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EDITORIAL

Dear Readers,

2020 has thus far turned out to be an extraordinary year. As much as January commenced with a measure of anxiety on the economic front, many did not anticipate that the progenitor of immense economic decimation would be biogenic, microscopically small, yet gigantic in terms of impact - COVID-19 changed everything!

Now the world has to reassess everything to its core. This causes a genesis of sorts in many respects. We are forced to reconsider our values, involuntarily authoring a new book on our engagement with our surroundings amidst Globalisation. A pathogen has illuminated grave and hurtful inequalities among communities and the disenfranchised. The fault lines in the prevailing economic system are illuminated. As a result, many are now convinced that socio-economic accountability and sustainability can only be achieved through a planned and active pursuit of greater measures of circularity in the world economic system.

Subsequently, on the business front, South Africa is forced to rewrite a definitive *vade mecum* on leadership, corporate operations, tourism and marketing, and the financial system, to mention a few. This necessitates that multiple sector-issues are revised or improved.

In this edition of the Journal of Management and Administration, a number of thought-provoking articles are presented. The articles cover an arena of diverse sectoral input. First, the issue of performance and retention of millennials are considered – the role of leadership in this milieu makes for a very interesting read. Secondly, customer loyalty in the wholesale environment brings a marketing perspective to an intriguingly complex environment. In this article, the matter of fast-moving wholesale consumer goods is in the South African market is investigated. Thirdly, seamlessness in online-offline banking is considered. What can be done to improve customers’ banking experience?
The fourth article speaks to the hospitality industry’s woes, in particular in the Zimbabwean case, a challenged sector in a challenged economy. The fifth article reminds South Africa that all isn’t well on the higher education front. The systems which support education delivery, require continuous debate. This article contributes to the challenges, opportunities and prospects debates in the education realm. Finally, a matter of significant concern: Globalisation and sub-Saharan African security. During the past couple of years, a marked deterioration of socio-economic and geo-political stability occurred on the continent. The world at large cannot escape the impact thereof. Yet, the continent’s people suffer most. In this article, interesting perspectives are provided in relation to this matter and particular postulates are presented.

Ultimately, this edition of the Journal again succeeds in participating in topical issues of the day. Against the background of the above-mentioned reconfiguration of the world’s rhythm, you the reader, the scholar and practitioner are invited to bring your ideas, your perspectives and your solutions. Please contribute to making an excellent journal even better.

Stay safe, be careful and care for those in need!

Best wishes,

Professor Enslin J van Rooyen
Editor-in-Chief
ABOUT THE JMA

The Journal of Management and Administration (JMA) is a dynamic academic journal that is published by the Management College of Southern Africa (MANCOSA). The philosophy of the JMA is underscored by the institution’s vision, wherein MANCOSA strives to be responsive to the evolving education and training needs of developing economies.

The JMA:

- Is a blind peer-reviewed academic journal that is published bi-annually.
- Encourages original thinking and quality academic scholarship which contribute to knowledge and understanding within identified focus areas.
- Provides a platform for academics, students and practitioners within the SADC and BRICS trading blocs to share their research findings.
- Champions/exemplifies the dissemination of empirical and conceptual research findings that contribute to the fields of business management and administration.

FOCUS AREAS (2019 to 2021 period)

In order to remain dynamic and responsive to the evolving education and training needs of developing economies, the Editor-in-Chief is tasked with identifying topical and critical areas within which research should be promoted. For the 2019-2022 publishing period, submissions focussing on Leadership, Entrepreneurship and Education are encouraged. However, the Editor-in-Chief will not reject other topics related to these themes on contemporary global concerns which influence policy and practice.
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INVESTIGATION INTO THE EFFECTIVENESS OF LEADERSHIP STYLES IN THE PERFORMANCE AND RETENTION OF MILLENNIALS

Cohen Nathan Appanah
Associate Researcher, Management College of Southern Africa
Email: cohen114@gmail.com

Dr. Alan Sathiaseelan Pillay
Associate Researcher, Management College of Southern Africa,
Email: alans.pillay@gmail.com

ABSTRACT

This research study covers a topic crucial to the future of Company X. It relates to the millennial generation, those people born between the years 1981-1996. The study investigates the effectiveness of leadership styles in the performance and retention of millennials at a South African company. Company X is a power management manufacturing company which produces and provides energy-efficient solutions and services. The company’s workforce is made up of approximately 40% of millennials. The problems currently being faced are early resignations as well as the poor performance of millennials in this company. Millennials in the company are frequently required to develop mediocre leadership which results in poor performance and eventual resignation from the organisation. Resignations greatly affect the organisation’s growth rate as newer employees need to be re-trained and the entire process is time-consuming.
This study is qualitative and descriptive in nature and utilises case studies to conduct the inductive investigation. Data was collected by employing one-on-one structured interviews with a total of eight participants representing Company X’s millennials. Non-probability sampling was used in the study with the subset ‘judgemental’ for the selection of participants to be interviewed. The outcomes of this study concluded that a mixture of coaching, commanding and visionary styles of leadership is practised by millennial managers at Company X. The majority of the participants believed that their managers were effective leaders who displayed appropriate leadership styles. For millennial performance and retention to be improved, the study recommends that managers build stronger relationships, display respect and ethical leadership, enhance their leadership skills, improve communication amongst the team and provide clear objectives. This study will contribute to the body of knowledge and can be used to provide insight into millennial performance and retention on a diverse and global level.

Key Words: Ethical leadership; performance management; relationship building

1. INTRODUCTION

This qualitative study focuses on an in-depth investigation into the effectiveness of leadership styles used to manage millennials. The underlying issues related to the performance and retention of millennials should become clear in this text. The outcomes of the research could be used in modern-day management to assist in the performance and retention of millennials. Millennials are viewed as a threat since they are lateral thinkers who do not properly function with negative forms of leadership. Their style of working effectively is considerably different to what organisations have been used to in the past. Millennials require strong leadership to be able to unlock their potential and become successful future leaders themselves. Leadership and guidance are what determine the retention and success of these millennials.

The study aimed to evaluate the effectiveness of leadership styles on millennials and to investigate how this affects performance and retention.
The aim is necessary to guide the research and achieve the desired outcomes which are indicated by the research objectives and questions. A qualitative methodology was used to realise these objectives. The significance of this study was to develop a framework for the most effective leadership styles that can be used to manage and retain millennials within this organisation. The goal was to explore contributing factors that can be addressed to greatly improve the performance and retention of millennials. The study will contribute to the body of knowledge by clearly identifying the leadership styles that are most effective when managing performance and retaining millennials.

The study was guided by the following research questions:

- What are the current leadership styles used to manage and retain millennials in Company X?
- How effective are the current leadership styles in managing and retaining millennials in Company X?
- What is the impact of leadership styles on employee performance and retention in Company X?
- What recommendations can be made on the most effective leadership strategies to enhance performance and retain millennials?

2. LITERATURE REVIEW

2.1 Leadership styles

Table 1 shows the various leadership styles used to manage employees. According to Casali (2015:1), The study was developed by research on 3871 executives by Daniel Goleman. This model was developed to not only define the styles of leadership but to indicate how these styles influence organisations and their outcomes.
Table 1: Goleman’s six leadership styles

<table>
<thead>
<tr>
<th>Goleman’s 6 Leadership Styles</th>
<th>Visionary</th>
<th>Coaching</th>
<th>Affiliative</th>
<th>Democratic</th>
<th>Pacesetting</th>
<th>Commanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goleman’s 6 Leadership Styles</td>
<td>Motivates people towards a vision</td>
<td>Developing people for the future</td>
<td>Creates harmony and builds emotional bonds</td>
<td>Forges consensus through participation</td>
<td>Sets high standards for performance</td>
<td>Demands immediate compliance</td>
</tr>
<tr>
<td>“Come with me”</td>
<td>“Try this”</td>
<td>“People come first”</td>
<td>“What do you think?”</td>
<td>“Do as I do now!”</td>
<td>“Do what I tell you”</td>
<td></td>
</tr>
<tr>
<td>Self-confidence, empathy, change catalyst</td>
<td>Developing others, self-awareness, empathy</td>
<td>Empathy, building relationships, communication</td>
<td>Collaboration, team leadership, communication</td>
<td>Conscientiousness, drive to achieve, initiative</td>
<td>Drive to achieve, initiative, self-control</td>
<td></td>
</tr>
</tbody>
</table>

Source: Rensburg (2018:1)

Goleman indicates that resonance is what makes a leader effective in her/his environment. Resonant leadership is known to create a positive culture, whilst dissonant leadership can break down culture. According to Riche (2016:2), “The six leadership approaches comprise of four resonant (visionary, coaching, affiliative, democratic) and two dissonant (pace-setting and commanding) styles.”

2.2 Millennial performance

Millennial performance is dependent on several factors. This study highlights to what degree leadership styles affect millennial performance. A high-performing millennial can reap great rewards for an organisation. The motivation and ability to be a high performer can result in unparalleled innovation and greater profits for the organisation. Norms will be challenged and there will be continuous improvement in all areas.

According to Rampton (2017:2-9), for millennials to perform, they need to be motivated. The following aspects motivate millennials to perform better:
2.2.1 Offer flexibility and personal time
Work-life balance is currently extremely important. Performance can be significantly improved through flexibility offered by leaders for employees to work in their comfort space. According to Jenkins (2018:1), “Millennials value work-life balance higher than all other job characteristics such as job progression, use of technology, and a sense of meaning at work.” Employees expect the freedom to work flexible times and work from remote locations, not just the office. Companies that offer a good work/life balance generally become more effective as millennials thrive on this lifestyle.

2.2.2 Provide frequent feedback
Communication from a leader to an employee is extremely critical. As much as millennials want to be free, they also require feedback and motivation. According to Pollock (2018:2), “Frequent performance feedback can benefit and transform your team as a whole.” Millennials want to know how their performance is and how they can improve.

2.2.3 Create new titles and in-between steps
Millennials do not want to wait years for a promotion, or a title change in an organisation. Buckley (2018:1) states that “It should be no surprise that millennials expect to be promoted. Instead, businesses need to respond to this expectation by focusing on combating those built-up expectations and train millennials in businesses’ set of expectations respectfully.” They require fast results and want to be able to show people whom they are growing yearly.

2.2.4 Encourage multiple ways to collaborate
Gianniris (2018:2) states that “Millennials have never been more than a few clicks away from friends and family. In fact, millennials find tremendous comfort and fulfilment in leveraging these social interactions to seek constant support and reassurance.” There is much value to be added by optimising how millennials can collaborate.

2.2.5 Offer office perks
Office perks can be really motivating and exponentially increase performance. Once millennials feel comfortable in their work environment, they would choose to spend more time there and their creative minds would start to function better. Schwantes (2016:1) states that “Millennials are
looking for something different, companies that think out-of-the-box and create an environment that appeals to their lifestyle and sense of fun.”

2.2.6 Cut the nonsense
Millennials value respect and authenticity. They want to work in an environment where there is mutual respect regardless of ranking. According to Schroth (2017:1), “Millennials who recently entered the workforce make it clear that they have expectations that they will be respected by their boss and if these expectations are violated, they will soon be looking for another job.”

2.2.7 Answer the "why" and help them connect to the business
Millennials are ever willing to challenge the norms and will often ask ‘why’ before conducting tasks. Cole (2017:4) states that “Millennials don't ask this question out of impatience. We ask "Why?" because we genuinely want to help. We want to provide value. We want to do things better. We want to improve. We see the tools at our fingertips and cannot fathom why anyone wouldn't be interested in finding better, faster, smarter ways to do things.”

2.2.8 Prioritize giving back
Millennials want to make a difference in society by giving back. According to Landrum (2017:3), “Part of the reason why millennials have emerged as a champion of corporate volunteering is because it satisfies something, we all need and deserve, viz., job satisfaction. Giving back to the community is a great way to build job satisfaction.” Millennials value community service and giving back.

2.2.9 Create a culture that embraces fun
Culture is important as it drives employees to do more. According to Troyani (2014:2), “Generation Y wants to enjoy their work and make friends at the office. They are more productive and engaged when they are happy, so they appreciate company events, casual lunches, and the freedom to relax and laugh with their colleagues.” A positive culture full of innovation, openness and flexibility can do a great deal for the performance of millennials.

2.3 Millennial retention
Millennial retention is imperative to the future of any organisation and must be carefully managed. Talent management teams usually have a short
to mid-term plan for millennials. However, it is up to the millennials to decide if they wish to stay at an organisation.

Therefore, leadership is so critical when it comes to retaining millennial talent. Leadership is required to carefully manage millennials to ensure that they can use them to further grow the organisation in the medium to long-term.

According to Fries (2017:2-8), The following can be done to ensure millennials stick around in an organisation:

2.3.1 Give them meaningful work that ties to a larger goal
Millennials enjoy work where they can make a difference through what they do. They want to own their work and be able to deviate from the norms to get quick results. The work that millennials are given must be challenging enough to keep their attention.

2.3.2 Create opportunities for career development
Millennials want to grow continuously and have high expectations concerning career growth and development. Millennials aspire to become CEOs and directors at a young age. This is not something new and has to be kept in mind when planning to retain millennials. Opportunities need to be constantly created for their development or else they may start looking elsewhere.

2.3.3 Make time for socialisation and mentoring
Millennials want to showcase their many skills which can be done by giving them leadership roles in projects and processes. Giving them the time and freedom to socialise will mean that they become comfortable in the organisation and hopefully not want to leave.

2.3.4 Innovation
Innovation is an important factor when it comes to millennials. They want to be constantly inspired to be given the freedom to do things differently. According to Fries (2017:6), “Approximately 54% of millennials would like to start their own company or already have, and 78% of millennials cite a company’s innovation as a crucial factor for deciding if they want to work there.”
2.3.5 Family
Family life is important to millennials and needs to be considered when there are corporate events. According to Kale (2017:2), “Millennials are forging a new path to family, making their visions of a loving family unit come true in all kinds of forms.” Millennials want to be able to be transparent with their families about how well their company treats them.

2.3.6 Work flexibility
Work-life balance is currently extremely important. According to Heathfield (2018:1), “Advantages for employers and employees exist when the employer allows employees to work flexible schedules.” Performance can be greatly improved through the flexibility offered by leaders for employees to work in their comfort zones. Employees expect the freedom to work flexible times and work from remote locations. Companies that offer a good work-life balance generally become more effective.

3. METHODOLOGY
Case studies involve intense investigations of single units, which in this case is Company X South Africa. These are also used to examine multiple variables, investigate context and understand perspectives related to the research. A case study is needed for the current research to enable the research objectives to be met as the design concerns a single organisation.

3.1 Design type
Descriptive research was conducted to determine, describe and identify the various leadership styles and how these affected the performance and retention of millennials. The researcher had no control over the variables and was tasked with exploring the causes and effects relating to the research topic.

3.2 Research philosophy
According to Mahler (2016:2-4), “Qualitative research based on interpretivism is considered to be particularly suitable for exploratory research. It is primarily used to discover and gain an in-depth understanding of individual experiences, thoughts, opinions, and trends, and to dig deeper into the problem at hand.” This is the philosophy required for this study as
it aimed to discover underlying causes and opinions of millennials who are the participants of the research. The study is subjective and responses may vary depending on the participant’s replies.

3.3 Research strategies
Qualitative research was best suited for this study since the outputs relied solely on human thoughts and opinions. It is more subjective and deals with human perceptions. The study was inductive as it developed from a situation to a general theory or idea which can be used in the future.

3.4 Sampling strategy and target population
In terms of the sampling strategy for this study, the target population was the millennials at Company X South Africa. A sample of the target population was interviewed to gather data and report findings to conclude the study.

Non-probability sampling and the subset judgmental sampling was used for this study since it was based on millennials and is qualitative in nature. The sample population comprised millennials at Company X. A sample size of eight millennials was selected to participate in the study and contribute to the data collection process.

Judgmental sampling is the most common form of sampling in qualitative research. The purpose of this technique was to select a sample size of 8-10 people and use this sample to gain a better understanding of the topic. In this case study, the sample was the millennials at Company X. Judgement by the researcher was used to choose people who were available and who met the objectives of the study as target groups.

3.5 Research instrument
The study used an interview schedule comprising of structured interviews as a data collection strategy which was best suited for this study as interviews can reveal feelings, emotions, thoughts, opinions, previous experiences and deeper meaning. According to Steinbright Publications (2018:1-4), “This type of interview is formal in nature and the questions are already drafted before the interview takes place to gain specific responses.” This is exactly what is required for this research as the participants were required to think deeply and explain how the leadership styles affected their performance and how it kept them retained to avoid turnover.
All participant details remained anonymous and ethical standards were followed throughout the data collection process. Interview responses were confidential and stored in a secure location for a period of one year. These were not shared with anyone and were used only for the current study.

3.6 Data analysis

The following considerations were taken into account when analysing the data. These included the appropriate analysis method, level of measurement, constraints, skills, interview presentation, interview responses, first impressions, duplication, competency of staff and staff availability. The unit of analysis was millennial feedback.

Data were analysed through thematic analysis. This method is best suited as themes were developed concerning each research objective and question as well as the aim.

The current leadership styles practised on millennials were examined and emerging themes for the objectives were determined. Thereafter, the effectiveness of the leadership styles was stated by the participants from selected excerpts from the transcripts of the interviews. Suggestions were then made as to the impact of leadership and what styles work best, what keeps millennials performing well and what retained them. Lastly, recommendations were made on the most effective leadership strategies to enhance performance and retain millennials.

3.7 Limitations of the study

The research was conducted in Company X and used only responses from participants who were millennials within the organisation itself. The study may not be completely accurate for other organisations as the style of leadership in other organisations may vary. Millennial personalities may also vary due to their being employed by organisations in different industries. The industry plays a major role because of the diversity of leadership styles and organisational structures.

In the interview schedule, questions were posed in English and only responses in English were considered. This may affect the responses of some millennials who are not fluent in English or where English is not their home language. Respondents may have found difficulties in being honest in responses to the interview questions even though their anonymity was guaranteed. This cannot be avoided as they are millennials who are not sufficiently experienced.
3.8 Ethical considerations
There are various ethical aspects that the researcher is bound to and needs to consider before collecting data. The researcher is ultimately responsible for the integrity and protection of all research-related information as well as the participants. All information needs to be disclosed and transparent.

3.8.1 Ensuring participants have given informed consent.
A covering letter for the interview was drafted to inform the participants about the research and what it exactly entailed. This ensured that participants were given informed consent.

3.8.2 Ensuring no harm comes to participants.
Participants need to be protected and no information regarding them is to be shared with any third parties. This is particularly important in the context of this research as this may affect relationships between millennials and their managers. This was ensured by ensuring that the data collected was kept strictly confidential by the researcher.

3.8.3 Ensuring confidentiality and anonymity.
Research data collection through the interviews was kept confidential and anonymous as opinions of respondents may be highly personal. The research interviews were completely anonymous and were not shared with anyone. This was ensured as none of the participants mentioned their personal details at any stage. Interview documentation was kept safely in a different location from the company by the researcher.

3.8.4 Ensuring that permission is obtained.
Permission to conduct the study was requested through letters sent to the company where the study was conducted as well as to respondents to the interviews. This ensured that permission was obtained by all parties and that all approvals were received.

4. RESULTS AND DISCUSSION
The results include a descriptive analysis of the information that was received from the participants through the interviews. The results provided a link to the objectives and answered the research questions for the study. The participant response rate was 100%.
4.1 Individual information

This section was created to establish the foundation of the interview schedule and served to confirm all participants’ basic details as well as to determine basic opinions. This information was not solely the purpose of the study. However, it provided background demographic information and the thoughts relating to each participant. The individual information is summarised below in Table 2:

Table 2: Individual Information

<table>
<thead>
<tr>
<th>Source: Responses to interview schedule</th>
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<tbody>
<tr>
<td>Section A - Individual Information</td>
</tr>
<tr>
<td>Question</td>
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<td>Age</td>
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<td>Years of Service</td>
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<td>Department</td>
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<td>Level</td>
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From the feedback received in the interviews, all participants were born between the years 1987 and 1995. The average age was 26 years old, with the youngest participant being 23 years old and the oldest participant 31 years old. This indicates that a comprehensive range of participants was chosen representing the millennials at the company. All participants worked within the organisation for less than five years which makes them new to the organisation. The average years of service were two years amongst all participants who were interviewed. Most participants were in entry or middle-level in the organisation.
Participants were also requested to rate the following from (1) Not Important to (10) Very Important:

- The impact that leadership in the workplace had on them as millennials?
- The extent of the effectiveness of leadership in their workplace?

Participants were requested to indicate the impact leadership had in the workplace on them as millennials. The average score for this question was 9.1 out of 10, which implied that leadership had a significant impact on millennials in the workplace. This also meant that millennials depend on their managers to perform well and the issue is further discussed in the interpretation of the core themes for research question three in relation to the literature.

Millennials were then asked about the effectiveness of leadership in their workplace. The average score for this question was 6.3, which implied that in general, millennials in the company did not have much confidence in the leadership effectiveness within the organisation. This is further discussed in the interpretation of the core themes for research question two and in relation to the literature.

4.2 Current leadership styles

It was established that all participants who were interviewed for the study had a direct manager to whom they reported. Respondents were asked to give their opinions on whether their manager displayed effective leadership skills based on their knowledge of leadership. Furthermore, they were asked if their performance is dependent on the leadership style of their manager. And lastly, they were asked to comment on the effectiveness of their managers’ leadership skills, and whether they felt they were effective.

Seven out of the eight participants responded that their manager displayed effective leadership skills. This was promising because effective leadership skills of a manager have a direct bearing on a millennial’s performance. Six out of the eight participants said that their performance is dependent on their manager. This illustrates just how important leadership styles are to millennials. Lastly, six out of the seven participants confirmed that their manager’s leadership styles are effective, which positively affects their performance.

Participants were requested to describe the leadership style of their manager and indicated the percentage split between the various styles. This is summarised in Figure 1 below:
Figure 1: Current leadership styles graphically presented

Participants were also asked to describe their manager in five separate words. The responses can be seen in Table 3 below:

Table 3: Description of manager in five separate words

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<th>Section B - Description of Manager in Five Separate Words</th>
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<tbody>
<tr>
<td>Question</td>
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<td>Word 5</td>
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<tr>
<td>Positive Words</td>
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<tr>
<td>Negative Words</td>
</tr>
</tbody>
</table>

Source: Responses to interview schedule
The data presented above show that in general, millennials had good things to say about their managers. This is positive because it shows that they portray their managers as respectable, upright leaders. Overall, the words selected for millennials to describe their managers at the company were positive. The literature also supports this claim in that millennials are generally positive about their managers.

### 4.3 Effectiveness and impact of leadership styles on millennial performance

This section aims to determine what exactly drove a participant’s performance and how those factors related to leadership. Table 4 illustrates the key drivers (motivators) for millennial performance.

#### Table 4: Key drivers (motivators) for millennial performance

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<th>Rank 1</th>
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<th>Rank 5</th>
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<tbody>
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<td>Ethical Leadership</td>
<td>Open Communication</td>
<td>Career Growth</td>
<td>Supportive Leadership</td>
</tr>
<tr>
<td>Challenges</td>
<td>Open Communication</td>
<td>Providing Value to Customers</td>
<td>Remuneration</td>
<td>Challenges</td>
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<tr>
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<td>Ethical Leadership</td>
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<td>Job Security</td>
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<td>Career Development</td>
<td>Supportive Leadership</td>
<td>Challenges</td>
<td>Open Communication</td>
<td>Ethical Leadership</td>
</tr>
</tbody>
</table>

Source: Responses to interview schedule

These results show that leadership is amongst the key drivers for millennials to perform better. Supportive leadership, ethical leadership, and open communication are greatly valued by millennials and ensure that they perform at their very best. Other drivers such as providing value to customers and remuneration are also important to millennials. These drivers are influenced and controlled by leadership which may also have an impact on the performance of the millennials. As indicated by Heryati (2018:1) in the literature review, motivated employees can lead to increased productivity and allow an organisation to achieve higher levels of output. It involves encouraging millennials when necessary to ensure that they...
perform at optimum levels. This is considerably important since leadership has a direct impact on motivating millennials.

4.4 Effectiveness and impact of leadership styles on millennial retention

This section aimed to determine what would drive the retention of millennials and what factors relating to leadership would make them stay for long periods. Table 5 illustrated the key drivers (motivators) for millennial retention.

Table 5: Key drivers (motivators) for millennial retention

<table>
<thead>
<tr>
<th>Rank</th>
<th>Participant 1</th>
<th>Participant 2</th>
<th>Participant 3</th>
<th>Participant 4</th>
<th>Participant 5</th>
<th>Participant 6</th>
<th>Participant 7</th>
<th>Participant 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Ethical Leadership</td>
<td>Remuneration</td>
<td>Recognition</td>
<td>Career Growth</td>
<td>Job Security</td>
<td>Remuneration</td>
<td>Work Life Balance</td>
<td>Job Security</td>
</tr>
<tr>
<td>4</td>
<td>Long-term Benefits</td>
<td>Career Growth</td>
<td>Support/Engagement from Team</td>
<td>Long-term Benefits</td>
<td>Remuneration</td>
<td>Recognition</td>
<td>Career Development</td>
<td>Career Growth</td>
</tr>
<tr>
<td>3</td>
<td>Remuneration</td>
<td>Career Development</td>
<td>Supportive Leadership</td>
<td>Ethical Leadership</td>
<td>Career Development</td>
<td>Working Abroad</td>
<td>Remuneration</td>
<td>Supportive Leadership</td>
</tr>
<tr>
<td>2</td>
<td>Career Growth</td>
<td>Ethical Leadership</td>
<td>Remuneration</td>
<td>Working Abroad</td>
<td>Strong Policies and Procedures</td>
<td>Incentives</td>
<td>Ethical Leadership</td>
<td>Remuneration</td>
</tr>
<tr>
<td>1</td>
<td>Supportive Leadership</td>
<td>Work Life Balance</td>
<td>Strong Policies and Procedures</td>
<td>Incentives</td>
<td>Importance of work to Corporate Strategy</td>
<td>Work Life Balance</td>
<td>Challenges</td>
<td>Ethical Leadership</td>
</tr>
</tbody>
</table>

Source: Responses to interview schedule

These results show that leadership was amongst the key drivers for millennials to be retained for a long time at the company. Ethical leadership and supportive leadership are important for millennials to want to stay for a long time at the organisation. Other drivers such as remuneration, recognition and career growth opportunities were also under the influence of leadership and played a key role to retain millennials. Schawbel (2016:2-8) mentioned four ways that companies can elevate their employee experience to retain their current employees. These four ways include providing better compensation, career mobility, work flexibility and the provision of learning opportunities for growth.
4.5 Preferred leadership styles

Participants were requested to describe the preferred leadership style that their manager should display and indicate the percentage split between the various styles. This is illustrated in Figure 2 below:

Figure 2: Preferred leadership style of manager

Source: Responses to interview schedule

The three leadership styles which millennials at the organisation value are visionary, coaching, affiliative and democratic styles.

Furthermore, participants were asked if their performance would improve if their manager displayed their preferred leadership style as indicated above. They were also asked if they would stay longer at the company if the leadership style of their manager is their preferred style.

Six out of the eight participants indicated that their performance would improve if the leadership style of their manager is the one they selected. This indicated that a shift in leadership style was required to motivate millennials to perform better. There needs to be a complete turnaround from a commanding style to a more visionary, coaching and affiliative style.
of leadership. The literature shows that millennials prefer visionary leaders who motivate them to perform better which supports these findings. Five out of the eight participants said that they would stay longer at the company if the leadership style of their manager was the one they selected. This is critical because this means that more millennials would be retained if there was a shift in leadership styles within the organisation.

5. CONCLUSIONS AND RECOMMENDATIONS

This section highlights the conclusions obtained from the study and elaborates on how the research objectives, questions and aim were satisfied.

Research question one: What are the current leadership styles used to manage and retain millennials in Company X?
There was a suggestion that a mixture of coaching, commanding and visionary styles of leadership are practised by managers within the company. Two styles were positive and conducive to a good culture whereas the other was negative. A minority of the participants indicated that they experienced a negative style, whilst the majority indicated they experienced a positive style which shows overall positive feedback.

Research question two: How effective are the current leadership styles in managing and retaining millennials in Company X?
Most of the participants felt that their managers were effective leaders which was encouraging and positive feedback. This means that the effectiveness of managers at the company is high, and they do well in managing and retaining millennials. The effectiveness of leadership styles played a major role in the performance and retention of millennials at the company. Millennials were confident in affirming that their managers displayed effective leadership styles. They claimed that their managers displayed appropriate, skilful leadership styles in which they can be groomed and developed.

Research question three: What is the impact of leadership styles on employee performance and retention in Company X?
The millennial performance and retention were greatly impacted by leadership styles, according to six out of the eight millennials. The results suggested that there was a positive impact of leadership styles on the performance and retention of millennials at the company. Some of the reasons for this are that managers encouraged high performance, created a
collaborative working environment and had a positive outlook on the company. Millennials are driven by leadership to perform better and to stay for longer periods at the company.

5.1 Recommendations
By following these recommendations, leadership within the company can become more effective in enhancing performance and retaining millennials. The critical themes that stood out were the need for effective communication, respect and ethical leadership. The core themes were identified by thematic analysis and are discussed below:

5.1.1 Develop relationships within the organisation
Relationship building is extremely critical to be an effective leader in any organisation. Many millennials in the company suggested that their managers should spend more time building relationships with superiors as well as millennials themselves to create better relationships as well as trust. Relationships should be formed by these managers and this will encourage millennials to perform better and want to stay for long periods at the company.

5.1.2 Display respect and ethical leadership
Respect and ethical leadership were one of the top two themes identified, which makes this an important recommendation. Millennials were firm in claiming that their managers should always lead by example and display ethical behaviour even when no one is watching. They should also never be condescending and value everyone equally. Respect should be a requirement regardless of an employee’s level in the organisation. This is a key requirement to enhance millennial performance and ensure millennials stay for a longer time at the company.

5.1.3 Enhance his/her leadership skills
Another key recommendation from the participants is for leaders to enhance their leadership skills. According to Doyle (2018:4-20), core leadership skills are delegation, negotiation, motivation, problem-solving and decision-making. These modern leadership skills need to be adopted to ensure that millennial subordinates perform better and choose to stay for longer periods at the company. Enhancing these skills can also be achieved through management training programmes. There should be training plans developed for managerial positions and opportunities for managers to regularly attend refresher training courses.
5.1.4 Improve communication amongst team
This was the top theme identified that suggested that managers need to improve communication amongst the team. Communication in the workplace means that there are frequent reviews and feedback provided by managers to millennials. Managers are to make time to discuss personal issues and to evaluate millennials for them to perform better. Improved communication has many benefits to the performance and retention of millennials.

5.1.5 Provide clear and reasonable objectives
Providing clear objectives and targets makes it possible for millennials to know exactly what is expected of them. This is done through an online performance management platform at the company. This is where managers can set goals and objectives for the team to make expectations clear. This recommendation had a significant impact on performance as millennials greatly value direct and clear instructions. They want managers to plan upfront and know what is coming their way.

5.1.6 Provide opportunities for growth
Opportunities for growth was also a key theme that was identified as millennials want to keep growing and never be stagnant in their careers. They want career development opportunities and consistent salary increases to be better performers and to stay for a longer time at the company. As indicated in the literature, millennials want to continuously grow and have quite high expectations when it comes to career growth and development. Millennials have aspirations of becoming CEOs and directors at a young age. This is not something new and has to be kept in mind when planning to retain millennials. Opportunities need to be continually created for their development or else they may start looking for opportunities elsewhere. Providing growth opportunities is a key element in the performance and retention of millennials.

5.2 Conclusion
The study was a success overall in that the research aim, objectives and questions were all fulfilled. There are opportunities to expand this research and devise a general study based on this foundation. However, this study can be used in its current form, to contribute to the body of knowledge and provide valuable insight into organisations as they continue to employ millennials.
REFERENCES


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CUSTOMER LOYALTY AMONG FAST-MOVING SOUTH AFRICAN CONSUMER GOODS WHOLESALERS

Thabile Dube  
Graduate School of Business and Leadership  
University of KwaZulu-Natal, Westville Campus  
South Africa  
Email: Thabile.mbambo@icloud.com

Prof. Muhammad Hoque, PhD  
Senior Research Associate  
Management College of Southern Africa, Durban  
South Africa  
Email: muhammad.hoque@mancosa.co.za

ABSTRACT

Retaining customers in the fast-moving consumer goods (FMCG) wholesale environment is becoming increasingly difficult. While wholesalers have an understanding that superior customer service is important in any business, there is no evidence that they actively engage in activities that measure loyalty levels. Therefore, the study aimed to determine customer loyalty among fast-moving consumer goods wholesalers in South Africa. This was a cross-sectional, quantitative study conducted among 159 traders who were selected using the systematic sampling technique. The majority of them were tuckshop/spaza owners followed by street vendors. Most of the participants were found to be loyal as they had been shopping for a year or longer at the wholesalers either every day or weekly. Also, it was found that the majority of the participants reported that they would recommend this store to a friend or colleague and that they always choose this wholesaler over other wholesalers. The whole-salers do their best to keep their customers loyal and to provide excellent customer service.
1. INTRODUCTION

The fast-moving consumer goods (FMCG), or consumer packaged goods (CPG) industry is one of the largest industries in the global landscape, including South Africa (KPMG, 2014). Wholesalers are also known as ‘cash and carry’ outlets. Manufacturers of products use them as their route market. Their customers are traders who purchase groceries to retail in spaza shops or supermarkets to then end-users of products. FMCG retailers generally work on low margins; however, wholesaler margins are even lower given that they sell bulk goods to retailers who still need to make a profit from them. Rebates and sales growth incentives that manufacturers occasionally pay maintain their viability.

Retail chain stores such as Spar and Shoprite have opened branches in townships offering better prices and convenience. Wholesalers are losing customers because of the ripple effect of communities not using local shops and retailers being no longer limited to wholesalers for their purchases. Wholesalers continue to use various tactics to lure traders back. However, the challenge is to employ effective strategies that ensure sustainability and longevity (KPMG, 2014). Wholesalers engage in various strategies and tactics in attempts to retain customers. Such tactics are often detrimental to the sustainability and longevity of their businesses, as they affect their bottom line. The inevitable result is fewer customers for wholesalers and raging rivalry. Minimal studies conducted in South Africa have investigated customer loyalty. Therefore, the study aimed to determine customer loyalty within a wholesale environment.
2. LITERATURE REVIEW

2.1 Fast-moving consumer goods industry

The FMCG sector essentially deals with manufacturing, warehousing, distribution, selling and marketing of consumer non-durable goods. (Anandarajan & Manikandan, 2016). The products found in this industry can be classified into food, beverage and non-food goods categories. South Africa’s consumer goods industry is estimated at over R800 billion (Price Waterhouse Coopers, 2012). The retail sector is an important one that contributes a sizable portion towards the country’s gross domestic product and employs numerous people. A few large players in the consumer goods products landscape include Shoprite/Checkers, Spar, Pick n’ Pay as well as Walmart within the formal trade sector. The informal trade sector includes local and traditional stores such as spaza shops and street vendors to convenience stores and restaurants in metropolitan areas.

Profit margins and overall business growth are limited in advanced economies resulting in manufacturers looking to emerging economies such as Sub-Saharan Africa for growth (Price Waterhouse Coopers, 2012). South Africa’s consumer price index is sitting at 6.1%, while the produce price index is at 7.2%. Unemployment was 29.1 percent in the fourth quarter of 2019 (Statistics South Africa, 2020). While the market is not as mature as advanced economies and there are prospects for growth due to the growing middle-income group, the current South African economic outlook is bleak given rolling blackouts and now the COVID-19 lockdown (Statistics South Africa, 2020). “Real gross domestic product (measured by production) decreased by 1,4% in the fourth quarter of 2019, following a decrease of 0,8% in the third quarter of 2019” (Statistics South Africa, 2020). The global and local outlook results in less spend from consumers and aggressive competition from suppliers of consumer goods (KPMG, 2014).

2.2 Wholesalers’ overview

Product manufacturers have to find efficient ways of distributing their products to end-users i.e. the route to the market. Some can deliver directly
to consumers via e-commerce, while some use distribution partners who specialise in delivering to the retailers who then put the product on the shelves for retail purposes. Another popular route to market for manufacturers in South Africa is via wholesalers who are bulk sellers. Manufacturers cut the delivery and customer interaction costs (i.e. sales reps, telesales, after-sales) by using this method. Popularly known as ‘cash and carry’ stores because retailers traditionally purchase their goods, pay cash and load goods into their vehicles and leave the premises. Statistics SA (2020) advises that the South African economy grew by 0.2% in 2019, the lowest reading since 2009 when the economy contracted by 1.5% and the economy has now in 2020 slipped into a recession.

2.3 Customer loyalty

Loyalty may be defined as repeat purchase behaviour led by favourable attitudes, or as a consistent purchase behaviour resulting from the psychological decision-making and evaluative process (Shahin, Abandi & Javandi, 2011). Customer loyalty has been defined as a construct measuring the probability that the customer will return and is ready to perform partnering activities such as referrals (Rowley, 2005). As competition increases and customers become savvy, loyalty becomes crowded with many marketing messages sent via social media. A positive experience influences future repeats which result in loyalty. By contrast, negative experiences discourage future business dealings and loyalty. The fruits of loyalty are word-of-mouth, re-patronage, and buying frequency (Bobalca, 2013).

The benefits of a business having loyal customers are embedded in the definition of customer loyalty. While most researchers define loyalty in different ways, the fundamental benefits are the same in all their definitions. Those benefits are repeated patronage and favourable attitudes which result in a willingness to recommend products or services. Heskett (2011) points out that one of the greatest benefits of keeping customers satisfied is essentially profitability. Heskett (2011) maintains that the longer customers are loyal, the more profitable they become. This has everything to do with what is known as the three Rs of customer loyalty being:

Retention is the first R of loyalty. The ongoing relationship with a customer as they continue to buy products creates a steady stream of revenue (Heskett, 2011). The costs are associated with cost reductions in marketing
and, often, the costs associated with serving the customer declines in proportion to customer familiarity with the company’s procedures and its product lines (Rowley, 2005).

The second R is related sales which are generated by loyal customers. Organisations generate more profits by selling new products or services to existing customers rather than new customers. Forward-thinking organisations, therefore, involve their loyal customers during product development. Loyal customers have faith in the company and will more than likely buy their products since they were developed to meet their particular needs (Heskett, 2011).

According to Heskett, (2011), related sales over time may produce better profits compared to the original product’s profits. New products sales to the existing customer base cost less because there is no need to do credit checks and all the administration associated with taking on new customers. Less marketing and time are required. The greatest benefit of having loyal customers is that they are often less price-sensitive compared to new customers (Heskett, 2011).

The positive referrals category is the third R, which is a superior kind of advertising or promotion because they cost nothing. Word-of-mouth is invaluable for the growth and profit of the business. Bowen and Chen (2001) advise that customers who have received great service which satisfied them are likely to inform about five people, whereas customers who did not receive a great experience and ended dissatisfied are likely to inform eleven people. Personal referrals are more valuable compared to traditional marketing. They are positively associated with cost containment because it’s more costly to acquire new customers than to retain them (Heskett, 2011).

Savareikiene and Daugirdas (2009) argue that customer retention is not the same as customer loyalty. Customers may return for services or products; however, they may not be loyal. Rather, their returning could be as a result of normative, affective, economic, forced, or habitual commitment. Normative commitment refers to a sense of duty or moral commitment. Economic commitment describes a sense of loss if one leaves an organisation. It may mean that customers have more to lose if they leave than if they stay. Affective commitment refers to an emotional attachment to an organisation.
Affective commitment has the strongest impact on loyalty. However, it does not compensate for poor performance (Savareikiene & Laimonas, 2009; Sharma, Young, & Wilkinson, 2015).

According to Rowley (2005:575), there are four conditions related to loyalty:

- Loyalty must signify a favourable correspondence between relative attitude and repeat patronage.
- Latent loyalty refers to a high relative attitude but low repeat patronage.
- Spurious loyalty is associated with low relative attitude yet high repeat patronage.
- No loyalty refers to a low relative attitude with low repeat patronage.

Businesses stand to benefit by understanding their customers and the categories in which they belong. This understanding will enable businesses to make investment decisions apropos of all categories, suggesting how much to invest in each category, depending on what they wish to achieve, or depending on their business strategy. Rowley (2005) subdivided the categories of loyalty into four categories, namely, captive customers, convenience seekers, contented customers and committed customers.

2.3.1 Captive customer

Captive customers are those who have no choice but to patronise a service or brand because of high switching costs, such as convenience, or finance (Rowley, 2005). A customer residing close to a wholesaler may choose to use it because of convenience. Switching to another wholesaler may be too costly on fuel and time, given that most traders are owners and managers. Such patrons spend an average of only 20 minutes purchasing before returning to their businesses (Abi, 2015). Captive customers generally remain satisfied. Their experience does not cause them to have either negative or positive views of the brand or service (Rowley, 2005). It is important to realise that these customers can switch to alternatives if competitors poach them, perhaps reducing switching costs by delivering directly to their doors.
2.3.2 Convenience seekers

These customers’ choices are largely influenced by convenience. Should their situation change, they switch to what they perceive as convenient at that time (Rowley, 2005). Their choices are heavily indexed towards the service or the store, more so than the product, as a result of convenience (Rowley, 2005). Convenience-driven loyalty may be seen in factors such as parking availability outside of town or busy shopping centres. Such loyalty may also be seen as trading hours convenient for people either coming from work or going to work. Availability is a key factor for convenience-driven customers. Businesses that invest in distribution networks or e-commerce reap the rewards from customers such as these (Rowley, 2005).

2.3.3 Contented customers

Such customers have positive attitudes toward the brand. However, they do not extend their involvement by supporting products or services associated with it (Rowley, 2005). These customers are not the most profitable. However, they present an opportunity to be recruited to become more involved. Contented customers are already in a positive relationship with the brand, and they judge each brand on merit (Rowley, 2005). They do not become involved with the entire portfolio, having a relationship with one brand only.

2.3.4 Committed customers

Committed customers are the kind that every business desires. They are true partners or ambassadors. They have positive attitudes and behaviours. They recommend the brand or services to others utilising positive word-of-mouth (Bae, 2012). Committed customers also contribute to making the experience more pleasant for themselves and other customers. They do expect to be recognised by the suppliers as ambassadors of the product, service or brand (McMullan & Gilmore, 2008). They do not fall for competitors’ tactics of trying to entice them to use their services or products. Committed customers are vulnerable to marketing communications from brands to which they are loyal, and are willing to pass the message on to other potential customers. This analysis reflects the importance of understanding the customer base and recognising the categories into which customers fall (McMullan & Gilmore, 2008; Sharma et al, 2015). Businesses that have a non-balanced loyalty category customer
base must realise that there is work to do by having a base heavily indexed towards a committed category. Committed customers must also be recognised explicitly through loyalty programmes or in other forms so that they are encouraged to continue with commitment.

3. MATERIALS AND METHODS

A research approach or design is a blueprint for the collection, measurement, and analysis of data, based on the research questions of the study (Sekaran & Bougie, 2013). Creswell (2014) posits that research approaches are plans and procedures for research that spans broad assumptions across detailed methods of data collection, analysis, and interpretation.

This study was descriptive, cross-sectional and quantitative in nature which was conducted using a seven-point Likert scale for loyalty questions, as well as questions on demographics.

The study took place at a ‘cash and carry’ organisation in KwaZulu-Natal. This outlet is one of the largest independent ‘cash and carry’ stores in Durban. The outlet services customers and traders from various backgrounds in Durban and surroundings, such as Phoenix, KwaMashu, Inanda, Ntuzuma, Verulam, and Durban central. The study will, therefore, be a reflection of the traders’ voices within Durban and its environs.

3.1 Target population and sampling method

The population consisted of every customer who bought from the outlet. According to the store’s database, there are 300 registered customers. These customers are business people who own spaza shops, supermarkets, convenience stores, and taverns, etc. The total population size at the time of the research was 300.

By studying a subset of the population, the researcher was able to draw conclusions that were generalizable to the population of interest. For the study to be generalizable, a minimum sample size for the study was calculated using 95% and 5% margins of error. This means that at least 95 times out of 100 of the estimate will reflect the true population characteristics. The sample size was calculated to be 169.
A systematic sampling technique was utilized for this study which was valuable because every element had a known, equal chance of being selected (Sekaran & Bougie, 2013). This technique also ensured high generalizability of findings as well as the least bias.

### 3.2 Data collection

Customers were asked to complete the questionnaire with the help of a research assistant (who was trained on data collection), while they were waiting in queues for the cashiers to scan their goods and make payment. The advantage of this strategy is that it enabled minimum interference. Retailers had made their purchases and, therefore, the survey did not interfere with the normal activities for either the wholesaler or the retailer. Customers comprised the older generation with low levels of education and technology exposure. A questionnaire was utilized which consisted of two sections. The first part was related to demographic information and the second part was based on loyalty. Personal data such as age was organised in a nominal-scale fashion which enabled respondents to be grouped into categories or groups. The rest of the demographic information such as gender, employment status, type of store owned, was organised into multiple-choice questions. Loyalty information was split into multiple-choice (such as frequency of purchase, reasons for choosing the store, etc.) and a Likert 7-point scale (e.g. a question on whether they would recommend the store, or would it matter to them if they could not use the store, etc.), in which 1 reflected strong disagreement and 7 reflected strong agreement.

Generally, traders have only 20 minutes to shop before returning to their outlets (Abi, 2015). Customers were asked if they were interested in answering the questionnaire and whether they had answered them before to avoid duplication. The assistants were trained outside and on the job by the researcher to ensure uniformity.

Data were captured, coded and analysed using SPSS version 22.0. Initially, frequency distribution was conducted using tables or figures. Secondly, the Chi-squared test of association was carried out to find a significant association between customer loyalty with other variables. P-values less than 0.05 was considered statistically significant.
3.3 Ethical issues

The University of KwaZulu-Natal Department of Humanities and Social Sciences vetted and approved the ethical clearance application. A clearance certificate was granted. The permission to conduct the research and obtain data from the outlet was granted by the General Manager. The research instrument consisted of the consent form which clearly stated that participation was voluntary and that participants could withdraw at any time. Anonymity was also confirmed. Respondents were assured that their names would not be included in the data analysis.

4. RESULTS

A total of 169 participants completed the questionnaire. However, 10 of the questionnaires were invalid due to errors and, therefore, only 159 questionnaires could be used for analysis. Concerning the participants’ socio-demographic information, more than two-thirds were male (69%) (Table 1). The majority of the participants were between the ages of 18 years and 44 years of age. When asked which category was most suited to their store, the majority of them indicated tuckshop/spaza (77.3%), followed by street vendors (8.18%). Some participants reported that they buy a combination of all the items indicated from the wholesaler (65%).

Table 1: Summary of demographic information

<table>
<thead>
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</tr>
<tr>
<td>---------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Tuck Shop/Spaza</td>
<td>123</td>
<td>77.4</td>
</tr>
<tr>
<td>Street Vendor</td>
<td>13</td>
<td>8.2</td>
</tr>
<tr>
<td>Supermarket</td>
<td>14</td>
<td>8.8</td>
</tr>
<tr>
<td>Restaurant</td>
<td>1</td>
<td>.6</td>
</tr>
<tr>
<td>Tavern/Liquor Store</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase in this store</th>
<th>10</th>
<th>6.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages</td>
<td>10</td>
<td>6.3</td>
</tr>
<tr>
<td>Snacks</td>
<td>9</td>
<td>5.7</td>
</tr>
<tr>
<td>Groceries</td>
<td>33</td>
<td>20.8</td>
</tr>
<tr>
<td>Advertised Items</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>Airtime</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>All of the above</td>
<td>103</td>
<td>64.8</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### 4.1 Loyalty

It was found that 78% of the participants have been shopping for a year or longer at the wholesalers. The majority of the participants also reported that they shop either every day or every week (Table 2). According to Figure 1, it was found that the majority of the participants positively reported that they would recommend this store to a friend or colleague (92.5%); it would matter a great deal if they stopped using this store (77%); and they always choose this wholesaler over other wholesalers (94%).
### Table 2: Frequency of using the wholesaler

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How long have you been shopping at this wholesaler?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6 months</td>
<td>12</td>
<td>7.5</td>
</tr>
<tr>
<td>6 months to less than a year</td>
<td>11</td>
<td>6.9</td>
</tr>
<tr>
<td>1 year to less than 3 years</td>
<td>22</td>
<td>13.8</td>
</tr>
<tr>
<td>3 years to less than 5 years</td>
<td>35</td>
<td>22.0</td>
</tr>
<tr>
<td>5 years or more</td>
<td>79</td>
<td>49.7</td>
</tr>
<tr>
<td><strong>How frequently do you purchase from this wholesaler?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a year</td>
<td>1</td>
<td>.6</td>
</tr>
<tr>
<td>Twice a year</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>Every 4-6 months</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>Every 2-3 months</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>Every month</td>
<td>16</td>
<td>10.1</td>
</tr>
<tr>
<td>Every 2-3 weeks</td>
<td>12</td>
<td>7.5</td>
</tr>
<tr>
<td>Every week</td>
<td>54</td>
<td>34.0</td>
</tr>
<tr>
<td>Every day</td>
<td>66</td>
<td>41.5</td>
</tr>
</tbody>
</table>
Based on Table 2 and Figure 1, combining all the questions, it may be concluded that the majority of the participants were loyal customers to the wholesaler (94%) (Table 2). Further analysis showed that none of the socio-demographic variables was associated with loyalty to the wholesaler (p>0.05) (Table 3).
Table 3: Association between loyalty and socio-demographic

<table>
<thead>
<tr>
<th></th>
<th>Loyal or not</th>
<th>Chi-squared value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not loyal customer</td>
<td>Loyal customer</td>
<td></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>46</td>
<td>0.003</td>
</tr>
<tr>
<td>Male</td>
<td>7</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td><strong>Age category</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Younger than 18</td>
<td>1</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>2</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>4</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td>1</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td>2</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>65 or older</td>
<td>0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>Employment status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed full time</td>
<td>3</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Employed part time</td>
<td>1</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Self-employed</td>
<td>6</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>0</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

The majority of respondents (74.8%) strongly agreed that they always choose the store over others, which is a sign of commitment. 59% of the respondents also strongly agreed that it would greatly matter if they stopped using this store. 71% of the respondents strongly agreed that they were willing to recommend the store to friends and colleagues.

Table 3 illustrates the number of loyal customers and those that are not loyal. It was found that out of 159 customers only 10 were not loyal. It was
found that none of the socio-demographic variables was associated with loyalty to the wholesaler (p>0.05) (Table 3).

Participants were asked about the reasons for choosing this store. The main reason was price followed by convenience and service respectively (Table 4).

### Table 4. Reasons for choosing the store over others

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>92</td>
</tr>
<tr>
<td>Service</td>
<td>10</td>
</tr>
<tr>
<td>Convenience</td>
<td>36</td>
</tr>
<tr>
<td>Advertised items</td>
<td>1</td>
</tr>
<tr>
<td>Habit</td>
<td>10</td>
</tr>
<tr>
<td>Loyalty</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
</tr>
</tbody>
</table>

### 5. DISCUSSION

#### 5.1 Behavioural measure

A behavioural measurement considers consistent, repetitious buying behaviour as an indicator of loyalty (Shahin et al., 2011). According to the findings, half of the respondents have been shopping at the outlet for over five years. The frequency of their visits to the store indicates that the majority (75%) shop every day. This is positive, because, the majority of the respondents own spaza shops and a few are street vendors. It may, therefore, be expected that street vendors would shop every day, not having storage space for their goods. However, spaza shops require a purchase of at least between one and two weeks relative to cash-flow and space in their shops. These results show an agreement with the theory that loyal customers show high relative repeat patronage (Sharma et al., 2015).
5.2 Attitudinal measures

One of the exciting findings was that most of these customers will recommend the store to friends or colleagues. Not only were they willing to market this store, almost all the respondents always chose this store over other wholesalers. This illustrates a wholesaler of choice. It is interesting to note that the majority of these customers recorded that it would matter a great deal if they stopped using this wholesaler. The store may have to mitigate this possibility by implementing switching costs such as loyalty programmes and special deals for loyal customers. Communicating this message to customers will be critical so that they do not perceive the goods to be of inferior quality or standard compared with competitors (Ganiyu, Uche & Elizabeth, 2012).

5.3 Composite measurement

A composite measurement combines both the attitudinal and behavioural measures. According to Bowen and Chen (2001), these are measurements of the likelihood of switching, frequency of purchase, as well as the total amount of purchases. Research supports that loyalty may be measured by the customer’s behavioural patterns and attitudes. Bowen and Chen (2001) posit that loyal customers hold favourable attitudes towards the company, committing to repurchase the product or service and to recommend the product to others. The customer category associated with the outlet signifies the kind of loyalty concerning both favourable attitudes as well as positive repeat behaviour. This is arguably the best four conditions of loyalty, which are latent loyalty, spurious loyalty, no loyalty and loyalty with favourable correspondence between high relative attitude and repeat patronage.

Further to that, these customers are loyal customers who signify a large level of commitment. The results of this study on loyalty have made clear the category in which the outlet’s loyal customers fall. McMullan and Gilmore (2008) agree that it is critical to understand the category in which customers fall to take relevant steps to retain them.
It is also interesting to note that the majority of customers’ baskets contained a combination of various groceries and other items from the store. Customers did not only select a certain number of limited items. This would indicate that they had chosen the outlet for price only, or because other wholesalers do not offer that particular product. It is important to recall that, according to theory, committed customers wish to be recognised as committed customers (McMullan & Gilmore, 2008).

6. RECOMMENDATION AND CONCLUSION

The study found interesting implications for the outlet and the industry at large. It is recommended that the outlet addresses the following to improve the perception scores:

Customers require recognition for all the partnering activities in which they are willing to participate, such as word-of-mouth referrals, and patronage. Recognition may be achieved by forming a loyalty programme that benefits only loyal customers. This may take various forms, including one-day specials only for loyal customers. The outlet recognises their customers once a year by inviting them to lunch, involving suppliers who give away prizes to make the day fun and rewarding. This could be a contributing factor towards the loyalty levels enjoyed by the store. Other wholesalers should take a leaf out of this book, offering similar recognition of their loyal customers. Suppliers of wholesalers should partner with wholesalers to gain loyalty for their brands.

6.1 Conclusion

Change is the only constant. The wholesale game has changed dramatically from the old days when it first began. Wholesalers are no longer only competing against other wholesalers. Retail supermarkets are slowly eroding the line at increasing rates and in that process taking a piece of the pie from the wholesalers. The outlet remains the largest wholesaler in size, revenue, and customer base in Durban, and arguably in KZN. This wholesaler aggressively takes on their competitors head on to retain their customer base. Some of their customers have been with them for over twenty years. As with all other wholesalers, this outlet does their best to keep their customers loyal and to provide excellent customer service.
REFERENCES


[3]

INTEGRATING OFFLINE AND ONLINE PLATFORMS FOR SEAMLESS BANKING EXPERIENCE

Dr. Izekiel Nohumba
Durban University of Technology
Independent Researcher
e.nohumba@gmail.com

Clemence Nyambuya
Durban University of Technology
Independent Researcher
ctnyambuya@gmail.com

Getrude Nyambuya
Independent Researcher
getrude.nyambuya@gmail.com

ABSTRACT

Researchers concur that the revolution and evolution of banking which is emanating from the fast-paced IT developments and globalisation, is triggering customers to demand better shopping experiences and products and ease of service. All this revolves around an improved banking experience through digitalisation. Bank executives are under pressure to cope with competition as well as evolving consumer demands. This predicament is to a greater extent for the traditional banks that have to align their structures with current consumer demands and compete with emerging banking service providers that are adopting agile, high-tech technologies. Moreover, it has proved challenging for traditional banking to do away with their traditional structures that support offline and physical banking in the light of modern developments. This study sought to examine factors influencing the integrating of offline and online platforms for a seamless banking experience.
experience. The study adopted a literature review methodology, employing a qualitative research approach to achieve the research objectives. The findings confirmed that offline banking platforms cannot be entirely eliminated. Instead, the banking industry has to speedily adopt online banking platforms with greater efficiency. Most banks now offer internet and mobile banking services but have to extend their services to be modelled to seamless banking services that concentrate on modern consumer needs and lifestyles in the light of globalisation. The study recommends that banks should no longer restrict their services to the role of processing payments or providing funds for clients. Rather, banks should now provide convenience by interfacing and integrating with the retail internet world to support customer lifestyles and remain competitive. Otherwise, they risk losing their market to neo-banks and fin-tech internet-based financial service providers.

**Key words:** Offline platform, online platform, seamless banking, digitalisation

### 1. INTRODUCTION

Banking is transforming and the evolution and revolution of the sector has become topical. The availability of mobile devices and online market has resulted in consumers demanding high-tech banking products that are seamlessly compatible with their busy lifestyle. Consequently, non-digital banking products offered by traditional banks are now costly to the bankers (thefinancialbrand.com). Customer loyalty is at stake as they seek better digital options. As a result, banks are under pressure to respond with greatly improved digital experiences in the form of mobile banking remote banking, digital payments, personalised financial advice, all of which are endowed with privacy and security online (Meshkova, 2019).

Price Waterhouse Coopers (2019) emphasises the need for banks to retool to ensure success, not just by transforming or innovating according to current imperatives, but to position themselves for future changes. This is in the light of vast forces, such as customer expectations, economics, regulatory requirements, demo-graphics and technological advancements. Figure 1 shows the trends with regard to the uptake of digital tools by customers in seeing banking services.
Figure 1. Growth in the use of digital tools for buying banking products
Source: (thefinancialbrand.com)

Starting as physical interaction points for customers, banking developed into ATMs, telephone banking and then internet banking improved convenience and accessibility for customers. The current rapid technological developments of digital online interactions do not erase the relevance of interaction of customers through bank branches. Customers that still use traditional banking which requires them to travel to bank branches will also need the more convenient online transacting for other services one way or the other (Price Waterhouse Coopers, 2019).

The market now has better and flexible alternatives for all traditional banking products from individual payments, savings, loan and mortgage lending, insurance services, investments, all being offered using the computer or mobile devices by non-traditional providers of financial services. Yasav (2015) highlights the fact that the solution is in developing a seamless digital experience that pays attention to customer needs without visiting or contacting the bank or financial institution. If traditional financial service providers become complacent, they may be overtaken and drowned by the rapidly expanding alternative providers.

This background leads to the research problem which has resulted in the objective to examine the implications of traditional financial institutional integrating offline and online platforms for seamless banking experience.
The reason for considering the integration of offline and online platforms comes from the fact alluded to by Marous (2019), that human intervention is still desired sometimes, hence the offline part cannot be completely done away with. This encompasses issues of trust where customers find it difficult to trust the security of digital platforms and therefore prefer human intervention and advice, especially for complex products (Meshkova, 2019).

Lindholm (2019) defines digitalization as the process of converting analogue information to a digital representation. The term ‘digitalization’, however, has a broader meaning and is more about the society's digital transition (Lindholm, 2019). A McKinsey report identifies digital finance as “financial services delivered via mobile phones, the Internet or cards,” according to Manyika et al. (2016:4). Gomber et al. (2017) assert that digital finance encompasses a magnitude of new financial products, financial businesses, finance-related software and novel forms of customer communication and interaction - delivered by fin-tech companies and innovative financial service providers.

Digital financial services (DFS) can be defined as financial operations using digital technology, including electronic money, mobile financial services, online financial services, i-teller and branchless banking, whether through bank or non-bank institutions (G20/OECD INFE, 2017). DFS can encompass various monetary transactions such as depositing, withdrawing, sending and receiving money, as well as other financial products and services, including payment, credit, saving, pensions and insurance. DFS can also include non-transactional services, such as viewing personal financial information through digital devices (G20/OECD INFE, 2017).

As an outcome of the rapid digitalization process, banks are forced to change their traditional banking business models, and those who are willing to change will be able to score the benefits (Olanrewaju, 2013). Banks must, therefore, prepare for this business model adjustment as changes will come, whether or not the banks are ready for it (Olanrewaju, 2013). According to the Swedish Bankers’ Association (2016), the new banking business model approach is a consequence of digitalization as customers...
change their behaviour and adopt more digital banking habits. Even if digitalization is a rapidly changing phenomenon that has been known in the banking industry for some time, it was not until recent years that it became a frequent topic in the public debate (Swedish Bankers’ Association, 2016).

In this study, the research problem is that as customers embrace a wide range of online services that are coming with the digital development of data-driven devices and the Internet, banks which use their traditional systems are battling with customer loyalty in the wake of the entrance of modern financial services providers. Banks cannot suddenly discard their long-standing structures and financial services. The study seeks to consider the option of integrating offline and online platforms for a seamless banking experience for its customers and consequently retain them.

Price Waterhouse Coopers (2019) came up with three powerful forces which shape the banking industry in the light of the challenge to the status quo by non-traditional banking services operators. They are leading in customer-centric innovation and higher-level service expectations. The authors also suggest key priorities for banks, especially in 2020, as illustrated in Table 1.

Table 1. Forces shaping the banking industry and 2020 priorities

<table>
<thead>
<tr>
<th>Forces shaping the banking industry</th>
<th>2020 priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The need to critically consider the impact of macro trends on the banking industry in the future</td>
<td>• The development of customer-focused business models</td>
</tr>
<tr>
<td>• Preparedness of banking service providers for the future</td>
<td>• Optimisation of distribution</td>
</tr>
<tr>
<td>• The threat of non-traditional banking players to traditional banks</td>
<td>• Simplification of business and operational models</td>
</tr>
<tr>
<td></td>
<td>• Obtaining information advantage</td>
</tr>
<tr>
<td></td>
<td>• Enabling innovation and the required innovations to support it</td>
</tr>
<tr>
<td></td>
<td>• Proactive management of risk, regulations and capital</td>
</tr>
</tbody>
</table>

Source: Price Waterhouse Coopers (2019)
2. LITERATURE REVIEW

The literature review explores the impact of digital technologies on consumer behaviour and on the banking services. Additionally, issues relating to building trust in DFS, the financial system, technological innovation and protecting consumers from increased vulnerability due to digital crimes are discussed in terms of how they affect seamless digital banking. Finally, the benefits and challenges faced by banks relating to digital banking, integrating online and offline banking platforms are outlined.

2.1 The impact of digital technologies on consumer behaviour

Yasav (2015) emphasises the change in the retail landscape resulting from digitalisation which in the modern era provides a platform for online research and shopping. This has resulted in retailer innovations through investment in digital technology to facilitate visibility, marketing and selling of their products through retailer websites using their online platforms. Through available mobile marketing strategies, consumers use their phones to search for products of choice, compare prices, receive offers from retailers, negotiate discounts, process payment as well and track delivery shipping of goods. The proliferation of the virtual markets is a result of digital change that is changing the business structure as well as the banking scene (Marous, 2019).

Some retailers offer customers digital retail credit cards and provide a complete customised mobile interfaced with online credit application functionality, loyalty rewards tracking and redemption. They also offer account alerts and lookup. Therefore, a seamless experience is allowed for customers through the incorporation of the retail cart interface and the retail brand. In Figure 2, Price Waterhouse Coopers’s Integrated SocialMind Platform shows the leverage that consumers now have on providers through social data, social phenomenon and other IT trends.
The modern generation drives sales through social media which highly influences followers, hence leveraging of this platform by retailers as a marketing strategy through videos and live streams (Meshkova, 2019). Yasav (2015) concluded that in the new environment retailers had to be responsive through allowing their customers a seamless digital experience in the form of customer alerts, compelling content on their website tools that can be integrated for brand loyalty and attraction. With the advent of the Internet, the source of information for the public is no longer restricted to traditional media such as the press, radio, or TV. Instead, it is now through the availability of various network platforms that customers are spoilt for choice.

2.2 The impact of digital technologies on banking services

According to Bain & Company (2018), retail banks face a digital challenge in embracing major strategic, operational and organisational changes including investing in apps and interactive tools that allow customers to
manage their money and mobile network coverage thereby facilitating interactions of banks with their customers. However, the rapid embracing of wireless connectivity by customers is posing a survival challenge for banks. They have to keep up with the changing expectations of customers as well the responses of retailers to customers while facing competition from modern financial services providers such as Paypal and Google wallet. These financial services are attracting consumers for daily transactions and thereby displacing banks (Yasav, 2015).

Banks are faced with the obligation to provide secure money transfer services and savings facilities that cope with the environmental changes which require banks to bridge the offline and online platforms. In the process, customer expectations have to be met harmoniously through the bank branch, browsing the bank website, social media or video calling banks. (Bain & Company, 2018).

2.3 The impact of digitalization on banks

Once digital transformation occurs in transaction banking, it will not only bring down the sunk costs but also reduce the top-up maintenance costs and overheads leading to increased profits. Therefore, to gain competitive advantage, banks should nurture their ability to quickly adopt this external innovation in transaction banking and collaborate with external partners to ascertain the benefits of the changing market place in the midst of regulatory controls (Accenture, 2018).

Olanrewaju (2014) states that digitalization might abolish some vital job roles and thus threaten the workforce reluctantly to embrace digital changes. However, observations are indicative of a focus towards higher-value tasks and creating unprecedented opportunities. Central to consumer perspective, research has shown that real time access to online energy accounts, bank transfers, utility consumption reports form an integral part of lifestyle (Markovitch & Willmott, 2014). With the aim of enhancing consumer engagement and gain competitive advantage, the debate continues about best strategies that banks adopt to engage with customers. This has resulted in banks enhancing capabilities and complex technology on top of systems and processes to meet dynamic customer expectations (Hammond, 2017).
Recent studies (Boston Consulting Group, 2018; Mehrotra, 2014; Hammond, 2017; Markowitch & Willmot, 2014) show that the wave of fin-tech has impacted retail banking in recent years. Growing external pressures from technology providers and changing customer priorities pose a threat to profitability (survival), growth potential and expansion of financial players. Trainer, (2017) confirms that the battleground for banking are processes. Therefore, banks focus on developing the value chain, hence the future belongs to the ROBO analysts. Additionally, research carried by KPMG and H2 Ventures (KPMG and H2 Ventures, 2015, cited by Kotarba, 2016) noted that fin-techs are already exploring all elements of traditional CRM value chain to offer innovative business models for a better understanding of client needs.

2.4 Building trust in DFS, the financial system and technological innovation

Lack of, or uneven trust in DFS, the financial system and technological innovation among consumers and entrepreneurs can hinder financial inclusion efforts, thereby reducing the potential positive impact on individuals and the economy as a whole. Trust functions as a powerful tool in complex environments for reducing uncertainties and is particularly important in online environments (OECD, 2015). If individuals are concerned about factors such as privacy and security, some may refrain from using digital financial services altogether, resulting in lost opportunities and digital exclusion (OECD, 2017).

According to BearingPoint (2018:35), even though digitalization has rapidly changed the banking industry and the environment it works in, the banking industry still struggles with adapting to its customer digital demand. The customers expect value adding, custom-made, and personalized services that support their financial goals (CGI Group Inc., 2014). Fin-tech innovations can help banks deliver enhanced risk assessment, reduce transaction costs, make operational bank offices more efficient, lower fixed asset investment requirements and enter new markets. In addition, fin-tech providers can promote economic growth during good economic times by increasing the volume of financial transactions in the financial system, although it is still unknown whether fin-tech providers and their activities can exacerbate economic crises during bad economic times.
2.5 Protecting consumers from increased vulnerability to digital crimes

It is vital to raise awareness among consumers and entrepreneurs of the ways in which DFS and digital technologies can expose them to digital crimes and abuse such as online fraud, phishing, social engineering scams, account hacking attacks or data theft. They should be provided with information on how to recognise such activities, and their responsibility to take steps to minimise their risks (FinCoNet, 2016; 2018). They should be aware of innovations and policy changes in their countries (such as open banking and account aggregation tools), and understand the opportunities they can provide. They should also have information about the extent of their rights to redress and recourse (including to digital oblivion) in the event of falling victim to such attacks. This is particularly relevant for entrepreneurs who face distinct challenges in managing digital security and privacy risk (OECD, 2017).

2.6 Merging offline and online platforms for seamless banking

This section discusses offline banking and online banking and how these are merged to attain seamless banking experiences for consumers.

2.6.1 Offline banking

The traditional retail banking services have performed without the need for internet connectivity (Xue et al., 2016) offering deposit accounts, loan accounts and financial services such as trusts, insurance and asset management from which the bank derives gains from service charges. In this arrangement customer visibility is through physical visits by customers to bank branches to receive and negotiate these services or get any updates or reports (Dapp, 2014). Being the traditional channel, this platform is viewed as offering limited flexibility for customers. It is also viewed as not being adaptable to market changes and lacking centralised customer data management. Customer demand for seamless experiences and consistency in interaction in this traditional offline platform is now outdated and unsustainable.

2.6.2 Online banking

The unsustainability of offline platforms in the modern data-driven environment has led to this modern platform namely, online banking. It is a more efficient IT banking system and extends the roles of the banks to fit into the lifestyles of the customers by broadening the use of the Internet to
the modern needs of a retail environment and developments. This has resulted in banks gradually seeking out automated services such as automated teller machine (ATMs), voice response automated telephone banking (VRUs), telephone-based customer support (CSRs), in branch representatives, direct deposits and automated withdrawals and internet-based banking which provide 24-hour convenience. The convenience of these automated platforms is also in the reduced costs for customers and the reduction of manpower for the banks as fixed cost technology infrastructure substitutes for larger human service channels (Chen et al., 2017).

Charan and Sharma (2017) conclude that age, educational qualifications, profession and income group influenced the uptake of online banking by customers and it was not, therefore, automatic that the banking providers could not in an outright manner move off the banking offline platform as it continued to have users.

### 2.6.3 Seamless banking

Seamless banking refers to a fit of the banking system to the lifestyles of consumers without interrupting their convenience and comfort, hence empowering data-driven and customer-originated innovation, flexibility not offered by traditional platforms (Dapp, 2014). While highlighting seamless banking as omni-channel, personalised, connected banking, Meshkova (2019) cites three main pillars of seamless customer experiences for banks emphasising concentration on the customer rather than the traditional bank focus as follows:

- **Omni-channel (enabled by an enterprise digital banking platform);**
- **Personalised (big data and Artificial Intelligence);**
- **Connected (enabled by open banking ecosystems).**

Bain & Company (2018) provide an example of seamless banking through TD Bank in Northern America, a retail Bank that has extended hours of service seven days a week allowing customers full-time contact with dedicated staff. This is over and above online, mobile and interactive tools that offer accessibility and interfaces for clients to manage their funds and transact. The bank also has a full-time call centre to respond to customer queries and resolve issues. A major activity that the bank provides is data management and security for the funds of clients.
Other digital services which customers use online are comparing recommendations, reserving tickets, coordinating travel plans and paying for items, performing daily banking transactions digitally without having to go to the bank, all done around the clock. Chen et al. (2017) perceive the recognition of traditional bank offline services on the offline platform as financial services and the recognition of modern digitalised services on online platforms as e-commerce services to facilitate their effective integration. The authors state that the continuous advancement of internet technologies does not erase the interdependencies that exist and are critical between the offline and online services as the latter include a series of online financial products and online services and depend on the foundations laid by traditional offline financial services. Therefore, online business processes depend on offline processes, but offline banking services can be guided online for a seamless banking experience for the clients that choose or have opportunities to move with the global trends.

2.6.4 Integrating online and offline banking platforms

Meshkova (2019) says that the solution to cover the shortfalls, especially of the traditional offline banking platform, is the integration of data silos, systems, channels, infrastructure and products into the digital banking platform by introducing dependence on the core banking system. Price Waterhouse Coopers (2019) also emphasises the advent of newer banking providers that are re-sulting in the fall of traditional banking through better customer experience, new products and online channels. Traditional banks do not have the choice of maintaining the traditional offline business platforms, but need to adapt and be agile in response to the uncertainties the market poses.

Foroudi et al. (2018) are of the view that the rapid developments and usage of smart technologies in the form of smartphones, laptops and tablets, among others, has spread widely into most societal demographics, hence the demand by these customers for electronic device transacting systems online. This has created a demand for responsiveness by retailers and other businesses, including banks. Retailers have responded accordingly in-service provision, marketing, and support with the banks having to respond through interfaced payment platforms to support businesses as well as the individual customer
Dapp (2014) says that data management is critical for banks in adopting an integrated channel strategy which also aids in customer segmentation and the provision of tailored solutions for each customer’s needs and convenience. The author further states that the integration of offline and online banking platforms does not undermine the need for bank branches for physical interaction. However, these come in as critical areas for points of contact by customers, as showrooms for products or new services and, critically, as platforms for clients to seek face-to-face expert financial advice. It is therefore not necessary to do away with the premises of banking institutions. They indicate personal bankers as replaceable sources of financial advice for clients.

Banks were originally developed around a brick and mortar setting based on geographic considerations and branch operations. The emergence of online and mobile banks parallel to the physical banks has resulted in the linking of IT organisations with online channels they support. A bridge is therefore needed between online and offline banking services in order to organise banking services against customer segments and not by channel, product or geography (Dapp, 2014). The modern bank will also use modern data analysis methods which will ensure flexibility as well as ease in the provision of offline customer support services.

The motivation for customer use of an online banking platform, according to Charan, and Sharma (2017) is the embedded benefits in the form of the perceived usefulness, ease of use, convenience, control, privacy and trust in transacting.

2.7 The digitalization challenge in the banking industry

Digital vulnerabilities are a major concern for the financial sector. As with other sectors, they need structural changes which allow the automation of their services and products in response to modern internet technologies. Dapp (2014) says that modern technologies pose challenges which impact significantly on a wide range of traditional bank services that need to be standardised and automated:

- Services and products offered by non-banks are shifting power, leaving the financial sector vulnerable. The market for non-banks seems open for new players, posing a greater and continuous competitive threat for traditional banks,
Banks are under pressure to offer a vast range of services online, ranging from payment solutions and information services, savings and deposit taking, advisory services, securities trading, financial solutions and modern financial software, all out of the norm (offline face to face service),

For banks to keep their clients, they have to offer more than just the final step of online payment for a product as in future this service will be irrelevant as the non-bank providers would be able to provide it within the value process. For example, Amazon offers a complete value chain from a single source from product presentation to payment options. Banks have, therefore, to strive to offer this desired convenience which implies diversification beyond just financial services and become established online.

2.7.1 Advantages of digitalisation

The advantages of digitalisation for financial service are, according to Dapp (2014), derived from comparative advantages that traditional banks can offer in risk assessment, funds assessment and management which can be client-specific services backed by many years of experience. Here are some of the advantages,

- Digitalisation provides a platform for modern data analysis methods over and above the traditional services, which are seamlessly integrated into the system;
- The infrastructure that goes with digitalisation is flexible allowing for continuous adaptation of changes as they come (agility);
- Digital infrastructure allows for finance-efficient and timely specific services on the internet through interfaces with various service provider platforms and retailers emanating from the broad interconnections and interactions of information and data driven services;
- The regulatory frameworks ensure data security and confidentiality that strengthens customer loyalty;
- For the financial sector, digitalisation comes with efficiency of processes and savings in costs as also the effects of geographical barriers are reduced;
- Reduction of costs for banks and customers as well by using cashless transactions, ATMs, among other things;
With more digital data available with banks, they can take data-driven vibrant decisions and digital analytics. This benefits both customers and banks;

- The number of customers will increase because of the increased convenience of banking;
- Digitalization decreases human error;
- The need for handling large amounts of cash is reduced;
- The rural and urban gap is eliminated;
- Fake currency threat increases cashless transactions.

### 2.7.2 Challenges of digitalisation

Muluka et al. (2015) allude to the fact that, as with many other firms, adaptation of traditional business to digital structural changes and practices is unavoidable because of the opportunities it provides. However, there are consequences that need to be considered and these include the fact that inadequate adaptation has consequences and banks need to always be alert and anticipate technological developments. Consequently, banks need to be swift in response to catering for customer expectations, hence the need for banks to take seriously the new fin-tech developments.

In addition, digitalization brings with it skills pressure for traditional banks requiring personnel development and new qualification requirements for personnel to strengthen the online obligations. The digital channels expose major security vulnerabilities from targeted data misuse, spying, hacking and sabotage using spyware and malware. The threats of cybercrimes then entrust cybersecurity responsibilities to banks concerning client fund management. Price Waterhouse Coopers, (2019) indicates that cyber insecurity is a major threat in the banking business and needs proactive response.

Yasav (2015) highlights the fact that the increase in customer satisfaction came with the integration of offline and online platforms, but the digital developments are too fast-paced to allow for adjustment both by banks and customers. This is because upgrades which come before skills that go with current systems have been fully mastered and practised and this made some banks comfortable with the stagnant traditional offline platforms.
Summary:

- Digitalization affects employees and results in the loss of jobs;
- Some bank branches may decide to exist with the increasing use of online banking;
- Banks will be more vulnerable to cyber-attacks;
- No-one can hide crores of rupees in banks and just act middle class. Privacy may have to be compromised (Harchekar, 2018);
- Some bank branches may cease to exist, given the increasing use of online banking;
- Banks will be more vulnerable to cyber-attacks.

2.8 Theoretical framework

“The rise in fin-techs and neo-banks that act as market places for other institutions’ products presents incumbents in developed markets with a choice: are they willing to leave customer acquisition and service to new-comers, or do they want to compete head-on?” (Economist, 2019)

With digitalisation, “the biggest benefit for customers will come from a rethink of what banks are supposed to do. As traditionally conceived, a financial consultancy, what a bank offers its retail customers is a way to store, spend and borrow money. It has not been a core part of its job to help them decide whether a purchase or loan will make them happier or wealthier among other services” (Economist, 2019)

The Financial intermediation theory supports the extension of banking services by embracing digitalisation by stating that “banks are virtually identical with other non-bank financial intermediaries, they are not usually included in the economic models used in economics or by central bankers” (Charan and Sharma, 2017).

The uptake of online banking is not guaranteed for 100% of the customer base. This is because, according to Xue et al. (2016), customer abilities and literacy differ in their ability to use online services and operate the gadgets thereof as technological expertise such as computer experience and similar technologies is required. Lin (2009) states that the full adoption of online banking services is driven by an array of factors among them local penetra-
tion effects, product diffusion and availability of alternatives, individual customer characteristics in terms of demographics and efficiency.

### 3. RESEARCH METHODOLOGY

This research was conducted through a literature-based research methodology which is through a literature review, according to Snyder (2019), who highlights it as an excellent approach to show evidence at a Meta level by synthesizing research findings. A semi-integrative review approach was utilised. It was indicated as a better strategy since the review did not aim to cover all the literature on the research topic, but to combine perspectives for a broader insight on the topic (Lin, 2009). To ensure representative research, guidelines according to Lin (2009) were followed, emphasizing the use of current reflective literature. The current literature by organisations was used (Price Waterhouse Coopers and Fin-tech) as well as reports from experts in the field of research.

### 4. RESULTS

The findings from the literature confirm that, indeed, an offline banking platform cannot be eliminated outright, but the banking industry has to speedily adopt online banking platforms and increase their efficiency. Most banks have adopted the Internet and mobile banking services but have to extend their services to the seamless banking services that concentrate on modern consumer needs and lifestyles in the light of globalisation. Banks should not wait for the final roll of processing payments or of providing funds for clients. Instead, they should provide for some convenience by interfacing and integrating with the retail internet world to support user lifestyles and remain competitive. Otherwise, they risk losing to neo-banks and fin-tech internet-based financial service providers.

Though a full adoption of online banking services is driven by an array of factors among them, local penetration effects, product diffusion and availability of alternatives, individual customer characteristics in terms of demographics and efficiency; the banks have an obligation to extend their roles beyond the traditional financial services in the new digital age and integrate the offline and online platforms for a seamless banking experience for its customers.
5. DISCUSSION

The study revealed that banks are not the drivers of technological developments but have an obligation to stand on guard in response as they are the providers of liquidity within the markets. As a result, they need to adapt swiftly to new technologies. The adoption of online platforms improves efficiency and is cost saving as a number of customer interactions in the market are already through the online platforms. As customers transact, they need to make instant payments, check balances, authorise transactions and check their payments, all online through their mobile devices.

Muluka et al. (2015) highlight the fact that increased customer satisfaction came with the integration of offline and online platforms. However, digital developments are too fast-paced to allow for adjustment both by banks and customers as upgrades come before skills that go with current systems have been fully mastered and practised. This made some feel comfortable with the stagnant traditional offline platforms.

In this section, discussion centres on omnichannel banking, digital banking and trust, benefits of digital banking, putting the customer first in the queue, the importance of the human element, the role of disruptors and collaboration with monetary establishments.

5.1 Omni-channel banking

Omni-channel banking focuses on the principles of consistency, optimization, and seamlessness with the aim of making customer experience as satisfactory as possible (Komulainen & Makkonen, 2018). The omni-channel approach should be seen as an evolution of the multichannel approach originating in the retail industry (Rosman, 2015; Saghiri et al., 2017). According to studies in the retail sector, if the seller moves from a multichannel model to an omnichannel one, then the buyers of such a store will start spending 20% more money (Okorokov, 2016). The difference between omni-channel and multichannel sales is the ability to continue the interaction started in one channel in another channel without the need to duplicate information, as well consistency in the price of products and services in all channels.
With omni-channel implementation, banks can use data collected throughout the customer’s life cycle to create a seamless personalized experience that increases value and satisfaction, reducing maintenance costs (Obilisetty, 2019). One of the key tasks in introducing omnichannel approaches in the banking business is the integration of all IT platforms and solutions into a single centralized data repository (operations) that will allow for seamless interaction with the client, regardless of the product and channel. That is, the client should be able to carry out any purchase or service operation at a convenient time and place, and at any stage of communication. For this, the bank must ensure the availability of a unified accounting base of products, customers, accounts, and operations (for example, by CRM), monetizing the value of its analytics and increasing the value of its brand.

5.2 Digital banking and the trust element

Large parts of the population lack technological literacy and are thus not able to access the Internet due to their remote rural location. The challenge is that trust in the mass market tends to be characterised by personal interaction with banks. Nedbank (2018) puts it best:

> Through all this innovation, one key factor for acquiring clients is, however, being lost: consumer trust. As technology advances, financial services companies are becoming increasingly distant from the person who is actually buying the product or service. Because of this lack of personal connection, the sales funnel suffers…[and] the reason people don't buy these [financial services] in rural South Africa is because they can't "see" the provider, as they are forced to engage electronically.

5.3 The benefits of digital banking

Process automation allows the most innovative institutions to meet the following requirements and achieve satisfactory operational efficiency (Accenture, 2017):

- Cost savings: up to 80% cost reduction;
- Increase in the quality of service: improving quality by reducing the risk of human error;
• Time saving: up to 80%-90% reduction in the execution time of tasks;
• Allowing banks to integrate services within a mobile customer digital lifestyle;
• Solving an urgent pain point of selling via social media platforms;
• Keyboard interacts with the bank’s application programming interface (API) to securely complete the transaction.

5.4 Putting the customer at the front of the queue

IT teams must therefore combine the agile infrastructure provided by hybrid, multi-cloud environments with the collaborative culture championed by DevOps. This drives innovation in a dynamic environment, both technically and operationally, mitigating any risk that rapid innovation in digital banking can have on the user experience. Ultimately, that provides financial organisations with the confidence to run as quickly as the business and its customers demand, without living in constant fear of any unforeseen consequences.

Without solutions that go to the heart of customer needs and that provide a seamless customer experience, digital adoption will be constrained and the cash reliance cycle will continue. Solutions that place the customer at the centre of product and service design have been particularly successful. This is true where customer experience is one of seamlessness and ease; and where the focus is not on the payment mechanism but on the service itself. The payment becomes virtually invisible in the process of a transaction and simply enables the transaction.

The prospective availability of these digital overlay service solutions to customers could rival cash as an attractive medium of exchange (Deloitte Africa, 2019). For consumers, this means being able to execute a payment instantly, at any time of the day with the confidence and knowledge that it has been safely received by the recipient.
5.5 The importance of the human element

While technology will enable a seamless banking experience, it does not remove the need for personal relationships with clients. An emotional connection, rooted in trust, is still important in banking and will be one of the key distinctive elements for attracting and retaining customers. It is therefore apparent that following efficient retraining, humans have a crucial role in the future of financial services and will be working alongside the technology, rather than be replaced by it.

5.6 The role of disruptors in the financial system

Most banks are beginning to realise that a growing fin-tech ecosystem which was once perceived as a threat, can actually help them serve their customers better through emulation and collaboration. Disruptors, with their laser-sharp customer focus, have shown that it is possible to meet, and exceed, customer expectations. Consequently, using data for different needs and purposes becomes a collaborative exercise, where data scientists and business professionals can join hands with IT engineers to create the future of banking. Moreover, compliance, risk, business development and daily business – the data is a common asset and should be shared in a secure and integrity-preserving way.

5.7 Collaboration with monetary establishments

Chen et al. (2016) characterize mobile internet finance as a dynamic process. The integration of mobile internet platforms and financial instruments generates financial product innovation. Fin-tech firms are businesses which are mainly based on technologies and use them to facilitate in competing, enabling and/or collaborating with monetary establishments. The ways the banks used to serve their customers have been affected by non-banking service providers since the traditional banking methods are not seen as sufficient to meet the ever-increasing expectations of the customers along with earning profits. Nowadays, banks are ever-changing under the influence of latest technologies and innovative finance market players such as these fin-tech firms. Some of these banks are joining hands with fin-tech start-ups to boost their services.

Financial service transactions and banking transactions are now being discharged electronically. Banks that provide net banking services have a
foothold over those offering only traditional banking services which are offline. Apart from e-commerce, internet banking is an innovation that helps the banks in achieving competitive advantages such as meeting the demand of the consumers, making efficient transactions, reducing the transaction cost and providing better services to customers (Takieddine, 2015). Cooperative fin-tech works with the existing finance infrastructure and either streamlines it or makes it more user-friendly (e.g. online banking).

Technology has more and more blurred the industrial divisions such as between the financial services being offered both online and offline. As the convergence between finance and technology is advancing at a quick pace, the standard way by which money used to be deposited and payments used to be made has changed. Through the use of technology, the opportunities that have arisen have been exploited quickly by companies within the finance market by offering a number of financial products and providing services which would have otherwise been provided by the traditional banks (Shim, 2015).

5.8 Risks of digital banking

Making payments digital has its own risks. For example, many people enjoy online shopping with their credit cards but due transactions issued are created via wireless which opens it to a lot of risks from outside hackers. Credit card fraud nowadays is serious and significantly reduces online banking attraction for some people (Leu, 2015). In Luxembourg and Singapore, authorities have published papers that underline the risks arising from the inadequate handling of personal data, poor governance, lack of transparency and unethical behaviour. In Singapore, the authorities have also issued high-level principles for firms to follow in controlling these risks (Monetary Authority of Singapore, 2018). However, it appears that, to date, regulations on new fin-tech activities and technologies have focused more on curbing risks in consumer and data protection and operational resilience and less on strengthening prudent safeguards.

As of now, there is no formal regulatory framework for fin-tech firms partnering with banks operating in South Africa and this raises systemic risk implications, especially given that several countries have acknowledged this (Coetzee, 2018; Burger, 2019).
6. CONCLUSION

Traditional banks have an obligation to support customer trends by integrating modern online platforms with their existing offline infra-structure so that customers could have multichannel services to manage their finances. However, traditional banks have to digitise and harmonise their structures such that they are seamlessly integrated with online and offline channels. The shift by banks to strive to embrace cross channel enablers for offline and online platforms is seen as inevitable now and in future for the banking sector as a seamless banking experience is the market expectation and is evolving rapidly in line with changing consumer behaviour and economic realities.
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EMPLOYEE DISENGAGEMENT FROM THE PERSPECTIVE OF FRONTLINE EMPLOYEES: A HOTEL CASE STUDY IN ZIMBABWE

Moment Bhebhe
Department of Human Resource Management, Midlands State University, Zimbabwe
Email: mbhebhe@staff.msu.ac.zw

ABSTRACT

Employee disengagement in the hotel industry is deepening, with profound impacts on customer service delivery. However, there is scant empirical evidence focusing on employment and human resource management in the hotel industry, particularly predicated on the perceptions of employees. This study examines employee disengagement from the perspective of employees in a selected hotel organisation. More particularly, it focuses on frontline employees, whose jobs involve daily service encounters with clients. Frontline employees are central to customer satisfaction. Gaining insights from the viewpoint of these employees can help enlighten both management and human resources practitioners in formulating and implementing appropriate strategies that can help mitigate employee disengagement. The study followed a qualitative case study approach using a sample of 30 participants, drawn from frontline service departments, including frontline service managers and a human resource management representative. Data was collected using two focus group discussions with frontline employees and 9 semi-structured interviews with management. A thematic approach was utilised to analyse data. Findings reveal that frontline employees regard management behaviour as the major factor to their disengagement. When managers, particularly those in frontline service departments, become unappreciative of employee effort, do not appear to be supportive or engage in unfair assessments, the behaviour of frontline employees becomes evident to clients, in the form of a lack of
promptness in serving clients, poor food preparation and failure to keep a constant smile during service encounters. Management efforts to mitigate the disengagement of frontline employees is essential in creating sustainable and positive customer experiences in the hotel business.

**Key Words:** employee disengagement, employee engagement, Human Resource Management, hotel, frontline employees

### 1. INTRODUCTION

This study characterises employee disengagement from the perspective of frontline employees in the hotel industry. Globally, disengagement of employees remains a challenge and a key subject of research enquiry (Barros, Costello, Beaman & Westover, 2016). Human Resource Management (HRM) literature reflects vast evidence of research focus on employee engagement (Arrowsmith, 2018). Nevertheless, employee disengagement is deepening in the contemporary world of work (Ismail, Wahab, Ismail & Latiff, 2019; Ballester & Elsheikhi, 2018; Hyman & Grumbell-McCormick, 2017; Allam, 2017; Masvaure, Ruggunan & Maharaj, 2014; Shoko & Zinyemba, 2014). There is an observed decline in the productivity levels in many types of industries in the global economy, intensified, in part, by the presence of employees who are disengaged in the workplace (Allam, 2017; Anitha, 2014). The disengagement of employees has a profound effect on the performance and effective functioning of organisations (Allam, 2017; Barros et al, 2016; Albrecht, Bakker, Gruman, Macey & Saks, 2015).

Hotel employees play a significant role in delivering effective customer service, particularly the frontline personnel who directly interact with customers (Ruzic, 2015). These employees are at the core of customer satisfaction. The behaviours and attitudes of frontline personnel impacts on service delivery and customer satisfaction (Robinson, Martins, Solnet & Baum, 2019; Ismail et al., 2019). Nevertheless, hotel employment is reportedly associated with employment conditions that give significant rise to employee disengagement (Ismail et al., 2019; Casado-Diaz & Simon, 2016). The changing nature of the world of work is leading to exacerbated precariousness levels for hotel employees (Robinson et al., 2019). Precariousness of employment signifies work that is typically irregular and insecure (Keune & Pedaci, 2019; Kalleberg, 2018). Such work can result in
employees becoming disengaged. Consequently, customer service delivery and the attainment of organisational productivity is affected (Beukes & Botha, 2013; Ncube & Jerie, 2012).

The context of the study is the hotel industry. Globally, this industry contributes significantly to employment creation and economic growth (World Bank, 2017; ILO, 2016; Herderschee, 2016; Casado-Diaz & Simon, 2016; Baum, 2015). However, human resource literature is deficient in empirical evidence on people issues in the hotel industry (Robinson et al., 2019; Casado-Diaz & Simon, 2016). This study investigates employee disengagement, which is a major challenge in the hotel industry (Aslam, Muqadas, Imran & Rahman, 2018; Baum, Kralj, Robinson & Solnet, 2016). The study explores the perceptions of frontline employees. Various researchers avow the need for research that is predicated on employee experiences and perceptions (Baum, Kralj, Robinson & Solnet, 2016; Casado-Diaz & Simon, 2016; Ruzic, 2015; Truss, Shantz, Soane, Alfes & Delbridge, 2013). The term ‘perception’ in this study is used to describe how employees individually interpret and view employee disengagement. In a study on retention Al-Emadi and Schwabenland (2016) used the term ‘perception’ to explore the views of employees concerning human resource management HRM practices.

Predicated on the perceptions of hotel frontline employees regarding employee disengagement, the study findings are envisioned to help empower management practitioners in formulating and implementing appropriate human resource management strategies for addressing disengagement among employees. Doing so will help improve customer service delivery, increased employee and organisational productivity, and enhance organisational success (Othman, Mahmud, Noranee & Noordin, 2018; Bailey, Madden, Alfes & Fletcher, 2017; Coetzee, Schreuder, & Tladinyane, 2014; Rothmann & Rothmann, 2010).

This study answers the following main research question:

What are the perceptions held by frontline employees in the hotel business regarding employee disengagement?

The specific aims of the research are to:

1. describe the behavioural actions associated with disengagement for frontline employees.
2. understand factors behind employee disengagement, as perceived by frontline employees.

3. find out frontline employees’ perceptions of practices that help mitigate disengagement.

2. LITERATURE REVIEW

2.1 Understanding employee disengagement

Employee disengagement has been conceptualised by Kahn (1990) as a disconnection of oneself from work roles, precisely the physical, cognitive or emotional withdrawal of employees during role performances. Allam (2017) defines employee disengagement as referring to a display of a lack of interest, commitment and enthusiasm by employees in the workplace.

The origin of the concept of disengagement can be found in the ground-breaking works of Kahn (1990) who distinguished disengagement from engagement. Kahn conceptualised disengagement from one’s personal perspective (Allam, 2017). In personal disengagement one engrosses in the withdrawal and defence of the preferred self, shows behaviours that reflect a lack of connections, including emotional, physical and cognitive absence and passiveness during role performances (Kahn, 1990). Engagement, on the other hand, is understood as a management practice, aimed at getting employees motivated, committed and going an extra mile in role performance and in their relations with others (Ruck, Welch & Menara, 2017; Purcell, 2014).

Bailey, Madden, Alfes and Fletcher (2017) identified employee engagement (or disengagement) approaches, as summarised below:

- Personal role engagement- founded on Kahn’s (1990) works, engagement is seen as the expression of the individual’s cognitive, emotion and physical self at work.

- Work task or job engagement - rooted in the works of Schaufeli, Salanova, González-Romá and Bakker (2002), engagement is regarded as a positive state of the mind, with engaged employees displaying a strong sense of vigour, dedication and absorption during task performance.
Multidimensional engagement - work by Saks (2006) is found to be informative for this approach. Engagement is viewed as an individual’s display of cognitive, emotional and behavioural components during role performance. It is considered possible to understand and distinguish engagement at an individual and group or organisational level.

Engagement as a composite attitudinal and behavioural construct - engagement is seen as a measure of not one but both attitudinal and behavioural constructs, a perspective that is adopted in this study to describe behavioural actions associated with disengagement for frontline employees. The work of Swanberg, McKechnie, Ojha and James (2011) give credence to this approach.

Engagement as a management practice - scholarly work in the domain of human resource management HRM has begun to view employee engagement in terms of management practice, predicated on soft and hard HRM approaches as well as the unitarist and pluralist views to employment relationships. Truss, Alfes, Delbridge, Shantz and Soane (2014) as well as Purcell (2014) enlighten this approach. This study is guided by this approach in exploring frontline employees’ perceptions of practices that help mitigate disengagement.

While there has been an intensified research attention on the concept of employee engagement (MacKay, Allen & Landis, 2016), research that particularly addresses employee disengagement in different settings remains limited (Aslam, Muqadas, Imran and Rahman, 2018; Allam, 2017). This study addresses this concern from a hotel circumstance, particularly focusing on frontline employees, who are at the core of customer service delivery.

The theoretical framework guiding the study is the social exchange theory. This theory is popular in studies focusing on employee engagement or disengagement (Bailey et al., 2017). Its major premise is that relationships between employers and employees are founded on the principle of reciprocity. When employees perceive to be treated well and valued at work, they in turn respond by displaying effort and higher engagement (Bailey et al., 2017; Alfes, Truss, Soane, Rees & Gatenby, 2013). Equally, when employees become disengaged, they in turn respond by reducing effort and commitment to their jobs and organisation (Allam, 2017).
2.2 Manifestation of employee disengagement

The disengagement of employees can manifest in different ways as indicated on Table 1 below.

**Table 1: Indicators of employee disengagement**

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<th>Indicators</th>
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<tr>
<td>Unwillingness to take part in problem solving</td>
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<td>Show negative attitude to the vision, purpose and values of the organisation</td>
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<tr>
<td>Less loyal to the organisation</td>
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<tr>
<td>Lack of interest in productivity maximisation</td>
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<tr>
<td>Work within, and display unwillingness to extend beyond, the stipulated organisational standards</td>
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<tr>
<td>Do the minimum possible to accomplish tasks</td>
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<tr>
<td>Show lack of commitment, interest and enthusiasm to work</td>
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<tr>
<td>Disconnected from the organisation, management and workmates</td>
</tr>
<tr>
<td>Increased absenteeism and presenteeism</td>
</tr>
<tr>
<td>Display intentions to leave the organisation</td>
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The indicators of employee disengagement are listed in Table 1. Allam (2017) contends that employees who are disengaged disconnect themselves from the organisation’s vision and values, displaying high intentions of leaving an organisation. Disengaged employees frequently present attitudes and behaviours that negatively impact on customer service delivery, as found by Ismail et al. (2019).

2.3 Sources of employee disengagement

Literature focusing on the sources or causes of employee disengagement is extensive. In a study by Govindarajo, Kumar and Ramulu (2014), they categorise sources of employee disengagement into three causes. Firstly,
there are external environment causes that disengage employees such as insecurity and instability arising from the actions of governments, company shareholders and labour unions. Secondly, there are psychological causes such as one’s lack of safety and trust in the workplace, perceived inequity in rewards, a lack of sense of belonging and identification with the organisation, feeling undervalued and general anxiety, stress or disinterest. Thirdly, there are organisational causes which include company restructuring, transformational change, a company culture that is predicated on malpractices and flouting of policies and practices through unethical actions such as sexual harassment and discrimination. Also, lack of management and leadership support, poor working conditions coupled with a lack of resources and acceptance of substandard performance, are some of the organisational causes identified to result in the disengagement of employees. Govindarajo et al. (2014) also identified substance abuse by employees, illness, poor relational skills, competency issues and laziness as leading to employee disengagement.

Aslam et al. (2018) consider major sources of employee disengagement to include managerial actions that include acts of unfairness, above the rule practices, work overload and organisational injustice. Shuck, Rocco and Albornoz (2011) concluded that the disengagement of employees results from negative environmental and personal factors. The environment is seen to include the people, physical space and organisational climate, while personal factors include the personality, physical traits and emotions that one displays. When the elements identified in these factors are negative, they lead to employee disengagement.

The 21st century has come with many pressures and the world of work is rapidly transforming. Technological advancements and increased competition are reportedly intensifying the challenge for the HRM practice, resulting in major changes on how work is organised (ILO, 2019; Hayter, 2015; Stone & Deadrick, 2015). Work and employment have become more precarious (Robinson et al., 2019; Hyman & Grumbell-McCormick, 2017). Employee disengagement can deepen under conditions that place strain on organisations. Nonetheless, the field of HRM must not risk losing its people focus (Marchington, 2015).

2.4 Implications of employee disengagement

Albrecht, Bakker, Gruman, Macey and Saks (2015) found that firms with a higher proportion of disengaged employees were outperformed by those
with a higher proportion of engaged staff by almost 147 per cent in earnings per share. With disengaged employees, organisational success is difficult to guarantee (Ulrich & Dulebohn, 2015; Dromey, 2014).

Govindarajo et al. (2014) aver that the disengagement of employees can lead to deprived affairs with work colleagues and supervisors, often resulting in disruptive conflicts in the workplace. In addition, disengaged employees can perform poorly as a result of a lack of interest or emotional connection with the organisation and their roles, often leading to employee turnover. Employee turnover can result in low productivity and negatively affect customer service delivery (Ismail et al., 2019; Sithole, Zhou, Chipambwa & Sithole, 2015).

Allam (2017) considers employee disengagement an epidemic to an organisation due to negative attitudes displayed by disengaged employees in the form of deficient organisational citizenship behaviour, a lack of enthusiasm and commitment. Promoting teamwork is difficult when employees display little cooperation and collaboration to be part of a team. Allam further argues that violence and workplace bullying can manifest in situations where employees are disengaged. The manifestation can take the form of relentless abusive and teasing jokes, aggression, physical assault and threatening behaviours. Conflict can result, and acts of misconduct can escalate when the employees are disengaged. Ultimately, as Allam (2017) concludes, creativity and innovation can become stifled for organisations with disengaged employees. Disengaged employees lack the capacity to be innovative and competitive (Ruck et al., 2017). Furthermore, a workplace with a high proportion of disengaged employees presents challenges to the management of employment relations (Budd & Bhave, 2019).

2.5 Addressing employee disengagement

Mitigating employee disengagement is regarded significantly important to helping organisations attain higher levels of organisational performance, productivity, customer satisfaction and the retention a happy and engaged workforce (Aslam et al., 2018; Govindarajo et al., 2014). Effective human resource management HRM practices can be developed to overcome employee disengagement (Allam, 2017). The practices are based on policies and procedures established by the employers to manage their employees (Budd & Bhave, 2019). The engagement of disengaged employees is a possibility (Lynch, Hofmeyr & Price, 2018).
Table 2 identifies how human resource management HRM practices can be formulated to help mitigate the disengagement of employees.

**Table 2: Practical actions for mitigating employee disengagement**

<table>
<thead>
<tr>
<th>Action</th>
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<tbody>
<tr>
<td>Ensure fair allocation of job assignments</td>
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<tr>
<td>Design roles to capture employee interests and lessen monotony</td>
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<tr>
<td>Provide strategic clarity through setting clear and realistic goals and</td>
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<tr>
<td>targets</td>
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<tr>
<td>Structure, culture and HR communication be supportive of employee and</td>
</tr>
<tr>
<td>team performance</td>
</tr>
<tr>
<td>Craft generous, valuable and equitable rewards</td>
</tr>
<tr>
<td>Promote trusting and respectful leadership</td>
</tr>
<tr>
<td>Engage in high-impact training and development</td>
</tr>
<tr>
<td>Enable a supporting and engaging management style</td>
</tr>
<tr>
<td>Design feedback or reinforcement systems</td>
</tr>
<tr>
<td>Establish employee voice schemes</td>
</tr>
<tr>
<td>Create a safe and flexible working environment</td>
</tr>
<tr>
<td>Provide adequate tools, support and appropriate infrastructure</td>
</tr>
</tbody>
</table>

Sources: Lynch et al. (2018); Aslam et al. (2018); Matthews (2018); Al-Emadi et al. (2016); Alfes, Truss, Soane, Rees & Gatenby (2013).

To effectively develop and implement various practices to mitigate employee disengagement and create positive employee experiences, Mathews (2018) affirms human resource and management practitioners must adopt behaviours that are more engaging and possess vital people management competences. The engagement of previously disengaged employees is a vital to business success and growth (Industrial Psychology Consultants, 2019). Engaged employees become emotionally connected to their organisations and exert discretionary effort during role performance, due to the existence of a work environment that allows for open, supporting and trustful relationships to exist (Industrial Psychology Consultants, 2019; Binita & Usha, 2016). Consequently, retention of employees is improved, leading to the delivery of consistent and effective quality service.
2.6 Hotel industry: A global outlook

The hotel industry is concerned with hospitality and service provision for guests, with an aim of satisfying and retaining customers (Ismail et al., 2019). Globally, hotels are seen as major sources of employment creation (Baum, 2015), with hotel frontline employees at the heart of delivering customer service (Ruzic, 2015). Customer satisfaction regarding hotel service is generally based on their evaluation of attitudes and behaviours of these employees, with whom they interact on a daily basis (Ismail et al., 2019). The professionalism and conduct shown by frontline employees is central to customer retention in hotel business. Kukoyi and Iwuagwu (2015) state aptly, that it is vital in hotel business for customer service employees to listen, be patient, tolerant and helpful to customers, for customer satisfaction is the foundation of good business.

Hotel employment is, however, associated with conditions that make hotel jobs more precarious (Robinson et al., 2019; Ismail et al., 2019; Casado-Diaz & Simon, 2016; Ruzic, 2015). Globally, indecent, unsatisfactory working conditions are reportedly widespread in the hotel industry, leading to poor industrial relations outcomes (Baum, 2015: ILO, 2010). The conditions are characterised by the spread of low status jobs, long anti-social working hours, low pay, unstable employment, lack of a balance in work-life, lack of entitlements associated with full-time employment as many are on fixed term or temporary contracts, inadequate welfare and employment protection and gender discrimination (Ismail et al, 2019; Robinson et al., 2019; Casado-Diaz & Simon, 2016; Ruzic, 2015). In many parts of the world, hotel employees earn less than the average for all industries (Robinson et al., 2019). These negative features have persisted over time (Casado-Diaz & Simon, 2016; ILO, 2010) despite the industry witnessing a massive entrance by a younger, educated and better-qualified generation, who expect working conditions that are decent (Robinson et al., 2019; Baum, 2015).

Employment conditions in the hotel industry can intensify employee disengagement. Employers in the service sector such as the hotels need to pay more attention to their employees in order to attain effective customer service delivery (Ismail et al., 2019; Lynch et al., 2018). Knowing the perceptions and experiences of employees towards the practices developed and implemented to motivate or engage them is vital to service performance (Al-Emadi et al., 2016). Little attention, however, has been given
to understanding employee issues in the hotel industry (Robinson et al., 2019; Casado-Diaz & Simon, 2016). As articulated by Baum et al. (2016), hospitality workforce research remains neglected. Research focusing on human resource issues in the hotel industry is scant (Robinson et al., 2019). By understanding employee disengagement from the perspective of frontline employees in the hotel industry, this study will contribute significantly to practice and academic scholarship.

2.7 Locating Zimbabwe’s hotel industry

Zimbabwe’s hotel industry contributes immensely to the economic activity in the nation. A 2016 World Bank Economic Update Report revealed that the industry had then, contributed 16% to the Gross Domestic Product (Herderschee, 2016). A 2018 Confederation of Zimbabwe Industries (CZI) Manufacturing Survey identified the hotel industry as one of the 5 key sectors earmarked to drive the country’s economy (CZI, 2018). Nevertheless, several challenges confronting hotels are resulting in poor working conditions that can disengage employees. These challenges include: increased cost of doing business, increased competition from small to medium hotel businesses, perceived negative country image, poor infrastructure and liquidity problems (CZI, 2018; Abel & Mudzonga, 2016). Past studies found employees in the hotel industry to be disengagement due to deplorable working conditions, a lack of career growth opportunities, increased levels of labour casualisation, underpayment, long hours of work and inadequate employment protection (Nguwi, 2014; Bhebhe & Nyanhete, 2013; Ncube & Jerie, 2012). Eliminating employee disengagement among frontline employees in hotel business is vital to creating memorable customer experiences as declared by (Ismail et al., 2019).

3. METHODOLOGY

This study followed a qualitative case study research approach. This approach is credited for enabling the empirical examination of a phenolmenon in-depth and within its real-life situation as avowed by Bryman (2012). It enabled the study to focus on the participants’ opinions concerning employee disengagement. A qualitative case study approach allows
for empirical enquiry into a social phenomenon guided by research questions that answer the ‘what’ and the ‘how’ in a study (Baxter & Jack, 2008).

For this study, the questions explored were: How important is service delivery in hotel business, particularly by frontline personnel?; What behavioural actions do you perceive as being associated with employee disengagement in frontline service delivery in hotel business?; What are the factors behind employee disengagement in hotel business?; and, How do you perceive existing human resource management HRM practices in mitigating disengagement among frontline employees in the hotel?

Exploring perceptions enables better understanding of the experiences and impressions held by individuals about a phenomenon (Al-Emadi et al., 2016), and a qualitative case study design becomes superlative (Creswell, 2014). Experiences and perceptions about employee disengagement differ across industries (Aslam et al., 2018; Allam, 2017). Studies point towards deepening employee disengagement in the hotel industry (Ismail et al, 2019; Casado-Diaz & Simon, 2016; Ruzic, 2015; Bhebhe & Nyanhete, 2013), yet, empirical evidence focusing on this phenomenon in the hospitality industry is insufficient (Robinson et al., 2019; Casado-Diaz & Simon, 2016; Baum et al., 2016). The hotel industry delineated the context of this study.

The study investigated the characterisation of disengagement concept from the perspective of 21 frontline employees, who were conveniently chosen from three front-line service departments in a large hotel organisation, namely, rooms and amenities; food and beverages; and, front office and reservations. Each department provided 7 participants. Also participating in the study were 8 managers, drawn from the 3-front-line service departments and 1 human resource management HRM representative. The service managers and HR representative were purposively selected, to gain rich insights regarding employee disengagement in the hotel. The total sample size for this study was 30, which Salkind (2018) considers as sufficient to draw meaning in a qualitative study.

Two (2) focus group discussions were conducted with frontline employees, one constituted of 10 participants and the other 11. Nine semi-structured face-to-face interviews were held with the service managers and HR representative. In respect of the frontline employees, the focus group technique allowed for data collection from participants at the same time.
This flexible technique enables the enquiry of unforeseen issues and empowers participants as they share views (Braun & Clarke, 2013). Each focus group lasted about 2 hours, and rich discussions were generated. The researcher moderated, guiding the discussion, while a research assistant took field notes. In the case of the interview method, a research guide containing open ended questions was used. Semi-structured face-to-face interviews lasted between 30 minutes and one hour each, enabling direct engagements with the managers.

The selected hotel gave permission for this study to be conducted and the consent of all research participants was obtained. In addition, assurances were also made to safeguard the interests and confidentiality of the information gathered. The research was conducted in a professional manner with no intention to cause any harm. Participants were informed of their right to withdraw from the study at any stage. Findings of the study have not been misinterpreted. Rigour in the findings was enhanced through gathering data from frontline employees and management representatives. Direct quotations were used to enhance the dependability of the findings. Moreover, the researcher shared the study findings through the gatekeeper, to ensure validation.

Data was analysed using the thematic approach. It is a flexible qualitative analytic method that allows the researcher to develop a detailed descriptive account of a phenomenon and enable a constructionist analysis (Braun & Clarke, 2013:178). Themes based on the study objectives were developed. The major limitations related to control issues during focus group discussions. Some participants constantly displayed domineering tendencies in sharing their views, and continually interfered as others expressed their views. The researcher constantly reminded all the participants of the need to respect the different views shared by others.

4. FINDINGS

Data is presented in themes that address the study aims, relating to characterisation of employee disengagement.
4.1 Theme 1: Behavioural actions of disengagement frontline employees

In all three focus group discussions, the participants acknowledged the importance of delivering superior service to the hotel clients. Various views were shared:

*It is important to keep our guests happy so that they return and the hotel revenue increases,* said a female receptionist.

*Without clients, the hotel will close and we will all become jobless,* reiterated a male chef.

*On a daily basis during roll-call our managers remind us of the importance of our roles to the hotel. No hotel can survive without customers. We all have to work to keep these happy as they market our hotel where ever they go,* expressed a male host.

Management and workers committee members shared similar views, revealing the responsibility of all in the organisation towards placing the customer at the centre of their daily roles. The HR representative made reference to the mission statement that identifies and places the guest at the highest point of hotel service.

Participants expressed knowledge on the value of their jobs to effective customer service with a number stating that frontline employees were the face of the hotel and the first point of contact by guests. In all discussions, participants considered the disengagement of frontline employees detrimental to customer service and hotel performance, with a reservationist expressing:

*If employees are disconnected from the organisation, customers will never come back. There are many hotels and accommodation facilities in this resort town, the competition is tough, it is very important that we are all kept happy at work despite the challenges that we experience daily in the country.*

Participants shared the behaviours associated with disengagement of frontline employees in hotel business. These are summarised in Table 3 below.
Table 3: Behavioural actions of disengaged frontline employees

<table>
<thead>
<tr>
<th>Persistent slow customer service particularly in restaurants</th>
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<tr>
<td>High levels of absenteeism and constant production of sick notes</td>
</tr>
<tr>
<td>Delays in checking in clients</td>
</tr>
<tr>
<td>Poor food preparation and food quality</td>
</tr>
<tr>
<td>Insistently not providing clean rooms or failing to provide clean linen</td>
</tr>
<tr>
<td>Staff dressing reflecting a lack of personal cleanliness</td>
</tr>
<tr>
<td>Showing a lack of promptness or a display of negative attitude by employees</td>
</tr>
<tr>
<td>Constantly dirty public areas and facilities</td>
</tr>
<tr>
<td>Constantly and openly showing a lack of knowledge about the hotel when guests make enquiries</td>
</tr>
<tr>
<td>Showing a lack of interest about hotel systems and not willing to help guests</td>
</tr>
<tr>
<td>Failure to constantly smile and showing a gloomy face</td>
</tr>
</tbody>
</table>

The focus groups revealed the above-mentioned behavioural actions as providing indicators upon which the disengagement among frontline employees can be observed in the hotel. One manager stated:

Disengaged employees in hotels display a lack of care on attending to customer queries and often show negative attitude to the organisation. Front office personnel are required to be alert during service times and not be distracted as guests expect undivided attention during their stay. Despite resources being made available and clear procedures set, a disengaged employee will constantly not show concern for the customer.

Another line manager reiterated:

When you constantly receive negative feedback from clients concerning poor service in terms of food quality, cleanliness of rooms and general attitude of employees, this provides an indication of employees who are neither committed nor willing to
outshine themselves in order to make the guests happy. A smile is always a good measure that impresses upon the guest that they are cared for, and frontline employees especially receptionists and waiters are always expected to smile during service encounters with guests.

The HR representative said:

Various forums may be established to involve employees in decision making and tapping into the experience and knowledge they may have in order to improve our service. When employees fail to attend or openly share information it can indicate disengagement challenges. When employees constantly absent themselves or resign from work, service delivery is affected. As I speak, many frontline personnel, especially in the food and beverages department are leaving the organisation in numbers. While exit interviews reveal they are not happy with the working conditions we have been doing our level best as a hotel to keep our employees happy.

4.2 Theme 2: Factors behind the disengagement of frontline employees

This theme presents factors perceived as likely causes of disengagement among hotel frontline employees. Table 4 summarises information from frontline employees.

Table 4: Factors causing employee disengagement among frontline employees

| Unappreciative managers and supervisors for work done |
| Unkind and unfair assessment of performance from supervisors and managers |
| Poor salaries and a lack of incentives despite surpassing targets at times |
| Managers who do not support continuous training or require employees to return to duty during the training |
| Favouritism of some employees |
| Constantly being ridiculed in the presence of colleagues and sometimes clients |
| Temporary nature of employment contracts |
Constantly being told ‘the door is open if you no longer want to work for this hotel’

A weak workers committee that ‘dines’ with management

Poor communication concerning the state of things

Long and anti-social working hours

Constantly being reminded ‘we are nothing’ or ‘we lack creativity’

The participants bemoaned the poor support system in the organisation, while recognising how the country’s deteriorating economic situation has been worsening their situation. Many were of the view that managers received salaries and perks that were lavish at the expense of employees. One participant voiced:

We work very hard, smiling at the guests for more than 8 hours and receive poor salaries while managers drive expensive cars and receive huge salaries. Unfortunately, there are few, employment openings in Zimbabwe are scarce, so we are stuck and have to bear the sad situation we are in. However, the market for the learned especially chefs is high as many are joining cruise ships, even the HR can tell you.

The line managers stated that the economic situation pertaining in the country hindered the hotel from improving the quality of life of hotel employees. However, they concurred that the welfare of their employees was fairly well-taken care of despite the challenges. The factors identified by the managers to cause disengagement of frontline employees include challenges regarded beyond the company capability such as the increasing market prices of goods and services, the temporary nature of their contractual arrangements which could not be avoided due to fluctuations in levels of room occupancy and the diminished competitiveness of the Zimbabwean tourism market. The HR representative said:

The situation in the country is making it difficult to timeously fulfil all promises to our valued employees. This may affect service to our guests. Efforts are continuously being made to keep our staff happy such as providing assistance on housing and education issues.
4.3 Theme 3: Practices for mitigating employee disengagement

The participants noted the existence of human resource management HRM policies and practices that are geared towards creating an enabling environment for employees to effectively perform. They identified policies relating to recruitment and selection, learning and development, performance management and reward management. The major concern held by the participants concerned the implementation of these policies. Some views expressed:

*Managers do what they want no one cares about policies*, said a waitress.

*I think managers do not take HR issues seriously. They should show care and concern for our situation, to help us overcome challenges that we face which affect our work. It is not easy to come to work happy given the highly stressing situation our families face in Zim*, a barman contributed.

Employees shared that management some issues did not require finance but a commitment by the management through regular communication and feedback to keep everyone informed. They said managers were not being sincere about the performance of the hotel but were quick to defend the claims that the hotel had no money and therefore could not offer better rewards or incentives. Also expressed was the need for a supportive leadership by managers as these affected relations at work and consequently how one carried him or herself during service delivery.

All the 4 management representatives acknowledged the existence of human resource policies, raising the need for constantly review these to address contemporary issues. For instance, it was stated that the training policy needed to be reviewed to help facilitate employee reskilling in line with the latest trends in the hotel industry, particularly relating to the use of technology. It was a shared view that more training programmes be implemented to help develop mangers and all the supervisors in the hotel to deal with human resource concerns.
5. DISCUSSION

The data indicates that frontline employees are conscious of the role their jobs play in delivering effective service to clients, confirming similar conclusions that frontline employees in the hotel business are at the apex of both customer satisfaction and retention (Ismail et al., 2019; Ruzic, 2015). It is therefore important that hotels formulate and implement strategies geared towards the eradication of employment conditions that can disengage employees and impact on the delivery of flawless service to guests. Concerning behavioural actions that can signify the disengagement of frontline employees, the findings reflect that frontline employees engage in acts that have an immediate and direct impact to customers. These actions include making unnecessary delays in rendering a service to customers in relation, *inter alia*, to check in, food quality and information provision. Researchers have expressed that disengaged employees frequently express a lack of interest and enthusiasm for their work, resulting in customers becoming agitated with the quality of service (Allam, 2017). Service employees are required to be dedicated and actively present at all times during service encounters (Lynch et al., 2018). The behavioural actions that participants revealed as indicating disengagement of frontline employees point towards significant challenges hotels may face in delivering effective customer service and satisfaction.

Findings reveal various factors that disengage frontline employees at work. While management participants largely considered factors of disengagement as external, discussions with frontline employees centred mostly on organisational and management factors. Management actions were found not supportive in terms of performance management, training and appreciating work done. Govindarajo et al. (2014) identified a lack of management and leadership support as intensifying the disengagement of employees. This results in employees losing a sense of attachment, interest and commitment to the organisation, ultimately compromising the effective delivery of service to customers as found by Sithole et al. (2015). According to the International Labour Organisation (2019) Also identified as a possible cause for disengagement among employees was the use of temporary contracts in the hotel. Such contractual arrangements are a result of organisational transformation in a changing world of work as revealed in the. ILO (2019). However, they lead to precarious employment as affected employees become insecure or are deprived from rights and benefits often associated with permanent employment. Robinson et al. (2019) concludes
that hotel employment has become more precarious, attributed, in part, to the temporariness of employment. Frontline employees on temporary employment forms can easily disengage.

The state of the economy was identified to be a factor that can lead to employee disengagement, particularly given the low wages which participants said were not enabling them to survive. The management participants also shared the same understanding, pointing towards the economic and national crises facing Zimbabwe, and impacting on labour. The CZI (2018) revealed a deepening economic crisis in Zimbabwe. Past studies (Bhebhe & Nyanhete, 2013; Ncube & Jerie, 2012) revealed underpayment and perceived low salaries as deterring effective customer service in the hotel industry in Zimbabwe. The worsening economic situation is more likely to impact labour, if no action is taken by policy makers at national or company level. Consequently, hotel service will be negatively impacted as frontline employees fail to deliver.

Findings reveal the existence of HR policies in the hotel. The implementation of the policies and management behaviour were found to be major antecedents to the disengagement of frontline employees. Matthews (2018) acknowledged the importance of developing people management competences and engaging behaviours for managers and HR professionals. When frontline staff perceive management support as lacking, the resultant employee behaviours become evident to clients during service encounters, for example through service delays and inability to maintain a smile, considered central in hotel service. Consequently, creating positive customer experiences becomes a major challenge (Ismail et al., 2019; Ruzic, 2015). Customer satisfaction and retention are central in hotel business, there is need for managers to pay more attention to employee issues. This can be achieved through formulating and implementing policies and practices that can help circumvent possible employee disengagement while promoting higher engagement levels (Budd & Bhave, 2019; Ismail et al., 2019; Lynch et al., 2018).

6. CONCLUSIONS AND RECOMMENDATIONS

The study investigated perceptions concerning employee disengagement, from the viewpoint of frontline employees in a hotel organisation. Particularly, this research addresses concerns about the existence of insufficient empirical evidence about employee disengagement in hotel industry, from the perspective of the employees. The major findings reveal
potential factors that disengage frontline employees in hotel business, mainly centred on management behaviour, such as failing to express appreciation for work done, unfair performance assessments and failure to effectively communicate. Actions depicting the disengagement of frontline employees in hotel organisations include lack of promptness in serving guests, poor food quality and expressing unwillingness to help hotel guests. Consequently, service delivery is negatively impacted, leading to a failure in retaining clients. The study confirms existing research findings on the important role played by frontline employees in the hotel industry, and particularly reiterates calls for management and human resource practitioners to focus on addressing people issues in hotel service. By so doing, service interactions can be enhanced, resulting in memorable and positive customer experiences.

The study presents recommendations for practice. First, there is need for capacitating managers with requisite people management competencies. By so doing, managers will develop engaging approaches in their interactions with employees who are at the core of service delivery in hotels. Second, management and human resource practitioners need to be on the look-out for behaviours that can imply disengagement of frontline employees. This can be achieved through allowing for open and frequent discussions concerning service conditions for the employees. Instruments can be developed to gain evaluate the perceptions of employees about service conditions and human resource practices. Third, human resource practices be continuously reviewed to adapt to critical people issues within the changing world of work. For example, a training policy geared towards reskilling of frontline employees. Last, regular workshops to enlighten frontline employees about the value of their jobs and roles to customer service delivery will help enhance role performance.

In relation to future research, three recommendations are made. First, comparative studies within the hotel industry can be conducted, to explore the perceptions held by frontline employees about employee disengagement. Second, researchers can investigate management response concerning the deepening levels of employee disengagement among hotel employees, as reportedly found in the literature. Third, this study followed a qualitative approach, based on the views of a relatively small sample among frontline employees. Future researchers can study hotel employees across various departments utilising the survey method to measure perceptions.
REFERENCES


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EXPLORING CHALLENGES, OPPORTUNITIES AND PROSPECTS ASSOCIATED WITH HIGHER EDUCATION STUDENT FUNDING IN THE CONTEXT OF SOUTH AFRICA

Dr. Austin Musundire
Davinci Institute of Leadership and Management
amusundire@gmail.com

Dr. Obediah Mumanyi
Davinci Institute of Leadership and Management
obediah.mumanyi@yahoo.co.uk

ABSTRACT

This study was conducted in order to determine the challenges, opportunities and prospects for student funding in higher education in South Africa. The paper focuses on the Scholarship of Teaching and Learning (Mumanyi & Musundire, 2016). The number of higher education institutions, both government and private, and student enrolments have increased exponentially over the past few years, especially in South Africa. While this is welcome in terms of human capital development, it has brought new challenges such as limited state funding of higher education. A convenient purposive sample of 40 students and 20 lecturers from four South African institutions of higher learning were involved in this study. Questionnaires, focus group interviews and a review of the literature articles were used to collect data. The rate of return on investment and human capital theories underpin the study. The results indicate that in order to mitigate some of the challenges the government should adopt a cocktail of measures to fund higher education and keep costs down. These include but are not limited to government taking responsibility for funding higher education for all students, government funding only students from low-income families, cutting down costs by introducing massive open online courses (MOOCs),
reducing bursaries or scholarships that are tenable at foreign higher education institutions, and these institutions engaging in entrepreneurial activities to revolutionise them as centres of economic activity.

Key Words: student funding, higher education, human capital, rate of return on investment, value addition, blended learning

1. INTRODUCTION

This study was conducted to identify the challenges, opportunities and possibilities regarding funding in higher education institutions (HEIs) in South Africa. HEIs in this case include the traditional universities, tecknikons or universities of technology and technical and vocational education training colleges. The paper builds on a conference paper presented at a conference at the University of KwaZulu-Natal that focused on the scholarship of teaching and learning and the advancement of teaching innovations and research (Mumanyi & Musundire, 2016). The number of HEIs, both government and private, and student enrolments has grown significantly over the past few years (Bunoti, 2010; Essays UK, 2015; World Bank, 2010). The National Development Plan (2012) requires enrolment levels in the Higher Education (HE) sector to increase from 950000 in 2010 to 1,6 million by 2030 (PricewaterhouseCoopers, 2015). While this is welcome in terms of human capital development, it has brought new challenges such as limited state funding of HE, overcrowded lecture halls and student residences, difficulties in retaining senior staff and a decline in the quality of education (Bunoti, 2010). This is true not only for South Africa, but for most developing countries. The global financial crisis and the competing demands for state funds have led to a decline in government funding, thus increasing the need to explore alternative avenues for HE student funding (Maslen, 2010).

The aim of this paper was to address the following questions:

- What are the challenges, opportunities and prospects for funding students in HE in South Africa?
- Are there viable alternatives that disrupt the exponential increase in the costs of HE provisioning?
- Are there innovative, non-traditional funding models involving synergies between non-traditional partners?
- How can we reconceptualise fee structuring and student support?
In order to find answers to these questions, the pragmatic research paradigm was used. Questionnaires, focus group interviews and document analyses were used to gather data. Respondents were drawn from staff and students at four HEIs: one technical and vocational education and training (TVET) college, a private university, a traditional university and a university of technology.

2. LITERATURE REVIEW

2.1 Background to the study

HEIs in South Africa can be broadly classified as universities and TVET colleges. In 2011 there were 23 public universities and 50 FET colleges. Eleven of these ‘are universities in the traditional sense, six universities of technology (former technikons) and six comprehensive universities which combine the functions of traditional universities and universities of technology’ (Department of Higher Education and Training, 2014: 77). There are also some private universities operating in SA. As part of redressing the imbalances of the apartheid legacy, transformation in South Africa led to an increase in the number of HEIs and increased enrolments after the dawn of democracy in 1994.

The rationale for this expansion was premised on the need to increase HE access by previously disadvantaged groups, and also the realisation that HE is a major driver of economic competitiveness in a knowledge-driven global economy (Pillay, 2010), (Cited in Department of Higher Education and Training, 2014). Funding HE has become a major concern in South Africa, as highlighted by the setting up of the Fees Commission (2016), arising from ‘grave concern with regard to fee increases and funding of higher learning’ (Government Gazette, 2016: 5). The Fees Commission, also known as the Heher Commission, was established by the then president Jacob Zuma in January 2016 ‘in pursuit of a sustainable solution to the on-going higher education funding matter’ (Fees Commission Report, 2017). Also, the #FeesMustFall campaigns of 2015/2016 added urgency to the need to find solutions to HE funding. Financial aid to these HEIs is provided largely through the National Student Financial Aid Scheme (NSFAS). As a result of HE expansion, funding through NSFAS ‘increased from R441 million in 1999 to R6.2 billion in 2011’ (Department of Higher Education and Training, 2012: 24). This student funding is in the form of income-contingent loans that become payable when a student has
stopped studying – either by graduating or by dropping out. Bursaries, scholarships and self-sponsorship are other methods of financing HE students. Also of concern has been the high dropout and low graduate completion rates by students in HEIs. This is evidenced by the Ministerial Review of NSFAS (2010) finding that ‘some 72% of NSFAS-funded students drop out, indicating that access is not being translated into academic success’ (Department of Higher Education and Training 2012: vii). This high dropout rate is also an indication of the inadequacy of funding for HE, hence the need for this study, which sought to investigate the challenges facing funding and to determine possible alternative sources of finance for the HE sector in South Africa.

2.2 Theoretical perspectives

The rate of return on investment and the human capital theories were used to ground the study. The concept of human capital seeks to address the question of whether educational expenditure is a form of investment or consumption, or both. Another consideration in this study was whether HE is of public or private benefit, or both. Literature reviewed tended to weigh in favour of the view that HE is both of public and private benefit (NDP, 2012; CHE, 2016; DHET, 2016). The shared view is that investing in HE is important for a country’s economic development, but knowledge and skills acquired result in significant lifetime benefits for successful students. HEIs, the government and society invest in people when affording them the opportunity to learn and develop, and this should be regarded as a form of investment in human capital. Although there is no conclusive empirical evidence as yet on the actual rate of return on investing in HE, it is now widely accepted that developing countries will pay a high cost simply by under-investing in HE and that in the medium to long-term, neglecting investment in science, technology, engineering and mathematics (STEM) could pose a threat to national security (Muchemwa, 2015). However the non-STEM subjects – the social sciences – are also deemed worthwhile. Human capital theorists such as Psacharopoulos and Patrinos (2002) argue that there are private returns or benefits as well as societal benefits to be gained from HEIs, such as job creation, entrepreneurship and economic growth. More educated and skilled workers, managed by more skilled entrepreneurs, increase productivity rates and are rewarded with higher salaries, which also has a positive effect on national tax revenues (Montanini, 2013: 12).
The World Bank (2010: xiii) argues that good quality and relevant HEIs are key to stimulating innovations in new varieties of crops, new materials, sources of energy that could facilitate progress towards reducing poverty, achieving food security and improving health. Montanini (2013:10) provides many examples of empirical evidence and points out that HE is key to economic development. Bloom, Canning and Chan (2005) assert that there is a strong correlation between HE and gross domestic product (GDP) growth, through human capital development and technology diffusion. In this connection, Kofi Annan (2006, cited in Montanini, 2013:10) argues that universities should become the primary tools for Africa’s development in the new century. This is an acknowledgement of HEIs as major drivers in social change, in strengthening knowledge production and innovation processes. Universities tend to feature a concentration of expertise and the time to facilitate change and human capital development that can be applied directly to pressing socio-economic issues such as poverty, disease and governance. Montanini (2013) further argues that quality HE develops entrepreneurship and leadership, and that educated leaderships seem to be more transparent and more equipped with ethics principles, diminishing the risk of corruption. In addition, Bloom et al. (2005) proved that HEIs can reduce ethnic tensions and support an improved management of diversity. It should be noted, however, that HE simply creates the potential; government and the private sector must seize the opportunities (Montanini, 2013: 14).

In support of the returns on investment theory, the Report of the Ministerial Committee (2014: 81) cites Bloom et al. (2005), who conclude that “recent evidence suggests HE is both a result and a determinant of income, and can produce public and private benefits, may create greater tax revenue, increase savings and investment, and lead to a more entrepreneurial and civic society… improve a nation’s health, contribute to reduced population growth, improve technology and strengthen governance”. These benefits result in a country’s economic growth and development. Strangely, many African countries have expanded and funded their HEIs, yet the returns have not matched the investment. Some literature supports the view that HE is both of public and private benefit (NDP, 2012; CHE, 2016; DHET, 2016). The shared view is that investing in HE is important for a country’s economic development, but the knowledge and skills acquired result in significant private lifetime private benefits.

Until recently, the view was that the contribution of HE to economic development in Africa is negligible in comparison to that of primary and
secondary education. However this stance has been proved wrong and there is now a realisation that a country’s social and economic development also requires large numbers of students who can access higher education. To this end, the South Africa National Development Plan 2030 acknowledges that universities and colleges are key to developing a nation in the following ways: by training people with high-level skills; by creating producers of new knowledge; and by providing opportunities for social mobility, equity, social justice and democracy (National Planning Committee, 2012).

2.3 Current trends in funding HE and challenges encountered
Funding HE is a global concern but constitutes a particular challenge in developing countries, especially those in sub-Saharan Africa (Bunoti, 2010; World Bank, 2010). HE is more expensive than other levels of education, especially in developing countries. The sources of finance include central government budget allocations, student fees and state loans. In some instances, presidential scholarships are awarded to students from disadvantaged or impoverished rural backgrounds to undertake graduate studies locally or abroad – as was the case with the Zimbabwean presidential scholarships that saw many beneficiaries enrolling to study at South African institutions of higher learning. Sadly, this project was hijacked by the elite and as corruption set in only those ‘connected’ to senior government officials (and those who could afford to pay anyway) qualified for these scholarships (Ndlovu, 2012), signifying a lack of transparency. It has been argued that placing a cap on the number of these scholarships would unlock more resources that could be used to build and offer quality local education, thereby benefitting more local students than is presently the case (Montanini, 2013; World Bank, 2010). Private sector funding and international aid, especially from multi-national corporations, usually take the form of scholarships and bursaries. The literature (Montanini, 2013; World Bank, 2010; Ndlovu, 2012) tends to favour the reduction of bursaries or scholarships tenable at foreign institutions, and argues that it is cheaper to study at local HEIs. The financial resources spent on one scholarship abroad could cater for several students locally. The beneficiaries of foreign scholarships are also unlikely to return and work in their home countries on completion of their studies. For example, between 2002 and 2006, less than 30% of the US$600 million private sector funds directly benefitted African universities (World Bank, 2010: 94).
Government funding is characterised by inadequate budget allocations, often the result of low tax revenues, inflation, an ever-increasing demands for HE, and competing demands for funding from other sectors of the economy such as health and drought alleviation (Cullinan, 2013; Gordhan, 2016; Johnson, 2012; McIntyre, 2012). Student fees are a common source of finance for both public and private HEIs, and this presents the challenge of affordability, especially for those from disadvantaged backgrounds. Various fee payment schemes exist: in some cases, there is an upfront tuition fee policy, while in others there are parallel programme students who pay more fees than those on a conventional programme, and there are also loan payment schemes (HESA, 2008; Pillay, 2008). However, governments should be wary of potential controversies and dissatisfaction arising from some of the funding reforms or solutions.

In most cases, regular fee increases have resulted in social discontent and strikes – some of them resulting in the destruction of the infrastructure of institutions. A case in point is the student demonstrations and the destruction that accompanied the #FeesMustFall campaign in South Africa in 2015 and 2016 (Malingo, 2016). Student loans present a number of challenges: firstly, there is difficulty in accessing the loans. Often, beneficiaries are those who do not have a real need for financial assistance. Secondly, it is difficult for most governments to keep up-to-date records and to keep track of loan beneficiaries. Thirdly, loan beneficiaries may go unemployed for long periods of time after graduation, may be self-employed or may work outside the country. In addition, the low interest rate on these loans coupled with long repayment periods and inefficient instalment collection methods make it hard to create a revolving fund from the initial loan investment. In addition, in some countries (for example, South Africa) loans are converted into grants if students’ academic performance is good (World Bank, 2010). Finally, loan administration costs are high.

The difficulty with trying to do more with less is not uncommon. An increase in student enrolments invariably involves a spreading of financial and other resources more thinly than previously. Low or declining HE funding by governments often results in poor quality education. The World Bank (2010: 49-50) highlights the point that the challenges associated with the inefficient use of funds by HEIs are caused by several factors, such as poor planning, poor monitoring of expenditure, excessive public expenditure on students studying abroad, inefficient use of available funds through
high student dropout and repetition rates, and high proportions of over-heads and salary expenses for non-academic staff. The results of poor public funding of HEIs include:

- Overcrowding of lecture halls and student residences
- Buildings falling into disrepair
- Equipment not replenished
- Insufficient investment in research and in training of new lecturers; and
- Difficulty in retaining senior faculty staff who are essential in the conducting of research and supervision of Doctoral and Masters students (Bunoti, 2010; Maslen, 2010; World Bank, 2010).

In cases where HE is provided by private sector institutions the criticism has been that they serve private interests rather than the public good (McIntyre, 2012). Such institutions tend to be more expensive and more selective than public institutions, resulting in limited access by low- and middle-income students. This perpetuates social inequality. In South Africa, HE funding has experienced the same challenges as those outlined above. In addition, NSFAS operations have been hampered by poor corporate governance and inefficient fund management and loan recovery practices (Department of Higher Education and Training, 2010: xiv-xx).

2.4 Income generating projects

In order to curtail government funding of HEIs, income generating projects could be established, depending on the location and mandate of each HEI. A case in point from the literature is that of the University of Zimbabwe: it has a university farm that serves as an income generating project as well as facilitating the teaching, learning and research of students in the Faculty of Agriculture. The 1735-hectare farm grows maize, seed maize, soya beans, sugar beans and cabbages on a commercial scale. In the 2015–2016 season the farm had 360 hectares under maize, 150 hectares under soya beans, 30 hectares under seed maize, and two hectares under cabbages, partly for trials, research and demonstrations to faculty students but also to generate income for the university (Gumbo, 2016). Some of the produce from the
farm goes to feed the university’s students, thereby subsidising food costs. The sales of this produce could constitute a considerable income which, if well accounted for, would go a long way to financing university programmes and minimising student fees. The farm has embarked on a programme of value-addition by processing its maize into maize meal and packaging this for sale to clients who own shops throughout the country. This venture brings in US$600 (approximately R8400) per tonne, compared to US$390 per tonne when maize is sold without value-addition. Given that 360 hectares is put to maize, and that the average yield per hectare is 10 tonnes, working on the assumption that all harvested maize is sold, the following figures can be arrived at:

\[ 360 \times 10 \times \$390 \text{ (raw/unprocessed maize)} = \$1,404,000 \]

and \[ 360 \times 10 \times \$600 \text{ (processed)} = \$2,160,000. \]

Furthermore, earnings from other crops grown on the farm, such as cabbages, and the possibility of diversifying into livestock production (for example poultry) are also taken into consideration when considering potential income. This farm is a significant source of income for the university. At the same time the university is fulfilling its mandate of equipping students with relevant agricultural skills and meeting community needs by developing hybrid seed maize, providing packaged maize meal and thereby ensuring food security.

2.5 Philanthropic and private sector support
The literature in this area (Bunoti, 2010; Cullinan, 2013; Essays UK, 2013; Habib & Bawa, 2016) favours diversification of sources of funding for HE. These sources could include student fees, constructive engagement with the private sector and the donor community. Philanthropic funding from both local and international donors should be encouraged. Local trusts/foundations, big corporations, religious organisations and even individuals could donate to HE. Involvement by the private sector would not only help to widen access to HE but would also benefit this sector by way of providing a better-quality workforce.

2.6 Blended learning and massive open online courses (MOOCs)
Literature suggests the blending of the best attributes of successful MOOCs into traditional teaching as a cheaper option when offering HE. This would help to alleviate the pressure on state funding exerted by HE. MOOCs are
able to reach a wider range of learners at a reasonable cost. Research has shown that blended learning is more effective than face-to-face or pure online learning. For example, Jarrett (2013, p.2) argues that “courses developed by faculty, learning scientists, and technologists at Carnegie Mellon University’s Open Learning Initiative were shown to produce results equal to traditional face-to-face instruction – in 25% less time”. It is necessary, however, to determine which students, disciplines and courses will benefit most from MOOCs. It is also important to invest more in these options as the initial costs are bound to be fairly high. This type of tuition is more akin to online distance learning, and thus requires infrastructure such as enhanced and affordable internet connectivity and accessibility throughout the country.

2.7 Higher Education student funding by country

Table 1: HE student funding: Some country comparisons

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP %</th>
<th>% of government funding</th>
<th>Position on tuition fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1.2</td>
<td>84% of student funding at public universities</td>
<td>Abolished tuition fees for undergraduate students in 2014.</td>
</tr>
<tr>
<td>UK</td>
<td>1.2</td>
<td>30% contributed by State</td>
<td>Removed capping on tuition fees. Universities now charge up to £9000.</td>
</tr>
<tr>
<td>USA</td>
<td>1.4</td>
<td>34% from State</td>
<td>There is greater reliance on tuition fees as source of revenue; high student debt.</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.75</td>
<td>Approximately 40% State contribution</td>
<td>34% from tuition fees</td>
</tr>
<tr>
<td>Cuba</td>
<td>4.47</td>
<td>Fully government funded (100%)</td>
<td>No tuition fees</td>
</tr>
</tbody>
</table>

(Source: PricewaterhouseCoopers, 2015)

Table 1 indicates that of the five countries, South Africa spends the lowest percentage of GDP on HE. In this regard, the Report of the Ministerial
Committee (2014) recommended an increase in government spending on HE from 0.75% to 2% of GDP in order to relieve the burden on students funding their own education. South Africa subscribes to a funding model in which costs are shared among the beneficiaries of university education, mainly the government and students. Table 1 also confirms that even developed countries continue to struggle to provide free HE for all; it is even more difficult for developing countries like South Africa to do so. PricewaterhouseCoopers (2015:1) observed that “in light of the dependence of SA universities on tuition fees as a source of revenue, a scrapping or capping of tuition fees would leave universities with a major revenue shortfall”. This remark came after the #FeesMustFall calls from tertiary education students across the country. To some extent, how much a country spends on HE is a function of its priorities. Lehohla (2016) observes pertinently that education has not been high on the list of issues important to politicians in South Africa: they consider water and electricity more important. Furthermore, education fell to 18 among 20 areas of priority when community members were interviewed. One lesson to be learnt from this is that when there are significant problems and little time and money to solve them, something has to be done first and done properly (Cele & Stone, 2016).

3. METHODOLOGY

The study used pragmatism as the research paradigm. Pragmatism gives researchers freedom to use different methods to collect data, as long as those methods appear best suited to the research problem. A mixed-methods research design consisting of structured questionnaires, focus group interviews and analysis of journal and newspaper articles was employed to describe the challenges, opportunities and prospects of financing students in HE. Mixed-methods research has strengths that offset the weaknesses of both quantitative and qualitative research (Creswell, 2008). For instance, quantitative research makes use of a larger number of respondents yet the voices of participants are not directly heard (Creswell, 2008). Qualitative methods often make use of small numbers of participants in a study, thereby making it difficult to generalise from the findings to a larger group. In this study there were 60 questionnaire respondents and 20 interviewees.
3.2 Sampling

Convenient purposive sampling was used to select four HEIs, as well as to secure an equal number of questionnaire and interview respondents from each of these institutions. A purposive sample of 40 students and 20 lecturers from the four South African HEIs was used. The four HEIs in the sample included a TVET college and three universities. A traditional public university, university of technology and a private university were included in order to obtain a cross-section of views on funding issues from different stakeholders. All four HEIs in the sample are situated in Gauteng Province. This was purposeful and convenient to the researchers in that they provided the full range of HEIs required and were easily accessible. Thus, several visits to the institutions could be made at a relatively low cost. There were equal numbers of students and lecturers sampled from each of the four HEIs. The students represented a cross-section in terms of first year, second year and third year students from various programmes. The lecturers varied in terms of seniority from junior lecturer, senior lecturer and to associate professor.

3.3 Research instruments

Questionnaires and focus group interviews were used to collect data from teaching staff and students. The questionnaires were personally delivered to the four institutions. Respondents were allowed seven days to complete and return the questionnaires. This method was preferred because it ensured a high rate of return of the questionnaires, and the one-week interval enabled the respondents to complete the questionnaires freely and in their own time. In order to ensure anonymity and confidentiality of respondents, the completed questionnaires were placed in sealed envelopes and deposited in a box marked ‘QUESTIONNAIRES’. The box was placed at the institution’s faculty/department reception.

The focus group interviews were conducted at each of the HEIs at times and campus venues agreed on by the interviewees. The four focus group interviews lasted approximately an hour each. The views of these four groups were considered critical, because they were major stakeholders or interested parties in as far as student funding was concerned (Bunoti, 2010). The focus group interviews solicited the shared experiences of these interviewees. The interview proceedings were audio-recorded with the consent of the students and staff in a bid to save time and to report accurately on what respondents had said.
Examples of questions in the questionnaire were:

- What are your institution’s sources of funding and how adequate are they?
- What are your views on fee-free tuition at HE?

Examples of the interview questions follow below:

- What are your experiences as far as funding of HE is concerned?
- What alternative funding models/sources could you suggest for financing tertiary education?

Data were also collected through the analysis of World Bank publications, documents, conference papers and reports on funding HEIs in South Africa and other developing countries. Newspaper and journal articles such as those covering the #FeesMustFall movement, the report of the Parliamentary Portfolio Committee on Higher and Tertiary Education, Science and Technology (Zimbabwe) were also included.

**3.4 Validity, reliability and trustworthiness of instruments**

The validity of the questionnaires was enhanced by piloting to clarify the questions and instructions to respondents, and by obtaining expert opinions from experienced tertiary institution staff. The trustworthiness of the interviews was maintained by taking into account the procedures for credibility, dependability and confirmability as suggested by Stringer (2008). Member-checking and triangulation were used to ensure credibility. The reporting largely comprised transcriptions of the words and expressions of participants (dependability), and the raw data were stored in a safe place should an audit trail be necessary (confirmability).

**3.5 Ethical considerations**

All ethical considerations were observed at the various stages of data collection. These included obtaining informed consent, ensuring the confidentiality and anonymity of respondents, as well as the honest reporting of findings (BERA, 2004). Capitalised letters of the alphabet were assigned to respondents and no names were used when reporting.
3.6 Data analysis

In concurrent mixed-methods studies, the data should be reported in an integrated manner (Creswell & Plano Clark, 2011). Integration was achieved in this study by reporting the results from the questionnaires, qualified by explanations based on the focus group interviews and data gathered from the various publications and articles. Content analysis was applied to the focus group interviews and questionnaire data.

4. FINDINGS AND DISCUSSION

In this section the results of the questionnaire, interview and document analysis are presented and discussed. Quantitative analysis is then discussed, followed by a discussion of the focus group interview responses, which are arranged according to themes.

Table 2: Questionnaire responses: Should government pay student fees in full?

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should government pay the full fees of all HEI students?</td>
<td>31</td>
<td>14</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>52%</td>
<td>23%</td>
<td>13%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 shows that the majority of questionnaire respondents – both students and staff – either agreed (23%) or strongly agreed (52%) that government should pay students’ tuition fees in full, thus supporting the #FeesMustFall movement. However, 13% of respondents disagreed with this position, and a further 12% strongly disagreed. This latter group perhaps took cognisance of the vast inequalities in South African incomes, and/or believed that there really is no such thing as free education. In order for this to happen certain compromises would have to be made (Cele & Stone, 2016). In other words, some hard choices and difficult trade-offs would have to be made (Lehohla, 2016).

A follow-up question required respondents to indicate what, in their opinion, would be an ideal household income cut-off point, below which
students could qualify for an exemption from fees. The results are displayed in Table 3.

**Table 3: Proposed household income cut-off point for exemption from tuition fees**

<table>
<thead>
<tr>
<th>If some students are to be exempted from tuition fees, what would be the household income below which students would qualify?</th>
<th>&lt;R300000 pa</th>
<th>&lt;R400000 pa</th>
<th>&lt;R500000 pa</th>
<th>&lt;R6000000 pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>7</td>
<td>10</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td>12%</td>
<td>17%</td>
<td>47%</td>
<td></td>
</tr>
</tbody>
</table>

Most of the respondents (47%) favoured a household annual income cut-off point of less than R600 000, a figure that would be likely to make university tuition free for the majority of students. This is because there are relatively few families with annual incomes of this magnitude.

The responses from public and private HEI students were largely similar, except that those at private institutions highlighted the point that student fees were very high as they were the sole source of funding. The majority of students in public HEIs also insisted on an end to the outsourcing of services, that #FeesMustFall, and that there should be a freeze on any further fee increases together with the cancellation of all outstanding debts. Student fees per year at private HEIs ranged from R30000 to R100000, depending on the course. At public institutions, these figures ranged from R15000 to R70000. Students at private HEIs who did not pay their fees in full were locked out and had no access to the premises. Those who were no longer able to pay fees dropped out, representing a drop in the revenue already budgeted for by the institution. This practice perpetuates social inequalities, because access to private higher education institutions becomes the preserve of the very rich only.

Speaker B, a student at a private HEI said:

*Yes, the fees that we pay are very high in order to cover for everything; we have all the necessary resources for staff and students.*
This is in contrast to views aired by students at public HEIs, who complained of shortages of resources such as computers and up-to-date libraries. Some interviewees expressed their reservations about the quality of university leadership. One questionnaire respondent (a senior lecturer at a TVET college) put it this way:

*Institution leaders should be people of integrity, not corruptible and not appointed on the basis of their political associations.*

Some student interviewees insisted on free HE, arguing that funds could be freed from other government departments where there was wasteful expenditure, and from the private sector, since these were the beneficiaries of HEI graduates.

Speaker E (a university of technology student) asserted:

*It is really essential that the government departments start supporting the universities. Many of our students that are trained at tertiary institutions enter the government departments and these departments reap the benefit of the trained staff.*

However, when asked to identify the government departments from which funds could be ‘freed’, none of the interviewees were able to name any. Perhaps some ‘discriminatory compromise’ could be made in which the rich are made to pay fees and the poor are given fee exemption? In reality there is no such thing as free education (Cele & Stone, 2016). Free tuition at HE in South Africa is often motivated by political sentiment rather than economic and fiscal realities, and tends to be characterised by severe shortages of basic resources such as library books, classroom/lecture room furniture and dilapidated infrastructure (Bunoti, 2010; World Bank, 2010). This was confirmed by a senior university of technology lecturer as reported below.

Speaker G, a university of technology senior lecturer, said:

*Students really battle with basic amenities at tertiary institutions. Not only students are battling with the availability of basic needs such as books, but staff also battle with poor infrastructure, electronic equipment that is not in a working condition and these challenges have further ramifications and impact both students and staff members. If basic needs are not met such as accommodation, food and transport money, students find it hard to be*
productive and motivated. When curbed in their effort to study they rebel and only one striker needs to urge them to start and they willingly follow.

Speaker K, a traditional university student, said:

*We see staff members exchanging cars but our basic need for food is not attended to. We do not always have access to internet and computers are still a problem. Please do not assume that all students have smart phones. They do not.*

Responses from the questionnaires, interviews and information from the reviewed literature seem to suggest that government resources alone cannot sustain HE provision, especially as there are other competing demands for the same resources. The #FeesMustFall demand is not a viable long-term option. Government must increase its budget allocation to public HEIs but this should be coupled with other strategies, such as some form of student fee payment and institution-based income generating schemes. The question that arises would then be whether the policy advocated tuition fee payment for some categories of students, or state loans payable upon students completing their studies and finding subsequent employment. The financial implications attendant on each of these fee payment arrangements would therefore have to be weighed and addressed.

### 5. RECOMMENDATIONS

The following recommendations are made, based on findings from the literature and from the study respondents.

**5.1 All HE students should receive tuition fully funded by government**

This was the feeling of the majority of the respondents, and would also satisfy the ‘#FeesMustFall’ movement demands. To a large extent this recommendation takes into account the vast inequalities that exist in South Africa and also considers the intricacies of how to distinguish between those who are disadvantaged or poor and those who are not. It also takes into account the fact that HE is of public benefit (NDP, 2012; DHET, 2016). The argument from respondents was that since government departments are the chief employers of HEIs graduates, government should fully fund the education of these students.
5.2 Cut-off points according to family annual income as a way of cost sharing between the state and students

Alternatively, there should be a cost sharing arrangement between the state and students. This arises from the concern that a total scrapping of student fees may lead to huge shortfalls in HEIs’ funding (Pricewaterhouse-Coopers, 2015). Students from families whose total annual income is below an agreed cut-off point could be exempted from paying fees or be given access to ‘soft’ state loans. Most of the respondents who agreed with this recommendation felt that R600 000 was a reasonable cut-off income level. This would leave students from wealthy backgrounds to fund their own HE studies. If we take the view that HE is both a public and private benefit (CHE, 2016; Bloom et al., 2005), then this recommendation would meet the expectation of cost-sharing in its funding.

5.3 Government and the HEIs should adopt a combination of cost-cutting measures as suggested in some literature. These include:

- Income generating projects at HEIs. If managed successfully and sustainably such projects have the capacity to lower government expenditure on HEIs, thus working as a subsidy to government funding. Thus, institutions of higher learning should become production units serving the needs of the students and of the communities where they are located. These practices would also promote research that attracts corporate funding and technology diffusion. In addition, students could be gainfully employed as part-time workers on the farm, in the kitchens and so on. While this idea is relevant to rural universities, urban institutions should be challenged to devise their own income generating projects.

- Massive open online courses (MOOCs) should be introduced. Jarrett (2016) argues that when well implemented, MOOCs could be accessible by large numbers of students and at low cost, as long as the requisite infrastructure is installed and is reachable by all students.
• Government should reduce the number of bursaries or scholarships tenable at foreign HEIs. This is a view shared by various authorities (Montanini, 2013; Ndlovu, 2012; World Bank, 2010) in the literature reviewed. The savings thus achieved could then be used at local HEIs to fund more students who would also be more likely to work in this country on completion of their studies.

• Private sector funding of HEIs should be encouraged. This could take the form of twinning arrangements between corporate and universities/colleges or of joint/collaborative research generating income for the institution (Cullinan, 2013). Respondents also felt that since private sector companies eventually employ HE graduates, they should be more involved in the funding of these students’ studies.

It is not just student funding that requires urgent government funding, however. There is also an urgent need to attend to HEI infrastructure and equipment needs, as mentioned by respondents (e.g. Speaker G) and in the literature (Lehohla, 2016; Maslen, 2010).

6. CONCLUSION

It can be concluded that there are no easy or ‘quick fix’ solutions to the challenges of financing faced by HE in South Africa. What is clear, however, is that there seems to be some consensus from the discourses that there is no such thing as free education or no fees for HE. An integrated system or combination of the options discussed in this paper could help fund every deserving student. At the same time, however, caution must be taken not to elevate the matter of HE funding above all other national challenges.

Further debates should be held, especially once the recommendations of the Fees Commission (2016) have been implemented for a few years, to discuss the way forward in terms of the emerging challenges in funding HEIs in South Africa.
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GLOBALISATION AND SECURITY IN SUB-SAHARIAN AFRICA

Olatunji Eniola Sule
Management Department, University of Port Harcourt, Nigeria
olasem2005@yahoo.com

Dr. Edwinah Amah
Management Department, University of Port Harcourt, Nigeria
Edwinah4christ@gmail.com

ABSTRACT

This study examined how globalisation affects security, with particular reference to Nigeria. It focuses on its meaning, historical perspective and the social, political, as well as economic effects of its security on nations, with specific reference to developing countries. The study also considers the managerial implications of globalisation and security in Sub-Saharan African countries. The study is in the form of a literary review and is exploratory in nature. It recommends that less developed countries with security challenges as a result of globalisation, should objectively reassess the phenomenon and be proactive about designing security blueprints considering current trends, and the development of indigenous technology to enhance the competitive-ness of local institutions and enterprises, in addition to exporting such technology to other developing countries.

Key Words: Sub-Saharan security; foreign aid; financial grant; managerial implications; security; technology.
1. INTRODUCTION

The Industrial Revolution has led several nations to abandon a craftsman production system for mass production. A craftsman production system is where one person starts the production system and completes it all alone, and mass production is where an individual repeatedly makes just an aspect of the manufacturing process by using large machines and equipment. However, towards the commencement of that era in Nigeria, certain people in the South-Eastern region saw it as a continuous way of invoking slavery. Sule and Ugoji (2013) established that the Ibo tribe from the South-Eastern part of Nigeria, looked at it as Olu Oyibo (white man’s work) and it was alien to them and in contrast to their self-employed and craftsman’s way of carrying out their jobs.

The situation would have been redeemable if this revolution was only occurring in their country, but rather it is a global phenomenon from which there is no return. One of the results of the Industrial Revolution was the commencement of inter-border trades and businesses. Okwandu and Jaja (2000) postulated that international business is facilitated when an exchange of goods, services, technology, and even managerial ideas occur across national frontiers.

With the advent of international trade, most countries have access to those products that are not produced in their country. A good example of this is the use of cellular phones instead of the old wired telephone the colonial masters brought to Africa. The use of Internet services later led to social media applications like Facebook, Twitter, Instagram, WhatsApp and many more, compared to the telegram messages of old. With all these facilities, doing business across the border was made easier. It also enhanced human relations among government and people, governments of nations and with individuals. Adesina (2012) submitted that global telecommunication infrastructure which includes satellite networks, the Internet and wireless phones can be credited to globalisation. This technology has brought major transformations in world communication and without access to these facilities countries would be excluded from world development. At the same time, it comes with a national system and personal security, which nullify other merits derived from such technology.

Again, as the international trade brought about trade between and across nations, the movement of people across borders followed and now we have
what is referred to as the mobility of people across the globe which is accompanied by cultural exchanges, technological transfer, etc. Perhaps, this was the commencement of what is today referred to as *globalisation*.

### 2. CONCEPT CLARIFICATION

So many reasons have been adduced for the benefits of globalisation. Nonetheless, this work will look into some factors considered essential and germane. The Industrial Revolution that started around 1770 in Britain could be the key reason for globalisation which at the same time makes a mockery of the ancient craftsmen’s manufacturing style. As such, production capacities escalated beyond citizens’ consumption rates. Therefore, more than ever, such products were exported to neighbouring and other countries interested in these products. This explains the emergence and encouragement of global marketplace incorporation in modern years (Garrett, 2000). Garrett (2000) believes that we are returning to the great era of internationalisation of the economic activities of the 20th century.

#### 2.1 Globalisation

Since the 1990s when we started hearing about globalisation, so many definitions of globalisation have been given by various authors. Kilic (2015) opined that according to World Trade Organisation (WTO) “Globalisation is the integration of capital, investment and labour markets or its integration with world markets.” Shenkar and Luo (2004:199) referred to globalisation as the interdependencies of economic growth in countries worldwide through cross-border increases in the volumes and variety of transactions in goods and services as well as transnational investment flows where technology and information diffusion became rapid and widespread.

Globalisation is an off-shoot of transnational trade, although international trade is specifically about business between nations. Divorcing international trade from globalisation would, however, be difficult.

#### 2.2 Security

Security could be described as physical, psychological, emotional or financial threaten conditions. Again, it could denotes secured something. Security was viewed by Lippman (1944) as the capability of a nation to guide her core values by not sacrificing her core values in order to avoid
going to war with another nation and also, maintaining them to win war. Sailer and Trevors (2010) postulated that “security is a central human concern that includes numerous sub-listings. We often think of economic security, national security, energy security, nuclear security, cyber security, democratic and civil rights security, personnel security and health care security as some examples”.

However, there used to be two ways to every coin as such globalisation in this study perspective comes with both security and insecurity, though the two words might be used interchangeably to denote the same meaning. This study will dwell more on the insecurity of nations, individuals and the system as a result of economic, social and political effects of globalisation.

### 3. GENERAL CAUSES AND EFFECTS OF GLOBALISATION

The innovation of technological advances has affected the production and transport costs of such products around the globe with shrinkages seen in time and space. This enhanced Industrial Revolution has enabled the easy movement of products and labour mobility. Garrett (2000) submits that international financing and multinational trade is more accessible as transactional innovations are now available on a 24-hour basis.

Furthermore, with technology, mobility and interaction have increased among people. The easiest and fastest transportation mode before Nigeria’s independence was through sea travel until aeroplanes made travelling more convenient and quicker than before.

Focusing on the manufacturing of products provides a competitive advantage over other nations and might be another reason for globalisation. This study discusses the effect of globalisation on three viewpoints, that is, political, social, and economic, on the nation and individual security. The big nations, particularly those that were colonial masters benefitted from globalisation and also, many of those nations colonised earlier still suffer adversely from the implications of globalisation.

Again, the first unfortunate thing that came with globalisation was the segregation of states into two distinct sets as the north and south nations, underdeveloped and developed countries, master and servant, centre and periphery, the wealthy and the poor, the progressive and the backward nations which were fuelled by globalisation. According to Onuoha (2009),
the dependence and vulnerability in transnational dealings steered transnational dualism. Some nations truly attained greatness through dedication, steadfastness and handiwork of their leaders like the Four Asian Tigers. This refers to the economies of South Korea, Taiwan, Hong Kong and Singapore who, because of rapid industrialisation between the 1960s and 1990s, experienced high growth rates.

3.1 Economic Effects

Because of globalisation, the economies of nations are now measured using an international yardstick and mostly, conducted by recognised independent international bodies. Therefore, most Third World nations go begging for foreign aid, which Onuoha (2009:2) described as the dependency syndrome. Yes, “the rich nations have an obligation to back the commercial and societal development of the least developed countries (LDCs)” (Onuoha, 2009:6), but the leaders of some the LDCs normally overdo it and severally, the foreign aid is not channelled to the appropriate developmental projects. Again, Onuoha (2009:7) asserted that “Aid is taken as an important component in the growth process since it supplements scarce domestic resources” by helping to convert less developed countries’ economies structurally and add to self-sustaining economic development. The worse aspect is that those external advances given to the country are misappropriated, thereby increasing the debt and other related burdens of the state. The problem of such a loan is designed to linger on and influence the debt profile and increase the burden.

Countries like Nigeria were assisted by the Paris and London clubs with its debt burden and there was a debt cancellation under President Olusegun Obasanjo. There was also a refund from the Paris Club to the Nigerian government of President Muhammadu Buhari. However, it is painful that some government officials are still accused of misappropriating the refund.

It can be concluded that the economic consequences of globalisation, has meant that the industrialised nations’ economies have become increasingly inter-dependent on global products and Africa and Latin America have been harmfully affected by internationalisation (globalisation), especially international trade (Onuoha 2009:28).
3.2 Political Effects

Globalisation involves how policies are transferred across borders, knowledge transmission, cultural stability, and the reproduction, relations, and discourses of power. Political issues deal with governance which includes a country’s globalisation issues and these matters are sensitive and if there is an inability to manage it properly it may spell doom for the state. For example, the partial closure of land borders in Nigeria should be done with caution to not engender ill-feeling from neighbouring countries and also the nation’s citizenry. An additional illustration could be the xenophobia cases in South Africa recently witnessed there. Perhaps, if poorly managed by the South African government or perhaps, if the Nigerian government is hostile like some nations, troops could have been sent to South Africa to retaliate on behalf of her citizens.

Garrett (2000) believes that radical change has become a reality through globalisation but it has also been profoundly disequilibrating. But looking at foreign aid, a nation must be ready via her policies to accept foreign aids or grants. This is because for a nation to offer foreign grants there must be another nation ready to accept such aid which dictates that for an offer to be valid there must be a corresponding valid acceptance. According to Onuoha (2009) quoting Todaro (2000:349-350), foreign aid is more “oriented towards purchasing their safety and propping up sometimes shaky regimes than promoting the long-term development of societal and economic factors”. Again, Todaro (2000:349) quoted in Onuoha (2009) submitted that “countries give aid primarily because it is their political self-interest to do so.”

Again, globalisation encourages business to transform from national business firms to international business firms and finally to multinational business organisations. Apart from employment gains, better relationships between countries, and possibly, the mobility of their workforce within those countries where the multinational business have its subsidiaries located, the rest of the countries, especially Asian and African countries, suffer at the hands of most of the multinational companies (MNCs). Some are so powerful that they go as far as to dictate who rules certain countries. These are normally done by subverting the rules of the country and sponsoring different forms of unrest. Onuoha (2009:96) stated that “they normally operate in businesses that are of vital economic/national importance to underdeveloped countries” and therefore “…have the size,
flexibility and centralization to successfully sidestep governmental regulations” especially of the host nations (Onuoha, 2009:49).

The subverting of the rules of host nations was normally done through retired top public servants who served as links for selfish, parochial goals. Onuoha (2009) described those political frontrunners of the less developed states as “multinational companies’ (MNC) lackeys”. According to Onuoha (2009:50), “after securing the chairmanship or directorship of these companies, third world leaders provide multinational companies with privileged official information; protect their overall interests in the host countries and secure patronage for them in exchange for peanuts.” Onuoha (2009:50) submitted that multinational organisations use arm-twisting devices to negate the policies of host nations through the corruption of public administrators and exploitation of loop-holes. Nigerians are used as frontmen in the outright violation of the law. A relevant example of this was the Halliburton, Siemens and Saipem bribery scandals that led to the Nigerian government losing much money in hard currency. Another issue was the unrest that ravaged the South-South of Nigeria especially, Rivers and the Bayelsa States.

Aside from the political involvement of multinational companies, they are noted for underpaying their personnel from host countries. Many of the multinational companies also engaged in tax evasion which they would never attempt in their home countries. Outdated machines and equipment and dumped toxic waste are delivered to developing nations such as what occurred in Koko village in Delta State as mentioned by Sule and Amuni (2015). As a result, the inhabitants suffer the effects which have retarded the state’s political and technical growth. These are easily achievable through the lackeys’ backing which Chinua Achebe, author of Things Fall Apart, once described as “second-class hand-me-down capitalism”.

Eventually, these developing nations were turned into dumping grounds by importing trash from their colonial masters from Francophone countries to the Benin Republic, Togo and Cameroon. Toxic or hazardous wastes are often imported by developing countries from developed countries.

As noted by Onuoha (2009:11), many of these nations are still culturally and socially associated with their colonial masters. They, therefore, retain colonial vestiges by continuing to be dependent on their former masters at the cost of denying their people better-living standards. Onuoha (2009:11)
advised that this occurrence also affects indigenous entrepreneurship development. However, on a more positive note, these developing nations have benefited from financial aid, technology, employment opportunities and knowledge transfer.

3.3 Social Effects

Adesina (2012) opined that a major aim of globalisation is cultural diffusion but this aim had adversely affected most of the less-developed countries (LDCs).

The benefits of the Internet for business purposes is undisputed. However, the ready availability of pornography constitutes a threat to the strong Islamic and Christian cultural heritage in African countries. Adesina (2012) advises that Africa’s rich, elegant dress style is now considered outdated.

Adesina (2012:196) noted that HIV/AIDS is also a product of globalisation together with other health pandemics such as Ebola. The world is currently in the throes of a pandemic from the COVID-19 virus. Its origins are still under debate.

Still on the social effect of globalisation, one must not forget the scourge of human trafficking continuing around the world especially from Africa to Asia, Latin America and Europe. It is so devastating that the International Labour Organisation (ILO 2001:47) as cited in Adesina (2012:196) describes trafficking as the globalisation underside. Mostly, it is the womenfolk who are trafficked for sex work and they are either kidnapped or deceived with job prospects in foreign countries in Europe.

4. EFFECTS OF GLOBALISATION ON SECURITY

There is a need for an understanding of how globalisation affects the world’s safety and individual nations. For illustration, the hostilities between Iraq and America triggered the Persian Gulf War. Sule and Amuni (2015) explains how there was a split effect on member nations of the Organisation of Petroleum Exporting Countries (OPEC) due to the crude oil price increase and resultant increases in income for each nation, that is, a financial windfall. What about the New Zealand mosque shooting during a Friday Jum’mat prayer? This incident can still be viewed as an effect of globalisation as the assumed shooter is from another country.
Again, some nations continued to dump toxic waste like e-waste, and unusable and unserviceable computers, as alerted by the Lagos State Environment Protection Agency (LASEPA) that “an estimated 53,600 metric tonnes of e-waste are dumped annually at Lagos State landfills which include 860,000 computers, 530,000 printers, 900,000 monitors and 480,000 television sets” (LASEPA, 2011 as quoted in Adesina, 2012).

Essentially, globalisation is spreading owing to the commercial reasons of countries and their inhabitants. This is because, since the economy of nations based on trade by barter has been abolished and forgotten, coupled with the propagation of spiritual philosophies by sending emissaries to countries, trading between nations increased. Of importance is the fact that the missionaries always go to those nations with their technology, religion, beliefs and dialect (language). Some nations, like Nigeria, embraced three of the four items from the globalisation package, though, the fourth one (technology) that was not taken cognizance of, appears to be more important than others, and this, therefore, signifies a foundation of security issues in Nigeria.

Moreover, trading between countries steered the advent of words like import, export, balance of payment and balance of trade. With these words incorporated into the nations’ accounting vocabulary, and every nation wanting to remain solvent by having balanced trade and payments, there was vigorous collaboration with other nations having the same interest while those with resources but uninterested in having dealings with some nations, were forcefully entered by certain super-power countries. The Afghanistan, Iraqi, Libyan and even Egyptian situations are good examples. Investigations revealed that those afore-mentioned nations have crude oil in abundance and were managing it adequately for the nation and the inhabitants benefited from the good management of the resources before the American government invented stories to achieve autonomy over the nation’s resources and today, their crude oil is being controlled by the “super-powers”. In fact, the Kingdom of Saudi Arabia had to wisely accept the United States of America’s proposal to have a permanent camp for her army on their land to avert bloodshed and war.

Globalisation has increased the mobility of people with some migrants falling into the waiting hands of criminals who make money from illegals. Children are enticed through cash and gradually introduced into drugs and other menaces. For instance, the North-East, Nigerian Boko Haram issue
started as a small group of criminals agitating for certain things before they recruited more young men into their fold. The same scenario played out in South-South, Nigeria – a kidnapping that did not start as a kidnapping group but agitated for certain things like youth employment.

5. MANAGERIAL IMPLICATIONS

5.1 Managers’ analytical ability of the effects of globalisation

Any would-be manager must be abreast of events globally and not only should they be aware of events but such manager must also be capable of dissecting the happenings to predict the necessary follow-up action. Issues relating to globalisation are not topics only accessible in textbooks as they unfold daily.

Managers need to be proactive in responding to events happening globally and in their immediate surroundings too. They must not be what Professor Onuoha of the Management faculty of the University of Port Harcourt used to refer to as ‘no history, no geography’ manager. For illustration, the New Zealand mosque shooting during a Friday Jum’mat prayer session is something a manager should be concerned about after hearing such vital news. Brainstorming sessions should take place on how events like this could affect an organisation and possibly, how to take caution and benefit from the state of affairs. The necessary actions of the administration of the state wherever it happened must be monitored concerning curbing escalations or reprisal attacks in your home nation and the reaction of those attacked.

5.2 Managers’ sustainability strategies and development skills

Sustainability is now a worldwide discussion among organisations. Because of globalisation, managers should key into relevant sustainability strategies and development to tackle the menace of globalisation arising from health and green concerns. For example, it was proven that polythene takes many years to decay and is a serious environmental hazard on the soil which will invariably affect farming which is what most of the underdeveloped nations rely on to feed their citizens. Managers, then, must either develop strategies for the re-use of polythene by customers for other items or find other alternatives.
5.3 Managers’ ability to understand basic rules of the dominant religions

In advertising, designing and the ingredients of merchandises, managers should be conscious of the guidelines and principles of the foremost religions (Islam and Christianity) around the globe today. This is traceable to the fact that they form the main target customers and any infringement on their rules might become a disaster for the organisation as the product could be boycotted. What this means is that managers must recognise the instructions and regulations of the two religions.

5.4 Human resources recruitment as a competitive advantage

It was asserted in Cha (2000) that skill revolutions arise as outcomes of globalisation. This, therefore, gives the managers opportunities to employ skilful employees. In the same vein, this denotes that managers should step up the recruitment process to attract the best applicants and obtain improvements in knowledge and management skills and practice.

5.5 Security consciousness

After employing the workers, they should be looked after, especially the foreign nationals among the workforce. As asserted by Cummings (1978), as quoted in Sule and Ugoji (2013:81), managing human resources is specifically thought to be “concerned with obtaining the best staff for an organisation, and having got them, looking after them so that they will stay and give of their best to their jobs”. Essentially, their safety should be guaranteed and in doing this the organisation should provide security assurance, in addition to every other welfare package. Rosenau (1998:21-23), as quoted in Cha (2000), advised that as a consequence of skill revolutions arising from globalisation, there are increases in drug smugglers, political terrorists, criminal organisations, and ethnic and religious insurgencies.

5.6 Information gathering and management

Finally, because “nation-state can no longer control the movement of technology and information” (Simon, 1997, as quoted in Cha, 2000), it is paramount for managers to cultivate a strategy and means of verifying current news. Social mass media has been proliferated with junk and fake
news, nowadays. Managers should devise a means of establishing the trustworthiness of news both within the nation and overseas before acting on them. There was news that a brand of noodles was poisonous and therefore, the populace should be alert to avoid it. After much effort, a top officer of the organisation was on air on television, the noodles were prepared and eaten on a live programme. Such fake news would have caused the organisation’s sales to drop and any competitor taking advantage of this to react, probably by increasing their production or any other additional methods.

6. METHODOLOGY

This study is an exploratory literature review on how globalisation led to national, system and personal insecurity for most of the sub-Saharan African nations. The study considered how the political, economic and social effects of globalisation aroused security threats to sub-Saharan Africa and Africans and is a precise investigation aimed at the discovery of ideas and insights into the discourse.

7. RECOMMENDATIONS

The preferred culture should be preserved by ensuring learning, practising and the promotion of cultural affairs are more insular. The Internet should be used positively for the propagation of values and the creation of websites where youth can learn proverbial sayings and other phrases of the country.

Again, a reassessment should occur on how the state fares in the phenomenon called globalisation. Undoubtedly science promotes globalisation and therefore, every nation should benefit from it. As Internet facilities and telecommunication contain both decent and evil aspects, citizens should be proactive and work on the ways to obtain positive advantages in using this technology. The Internet could be used to promote an eroded culture, value system and social norms, once again, so Westernised life influencing the youth should be drastically reduced.

Finally, indigenous technology would improve local production and industry that will export such technology to other nations rather than being at the bidding of any other nation for essential goods and services. Citizens should take pride in the way of life, heritage and the nation’s cultural system.
8. CONCLUSION

Let me conclude with the submission of Adesina (2012):

“…while it is correct to say that globalization has both positive and negative impacts on the world, Nigeria inclusive, its negative impacts are very weighty. There is a need to urgently and effectively address these challenges arising from globalization. Without a doubt, globalization is an irreversible process in accord with natural laws. In as much as the pain caused by some aspects of globalization is undeniable, the real issue is whether the negative effects of its sweeping processes can be ameliorated - and the positive effects enhanced.”

We should, therefore, note that globalisation exists with us and as such, we need to acclimatise to every situation arising from this phenomenon.
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