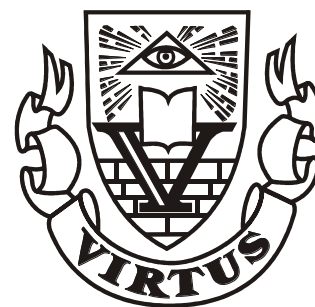


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EFFECTIVENESS OF THE NATIONAL CREDIT ACT OF SOUTH AFRICA IN REDUCING HOUSEHOLD DEBT: A JOHANSEN COINTEGRATION AND VECM ANALYSIS 179

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The rise in unsecured lending has cast doubt on the effectiveness of the National Credit Act in South Africa. Reckless lending was seen rising since 2006 and plateauing in 2009. Could this be evidence of the effectiveness of the National Credit Act (NCA) curbing reckless lending household debts? This study embarks on finding whether reckless lending was present in the Pre-NCA period running from 1994 to the end of 2nd quarter of 2007 when the NCA was enacted. Further in this study, the effectiveness of NCA in curbing reckless lending in the Post-NCA period starting from the 3rd quarter of 2007 to the 2nd quarter of 2014. Using the Johansen Cointegration analysis and Vector Error Correction Model, long run and short run Granger causality tests are done with the household debt as a dependent and debt service coverage ratio, household debt to disposable income ratio and disposable income as independents. The results from the tests done provide convincing evidence that reckless lending indeed was present in the Pre-NCA period and there is evidence showing the curbing of reckless lending in the Post-NCA period.

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Sivave Mashingaidze

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Simon Radipere, Watson Ladzani

The study examines the relationship between entrepreneurial intention and business performance using 500 small, micro and medium enterprises (SMMEs) in Gauteng province, South Africa. A questionnaire was used to collect data. The findings from the survey were modelled through a categorical regression model with business performance as a dependent variable. The level of significance of eight out of twelve variables suggests that entrepreneurial intention be classified as the strongest predictor of business performance. These findings, depicting the magnitude of the business environment in the study area, clearly confirm the positive impact of entrepreneurial intention on business performance.

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Mbongeni A. Mdletye, Jos Coetzee, Wilfred I. Ukpere

Change management research has become a critical focus area for change scholars because of the low success rate in change implementation. This exposition of how the transformational change process has been managed at the Department of Correctional Service was meant to show managers, particularly in the said department, that unless managers pay serious attention to certain critical aspects which must form part of the change management process, no real change would be attained. This becomes critical if one considers that there is still a long way to go in the process of transformation to the philosophy of rehabilitation, namely transforming correctional centres to effective institutions of offender rehabilitation. There is currently limited literature on organisational change approaches that are people-oriented. The available literature seems to focus more on the technical aspects (hard issues such as structures, systems and practices) in terms of change management at the expense of people issues (soft issues such as the human factors). It has been argued that the neglect of people issues in the management of organisational change processes is responsible for the high failure rate in change implementation. For purposes of contextualising transformational change management within the setting of the Department of Correctional Services, an extensive literature study was undertaken. This was followed by an empirical analysis of data collected through survey questionnaires from correctional officials and offenders respectively. The research established that there were strong and weak points in the DCS transformational change management process from the perspective of both research participants.

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William Sewell, Roger B Mason and Petrus Venter

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