



THE EFFICACY OF CORE COMPETENCIES AT PRIVATE TERTIARY COLLEGES IN SOUTH AFRICA

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Synopsis

From a resource-based view model, this study seeks to assess the Private Technical Vocational Education and Training (TVET) stakeholders' perceptions of the efficacy of core competencies within the educational sector and to investigate how the attributes of core competence thereof influence organisational (TVET college) performance. This research employed the quantitative approach that falls under a positivistic paradigm with emphasis on a deductive approach because this study uses a set of pre-tested scales to collect data and create data structures to describe the perceptions and beliefs of stakeholders. The population for this study is made up of college staff members and management (stakeholders). A sample of 147 was chosen to participate in the survey. Of the 147 distributed questionnaires, 136 came back correctly filled in. This represents a response rate of 94%.

IBM SPSS version 24 was used to conduct descriptive and multivariate analyses, which included correlation and regression analyses. This study found a positive statistical relationship between the adoption of resources and capabilities and organisational performance in terms of growth and profitability. The linkage between core competencies and organisational performance will enable senior managers to design a structure that brings forth superior organisational performance. Results showed that core competencies have a significant relationship on the organisational performance of the institution.

Keywords

Core competencies, resources, capabilities, organisational performance, growth, profitability.

1. INTRODUCTION

Massification of higher education in South Africa has resulted in the growth of private colleges, which has led to intense concerns among different stakeholders in the education sector. According to Mabizela (2002) and Levy (2004), these new private colleges' major motives are for profit-making and to meet new demands that emerged with the growth in mining and manufacturing industries, for technical and vocational education and skills (Kruss, 2005). Consequently, the sector is characterised by increasing competitive pressure. In order for the organisations being competitive in any business environment, organisation's core competencies are key contributors to its success (Ljungquist, 2007). From a resource-based view (RBV) model, this study seeks to assess the private TVET stakeholders' perceptions of the efficacy of core competencies within the educational sector and to investigate how the attributes of

core competencies thereof influence organisational (TVET college) performance. South Africa has experienced a rapid evolution in both independent (private) schooling and private higher education over the past decades (Hofmeyr & Lee, 2002).

Organisations operating in highly competitive environments should have the capability of forestalling changes and be constantly prepared to make strategic alterations, in order to capitalise on their competitive advantages (Kuo-Ming & Hui-Chun, 2020). Concomitantly, the Department of Higher Education and Training (DHET) is responsible for all tertiary education matters. The DHET works in conjunction with other regulatory bodies, namely the South African Qualifications Authority (SAQA), Umalusi, Qualifications Council for Trades and Occupations (QCTO), and other accreditation bodies. At the launch of the departmental “*White Paper on Post-School Education and Training*” on 15 January 2014, the former Minister of Higher Education and Training, Blade Nzimande, announced that all Further Education and Training (FET) colleges were to be renamed to Technical Vocational Education and Training (TVET) colleges (Oxbridge Academy, 2014).

1.1 Principal Research Question

The principal research question for this study is as follows: *What is the efficacy of the core competencies of for profit TVET colleges?* This question is then broken down into several specific sub-questions. The sub-questions are as follows:

- What is the contribution of resources towards organisational performance at a private TVET College?
- What is the value of the key capabilities of organisational performance at the College?
- What is the effect of core competencies on growth and profitability of the private College?

This study undertakes to address some gaps in the present research base. Many of the studies in this area have focused on issues surrounding the planning of TVET and types of system or provision that are most appropriate to a particular country (Powell, 2001). However, limited attention is given by researchers to differentiate sources of organisational performance in terms of different variables of core competencies in private educational institutions.

2. THEORETICAL OVERVIEW

Today's organisations operate in highly dynamic and more complex environments (Ashkenas, Siegal & Spiegel, 2014) that presents them with challenges, especially those with limited resources and weak capabilities to be more influential towards their success and growth (Makhloufi & Al-Erjal, 2017). Consequently, most of the business entities are under growing pressure to advance, reinforce and renew competencies that allow them to acclimate, integrate, and reconfigure their skills, knowledge and dynamic capabilities so as to adapt to a progressive business environment and provide greater customer value continuously and in a timely fashion (Djoudi & Djoudi, 2021). Research points out that organisational core competence appears to be a central concept of competitive strategy (Agha, Alrubaiee & Jamhour, 2012). In order to gain deeper understanding of how resources and capabilities can be a source of competitive advantage, RBV provides a model that systematically aids in identifying core competencies (Rothaermel, 2013). Core competencies are central to (or at the core of) the network relationships between competencies and organisational purpose (goals) (Eden & Ackermann, 2015). More specifically, core competence is the production of a product or service with unique value to customers (Makhloufi & Al-Erjal, 2017). The concept of core competence is fundamental to organisational renewal and is a

driving force behind strategic change (Ljungquist, 2007). Core competence is the knowledge set that separates an institution and affords an edge over competitors (Asamoah & Arkor, 2021).

2.1 The concept of core competency

The concept of core competence is the crucial key strategy for achieving and sustaining competitive advantage (Makhloufi & Al-Erjal, 2017). According to Chang and Shih (2020) core competency refers to social adaptation, future development, and occupation-related professional knowledge, professional skills, and the correct attitudes required of an individual. Given the importance of the core competencies, a large number of organisations conduct research on effective ways of managing core competence in order to respond to the rapid changes in their business environments (Uysal, 2007). Furthermore, organisations' strategies should be based on core competencies to make them successful in the market and to obtain customer value, differentiation, and penetration into new markets (Uysal, 2007).

However, core competence is a complex and challenging concept, more specifically; it is difficult to specify theoretically, to identify empirically as a phenomenon, and to apply in practice (Ljungquist, 2007). This concept of "core competency" was originally initiated by Prahalad and Hamel (1990), who argued that an organisation's core competencies are the foundation on which competitive advantage in the market can be formed. To comprehend core competence one must begin by understanding the term "coreness." According to the literature, coreness arises as an emergent property of the network that links distinctive competences to business goals (Eden & Ackermann, 2015). More specifically, the core distinctive competencies are those that are at the core of this network by, in general, supporting the greatest number of business goals (Eden & Ackermann, 2015).

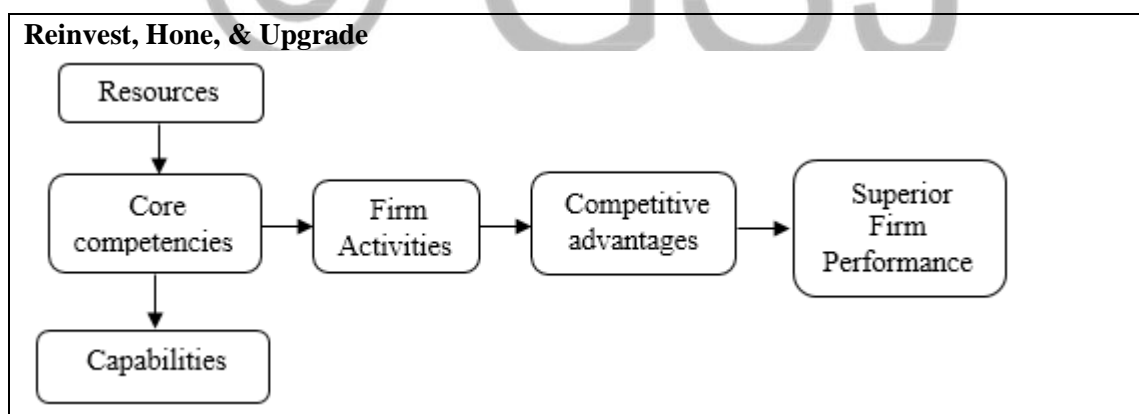


Figure 1: Internal Analysis: Core Competencies
Source: Rothaermel (2013)

According to Figure 1, core competencies emanate from organisational resources and lead to capabilities, which are evident from firm activities. The distinctive firm capabilities give an organisation, competitive advantages, which impact on organisational performance. The empirical studies, which have researched this dimension, can be divided into two categories: studies that look at the impact of core competencies on organisational performance and studies that analyse the relationship between core competencies and business performance. These core competences give the competitive strength to the enterprises (Besler & Sezerel, 2011).

2.4 Building core competence for private TVET colleges

With the increasing dynamic and unexpected nature of competition, there is a strong tendency to understand organisations in terms of the efficient use of rare and valuable

capabilities that leads to sustained performance differentials within industries (Wang, Lo & Yang, 2004). They further allude that the development of more effective strategies for managing knowledge and other intangible resources makes a central concern of contemporary strategic management. Building core competencies will enhance using firm's internal resources effectively and taking advantage of capabilities in developing successful products, penetrate emerging markets, and satisfying customer demands (Uysal, 2007). Creating core competencies and competitive capabilities that are very difficult or costly for competitors to emulate and that push organisation closer to operating excellence promotes very proficient strategy execution (Hough, Thompson, Strickland & Gamble, 2011). Education Sustainable Development has to be noted as an essential component of quality education, intrinsic in the concept of lifelong learning. All levels of educational institutions from preschool to higher education and in informal and nonformal education, should adopt the development of competencies (Cebrián, Junyent & Mulà, 2020). The ability to utilise resources and capabilities effectively results in the creation of competitive advantages.

2.6 Organisational performance

Hunt and Morgan (1996) point out that performance is 'the specific measure of financial performance that might be profits, return on assets, or return on equity, whereas the specific referent might be the firm's own performance in a previous time-period or that of a set of rival firms. According to Zaim, Yasar and Unal (2013) competency management modelling is also regarded as an approach focused on improving organisational performance. The accumulated end results of all the organisation's work, processes, and activities, increasing competition in the private TVET sector in South Africa is a threat to the survival of these colleges, hence the need for developing new sources of competitive advantage (Rukuni, 2015).

Organisational performance refers to the ability of an organisation to achieve certain objectives and goals such as good financial results, high organisation profit, and produce high quality products by using effective strategies adopted (Koontz & Donnell, 1993). Gavrea, Ilies, and Stegorean (2011) noted that an organisation facing challenges must be able to identify those measures that cause it to respond effectively to new problems to adapt as fast as possible to fluctuations in the business environment. The comprehension of core competencies by top management level enables the firm relish competitive advantages which result in the attainment greater organizational performance (Asamoah & Arkor, 2021).

2.7 Gaps in the literature

In the light of the above literature review, the most important points and gaps in the literature can be identified. The increasing competition among private further education institutions, as demonstrated in the previous section, allows the need to identify new ways of achieving competitive advantage (Rukuni, 2015). The most viable method for service-oriented businesses to ascertain and maintain competitive advantages is to create an in-depth understanding of the relationship between strategy and organisational performance.

Agha, Alrubaiee and Jamhour (2012) observed that the concept of competence-based competition suggests that core competencies are the source of sustainable competitive advantage. An increase in sales levels would lead to an increase in profits as well as survival of the firm, which is an indication of competitive advantage (Rukuni, 2015). Therefore, organisational performance is dependent on the sustainability of competitive advantages. A company achieve sustainable competitive advantage when an attractive number of customers prefer its offerings to products or services of rivals

and when the basis for this preference is durable (Hough *et al.*, 2011). In order to benefit from the potential created by core competencies, the organisation must have the imagination to forecast markets and have the ability to take them out ahead of competitors.

2.8 Theoretical framework and hypothesis

Gokkaya and Ozbag (2015) recommended that the effective integration of unique resources and capabilities within the whole organisation is a highly important step. The RBV views that accumulating resources are not enough to enhance competitive advantage, but in capabilities which can manage input resources proficiently (Sheng, 2017). Hence the choice of the 2 independent variables for the purpose of this research.

Core competencies of a firm are so critical in that in a highly competitive market, organisations have to be successful at all levels of their products such as manufacturing, quality control, marketing and finance (Demirtas, 2013). Hastjarjo *et al.* (2016) suggested that RBV and Dynamic Capabilities Approach relationship is important because the organisation must commit resources and capabilities to take advantage of opportunities and mitigate threats from the environment. Organisational core competencies are a key concept for competitive strategy (Agha, Alrubaiee & Jamhour, 2012). Wang, Lo & Yang (2004) advocate that core competencies are of strategic importance to the sustainability of competitive advantage and ultimately of superior organisational performance. Valuable, rare, distinctive resources and capabilities could lead to an improvement of market share and profitability. In order for organisations to remain competitive and obtain competitive advantages, managers can try to increase organisational performance by managing each dimension of core competence i.e. shared vision; cooperation and empowerment (Agha, Alrubaiee & Jamhour, 2012).

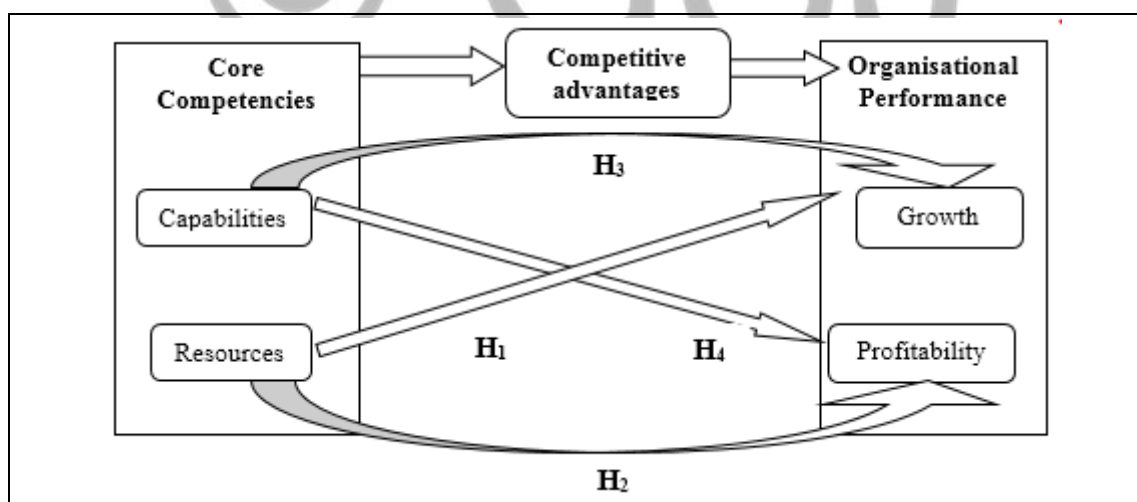


Figure 2: Hypothesised theoretical model

Source: Developed for this study

The model illustrated in Figure 2, above shows how the application of the selected core competencies can lead to sustained competitive advantages and improved organisational performance. According to the model, the effective and efficient utilisation of the selected two dimensions of core competencies, namely: capabilities and resources, often leads to competitive advantage that affects organisational performance. The two core competency variables are independent, while organisational performance is a dependent variable. This model was used to assess TVET stakeholder's views and perceptions of the independent variables and

investigate how the attributes of the variables influence organisational performance in terms of profitability and growth.

3. RESEARCH METHODOLOGY

In conducting research, it is necessary to evaluate the two major paradigms, positivism and constructivism, before choosing a research methodology (Veal, 2005). Positivism is a research approach which treats 'social facts' as existing independently of the activities of both participants and researchers (Silverman, 2006). In methodological terms, this paradigm is characterised as using primarily quantitative methods that are interventionist and deconstructualised (Mertens, 1998).

Conversely, the constructivist paradigm is characterised by using primarily qualitative methods in a hermeneutical and dialectical manner (Tashakkori & Teddlie, 2003). Constructivism, or the interpretive approach, takes the view that observations cannot be pure in the sense of altogether excluding the interests and values of individuals; investigations must employ empathic understanding of those being studied (Tashakkori & Teddlie, 2003). Thus positivism philosophy was identified as the most appropriate for this study.

3.2 Population and sampling

The study utilised a simple random sampling method. A simple random is one in which every member of the population of interest has an equal chance of being selected from the population. A simple random sample can only be drawn when a sampling frame exists covering the population of interest, and a random number generator is used to select individual for the sample. This study is based on a sample size of 136 respondents from the target population of 147 stakeholders.

3.3 Data analysis technique

Data analysis may involve determining consistent patterns and summarising the relevant details revealed in the investigation (Zikmund, Babin, Carr & Griffin, 2013). IBM SPSS version 24 was used to analyse the collected primary data. In keeping with research objectives, the data analysis utilised in this mini dissertation included descriptive statistics, non-parametric tests, including chi-square tests, and multivariate tests. In order to analyse the data for this study, the first step was to capture data in an excel spreadsheet using pre-assigned codes. The researcher coded the data to mitigate mistakes and wherever possible, corrections were made prior to the final analysis. Descriptive and factor analysis techniques were used in this study.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Respondent profile

A sample of 147 was chosen to participate in the survey. Of the 147 distributed questionnaires, 136 came back correctly filled in. This represents a response rate of 94%. Descriptive analysis was performed to obtain a frequency distribution of demographic variables that are gender, age, level of education, years of management experience, and level of management occupied (Table 1). 62% (84 out of 136) were male, while 38% (52 out of 136) were female. The majority of the respondents were between the ages of 19 to 29 years that are 50% (68 out of 136), followed by 30 to 39 years range at 37% (51 out of 136).

Table 1: Demographic profile of respondents

Source: Developed for this study

Demographic characteristics		Frequency	Per cent
Gender	Male	84	62
	Female	52	38
Age	19-29	68	50
	30-39	51	37
	40-49	13	10
	50+	4	3
Educational qualification	Below Matric	2	1
	Matric	9	7
	Diploma	77	57
	1 st Degree	33	24
	Masters' Degree	4	3
	Other (Specify)	11	8
Management experience in years	0 – 5	57	42
	6 – 10	30	22
	11 – 15	30	22
	16 – 20	11	8
	21+	4	3
	Not applicable	4	3
Management level occupied	Top level	3	2
	Middle level	44	32
	Supervisory level	77	57
	Not applicable	12	9

As per (Table 1), 57% (77 out of 136) obtained their national diplomas, 24% (33 out of 136) of the respondents have first degrees. Only a few 3% (4 out of 136) respondents have postgraduate qualifications, while the rest had had a variety of other qualifications which, were mostly of other lower level qualifications. The trend of stakeholders in the study in terms of experience indicates that the majority (42% (57 out of 136) of the respondents had less than 5 years of experience, which implies that the majority of the managers are relatively new to the institution. According to the findings, 57% (77 out of 136) of the participants were supervisors and 32% (44 out of 136) of the respondents were in the middle level.

4.2 Descriptive statistics

4.2.1 Stakeholders' perceptions on core competencies

Table 2, presents the findings relating to stakeholders' perceived core competencies in each of the 14 items and each of the two dimensions, and the effectiveness of each. A five-point Likert scale with 1 = 'Completely disagree' and 5 = 'Completely agree' was used to measure each item relating to perceptions on core competencies. Perceptions on each of the dimensions were calculated as summated averages of all the items. In this study it is important to note that mean values (2.51 – 5.0) indicate a higher perceived efficiency and effectiveness of core competencies, while those in the range (1.0 – 2.49) reflect lower perceived efficiency and effectiveness of core competencies. Hence, lower mean values below 2.5 represent lower perceived efficacy of core competencies.

Table 2: Perceived effect of core competencies on all respondents – description (n=136)

Source: Developed for this study

	Dimensions and items	Mean	Standard deviation
	Resources	3.74	.969
R1	College objectives are clear to staff members	4.01	.816
R2	College is up to date with regulatory requirements of DHET and other bodies	4.04	1.101

R3	Resource allocation is adequate to all staff	3.65	1.058
R4	There are opportunities for personal development	3.44	.949
R5	Management style promotes good teaching-learning environment	3.54	.996
R6	Management is keen on attracting employees with relevant qualifications	3.71	.912
R7	College uses work teams to achieve organisational objectives	3.79	.952
	Capabilities	3.70	.832
C1	Staff members are equipped with the necessary technological expertise	3.19	.821
C2	Front line staff are properly qualified to execute their responsibilities	3.82	.910
C3	Lecturers possess relevant teaching/ education qualification	3.46	1.003
C4	Lecturers have adequate subject expertise to teach allocated subjects	3.95	.681
C5	Staff members are capable of directing and taking charge of their own work	3.88	.935
C6	Staff members' knowledge and skills base is continuously increasing	3.98	.694
C7	Staff members have the right attitude for their jobs	3.65	.784

Data (see Table 2) shows that all independent variables, namely (resources and capabilities) were perceived to be effective and efficient as deduced from their mean values of above 2.5. The highest perceived efficacy on core competencies was on resources (with mean score 3.784), followed by capabilities at (with mean score 3.70). Given that the two dimensions were perceived to be highly effective core competencies' variables, it is something that service providers should aim to strengthen going forward.

4.2.2 Stakeholders' perceived effects of core competencies on organisational performance

The data illustrated in Table 3 provides findings on stakeholders' perceived effects of core competencies on organisational performance. A five-point Likert scale was also used as in item 4.2.1 above.

Table 3: Perceived effect of core competencies on growth and profitability (n=136)

Source: Developed for this study

	Dimensions and items	Mean	Standard deviation
	Growth	3.90	.825
G1	College's operations system rapidly reallocates resources to address demand changes	3.73	.765
G2	College's system rapidly adjusts capacity to address demand changes	3.43	.908
G3	College' student retention is better than competitors'	4.29	.631
G4	Enrolment growth position is relatively higher than competitors	4.15	.891
G5	College has a superior student enrolment compared to competitors	3.91	.931
	Profitability	3.76	.837
P1	College has the ability to meet its financial obligation timeously	4.17	.615
P2	Students enrol and graduate much faster than other private colleges	3.65	.848
P3	The return on corporate investment is better than competitors'	3.65	.881
P4	There is a continuous increase in the college's total assets	3.68	.957
P5	The financial liquidity position is stronger than competitors'	3.68	.884

The dependent variables, namely (growth and profitability) were perceived to be highly affected by core competencies as they produced equally above average mean values of above 2.5, similar to Table 3 above. The perceived effects of core competencies on growth and profitability were deemed equally high with mean values of (3.90 with mean score) and (3.76 with mean score) respectively.

4.2.3 Overall perceived efficacy of core competencies and organisational performance

Table 4 presents the efficacy of each of the four variables. Majority (58% (79 out of 136) of the respondents agree that resources have a significant and positive effect on organisational performance while 8% (11 out of 136) completely agree to the statement. Data shows that 1% (1 out of 136) disagrees and 33% (45 out of 136) of the participants are neutral. None of the respondents completely disagreed with the statement. With regards to capabilities, results indicates that, most of the participants (66% (89 out of 136) agree that capabilities have a significant effect on organisational performance while 27% (37 out of 136) of the responses were neutral. Only a few of the participants (4% (6 out of 136) disagree and none of the participants completely disagrees with the statement.

Table 4: Frequencies and percentages on perceptions

Source: Developed for this study

Variables	Completely disagree	Disagree	Neutral	Agree	Completely agree
Resources					
Frequency	0	1	45	79	11
Percent	0	1	33	58	8
Capabilities					
Frequency	0	6	37	89	4
Percent	0	4	27	66	3
Growth					
Frequency	0	2	22	92	20
Percent	0	1	16	68	15
Profitability					
Frequency	1	7	41	71	16
Percent	1	5	30	52	12
Overall perceptions					
Frequency	0.25	4	36.25	82.75	12.75
Percent	0.18	2.93	26.66	60.84	9.39

Most of the respondents who participated in the survey 68% (92 out of 136) agree that growth is highly affected by core competencies, while 15% (20 out of 136) completely agree with the statement. Only a few 1% (2 out of 136) disagree and only 16% (22 out of 136) are neutral about the statement. With regards to profitability, results indicate that the majority of the participants agrees 52% (71 out 136) with the statement that college profitability is influenced by core competences and 12% (16 out 136) completely agree with the statement. Data indicates that only a few completely disagree 1% (1 out of 136) and disagree 5% (7 out of 136) with the statement, while 30% (41 out of 136) were neutral.

To sum up, most of the stakeholders perceive that all the variables are effective and efficient measures with 60.84% of the responses agreeing, 26.66% to neutral, 9.39% completely agreeing, 2.39% disagreeing and only 0.18% completely in disagreement. All variables show the least number of respondents completely disagreeing with the per cent only representing one respondent of 136.

4.4 Correlation and regression analyses

The underlying assumptions of conducting correlation and regression analysis were met in this study. Responses utilised in the questionnaire were continuous in nature since they were in the form of a five-point Likert scale. In order to test the hypothesised relationships between core competencies (capabilities and resources) and organisational performance (profitability and growth) with the private college mentioned in chapter 1, correlation and regression analyses were performed. Note that the organisational performance as a dependent variable was measured as a summated average of two items, namely 'profitability and growth'. A five-point Likert scale with 1 = 'Completely disagree' and 5 = 'Completely agree' was also used to measure items relating to organisational performance.

4.4.1 Correlation analysis, among core competencies variables

Correlation analysis was used to measure the strength of relationships between core competencies' and organisational performance variables. Table 5 presents a summary of the results of the correlation analyses. The Pearson correlation (r) indicates the strength and direction (negative or positive) of the correlation, while the p-value indicates the probability that a certain given r -value is seen only by chance. Positive coefficients in Pearson correlation indicate that organisational performance is positively influenced by the level of core competencies.

Table 5: Correlation analysis
Source: Developed for this study

Dimension	Organisational performance		
		Growth	Profitability
Resources	R	0.384	0.268
	P	0.000	0.000
	N	136	136
Capabilities	R	0.456	0.526
	P	0.000	0.000
	N	136	136

It is evident from Table 5 that there was a strong and positive relationship between resources and the two dependent variables of growth and profitability. It was determined from positive Pearson correlation values ($r = 0.38$) and ($r = 0.27$) respectively. Data shows that the relationship of capabilities to growth and capabilities to profitability is strong and positive with r -values of 0.46 and 0.53 in the same order. In addition, the results show that the p-value is less than 0.05 ($p < 0.05$) for all relationships. The findings also showed a one hundred percent response rate with ($n = 136$) across all relationships.

5. HYPOTHESIS TEST AND REGRESSION ANALYSIS

The data shown in (Table 6) below were used to test the hypotheses after regression analysis had been conducted using IBM SPSS version 24.

Table 6: Summary of hypotheses and major results
Source: Developed for this study

	Hypotheses	Results
H ₁ :	There was a positive relationship between resources and growth of private TVET colleges.	Accept ($p < 0.05$, $r = 0.268$, $\beta = 0.384$)
H ₂ :	There was a positive relationship between resources and profitability of private TVET colleges.	Accept ($p < 0.05$, $r = 0.384$, $\beta = 0.620$)
H ₃ :	There was a positive relationship between capabilities and growth of private TVET colleges.	Accept ($p < 0.05$, $r = 0.526$, $\beta = 0.458$)

H ₄ :	There was a positive relationship between capabilities and profitability of private TVET colleges.	Accept ($p < 0.05$, $r = 0.456$, $\beta = 0.452$)
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The hypotheses were tested and the findings were as follows:

5.1 Organisational resources have a positive effect on organisational growth

Based on these results ($p < 0.05$, $r = 0.268$, $\beta = 0.384$), hypothesis H₁ which states that there is a positive relationship between resources and growth at the private college and can be accepted $p < 0.000$ significant level. There is a positive correlation between resources and growth as depicted by the findings. The beta coefficient shows that resources strongly lead to profitability. This is consistent with Agha, Alrubaiee and Jamhour's (2012) findings, which means that resources are important in achieving growth of the organisation.

5.2 Organisational resources have a positive effect on organisational profitability

Based on these results ($p < 0.05$, $r = 0.384$, $\beta = 0.620$), hypothesis H₂ which states that there is a positive relationship between resources and profitability at the private college can be accepted at $p < 0.000$ significant level. The beta coefficient of 0.62 is highest of the four research hypotheses. Hence, an increase in resources can lead to an increase in overall organisational performance. This is in line with Jabbouri and Zahari (2014) studies who found that resources are significantly related to profitability. The finding also reinforces the belief that adequate resources, increase the likelihood of improved organisational profitability. In other words, a well-balanced supply of resources greatly influences profitability.

5.3 Organisational capabilities have a positive effect on organisational growth

Based on these results ($p < 0.05$, $r = 0.526$, $\beta = 0.458$), hypothesis H₃ which states that there is a positive relationship between capabilities and growth of the private college and can be accepted $p < 0.000$ significant level. Hypothesis 3 shows the highest correlation and it can be confirmed that an improvement in capabilities can likewise lead to an improved growth. This is consistent Jabbouri and Zahari (2014) where the strength of the relationship between capabilities and growth is equally high.

5.4 Organisational capabilities have a positive effect on organisational profitability

Based on these results ($p < 0.05$, $r = 0.456$, $\beta = 0.452$), hypothesis H₄ which states that there is a positive relationship between capabilities and profitability with a private college can be accepted $p < 0.0000$ significant level. The correlation and beta coefficient are closed tied at between 0.452 and 0.456 respectively, this means that an increase in capabilities will lead to an increase in profitability which is consistent with the findings in studies by Hastjarjo *et al.* (2016) and Agha, Alrubaiee and Jamhour (2012) who found that capabilities are significantly related to business profitability. This finding implies that changes in organisational capabilities impacts directly on profitability.

The hypotheses above are based on the outcome of regression analysis conducted as shown in Table 7 below. The table contains alpha and regression coefficients, SEB, which is the standard error of the coefficient of determination, and β which is the standardised beta coefficient as used to measure the explanatory power of predictor variables (core competencies) to the dependent variable (organisational performance).

Table 7: Regression analysis
Source: Developed for this study
Dependent variable: Growth

	B	SEB	B	T	Sig
(Constant)	2.428	0.309		7.859	0.000
Resources	0.394	0.082	0.384	4.815	0.000
(Constant)	2.071	0.310		6.685	0.000
Capabilities	0.494	0.083	0.458	5.960	0.000

Dependent variable: Profitability

	B	SEB	β	t	Sig
(Constant)	0.71	0.22	0.620	3.30	0.0000
Resources	0.86	0.08		11.20	
(Constant)	1.591	0.375		4.247	0.000
Capabilities	0.587	0.100	0.452	5.862	0.000

The significance level and t-statistics are also shown in the table. The β is used to measure the strength of the relationship between dependent and independent variables in the study.

6. RESULTS

The findings from descriptive statistics show that the perceptions of stakeholders towards the efficacy of core competencies at private TVET colleges were above expectation. Results from correlation and regression analysis show that core competency dimensions, namely capabilities and resources can lead to an improved overall organisational performance at private TVET colleges. A summary of the study's hypotheses and practical findings is listed in Table 8.

Table 8: Summary of hypotheses and major results
Source: Developed for this study

	Hypotheses	Results
H ₁ :	There was a positive relationship between resources and growth of private TVET colleges.	Accept ($p < 0.05$, $r = 0.268$, $\beta = 0.384$)
H ₂ :	There was a positive relationship between resources and profitability of private TVET colleges.	Accept ($p < 0.05$, $r = 0.384$, $\beta = 0.620$)
H ₃ :	There was a positive relationship between capabilities and growth of private TVET colleges.	Accept ($p < 0.05$, $r = 0.526$, $\beta = 0.458$)
H ₄ :	There was a positive relationship between capabilities and profitability of private TVET colleges.	Accept ($p < 0.05$, $r = 0.456$, $\beta = 0.452$)

The next section discusses the implications of the findings of this study to theory.

6.1 Implications for theory

This study assessed investigated how the attributes of core competence influence organisational (TVET college) performance. The results revealed that resources expressed by stakeholders of the private college are an important element that contributes to organisational performance. Furthermore, the findings of the present study revealed that there is a correlation between resources and organisational performance, which is consistent with the results from previous studies (Agha, Alrubaiee & Jamhour 2012).

The study also showed that the capabilities of an institution are an important factor of organisational performance. This is consistent with Jabbouri and Zahari (2014) studies. This means that there is a correlation between capabilities and organisational performance. The empirical findings revealed that core competencies are crucial in determining the success of an educational institution. A positive correlation exists between core competencies and organisational performance (growth and capabilities).

The findings of the present study are in line with results from the previous researches (Jabbouri & Zahari, 2014).

In summary, core competencies variables which are resources and capabilities are critical in organisational performance. They need to be incorporated by policy makers due to their positive influence on organisational performance. Caliskan (2010) states that, in order to create and sustain competitive advantage in this type of environment, organisations must continually improve their business performance.

6.2 Recommendation for future study

Future research can be a comparative study between private TVET colleges and Public TVET colleges. Another consideration can be conducting a mixed research method utilising a longitudinal study that would look at how core competencies influence college performance over a period.

6.3 Conclusion

This study found that stakeholders had a positive perception towards the efficacy of core competencies in organisational performance of the institution. The results provided evidence that all two predictor variables (resources and capabilities) influenced profitability and growth of the organisation. Thus, a positive correlation was observed to directly influence organisational performance. Hence, the results demonstrate that competencies in services sector play an important role for both individual and organisational performance (Zaim, Yasar & Unal, 2013).

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