality, thereby improving customer satisfaction.

The research findings reveal that 100% of the respondents 'strongly agreed' that the full implementation of the SLAs by the GIPF is very necessary, since it can help the organisation to minimize complaints from its stakeholders. These findings agree with the study results of Courcoubetis and Siris (1999), who indicated that a good SLA is vital for the success and achievement of organisational strategic objectives and goals, as it sets defined promises to customers and reduces the chances of disappointing customers.

The overwhelming majority (100%) of the respondents 'strongly agreed' that the SLA will helps to create clear communication lines which employees can use to communicate with stakeholders. Courcoubetis and Siris (1999) explain that defined lines of communication also help internal staff to stay focused in order to meet promises made to customers and to focus on the right procedures.

The research findings also indicated that the majority of the respondents were not convinced that the implementation of the SLAs at the GIPF will help the organisation to attract more members. However, 100% of respondents 'strongly agreed' that full implementation of the SLAs will enable the GIPF to make investment decisions that are in the best interest of the pensioners and other stakeholders.

Strategies for implementing SLAs between the GIPF and its customers.

The entire sample of participants 'strongly agreed' that the GIPF must clarify responsibilities in the service provision model, since this is essential when evaluating implementation of the SLAs and identification of areas that might require some adjustments and improvements. The research findings concur with o' Donnell (2014) who states that the failure of the SLAs may result from the practice of providing too much and sometimes irrelevant information, omitting key performance indicators and setting of unattainable goals and objectives.

Other factors that may contribute to the failure of SLAs may be linked to more paperwork that is required in the implementation and evaluation of the services both internally and externally. Too much time required for the successful implementation of the SLAs both from the service provider and the customer, may contribute to the failure of the successful implementation of the SLAs by the service providers. Finally, the lack of training and support on the part of the employees working for the service provider may negatively affect the implementation of the SLAs (o' Donnell, 2014).

The research findings also revealed that 100% of the respondents ''strongly agreed'' that the GIPF must clarify accountability, to enable any audits, evaluations or reviews to be linked to the SLA. Therefore, it can be concluded that the GIPF may improve implementation of the SLAs between itself and its members by clarifying accountability, a finding which concurs with O'Donnell (2014) who indicated that accountability/monitoring of tasks must be incorporated in the SLA and is an essential strategy of enhancing the implementation of SLAs.

The findings indicated that there was consensus that the SLAs must include a clause which serves as a means of resolving disputes between the GIPF and the stakeholders. O'donnell (2014), also argued that a good SLA must incorporate the means of resolving disputes which may involve arbitration by a third party.

The research findings revealed that 100% of the respondents 'strongly agreed' that the GIPF must include a statement which serves as the means for amending the SLAs. This is essential when it comes to the actual evaluation of implementation of the SLAs, and the identification of areas that might require some adjustments and improvements.

In addition, the majority of the respondents 'strongly agreed' that the SLAs of the GIPF must include reward and sanctions, which may take the form of reduced or increased allocations and the ability to retain funds.

Challenges in implementing SLAs between the GPIF and members

One of the research objectives was to investigate the challenges in implementing the SLA between GIPF and its stakeholders. The findings from the interviews revealed that one of biggest problems is the lack of financial education by both the GIPF staff and the pensions fund members. The findings revealed that staff members of the GIPF lack the skills in accurately capturing data about customers, resulting in over payments, underpayments, and administrative errors. This confirms the BPI Project's (2018) findings which state that administrative errors are a major problem at the GIPF. Asher (2006) also reported that the low-level financial literacy, particularly concerning pensions, is endemic among many people.

Lack of performance indicators such as maintaining an effective communication network, reliable governance and development of accurate data and record keeping was mentioned as a challenge.

The interview findings also revealed that the information communication infrastructure at GIPF is not efficient because there are few computers and network systems at GIPF. The interviewees furthermore indicated that the lack of commitment by customers and the service providers, lack of an inadequate support structure, for example, failure to implement the SLA concept through a project team, appoint an SLA manager and hold regular service level review meetings, as critical factors. Other factors that may be attributed to the failure of SLAs include problems with increased workloads, for instance, SLAs require an additional reporting system and an internal transfer pricing. The interviewees said that the workload will be heavy, if some employees go on maternity or sick leave, because no replacement is made until the employee returns.

Conclusions

From the research findings, it can be concluded that the research objectives were achieved, as will be evident from the conclusions. It became evident that one of the challenges is the lack of financial education by both the GIPF staff members and the stakeholders, especially the pension beneficiaries.

The results showed that the staff members of the GIPF lacked skills in capturing data about customers accurately, resulting in over payments, underpayments, and unverified payments and administrative errors. Lack of performance indicators such as maintaining an effective communication network, reliable governance and the development of accurate data and record keeping were also mentioned as challenges.

It also became evident that the lack of commitment by members and service providers is a challenge in implementing SLAs. The research findings also revealed that the failure to implement the SLAs may result in the GIPF customers not receiving the promised pension funds on time and this delay may result in the pensioners failing to meet their financial obligations, such as medical bills, children's fees, etc.

Furthermore, it became evident that the failure to implement SLAs may negatively affect the ability of the GIPF to offer competitive services to its members. The findings confirm that the successful implementation of the SLAs will help to improve the relationships between GIPF and its stakeholders. Moreover, the full implementation of the SLAs by the GIPF is essential, as it minimizes complaints from its stakeholders. Additionally, the study findings show that SLAs help to create clear and defined communication boundaries between the GIPF and its stakeholders. It was apparent that the GIPF must clarify its responsibilities and that of the stakeholders.

It was also ascertained that the GIPF must be accountable to its members and other stakeholders. Additionally, accountability and monitoring become essential strategies for enhancing the implementation of SLAs and any reports, audits, evaluations or reviews should be linked to this.

The findings also showed that it is important for SLAs to include means for resolving disputes between the GIPF and its stakeholders, as a strategy for ensuring successful implementation. Furthermore, the GIPF must include a provision for amending the SLAs, which is essential when it comes to the actual evaluation of the implementation of the SLAs and the identification of areas that might require some adjustments and improvements.

Finally, the SLAs must include provision for rewards or sanctions may include reduced or increased allocations, the ability to retain funds, etc.

Recommendations

Based on the research findings, it is recommended that the GIPF should:

- Review its SLAs and ensure that the implementation does not suffer.
- Employ more well-trained staff in the records management unit so as to improve the accuracy of administration of funds.
- Improve its information dissemination systems so that members are better aware of the rules and the benefits of the GIPF.
- Avoid delays in processing claims, especially if a specific staff member goes on leave. The GIPF should improve its IT systems which will contribute to expediting the processing of claims and minimize mal administration.
- Create opportunities for and support staff to be trained and developed so that they are fully competent in the affairs of pension funds administration.

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Employee code of conduct: a focus on compliance at the Namibia office of the judiciary

M Chukwunweolu

Harold Pupkewitz Graduate School of Business,

Namibia University of Science and Technology

Abstract: Increased reports on violations of the employee Code of Conduct in the public service in Namibia have been published in various media in recent years. More specifically, unethical behaviour which includes theft/fraud, gross negligence, disobeying work-related orders, absenteeism, damage to government vehicles and obstructing justice, have been reported by the Office of the Judiciary. It is against the above background, that a mixed-method research approach was used to evaluate compliance with the employee Code of Conduct at the Office of the Judiciary in Windhoek, Namibia. Data for the quantitative study was collected via a survey of a sample size of 84 participants and for the qualitative study, a sample of 12 key informants were interviewed. The quantitative data were analyzed through descriptive and inferential statistics and the qualitative data were analyzed through content analysis in which themes and sub-themes were identified and interpreted. The findings reveal that the organizational culture greatly influences employee compliance with the Code of Conduct. It is recommended that a new Code of Conduct which is more practical, should be developed to improve compliance and performance by the Office of the Judiciary.

Introduction

Employers are entitled to expect proper conduct and work ethics from their employees. Thus, they have the right to determine the rules of conduct for the workplace and to take disciplinary action against an employee who fails to comply with such rules, which are formalized as the Code of Conduct (Dzimbiri, 2016). The code of conduct assists in maintaining a good standard of work and conduct required from an employee (Bell, 2009).

Violations of the Code of Conduct by public servants is not only peculiar to Namibia. For example, in South Africa, the government prompted public sector departments to focus on anti-corruption measures to prevent and curb corruption (Naidoo, 2012). Internationally, the Office of Government Ethics in the USA was initiated by the Ethics in Government Act of 1978, to provide overall leadership and policy direction for an ethics program in the executive branch of the government. Furthermore, the judicial offices in Nigeria adopted a Code of Conduct in 2000, to ensure compliance by judicial officers and due to the increase in ethical challenges, in recent years, many judicial officers were removed from the bench for violating the rules and principles enshrined in the code (Izuako, 2000).

The Office of the Judiciary in Namibia was separated from the Ministry of Justice in December 2015. This Office inherited many employees from the Ministry of Justice with pending reports of violations of the Code of Conduct. This research therefore investigates adherence by employees to the Code of Conduct, also known as Public Service Code of Conduct. This Code of Conduct provides guidance to employees on the behaviour expected of them, both in their individual conduct and in their relationship with others (Bell, 2009). Compliance with the Code will help to enhance professionalism and maintain confidence in the Public Service (Public Service Act 13, 1995).

The generic Code of Conduct was introduced at the Office of the Judiciary as a directive from public service, to guide the behaviour of government officials. As reflected in Figure 1 below, violation of the Code of Conduct by employees increases annually, with about 42 cases of misconduct having been recorded from different directorates in 2017/2018 (Office of the Judiciary, 2018).

Figure 1: Types of misconduct offences
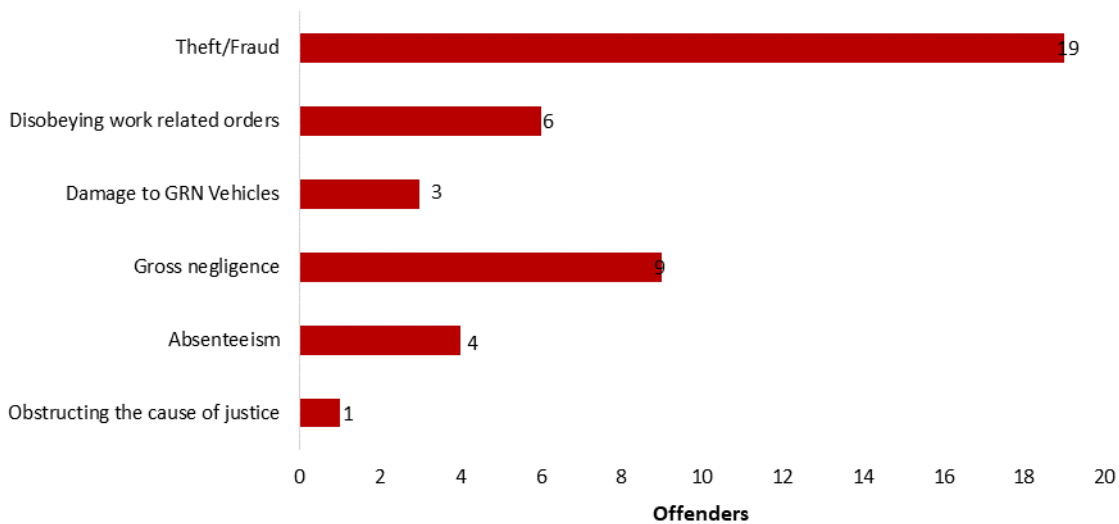
Source: Office of the Judiciary, 2018.

The adoption of the Namibian Constitution, at independence, ushered in a new paradigm of constitutional supremacy as opposed to the parliamentary sovereignty, which was prevalent under apartheid rule. The independence of the Judiciary was enhanced through the amendment of the Namibian Constitution, specifically Article 78, and the enactment of the Judiciary Act, 2015 (Act No. 11 of 2015) (Judiciary Act, 2015). The Office of the Judiciary was subsequently established as the administrative arm of the judiciary, responsible for handling all administrative and financial matters of the Judiciary.

As per Article 78 (5) of the Namibian Constitution, Namibia has made the monumental move to establish an independent body of the Judiciary which separates it from the Ministry of Justice. Since the Ministry of Justice belongs to the executive arm of the State, the fact that the Judiciary resided administratively under the Ministry of Justice, was not fully compliant with the principles of the separation of powers and the independence of the Judiciary. The vision of the Office of the Judiciary is "*To be a world-class leader in judicial excellence". The Mission which will be the vehicle towards the achievement of the vision is 'To uphold the Constitution and to promote the rule of law through administering justice in a fair, timely, accountable and accessible manner'.*

It is against the above background that this study was undertaken to examine compliance by employees with the Code of Conduct in the Office of the Judiciary.

Literature review

For government programmes to be implemented effectively, ethical behaviour is vital within the scope of good governance and accountability (Naidoo, 2015). Organisational culture can act as an important control mechanism of employee behaviour and leaders can have a major influence (Kulik, 2005). Organizational culture which is known as ethical leadership, influences the ethical culture of the organisation and its employees (Naidoo, 2015). A strong organisational culture relies more on implicit signals, beginning with the behaviour of upper management and supervisors. An unethical work environment has been linked to poor employee performance (Enciso, Milikin, & O'Rourke, 2017).

For the Office of the Judiciary to achieve its vision to be a world-class leader, it must benchmark against the best practices in the world. According to the 2016 Global Business Ethics Survey reported in the Forbes magazine, for the past decade, Japan and Germany made it a point to encourage top managers to be more efficient and honest.

In Namibia, the Public Service Code of Conduct is enforced under the Public Service Act, the Public Staff Rules and the Labour Act 11 of 2007, which is the legal framework for the governance of public officers in Namibia. The Code of Conduct provides guidance to employees on the behaviour expected of them, both in their individual conduct and in their relationship with others. In the case of non-compliance with the Code of Conduct, the question of misconduct may arise, and the employee could be liable to

disciplinary action under the Public Service Act (Section 25 of Act 13 of 1995). The Office of the Judiciary adopted this generic code of conduct from the Namibia Public Service Regulations governing the civil service, in order to ensure compliance with the terms and conditions of employment.

The Ethics Policy is supported by the Code of Ethics or Code of Conduct that sets standards for employee behaviour and require employee compliance with these norms (Tricker, 2015). The issue of ethical behaviour has dominated the political and business landscape and there has been widespread media attention on the adverse effects of unethical behaviour by leaders and employees alike. Research on ethical behaviour has focused on examining cultural factors that influence employees' ethical behavior and ethical decision-making in private sector organizations (Treviño, Weaver, & Reynolds, 2006).

Although most research conducted on employee behaviour was primarily in the private sector, the increase in employee unethical behaviour is even more serious in the public service (Nazir & Islam, 2017). Although this generic Code of Conduct was introduced, there has been several violations of the code through activities such as embezzlement of state funds, reported against public officials in the Office of the Judiciary. Public Offices are constantly monitored by the public to ensure that the delivery of services conform to the values they advocate, and the Office of the Judiciary is no exception. Thus, the aim of this study is to determine the factors that influence employee compliance with the Code of Conduct at the Office of the Judiciary, in the Khomas Region, Namibia. Prior studies focused more on ethics, ethical standards and organizational culture and little is said about the impact of compliance with the employee code of conduct and how it influences employee behaviour in the public service.

Research methodology
A mixed-method research approach was employed to examine compliance with the employee Code of Conduct in the Office of the Judiciary, since it is appropriate to deconstruct the richness of the Code of Conduct and the need for compliance, to enhance professionalism in the office (Creswell, 2014). The researcher preferred a case study of the Office of the Judiciary, because of the advantages that case studies bring into the research, for example, being able to include own experiences and therefore provide a natural basis for generalization (Bryman & Bell, 2015).

Sampling and sample
The target population for this study was 300 participants composed of clerks, judiciary officers, supervisors and the key informant the HR Director. Purposive sampling technique (Robinson, 2014) was used to select the sample size of 84 employees and 12 supervisors for the quantitative data and 25 for the qualitative data (Greener & Martelli, 2018). The researcher contacted the group of people relevant to the research topic as there was no sampling frame (Greener & Martelli, 2018). The chosen techniques assisted the researcher to select and engage with employees who deal with enforcement of the Code of Conduct in the Office of the Judiciary and are able to evaluate compliance with the Code.

Data collection and analysis
Qualitative data was collected through semi-structured interviews, in which an interview guide was developed (Hox & Boeije, 2005). Key informant interviews were conducted face to face for about 30 to 45 minutes, using the interview guide and all interviews were conducted with full consent of the respondent.

Quantitative data was collected via an electronic survey, using a structured questionnaire, comprising Likert-scale questions. The survey questionnaire was piloted among five random employees and all ambiguity removed to make the questionnaire more friendly and easy to understand. The questionnaire was uploaded to *Google Forms* for respondents to complete.

Secondary data in the form of Public Staff Rules, the Code of Conduct, Office of the Judiciary Annual Report 2017/18, Labour Law and Anti-Corruption Act, etc. were also used to gather preliminary information (Greener & Martelli, 2018).

Content analysis was used to analyses the data from the qualitative study and descriptive and inferential statistics were used to analyze the quantitative data. The Statistical Package for the Social Sciences SPSS software was used for all inferential statistics (IBM Corp. Released, 2011).

Reliability and validity
To confirm the reliability of the research instrument, the Cronbach alpha coefficient value was determined. With regard to construct validity, the pilot study confirmed this, and the main study was conducted using questions which were clear and designed to collect information which addressed the objectives of the study.

Research findings
Respondents' demographics
The vast majority (65.5%) of the respondents were female and 44% were classified as middle-aged (31-40 years old), and an overwhelming majority (79.8%) had achieved tertiary education.

Reliability
The results indicated that the nine items generated a Cronbach's Alpha value of 0.747, which indicates that the instrument was reliable since this is above the threshold of 0.7.

Factors that influence employee compliance with the code of conduct
It is evident form Table 1 that seven factors were regarded by the respondents as being 'extremely' influential in an individual's compliance behaviour. These included *Ethical leadership* (46.4%), *Organisational culture* (42.9%), *Individual financial needs* (31.3%), *Transparency* (53%), *Accountability* (47.6%), *Abuse of power* (33.3%) *and Integrity* (52.4%). Only two factors (*Stricter punitive measures* 41.4% and *Theft & fraud* 32.5%) were considered as being 'somewhat'' influential.

Table 1. Factors which influence compliance with the code of conduct

Perceived factor statement	Frequency	Percent
Is **ethical leadership** an influence on compliance?		
extremely influential	13	15.5
not at all influential	4	4.8
slightly influential	10	11.9
somewhat influential	18	21.4
very influential	39	46.4
Is **organisational culture** an influence on compliance?		
extremely influential	9	10.7
not at all influential	1	1.2
slightly influential	10	11.9
somewhat influential	28	33.3
very influential	36	42.9
Are **stricter punitive measures** an influence on compliance?		
extremely influential	3	3.7
not at all influential	7	8.5
slightly influential	16	19.5
somewhat influential	34	41.5
very influential	22	26.8
Is **abuse of power** and influence on compliance?		
extremely influential	6	7.1
not at all influential	16	19.0
slightly influential	11	13.1
somewhat influential	23	27.4
very influential	28	33.3
Is **integrity** an influence on compliance?		
extremely influential	14	16.7
not at all influential	2	2.4
slightly influential	4	4.8
somewhat influential	20	23.8
very influential	44	52.4

Are **individual financial needs** an influence on

compliance?		
extremely influential	12	14.5
not at all influential	14	16.9
slightly influential	11	13.3
somewhat influential	20	24.1
very influential	26	31.3
Is **transparency** an influence on compliance?		
extremely influential	10	12.0
not at all influential	3	3.6
slighly influential	4	4.8
somewhat influential	22	26.5
very influential	44	53.0
Is **accountability** an influence on compliance?		
extremely influential	17	20.2
not at all influential	4	4.8
slightly influential	7	8.3
somewhat influential	16	19.0
very influential	40	47.6
Is **theft & fraud** an influence on compliance?		
extremely influential	5	6.0
not at all influential	22	26.5
slightly influential	10	12.0
somewhat influential	27	32.5
very influential	19	22.9

Table 2 reflects the relationship between and among the variables purported to influence employee conduct. It is apparent that the correlation between the *Ethical leadership* and the attributes *Organisational culture, Integrity* and *Accountability* are positive and strong. On the other hand, it is evident that a negative correlation (relationship) exists between the *Abuse of power* and the *Organisation culture,* suggesting that the more the employee's abuse power the less they exhibit or promote the organisation culture in the Office.

Table 2. Pearson's correlation matrix

Variables	Ethical leadership	Organisational culture	Stricter punitive measures	Abuse of Power	Integrity	Individual financial needs	Transparency	Accountability	Theft & fraud
Ethical leadership	1	0.5481	0.2192	0.0328	0.6627	0.1637	0.4380	0.5968	0.0952
Organisational culture	0.5481	1	0.0467	-0.1105	0.3873	0.1717	0.4276	0.3934	0.0749
Stricter Punitive measures	0.2192	0.0467	1	-0.0747	0.3714	0.1088	0.3104	0.2207	0.0720
Abuse of Power	0.0328	-0.1105	-0.0747	1	0.0049	0.3244	0.0149	-0.0251	0.2517
Integrity	0.6627	0.3873	0.3714	0.0049	1	0.1527	0.5677	0.6119	0.1042
Individual financial needs	0.1637	0.1717	0.1088	0.3244	0.1527	1	0.3621	0.2149	0.2289
Transparency	0.4380	0.4276	0.3104	0.0149	0.5677	0.3621	1	0.6269	0.0833
Accountability	0.5968	0.3934	0.2207	-0.0251	0.6119	0.2149	0.6269	1	0.2229

Impact of employee compliance with the code of conduct

Theft & Fraud	0.0952	0.0749	0.0720	0.2517	0.1042	0.2289	0.0833	0.2229

Table 3 reflects the perceived impact of the nine factors on compliance with Code of Conduct. All the mean values and the standard deviations indicate that the respondents were between neutral or disagreeing 'greatly' with the six statements. This implies that not all the factors in this study have impact on compliance with the code of conduct.

Table 3. Perceived impact of the factors that influence employee compliance.

Statements	SA	A	N	D	SO	Mean	S. D
1. Creates an unethical work environment	7.14	17.86	27.38	38.10	9.52	3.25	1.0852
2. Demotivated workforce	9.52	15.48	23.81	40.48	10.71	3.27	1.1444
3. The work atmosphere	7.14	20.24	20.24	38.10	14.28	3.32	1.1633
4. Incur legal cost due to labour cases	5.95	15.48	47.62	25.00	5.95	3.10	0.9394
5. Reputation of the organization	0	5.95	33.33	47.62	13.10	3.68	0.7786
6. Has no impact on the office	19.05	41.67	26.19	8.33	4.76	2.38	1.0402

^{an} On a 1-5 scale, a high mean score indicates a positive attitude.

When respondents were asked whether they were well educated about the Code of Conduct, 30% indicated a ''neutral'' response, which implies that it was unclear whether there was any information or training conducted by the Office of the Judiciary on the Code of Conduct. Furthermore, 30% of the respondents 'disagreed' further implying that there is no proper induction in place to inform and educate employees on the Code of Conduct. Generally, a significant number of employees are not aware of the information contained in the Code of Conduct and other relevant pieces of legislation.

Key informants' views and recommendations
Using the snowball sampling technique (Gall *et al.*, 1996), key informant interviews were conducted during the whole month of July 2019. In total, 12 supervisors from the Office of the Judiciary provided initial insight into compliance with the code of conduct.

Somewhat contradictory to what emerged from the employee survey, the Supervisors indicated that the employees were fully aware of the Code of Conduct. The participants were also of the view that effective leadership is the main factor which influenced compliance and impacted the performance in the Office of the Judiciary. In this regard, one informant stated:

> "I guess lack of motivation at work, industrial harassment by supervisors, lack of communication models, lack of peer review models, lack of social fellowship, lack of appreciation by supervisors and selective treatment of staff by supervisors".

Discussion
The fundamental aim of this study was to identify the most significant factors related employee compliance with the Code of Conduct. The results reveal that organisational culture and strictly punitive measures are the factors that greatly influence employees' compliance with the Code of Conduct. The study established that employees seemed to overlook policies and seemed not to be deterred from committing offences. The majority of the respondents indicated that the management should be transparent and offer ethical leadership.

Although an employee's personal code of ethics greatly determines how they choose between right and wrong, the ethical environment created by employers can greatly influence their behaviour. According to Payne (1994), the unethical business practice involves the tacit cooperation of others and defines an organisation's operating culture which is a mirror reflection of its values, character, beliefs, and language. Organisational culture can be developed positively by leading through example and also educating the employees about ethical standards. Examples of the formal elements include internal policies that govern the Code of Conduct, official communication from the executives, the system of performance appraisal by management. Informal elements comprise of the daily behaviour and rituals that help employees to identify with the organisation's values, stories told about the organisation and the language people use in daily behaviour.

Managers at all levels should set examples of acceptable behaviour, directives or actions which determines what is or what is not acceptable in the organisation. Whenever there are deviations from the organisation's expected standards of conduct, these should be identified and corrected in a timely and consistent manner (Payne & Stevens, 1999).

Organisational culture creates boundaries between one organisation and others and also between employees (Li & Cropanzano, 2009), and most studies which examine the relationship between organisational culture and employee behaviour claim that there is a positive relationship. Employees need to know that they have personal and professional rights which should be upheld by employers. If the management does not recognise the rights of employees, they are likely to create policies that can negatively affect the morale and motivation of workers. Kotter and Heskett (1992), found that if the organisational culture fits well into the environment, that organisation is likely to thrive well. Organisational culture helps to reassure consumers and other stakeholders, especially those seeking integrity, socially responsible investment and a commitment to ethics (Gould-Williams, Mostafa, & Bottomley, 2013). An effective code of conduct is only part of the puzzle in that it must be accompanied by a robust education and communication program, a progressive monitoring and evaluation program of its effectiveness and its impact on the culture and vice versa.

Strict punitive measures also greatly influence how employees comply with the Code of Conduct. A culture grounded in ethics presupposes that employees have a certain level of control over ethical outcomes and that there exist resources that can help them take action against unethical occurrences (Mayer, et al. 2013).

It is recommended that the Judiciary conducts workshops at least twice a year to sensitise and teach employees on the importance of complying with the code of conduct and how that contributes to the organisation's reliability and growth.

The organisation should ensure that there are strict measures for action to be taken against employees who break the Code of Conduct. These measures should be adhered to diligently and consistently despite the race, gender or tribe of the perpetrators.

It is also recommended that the employee Handbook be reviewed more often so that employees know how they are expected to behave. Draft disciplinary actions based on that should also be included, making sure that all employees receive copies of both, sign a statement saying that they have read both the Handbook and the workplace Disciplinary Policy.

Guidelines for managers and supervisors who have to enforce the policy should be documented. It is important to make sure that they understand the policies and the processes thoroughly and stress the importance of being consistent with employees.

It is recommended that the findings of this study be used to develop a new Code of Conduct which is effective, and which drives performance among employees. The researchers propose that new Code of Conduct be conceptualized as depicted in Figure 2, since it will accurately reflect the current ethics of the judicial profession and deal precisely with major issues confronting the system such as corruption.

Figure 2. Proposed steps involved in the revision of the code of conduct.

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The fourth industrial revolution-COVID-19 conundrum: a periscopic view of some opportunities and challenges

Surendra C Thakur
Durban University of Technology

Mikaela Thakur
University of KwaZulu-Natal

Abstract
The Fourth Industrial Revolution (4IR) has spurred rapid technological growth resulting in automating and replacing millions of jobs and contributing to the current unemployment crisis. In South Africa, the impact of the 4IR on society and the workforce has been so severe that two separate initiatives were launched to investigate this, namely, a Presidential Commission and a Ministerial Task Team (MTT-4IR). The COVID-19 pandemic compounded the employment crisis, signaling the most devastating pandemic in history. Aside from the mortality, COVID-19 has also created mass unemployment with hundreds of millions of people being left without work. This paper examines the impact of the toxic COVID-19 4IR combo on international and South African financial services by using the narrative research method to unpack the notion of 4IR and COVID-19, recommend intuitive and counterintuitive strategies to employment and reemployment, to mitigate the prevailing business crises.

Keywords: 4IR, Covid-19, employment; financial services, digitalisation

Introduction

Each successive *Industrial Revolution* has had, as the term suggests, a disruptive influence on the manner that society worked, travelled, communicated, and lived. Over time, these 'revolutions' reassuringly advanced business, industry and society and created many more new jobs. The impact of the Fourth Industrial Revolution (4IR) on society in general and the workforce in particular, has been so severe that two separate investigations were launched in South Africa, to discuss this challenge. However, the investigations were overtaken by COVID-19, which added a further element of disruption.

The challenges will be discussed together with an explanation of 4IR as well as COVID-19, and the impact on unemployment in the financial sector. More specifically, this paper examines and reflects on the innovative world of work and then suggests some occupational strategies to mitigate unemployment and create new products.

Literature review
The exponential growth in technology has transformed the world into an 'always-on, always-connected' global village, self-driving and flying vehicles, personalized robotic assistants, and sophisticated modern travel. Regrettably, this travel also provided COVID-19 with an open 'business-class' ticket to South Africa, and the nation was not spared the pandemic.

Each *industrial revolution* marked transitions from muscle power to mechanical power, though electrical power to transistor-induced computing power, all of which evolved into the so-called Fourth Industrial Revolution. In the short term, each revolution created carnage in the employment ecosystem automating and removing thousands of repetitive, so-called semi-skilled jobs. On the other hand, it also introduced business efficiencies which ultimately benefitted humankind through creating new types of jobs.

The advent of the Personal Computer (PC) which was the mascot of the Third Industrial Revolution (3IR) era during the 1980s, was initially destructively disruptive. In the USA alone, 3.5m million jobs were displaced as a direct consequence of the PC. What is not remembered is that the PC created new kinds of products and services which were positively disruptive. Ultimately, 18.2m new jobs were created and many of these jobs did not exist in the pre-PC era. In this context, the adage "Technology destroys jobs but not work[1]" remained (Manyika, Lund, Chui, *et al.* 2017).

Fourth industrial revolution (4IR)

The 4IR exists at the intersection of the cyber, physical, and biological worlds. 4IR refers to a range of disruptive technologies and trends which are changing the way we live, work and relate to one another. This blurring refers specifically to the fusion of advanced technologies, inter alia, data science, Artificial Intelligence (AI), the Internet of Things (IoT), cloud computing, cybersecurity, the sharing and circular economy, robotics, autonomous robots and vehicles, additive manufacturing and 3D printing, cyber-physical systems, genetic engineering, quantum computing, blockchain technologies, virtual reality (VR), and augmented reality (AR) (Schaub, 2017).

It is useful at this point to pedantically define disruptive technology which "is an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances (Ab Airini, 2017). The impact of the 4IR on society in general and the workforce in particular, has been so severe in South Africa, that two separate National responsive initiatives were launched. The South African Government appointed the Presidential Commission on 4IR to study its national impact and the Department of Higher Education established a Ministerial Task Team to consider 4IR (MTT-4IR) and its impact on education and the future of work.

A foreshock to COVID-19 was the employment-related retrenchment wreaked by the 4IR which predicts that approximately one-third of the workforce or 800 million workers from 42 countries could be displaced because of the 4IR (McKinsey, 2019). In addition to this, the Bank of England (2016) estimated that two-thirds of all jobs are capable of being automated within 20 years, which will create new, as yet undiscovered jobs. Internationally, HBSC predicted a shrinkage of 35 000 jobs in February 2020, while Deutsche Bank announced 18 000 layoffs in July 2019. All the aforementioned statistics refer to pre-COVID-19 job losses.

Indeed, the pre-COVID-19, 4IR restructuring of the South African labour market through retrenchment had already begun, with the financial services in particular experiencing significant shrinkage. Table 1 reflects the sectors and companies in South Africa which reported job loses between March 2019 and January 2020.

Table 1: Sector and company: 4IR related job losses

Sector	Company	Number of job losses
Finance	Standard Bank	1 200
	Absa	827
	Nedbank	1 500
Agriculture	Tongaat-Hulett	5 000
Engineering	Hulamin	200
Mining	Sibanye-Stilwater	3 450
Entertainment	Multichoice	2 194
Retail and Telecommunications	Telkom	4 950

Source: de Villiers, 2019

COVID-19

COVID-19 is a disease caused by a new strain of coronavirus, which formerly referred to as '2019 novel coronavirus' or '2019-nCoV'. The COVID-19 pandemic has profoundly changed the way we work, live, travel and how we will vote, and it popularized the term new normal. (WHO, 2020).

COVID-19 crossed over to humans in Wuhan, in November 2019, becoming the most devastating pandemic in history when measured in economic and human misery. On 8 August 2020 Africa passed 1m COVID-19 cases, South Africa endured its 1ten000[th] death. This was Day 115 days of the nation's lockdown. By this day, the country had already experienced 3 million COVID-19 related job losses.

In response to the pandemic, the South African government declared a nation-wide shutdown on the 23rd of March 2020 (Haasbroek, 2020). The lockdown was a grave decision to shut down the country through shutting the economy, halting contact education, banning any social get together and introducing strict curfews. This was as New York Governor Andrew Cuomo eruditely reflected "An outbreak anywhere is an outbreak everywhere" resolutely insisting that the crises be mitigated through "the science-based, data-driven mindset."

The UN's International Labour Organization (ILO) predicts that 1.6 billion informal economy workers could suffer "massive damage" to their livelihoods. In the second quarter of 2020 alone, COVID-19 cost the equivalent of 305 million full-time jobs. The impact has been dramatic with current unemployment rates at USA (15%), Canada (14%), Japan (2.5%), UK (9%), and Germany (5.8%) (Kretchmer, 2020).

COVID-19 Retrenchments in South Africa

Nedbank, forecasts that 1.6 million jobs will be shed in the country in 2020, while Africa is expected to shred 20 million jobs (Bulbulia, 2020). The Commission on Conciliation, Mediation and Arbitration's 2018-2019 financial report indicated that 38 588 workers in total were the subjects of Section 189a notices. In the three months between April and June, 98 818 workers were the victims of Section 189a retrenchments, which is an increase of 156% in one quarter alone (Tshabalala, 2019). Section 189 retrenchment notices were sent to workers in the following sample of companies. This implies that these positions are vulnerable.

Table 2: Sector and company: COVID related job losses

Sector	Company	Job losses
Retail	Edcon	22 000
Transport	Comair	3 000
	SAA	2 700
Media	Media24	510
	SABC	600
Services	SAB	500
Manufacturing	Barloworld	4 442

Source: Mokhoali, 2020; Mahlaka, 2020; Zulu, 2020

Ultimately, when a COVID-19 treatment and vaccine is found, 4IR will remain an issue as more and more jobs become automated. Having briefly sketched current employment scenario in South Africa, linked to both the 4IR and Covid-19 pandemic, the next section describes the suggested methodology used to mitigate this crisis.

Research Methodology

This study used the narrative research methodology which involves collecting descriptions of events through observations, written evidence and interviews. When confronted with a crisis, leaders undertake a situational assessment of what is going on before responding. Their decision-making is affected by several sources of information and prior knowledge, such as factual or statistical information, narratives of others, and real-time information. This decision is non-trivial, especially when advisors lack the knowledge or skills required (Bakker, Kerstholt and van Bommel, 2019), as is the case with 4IR and more so with COVID-19, because very few have all the requisite knowledge at this stage.

This paper situationally explains and illustrates the impact of 4IR by presenting intuitive and counterintuitive 4IR innovations. These promote business, employment, as well as reemployment and mitigate   the   prevailing   business   crises.

Given that business has to decide, under conditions of unprecedented uncertainty between options with different outcomes and consequences (Seeger 2006), these vary between retaining the status quo, downsizing, exiting specific verticals or closing altogether.

In these trying times, leaders will have to balance competing priorities, namely, people (customers, suppliers and employers), profits (shareholder and sustainability) and the planet (circular economy and climate change). Risk research such as this, therefore, suggests an approach.

The COVID-19 4IR combo
The combo of COVID-19 and 4IR is jointly an opportunity and threat to business since it will require a complete reimagination of work, its locality and nature. It offers intuitive and counterintuitive remedies to the employment, reemployment and business crises that will inevitably prevail. When the COVID-19 treatment and vaccine is found, 4IR will still be automating and displacing jobs. Some positives which should be retained include:

- A renewed national spirit in most localities in the world has evolved with politicians closing ranks. The only exceptions appear to be countries in an election year where posturing seems to be the detriment of the citizens.

- The increased corporation between the public and private sector, and improved intergovernmental coordination and communication at national and local levels. Taiwan beneficially used their previous SARS[2] pandemic experience to leverage governmental data sharing to track patients under investigation (PUI)

- An accurate database of the nature, range and capabilities of active, semi-retired and retired personal in emergency professions. This legacy database must be extended, treasured, and updated.

- Identification of public geographic areas or facilities that could be repurposed in case of dire emergencies.

- Reduction in the digital telecommunication divide as fibre and 5G installations are ramped up. Work from home which positively reduced traffic

- Improved reporting by government and health authorities

- The lesson here is that the African continent, national and cities must form regional economic purchasing consortiums to mitigate price gorging.

Some COVID-19/4IR negatives

Covidpreneurs

There has been rampant fraud with the notion of a 'covidpreneur' emerging. These are politically connected politicians or businessmen who use their network to bypass supply chain procedures (SCM) for enrichment often with no skills or expertise. This is a worldwide, and not only a South Africa problem. The power of 4IR on social media is an excellent surveillance tool to detect unusual richness or unusual sales.

Price gorging and surging

Some businesses naively took advantage of the Law of Supply and Demand and started to increase prices to such an extent that the Competition Commission got involved. Data Science and 4IR techniques may be used here to monitor prices for even other cases such as seasonal and even geographic, that is rural areas.

Fake PPEs

Blockchain, public eyes, social media and data science can collectively reduce PPE type fraud which can be a legacy system to the new health system. President Ramaphosa conceded as such to the South African National Editors' Forum saying, "the silver lining to come out of the Covid-19 PPE corruption was that there will be transparency when it came to all contracts" (SANEF, 2020).

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[2] Severe acute respiratory syndrome (SARS) is also a corona virus.

Situation Assessment

Digitalism is a phenomenon where digital technologies transform every aspect of society, and the culture of digital technology usage (digitality) is entrenched (Bowen & Giannini, 2014). Narrative research demands a description of what is happening in the context of defined terms such as 4IR and COVID-19.

Innovation and 4IR

This section reflects on some innovative practice which is part of narrative research to provide relatable sector-specific examples to illustrate the range and type of current innovations.

Digital Bank - Bank Zero

This is arguably SA's first exclusive digital mutual bank which was co-founded by Michael Jordaan, former CEO of FNB in 2018, but postponed its launch to 2020. Its goal is a disruptive zero cost transaction fees and there will be no branches, and all processes have been designed for digital engagement. Consequently, all communication will be app-driven, and customers can become shareholders, based on the type of savings products they use.

Sharing economy Tyme Bank

The nimbleness of online Tyme Bank became apparent as the bank latched onto the brick and mortar footprint of Pick n Pay, to grow its business. A useful attraction to possible clients is that cash withdrawals at Pick 'n Pay and the Boxer store till points are free. Tyme was astute in mimicking of the Airbnb and Uber sharing economy model, which is using other people's assets to create, augment and grow business. At one point during 2019, Tyme was the fastest growing bank in the world[3].

Behavioural Bank Discovery Bank

Behavioural science is the hailed as the world's first behavioral bank. It rewards customers for good financial behaviour by urging clients to spend less than they earn, save, pay off debts and take adequate insurance. Richard H. Thaler was awarded the 2017 Nobel Memorial Prize in Economic Sciences for his contributions to behavioral economics which he called Nudge Theory. The theory is being used in a variety of ways and is required reading for any financial sector innovator.

Wearable Technology

Wearable technology, also known as "wearables", is a category of electronic devices that can be worn as accessories such as smartwatches, or chains, embedded in clothing or shoes, implanted in the user's body, or even tattooed on the skin. It can continually log information which combined with intelligence, can monitor a person or asset continuously. It can and is being deployed for determining if a person falls, a car meets an accident or if a driver is driving well. This allows insurers to reward good behaviour and reduce claims.

Rewards cards

Other banks and financial institutions have introduced loyalty and rewards programmes where certain transactions attract points which may be redeemed for specific items or even converted into money.

Capitec bank

Capitec Bank innovated low cost to capitalize on the lack of service to low-income earners. This Bank was also one of the first to introduce Sunday Banking pragmatically and they are growing employment rapidly. This reveals that old fashioned marketing ideas still work! Capitec CEO, Gerrie Fourie (2019), indicated they would employ 100 Data scientists 'on the spot' and plan to increase their workforce by 600.

4IR and COVID-19

A positive aspect of innovation is it diffuses through society, sectors and geographic countries (Rogers, 2004). Thus, we may adopt innovations from the 4IR and the COVID-19 response.

COVID-19 and small home office

4IR through Cloud Computing and the Internet of Things (IoT) will support contactless home-based communication. This practice which had already started with Investec and Accenture over the last few years, was accelerated internationally by the COVID -19 pandemic.

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[3] Tyme website

Data Science and COVID-19

Data science is an interdisciplinary field that processes algorithms and systems to extract knowledge and insights from structured and unstructured data. Data science has helped locate epidemic epicentres which will inform and evolve appropriate local responses.

Data Science, Artificial Intelligence and COVID-19

Data Science, Artificial Intelligence (AI), and visualizations technology are vital collaboration tools in the fight against coronavirus-like future pandemics. Supercomputers are using AI to diagnose the virus and produce a coronavirus vaccine.

Visualise data for improved communications.

The animation or visualization of data is a vital Data Science tool which helps people to "observe" the COVID-19 daily infection rates (new, recovery or fatalities) nationally and by province. Animations are a powerful cognitive tool in a country beset with illiteracy because it is intuitiveness.

Recommendations

Using narrative research compels the researcher to make suggestions which could be perceived as recommendations.

Is it time to stop swiping or typing and start speaking?

Artificial personal assistants such as Google Assistant, Siri and Cortana, have been with us for a while and they are now mature products. This allows for a new form of engagement for all businesses, including financial services. This will be particularly useful to mitigate vulnerable illiterate consumers. South Africa is a 'fit-for-purpose' market to develop, test and deploy such a product given its wide geographic size and its multilingualism.

Fibre to the home (FTTH)

The speed at which internet service providers (ISPs) have responded to upgrade suburban infrastructure has had a productive impact on family units and has made homeschooling and work-from-home possible. The shift in supply and demand provision and locality will see financial services not only entering this market, but attaining maturity, given that many are already in the mobile market.

Universal Income grants must be researched.

South Africa introduced employer benefits and a subsistence of R350 for unemployed people. This gesture which was applauded even though the quantum was criticized, did however, raise the notion of a Universal Basic Income (UBI). COVID-19 may well propel the Basic Income grant to become universal. Money spent by each individual will counterintuitively grow the economy, reduce inequality and improve well-being which in time will reduce the need to support folk.

However, opponents to the UBI argue that it would be too expensive and discourage work seeking. This is the reason why Germany undertook a UBI exercise and commenced longitudinal research to compare the experiences of the 120 UBI volunteers with 1,380 volunteers not receiving the UBI (Payne, 2020).

SA achieved satisfactory emergency grant disbursements for the first time.

The Minister of Social Development Lindiwe Zulu told MPs that they have received nearly eight million applications for the R350 unemployment grant and processed five million of these applications with minimal physical engagement, although many applicants were from deep rural areas of the country. She prudently added that any investment as a response to the pandemic should result in a long-term sustainable improvement to the work of the government[4].

The above suggests three positive things emanating from the 4IR-Covid-19 conundrum. Firstly, that the digital inflection point has arrived as the poor were being paid remotely and virtually, which is a quantum leap in how we previously perceived the digitally divided nation. Secondly, this in-house development is a giant leap from the scandal laden previous SASSA grant payment system. Thirdly, this demonstrates that systems that have a post-COVID-19 legacy can be developed. It is therefore suggested that there is a need to reexamine all COVID-19 measure (past, current and planned) to establish which measures are innovative or have a potential afterlife, and how. This is good news for revenue disbursement but does not consider revenue collection.

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[44] ZA Parliament session, 3 September

Support government and parastatals with revenue management

Revenue calculation, collection and disbursement have been a challenge to South Africa for a very long time. The devolved autonomy between the three tiers of government implies that many organizations developed their own systems or went out to tender, with varying degrees of success. For example, the four largest South African metros have each spent approximately a billion rand each on revenue management systems with dismal results. The case for smaller municipalities is worse, which increases the cost of revenue collection ultimately impacting service delivery.

The finance sector can easily support municipalities with safer, more efficient municipal revenue collection for rates, water, and lights. The predictable hours and safe operations of the sector may even influence ratepayers to comply.

The Home Affairs Department has pragmatically recognized the footprint of financial services and is now rolling out Identification and passport application and collection services at some banks. This is welcomed as an added service to bank customers and relieves the home affairs department to some extent.

Consideration should be given to whether this can be extended to other non-municipal collection services such as car licenses run by eNatis[5] and TV licenses run by the SABC. These operations are small, could easily be adopted by banks and delivered for a lower price, thus increasing revenue to the government.

People or profit

The leaders of healthy companies should as corporate citizens, consider supporting other stakeholders upstream or downstream. Evacuation would increase an individual's chance of survival but possibly at the cost of those unable to leave the area by themselves.

Youth demographic: dividend or timebomb

In mitigating business risks, it is prudent to remember the African youth. Africa is demographically the world's youngest continent. By 2030, one-fifth of the global labour force or one-third of the worldwide youth labour force will be from Africa. The World Bank (2018) informs youth unemployment to be around 30 percent and 40 percent for young women. 12 million African youth enter the workforce annually, competing for just 3 million newly created formal jobs which COVID-19 pandemic will doubtless exacerbate. This oft-celebrated youth or demographic dividend will morph into a timebomb if urgent remedial steps are not taken through a combined government-business response.

Numerous studies argue that youth unemployment and underemployment are a threat to the social, economic and political stability of nations (Urdal, 2012). For example, a key Arab Spring demand was access to quality jobs (Thakur and Millham, 2016).

Educate the youth.

An oil company harvesting oil in the North Sea or gas outside Mossel Bay has to build the oil rig platforms first. This is why we need to contextually consider the demographic dividend, which is either an opportunity or a timebomb.

It may well be that the corporate social investment role (CSI) will evolve from extracting skills from the youth dividend, to instilling skills into them.

Conclusion

The 4IR-Covid-19 disruptions have an immense impact on the manner in which business is conducted today. In particular the job loss associated with factors like automation and technological advancement have been a cause of concern to many. In a similar manner, COVID-19 has had a disastrous effect on global economies, resulting in massive retrenchment and increasing unemployment rates. Given that the combinatorial impact of these two factors is devastating on both a global and national scale, industry leaders must prioritize stakeholders over pure profits or wealth creation. Although this may lead to decisions that may seem counterintuitive, it will result in long term value and is appealing to activist investors.

However, there are some positive effects of the 4IR disruption, such as the advent of Bank Zero, Discovery Bank and Tyme Bank, which will create new jobs and increase demand for cloud and digital services.

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[5] electronic National Administration Traffic Information System handles registration and licensing of vehicles.

Another unique opportunity is the chance to embrace the connected world. This means using voice as an interface, laying down fibre everywhere, imaginatively reflecting on Universal Basic Income, and pondering on how we as a sector can extend and enhance state (and other) services, such as revenue collection and disbursement.

While there is no marketplace anymore, there certainly is greater market space, since the barriers to entry to create services in most sectors has disappeared. Vehicle manufacturers and telecommunication companies are now playing in the finance space, while stores are even dispensing cash and collecting funds on behalf of third parties.

Digital banks have disrupted the traditional brick and mortar banks, while intriguingly the digital banks themselves are being disrupted by FinTech. The sector has to survey the market and innovate continually.

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Universal basic income: an overview and South African perspective

Eleftherios Contogiannis
University of Kwazulu-Natal

Abstract: This paper undertakes an overview of the main issues around the notion of the Universal Basic Income (UBI). Though the idea has been known for over 300 years, a Swiss referendum (5th June 2016) and the recent Covid-19 crisis have re-ignited the debate. A brief historical background to the concept will be given and an outline of the main pros and cons of the scheme, from the theoretical point of view, will be outlined, followed by identifying some major problems and trade-offs in the implementation of the scheme, including the South African scenario

Key words: universal basic income, welfare, bureaucracy, inequality, budgets, financing.

Introduction

On the 5th June 2016, Switzerland had a public referendum on whether to hand out an unconditional basic income of SFr30,000 per annum to every adult citizen (that is, SFr2,500 pm; SFr625 pm per child). The proposal was rejected by the Swiss Cantons by 77%, which implies an acceptance rate of only 23 % was achieved. It is worth noting that when the proposal was suggested a few years ago, the acceptance rate was put at less than 10%, which implies that there is increasing support for the universal basic income (UBI) concept.

It should be noted that Switzerland is at the top of the world's most prosperous countries with per capita income around $60,000 p.a. (higher than the USA), unemployment rate of 3,6%, population 8.4m, Gini coefficient of 28.7, a very low population below poverty line (7.6%), it is top in the competitiveness index, low corruption, and so on (www.cia.gov/worldfactbook).

The idea of UBI is not new as it has been around for over 300 years, but the Swiss referendum and the recent Covid-19 crisis has re-ignited the debate. Indeed, the suggestion has been made to introduce some form of basic income as a solution to the economic setback of the lockdowns in a number of countries, such as the UK and Germany. In South Africa, the Minister of Social Development Lindiwe Zulu has suggested a form of universal basic income for those aged 18 to 59 years (Spector Brooks, 2020).

The central point of the UBI is that the Government should hand out an annual income to every citizen, regardless of work, wealth or social contribution. The term UBI encompasses a variety of approaches, such as Guaranteed National Income (GNI), some universal, some more targeted including cash grants, Negative Income Tax (NIT) or tax credits and wage supplements (Tanner, 2015).

The key characteristics of UBI are that it is paid in cash, unlike in-kind welfare programs that provide specific services or benefits to specific needs such as housing, food, health care, etc. In most proposals, it is designed to replace the current welfare programs (excluding health care) and in most proposals, no eligibility is required.

Historical background

The idea of the UBI goes back a few centuries. Some would even argue that it started in Rome with free grain and …circuses offered to Roman citizens. It is supported by a wide ideological spectrum, from the left to the right (The Economist, 2016a)[6].

In 1797, Thomas Paine, one of the people who inspired the American revolution (1776) called for a national fund, out of which "there shall be paid to every person when arrived at the age of twenty-one years, the sum of fifteen pounds sterling, as a compensation in part, for the loss of his or her natural inheritance, by the introduction of the system of landed property. And also, the sum of ten pounds per annum, during life to every person now living, of the age of fifty years, and to all others, as they shall arrive at that age"(BIEN, 2016).

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[6] For an excellent detailed historical review and other studies, see The Basic Income Earth Network (BIEN): www.basicincome.org

Economists on the left such as John Galbraith, James Tobin and political activists such as Martin Luther King saw UBI as a means of promoting equal opportunity, social justice and an egalitarian society (Tanner, (2015). On the right of the ideological spectrum, including libertarians like Hayek and Friedman, it was seen as a way of restricting the coercive state, the role of government and restoring individual choice and freedom. Indeed, Freedman (1962) elaborated extensively on the concept of the negative income tax.

In the 1970s, James Meade suggested a "social dividend" as a means of alleviating poverty and creating a just and efficient economy. In 1970, Nixon came very close to implementing a negative income tax.

The idea faded in the 1980s – 1990s as the welfare reforms became the major issue. Of course, welfare benefits departed from the principle of universality, as they have limiting eligibility and imposing work requirements.

Recently, however, the idea of UBI has seen a renaissance. On the left, the idea has been fueled by concerns over inequality (Piketty, 2014), rising unemployment and poverty, the worsening of the middle class while the "elites" keep on reaping increased benefits and go "unpunished" for the ills of the post-2008 recession and even in the current Covid-19 pandemic. Political parties on the fringes both on the left and the right, can be seen in this context (Trump, Sanders in the US, Brexit and the EU, EFF in South Africa). On the right, conservatives and libertarians have been searching for a cheaper and more efficient alternative to the welfare state, which has grown larger every year.

In addition, the current technological revolution is seen as being different to the previous technological advances with the assertion that they will cause havoc to employment and bring turmoil in the labour markets because of robots and artificial intelligence. Basically, there has been a decoupling of household income growth and growth in GDP (Financial Times, 2016).

Some Silicon Valley entrepreneurs have accepted the UBI idea as a sort of "digital dividend". One can cite many current examples for the current supporters of UBI. An often-quoted study by Frey and Osborn (2013) is that 47% of US jobs will be highly susceptible to automation over the next two decades, though more recent studies dispute the validity of these results (The Economist, 2016a).

Stern (2016) asserts that self-driving trucks and cars would eliminate millions of jobs (3,5m truck drivers in the US alone). Brynjolfsson (2014) sees the new technologies, properly managed, as being able to create a "digital Athens" in which people have time to focus on sport and arts. Reich (2015) asserts that the digital revolution has increased economic insecurity and inequality. The development of "app platforms" such as Uber and Airbnb, have brought great benefits to consumers but also create a "spot auction market" for labour.

In a number of countries such as Canada, USA, Finland, the Netherlands, Brazil, and Kenya, local and national governments have been, or are, experimenting with the idea of introducing some form of basic income. For example, in Canada, the province of Ontario, will introduce UBI as a pilot study; in the USA, in Oakland CA, Sam Altman of Y Combinator, a start-up incubator, plans to give a basic income of $1,000 – $2,000 pm. The Netherlands will experiment in four cities by giving citizens $1,000 pm. Finland, starting in 2017, up to 100,000 people could get up to €1,000 pm for two years in the 17-65 age bracket. In Kenya, a nonprofit group will give 6,000 Kenyans a guaranteed income for at least ten years and follow the results. Alaska has been giving a "dividend" to all Alaskan residents paid out of oil revenues since 1982[7]

Pros and cons of the UBI

The case for a UBI
A UBI offers potential advantages over the current welfare system. It could be simpler and far more transparent than the current welfare bureaucracy doing away with multiple forms and eligibility standards. It could result in substantial administrative savings and help to break up the entrenched constituencies that support the welfare state and various "rent-seekers". There is a trade-off: the simpler and more universal the scheme is the greater the administrative savings will be.

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[7] For details, see Alaska Permanent Fund Corporation website: www.apfc.org).

A UBI would treat recipients like adults, and it would be less paternalistic and intrusive getting away from in kind-programs (food stamps, housing, special grants, medical benefits etc.) paying people in cash may lead to important behavioral changes. Though beneficiaries can mismanage cash, they can also use it to start businesses or make small investments, improve their skills and so on.

Current welfare programs trap people in a cycle of long-term poverty. For example, housing programs in various countries (including South Africa), concentrate in rural areas, away from cities and industrial centers, create fewer economic opportunities, and result in high crime, low social cohesion, poor school performance etc.

Cash is a more useful mechanism of exchange than in-kind benefits in enhancing personal responsibility and provide more opportunities to integrate into mainstream economic life. Direct cash assistance would alleviate poverty more effectively. Many current welfare programs like child grants encourage out of-wedlock births while discouraging work and marriage. Very often current welfare benefits at a high-level act as a disincentive for work. As the benefits are reduced or disappear when a person gets a job, a cost-benefit exercise is often undertaken with a bias, very often, against work. A UBI, by definition, would not penalize individuals for earning additional income. Sure, some would choose not to work but the evidence so far is not strong, though one should caution against conclusions drawn from samples that rely on observation and are for a specific period.

The purpose of poverty reduction programs is to reduce poverty, yet the results are not encouraging. There have been diminishing returns in reducing material poverty but very little has been done to increase economic mobility which extends to children as well. We may have reduced the discomfort of poverty, but we have failed to lift people out of it.

The case against UBI
In practice, of course, things are usually more complicated. The further one moves from theory to implementation and funding of UBI, the more the theoretical advantages dissipate. Everybody accepts that by setting UBI at a "reasonable" level, the costs would be prohibitive. Even if you convert all the existing welfare programs (excluding health benefits), the amount would not be enough.

The Economist magazine (2016b) has undertaken an exercise for OECD countries by taking the public social spending, excluding health care and converting into a universal benefit in $ purchasing-power parity. Countries like Denmark, Finland and France where the public social spending is around 25% of GDP, would get around $10,000 p.a. Countries like USA, Canada, Australia, New Zealand where the social spending is around 10-12 per cent, the Universal Benefit would be around $5,000-$6,000 p.a. The OECD average is $6,100 per annum. Poor countries like Mexico end up with $900 per annum.

From the 2019/20 Budget (National Treasury, 2020), taking total social, community and economic development allocations of R685.1bn and dispersing to all the population of age 15 and above (39m) one would come up with R17567p.a. Of course, different figures will come up if, for example, one assumes more money due to savings from the compensation of employees currently paid, reducing corruption, bureaucracy, etc.

According to an ANC document (Bloomberg, 2020), the ANC proposes a monthly grant of R500 for those aged 19 to 59 who are not normally eligible for other aid at a cost of R197.8bn a year. One can get different figures if one narrows the set of ages, or varying the amount suggested. It should be noted that as the poverty line band in South Africa is between R810 on the lower end to R1227 a month on the high end, the R500 per month grant is too low on a need's basis.

Numerous questions arise: should basic income be paid to non-citizens? Children? Inmates? Pensioners?

Some on the left and trade unions see the introduction of UBI as a means by the rightwing establishment to shed the existing welfare state. The financing of a UBI is seen as another major problem. The calculations above show that the figures are not all that high, but one should not forget that the key word is "basic" income. A more generous system would simply cost much more than the current welfare.

Any UBI should somehow be indexed to the cost of living, which raises further unforeseen costs and problems, particularly in periods of low economic growth and economic uncertainty, aspects that have their own multiple consequences.

There have been suggestions that the extra cost/money should be financed by higher taxes, tax on financial services and tax on land. All options have their advantages and disadvantages and are not discussed in this paper. Finally, there is the issue of population control. If the country has open borders, it will have a problem with migration. Simply put, "you can have open borders or a generous welfare state, but not both".

Conclusions

There is no doubt that from the theoretical point of view, compared to the current complex, expensive, ineffective and bureaucratic welfare system, the UBI idea has a number of advantages. Unfortunately, when we look at the aspects of implementation, financing, possible unpredictable effects on growth and wealth creation, on economic agents' behavior towards work and leisure, tax integrity and so on, the answers are not easy or obvious.

When it comes to pan out or predict the *unintended consequences* of various policy actions, economists have a rather poor record. This applies to one of the main reasons advocated for the introduction of UBI, namely, the disruptive effects of the current cycle of technology and automation. At this stage, we simply do not know and taking a radical action based on a lot of hypothetical scenarios is just too risky. Of course, this does not exclude a gradual approach in converting some in-kind welfare payments to cash, simplifying the system and making it more efficient and being a catalyst for a broader shift in public attitudes.

The issue of population control and migration need to be considered. Very often we underestimate the importance of population and its effects on economic variables but also that it is a sensitive, emotive issue. At the moment, the idea of UBI seems to be a very radical one but again, some years back ideas such as "helicopter money", flat rate tax, welfare system, negative interest rates, seemed as equally ludicrous.

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Financial challenges experienced by female agrarian SMEs in Zimbabwe: exploring the importance of savings clubs

N Munyawarara
School of Management, IT and Governance
University of KwaZulu-Natal

Abstract: Agrarian SMEs owned by women have struggled to survive due to inter-alia, the lack of working capital. Non-Governmental Organizations (NGOs) in collaboration with the government of Zimbabwe have responded by supporting the establishment and effective operations of savings clubs among women-owned SMEs in the agrarian sector. This study provides a perspective and understanding of the importance of women savings clubs in Zimbabwe. The women saving clubs also contribute immensely to understanding of the dynamics surrounding women in the agrarian sector, particularly in developing countries. The study entailed a critical analysis of the literature related to saving clubs in Zimbabwe. The results of the analysis indicate that saving clubs have yielded the required results, to a larger extent in addressing working capital challenges experienced by women-owned SMEs in the agrarian sector.

The main focus of the study was to analyze the role of saving clubs in sustaining woman owned agrarian SMEs in the Nyanga, Zimbabwe, using a descriptive survey design. A questionnaire was the main data collection instrument use to gather data from a purposive sample of 60 women in the agrarian sector in Nyanga. It was found that saving clubs were established as a strategy to sustain the growth of women-owned agrarian SMEs, so that they boost food production. As such their efforts promote social cohesion and integration among families through alleviation of hunger and poverty. It is recommended that saving clubs be expanded to compete with traditional banks in enhancing the growth of women-owned agrarian SMEs. This will ease their access to working capital since they are unable to meet the credit requirements of traditional banks.

Keywords: savings clubs, women- owned agrarian SMEs; working capital; rural economic development

Introduction

Although women-owned SMEs in the agricultural sector are being neglected, they play an important role in economic development since they provide employment, contribute to income generation, alleviate poverty and provide food-security to households (Tawodzera, 2013; Iyiola & Azu, 2014; Hussain, 2018). The women-owned agrarian SMEs are confronted with a plethora of obstacles such as gender inequality, lack of access to capital and markets, thereby inhibiting their growth. Hence, the women's saving clubs are the only strategy to deal with key challenge of financing their activities through pooling resources as a means of resolving working capital woes (Ibargu en-Tinley, 2014; Broegaard, 2013).

This study presents an analysis of the effectiveness of saving clubs in stimulating the growth of women-owned SMEs (Gash, Hall, Matuszeski, Nelson, Panetta, Fleisher Proaño, Reinsch Sinclair & Singh, 2015). The study seeks to assess the impact of popular saving clubs adopted by women entrepreneurs to improve their agricultural projects and assist in overcoming the challenges they face with regards to obtaining funding to establish, grow and develop their businesses (Hussain,2018). According to Musinguzi (2015), savings clubs are more popular in low-income communities. Thus, government support to women savings clubs in the country is vital in promoting their growth since they reduce gender disparity and provide capital injection for agricultural business development. Given that the savings clubs in Zimbabwe lend every member on rotational basis, this minimizes risks. Furthermore, this approach is friendly, and borrowing does not require tittle deeds as security which is mandatory when borrowing from traditional banks. The borrowing process from banks have bottle necks which perpetually affect the SMEs business operations due to failure to get loans for expansion thereby inhibiting their growth (Gangata & Matavire ,2013; Ibargu en-Tinley, 2014). Thus, women savings clubs are the last resort to fund their projects and financially empower them to fully realize their productive potential. Savings clubs are social financial organizations, operated by women and their principal purpose is to encourage the pooling together of savings and members are free to borrow working capital at flat interest rates to enable members fund their projects (Gayen & Raeside 2010; Hauberer, 2014; Urbano & Aparicio, 2016). The saving clubs' legal entities recognized under the Cooperative laws (Birchall & Simmons, 2013), and are mandated to fight poverty through improving the members' welfare. Its savings and loan services have friendly terms and procedures which are aimed at ensuring efficiency and sustainability aimed at avoiding problems of default by members (Agarwal, 2015; Kumar, Wankhede & Gena, 2015).

Against the above background, the main focus of this study is to investigate the influence of savings clubs in addressing working capital challenges inhibiting the development of women-owned SMEs in the agrarian sector and their role in sustaining woman owned agrarian SMEs in the Nyanga, Zimbabwe.

Savings clubs

Women farmers face much greater disadvantages than men in accessing finance, yet women do play an equal, if not greater part in agriculture-oriented businesses (Gayen & Raeside, 2010; Manyani, 2014). They own agrarian SMEs and participate in family food provision (Cunningham, Ploubidis, Menon, Ruel, Kadiyala, Uauy & Fergusson, 2015). However, lack of finances limits them to being less profitable, living from hand to mouth since they are confined to trading in lower-value agricultural items. Women thus have influence in household decision making and stronger social support systems in place, allowing them greater access and control over savings clubs (Gangata &Matavire, 2013; Hauberer, 2014).

Women in agricultural business are the first to join saving clubs because they value food security and understand the potential economic benefits of access to hassle-free loans from savings clubs. Women who wholly own the savings clubs through investments have a multiplier effect on poorly performing businesses and loaning system (Toomey, 2011; Ashe & Neilan, 2014; Nyoni, 2018). However, saving clubs are set to achieve and provide general guidelines as to how the goals can be realized with the members interest at the core. According to Musinguzi (2015) and Chinomona and Maziriri (2015), establishment of savings clubs are deliberate and purposeful action taken by women coalitions seeking to address their financial challenges in the agri-business.

Churk (2015) defines saving clubs as bridges that close the gap between women's financial goals and aspirations and realization of those goals. According to Ashe and Neilan (2014), women who join savings clubs easily access funding, their family living standards have improved, their economic dependence on men is reduced, and oppression and stereotyping in communities is also reduced (Iyiola & Azu,2014; Gangata & Matavire, 2013; Gash et al, 2015; Cunningham et al., 2015).

Government support of savings programs and strategies facilitates the development of women owned agrarian SMEs in Zimbabwe (Manyani, 2014). Prior to the establishment of the savings clubs, support for women in the agrarian sector was not effective, thus forcing them to come up with surviving strategies to promote their SMEs. However, efforts from the Ministry of Women Affairs, Community, Small and Medium Enterprises (MWACSME) only come in the form of training and provision of information and advice on farming issues (Manyani 2014). This has resulted in some success for women who have gained entrepreneurship knowledge and created savings clubs, to strengthen their business operations (Gayen & Raeside, 2010).

With the savings clubs in place, the thrust is to offer financial support to enhance business performance. However, this alone may not yield the anticipated results of achieving SME growth and development, hence, government programs such as marketing, trade promotions, training workshops, effective policy delivery and quality incubation hubs can complement their development agenda. This leads to the sustainability of savings clubs (Manyani, 2014; Musinguzi, 2015; Kumar, Wankhede& Gena, 2015).

Savings clubs thrive on the assumption that by pooling savings, women will be able to acquire assets, business skills and create self-employment. Ashe and Neilan (2014) and Churk (2015) further argued that savings clubs aim at promoting capital mobilization among the members through self-help, in order to enhance household incomes and improve their standard of living. This is crucial because it eventually leads to increased capital accumulation (Ibargu en-Tinley, 2014; Urbano & Aparicio, 2016). According to the savings model, there is emphasis on savings as a prerequisite for members to access capital for capacity building of their businesses.
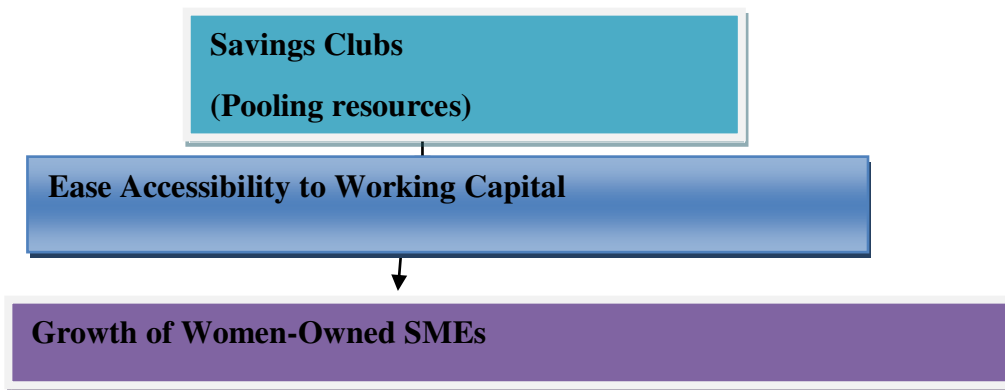
Women owned agrarian SMEs

It may be appropriate to define women owned agrarian SMEs in their own context. These SMEs are owned by women who also have similar number of employees as structured in some other sectors (Iyiola & Azu,2014). The women owned agrarian small- and medium-sized enterprises (SME) include purely the wide array of ownership of assets by women in business (Broegaard, 2013; Nyoni, 2018). In advanced economies they have well-established women owned SMEs which compete with men-owned businesses (Agarwal, 2015). From a theoretical perspective, women owned agrarian SMEs have several advantages over men's enterprises due to the fact that women are good owner managers, and they appear to have greater flexibility and potential for managing savings (Kinyuira, 2014).

Conceptual framework

As depicted in Figure1, the conceptual model that can be derived from the brief literature review would identify savings clubs as the independent variable and the dependent variable is women owned agrarian SMEs, since pooling of resources is the strategy being used by women to generate funds to sustain their agri-business operations (Kumar, Wankhede & Gena, 2015). Savings clubs are expected to improve women-owned businesses (Gangata &, Matavire, 2013; Musinguzi, 2015). The dependent variable which is women in agri- SME businesses is measured in terms of increased growth and provision of food at family level. Therefore. the model does imply that there are intervening variables which can have a counteracting effect on the dependent variable. For example, level of borrowings from social clubs may have an effect on their SMEs growth. Thus, the important element in the conceptual model is the independent variable which influences the growth of women-owned agrarian SMEs.

Figure 1: Savings club conceptual model

Research methodology

Methodologically, the study adopted a critical analysis of literature related to the subject under study. A survey was conducted among women-owned agrarian SMEs in Nyanga (Hair, Hult, Ringle, Sarstedt, 2014.) The sample size for this study was obtained from the generalized scientific parameter for sample size decisions developed by Neuman (2011).

In order to have a representative sample, stratified sampling was used as the primary random sampling technique. By using this model, a minimum sample size for the study was 60 women-owned agrarian SMEs.The data collection was done using questionnaires which were administered and later collected on the agreed dates. (Hair et al, 2014). Data analysis used an SPSS dataset which was established based on the data collected from women-owned agrarian SMEs in Nyanga, Zimbabwe.

Research findings

The reliability of the research instrument was considered using Cronbach's Alpha. The Cronbach's Alpha measure was above 0.70, which is an acceptable measure of reliability. On validity, there were no major areas of concerns that were noted or experienced, and the data received were reconciled with what it was planned to collect.

From Figure 2, it is evident that the majority of women get their working capital from savings clubs to sustain their businesses and be able to compete equally with men-owned businesses, to expedite the growth of SMEs towards Transnational Companies. According to Gash et al. (2015), savings clubs are more important than other sources of finance in addressing the working capital challenges confronting women-owned SMEs in the agrarian sector (Chinomona & Maziriri,2015).

Figure 2: Sources of working capital by women owned SMEs
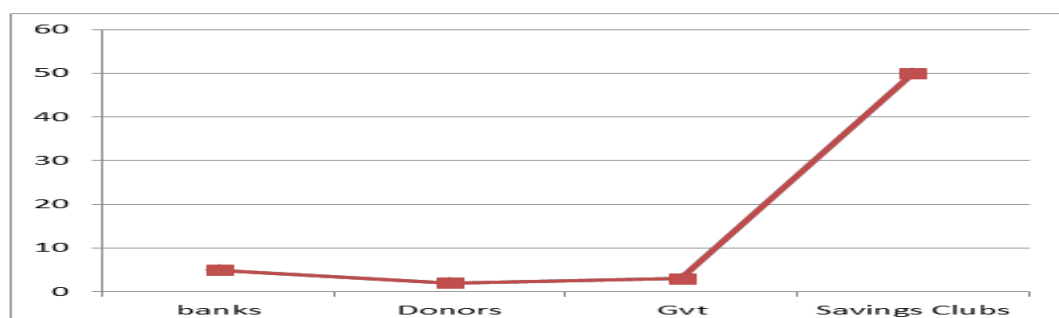
It can be observed from Figure 3, that the majority of respondents strongly believe that savings clubs play significant roles in influencing the growth of women owned agrarian SMEs. The study findings show that women's empowerment drive is being stimulated by savings clubs to improve their participation and control ownership of their businesses (Toomey, 2011).

Figure 3: Savings Clubs Contribute to the Growth of Women Owned Agrarian SMEs.
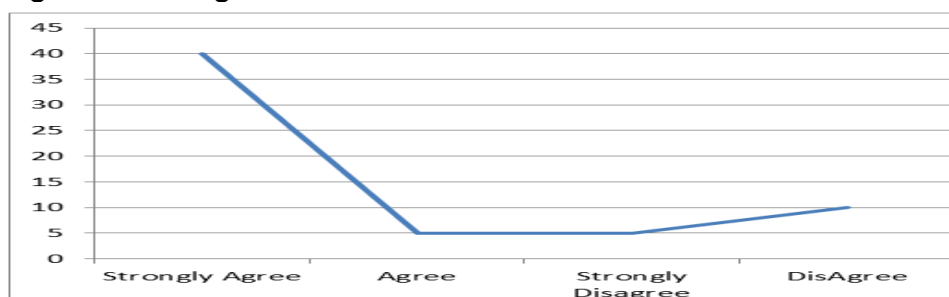
Discussion

The research identified savings clubs as an important strategy adopted by women in the agrarian sector to address their funding challenges. The strategy focused on pooling resources together into a women savings scheme. The extensive review of literature revealed that women savings clubs to a larger extent have yielded the required results, and largely addressed the working capital required by women in the agrarian sector. However, some success has been scored in pooling resources together since accessing funding from financial institutions was difficult (Gangata & Matavire, 2013). This gesture made it easy to access capital to inject into their businesses to stimulate their growth without support from banks or their male counter parts.

Musinguzi (2015) argued that it is not just access to finance to meet working capital requirements that counts, but it is also an investment strategy of saving money for future use. It is introduced by the majority of women in poor countries seeking to economically empower themselves in societies (Gayen & Raeside, 2010). In order to address the working capital limitations, the Ministry of Women Affairs, Community, Small and Medium Enterprises (MWACSME) affairs is playing a critical role in the formation of savings clubs as a central part of development strategy in communities with a population of over 15 million people, where women constitute the majority (Gash et al., 2015). In Zimbabwe, a few studies have focused on savings clubs seeking to empower women. As such, savings clubs have been praised as a 'catalyst for enhancing capital and gender equality and economic development' (Broegaard, 2013; Ibargu en-Tinley, 2014; Urbano & Aparicio, 2016). Savings clubs also enable women to expand and maintain friendship networks (Ashe & Neilan, 2014). The findings underscore the influence of savings clubs in shaping the financial autonomy of women-owned businesses, and the struggle for gender equality. Establishing savings clubs not only provides women with opportunities to save and borrow, but also to develop organizational and leadership skills that allows them to contribute to matters of community as long as it is driven by the need for financial autonomy (Toomey, 2011; Nyoni, 2018).

Conclusion

From the foregoing, it can be concluded that savings clubs to a large extent, are effective in addressing the underfunding of women in business in Zimbabwe. Though frantic efforts have been made through savings clubs, the challenges still continue to bedevil the women due to lack of human capital, training and development. However, the government has scored some spectacular success in supporting savings clubs using the bottom-up approach with a view to addressing the challenges confronting women in business. The government should continue to help women on how to manage their resources. Over and above that, the women in business need to work extremely hard to improve their savings clubs to an enable transparency in the distribution of loans to members.

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Corporate governance and sustainability of the banking sector in Kenya: the perceived effect of fairness and responsibility

Eric E. Mang'unyi
School of Business
The Catholic University of Eastern Africa, Nairobi, Kenya

Daniel M. Kitonga
School of Arts and Social Sciences
Tangaza University College, Nairobi, Kenya

Abstract: Fairness and responsibility as elements of corporate governance are at the core of sustainability of many banks. In the Kenyan banking sector, fairness and responsibility have their underpinnings in the constitution, banking law, regulatory framework, or in codes of practice. Being fair and responsible plays a prominent role in a financial firms' dealings with customers/clients. Unscrupulous behaviour by banking officials have resulted in loss of public confidence in the banking industry, hence the increased pressure on banks to apply moral standards when dealing with their clients. This study aimed to determine the effect of fairness on sustainability of the banking industry in Kenya and to assess the effect of responsibility on the sustainability of the banking industry. The study was anchored on agency theory, stewardship theory and stakeholders' theory. A descriptive cross-sectional survey design was adopted to address the objectives, by obtaining and analysing data from 168 respondents, using regression techniques. Fairness and responsibility were found to significantly influence the sustainability of the banking industry in Kenya. It can be inferred that the virtue of the senior management team is a key variable in maintaining the long-term integrity of the banking sector in Kenya. It is recommended that the senior management team of all banks in Kenya should embrace fairness in their actions and decisions to increase sustainability. Further, the management team ought to urge and demand employees to remain responsible in their dealings with clients.

Introduction

Poor corporate governance systems have emerged as one of the major challenges of the twenty-first century, with many organisations worldwide taking this matter very seriously. This has been evident where many organisations have experienced the negative effects of poor governance, including business collapse, which lead to enormous losses for investors and other stakeholders alike thus, intensifying calls for major reforms in corporate governance (Servaes & Tamayo, 2013). Corporate Governance (CG) is a process and structure used to direct and manage the affairs of the company towards prosperity. For Bals and Tate (2017), CG is the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and liabilities, with the objective of maintaining and increasing shareholders' value and satisfaction of other stakeholders, in the context of its corporate mission. Fanta, Kemal and Waka (2013) identify the components that make up great CG ethical values as responsibility, accountability, fairness and transparency. These researchers further assert that the principal objectives of CG are to expand the worth and advantages to a firm, decrease budgetary and business dangers, forestall unscrupulous and deceitful operational exercises, reduce untrustworthy work conduct and increase the certainty levels that the investors and speculators have on the firm (Fanta et al., 2013).

Corporate governance determines the dissemination of rights and obligations among various members in the partnership (Bokpin, 2013). Nonetheless, it is fundamental for all the partners to maintain the guidelines and accepted rules for an effective business unit (Gitonga, 2016). Any organization hoping to have a long existence, must entrench sound CG principles and an organization structure that will persevere the integrity of and sustain the organization. Different measures incorporate market sustainability, budgetary and venture/mission sustainability (Gitonga, 2016). To ensure sustainability, banks must have adequate financial reserves which will be used to develop the business (Dyllick & Muff, 2016).

With porous international trading borders, international investors are looking for organizations which place CG high on their agenda and ensure that it is integral to their business practices (Tricker & Tricker, 2015). A study by Andrieș, Căpraru and Nistor (2018) highlighted that better-administered banks may have a lower cost of capital, which may translate into progressively proficient and smoothed out activities, as the administrative board and the executive's capacities are isolated and modernized.

Ahmed, Jannat and Ahmed (2017) contend that well rounded organizations use assets optimally, perform well and add to the advancement of the nation. However, poor administration and the absence of adherence to CG practices results in business failures and loss of investment.

Because of international financial scandals, there has been a growing keenness to fortify Kenya's corporate governance laws (Outa & Waweru, 2016). Shavulimo (2014) contends that CG is progressively becoming more important in organizations as a methodology for improving performance, since the framework coordinates and controls the tasks of the firm. As articulated by Iraya, Mwangi and Muchoki (2015) CG provides an essential structure for well managed organizations.

In current turbulent economic times, all organizations around the globe end up wavering between great CG from one perspective, and sustainability on the other. In 2016, it was apparent that in Kenya, 12 banks had disregarded the Banking Act and CBK Prudential Guidelines. The infringement included granting a loan to an individual borrower a sum in excess of 25 per cent of its core capital which repudiates the Banking Act 10(1), failure by banks to obtain Board endorsement of any credit granted to the Executive Committee members and guaranteeing loans that are fully secured as per section 11(1) of the Kenyan banking Act. In addition, two banks violated the CBK Prudential Guideline (CBK/PG/02) on Corporate Governance, more specifically, Clause 3.3.3 which requires every member of the Board to attend at least 75 percent of the Board meetings in any financial year. Seven institutions disregarded Section 19(1) of the Banking Act and CBK Prudential Guideline (CBK/PG/05) on Liquidity Management, which expects institutions to have a liquidity base of 20 per cent.

It is against the above background that this study was undertaken to determine corporate governance practices, more specifically, fairness and responsibility and their effect on sustainability of the banking industry in Kenya. More specifically, this study aimed to investigate the direct effects of fairness and responsibility on sustainability of Kenyan banking industry.

Literature review
The literature took cognizance of existing corporate governance theories, such as stakeholders' theory (Freeman, Wicks & Parmar, 2004), agency theory (Jensen & Meckling, 1976) and stewardship theory (Donaldson & Davis, 1991), in anchoring the study through the following variables, namely, fairness, transparency, accountability and responsibility.

Fairness and sustainability
In CG, fairness can be viewed from two perspectives, namely, protecting the rights of shareholders and ensuring equitable treatment of all shareholders including minority and foreign shareholders and that all shareholders should have the opportunity to obtain redress for violation of their rights (First, Pogge and Mehta, 2016). In a study on global tax fairness, First et al. (2016) found out that suppliers of capital are more willing to make loans or provide investment when their rights are clearly stated and effective remedies are available in the event of infringements. This means that if the legal and governance framework do not provide such protection, investors may be reluctant to invest unless they become the controlling shareholders.

Aliyu's (2014) study on fairness and equal treatment of shareholders noted that one of the ways that organizations violate equal treatment of shareholders is through the issue of shares to managers or favored investors at below market value, and this leads to diluting other shareholders' interests as their percentage ownership of the company shrinks. Extant literature reveals that some fraudulent organisations deprive shareholders of their right to participate in general shareholders meeting. Another issue has been the balance between equitable treatment of shareholders and protection of minority investors. In most cases, major shareholders or controlling shareholders' decisions approved in a general meeting become binding to all minority shareholders and this rule has been subject to misuse by the controlling shareholders (Aliyu, 2014). Shaffer (2011) evaluated how to effectively evaluate fair accounting and how this influences performance. The study which adopted a descriptive design and collected data using questionnaires, found that fair accounting positively influences performance of an organization.

Responsibility and sustainability

A survey by Kakabadse and Nada (2007) on the relationship between board chairmanship and the performance of listed firms revealed that the functions of the board included being inward and outward looking, especially towards the entity's external situation which focuses on the past, present and strategic future. The financial soundness of the banking sector is very essential for economic growth. The aforementioned authors reiterate that the collapse of any bank has dire effects on the economy, and this is what a board should prevent from happening. Thus, the board is ultimately responsible for the activities and results of the bank, for the maintenance of stability and financial soundness since board acts as a link between providers of capital, that is, shareholders and the management.

Tricker (2009) asserts that the board of directors has four major functions, which include strategy formulation, accountability, policy making, monitoring and supervision of executive activities of the corporate entity. Thus, the board helps in the establishment of a management system and assessment of the adequacy and effectiveness of the system. In executing the above functions, the best interests of the company must come first, since they (board) are usually guided by their fiduciary duty which requires them to act in good faith, with due diligence and care.

Marcinkowska (2012) evaluated CG among commercial banks by looking at the challenges encountered and how best to solve them. His survey found that certain conditions concerning the organization must be duly met for it to perform effectively. Of critical importance is the creation and functioning of the Committees of the board. With regard to banks, insufficient supervision of the risk, a key component that is apparently deficient, impedes bank governance and this has elevated the crucial role of the risk committee. As a measure of performance by the committees, it is necessary to keep formal records of rigorous assessments of the board and its members, and the report of the assessment should be available to ensure that the board fulfils its task.

In light of the above, the objectives of this study included the following:
- To determine the effect of fairness on sustainability of the banking industry in Kenya.
- To assess the effect of responsibility on sustainability of the banking industry in Kenya

Research methodology

This research employed a descriptive research design to realize the objectives and to address the objectives (Lewis, 2012). This approach has been previously successfully applied by Marcinkowska (2012) in examining how corporate governance influenced performance and, Bouten and Hoozée (2015) in examining the challenges encountered in sustainability reporting.

The target population comprised 495 employees from 44 registered commercial banks in Nairobi, Kenya. Convenience sampling technique was used to select the banks which were willing to participate in this survey. According to Sekaran and Bougie (2016), adopting a convenience sampling technique in a study like this one, allows data to be collected from members of a population who are conveniently accessible. Self-administered questionnaires which consisted of 5-point Likert type rating scale questions were used to collect data from employees from the banks (Kaushal & Singh, 2017). Simple random sampling technique was adopted to administer 222 questionnaires to the study respondents.

The survey was conducted amongst employees of all levels across departments within the banks. Furthermore, to determine sustainability, five-year (2014-2018) secondary data from the published financial reports of the respective commercial banks and the Central Bank of Kenya (CBK) were also analyzed. This data included information on profitability, liquidity, leverage/debt, customer base and market share. IBM SPSS, version 21, was used to conduct both descriptive and multiple regression analysis (Hair, Black, Babin & Anderson, 2010). As part of the ethical clearance requirement for this study, a written request was sent to the Human Resource Managers of the banks where the survey was conducted. Table 1 reflects at sample details.

Table 1. Sample

Category	Respondents	Proportion (%)	Sample Size
Senior Managers	176	36	79
Board of Directors	265	54	118
Listed non-banking organizations	53	11	24
Central Bank of Kenya	1		1
Total	**495**	**100**	**222**

Research findings

Biographic information

In total, 222 questionnaires were issued to the target population comprising of senior managers, board of directors; NSE listed non-bank institutions, and CBK representative. Hundred and sixty-eight (168) questionnaires were dully completed and returned to the researcher, which implies a response rate of 75.7%. This was deemed adequate (Yin 2017), since the aforementioned proposed that a response rate above 70% is sufficient for data analysis.

The majority of the respondents (72.0%) were male, (66.7%) had a university degree, (43.5%) had worked in their respective organization for 5-7 years and 38% were senior managers, 37% were non-executive board of directors while 25% were executive directors.

It was found that majority of the banks (67.3%) had been in operation for a period between 3-7 years, 31.0% for over 7 years, while 1.8% had been in the banking business for less than 3 years. Furthermore, most of the banks in this study (71.4%) were locally owned, 16.1% had local/ foreign ownership while 12.5% had foreign ownership.

Descriptive analysis

Since the study used a 5-point Likert scale, the interpretation was as follows; mean values of 3.5 and above implied that respondents were in agreement with research statements, while 2.5-3.4 indicated that the respondents were neutral about the statement, and mean values below 2.4 indicated disagreement with the given statement.

With regards to whether fairness had an impact on the sustainability of the banking sector, it was established that respondents agreed ($\bar{x}$ = 3.95; SD = 0.731) that shareholders are aware of their responsibilities and that they are encouraged to vote during the Annual General Meeting (AGM) ($\bar{x}$ = 3.92; SD = 0.807). The also study found that shareholders are encouraged to attend the AGM ($\bar{x}$ = 3.89).
The majority of the respondents felt that the governance structures provide protection to shareholders ($\bar{x}$ = 3.80) and that the legal structures provide protection to shareholders ($\bar{x}$ = 3.77). The study established that adequate notice is given for the AGM ($\bar{x}$ = 3.66), however, respondents moderately agreed on whether shareholders are aware of their rights ($\bar{x}$ = 3.44).

The impact of responsibility on the sustainability of the banking sector was also evaluated and the majority of the respondents were in agreement ($\bar{x}$ = 3.96; SD = 0.944) that the various board committees are well structured and that the board formulates the long-term strategy of the organization ($\bar{x}$ =3.86; SD = 0.875). The boards were composed of both executive directors ($\bar{x}$ = 3.79) and non-executive directors ($\bar{x}$ = 3.77). Respondents agreed that board members were regularly inducted ($\bar{x}$ = 3.73) and their performance was regularly evaluated ($\bar{x}$ = 3.67). On the other hand, respondents were reserved on whether training of the board members was undertaken regularly ($\bar{x}$ =3.46) and the boards composition structure ($\bar{x}$ =3.43).
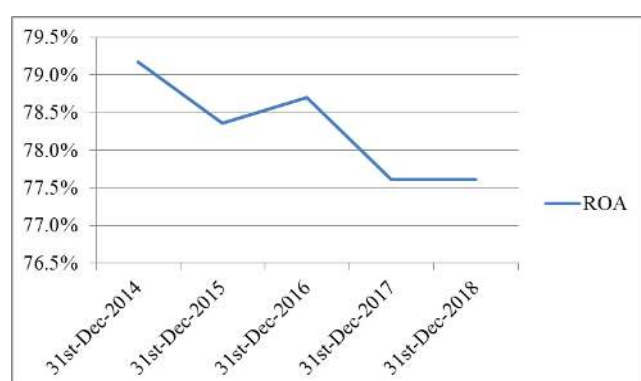
Sustainability

The operationalisation of sustainability was twofold: self-sufficiency and financial sustainability and this is reflected in Table 2.
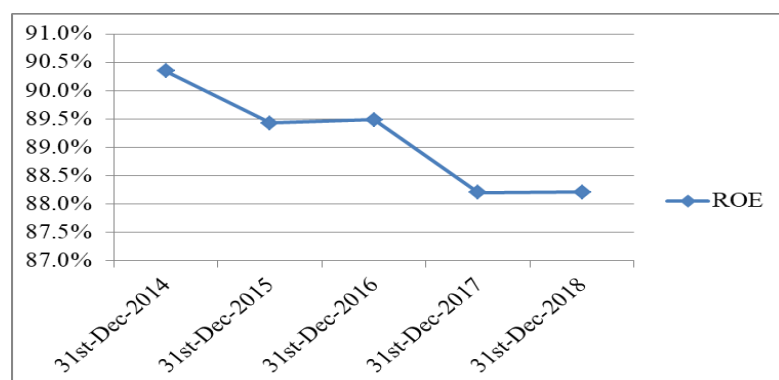
Table 2. Sustainability of the Banking Industry

Year	Revenue	Expenses	Total Assets	Total Equities	Current Assets	Current Liabilities	Debt Position	Customer Bases
2014	5.150	5.443	6.505	5.700	4.789	6.360	5.216	6.360
2015	5.127	5.509	6.543	5.733	4.770	6.395	5.264	6.395
2016	5.169	5.550	6.568	5.776	4.797	6.418	5.310	6.429
2017	5.124	5.548	6.602	5.809	4.806	6.462	5.228	6.468
2018	5.637	6.103	7.263	6.390	5.287	7.109	5.751	7.115

As shown in Table 2, there is an increasing trend in revenues, expenses, asset base, equities, current assets, current liabilities, debt positions as well as customer base of the banking industry. The data also indicates that the Kenyan banking industry is generally self-sufficient. Furthermore, the ratio analysis results (Return on Assets and Return on Equity) on the viability of the banking industry showed a decreasing trend as depicted in Figures 1 and 2.

Figure 1. Return on Assets

Figure 2. Return on Equity

From Table 3. it is evident that between 2014 and 2018, the Kenyan banking industry's profitability performance declined year after year, which implies that the banking industry had barely been sustainable. Similarly, the liquidity position of the banking industry calculated as the ratio between current assets and current liabilities, showed a decline from 2014 to 2018, which implies that the banking industry was fairly financially sustainable.

Table 3. Profitability and liquidity analysis

Year	2014	2015	2016	2017	2018
ROA	79.2%	78.4%	78.7%	77.6%	77.6%
ROE	90.4%	89.4%	89.5%	88.2%	88.2%
Liquidity	0.752987	0.745895	0.747429	0.743733	0.743705

Multiple linear regression analysis was conducted to ascertain the influence of predictor variables on the dependent variable, since according to Hair et al. (2010), inferential analysis technique is recommended for examining linear relationships between variables. Correlation's analysis indicated that the variables were not highly correlated. Thus, the variables were unique hence indicating absence of multicollinearity (Hair et al., 2010). Kline (2011) states that sample sizes need to be in excess of 200 cases to derive adequate effect sizes for linear relationships. But Loehlin (1992) says that at least 100 cases are required even though the most preferred size should be 200 (if possible). This study had 168 cases which was deemed adequate to perform regression analysis.

The model summary of the regression reflected in Table 4, showed that the adjusted R^2 value is .862, indicating that approximately 86.2% of the total variation in sustainability can be explained by the predictor variables.

Table 4. Model summary of the regression

Model	R	R^2	Adjusted R^2	Std. Error
1	.929[a]	.862	.859	.80201

a. Predictors: (Constant), Responsibility, Fairness, Accountability, Transparency

The statistical significance of the overall model is presented in Table 5. Thus, fairness and responsibility among other variables, significantly influence the sustainability of the banking sector since $F_{(3, 163)}$ = 255.331, $P < 0.0001$. The individual predictors were examined further, and the results are indicated in Table 5.

Table 5. ANOVA results for the model

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	656.940	4	164.235	255.331	.000[b]
Residual	104.845	163	.643		
Total	**761.786**	**167**			

a. Dependent Variable: Sustainability of the banking sector
b. Predictors: (Constant), Responsibility, Fairness, Accountability, Transparency

The results in Table 6 show that fairness (β = .078; $p < 0.05$), as well as responsibility (β = .313; $p < 0.05$), have significant values less than 0.05, which confirms that the two variables contribute to the sustainability of the banking sector.

Table 6. Variable coefficients of the regression model

	Unstandardized Coefficients		Standardized Coefficients		
	β	Std. Error	Beta	t	Sig.
(Constant)	7.323	3.283		2.231	.027
Fairness	**.145**	**.038**	**.078**	**3.737**	**.000**
Responsibility	**.167**	**.058**	**.313**	**2.892**	**.004**

a. Dependent Variable: Sustainability of the banking sector

The result captured in Table 6 imply that the variables (fairness and responsibility) significantly and positively affect the sustainability of the banking industry. The regression equation that expresses the linear relationships between the dependent variable and the independent variables is as shown below:

$$\hat{y} = 7.323_0 + .145x_1 + .167 x_2.$$

In this equation, $\hat{y}$ is the predicted value of the independent variables (fairness and responsibility). Values of the k independent variables are denoted by (x_1 = fairness; x_2 = responsibility). Finally, we have the betas (β_0 = 7.323; β_1 = .145; β_2 = .167). The betas are constants termed regression coefficients.

Discussion
The findings of descriptive statistics on fairness indicated that a vast number of respondents agreed with the statements which measured fairness. From this, it can be deduced that most of the banks surveyed practice fairness so as to make them sustainable. The results are in conformation with earlier findings reported by First, Pogge and Mehta (2016), who stated that fairness in corporate governance manifest in two-fold; protection of shareholders' rights and ensuring equitable treatment of all shareholders including minority and foreign shareholders and that all shareholders should have the opportunity to acquire change for infringement of their privileges. The findings in this study further demonstrate that fairness has a positive and significant impact on sustainability. Shaffer (2011) also supported this claim when he discovered that fair accounting positively impacts the performance of an organization.

With regard to the responsibility construct, the majority of the respondents agreed with the statements which measured this construct. This means that majority of the banks studied do embrace responsibility to enhance their sustainability. It is therefore not surprising that Fanta et al. (2013) indicated that good corporate governance and ethical values in addition to other things, include responsibility, with its fundamental object being increasing the worth and advantages to a firm, cutting financial and business risks, preventing dishonest and fraudulent operational activities, refusing unethical work behavior and increasing the confidence levels that the shareholders and investors have in the firm. This line of argument is as espoused in the stakeholder theory (McDonald & Puxty, 1979) which supports a discourse on the balance of responsibilities, accountability, and power throughout the society.

Conclusion and recommendation
Fairness has positive and significant effect on the sustainability of the banking industry, which suggests that the senior management team of all banks in Kenya should embrace fairness in all their activities and choices if they intend to increase sustainability. Since responsibility is also a critical factor for the sustainability of the banking industry, the management team of all commercial banks in Kenya ought to urge all employees to remain dependable/ responsible in their practices.

The current study established through regression analysis that a 86.2% change in sustainability is explained by perceived corporate governance practices (fairness and responsibility). However, apart from perceived corporate governance, there are other factors influencing the sustainability of banks, which future studies should concentrate on. Regulation of the banking industry and the legal framework assume a key role in the implementation of corporate governance. Future studies should determine the effect of the bank regulation and legal framework on sustainability of the banking industry in Kenya.

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