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### EMPLOYEE PERCEPTIONS ON DETERMINANTS OF TEA ENTERPRISE COMPETITIVENESS: A CASE OF TSHIVHASE-MUKUMBANI ESTATE IN LIMPOPO PROVINCE OF SOUTH AFRICA

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#### ABSTRACT

Investments in any enterprise should be based on its competitiveness. Perceptions of employees of the enterprise on determinants of competitiveness are important and were therefore the focus of the study at Tshivhase-Mukumbani Tea Estate. Six attributes constitute Porter's diamond model of competitiveness that provided the framework of the study: The attributes are: (1) demand conditions, (2) strategy, structure and rivalry, (3) production factor conditions, (4) related and supporting industries, (5) government support, and (6) chance. Only two of the six attributes were overall perceived by respondents to be determinants of competitiveness of the tea enterprise, namely: (1) related and supporting industries and (2) chance. Some 10 factors within five of the six attributes (government support excluded) were perceived to be very important determinants of competitiveness, namely: (a) market availability, (b) cost of market information, (c) market power of suppliers, (d) pricing strategy, (e) cost of production, (f) financial institutions, (g) research institutions, (h) economic stability, (i) drought, and (j) fires. Improved competitiveness of the tea enterprise requires good management of the 10 important determinants reported by the respondents.

**Keywords:** Tshivhase-Mukumbani Tea Estate, competitiveness, perception, determinant.

#### INTRODUCTION

The perceptions of people on an issue reflect the amount of knowledge possessed and have a strong influence on decisions made regarding that issue (Tshikolomo, 2012). A lot of expert scientific knowledge remains insufficiently used (Hermans, 2008) and this should be explored to build knowledge based perceptions. In addition to expert knowledge produced scientifically, local based traditional knowledge should also be considered to respond appropriately to community needs (Tshikolomo et al., 2012). The acquisition of new knowledge and subsequent development of knowledge based perceptions may be achieved through approaches such as participatory process of social learning (ICS,

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2002; Gunderson & Light, 2006). As stated by Bandura (1977), the concept of 'social learning' refers to learning by observing others and their social interactions within a group. The study targeted employees in supervisory positions at Tshivhase-Mukumbani Tea Estate as those were strategically placed to influence decisions of management and labour; hence their perceptions were important for improving the competitiveness of the tea enterprise. A comprehensive discussion of the perceptions of the employees on determinants of competitiveness of the tea enterprise requires in-depth understanding of key factors involved. The key factors to inform a comprehensive discussion of the perceptions include (1) the concept 'competitiveness', and (2) Porter's (1990) diamond model of competitiveness that provides the framework under which the study was conducted.

**Competitiveness:** The word ‘competitiveness’ is a derivative of ‘competitive’ which means: (a) having to do with competition, (b) strongly wanting to be more successful than others, and (c) as good as or better than others of a similar nature (Oxford, 2002). As revealed in Oxford (2002), competition is defined as: (i) the activity of competing against others, (ii) the occasion in which individuals compete, or (iii) the person or people with whom one is competing. However, other authors have expanded on the concept of competitiveness to include (a) the ability to supply goods and services in the location (Freebairn, 1986; ISMEA, 1999); (b) the capacity to develop and deliver goods and services to worldwide markets, while guaranteeing increasing levels of real income as well as investment (Petit & Gnaegy, 1994); and (c) a situation where an industry acquires a bigger market share through increased earnings and persistent growth (Esterhuizen, 2006). For

this purpose the Diamond Model (Porter, 1990) of competitiveness was used as a frame to guide the study.

**Porter’s diamond model of competitiveness:** Porter’s (1990) diamond model of competitiveness entailed studying cases of successful industries to identify reasons for their location in particular countries.

The model have four attributes which are: (a) Demand conditions - the nature of home-market demand for the industry’s products or service; (b) Firm strategy, structure and rivalry - the conditions in the nation governing how companies are created, organised and managed, as well as the nature of domestic rivalry; (c) Factor conditions - the nation’s position in factors of production, such as skilled labour or infrastructure, necessary to compete in a given industry; and (d) Relating and supporting industries - the presence or absence in the nation of supplier industries and other related industries that are internationally competitive.

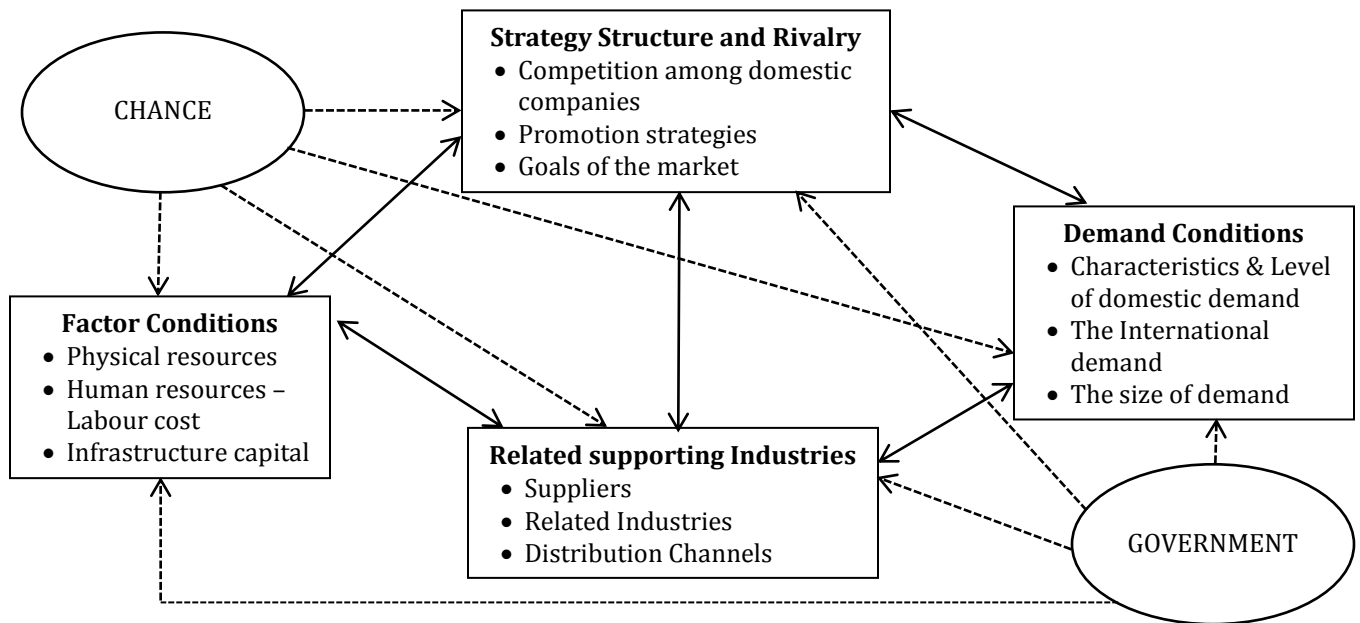


Figure 1. Porter’s diamond model of competitiveness (Porter, 1990).

Esterhuizen (2006) explains the model by saying each point on the diamond, and the diamond as system affects essential ingredients for achieving international competitive success. Such ingredients include; (1) resources and skills necessary for competitive advantage in an industry, (2) information that forms the opportunities that companies perceive, (3) directions in which companies position their resources and skills, (4) goals of the owners, managers and individuals in companies, and (5) most important, pressure on companies to invest and innovate. Added to the diamond model were two outside variables, namely the role of

chance and the role of government. Chance events are occurrences that have little to do with circumstances in a nation and are often outside the power of an industry (or government) to influence. According to Porter (1990), this will include new inventions, new technologies such as biotechnology, financial market shifts, foreign government decisions and wars. Such occasions can reverse sources of competitive advantage and create new ones. The ability of an industry to respond will depend upon the status of the other parts of the competitive diamond. The latter also affects the environment for invention and entrepreneurship and hence where they

will occur. The role of government is best viewed in terms of its impact on the four determinants of competitiveness rather than a separate determinant. The model does not encourage government's role to be that of intervening in trade. Such interventions promote markets for inefficient industries to thrive. Porter (1990) further argued that government's appropriate responsibility is to be an enabler, to boost business to increase their targets and improve competitive performance, in the context of challenging circumstances. The inherent measure of being competitive belongs to entrepreneurs; government only provides the environment for business to thrive.

The purpose of the study was to investigate the perceptions of employees occupying supervisory positions at Tshivhase-Mukumbani Estate on determinants of competitiveness of their tea enterprise.

**RESEARCH METHODOLOGY**

**Research approach:** The study followed a mixed approach referred to as integrating, to mean adding together, synthesis for amalgamation, and multi-method as it combines the quantitative and qualitative approaches in one study (Tashakkori & Teddlie 1998). The quantitative approach, also referred to as the traditional or positivist approach, was defined as an enquiry into a social problem based on testing a theory made up of variables, measured with numbers and analysed using statistical procedures in order to determine whether the predictive generalizations of the theory hold true (Creswell, 2003; Leedy & Ormrod, 2010). The qualitative research approach, also referred to as the constructivist, naturalist, interpretative was defined as an enquiry process of comprehending a social

or human problem or phenomenon based on building a complex holistic picture formed with words, reporting detailed views of informants and conducted in a natural setting (Lincoln & Guba, 1985; Cresswell, 2003; Smith, 1983). The mixed approach as used to collect information in this study included (1) review of literature that presented mainly qualitative information from scientific journals, books and reports and (2) interviews of relevant employees of the tea estates using a mainly closed-ended questionnaire associated with quantitative methods (Hurmerinta-Peltomaki and Nummela, 2006, Leedy & Ormrod, 2010).

**Research design:** Research designs are techniques for collecting, analysing, interpreting and reporting data in research investigations (Mouton, 2001) and provide guidelines and instructions to be followed in addressing the research problem (Welman *et al.*, 2005). Central to decisions on research design is the fact that each study can be used to develop a general conclusion on the same challenge though in a different geographic area (Egbu, 2007; Yin, 1989).

The research method where a study of a single case produces knowledge that is useful in related cases in different areas is referred to as a case study and was used for the purpose of this investigation. A case study may be regarded as an intensive study of a single unit for the purpose of understanding a larger class of similar units. This study centred on one tea estate and allowed for extrapolation of the results to other tea estates. In accordance with the framework by Mouton (2001), the research design for this study was as presented in Table 1.

Table 1. Research design for study of perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on competitiveness of their tea enterprise as guided by Mouton (2001).

Method of data collection	Design classification	Type of sampling	Data analysis and interpretation
Literature review	Non-empirical, secondary, textual data	Non-probability, literature selected based on theoretical considerations	Mainly qualitative analysis with subjective interpretation
Structured interviews of supervisory employees	Empirical, primary, textual data	Non-probability, purposive sampling of employees in supervisory positions	Mainly quantitative analysis with objective interpretation

**Characterization of target population:** Among the methods used to collect data for this study were interviews of employees occupying supervisory positions at the Tshivhase-Mukumbani Tea Estate. In order to fully understand and to properly interpret the results of the interviews, the target population of the

employees of the tea estate that participated in the interviews needs to be characterised.

A total of 55 employees at supervisor level were the main target population to respond to the questionnaire. The response rate was 41 out of 55 (75 percent) employees who participated in the survey. The gender of

the respondents was 43 percent males and 57 percent females. With regards to educational status, three of ten (32 percent) respondents had post-matric qualifications (mostly diplomas), three of five (60 percent) had matric (Grade 12) as their highest qualification and only a few (8 percent) had not attained a matric qualification.

With regards to work experience, one of five (19 percent) respondents had a total of 20 years working for the tea estate, six percent had between 15 and 19 years, about one of ten (9 percent) had between 10 and 14 years, about half (53 percent) had between five and nine years while one of eight (13 percent) had less than four years working for the tea estate. With approximately nine of ten (92 percent) respondents having matric as their minimum level of education and about the same number (87 percent) having a minimum of five years working at the study tea estate, their perception on determinants of competitiveness of the tea enterprise may be assumed credible.

**Data collection and analysis:** For the purpose of this study, information was obtained through (1) review of literature that presented mainly qualitative information from scientific journals, books and reports and (2) interviews of employees of the tea estate occupying supervisory positions using a closed-ended questionnaire associated with quantitative methods (Hurmerinta-Peltomaki & Nummela, 2006, Leedy & Ormrod, 2010).

A questionnaire was used to obtain information on opinions, beliefs, convictions and attitudes and was therefore relevant for collecting information regarding perceptions of employees in supervisory posts on determinants of tea competitiveness (Welman et al., 2005). As guided by Porter’s (1990) diamond model for competitiveness, the questionnaire and the subsequent interviews covered six main aspects, namely: (1) demand condition, (2) strategy, structure and rivalry, (3) production factor condition, (4) related supporting

industries, (5) government support and (6) chance as a determinant of competitiveness.

Data collected through interviews of the employees was captured and analysed using the SAS package (SAS Institute Inc., 2009). Simple frequency tables of occurrence were generated in each class of demographic variables utilizing one-way tables. The syntax was provided to the SAS software, which automatically calculated the mean of observations falling within each category of response. The data was summarised and discussed based on objective interpretations (Lee, 1999; Leedy & Ormrod, 2010). Qualitative data mostly from literature was summarised according to its content and main themes addressed and was discussed based on subjective interpretations.

**RESULTS AND DISCUSSION**

**Demand conditions:** The demand conditions are important determinants of competitiveness of an enterprise and are influenced by such aspects as characteristics and level of domestic demand, international demand, and the size of demand (Porter, 1990). The reason for establishment of any business enterprise is to address the demand for specified goods and services and therefore the condition of demand may be regarded the critical factor that determines whether a business has to be started or not. Accordingly, the establishment of the tea production (and processing) enterprise should be for the purpose of addressing the demand for tea if such an enterprise is to be competitive. Occurrence of a large tea demand at either domestic or international level or both results in large size of total demand and promotes the competitiveness of the tea enterprise. The demand for tea (both domestic and international) is influenced by issues such as distance to market, market information, quality of products and market availability, and hence the perceptions of respondents regarding these issues are important (Table 2).

Table 2. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on demand conditions as determinants of tea enterprise competitiveness.

Demand condition	Score
Distance to market	3
Market information	3
- lack of availability (of information)	3
- lack of quality	3
- cost	4
Quality of products	3
Market availability for black tea	4
Average score for demand conditions	3.3

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree

The respondents at the tea estate under study agreed with two demand conditions as being important determinants of the competitiveness of the tea enterprise, and those were market availability for black tea and the cost for accessing market information. The respondents were employees in supervisory positions and probably attended some of the meetings where the two demand conditions were discussed to be important determinants of the tea competitiveness; hence they agreed that addressing the two conditions was necessary for their product to be competitive.

The respondents were uncertain on whether demand conditions such as distance to market, market information in general and quality of the tea produced were determinants of competitiveness (Table 2). Market arrangements were initially made for the tea to be sold in bulk. This arrangement was followed by initiatives for the tea to be processed, graded and packaged at the Estate Factory (located at the Mukumbani part of the estate) where the finished value added product was sold to local retailers such as Pick n Pay. The inclusion of local retailers was probably the reason for the respondents to be uncertain on whether distance to market could be an issue regarding competitiveness of the tea enterprise.

As a finished product, the tea is marketed under the brand 'Midi Tea' and an impression was created when the brand was developed that a thorough market study was conducted, and this could be reason for respondents reported uncertainty on market information being an important condition determining the competitiveness of tea. Accordingly, the respondents were uncertain on lack of availability and quality of market information being important conditions determining the competitiveness of their product. The uncertainty on the quality of

product being a determinant of tea competitiveness could be based on the fact that the tea is available for sale as a finished product in good looking small packs.

Considering the facial expressions and gestures when some responses were presented, it appeared the respondents reported slight disagreements as being uncertain and only revealed disagreement when they strongly felt so. Some of the responses recorded as uncertain were therefore probably indications of slight disagreements. In overall, the respondents based at Tshivhase-Mukumbani Tea Estate were uncertain that demand conditions (Table 2) were important determinants of the competitiveness of the tea enterprise (score=3.3).

**Strategy, structure and rivalry:** For a business enterprise to achieve product competitiveness, an appropriate, firm strategy and structure is necessary. The strategy and structure for promotion of product competitiveness should take into account issues such as goals of the market and competition with domestic companies (Porter, 1990) and where necessary, competition with international companies. Also, the strategy and structure for promoting competitiveness should include aspects such as price strategy, managerial capabilities, market power of suppliers and market power of buyers, and those were included in the investigation of respondent (employees in supervisory positions) perceptions of the strategy and structure as determinants of competitiveness of tea enterprise at the estate under study (Table 3).

The respondents agreed on pricing strategy, managerial capabilities, market power of suppliers and market power of buyers being important aspects of strategy, structure and rivalry that influenced the competitiveness of their tea enterprise.

Table 3. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on strategy, structure and rivalry as determinants of tea enterprise competitiveness.

Strategy, structure and rivalry	Score
Adaptability	3
Culture	3
Structure	3
Flexibility	3
Pricing strategy	4
Managerial capabilities	4
Market power of suppliers	4
Market power of buyers	4
Threat of substitutes	3
Threat of new substitutes	3
Average score for firm strategy, structure and rivalry	3.4

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree

The respondents regarded availability of market for black tea (under condition of demand) as important and therefore their regard for market related factors such as pricing strategy, market power of suppliers and market power of buyers as determinants of competitiveness is rational.

Management is important for successful operation of the tea enterprise and hence the perception that management capabilities are important determinants of tea competitiveness. With regards to the rest of the aspects under strategy, structure and rivalry, the respondents were uncertain of their importance as determinants of tea enterprise competitiveness. In overall, the respondents were uncertain if strategy, structure, and rivalry were determinants of competitiveness of their tea enterprise (score=3.4).

**Production factor conditions:** The condition of production factors has a strong influence on the competitiveness of a business enterprise. According to Porter (1990), important production factors with strong influence on business competitiveness include physical resources, human resources, infrastructure, capital, technology and knowledge of the business. Availability, quality and costs of these production factors are influential on competitiveness and hence the assessment of perceptions of the selected respondents on these

factors as determinants of tea enterprise competitiveness (Table 4).

Considering physical resources, the respondents disagreed with the issue of insufficient source of water having some influence on the competitiveness of their tea enterprise. This was probably due to the fact that the tea estate is located in a high rainfall area with production at Tshivhase portion of the estate being entirely under rain fed condition while the irrigation applied at the Mukumbani portion was only supplementary. Under this condition, water source and its level of adequacy would indeed unlikely emerge as a determinant of tea enterprise competitiveness.

The respondents also disagreed on the condition of infrastructure being a determinant of competitiveness of their tea enterprise, be it the issue of availability or quality of the infrastructure. With the tea estate not fully relying on irrigation infrastructure to be productive, the major infrastructure required for the enterprise to be competitive would be processing facility, and the estate has a world class processing factory located at its Mukumbani portion. The perception of infrastructure not being an important determinant of the tea enterprise competitiveness is probably an indication that respondents were content with the available irrigation system and the tea processing factory.

Table 4. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on production factor conditions as determinants of tea enterprise competitiveness.

Production factor condition	Score
Physical- Insufficient source of water	2
Human- Labour	3
- availability of unskilled labour	3
- quality of unskilled labour	3
- cost of unskilled labour	3
- availability of skilled labour	3
- cost of skilled labour	3
- admin cost on labour matters	3
Infrastructure	2
- lack of availability	2
- lack of quality	2
Capital- Finance	3
- lack of availability	3
- cost	3
Technology	3
Knowledge	2
Cost of production	4
Average score	2.8

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree

As part of the tea revitalisation process, various initiatives were made to equip staff with relevant knowledge, including that on production, plucking, processing, sorting, grading, packaging and branding. The initiatives included sending relevant staff to countries such as Kenya, Tanzania and India where they were exposed to best practices of various aspects of the tea value chain.

Also, various service providers were contracted to develop different aspects of the tea value chain, and those interacted with and shared some knowledge and skills with relevant staff of the tea estate under study. These staff development initiatives affirmed the perception of respondents that knowledge was not a determinant of competitiveness of their tea enterprise (Table 4). The respondents agreed with the notion that the cost of production was an important determinant of tea enterprise competitiveness. As the respondents were occupying supervisory positions at the tea estate, they were probably exposed to the hard facts about cash flows of the estate, especially when the workers

demanded increases of salaries that were unaffordable. With information about high production costs (likely resulting from high wage bill), the respondents would have noted the influence of cost on tea enterprise competitiveness. The respondents were uncertain if the rest of the aspects of the factors of production were determinants of tea enterprise competitiveness. The overall perception of the respondents was that the condition of production factors at the Tshivhase-Mukumbani Tea Estate was not a determinant of competitiveness of the tea enterprise (score=2.8).

**Related and supporting industries:** The occurrence of related and supporting industries in an area determines the competitiveness of business enterprises in that area. Such related and supporting industries may include those involved in the supply of inputs such as packaging materials and energy (e.g. electricity) and those providing financial and research services (Porter, 1990). The perceptions of respondents on the role of related and supporting industries on tea enterprise competitiveness are therefore important (Table 5).

Table 5. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on related and supporting industries as determinants of tea enterprise competitiveness.

Related and supporting industry	Score
Supply of packaging materials	3
Supply of energy (electricity)	3
Financial institutions	4
Research institutions	4
Average score	3.5

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree

The respondents agreed with the view that financial and research institutions were determinants of competitiveness of tea enterprise and were uncertain regarding the influence of supplies of packaging materials and of energy. From inception to the time of the interviews, the tea estate was dependent on government grants with no support from financial institutions. The unaccomplished role of financial institutions was therefore regarded a constraint that needed to be addressed for competitiveness of the tea enterprise to be improved. Also, other than the market research that was not confined to the tea estate, not much research was done on the production and processing of tea, hence the respondents perceived research institutions to be determinants of competitiveness. It was only in 2010 that an attempt was made to introduce the Council on Scientific and Industrial Research to investigate tea

extracts and other products (Nesamvuni, 2014). With budget available, it was easy for the tea estate to procure packaging materials for use at the factory and electricity for consumption at the offices, production units and the factory. Accordingly, the perception of respondents was indifferent with regards to the influence of supplies of packaging material and electricity on tea enterprise competitiveness. The overall perception of the respondents was that related and supporting industries were determinants of competitiveness of the tea enterprise (score=3.5).

**Government support:** Occurrence and extent of government support is one of the determinants of competitiveness of business enterprises (Porter, 1990). Support by government may be in the form of regular interaction with the business enterprise, development of support policies on issues such as trade, land reform,

labour, and fiscal aspects, and indirect support through other services rendered by government (Nesamvuni, 2014). Knowledge of perceptions of selected respondents

on the extent to which various government support interventions served as determinants of competitiveness of the tea enterprise is important (Table 6).

Table 6. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on Government support as a determinant of tea enterprise competitiveness.

Government support intervention	Score
Government interaction with business entity	3
Development of support policy	3
trade policy	3
land reform policy	3
labour policy	3
fiscal policy	3
Indirect support	4
Average score	3.1

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree

The respondents perceived indirect government support to be a determinant of competitiveness of the tea enterprise. Since the inception of the tea estate, reliance was on government grants as the only source of funding (Nesamvuni, 2014), and this was probably the main 'indirect' support intervention in the minds of respondents. Other 'indirect' government support interventions may have included facilitation of (1) international missions for staff of the tea estate to learn from other tea developing countries and (2) community meetings for establishing sound relations between the tea estate and neighbouring communities. Although the above mentioned support interventions were direct to the tea estate rather than indirect, respondents may have regarded them indirect as they were not mentioned otherwise in the questionnaire. The respondents were uncertain if government interaction with the tea estate

and development of support policies were determinants of competitiveness of the tea enterprise. Also, the overall perception of the respondents was that government support intervention was not a determinant of tea competitiveness (score=3.1).

**Chance as a determinant of competitiveness:** Chance is one of the determinants of enterprise competitiveness (Porter, 1990). Important factors related to chance that are likely to influence competitiveness include (1) issues affecting stability (economic stability, political stability, and price stability), (2) health and security (HIV / Aids infections and crime), and (3) disasters (drought, floods, frost, and fires) occurring in the area of location of the enterprise (Nesamvuni, 2014). Investigation of perceptions of selected respondents on the prospective influence of these factors on tea enterprise competitiveness is therefore important (Table 7).

Table 7. Perceptions of supervisory employees of Tshivhase-Mukumbani Tea Estate on chance as a determinant of tea enterprise competitiveness.

Chance factor	Score
Stability	4
political	4
economic	4
price	4
Health and security	3
HIV / Aids infection	3
crime	3
Disasters	4
drought	4
floods	3
frost	3
fire	4
Average score	3.6

Key: 1 = Strongly disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly agree



The respondents regarded issues of stability (political, economic and price stability for tea) to be determinants of tea enterprise competitiveness. The workers supervised by the respondents were mostly members of labour unions with a lot of political influence. Lack of agreement on issues between estate management and labour unions often resulted in workers embarking on strikes which reduced production of the tea. It was probably a result of the politics of labour unions and accompanying strikes that influenced the respondents to develop perceptions that political stability is necessary for the tea enterprise to be competitive.

Economic and price stability had influence on the availability of markets for tea and the price at which it could be sold. The respondents were probably aware of the market related challenges for the tea produced at the estate under study, hence their perception that economic and price stability were determinants of competitiveness of the tea enterprise.

It was also noted that the respondents perceived disasters as being determinants of tea enterprise competitiveness, more so drought and fire. The recognition of drought as a determinant of competitiveness was probably based on experience as the study area had experienced drought in some years. Uncontrolled fire was perceived to be a determinant of competitiveness although the estate under study had reportedly not experienced a major fire disaster (Nesamvuni, 2014).

The respondents did not regard health and security issues to be determinants of tea enterprise competitiveness, suggesting there were no major challenges experienced related to the two factors. Although HIV / aids infection was broadly regarded an

issue in the province (OTP, 2009), the respondents did not think it was a determinant of competitiveness of the tea enterprise. However, the overall perception of the respondents was that chance was a determinant of competitiveness of the tea enterprise (score=3.6).

**Ten most important determinants of competitiveness of the tea enterprise:** Considering the six attributes that constituted Porter’s (1990) diamond model of competitiveness, only two were in overall perceived by respondents to be determinants of competitiveness of the Tshivhase-Mukumbani Tea Enterprise, namely: (1) related and supporting industries (score=3.5; Table 5) and Chance (score=3.6; Table 7). With regards to the rest of the attributes, the respondents were uncertain of their status as determinants of competitiveness of the tea enterprise.

The respondents were asked to rate 10 perceived influential factors from previous responses according to level of importance as determinants of competitiveness (Table 8). The factors rated were for the five attributes of Porter’s (1990) diamond model of competitiveness with the exclusion of government support of which only one factor (indirect support) had been perceived to be determinant of competitiveness of tea enterprise.

Strategies for improving the competitiveness of the study tea enterprise should therefore be based on five attributes of Porter (1990)’s diamond model of competitiveness, namely: (1) demand condition, (2) strategy, structure and rivalry, (3) production factor condition, (4) related and supporting industry, and (5) chance. Considering the majority rating, the factors were perceived to be ‘very important’ determinants of tea enterprise competitiveness with the exception of market availability that was rated to be ‘important’ (Table 8).

Table 8. Rating of determinants of tea enterprise competitiveness according to level of importance as perceived by supervisory employees of Tshivhase-Mukumbani Tea Estate.

Attribute	Factor	1	2	3	Remark
Demand condition	Market availability	8.11	37.84	27.03	Important
	Cost of market information	8.57	17.14	45.71	Very important
Strategy, structure and rivalry	Market power of suppliers	12.50	15.00	47.50	Very important
	Pricing strategy	22.50	27.50	35.00	Very important
Production factor condition	Cost of production	25.81	22.58	35.48	Very important
Related and supporting industries	Financial institutions	28.95	26.32	34.21	Very important
	Research institutions	27.50	25.00	30.00	Very important
Chance	Economic stability	25.00	8.33	50.00	Very important
	Drought	2.56	20.51	46.15	Very important
	Fires	10.00	27.50	60.00	Very important

Key: 1 = Less important                      2 = Important                      3 = Very important

Although lack of availability of market for black tea was regarded a serious constraint to the performance of the tea enterprise, the respondents could have reduced its level of importance as a result of arrangements that were in place for bulk marketing of the tea. Also, the respondents could have been hopeful that marketing of the tea as a finished packaged product would be a success. Linked to the five attributes of the diamond model, 10 specific factors were perceived by respondents to be important/very important determinants of tea competitiveness and should form the basis for development of strategies for improving competitiveness of the tea enterprise. The specific factors perceived to be important/very important determinants of tea enterprise competitiveness were: (1) market availability, (2) cost of market information, (3) market power of suppliers, (4) pricing strategy, (5) cost of production, (6) financial institutions, (7) research institutions, (8) economic stability, (9) drought, and (10) fires.

#### **CONCLUSIONS AND RECOMMENDATIONS**

Investments in any enterprise should be based on its competitiveness. Only two of the six attributes that constitute the diamond model were in overall perceived by the selected respondents to be determinants of competitiveness of the tea enterprise, and those were (1) related and supporting industries and (2) chance. The respondents were in overall uncertain regarding the status of the rest of the attributes as determinants of competitiveness of the tea enterprise. Some 10 specific factors within five of the six attributes (government support excluded) were perceived to be important/very important determinants of competitiveness of the tea enterprise, and those were: (1) market availability, (2) cost of market information, (3) market power of suppliers, (4) pricing strategy, (5) cost of production, (6) financial institutions, (7) research institutions, (8) economic stability, (9) drought, and (10) fires. Improved competitiveness of the tea enterprise requires good management of the 10 important determinants reported by the respondents.

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