Factors influencing the operational performance of co-operatives in South Africa: A case study of uThukela District Municipality

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DECLARATION

I, the undersigned, Mr. Nhlanhla Kenneth Buthelezi, hereby declare that this dissertation submitted to the Durban University of Technology for degree purposes has not been previously submitted for degree purposes to any other institution of higher learning. I further acknowledge that the work presented in this study is entirely my own, except where sources are acknowledged.

Signature

14 March 2020

Date

DEDICATION

This dissertation is dedicated to my parents, Mr and Mrs Buthelezi, for their endless support throughout my entire life.

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ABSTRACT

Co-operative enterprises are regarded as a vehicle to fight poverty, create employment and boost economic growth in South Africa. A high number of co-operatives in the country were created through initiatives of government agencies. However, co-operative enterprises have for a long time been experiencing operational performance difficulties.

The purpose of this study was to examine factors that affect the operational performance of co-operatives in South Africa. Primary data were collected from 136 co-operative members based in uThukela District Municipality, KwaZulu-Natal, using a structured questionnaire. A probability sampling method was used in this study, focusing on simple random sampling. Moreover, a quantitative approach was used for data collection and the data was analysed using the Statistical Package for the Social Sciences (SPSS) version 20 for windows. The data were presented in tabular form followed by the researcher's interpretations thereof.

The demographic findings of this study reveal that the majority of participants are middle-aged adults, most of whom are women and who have attained a high-school level of education. Moreover, the findings show that the majority of co-operatives have been in operation for less than five years. In addition, the findings reveal that a larger number of co-operatives in uThukela District Municipality are in the agricultural sector.

The findings also reveal that the majority of participants feel that management skills remained the crucial factor to co-operatives' operational performance. Moreover, a large number of participants highlight that co-operatives operational performance is enhanced by teamwork. In addition, the majority of participants highlight that technical skills affect the operational performance of co-operatives.

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GLOSSARY OF TERMS

AgriSETA	-	Agricultural Sector Education and Training Authority
ANC	-	African National Congress
CIPC	-	Companies and Intellectual Property Commission
COSATU	-	Congress of South African Trade Unions
DSBD	-	Department of Small Business Development
DTI	-	Department of Trade and Industry
DRDLR	-	Department of Rural Development and Land Reform
EDTEA	-	Economic Development, Tourism and Environmental Affairs
FET	-	Further Education and Training
GEM	-	Global Entrepreneurship Monitor
GVA	-	Gross Value Added
ICA	-	International Co-operative Alliance
IDP	-	Integrated Development Plan
ILO	-	International Labour Organisation
KZN	-	KwaZulu-Natal
LM	-	Local Municipality
LGSETA	-	Local Government Sector Education and Training Authority
NDP	-	National Development Plan
NSC	-	National Senior Certificate
NYDA	-	National Youth Empowerment Agency
NPO	-	Non-Profit Organisation
SRS	-	Simple Random Sampling
SA	-	South Africa
SEDA	-	Small Enterprise Development Agency
SMMEs	-	Small, Medium and Micro-sized Enterprises
SPSS	-	Statistical Package for the Social Sciences
UTDM	-	uThukela District Municipality
UN	-	United Nations
USAID	-	United States Agency for International Development
USD	-	United States Dollar

CHAPTER ONE: INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 Introduction

Chapter One presents an overview of the entire study. It provides the background to the study, definition of co-operatives, co-operative values, co-operative principles, co-operative history, problem statement, aim and objectives of the study, as well as the division of chapters.

According to Buthelezi (2010), co-operatives are seen as having the ability to close the gap between the alleged first and second economies in South African society, with the aim of creating employment and reducing poverty and inequality. There are numerous pronouncements made by South African government officials and documents emphasising the significance of co-operatives in the country's economy. The South African government has determined that co-operatives can be a vehicle to empower needy people, especially in the rural areas. At an international co-operatives conference in 2009, South Africa's former President Jacob Zuma summarised the rationale for investments in co-operatives as follows: "Our call for broad-based economic empowerment highlights the co-operative form of ownership to benefit the whole community in a collective manner, rather than developing an individual" (ANC, 2009).

The former Secretary-General of United Nations (UN), Mr Ban Ki Moon, requested government representatives around the world to create more attention and pursue policies for developing co-operatives (UN, 2012). Furthermore, Mr Moon mentioned that co-operatives are reminders that is possible to pursue both economic viability and social responsibility. Hence, the co-operative movement is originally a European invention and was started to eradicate poverty. According to Seechurn (2013), co-operatives are essentially a people's drive and is characterised by a spirit of mutual help and independence. Moreover, its primary objective is the economic empowerment of people and socio-economic progress of the country. In addition, the co-operative enterprises has been influential in fighting poverty, creating employment opportunities and improving the standard of living of millions of people across the world.

The International Labour Organisation (ILO) (2012) views co-operative enterprises as important to the living and working conditions globally as they make essential infrastructure and services available. Furthermore, co-operatives have been able to create and sustain employment worldwide. The International Co-operative Alliance (ICA) (2017) elaborates that co-operatives are major part of the worldwide economy. Furthermore, reports are that the 300 largest co-operatives in the world have a shared turnover of United States Dollar (USD), 2.2 trillion equivalent to the seven biggest international economies. In addition, co-operative enterprises have created employment opportunities for about 250 million people worldwide.

1.2 Background to the study

The South African government has admitted that co-operatives have an advantage over other types of enterprises, hence the focus is on their development (DTI, 2012). Thus the government has made a commitment to promote co-operatives over ten years (2012 to 2022) in order to unleash their potential to create and develop income-generating activities, as well as decent and sustainable employment. However, a DTI baseline study (2009) shows a low survival rate of co-operatives. Nevertheless, co-operatives remains a popular structure of government to create employment opportunities, stimulate economic growth, promote economic participation and enterprise development in South Africa (SA), with high number of registered co-operatives over the past fifteen years. The drivers of growth have been attributed to an enabling environment through a legislative framework such as the 2005 Co-operatives Act and 2013 Co-operatives Amendment Act, as well as support programmes across government departments.

According to Kashmir (2017), the co-operative sector has vital significance in view of the huge prospect of employment creation and scope of engaging educated youth to earn a living. Green (2011) observed that co-operatives have significantly contributed to improving the standards of living of half the world's population as they have lifted millions out of poverty, with nearly 1 billion people owning shares in co-operatives worldwide. Twalo (2012) attests and observes that co-operatives are influential in the country's economic growth, job creation and poverty reduction.

The Department of Trade and Industry (DTI) (2004) reported that one of the greatest challenges facing the SA economy is to increase the number of viable and sustainable co-

operative enterprises. Echoing the National Development Plan (NDP), the Department of Planning, Monitoring and Evaluation (2014) prominently mentions co-operatives as part of 'radical economic transformation' and observes that they will support excluded and vulnerable groups such as small-scale producers. The NDP envisages that the small business sector, including co-operatives, will create 98 per cent of the expected 11 million jobs by 2030 (Voinea, 2015).

Figure 1-1 shows the geographic distribution of these co-operatives as per the Companies and Intellectual Property Commission (CIPC) database, as accessed in February 2019. KwaZulu-Natal (KZN) was the leading province in the number of registered primary co-operatives with 32 per cent, followed by Gauteng with 19 per cent and the Eastern Cape with 15 per cent. The other provinces had fewer co-operatives, with the Northern Cape having least number of 1.5 per cent. Whilst there has been a high rate of co-operatives registrations in the past fifteen years, their survival rate has been low.

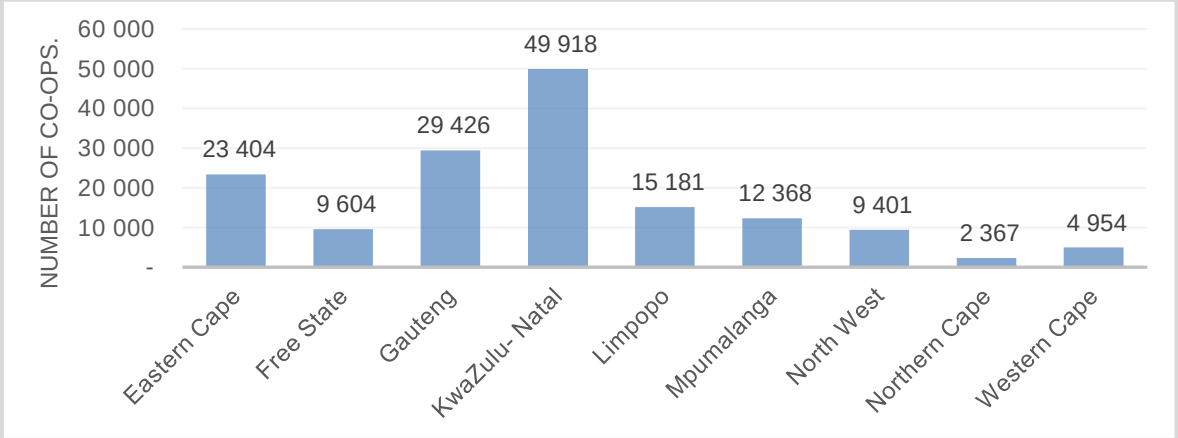

Figure 1-1: Number of co-operatives per province
Source: CIPC (2019)

The DTI (2012) integrated strategy on the development and promotion of co-operatives indicates that since 2005, the KZN provincial government has had one of the most aggressive strategies to promote co-operatives in the country. Moreover, in KZN, there is leadership commitment to effectively promote co-operatives. The KZN government disbursed an investment of R 454 million between 2005 and 2010 to support provincial co-operatives (PMG, 2010).

1.3 Definition of co-operatives

The ICA (n.d.) defines co-operatives as an autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Moreover, co-operatives are businesses owned and run by and for their members. In addition, whether the members are customers, employees or residents, they have an equal say in what the business does and a share in the profits. The ILO (2012) also describes co-operatives as an association of people who have freely combined together to realise a common end through the formation of a democratically controlled organisation, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking, in which members actively participate. The DTI (2008) similarly defines co-operatives as an autonomous association of persons united voluntarily to meet their economic, social and cultural needs.

Co-operative enterprises are a generic form of businesses alongside sole proprietorships, partnerships and incorporated forms (Wessels, 2016). Moreover, it is illegal to use the term co-op or co-operative if not registered with the registrar of co-operatives.

1.4 Co-operative values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others (ICA, 2017).

1.5 Core principles of co-operatives

Co-operative principles are the universally accepted guidelines by which co-operatives put their values into practice, namely:

- *Voluntary and open membership:* “Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination” (ICA, 2017);

- *Democratic member control:* **"**Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner" (ICA, 2017);
- *Member's economic participation:* **"**Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership" (ICA, 2017);
- *Autonomy and independence:* **"**Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy" (ICA, 2017);
- *Education, training and information:* **"**Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders about the nature and benefits of cooperation" (ICA, 2017);
- *Co-operation among co-operatives*: "Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures" (ICA, 2017); and
- *Concern for community:* "Co-operatives work for the sustainable development of their communities through policies approved by their members" (ICA, 2017).

1.6 History of co-operatives

According to ICA (2015), the exact origin of co-operatives has not been recorded. Moreover, the recorded earliest co-operatives comes from Fenwick, Scotland where, in March 1761 at a barely furnished cottage, local weavers manhandled a sack of oatmeal into John Walker's

whitewashed front room and began selling the contents at a discount. In addition, a group of 28 artisans in 1844 working in the cotton mills in the town of Rockdale in the north of England established the first modern co-operative business, the Rockdale Equitable Pioneers Society.

According to Deer (2013), the co-operatives' in SA dates back to the end of the 18th century when farmers started to arrange themselves into agricultural societies. Furthermore, in 1892 the first co-operative, the Pietermaritzburg consumer co-operative, was founded in the colony of Natal. In addition, co-operatives started thriving especially in the Cape Province. In 1907, there were already 53 co-operatives and 80 more were in the process of being established. Theron and Titus (2013) report that co-operatives in SA were utilised by commercial farmers to market their produce and also as predominantly Afrikaans-speaking sections of the white community to advance their social and economic interests.

1.7 Types of co-operatives

Co-operatives may take the form of primary, secondary or tertiary co-operatives. Types of co-operatives include but are not limited to an agricultural, marketing and supply, housing, worker, financial services, consumer, service, crafts and burial societies (CIPC, 2017). Co-operatives are owned by their members, who can be either producers (such as agricultural co-operatives or worker co-operatives) (Steinman, 2017).

1.7.1 Primary co-operative

"The primary co-operative is made up of a group of five or more individual members for the purpose of providing services and employment for one another and promoting community development" (CIPC, 2017).

1.7.2 Secondary co-operative

"A secondary co-operative is formed when two or more primary co-operatives come together because they are involved in similar activities and want to promote their services in the sector in which they are active" (CIPC, 2017).

1.7.3 Tertiary co-operative

“Tertiary co-operatives are formed by secondary co-operatives that come together to promote the interests of their members to government bodies, the private sector and other stakeholders” (CIPC, 2017).

1.8 Problem statement

A substantial portion of South African government resources has been spent on the promotion of co-operatives in the past fifteen years at the three spheres of government, with the aim of enhancing economic development, job creation and reducing poverty. However, there is little evidence of their survival and employment creation.

South African co-operatives have seen a failure rate of approximately 88 per cent each year (NCOP, 2010). Moreover, a baseline study commissioned by the DTI (2012) highlights that only 2 644 of 22 030 co-operatives could be verified to be in operation, representing a mere 12 per cent survival rate of co-operatives nationally. However, the highest mortality rate is in KZN and the number of surviving co-operatives is also the largest in KZN as compared to the other provinces.

1.9 Aim and objectives of the study

This study seeks to investigate the factors influencing the operational performance of co-operatives in South Africa. The study will focus specifically on co-operatives located in uThukela District Municipality (UTDM). The following are the objectives of the study:

- to investigate the challenges and opportunities impacting the operational performance of co-operatives;
- to assess perceptions of the lack of team-work amongst co-operatives members; and
- to examine if a lack of technical skills has an impact on the operational performance of co-operatives.

1.10 Significance of the study

The South African government recognises the importance of Small, Medium and Micro-sized Enterprises (SMMEs) and co-operatives, as key drivers of economic growth and job creation. Moreover, in 2014, the Ministry of Small Business Development was established indicating governments commitment to placing SMMEs and co-operatives at the heart of economic growth, promotion of economic participation, promotion of formalisation of informal businesses and job creation. However, a concern has been raised by the DTI (2012) regarding the low survival rate of co-operatives.

Findings from this study will provide details on factors which influence the operational performance of co-operatives. Furthermore, the results will provide inputs that may be used by policy-makers, specifically the Department of Small Business Development (DSBD); the Department of Trade and Industry (DTI); the Department of Rural Development and Land Reform (DRDLR); the KZN Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA); and the Small Enterprise Development Agency (SEDA).

Furthermore, this study aims to assist in the improvement of co-operatives' survival rate by contributing to the resolution of co-operatives' operational performance challenges. Hence, improving operational performance of co-operatives will contribute to sustainable development through their contribution to economic growth, poverty alleviation, employment creation, crime reduction and community development.

1.11 Research methodology

This section provides a summary of the methodology used in this study. The detailed methodology of this study is covered in Chapter Three. The influence of the literature review in the study, as well as the empirical research, are highlighted as follows:

1.12 Literature review

The literature review will be guided by the objectives of the study. The aim of the literature review is to collect information that is relevant to the objectives of the study. Msweli (2011)

defines the literature review as a critical evaluation of literature written to fulfil particular aims or reveal certain views on a particular subject being studied. The literature review focuses on the findings investigated by other authors and bodies of knowledge that have investigated similar research problems related to co-operatives' operational performance. Moreover, the literature review allows the researcher to formulate questions that are included in the questionnaire of the study.

1.13 Empirical research and study population

This study is quantitative in nature and a self-administered questionnaire was used as a tool to collect data. Structured questionnaires were randomly distributed to 145 to co-operative enterprises located within UTDM. Of these, 136 questionnaires were completed by co-operative members. A letter of consent was attached to each questionnaire, intended to ensure that participants were informed on the nature and purpose of the research. Participants were assured that their responses were to be used for research purposes only. The Statistical Package for the Social Sciences (SPSS) was used in the statistical analysis of the data collected from participants, based on descriptive, correlative and conclusive statistics. These include the one-sample t-test and Spearman's correlation. Data analysis was done through the use of standardised tables for consistency.

1.14 Structure of the dissertation

The study is divided into five chapters. Briefly, the contents of the remaining chapters are as follows:

- **Chapter two: Literature review**

This chapter forms the foundation of the whole study and provides a framework analysis for the study. Moreover, this chapter presents the findings investigated by other authors on factors that affect co-operatives' operational performance.

- **Chapter 3: Research Methodology**

This chapter outlines the research methodology used in this study, which includes data gathering, pre-testing and the administration of the questionnaire. Furthermore, this chapter presents the study limitations, steps taken to avoid bias and the method for statistical testing.

- **Chapter 4: Data analysis**

Chapter Four provides the analyses, interprets the information collected and presents the findings for this research study. This chapter also contains results pertaining to demographics, descriptive statistics, the one-sample test and correlation.

- **Chapter 5: Summary, recommendations and conclusions**

This chapter outlines the conclusions and recommendations. Furthermore, the chapter attempts to answer the questions raised and then provides a more conclusive picture of the research. All-concluding remarks are made in this chapter, followed by mentioning possible areas of future research.

1.15 Conclusion

This chapter has briefly outlined the introduction and the background to the study and has presented the significance of undertaking the study. The study seeks to assess the factors affecting the operational performance of co-operatives in SA.

The next chapter provides a detailed literature review.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The previous chapter mainly outlined the introduction, background, problem statement, the aim and objectives of this study. This chapter present findings investigated by other authors and bodies of knowledge who have investigated on similar research problems of co-operatives' operational performance. Furthermore, their reviews illustrate what research has already been done and outline gaps in the previous research on the subject.

This chapter comprise of three sections. The first section discusses challenges and opportunities impacting the operational performance on co-operatives. Section two investigate teamwork as a driver for co-operative members' performance. This is then followed by section three, which assess technical skills on co-operative for the operational performance. Section four which is the final section of this chapter will give the conclusion of the chapter by highlighting major points.

According to Msweli (2011), literature review is a critical evaluation of literature written to fulfil particular aims or reveal certain views on a particular subject being investigated. However, Pautasso (2013) point out that it is vital for the researcher to be aware of the latest studies and they should not become out-of-date before it is published.

2.2 Challenges and opportunities impacting the operational performance of co-operatives

This section provides an overview of the challenges and opportunities impacting the operational performance of co-operatives enterprises.

2.2.1 Overview of the operational performance of co-operatives

The operational performance is one of the crucial components of the overall performance of co-operatives (Shu, 2011). Salem (2003) concur that the operational performance is the pillar of any organisational performance. O'Brien (2009) add that the operational performance is presentation of an organisation against its set standards such as meeting quality standard, waste reduction, professional service, marketing and sales, productivity, cycle time, environmental responsibility and regulatory requirements. However, Kamau

(2016) points out that organisational performance is the capability of an organisation to fulfil its mission through governance, excellence and dedication to meeting its objectives. Furthermore, Kamua elaborates that effectiveness is an extent to which customers' needs are fulfilled, while he defined efficiency as a measure of how economically firms' resources are utilised. Kamau (2016) in addition, points out that to accurately enhance accessibility and the evaluation of operational performance, the correct measurement networks need to be developed, and implemented in order to monitor and maintain the operational performance control.

According to Aini, Hafizah and Zuraini (2012), all organisations including co-operatives have to measure their performance. Moreover, the authors emphasise that past studies have revealed that performance measurement provided more informed decisions for the future strategies of organisations. In addition, it assists organisations in strategic planning, management and continuous improvement. However, Mangaleswaran and Alfred (2014) explain that co-operatives' operational performance is usually measured against standards or indicators of effectiveness and efficiency. Hwang *et al.* (2014) outline that evaluating appropriate performance provide a key role for an organisations success. For this reason, performance measurement has gained a tremendous amount of attention and because it has a significant influence on organisations. Hwang *et al.* (2014) further elaborate that a lack of proper performance measures results in failure to meet customer needs, causes the organisation to have low competitiveness and incites low profit in the business. Furthermore, the authors emphasise that well extracted metrics can increase the chances for success by inspecting the entire process of the company's environment. Additionally, the results of the performance measurement delivers the company's competitive advantages through correcting the company's defects. Ababiya (2013) argues that performance measurement is a process for collecting and reporting information regarding the performance of an individual, group or organisations. Furthermore, it can involve looking at processes and strategies in place, as well as whether outcomes are in line with what was intended or should have been achieved. Keramidou (2013) notes that performance analysis is considered as the major factor driving the survival of an enterprise.

Chibanda, Ortmann and Lyne (2009) define co-operatives' performance in terms of key performance indicators such as generating a net surplus, access to equity and debt capital. Kyazze (2010) highlights that the steady decline in the operational performance of co-operatives' has often been attributed to a variety of factors which may be classified into the

internal and external causes of poor performance. Internal causes include negligence and theft of funds by co-operative representatives. He further outlines that there were instances where employees, especially co-operative members, who misused assets such as vehicles and defrauded funds marked for paying suppliers for the delivered produce to satisfy personal interests. The results were the frustration of members who subsequently withdrew their participation. According to Kayzze (2010) there was inadequate membership oversight and management committee members schemed with employed staff to misuse funds. Moreover, this was compounded by members' ignorance of their rights and obligations in the management of their co-operatives. In addition, the causes that were external to the co-operative movement included wars and political instability that saw co-operatives lose assets such as vehicles, buildings and stocks of produce.

According to Sexton and Iskow (1988), there is no business success guaranteed, due to bad luck, unexpected hostile economic conditions, new competition, changing consumer preferences, et cetera. They further elaborate that these factors can upset even the most cautiously planned, best run organisation. However, the key factor is to set up price and output policies to improve the performance of co-operatives. Ogaboh, Attah and Ebong (2015) suggest that the government should help train executives in proper and best practices for worker and staff motivation. Moreover, the authors elaborate that since co-operatives are not only managed by members but utilise the services of non-members, consequently employees should be properly motivated to boost their effectiveness and promote the overall operations of the organisation. In addition, the operational effectiveness and efficiency of co-operative organisations are enhanced through financial and technical assistance.

Dixit, Sharma and Ali (2014) believe that co-operatives in the farming sector face difficulties in the timely completion of field operators due to a lack of mechanisation inputs like:

- improved implements for tillage operations;
- puddling;
- sowing or planting;
- Inter-culturing;
- irrigation equipment;
- plant protection;
- harvesting;

- threshing;
- drying; and
- process equipment.

Furthermore, the application of mechanisation technology increases agricultural productivity and stresses that labour tied up with physical farm operations release higher value activities. In addition, the points below are suggested to accelerate the pace of mechanisation:

- Hand tools technology can be improved for marginal and small farmers through the introduction of appropriate and suitable tools;
- The adaption of improved and suitable animal-drawn matching implements and by using the animal for other use to increase their annual utilisation;
- The development of custom hiring services in power equipment and machinery through entrepreneurs, self-help groups and co-operatives;
- The popularisation of mechanical power technology through large-scale demonstrations on farmers' fields; and
- The development of proper agricultural engineering packages.

2.2.2 Management and Governance of Co-operatives

This section discusses available evidence which suggest that management and corporate governance does affect the operational performance of co-operatives. King (2016) defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the following governance outcomes:

- ethical culture;
- good performance;
- ethical control; and
- legitimacy.

Good management, good governance and human capital affect the operational performance of co-operatives (Sumelius, Tenaw & Bäckman, 2013). Rachal (2018) affirms that the effectiveness of management is critical in determining the success or failure of the co-operative. Additionally, Masango (2015) echoes that management practises have an impact in operational performance of co-operatives. He further mentions that the main causes of poor performance are lack of governance and managerial skills. In addition, Masango (2015)

reveals that the management level in most co-operatives is very low since the literacy level tends to be lower than the National Senior Certificate (NSC) grade 12. According to Mwamunye (2015), resources and management skills remained the key determinants of co-operatives' performance. In his view, Mwamunye recommends that members should have strategies of enhancing their skills and share capital if their co-operatives were to remain vibrant and competitive. Moreover, Mwamunye (2015) highlights that responsibility, skills, resources, ability and knowledge are key factors influencing the success of projects. In addition, Mwamunye summarises that training, managerial skills, information, resources and government support influenced the operational performance of co-operatives.

Bond (1999), accentuates that co-operatives' boards of directors play a vital role in connecting managers' actions to members' interests. Moreover, Bond (1999) mentions that both the corporate and co-operative boards are accountable for monitoring the performance of management, forming long-term strategic plans, as well as understanding financial and strategic actions undertaken by the organisation. In addition, to function effectively in this capacity requires that directors have basic literacy in finance and have some understanding of business strategy. The SA Department of Agriculture (2000) maintains that the board of directors is ultimately responsible for the success or failure of their co-operatives. Couchman and Fulton (2016) reiterate that boards in failed co-operatives lack oversight to develop a relationship with their management, which give a clear strategic direction linked to the needs of their members and a proper evaluation system of mergers, acquisitions and investments. Moreover, board members who fail to understand their role in a co-operative, appoints managers who have thinly concealed contempt for co-operative values. In addition they elaborate that it is easy to point fingers at the directors of failed co-operatives, but it is far harder to come up with how the selection process could be improved. However, it is unlikely to have one single solution, but to be a combination of a more rigorous election process, greater access to co-operative education, drawing from a wider pool of members and stronger support once elected.

On the other hand, Berube, Lamarre and Rutherford (2012) accentuate that some of the main strengths of co-operatives are their consensual and consultative decision-making process. Furthermore, they contribute to one of greatest delayed actions, including operations due to healthy but lengthy debates that take place at multiple levels of the co-operative. In order to increase their responsiveness to changing conditions, co-operatives must strike a better balance between their democratic nature and executive agility. This

argument is further corroborated by Olabisi and Petronilla (2011) who state that members' participation has been a driving force for the positive and favourable performance of co-operative enterprises.

This section presents challenges relating to the management of co-operatives' worldwide. These include Kenya, Malawi and India. It also discusses specific governance issues relating to co-operatives. Chrispinus (2014) states that there are various aspects that affect the performance of savings and credit co-operatives in Kenya, including governance and members' patronage of the co-operatives' products and services. Moreover, Chrispinus mentions staff competence, sound liquidity management, good internal controls, increased savings form members, improved technology and staff motivations. In addition, if the co-operatives are well guided, they will provide a high return on members' contributions and will assist to reduce poverty in the community through proper investment from members. However, Nkhoma (2011) believes that the main problem contributing to poor performance of co-operative farmers in Malawi includes failure to access produce markets. Nkhoma, further elaborates that this is caused by complexity of the market environment and internal problems which include inadequate skills leading to poor management and poor governance. In addition, this results in lessened enthusiasm by members of co-operatives' in the operations of the organisation. In contrast with the previous statement, Katar and Pundir (2000) highlight that despite the overwhelming importance of co-operatives' in India's rural economy; most of co-operatives were constrained by a lack of professionalism in management; outdated co-operative law; extreme control and interference by government; lack of good elected leadership; small size of business and hence inability to attain financial viability. Moreover, they observed that all of the above factors needed to be addressed if co-operatives were to remain relevant and competitive, both in the local and international market. The most comprehensive summary of factors influencing performance was noted in a literature review by Theo *et al.* (2007). These include:

- individual characteristics;
- parental influence;
- business motivation and goals;
- business strategies, goals and motives;
- networking; and
- entrepreneurial orientation.

According to Nkhoma (2011), most co-operatives have been unsuccessful to advance performance due to inadequate resources. Furthermore, they lack access to financial resources to help them expand their businesses, which inhibits their investment opportunities in better technologies. In addition, often the credit awarded to them is insufficient to meet the financial needs of the organisation. Thibault *et al.* (2002) suggest that factors influencing business performance could be attributed to personal factors such as demographic variables and business factors such as the amount of financing, use of technology, age of business, operating location, business structure and number of full-time employees, all of which are important factors in examining the performance of small-scale business operators. The Global Entrepreneurship Monitor (GEM) SA (2014) reveals that lack of access to finance and poor profitability are some of the reasons for enterprise failure in SA. Moreover, typical difficulties for small businesses and co-operatives getting funding include:

- inadequate collateral;
- a lack of credit history;
- the inability to produce an acceptable business plan according to financial institutions;
- poor market research and the absence of a viable business idea; and
- lack of access to vibrant markets.

Research in this field also suggests that the differences in the achievements of men and women are attributed to the inability of women to realise their full potential because they are denied equal access to opportunities in labour markets and to resources (Carter, Ibarra & Silve, 2007) . Moreover, this in turn has prevented women from acquiring the skills and capabilities necessary to compete on an equal basis with men. They further assert that once equal access to resources is ensured, gender differences in performance seemingly disappear. Fischer *et al.* (1993) argue that men and women are naturally different because of differences in their socialisation, training and experiences encountered prior to entry into particular work positions. Moreover, as a consequence, women adopt different approaches to work which may or may not be as equally effective as those adopted by men.

2.3 Teamwork as a driver for co-operative members' performance

In the business world including co-operatives, the term "team" is often referred to describe a group of employees in an organisation who are working together on a certain task (Newell, 2017). However, according to Salas (2014), teams are a different set of two or more individuals who interact, dynamically, interdependently and adaptively towards a common objective. Furthermore, Salas highlights that teamwork involves the performance of specific tasks that team members need to accomplish. Teamwork is defined by Asyali, Saatcioglu and Cerit (2014) as behaviour that facilitates effective team member interaction. Stasz *et al.* (1996) argue that teamwork is a description of how work is organised. They further elaborate that what constitutes a "team" is subject to local definition and thus must be defined in relation to the working context. Thus, the "skill" or "interpersonal competency" needed to participate in a team depend on the work of the organisation. Mdamba *et al.* (2014) define teamwork as a group of two or more individuals who work together to accomplish a collective goal through mutual interdependence. They further elaborate that teamwork implies that individuals work in a co-operative setting, in the interests of achieving a collective goal by sharing knowledge or skills, whilst being flexible in serving multiple roles within the organisation. Wheeler and Stoller (2011) similarly defines teamwork as a group of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable. According to West *et al.* (2003), a simple way to explain teamwork is in terms of its outcomes. They elaborate that teamwork occurs when people have strong relationships where they work together well so that they succeed at their tasks. In addition, teamwork involves helpful, supportive and integrative actions that in turn help teams to succeed at tasks and strengthen interpersonal relationships. Mathieu *et al.* (2008) stress that even with experience of the task, a team will fail if the members are unable share knowledge and trust one another. Teamwork is essential for a successful team performance.

The strength of the bond between members and their co-operative is the most important factor in co-operatives (United States Department of Agriculture, 1993). Furthermore, the lack of members' support is one weakness that can delay co-operative growth. Kumari, Usmani and Hussain (2015) echoes that the real strength of any co-operative entity is its inner strength that originates from teamwork and the commitment of members. The authors point out that co-operative leaders are responsible for improving skills and whole organisational commitment for effective teamwork, which in turn plays a significant role to

improve the overall performance. According to Mbaraka (2017), organisations worldwide including co-operatives, have various ways of enhancing their employee's operational performance, although these vary from one organisation to another depending on the actual functions of each organisation and culture embraced therein. However, Opiyo (2010) contends that those organisations performing poorly had implemented the wrong management strategies to foster team performance, such as a lack of the proper use of teamwork, amongst other challenges.

According to Bhasin (2017), teamwork amongst co-operatives members is always valuable. Moreover, it increases employee performance and organisational output. In addition, Bhasin (2017) identifies five teamwork advantages as follows:

- It reduces unproductive competition as teamwork encourages employees to work together for the benefit of the organisation. It also lessens the desire of employees to compete against each other;
- Teamwork improves knowledge sharing. Every member in a team is encouraged to participate and contribute to the task at hand, which results in compounded outputs;
- It fosters good communication. Teamwork enhances effective communication between employees and the organisation at large;
- Facilitate the easy achievement of organisational goals. Teamwork ensures that everyone gets on board and strives towards the common goal; and
- It establishes trust. Working in a team builds confidence in any setting and creates strong relationships amongst employees.

2.3.1 Teamwork characteristics

Co-operative enterprises are organisations that rely on teams for their own survival. Unfortunately, some struggle due to a lack of implementing and using the characteristics of teams (Mbohwa, 2016). Woodcock (2016) emphasises the team development process is crucial when co-operatives are working towards building effective teams within enterprises. He further identified successful characteristics of teams as follows:

- clear targets and agreed goals;
- openness, educate and trust others;
- cooperation and free of conflict;
- sound working and decision making procedures;

- appreciation of training in leadership and management;
- regular inspection;
- individual development plans; and
- sound inter-group relations.

The United States Department of Agriculture (1993) reports that co-operative leaders have suggested conduct to strengthen performance through teamwork as follows:

- know how members function and make them successful through providing opportunities to initiate ideas and discuss proposed actions;
- run the business efficiently;
- provide up-to-date service; and
- remember that little things count big in developing members' loyalty.

Kwasira *et al.* (2013) express their opinion that operational performance can be improved by the practise of teamwork. They further highlight that in teams, "people know what their priorities are, what they should be doing, what they should be aiming for and how well they contribute to the overall team objectives". Werther (2000) as cited by Kwasira *et al.* (2013) mentions that there are a number of factors constituting an effective and efficient team. He suggests that such a team must have a clear purpose. This means that the vision, mission and goals of the team must be clearly defined and shared by all members of the team. Moreover, sharing outlines the purpose of the team, which is translated into a plan of action. He further highlights that in all effective teams, roles and tasks are fairly distributed amongst members with clear expectations. El-Kot (2005) asserts that "teamwork is fitting within a collectivist culture in which employees are committed to one another and to the employing organization, wherein emphasis is placed upon co-operative rather than competitive relationships. Moreover, El-Kot (2005) mentions that if one takes the Japanese model as the ideal, then this collectivism, commitment and cooperation also needs to be accompanied by long-term employment and the feelings of security engendered, seniority-based promotion and team-based reward policies. In addition, El-Kot emphasises that if the team is to be granted autonomy in certain areas of decision-making, then the cultural profile should encompass values and attitudes on the part of both management and employees".

According to Scarnati (2001) as cited by Tarricone and Luca (2002), research has provided a number of attributes essential for positive teamwork namely:

- *Commitment to team success and shared goals:* Team members are committed to the success of the team and their shared goals for the project. Successful teams are motivated, engaged and aim to achieve at the highest level;
- *Interdependence:* Team members need to create an environment where, together, they can contribute far more than as individuals;
- *Interpersonal skills:* Including the ability to discuss issues openly with team members, being honest, trustworthy, supportive and showing respect and commitment to the team and to its individuals. Fostering a caring work environment is important, including the ability to work effectively with other team members;
- *Open communication and positive feedback:* Actively listening to the concerns and needs of team members and valuing their contribution and expressing this helps to create an effective work environment. Team members should be willing to give and receive constructive criticism and provide authentic feedback;
- *Appropriate team composition:* This is essential in the creation of a successful team. Team members need to be fully aware of their specific team role and understand what is expected of them in terms of their contribution to the team and the project; and
- *Commitment to team processes, leadership and accountability:* Team members need to be accountable for their contribution to the team and the project. They need to be aware of team processes, best practice and new ideas. Effective leadership is essential for team success, including shared decision-making and problem solving.

Another perspective by Kirkwood (2010) as cited in (Mdamba, 2014) argues that teams are the key component of improved productivity and quality of co-operative enterprises. The author further elaborates that teams are critical in reducing absenteeism, increasing innovation and improving organisational adaptability, as described below:

- **Improved quality of life**

Teams are critical in improving the quality of the working environment in co-operatives in which teams are empower to take control over working processes. Furthermore, the sense of ownership and accountability is increased, which creates a satisfying and rewarding environment, thus improving the quality of life (Mdamba, 2014).

- **Lower absenteeism**

Members of the team are encouraged by a satisfying and rewarding environment, which plays an important role in decreasing absenteeism within the organisation. Moreover, team

members take pride in their work, especially when the other members are available to provide input (Mdamba, 2014).

- **Increased innovation**

Teams can successfully develop new ideas because every team member is allowed to test new innovative ideas, thus increasing co-operative efficiency (Mdamba, 2014).

- **Organisational adaptation and flexibility**

Involving teams in the organisation help to improve productivity and to contribute in solving a variety of management problems. It also helps the organisation to influence change when needed. Moreover, effective team coordination and integration culminates in high productivity because the organisation is able to eliminate process blockages, resulting in flexibility and speed in the finalisation of tasks. In addition, effective teams can produce impressive results. These may, however, also end in failure because teams are not appropriate to all types of business. Therefore, teams have to be adaptable in assessing the environment of the organisation in order to achieve the desired results (Mdamba, 2014).

2.3.2 Barriers to effective teamwork

Co-operative employees who do not connect or who are unaware of right connection channels to use within the co-operative can cause failure to the team (Root, 2019). Root further mentions that a work team is developed to accomplish certain goals. Therefore, when those goals are not properly defined, the co-operative cannot work successfully. In addition, a leader is needed for a team to succeed. Organisations, including co-operatives, in most cases do not realise their full potential due to obstacles that get in the way of their realisation (Brodie, 2009). Ortmann and King (2007) reported that “any organisation in which ownership and control are separate will to some extent experience problems due to a divergence of interests between the principals, which are the co-operative members and their representative board of directors”. Moreover, they mention that diverse objectives amongst co-operative members can result in costly influence activities

According to West (2012), co-operative members rely on each other for the performance of their co-operative. Furthermore, he states that members have to be supportive of each other to accomplish co-operatives objectives. In addition, West presents the following seven barriers to effective teamwork:

- **Lack of team purpose and tasks**

The only reason of having a team is to get a task done, a job accomplished or a set of goals are achieved (West, 2012).

- **Lack of freedom and responsibility**

Creating a team and failing to give them the freedom and authority to act is like teaching a person to ride a bicycle, giving them a bike but not telling them they can ride only in the house (West, 2012).

- **Too many members or the wrong members**

Teams should be as small as possible to get the task achieved. It is essential that teams have members with the necessary skills to get the task achieved (West, 2012).

- **An individual-focused organisation**

Creating team based organisations means radically altering the structure, the support systems and the culture (West, 2012).

- **Team processes are neglected rather than developed**

Teams need to have clear objectives, meet regularly, participate in constructive debate about how best to serve client needs, share information with one another, coordinate their work, support each other and review performance and think about ways to improve it (West, 2012).

- **Directive instead of facilitative leaders**

Leading a team is different from supervising one. Supervisors are directive and advice-giving. A leader of a team is instead facilitative and seeking. The leader's role is to ensure that the team profits optimally from its shared knowledge, experience and skill (West, 2012).

- **Conflict with other teams**

The more consistent and effective a team becomes, the more competitive and partisan they tend to be in their relationships with other teams throughout the organisation. Therefore, inter-team cooperation needs to be established and reinforced (West, 2012).

2.3.3 Teamwork Measures and Successes

To achieve maximum performance from co-operatives, Mbaraka (2017) makes the following recommendations:

- All employees should belong to a team and be trained to ensure that they understand and concur on the benefits of teamwork on quality and efficiency;
- Team members are individuals with diverse emotional needs. This must be known and individual differences understood in order to create teams that are able to utilise them as strengths and not weaknesses; and
- Develop more effective teamwork to enhance organisational performance.

Brannick, Salas and Prince (2009) indicate that research by different authors suggest that a team of individuals should be observed and teamwork rated. They elaborate that individuals should be motivated and have the skills necessary to use measurement effectively. However, the successful performance of teams includes communication amongst several members who must work as a team. In addition, a key feature of teams is that members must manage their decisions and activities by sharing information and resources to achieve shared goals. Kloefkom (2016) was clear by mentioning that the elements of a successful team have the following qualities in order to enhance co-operatives' operational performance:

- **Common purpose**

It is important that a team works together towards the same goal, understands the goal and makes sure that it is challenging, clear and far reaching. Essentially, the work a team accomplishes is one with a common purpose (Kloefkom, 2016).

- **A common approach**

All team members should have a shared understanding of how the team operates. Each member will bring his or her own approach, yet the themes and core principals should be

the same. Asking each team member what he or she considers the essentials are for their team can test this element. If there is commonality in responses, then they are on the right track (Kloefkom, 2016).

- **Complementary abilities**

Obviously, no one person has the skills to do everything. Yet, when a group of employees raises their skills, a team has the overall skill set to accomplish the work (Kloefkom, 2016).

- **Mutual accountability**

Team achievement is linked to the success of members and no one can succeed without the contribution of others. There is responsibility to each other, not just to a manager or leader. Keep in mind that shared responsibility leads to trust. (Kloefkom, 2016).

- **Enabling structure**

Team systems, roles and norms are firmly set in place, organised and functional. Yet, it should feel liberating to team members. With this element, members of the team should understand the structure; how work is to be accomplished and presented; and to whom and for what they are accountable. When people understand their roles, they are able to work more confidently towards team goals (Kloefkom, 2016).

- **Inspiring leader**

The greatest teams are commanded by managers who shares the organisation's vision, lead unpretentiously and are always open to feedback. They encourage staff development; they have open communication; and most importantly they are not afraid to delegate and give the team credit where due (Kloefkom, 2016).

2.3.4 The nature of trust

According to the DTI (2012), "due to the unique nature of collective interest and participation, co-operatives rely on high levels of trust between members. Moreover, the lack of a shared vision, approach, financial trust and strong social ties has contributed to the closing of a number of co-operatives". Smith, Carroll and Ashford (1995) point out that trust has emerged as the attitude most critical to the formation of cooperation within organisations. Manktelow *et al.* (2018) argue that employees without confidence are not really a team, it is just a group

of individuals working together, usually develop inadequate progress. Moreover, team members might not share information, might battle over rights and they may not cooperate with one another. However, when trust is in place, each individual in the team becomes stronger because he or she is part of an effective and organised group. In addition, without trust there is less innovation, collaboration, creativity and productivity. This is supported by Geisler (2012) who asserts that without trust in the room, team members will not open up about their fears, frustration, failures, challenges, ideas or personal ambitions. However, Brodie (2009) indicates that it is essential for members of a co-operative to be confident that that other members will perform their tasks to achieve team-work. Moreover, he elaborates that building confident takes time, commitment and trust.

According to Prichard and Ashleigh (2012), trust is one of the most key factors for a team to be effective. Rynes *et al*. (2005) argue that "it is critical to understand how team composition influences team trust and cooperation within cross-cultural project teams, where members with different cultural origins work together towards a common goal". However, according to Homan, Carsten and Astrid (2004), team members from diverse cultural backgrounds will have clear differences, which could define whether they will be inclined to follow co-operative team norms, exert themselves on behalf of the team regardless of differences and favour the whole group over the sub-group.

2.3.5 Members' participation

Co-operative members' participation in affairs of their enterprise increases the feeling of ownership and responsibility of operational success (United States Department of Agriculture, 1993). However, members themselves must make an effort to participate. According to Ngwamba (2016), membership participation, availability of inputs such as capital, land, skilled labour, less stiffened state policy and regulatory frameworks can add to the success or failure of co-operatives' operational performance. Moreover, effectiveness in the operations of co-operatives relies on numerous factors, which involve the availability of co-operative criteria such as regular communication amongst the elected operational structures through performance appraisal meetings and workshops. In addition, these factors have direct implications for co-operative operations, hence a lack of each factor might result in destruction in the operational process, leading to the co-operative being unsuccessful. Amini and Ramezani (2008) identified that active member participation in the

administration of co-operatives is a critical factor influencing the performance of co-operatives. Acharya (2015) argues that increased by a participation number of co-operative members has the potential to cause conflict amongst members. Moreover, these conflicts have the potential to influence the success of co-operative operations. However, Mahazril, Hafizah and Zuraini (2012) argue that active member participation helps management in carrying out their responsibilities, since members' involvement maintain the direction of the co-operative towards enhancing performance. The honourable Prime Minister of Malaysia, Razak (2010), on his message in the National Co-operative Policy (2011 – 2020), agreed that members' active participation and loyalty amongst co-operative members determines the success of co-operative.

Mahazril *et al.* (2012) report that active member participation should help co-operative leadership in carrying out their responsibilities since members' involvement should maintain the direction of co-operatives towards improving the co-operatives' performance. Mach and Baruch (2015) argue that "when a new team project is established, members bring their personal traits and previous experiences, as well as the tendency to act in different ways at different moments, depending on the effects of other members' interactions. Furthermore, several conditions should be met in order for teams to perform to its best".

Solansky (2011) believes that not all responsibilities needs the abilities of multiple team members. Moreover, effective teamwork produces more when identification is present. Through identification, group members are motivated to contribute to the group's success because this increases feelings of pride and respect. In addition, even some teams with highly skilled individuals fail because they do not develop into a unified unit. Eizen and Desivilya (2006) argue that a critical distinction between individual oriented-work and teams is the extent to which individual members identify with their teams.

However, Shaver *et al*. (1991) argue that there is still a need for a single person in whose mind all of the possibilities come together, who believes that innovation is possible and who has the motivation to persist until the job is done. Moreover, there is usually a key entrepreneur in any co-operative. This then raises the question of whether the entrepreneurial team is a genuine team. The entrepreneur usually specialises in taking critical decisions about the management of scarce resources (Pasanen, 2003). Moreover, therefore an entrepreneur is a person, not a team, since only individuals can make decisions. Ensley *et al*. (2000) agree that within a co-operative enterprise, "there will be a

principal member who creates the vision and gathers others who share that dream. However, many organisations are still started by single entrepreneurs because it is the simplest way to proceed and it is not necessary to agree with other team members about time, money, power or future direction, neither is it necessary to develop good working relationships. In addition, many entrepreneurs are so committed to their ideas and business that they are not willing to bring in other members".

2.4 Importance of technical skills in co-operatives

This section provides an overview of technical skills and their importance in the operational performance of co-operative enterprises.

2.4.1 Technical skills

Technical skills are job specific competencies that every employee in a given role needs to possess (Johansson, 2016). The author further elaborates that they include skills such as how to use a specific machine, software system or process. According to Makaringe (2016), the lack of technical skills amongst co-operatives undermines the chances of their success and also contributes to tensions between co-operative members. Kimetto (2017) adds that inadequate technical skills result in poor, which cannot compete positively with competitors. Harris, Stephanson and Fulton (1996) posit that the success of a co-operative is driven by employee's technical skills.

The majority of authors outline technical skills as the ability to use the tools, procedures and techniques of a special field (Hellriegel *et al*, 2012); (Cronje & Smit, 1997) & (Robbins & De Cenzo, 1998). George and Keown (2013) iterate that technical skills enable one to understand the machines and tools one uses. According to Barreira (2005), an organisations technical and industry competencies are an important form of expert power that facilitate the implementation of the organisations' vision and strategy. Moreover, industry-specific skills and relevant technical skills directly affect performance. Doyle (2017) defines technical skills as the abilities and understanding needed to perform specific tasks. Furthermore, numerous industries require employees with technical skills experience. Many technical skills require education and experience to master. In addition, they are also a type of hard skills and are those skills that can be learned, defined, evaluated and measured. The five categories

identified by Hirschowitz *et al.* (1989) as cited by Perks and Struwing (2005) consist of the following categories:

- product knowledge or what a particular product could do and what it could be used for;
- process knowledge or how to manufacture the relevant product and the steps that need to be taken into account;
- knowledge of the market and the type of the firm or person who would actually need or who could find a use for the product or service;
- knowledge of the service being offered and how to perform the tasks necessary to render the service; and
- knowledge of methods of communication to inform customers of the product or service.

2.4.2 Training and technical skills for co-operative development

Education and skills development are critical for SMMEs and co-operatives, for their growth as well as to move up the value chain (King & McGrath, 1999). Corna, Lal and Colombo (2014) agree that education, training and experience are key elements in successful enterprise creation development. Mazibuko and Satgar (2009) add that co-operatives need training for their key activities and for improving business capabilities. Nieman (2001) further asserts that technical skills training is for addressing the ability to use the knowledge or a techniques of a particular discipline to attain certain ends. Rwekaza and Anania (2018) emphasise that co-operative education and training is critical in ensuring better performance and sustainability.

Most members' of co-operatives have no awareness of the conceptual, technical and managerial skills required to manage their enterprises (Amene, 2017). Moreover, for the management of co-operatives to have a meaningful role of managing their enterprises, they should be well equipped with technical and management skills. However, Soufani and Ibrahim (2002) argue that it is only not essential for SMMEs and co-operatives to develop skills in all management functional areas, but to also develop the critical functional areas of operations.

According to Fraizer and Gaither (1999), operations are often ignored, even though they are backbone of many organisation. Moreover, technical and industry-specific skills are often ignored in SMME and co-operative setting even though these are crucial due to their direct

effect on sustainability. Barreira (2005) states that technical and industry-specific competencies should receive more attention in co-operative formation because of the domain they reflect. Moreover, industry competencies are an important form of specific competencies that have a highly significant direct effect on venture creation. In addition, an entrepreneur's technical and industry competencies are an important form of expert power that facilitates the implementation of the entrepreneur's vision and strategy. Baum *et al.* (2001) postulate that industry-specific skills and relevant technical skills directly affect performance and these skills may serve as a source of competitive advantage that rivals find difficult to identify and imitate. According to Perks and Struwing (2005), technical skills are requisite for a start-up and business operations skills are often acquired only through experimental learning. Urban and Naidoo (2012) add that an organisation's technical and operational competencies are an important form of expert power that facilitate the implementation of the business vision and strategy. According to Barreira (2005), industry-specific skills and relevant technical skills directly affect operational performance of any organisation.

According to Creating Advantage People (2015), the most effective talent retention tools identified by best performing co-operatives are opportunities for career development, specific events to foster affiliation and one-to-one leadership conversations with talented employees. Moreover, to meet projected gaps, great co-operatives develop and implement training programs across the enterprise in order to meet clearly defined competencies. In addition, they foster internal mobility and career opportunities, ensuring that their organisation has the people it needs at all levels in order to win long-term. Betru (2010) argues that education links with all the operational performance indicators of co-operatives. Furthermore, as the formal schooling of members increases, it has a positive contribution to the efficiency of a co-operative. In addition, better governance, internal control mechanics and service delivery are also feasible with the better education of members. Miner and Guillotte (2014) further assert that co-operatives, like any other organisation, need to embrace continuous performance improvement, which can be achieved through education and training.

2.4.3 Technical knowledge

As competition in the global market intensifies and the pace of technological change increases, businesses increasingly form co-operative ventures in order to sustain and enhance their competitiveness (Lam, 1997). Hergert and Morris (1988) add that global co-operative ventures are extremely difficult to manage, prone to uncertainty and their failure rate has been high. However, according to Lam (1997), the potential difficulties facing co-operative enterprises are even greater in collaborative ventures involving technology transfer and knowledge sharing, such as joint product development, research and development.

Pezeshki-Raad and Kianmehr (2001) state that co-operatives in rural production in Sabzever, Iran significantly promoted their technical knowledge. Mohammadi and Alashrafi (2006) add that members of co-operatives in Qom Province, Iran relished an adequate level of technical knowledge and had higher technical efficiency. However, Shahroudi *et al*. (2007) report that the most affecting variables on improving the technical efficiency of Saffron producers were practical skills, education levels and technical knowledge. Saaiehmiri *et al*. (2008) concur that capacity building has an effect in improving the technical knowledge of the members of co-operatives.

According to the official blog of the International Year of Co-operatives (2012), it is important for the employees of a co-operative to have acceptable skills of productive processes relevant to their field of work. Moreover, it is especially important to emphasise this in strengthening the capacities of female co-operative members, especially in situations where women's access to education and information may be limited. In addition, they mention that more specifically ensuring that women's co-operatives have equal and adequate access to extension services and relevant productive and communication technologies is vital. Roodt (2005) emphasises that thorough technical knowledge of a product or service is thus required for a successful organisation. Moreover, technical skills alone are not sufficient to ensure co-operative enterprises' success.

In order to determine the type of operations knowledge and skills that SMMEs and co-operatives need, there is no better approach than the examination of the decisions that are typically made in a production operations environment (Naidoo & Urban , 2012). Strategic decisions are concerned with long-term plans and may include:

- deciding whether to launch a new product development project;
- deciding on the design for the production process for a new product;
- deciding on how to allocate new material, utilities, production capacity and other resources; and
- deciding what new businesses are required and where to allocate them.

Moreover, according to Naidoo and Urban (2012), operating decisions normally pertain to issues relating to planning production to meet customer demand. The main key responsibilities of operations is to take the orders for products and deliver the finished products to the customer. The decisions are made in terms of:

- deciding how much finished goods inventory to carry for each product;
- deciding what products and how much of each to include in the next month's production schedule;
- deciding whether to increase production capacity for the next month through overtime and sub-contracting; and
- deciding the details of the raw material purchase plan to support next month's production schedule.

In addition, Naidoo and Urban (2012) iterate that the control decisions are concerned with a variety of day-to-day execution issues in operations, such as inferior quality and machine breakdowns control decisions include:

- deciding what do about a department's failure to meet the planned baseline labour cost;
- developing labour cost standards for a revised product design that is about to go into production;
- deciding on what the new quality control and acceptance criteria should be for a product that has changed in design; and
- deciding how often to perform preventative maintenance on a key piece of production machinery.

The SA Department of Agriculture, Fisheries and Forestry (2012) reports that a lack of skills has been found to be a serious constraint for agricultural co-operatives. Moreover, the co-operative members are illiterate with poor technological skills, which is a serious obstacle in accessing useful formal institutions that disseminate technological knowledge. The AgriSETA (2015) confirms that many challenges exist in the SA land reform process. One

major challenge is the lack of capacity amongst beneficiaries. The organisation elaborates that failure is attributed to a lack of technical expertise and inadequate support in the training and development of beneficiaries, most of whom have formed co-operative enterprises.

The DTI (2012) highlights that majority co-operatives in SA are started by unemployed individuals, often with no skills and no business experience. Moreover, some co-operatives require specialist technical understanding, which is lacking in most co-operatives. In addition, the lack of technical skills of co-operative employees weakens the chances of success. Vellem (2013) adds that poor levels of education are the main reason behind the failure of many co-operatives in SA. Moreover, illiteracy remains the stumbling block towards understanding proper procedures. Twalo (2012) further assets that a lack of skills has been identified as one of the reasons why some co-operatives have not been able to operate in the formal economy. He further elaborates that the low skills profiles of numerous co-operative members require speedy attention. Moreover, Twalo (2012) believes that one way of addressing this could be the introduction of minimum education requirements for co-operative membership if the SA government perceives that materially supporting co-operatives whose members have low education qualifications is a poor investment. In addition and which could be a dilemma is that it would work against the co-operative principles of open and voluntary membership, autonomy and independence. The National Development Plan (NDP) (2011) summarises that SA small business and co-operatives are negatively affected by a shortage of skills.

Research in this field suggests that most co-operatives in SA are composed of the previously disadvantaged members, mainly old women (Khumalo, 2015). Furthermore, in a study of co-operative members in selected areas of Gauteng and Mpumalanga provinces, Khumalo found that of the co-operatives under study, 61 per cent were composed of women and that the biggest concentration of the members (21 per cent) were between the ages of forty-one and forty-four years old. In addition, she elaborates that limited technical skills result in poor quality services and products, which cannot compete favourably in the market. However, Kanyane (2011) believes that if policy-makers decide that the best route to take is to up-skill co-operative members' prior to material support, then that would mean there has to be urgent, concerted and focused training interventions for co-operatives in their geographical and sectoral locations. Furthermore, Kanyane (2011) validated that co-operative members have low technical skills and also have no business experience, "hence their chances of success are reduced to an absolute minimum".

According to Shepherd, Douglas and Shanley (2000), majority entrepreneurs often start their new enterprises while unaware of essential requirements of running their enterprises and skills in order to survive. Urban and Naidoo (2012) confirm that technical and industry-specific competencies are often ignored in SMME settings, even though these are pivotal due to their direct effect on sustainability. However, Barreira (2005) stresses that industry-specific skills and relevant operational skills directly affect performance. These combined entrepreneurial skills may serve as sources of competitive advantage that rivals find difficult to identify and imitate. Furthermore, an entrepreneur's technical and operations skills are an important form of expert power that facilitates the implementation of business goals.

However, Theron (2008) warns that some co-operatives have shot themselves in the foot by up-skilling their members. He refers to the Masibambane 2000 Co-operative Limited experience where some members were sent on emerging contractors training and at the end of the training, they defected to form private contractors as that had better financial incentives. In addition, in many such cases, the investor (mostly government or donors) and loyal members usually have no recourse as there is nothing to bind members who wish to defect.

According to the ILO (2008), access to training is a major constraint on the opportunities for rural people in developing countries. Moreover, nearly 90 per cent of agricultural workers in India have no formal training and a study amongst small-scale entrepreneurs in Kenya has indicated that over 85 per cent of those working in the rural informal economy have no business or technical training at all. In addition, many young people from rural areas are deprived in trying to enter urban labour markets because of their low levels of education and lack of appropriate skills experience.

2.5 Conclusion

This chapter has highlighted factors that influence the operational performance of co-operatives. Moreover, it shows that the growth of co-operatives is dependent on the assessment of internal and external factors. In addition, many co-operatives have gone out of business because of various factors. The principles that govern co-operative activities bring a necessary balance between self and community benefits. The history of co-operatives across the globe is indicative of the value of these enterprises in socio-economic development, which makes them attractive in the quest of radical economic transformation. The literature reviewed will be instrumental in analysing and interpreting the data collected using the methodology discussed in the next chapter.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter discussed the findings of investigations by other authors and bodies of knowledge that have investigated the factors influencing the operational performance of co-operatives. The purpose of this chapter is to outline the methodology used in this study. It presents the research location and provides information on the participants and how they were sampled. The chapter describes the research design used for the purpose of this study and the reasons for this choice. Furthermore, it describes the research instrument that was used for data collection and the procedures that were followed to carry out this study. Chapter three also discusses the method used to analyse the collected data. The chapter concludes by discussing issues of reliability, validity, ethics and confidentiality.

Research methodology is a procedure followed in collecting and examining information about a specific subject Kumar (2011).The methodology section explains how data was gathered and examined in a research study.

The next section describes the location in which the study was conducted.

3.2 Research location

The study was conducted in UTDM, KZN Province, as shown in Figure 3-1Figure 3-1: The study location. UTDM is one of the ten district municipalities in the province and its name derives from one of the main rivers in the province of KZN. The district consists of three local municipalities, namely:

- Alfred Duma Local Municipality;
- Inkosi Langalibalele Local Municipality; and
- Okhahlamba Local Municipality.

According to the UTDM Integrated Development Plan (IDP) (2017), the population of the district is estimated at 706 589 people, with an annual growth rate of 2%. Moreover, the district covers an area of approximately 11500 km² and is predominately rural. The district

is characterised by poor socio-economic indicators such as a low revenue base, poor infrastructure, limited access to services and a low economic base. Economic development is uneven across the district, with large disparities across local municipalities (LMs). Okhahlamba and Inkosi Langalibalele LMs are primarily dominated by agriculture. Alfred Duma LM is dominated by manufacturing and community services.

Figure 3-1: The study location
Source: Municipalities (2016)

The effective functioning of co-operative enterprises in the district is considered as one of the approaches to eradicate poverty. Figure 3-2 below shows the spread of the participants of this study within the district municipality.

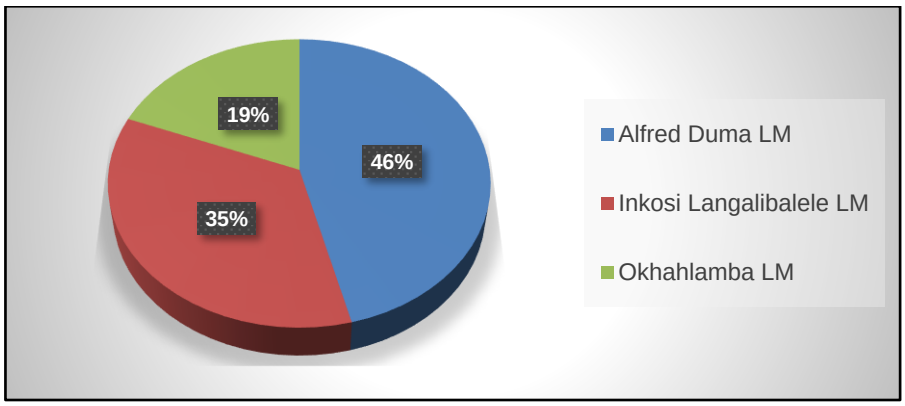

Figure 3-2: Spread of participants

3.3 Research design

Research design is a plan on how one prepares to conduct a study. Godwill (2015) defines research design as the conceptual structure from the research hypothesis on how research is conducted. It constitutes the blueprint for the sampling, collection, measurement and analysis of data. Kumar (2011) adds that research design is a plan, structure or strategy of investigating, so conceived as to obtain answers to research questions or problems. According to Creswell (2012), a research design is a specific procedure involved in the research process: data collection, data analysis and report writing. Furthermore, there are two types of research design: qualitative and quantitative or a hybrid of the two (mixed methods). This study is quantitative in nature. Quantitative research is defined by Kowalczyk (2016) as a study where numbers are used to describe the findings. According to Godwill (2015), quantitative research generates statistical results from large-scale surveys for data collection using methods such as structured interviews, questionnaires or studies which involve the collection of numerical data, such as experimental studies. Chapman (2017) points out that quantitative research requires measurable data collection, analysis, and interpretation to prove the assumption that has been developed in a given study.

3.4 Target population

The target population refers to all the participants who meet the particular criterion specified for a research investigation (Alvi, 2016). The target population in this study constituted 250 co-operative enterprises within UTDM. When accessed on 05 January 2016, the Companies

and Intellectual Property Commission (CIPC) 2014/2015 annual report showed that there were about 250 registered co-operatives in UTDM. In this study, each co-operative was represented by one director.

3.5 Sampling method

Sampling is defined by Alvi (2016) as by the selection of a group of relatively smaller number of people from a population for investigation purposes. Moreover, a sample is said to be representative when the characteristics of the elements selected are similar to that of the entire target population. According to Adams, Khan and Raeside (2014), sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. There are two basic sampling techniques: probability and non-probability sampling. Adam, Khan and Raeside (2014) defined a probability sample as a sample in which every element of the population has an equal chance of being selected. Furthermore, if sample units are selected on the basis of personal judgement, the sample method is a non-probability sample. In addition, a larger sample size gives more precise estimates. However, precision does not increase directly with sample size, it does so as the square root of the sample size. Godwill (2015) adds that an appropriate sample is one which fulfils the requirements of representativeness, efficiency, flexibility and reliability. Furthermore, before deciding on the size of a sample, the desired precision and acceptable confidence level for the estimate must be determined.

Research investigations usually involve several hundreds or thousands of elements. Serakan (2003) states that it would not be possible to collect data from or to test or examine every element in terms of time, cost and other human resources. In reality, most researchers never achieve a 100% response rate (Taherdoost, 2016). However, a large sample size improves the statistical confidence level and reduces limits of error. A probability sampling method was used in this study focusing on simple random sampling (SRS). According to Alvi (2016), SRS means that every member of the population has an equal probability of being included in the sample and some form of random selection is used. Crossman (2018) concurs that each member of the population has an equal chance of being chosen for the study. Moreover, this means that it guarantees that the sample chosen is representative of the population and the sample is selected in an unbiased way. The researcher thus randomly distributed 145 questionnaires to co-operative enterprises located within UTDM.

The sample approach as outlined by Sekaran (2008) was used in determining the sample size. Of these, 136 questionnaires were completed by co-operative members. Table 3-1 below presents the response rate for this study.

Table 3-1: Response rate

Number of questionnaires administered	Number of questionnaires returned	Response rate
145	136	94%

3.6 Measuring instrument

The research instrument (APPENDIX B) was developed in November 2017, based on the hypotheses identified in the literature review. A good research design is justifiable in terms of the research instrument (Vogt *et al*, 2012). According to Saris *et al.* (2014), the research instrument should be relatively simple, apply to all participants and be interesting in order to increase cooperation to respond. Moreover, the questions must be arranged by topics to improve the cooperation of the people and reduce their cognitive burden. The research measuring instrument used in this study is a structured questionnaire. The instrument allowed the researcher to collect data systematically and address the research issues in a standardised and economical way. The research instrument covered the following areas:

- Demographics of participants;
- Co-operatives' background information;
- Operational performance of co-operatives;
- Teamwork as a driver for co-operatives members' performance;
- Technical skills in co-operatives for operational performance;
- Opportunities impacting the operational performance of co-operatives; and
- Challenges impacting the operational performance of co-operatives.

3.7 Pre-testing the instrument

A pilot study was administered to five co-operatives within UTDM in December 2017. The aim of the pilot study was to assess the capability of the research instrument and to validate the content and wording of the questions. The errors identified from the instrument as a result of the pilot study were corrected. According to Kumar (2011), pre-testing the research

instrument entails a critical examination of the understanding of each question and its meaning as understood by participants.

3.8 Data collection

There is no single best method for all surveys or even for one research topic. Usually one mode is most suitable for a particular project (Vogt *et al*, 2012) . Moreover, interaction with the survey researcher allows participants to ask for clarification. According to Abbott and McKinney (2013), there are three distinct types of surveys, namely: face-to-face interviews, telephonic interviews and self-administered. Furthermore, there are good reasons for selecting one type of survey over another, depending on the research questions one is attempting to answer with a particular research design. Often, interviews are chosen because they allow researchers a chance to help clarify survey questions. In addition, a face-to-face survey may help to obtain more accurate responses.

According to Saris and Gallhoffer (2014), mail questionnaire are by far the most economical data collection mode, followed by telephone interviewing. Face-to-face is the most expensive amongst the three traditional data collection modes. A self-administered approach was used in this study. According to Godwill (2015), self-administered questionnaires are useful for collecting data from a large number of participants, particularly when respondents are dispersed over a wide geographic area. Moreover, it is also a cost-effective method of data collection since it makes use of self-administered forms by participants, without involving the interviewer. In addition, this method prevents the introduction of interviewer bias in the study. The researcher collected data from the members of co-operative enterprises within UTDM between January 2018 and April 2018.

A letter of consent was attached to each questionnaire, intended to ensure that participants were informed of the nature and purpose of the research. The participants were assured that their responses were to be used for research purposes only. The distribution and retrieval of questionnaires occurred during a four month period. The researcher drove to UTDM from Durban to distribute and retrieve questionnaires. The researcher also used emails to distribute and retrieve questionnaires. A total of 136 questionnaires were retrieved through hand collection and emails from members of co-operatives within UTDM. The study focused on co-operatives located in UTDM, which was selected and used as a case study.

As a result, only co-operatives based in UTDM participated in this study. Financial and time constraints made it challenging for the investigator in this study to include all the co-operative enterprises in South Africa. However, it is expected that the results will reflect the practices in other co-operatives in the whole of South Africa.

3.9 Steps taken to avoid bias

In any survey, bias can misrepresent research results. In this research, bias was reduced by the random selection of participants. The approach used to avoid bias is outlined in the sections below:

3.9.1 Question bias

The questions in the research instrument were presented in a logical sequence. Leading questions were not used in the research instrument as they may have the possibility of influencing participants. There was no offensive, discriminatory or any unacceptable language used in the research instrument. A pilot study was conducted to validate the capability of the research instrument.

3.9.2 Subjectivity

The researcher avoided subjectivity towards all aspects of this research study. Interpretation of data before recording was avoided.

3.9.3 Method for data analysis

Data analysis is critical and forms a fundamental part of a research study. This study is quantitative in nature. Quantitative data can be measured, more or less accurately because it contains some form of magnitude, usually expressed in numbers (Walliman, 2014). Moreover, quantitative analysis deals with data in the form of numbers and uses mathematical operations to investigate their properties. The Statistical Package for the Social Sciences (SPSS) was used in the statistical analysis of data collected from

participants. Arkkelin (2014) points out that SPSS is a versatile package that allows many different types of analysis, data transformations and forms of output. The services of a statistician were used to assist with data analysis. Completed questionnaires were checked and entered into computer software for analysis.

3.9.4 Reliability and validity

According to Neuman (2014), reliability and validity are ideas that help to establish the truthfulness, credibility or believability of findings. However, Dudovskiy (2018) defines reliability as the degree to which a research a method produces stable and consistent results. Mohajan (2017) maintains that reliability measures the consistency, precision, repeatability and trustworthiness of a research. In order to ensure the reliability of the study, a pilot study was conducted. Accurate and careful phrasing of each question to avoid ambiguity and leading participants to a particular answer ensured the reliability of the instrument. Participants were also informed of the purpose of the study.

3.9.5 Ethics and confidentiality

Ethics is defined in research as norms of conduct that distinguish between acceptable and unacceptable behaviour (Resnik, 2015). According to Walliman (2014), working with human participants in research raises ethical treatment issues. Moreover, people should be treated with respect, which has many implications for how one deals with them before, during and after the research. In addition, there are two aspects of ethical issues in research:

- The individual values of the researcher relating to honesty, frankness and personal integrity; and
- The researchers treatment of the other people involved in the research, relating to informed consent, confidentiality, anonymity and courtesy.

Necessary information explaining the purpose of the study was given to participants prior to the commencement of the study. The Durban University of Technology's Research Ethics Policy (2013) and the constitution of the Republic of South Africa's second amendment, Act No.3 of 2003, were adhered to by the researcher during this study. The researcher followed some procedure of ethics with the participants, such as consent from each respondent and

freedom not to participate in the completion of the questionnaire. A letter of consent was attached to each and every research instrument. According to Bryman (2012), the advantage of a consent form is that it give participants the opportunity to be fully informed of the nature of research and the implications of their participation at the outset. Furthermore, the researcher has a signed record of consent if any concerns are subsequently raised by participants or other concern parties.

The researcher briefed the participants in this study of the confidentiality of the answers and discussions. Moreover, the researcher assured participants that their information would only be used for the purpose of the study and anonymity would be respected. Participants were also assured that no specific mention of their enterprise's name or brand would be revealed in the research report or in results. According to Maruyama and Ryan (2014), confidentiality in research means that although researchers can determine the owner of the data, within certain legal limits, researchers promise not to share that information. Moreover, anonymity in research means that absolutely no identifying characteristics are recorded with the data so that it would be impossible for researchers to determine who contributed a given piece of data.

3.10 Conclusion

This chapter discussed the research methodology used in this study. The design of the research, including the method of data collection, sampling techniques, study limitations and steps taken to avoid bias during the research processes were discussed.

The next chapter presents the results and findings. Descriptive statistics, One-Sample statistics, One-Sample tests and spearman's correlation tests were used for analyses.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

Chapter three discusses the research design and methodology of this study. This chapter presents a detailed analyses and interpretation of the data. The general aim of this study was to investigate factors influencing the operational performance of co-operatives in South Africa, through case study conducted in the UTDM.

The chapter will first present the profiles of respondents and the analyses relating to the background of the co-operatives. These include: gender, age, marital status, education, number of employees, number of co-operative members, sales income per annum, number of years in business and the business sector. Moreover, the chapter will present the operational performance of the co-operatives, teamwork as a driver for co-operative members' performance, technical skills of co-operatives for operational performance, opportunities and challenges impacting the operational performance of co-operatives. The analysis approach will be explained in each section, represented by the objective being analysed.

The data from the questionnaires were statistically analysed. The Statistical Package for the Social Sciences (SPSS) computer software was used for the data analysis based on descriptive, correlative and conclusive statistics. These include the one-sample t-test and Spearman's correlation.

The next section presents the research results based on the participants' profiles.

4.2 Profiles of participants

This section discusses participants' gender, age, marital status and education levels. Participants were required to indicate their biographical details on the questionnaire. The results are presented in a tabular form.

4.2.1 Gender of participants

Table 4-1 presents the gender of the participants.

Table 4-1: Gender of the participants

	Gender distribution	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Male	52	38.2	38.2	38.2
	Female	84	61.8	61.8	100.0
	Total	**136**	**100.0**	**100.0**	

The analyses of the results show that a majority of participants are females. As can be observed from Table 4-1, 61.8 per cent of the participants are females and 38.2 per cent males. This is nearly in line with ICA's (2015) findings that South African women make up 60 per cent of co-operative members and are in key governance positions. Moreover, from the very beginning, co-operatives have been leaders in promoting gender equality and giving women the ability to establish better livelihoods for themselves. The results also concur with the research outcomes of Khumalo (2014) that the majority of co-operatives in South Africa are composed of formerly disadvantaged groups, particularly old women.

4.2.2 Participants' age distribution

Table 4-2 Table 4-2 presents the results regarding the age distribution of the participants.

Table 4-2: Age distribution

Age group		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	<18	3	2.2	2.2	2.2
	18-35	40	29.4	29.4	31.6
	36-52	58	42.6	42.6	74.3
	53-69	31	22.8	22.8	97.1
	70+	4	2.9	2.9	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-2 show the highest age group category with 42.6 per cent of participants' ages ranging from 36 to 52 years. The results also show the lowest age group category, with 2.2 per cent per cent of the participants' ages being 18 years and below. The South African National Youth Commission Act, 1996 defines youth as those above the age of 14 and below the age of 35 years. The above results in Table 4-2 show that only 31.6 per cent of the respondents falls into the category of youth. This suggest that youth participation in co-operative enterprises should be promoted, especially as unemployment amongst the youth is a challenge across SA.

4.2.3 Distribution according to marital status

Table 4-3 shows the marital status of participants.

Table 4-3: Marital status

Marital status	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Single	70	51.5	51.5	51.5
Married	51	37.5	37.5	89.0
Divorced / widowed	15	11.0	11.0	100.0
Total	**136**	**100.0**	**100.0**	

The marital status in Table 4-3 shows that a majority of participants are single at 51.5 per cent, whereas 37.5 per cent are married and 11 per cent are either divorced or widowed.

4.2.4 Distribution of the participants' education levels

Table 4-4 shows the education level distribution of participants.

Table 4-4: Education levels

	Levels of education	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	No schooling	3	2.2	2.2	2.2
	Grade 1 – Grade 4	13	9.6	9.6	11.8
	Grade 5 – Grade 8	40	29.4	29.4	41.2
	Grade 9 – Grade 12	62	45.6	45.6	86.8
	Diploma and above	18	13.2	13.2	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-4 indicate that 45.6 per cent of participants have between grade 9 and grade 12; 29.4 per cent have between grade 5 and grade 8; 13.2 per cent have a diploma and above qualification. Moreover, 9.6 per cent have between grade 1 and grade 4. The lowest at 2.2 per cent of respondents have no schooling. However, Nefale (2016) maintains that a high level of education increases the chances of co-operative members being trainable.

Having discussed the demographics of participants, the next section presents the co-operatives' background information.

4.3 Analyses on the Background of Co-operatives'

This section presents the analyses on the background of co-operatives. It covers the number of employees per co-operative; the number of members per co-operative; co-operative income per annum; the number of years the co-operative has been in operation; and the business sector that the co-operative belongs to.

4.3.1 The number of employees per co-operative

Table 4-5 presents the number of employees per co-operative.

Table 4-5: Number of employees

Number of employees		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	1-5	75	55.1	55.1	55.1
	6-10	50	36.8	36.8	91.9
	11-15	10	7.4	7.4	99.3
	21 and above	1	0.7	0.7	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-5 indicate that 55.1 per cent of the co-operatives have between 1 and 5 employees, 36.8 per cent have between 6 and 10 employees. Moreover, 7.4 per cent of the co-operatives have between 11 and 15 employees. Only 0.7 per cent of co-operatives have 21 and above employees. According to the South African Government News Agency (2012), economically, co-operatives are a good and successful model to create needed employment and to eliminate poverty. However, co-operatives' only employ about 10 per cent worldwide of the population employed (CICOPA, 2017).

4.3.2 The number of members per co-operative

Table 4-6 presents the number of members per co-operative.

Table 4-6: Number of members

Number of members		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	5-10	116	85.3	85.3	85.3
	11-15	17	12.5	12.5	97.8
	16 and above	3	2.2	2.2	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-6 show that 85.3 per cent of the co-operatives' have between 5 and 10 members and 12.5 per cent have between 11 and 15 members. Moreover, 2.2 per cent of the co-operatives have 16 and above members. The minimum number of members

required to register a primary co-operative is 5 natural persons, 2 juristic persons or a combination of any 5 persons. The registrar of companies does not specify the maximum number of members for any co-operative (CIPC, n.d.).

4.3.3 Income per annum

Table 4-7 presents that annual income of the co-operatives.

Table 4-7: Co-operatives' income

	Annual income	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	<R250000	80	58.8	59.3	59.3
	R250000 - <R500000	36	26.5	26.7	85.9
	R500000 - <R750000	18	13.2	13.3	99.3
	R750000 - <R1000000	1	0.7	0.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

Table 4-7 show that 58.8 per cent of co-operatives' annual income is below R250 000 and 26.5 per cent of co-operatives income is between R 250 000 and R500 000. Furthermore, 13.2 per cent of co-operatives' annual income is between R500 000 and R750 000 and 0.7 per cent of co-operatives' annual income is between R750 and R1 000 000.

4.3.4 Length of time the co-operatives have operated

Table 4-8 presents the length of time the co-operatives' have operated.

Table 4-8: Length of time the co-operatives have been operating

Number of years in operation		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	<1 year	9	6.6	6.7	6.7
	1 - 5 years	63	46.3	46.7	53.3
	6 -10 years	47	34.6	34.8	88.1
	11+ years	16	11.8	11.9	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-8 show that the majority of co-operatives (46.3 per cent) have been operational between one and five years and 34.6 per cent have been operational for between six and ten years. Moreover, 11.8 per cent of the co-operatives have been operational for 11 and above years and 6.6 per cent have been operational for less than one year. According to the DTI (2012), the survival of many co-operatives is dependent upon continued government support.

4.3.5 Distribution of co-operatives' by sector

Table 4-9 presents the distribution of co-operatives by business sector.

Table 4-9: Distribution of co-operatives by business sector

	Business sector	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Farming	52	38.2	38.2	38.2
	Manufacturing	26	19.1	19.1	57.4
	Mining	1	0.7	0.7	58.1
	Arts and craft	22	16.2	16.2	74.3
	Trade & accommodation	18	13.2	13.2	87.5
	Burial society	2	1.5	1.5	89.0
	Finance & business services	9	6.6	6.6	95.6
	Electricity, gas & water	1	0.7	0.7	96.3
	Transport & communication	2	1.5	1.5	97.8
	Other	3	2.2	2.2	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-9 show that the larger number of co-operatives are in the farming sector with 38.2 per cent and 19.1 per cent are in manufacturing. Furthermore, 16.2 per cent are in arts and craft and13.2 per cent in trade and accommodation. In addition, 6.6 per cent are in finance and business services; 1.5 per cent are in burial societies; 1.5 per cent are in transport and communication; 0.7 per cent in electricity; gas and water; 0.7 per cent in mining and 2.2 per cent in other sectors. The distribution of co-operatives by business sector is not in line with the district's Gross Value Added (GVA) of 2013, where the farming sector contributed 7 per cent and the most significant sector was manufacturing, which contributed 21 per cent to the district's total GVA. The manufacturing sector involves the following: cleaning detergents, clothing, textiles, leather products, tyres, furniture, tools, electrical machinery and agricultural processing. The second biggest contributor was trade and hospitality which accounted for 17 per cent. This sector involves the following: wholesale and retail, catering and accommodation (Urbun-Econ, 2013).

The variables in each objective will be analysed using:

- Descriptive statistics;

- One-Sample statistics; and
- One-Sample tests.

Having discussed the analyses relating to the background for co-operatives, the next section presents the descriptive statistics on the operational performance of co-operatives.

4.4 Descriptive statistics on the operational performance of co-operatives

This section presents and analyses the results regarding the operational performance of co-operatives'. This include the co-operatives' members understanding of their enterprises' objectives; whether management monitors the operational performance of their enterprises and whether management practices affect operational performance. Moreover, it will present and analyse whether management skills remained a key performance determinant; if the board of directors are ultimately responsible for the success or failure; and whether access to resources contributes to operational performance.

The next sub-sections present and analyse the results of the operational performance of co-operatives using the one-sample t-test.

4.4.1 Participants' understanding of co-operative objectives

Table 4-10 presents and analyses the percentage results on participants' understanding of their co-operatives' objectives.

Table 4-10: Participants' understanding of their co-operatives' objectives

	Understanding of objectives	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	41	30.1	30.1	30.1
	Agree	84	61.8	61.8	91.9
	Uncertain	7	5.1	5.1	97.1
	Disagree	3	2.2	2.2	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-10 show that 61.8 per cent of the participants' agreed to understanding their co-operatives' objectives; 30.1 per cent strongly agreed to understand their co-operatives' objectives. Furthermore, 5.1 per cent of the respondents were uncertain about understanding their co-operatives' objectives; 2.2 per cent of the respondents' indicated that they disagreed with not understanding co-operatives' objectives; and 0.7 per cent strongly disagreed that they understand their co-operatives' objectives. The majority of participants' understand the objectives of their co-operatives'. This is in line with the findings made by Kirkman (1993) that members of the co-operative are responsible for understanding their co-operative's objectives.

4.4.2 Management monitors the operational performance of the co-operative

Table 4-11 presents the participants' responses regarding the monitoring of the operational performance of their co-operatives' by management.

Table 4-11: Management monitoring of operational performance

Monitoring		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	29	21.3	21.8	21.8
	Agree	82	60.3	59.4	81.2
	Uncertain	16	11.8	12.0	93.2
	Disagree	9	6.6	6.8	100.0
Total		**136**	**100.0**		

The results in Table 4-11 show that 60.3 per cent of the participants' agreed that management monitors the operational performance in their co-operatives; 21.3 per cent strongly agreed that management monitors operational performance in their co-operatives; 11.8 per cent were uncertain whether management monitors operational performance in their co-operatives and 6.6 per cent disagreed that management monitors the operational performance of their co-operatives. This is supported by the findings presented by Maina (2016) that monitoring and evaluation is a function of management for the improvement of co-operatives' operational performance.

4.4.3 Management practices affects the operational performance of co-operatives

Table 4-12 presents the participants' responses regarding management practice effects on the operational performance of co-operatives.

Table 4-12: Management practices affect the operational performance of co-operatives

	Management practices	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	42	30.9	31.8	31.8
	Agree	68	53.7	48.5	80.3
	Uncertain	20	14.7	15.2	95.5
	Disagree	5	3.7	3.8	99.2
	Strongly disagree	1	0.7	.8	100.0
Total		**136**	**100.0**		

The majority of respondents were of the view that management practices do affect the operational performance of co-operatives. The results in Table 4-12 show that 53.7 per cent of participants agreed that management practices affect the operational performance of co-operatives. Moreover, the results also show that 30.9 per cent of participants strongly agreed that management practices affect the operational performance of co-operatives, whilst 14.7 per cent were uncertain that management practices affect the operational performance of co-operatives. Only, 3.7 per cent of the participants disagreed that management practices affect the operational performance of co-operatives and 0.7 per cent strongly disagreed. Mutua (2013) maintained that management practices have a direct link with the performance of co-operatives. Masango (2015) concurred that depending on the co-operatives' and management level, the performance is affected by management practices.

4.4.4 Management skills remain the key determinant of co-operative performance

Table 4-13 presents and analyses whether management skills remained the key determinant of co-operative performance.

Table 4-13: Management skills and co-operatives' performance

	Management skills	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	63	46.3	47.0	47.0
	Agree	62	45.6	46.3	93.3
	Uncertain	3	2.2	2.2	95.5
	Disagree	5	3.7	3.7	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	134	98.5	100.0	
Missing	System	2	1.5		
Total		**136**	**100.0**		

The results in Table 4-13 show that 46.3 per cent of respondents' strongly agreed that management skills remained the key determinant of co-operative performance, whereas 45.6 per cent of participants also agreed, 2.2 per cent of participants' were uncertain; 3.7 per cent disagreed and 0.7 per cent strongly disagreed. This is in line with the finding of Masango (2015) that poor governance and inadequate managerial skills are the main problems affecting the performance of co-operatives.

4.4.5 Boards of directors are ultimately responsible for the success or failure of co-operatives

Table 4-14 presents and analyses percentage results regarding the boards of directors as being ultimately responsible for the success or failure of co-operatives.

Table 4-14: Boards of directors are responsible for the success or failure of co-operatives

	Responsibilities for board of directors	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	63	46.3	46.7	46.7
	Agree	57	41.9	42.2	88.9
	Uncertain	10	7.4	7.4	96.3
	Disagree	1	0.7	0.7	97.0
	Strongly disagree	4	2.9	3.0	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-14 show that 46.3 per cent of participants strongly agreed that boards of directors are ultimately responsible for the success or failure of co-operatives, whereas 41.9 per cent agreed; 7.4 per cent of respondents are uncertain; 0.7 per cent disagree and 2.9 per cent strongly disagreed. This is in line with the report of the United States Agency for International Development (USAID) (2009) that the board of directors are extremely important to the success of co-operatives. Moreover, the board represents the owners and has the final responsibility for the co-operatives.

4.4.6 Access to resources contributes to the operational performance of co-operatives

Table 4-15 presents and analyses the percentage results regarding access to resources' contribution to the operational performance of co-operatives.

Table 4-15: Access to resources' contribution to operational performance

	Access to resources	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	66	48.5	49.6	49.6
	Agree	45	33.1	33.8	83.5
	Uncertain	18	13.2	13.5	97.0
	Disagree	3	2.2	2.3	99.2
	Strongly disagree	1	0.7	.8	100.0
	Total	133	97.8	100.0	
Missing	System	3	2.2		
Total		**136**	**100.0**		

The results in Table 4-15 indicate that 48.5 per cent of participants strongly agreed that access to resources contributes to the operational performance of co-operatives, whereas 33.1 per cent agreed; 13.2 per cent of respondents are uncertain; 2.2 per cent disagreed and 0.7 per cent strongly disagreed. The results indicate that a majority of co-operatives agreed that access to resources contributes to operational performance. This is supported by the findings of Khumalo (2014) that government support is critical for bringing resources and builds co-operatives' operational performance.

One-sample statistics regarding team work as a drive for co-operative members' performance is discussed in the next section.

4.4.7 One-Sample Statistics on the Operational Performance of co-operatives

This study used the one-sample t-test. The One-sample t-test is used when there is one measurement variable and the researcher wants to compare the mean value of the measurement variable to some theoretical expectations (Dunn, 2013).

One-sample statistics will be used to test whether the sample mean (of a normally distributed variable) meaningfully changes from its theorised value. For each question, the mean score was calculated and then tested against the natural score of "3" to test for significant

agreement and disagreement. If significant and the mean is less than 3, there is a significant disagreement. However, if the mean is greater than 3, there is significant agreement.

Consequently, the analyses (of the same variables) will be followed using One-Sample Tests. This test is used to find out whether a sample comes from a specific population with a particular mean (Laerd Statistics, 2018). The one-sample test was used to test the p-values of 0.05 in relation to whether there were significant agreements or disagreements between variables. According to Minitab (2015), in the majority of analyses, an alpha of 0.05 is used as the cut-off for significance. Furthermore, if the p-value is less than 0.05, it can be decided that a significant difference does exist and if the p-value is larger than 0.05, it cannot be decided that a significant difference exists.

The next sub-section presents one-sample statistics, is testing the operational performance of co-operatives.

4.4.8 One-sample statistics for the operational performance of co-operatives

Table 4-16 presents and analyses the mean value results on the one-sample statistics for the operational performance of the business.

Table 4-16: One-Sample Statistics for the operational performance of co-operatives

One-Sample Statistics for Operational performance	N	Mean	Std. Deviation	Std. Error Mean
1.0 Co-operative members understand the objectives of the enterprise	136	1.82	.691	.059
2.0 Co-operative management monitors the operational performance of the enterprise	133	2.04	.782	.068
3.0 Management practices affect the operational performance of the co-operative	132	1.93	.831	.072
4.0 Management skills remained the key determinant of co-operative performance	134	1.65	.768	.066
5.0 Boards of directors are ultimately responsible for the success or failure of the co-operative	135	1.71	.871	.075
6.0 Access to resources contributes to the operational performance of the co-operative	133	1.71	.842	.073

Table 4-16 shows that the mean values of all the statements are less than three (<3), with the highest being 2.04 and the lowest being 1.65. This implies significant disagreement that:

- co-operative members understand the objectives of the enterprise (1.82);
- co-operative management monitors the operational performance of the enterprise (2.04);
- management practices affect the operational performance of the co-operative (1.93);
- management skills remained the key determinant of co-operative performance (1.65);
- boards of directors are ultimately responsible for the success or failure of the co-operative (1.71); and
- access to resources contributes to the operational performance of the co-operative (1.71).

4.4.9 One-sample test for the operational performance of co-operatives

Table 4-17 presents and analyses the significant value results on the one-sample test for the operational performance of the co-operatives.

Table 4-17: One-Sample Test for the operational performance of co-operatives

One-sample test for operational performance	Test Value = 3					
					95% Confidence Interval of the Difference	
	T	Df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1.0 Co-operative members understand the objectives of the enterprise	-19.988	135	.000	-1.184	-1.30	-1.07
2.0 Co-operative management monitors the operational performance of the enterprise	-14.185	132	.000	-.962	-1.10	-.83
3.0 Management practices affect the operational performance of the co-operative	-14.775	131	.000	-1.068	-1.21	-.93
4.0 Management skills remained the key determinant of co-operative performance	-20.351	133	.000	-1.351	-1.48	-1.22
5.0 Boards of directors are ultimately responsible for the success or failure of the co-operative	-17.187	134	.000	-1.289	-1.44	-1.14
6.0 Access to resources contributes to the operational performance of the co-operative	-17.715	132	.000	-1.293	-1.44	-1.15

Table 4-17 shows that there is significant disagreement on all statements. This indicates significant disagreements that:

- co-operative members understand the objectives of the enterprise ($t(135) = -19.988$, $p<0.05$);
- co-operative management monitors the operational performance of the enterprise ($t(132) = -14.185$, $p<0.05$);
- management practices affect the operational performance of co-operative ($t(131) = -14.775$, $p<0.05$);
- management skills remained the key determinant of co-operative performance ($t(133) = - 20.351$, $p<0.0.5$);
- boards of directors are ultimately responsible for the success or failure of the co-operative ($t(134) = - 17.187$, $p<0.05$); and
- access to resources contributes to the operational performance of co-operative ($t(132) = -17.715$, $p<0.05$)

Having discussed the descriptive statistics on the operational performance of the co-operatives, the next section presents the descriptive statistics on teamwork as a drive for co-operative members' performance. This will be followed by the One-Sample statistics and tests in sub sections 4.5.6 and 4.5.7, respectively.

4.5 Descriptive statistics on teamwork as a driver for co-operative members' performance

This section presents and analyses the results regarding teamwork as a drive for co-operative members' performance. This includes results relating to participants' responses regarding whether co-operative performance is enhanced by the use of teamwork; members of co-operative provide inputs into operational issues of the enterprises; co-operative team members are dependent on each other for the performance of the enterprise; co-operative members have a shared understanding of how the team operates and co-operative members resolve their conflicts, even when conflicts become personal.

4.5.1 Co-operative performance is enhanced by the use of teamwork

Table 4-18 presents and analyses the percentage results regarding co-operative enhancement by the use of teamwork.

Table 4-18: Co-operative performance is enhanced by the use of teamwork

	Teamwork	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	68	50.0	50.0	50.0
	Agree	63	46.3	46.3	96.3
	Uncertain	2	1.5	1.5	97.8
	Disagree	3	2.2	2.2	100.0
	Total	**136**	**100.0**	**100.0**	

Table 4-18 shows that 50.0 per cent of participants strongly agreed that co-operative performance is enhanced by the use of teamwork, whereas 46.3 per cent agreed, 2.2 per cent disagrees and 1.5 per cent were uncertain. However, Mbaraka (2017) maintains that when teamwork is well practised, the result is improved performance, productivity and morale, as well as a positive attitude towards work.

4.5.2 Members of co-operatives provide input into the operational issues of the enterprise

Table 4-19 presents and analyses the percentage results regarding the members of co-operatives providing input into the operational issues of the enterprise.

Table 4-19: Members provide inputs into operational issues

	Members inputs	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	53	39.0	39.3	39.3
	Agree	75	55.1	55.6	94.8
	Uncertain	6	4.4	4.4	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-19 indicate that 55.1 per cent of the respondents agreed that the members of co-operatives provide input into operational issues of the enterprise. However, 39 per cent strongly agreed, 4.4 per cent were uncertain and 0.7 per cent strongly disagreed. The above results are in line with one of the principles of co-operatives, which is voluntary and open membership as a co-operative accepts anyone intending to utilise the services or opportunities provided by a co-operative (CIPC, n.d.). Furthermore, the prospective member must be ready to accept the responsibilities that come with being a member of co-operative. The results also concur with the research outcomes of Okem (2016) that co-operative members' responsibilities, include contributing inputs and other resources required for the operational performance of the co-operative.

4.5.3 Co-operative members' are dependent on each other for the performance of the enterprise

Table 4-20 presents and analyses the percentage results regarding co-operative members' dependence on each other for the performance of the co-operative.

Table 4-20: Members' are dependent on each other for the performance of the co-operative

	Members' dependence on each other	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	43	31.6	31.9	31.9
	Agree	59	43.4	43.7	75.6
	Uncertain	28	20.6	20.7	96.3
	Disagree	3	2.2	2.2	98.5
	Strongly disagree	2	1.5	1.5	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-20 show that 43.4 per cent of respondents agreed that co-operative members are dependent on each other for the performance of their co-operatives, whereas 31.6 per cent strongly agreed; 20.6 per cent were uncertain; 2.2 per cent disagreed and 1.5 per cent strongly agreed. This is in line with the findings of Ruben and Heras (2012) who are of the view that co-operative performance mainly depends on the capacity to build and maintain trust, commitment and confidence amongst co-operative members.

4.5.4 Co-operative team members' have a shared understanding of how the team operates

Table 4-21 presents and analyses the percentage results regarding the hypothesis that co-operative team members have a shared understanding of how the team operates.

Table 4-21: Members' have a shared understanding of how the team operates

	Members' shared understanding	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	48	35.3	35.6	35.6
	Agree	75	55.1	55.6	91.1
	Uncertain	9	6.6	6.7	97.8
	Disagree	2	1.5	1.5	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-21 show that 55.1 per cent of participants agreed that co-operative team members have a shared understanding of how the team operates, whereas 35.3 per cent strongly agreed; 6.6 per cent were uncertain; 1.5 per cent disagreed and 0.7 per cent strongly disagreed. This supports the findings presented by Salas *et al*. (2014) that having a shared understanding of team objectives, roles, expertise and the operating situation allows teams to pre-emptively avoid potential mistakes and failures.

4.5.5 Co-operative members' resolve their conflicts even when the conflicts have become personal

Table 4-22 presents and analyses the percentage results regarding resolving conflicts amongst co-operative members.

Table 4-22: Resolving conflicts amongst co-operative members'

	Resolving conflicts	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	29	21.3	21.5	21.5
	Agree	46	33.8	34.1	55.6
	Uncertain	53	39.0	39.3	94.8
	Disagree	5	3.7	3.7	98.5
	Strongly disagree	2	1.5	1.5	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results in Table 4-22 show that 39 per cent of the participants are uncertain that co-operative members resolve their conflicts, even when the conflicts have become personal, whereas 33.8 per cent agreed; 21.3 per cent strongly agreed; 3.7 per cent disagreed and 1.5 per cent strongly disagreed. The findings of Mkhize (2016) show a different conclusion, that members of co-operatives do not deal with conflicts and resolve them, but keep on bringing grudges to their meetings. Moreover, the inability of the members to analyse and manage conflict resulted in such conflicts continuing to harm the co-operatives.

4.5.6 One-sample statistics regarding teamwork as a driver for co-operative members' performance

Table 4-23 presents and analyses the mean value of the one-sample statistics of the participants' teamwork as a driver for co-operative members' performance.

Table 4-23: One-Sample Statistics on teamwork as a driver for members' performance

Team work	N	Mean	Std. Deviation	Std. Error Mean
1.0 Co-operative performance is enhanced by the use of teamwork	136	1.56	.641	.055
2.0 Members of the co-operative provides input into the operational issues of the enterprise	135	1.67	.633	.054
3.0 Co-operative team members are dependent on each other for the performance of the enterprise	135	1.98	.868	.075
4.0 Co-operative team members have a shared understanding of how the team operates	135	1.76	.704	.061
5.0 Co-operative members resolve their conflicts, even when the conflicts have become personal	135	2.30	.898	.077

Table 4-23 shows that the mean values of all the statements are less than three (<3). This implies significant disagreement that:

- co-operative performance is enhanced by the use of teamwork (1.56);
- members of the co-operative provide input into the operational issues of the enterprise (1.67);
- co-operative team members are dependent on each other for the performance of the enterprise (1.98);
- co-operative team members have a shared understanding of how the team operates (1.76); and
- co-operative members resolve their conflicts, even when the conflicts become personal (2.30).

4.5.7 One-sample test for teamwork as a driver for co-operative members' performance

Table 4-24 presents and analyses the significant value results on the one-sample test for teamwork as a driver for co-operative members' performance.

Table 4-24: One-sample test for teamwork as a driver for co-operative members' performance

Team work for operational performance	Test Value = 3					
					95% Confidence Interval of the Difference	
	T	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1.0 Co-operative performance is enhanced by the use of teamwork	-26.205	135	.000	-1.441	-1.55	-1.33
2.0 Members of the co-operative provide input into operational issues of the enterprise	-24.345	134	.000	-1.326	-1.43	-1.22
3.0 Co-operative team members are dependent on each other for the performance of the enterprise	-13.685	134	.000	-1.022	-1.17	-.87
4.0 Co-operative team members have a shared understanding of how the team operates	-20.416	134	.000	-1.237	-1.36	-1.12
5.0 Co-operative members resolve their conflicts, even when the conflicts become personal	-9.101	134	.000	-.704	-.86	-.55

Table 4-24 shows that there are significant disagreements on all statements. This indicates significant disagreement that:

- co-operative performance is enhanced by the use of teamwork [$t(135) = -26.205$, $p<0.05$];
- the members of the co-operative provide input into the operational issues of the enterprise [$t(134) = -24.345$, $p<0.05$];

- co-operative team members are dependent on each other for the performance of the enterprise [t(134) = -13.685, p<0.05];
- co-operative team members have a shared understanding of how the team operates [t(134) = -20.416, p<0.05]; and
- co-operative members' resolve their conflicts, even when the conflicts become personal [t(134) = -9.101, p<0.05].

Having discussed the descriptive statistics on teamwork as a driver for co-operative members' performance, the next section presents the descriptive statistics on technical skills in co-operatives for operational performance.

4.6 Descriptive statistics on technical skills in co-operatives for the operational performance

This section presents and analyses the results regarding technical skills in co-operatives' for the operational performance, including results relating to participants' in responses regarding whether technical skills affect the operational performance of co-operatives. Training programmes are accessible to co-operatives' performance; employees have knowledge of productive processes relevant to their field of work; employees are knowledgeable of the enterprise's production processes; technical skills contribute to tensions in the co-operative and technical skills contribute to the chances of success of the enterprise.

4.6.1 Technical skills affect the operational performance of the enterprise

Table 4-25 presents and analyses the percentage results on whether technical skills affect the operational performance of co-operatives.

Table 4-25: Technical skills affect the operational performance of co-operatives

	Technical skills	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	77	56.6	57.0	57.0
	Agree	51	37.5	37.8	94.8
	Uncertain	6	4.4	4.4	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results show that 55.6 per cent of respondents strongly agreed that the technical skills affect the operational performance of co-operatives, whereas 37.5 per cent agreed, 4.4 per cent is uncertain and 0.7 per cent strongly disagreed. This is supported by the findings made Twalo (2012) that a lack of technical skills is fertile ground for the poor operational performance of co-operatives.

4.6.2 Training programmes are accessible to co-operatives

Table 4-26Table 4-26 presents and analyses the percentage results on whether training programmes are accessible to co-operatives.

Table 4-26: Training programmes are accessible to co-operatives

	Training programmes	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	15	11.0	11.1	11.1
	Agree	35	25.7	25.9	37.0
	Uncertain	43	31.6	31.9	68.9
	Disagree	33	24.3	24.4	93.3
	Strongly disagree	9	6.6	6.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results show that the majority of respondents, at 31.6 per cent, are uncertain whether training programmes are accessible to co-operatives, whereas 25.7 per cent agreed; 24.3 disagreed; 11 per cent strongly agreed and 6.6 per cent strongly disagreed. A number of government agencies, Non-Profit Organisations (NGO's) and organisations within the co-operative movement have been implementing curricular and non-curricular co-operative education programmes over the years in various parts of the country. These include the Small Enterprise Development Agency (SEDA), National Youth Development Agency (NYDA), some Further Education and Training Colleges (FETs), Municipalities, Local schools and Universities, the International Labour Organisation (ILO), Sector of Education Training Authorities (Seta's) and labour organisations such as the Congress of South African Trade Unions (COSATU). However, in terms of skills development, there is need for a national co-operatives college in South Africa, which should be set up to train co-operatives, government officials, NGO personnel and the general co-operative movement (Satgar, 2009).

4.6.3 Employees have knowledge of productive processes relevant to their field of work

Table 4-27 presents and analyses the percentage results as to whether employees have knowledge of productive processes relevant to their field of work.

Table 4-27: Employees have knowledge of productive processes relevant to their field of work

	Knowledge of production processes	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	34	25.0	25.2	25.2
	Agree	82	60.3	60.7	85.9
	Uncertain	12	8.8	8.9	94.8
	Disagree	6	4.4	4.4	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results show that a majority of respondents (60.3 per cent) agreed that employees have knowledge of productive processes relevant to their field of work, whereas 25 per cent strongly agreed; 8.8 per cent was uncertain; 4.4 per cent disagreed and 0.7 per cent strongly disagreed. This contradicts Satgar (2009) findings that members of co-operatives often do not have the necessary production skills for the enterprises.

4.6.4 Employees are knowledgeable of the enterprise's production processes

Table 4-28 presents and analyses the percentage results on whether employees are knowledgeable of the enterprise's production processes.

Table 4-28: Employees are knowledgeable of the enterprise's production processes

	Knowledgeable of production processes	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	37	27.2	27.2	27.2
	Agree	86	63.2	63.2	90.4
	Uncertain	9	6.6	6.6	97.1
	Disagree	3	2.2	2.2	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	**136**	**100.0**	**100.0**	

The results show that 63.2 per cent of respondents agreed that employees are knowledgeable of the enterprise's production processes, whereas 27.2 per cent of respondents strongly agreed; 6.6 per cent is uncertain; 2.2 per cent disagreed and 0.7 per cent strongly disagreed. The findings of the DTI (2012) show a different conclusion, revealing that certain co-operatives require specialist technical knowledge, which is not always available within the co-operative.

4.6.5 Technical skills contribute to tensions in co-operatives

Table 4-29 presents and analyses the percentage results on whether technical skills contribute to tensions in co-operatives.

Table 4-29: Technical skills contribute to tensions in co-operatives

	Contribution to tensions	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	35	25.7	25.9	25.9
	Agree	54	39.7	40.0	65.9
	Uncertain	33	24.3	24.4	90.4
	Disagree	3	2.2	2.2	92.6
	Strongly disagree	10	7.4	7.4	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results show that the a majority of respondents at 39.7 per cent agreed that technical skills contribute to tensions in co-operatives; whereas 25.7 per cent strongly agree; 24.3 per cent were uncertain; 7.4 per cent strongly disagreed and 2.2 per cent disagreed. This is in line with the findings of the DTI (2012) that poor management and technical skills contribute to tensions in co-operatives.

4.6.6 Technical skills contribute to the chances of success of the enterprise

Table 4-30 presents and analyses the percentage results whether technical skills contribute to the chances of success of the enterprise.

Table 4-30: Technical skills contribute to the chances of success of the enterprise

	Chances of success	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	88	64.7	65.2	65.2
	Agree	41	30.1	30.4	95.6
	Uncertain	5	3.7	3.7	99.3
	Strongly disagree	1	0.7	.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	0.7		
Total		**136**	**100.0**		

The results show that the a majority of participants at 64.7 per cent strongly agreed that technical skills contribute to the chances of success of the enterprise; whereas 30.1 per cent of participants agreed, 3.7 per cent were uncertain and 0.7 per cent strongly disagreed. The results support the findings made by Sapovadia (2012) that technical knowledge in co-operatives increase the chances of being successful.

4.6.7 One-sample statistics for technical skills contribute to the chances of success of the enterprise

Table 4-31 presents and analyses the mean value of the one-sample statistics of the participants' teamwork as a driver for co-operative members' performance.

Table 4-31: One-Sample Statistics for participants' teamwork as a driver for performance

Teamwork for operational performance	N	Mean	Std. Deviation	Std. Error Mean
1.0 Technical skills affect the operational performance of the enterprise	135	1.50	.656	.057
2.0 Training programmes are accessible to co-operatives	135	2.90	1.101	.095
3.0 Employees have knowledge of productive processes relevant to their field of work	135	1.95	.766	.066
4.0 Employees are knowledgeable of the enterprise's production processes	136	1.86	.690	.059
5.0 Technical skills contribute to tensions in the co-operative	135	2.25	1.098	.094
6.0 Technical skills contribute to the chances of success of the enterprise	135	1.41	.638	.055

Table 4-31 show that the mean values of all the statements are less than three (<3). This implies significant disagreements that:

- technical skills affect the operational performance of the enterprise (1.50);
- training programmes are accessible to co-operatives (2.90);
- employees have knowledge of productive processes relevant to their field of work (1.95);
- employees are knowledgeable of the enterprise's production processes (1.86);
- technical skills contribute to tensions in the co-operative (2.25); and
- technical skills contribute to the chances of success of the enterprise (1.41).

4.6.8 One-sample tests regarding teamwork as a driver for co-operative members' performance

Table 4-32 presents and analyses the significant value results on the one-sample tests for participants' teamwork as a driver for co-operative members' performance.

Table 4-32: One-Sample Tests for teamwork as a driver for co-operative performance

Teamwork for operational performance	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1.0 Technical skills affect the operational performance of the enterprise	-26.614	134	.000	-1.504	-1.62	-1.39
2.0 Training programmes are accessible to co-operatives	-1.094	134	.276	-.104	-.29	.08
3.0 Employees have knowledge of productive processes relevant to their field of work	-15.954	134	.000	-1.052	-1.18	-.92
4.0 Employees are knowledgeable of the enterprise's production processes	-19.252	135	.000	-1.140	-1.26	-1.02
5.0 Technical skills contribute to tensions in the co-operative	-7.920	134	.000	-.748	-.93	-.56
6.0 Technical skills contribute to the chances of success of the enterprise	-28.991	134	.000	-1.593	-1.70	-1.48

Table 4-32 shows significant disagreement on all statements. This indicates that significant disagreements that:

- technical skills affect the operational performance of the enterprise [$t(134) = -26.614$, $p<0.05$];
- training programmes are accessible to co-operatives [$t(134) = -1.094$, $p<0.05$];
- employees have knowledge of productive processes relevant to their field of work [$t(134) = -15.954$, $p<0.05$];
- employees are knowledgeable of the enterprise's production processes [$t(135) = -19.252$, $p<0.05$];
- technical skills contribute to tensions in the co-operative [$t(134) = -7.920$, $p<0.05$]; and
- technical skills contribute to the chances of success of the enterprise [$t(134) = -28.991$, $p<0.05$].

4.7 Descriptive statistics on opportunities for the operational performance of co-operatives

This section presents and analyses the results regarding opportunities for the operational performance of co-operatives, including results relating to participants' responses regarding whether motivated employees promote the operational performance of enterprises'; strength of a co-operative originates from the commitment of its members and involving teams in the organisation contribute to improved productivity.

4.7.1 Motivated employees promote the operational performance of the enterprise

Table 4-33 presents and analyses the percentage results on whether motivated employees promote the operational performance of the enterprise.

Table 4-33: Motivated employees promote operational performance

	Motivated employees	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	91	66.9	66.9	66.9
	Agree	42	30.9	30.9	97.8
	Uncertain	1	0.7	0.7	98.5
	Disagree	1	0.7	0.7	99.3
	Strongly disagree	1	0.7	0.7	100.0
	Total	**136**	**100.0**	**100.0**	

The results in Table 4-33 show that 66.9 per cent strongly agreed that motivated employees promote the operational performance of the enterprise, whereas 30.9 per cent agreed; 0.7 per cent were uncertain; 0.7 per cent disagreed and 0.7 per cent strongly agreed. This is in line with the findings of Nabi *et al.* (2017) that employee motivation helps to improve performance, thus achieving organisational goals.

4.7.2 Strength of co-operatives originates from the commitment of members

Table 4-34 presents and analyses the percentage results on whether the strength of the co-operative originates from the commitment of its members.

Table 4-34: Strength of co-operatives originates from the commitment of its members

	Commitment of members	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	94	69.1	70.7	70.7
	Agree	37	27.2	27.8	98.5
	Disagree	1	0.7	.8	99.2
	Strongly disagree	1	0.7	.8	100.0
	Total	133	97.8	100.0	
Missing	System	3	2.2		
Total		**136**	**100.0**		

The results show that 69.1 per cent of respondents strongly agreed that the strength of co-operatives originates from the commitment of its members, whereas 27.2 per cent agreed; 0.7 per cent disagreed and 0.7 per cent strongly disagreed. This supports the findings of Ebbes (2017) that the commitment of members is needed for the survival of the co-operatives because commitment can lower transaction costs for co-operatives and success improve their services.

4.7.3 Involving teams in the organisation contributes to the improvement of productivity

Table 4-35 presents and analyses the percentage results on whether involving teams in the organisation contributes to improved productivity.

Table 4-35: Involving teams in the organisation contributes to improved productivity

	Contribution to productivity	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	75	55.1	56.4	56.4
	Agree	49	36.0	36.8	93.2
	Uncertain	8	5.9	6.0	99.2
	Disagree	1	0.7	0.8	100.0
	Total	133	97.8	100.0	
Missing	System	3	2.2		
Total		**136**	**100.0**		

The results show that 55.1 per cent of respondents strongly agreed that the strength of co-operatives originates from the commitment of its members, whereas 36 per cent agreed; 5.9 per cent were uncertain and 0.7 per cent disagreed. This is in line with the findings made by Koch (2018) that staff members' engagement should always be important for management, leading to a more productive business and ultimately increasing profit and growth.

4.7.4 One-sample statistics regarding opportunities for the operational performance of co-operatives

Table 4-36 presents and analyses the mean value of the one-sample statistics of the participants' responses to opportunities for the operational performance of co-operatives.

Table 4-36: One-Sample Statistics regarding opportunities for the operational performance of co-operatives

Opportunities for operational performance	N	Mean	Std. Deviation	Std. Error Mean
1.0 Motivated employees promote the operational performance of the enterprise	136	1.38	.620	.053
2.0 Strength of a co-operative originates from the commitment of its members	133	1.33	.600	.052
3.0 Involving teams in the organisation contributes to improved productivity	133	1.51	.647	.056

Table 4-36 shows that the mean values of all the statements are less than three (>3). This implies significant disagreement on:

- motivated employees promote the operational performance of the enterprise (1.38);
- strength of a co-operative originates from the commitment of its members (1.33); and
- involving teams in the organisation contributes to improved productivity (1.51).

4.7.5 One-sample tests for opportunities for the operational performance of co-operatives

Table 4-37 presents and analyses the significant value results on the one-sample test for opportunities for the operational performance of co-operatives.

Table 4-37: One-Sample Tests for the opportunities for the performance of co-operatives

Opportunities for operational performance	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1.0 Motivated employees promote the operational performance of the enterprise	-30.571	135	.000	-1.625	-1.73	-1.52
2.0 The strength of a co-operative originates from the commitment of its members	-32.109	132	.000	-1.669	-1.77	-1.57
3.0 Involving teams in the organisation contributes to improved productivity	-26.542	132	.000	-1.489	-1.60	-1.38

Table 4-37 shows that there are significant disagreement on all statements. This indicates that:

- motivated employees promote the operational performance of the enterprise [$t(135) = -30.571$, $p<0.05$];
- the strength of a co-operative originates from the commitment of its members [$t(132) = -32.109$, $p<0.05$]; and

- involving teams in the organisation contributes to improved productivity [t(132) = -26.542, p<0.05].

Having discussed the descriptive statistics on opportunities impacting the performance of co-operatives, the next subsection presents the descriptive statistics on challenges impacting the performance of co-operatives.

4.8 Descriptive statistics on challenges for the operational performance of co-operatives

This section presents and analyses the results regarding the challenges for the operational performance of co-operatives. This includes results relating to participants' responses regarding whether the number of co-operative members results in the potential to cause conflict amongst members.

4.8.1 The larger the number of co-operative members results in the potential to cause conflict amongst members

Table 4-38 presents and analyses the percentage results on whether the more co-operative members results in the potential to cause conflict amongst members.

Table 4-38: More members' results in the potential for conflict

	More members and potential conflict	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	54	39.7	39.7	39.7
	Agree	50	36.8	36.8	76.5
	Uncertain	23	16.9	16.9	93.4
	Disagree	6	4.4	4.4	97.8
	Strongly disagree	3	2.2	2.2	100.0
	Total	**136**	**100.0**	**100.0**	

The results show that 39.7 per cent of participants strongly agreed that the greater the number of co-operative members' result in the potential to cause conflict amongst members', whereas 36.8 per cent agreed; 16.9 per cent of participants were uncertain; 4.4 per cent

disagreed and 2.2 per cent strongly disagreed. The results support the findings made by Othman (2012) that as co-operative membership size gets larger and more diverse, this will possible, affect members' commitment, democracy and co-operative success.

4.8.2 Access to training is a constraint on the operational performance of the co-operative

Table 4-39 presents and analyses the percentage results on whether access to training is a constraint to the operational performance of the co-operative.

Table 4-39: Access to training is a constraint on the operational performance

	Access to trainings	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Strongly agree	29	21.3	21.6	21.6
	Agree	61	44.9	45.5	67.2
	Uncertain	29	21.3	21.6	88.8
	Disagree	5	3.7	3.7	92.5
	Strongly disagree	10	7.4	7.5	100.0
	Total	134	98.5	100.0	
Missing	System	2	1.5		
Total		**136**	**100.0**		

The results show that 44.9 per cent of participants agreed that access to training is a constraint to the operational performance of the co-operative, whereas 21.3 per cent strongly agreed. However, another 21.3 per cent of the participants were uncertain; 3.7 per cent disagreed and 7.4 per cent strongly disagreed. The results are in line with the finding of the Local Government Sector Education and Training Authority (LGSETA) (2017) that most co-operatives are invited to workshops that are not relevant to their operations and feel that there are being used by organisers who want to report high attendance. This is concurred by Masango (2015) that the South African government is spending a substantial amount of money on training programmes focused on co-operatives. However, the performance of these co-operatives remain poor.

4.8.3 One-sample statistics for challenges to the operational performance of co-operatives

Table 4-40 presents and analyses the mean value results on the one-sample statistics for the operational performance of the business.

Table 4-40: One-Sample Statistics for challenges impacting operational performance

Challenges impacting operational performance	N	Mean	Std. Deviation	Std. Error Mean
1.0 The greater the number of co-operative members it results in the potential to cause conflict amongst members	136	1.93	.971	.083
2.0 Access to training is a constraint to the operational performance of the co-operative	134	2.30	1.083	.094

Table 4-40 shows that the mean values of all the statements are less than three (>3). This implies significant disagreement on:

- a greater number of co-operative members results in the potential to cause conflict amongst the members (1.93); and
- access to training is a constraint to the operational performance of the co-operative (2.30)

4.8.4 One-sample test for challenges to the operational performance of co-operatives

Table 4-41 presents and analyses the significant value results on the one-sample test for challenges to the operational performance of co-operatives.

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Table 4-41: One-Sample Test for challenges to operational performance

Challenges to operational performance	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1.0 A greater number of co-operative members results in the potential to cause conflict amongst members	-12.894	135	.000	-1.074	-1.24	-.91
2.0 Access to training is a constraint to the operational performance of the co-operative	-7.496	133	.000	-.701	-.89	-.52

Table 4-41 shows significant disagreement on all statements. This indicates that significant disagreements:

- A greater number of co-operative members results in the potential to cause conflict amongst members [$t(135) = -12.894$, $p<0.05$]; and
- access to training is a constraint to the operational performance of the co-operative [$t(133) = -7.496$, $p<0.05$].

Having discussed the results of the challenges to the operational performance of co-operatives, the next section presents the correlation tests.

4.9 Spearman's correlation tests

The spearman's correlation tests will be used to analyse the scores of variables, which calculated all the objectives of the study.

The Spearman's correlation coefficient is a technique which can be used to summarise the strength and direction (negative or positive) of a relationship between two variables (Barcelona Field Studies Centre, 2018). Moreover, it is denoted by the symbol r_s (or the Greek letter ρ, pronounced rho). In addition, the result will be between one and minus one. A positive correlation coefficient indicates a positive relationship between the two variables (as the value of one variable increases; the value of the other variable also increase); while a negative correlation coefficient expresses a negative relationship (as the values of one

variable increases; the value of the other variable decrease). A correlation coefficient of zero indicates that no relationship exists between the variables. However, correlation coefficients like Spearman and Pearson assume a linear relationship between variables. Even if the correlation coefficient is zero, a non-linear relationship might exist (Statistics Solutions , n.d.).

The strength of the correlation is described in terms of the total value of r_s, which is:

- 0.00-0.19 – very weak;
- 0.20-0.39 – weak;
- 0.40-5.9 – moderate;
- 0.60-0.79 – strong; and
- 0.8-1.0 – very strong.

The results stipulate the following outlines: positive values show a direct relative connection between the variables and a negative value shows an opposite connection

4.9.1 Correlation between annual income and operational performance

Table 4-42 presents and analyses the results of the correlation between the statements on the annual income of co-operatives and operational performance.

Table 4-42: Correlation between annual income and operational performance

Spearman's rho		Income
1.0 Co-operative members understand the objectives of the enterprise	Correlation Coefficient	-.165
	Sig. (2-tailed)	.056
	N	135
2.0 Co-operative management monitors the operational performance of the enterprise	Correlation Coefficient	-.114
	Sig. (2-tailed)	.191
	N	132
3.0 Management practices affect the operational performance of the co-operative	Correlation Coefficient	-.119
	Sig. (2-tailed)	.176
	N	131
4.0 Management skills remain the key determinants of co-operative performance	Correlation Coefficient	-.283**
	Sig. (2-tailed)	.001
	N	133
5.0 Boards of directors are ultimately responsible for the success or failure of the co-operative	Correlation Coefficient	-.082
	Sig. (2-tailed)	.344
	N	134
6.0 Access to resources contribute to the operational performance of the co-operative	Correlation Coefficient	.009
	Sig. (2-tailed)	.920
	N	132

	7.0 Co-operative performance is enhanced by the use of teamwork	Correlation Coefficient	.001
		Sig. (2-tailed)	.992
		N	135
	8.0 The members of the co-operative provide input into the operational issues of the enterprise	Correlation Coefficient	.007
		Sig. (2-tailed)	.936
		N	134
	9.0 Co-operative team members are dependent on each other for the performance of the enterprise	Correlation Coefficient	.112
		Sig. (2-tailed)	.197
		N	134
	10.0 Co-operative team members have a shared understanding of how the team operates	Correlation Coefficient	.130
		Sig. (2-tailed)	.135
		N	134
	11.0 Co-operative members resolve their conflicts, even when the conflicts have become personal	Correlation Coefficient	.349**
		Sig. (2-tailed)	.000
		N	134
	12.0 Technical skills affect the operational	Correlation Coefficient	-.021
		Sig. (2-tailed)	.808

	performance of the enterprise	N	134
	13.0 Training programmes are accessible to co-operatives	Correlation Coefficient	.172*
		Sig. (2-tailed)	.047
		N	134
	14.0 Employees have knowledge of productive processes relevant to their field of work	Correlation Coefficient	.004
		Sig. (2-tailed)	.962
		N	134
	15.0 Employees are knowledgeable of the enterprise's production processes	Correlation Coefficient	-.046
		Sig. (2-tailed)	.596
		N	135
	16.0 Technical skills contribute to tensions in the co-operative	Correlation Coefficient	-.019
		Sig. (2-tailed)	.827
		N	134
	17.0 Technical skills contribute to the chances of success of the enterprise	Correlation Coefficient	-.023
		Sig. (2-tailed)	.795
		N	134
	18.0 Motivated employees promote the operational performance	Correlation Coefficient	-.059
		Sig. (2-tailed)	.495
		N	135

	of the enterprise		
	19.0 The strength of a co-operative originates from the commitment of its members	Correlation Coefficient	-.112
		Sig. (2-tailed)	.202
		N	132
	20.0 Involving teams in the organisation contributes to improved productivity	Correlation Coefficient	.076
		Sig. (2-tailed)	.385
		N	132
	21.0 The greater the number of co-operative members results to the potential to cause conflict amongst the members	Correlation Coefficient	.088
		Sig. (2-tailed)	.308
		N	135
	22.0 Access to training is a constraint to the operational performance of the co-operative	Correlation Coefficient	.003
		Sig. (2-tailed)	.975
		N	133

A correlation (*) is significant at the 0.05 level (2-tailed. A correlation (**) is significant at the 0.01 level (2-tailed).

As shown in Table 4-42:

a. The following operational variables for co-operatives do not have a statistically significant relationship with income. The p-values for these variables are more than the standard statistical value of 0.05. These include members' understanding of objectives of the enterprise at a p value of 0.930; monitoring of co-operative operational performance by management at a p-value of 0.25; management practices in relation to its effects on operational performance at a p-value of 0.176; board of directors' responsibility for the success or failure of the co-operative at a p value of 0.344; access to resources in relation to the operational performance of the co-operative at a p-value of 0.920; team-work enhance the performance of the co-operative at a p-value of 0.992; members' input on operational issues at a p-value of 0.936; team members' dependent on each other for performance at a p-value of 0.197; co-operative members' shared understanding on how team operates at a p-value of 0.135; technical skills' effects on the operational performance at a p-value of 0.808; accessibility of training programmes at a p-value of 0.47; employees' knowledge of productive processes relevant to their field of work at a p-value of 0.962; employees' knowledge of the enterprise's production processes at a p-value of 0.596; tensions caused by the technical skills' at a p-value of 0.827; technical skills' contribution to the chances of success at a p-value of 0.795; promotion of operational performance by motivated employees at a p-value of 0.495; strength of the co-operative originates from the commitment of its members' at a p-value of 0.202; involvement of teams contributes to improving productivity at a p-value of 0.385; the greater the numbers of co-operative members results in the potential to cause conflict amongst members at a p-value of 0.308; and access to training is a constraint to the operational performance of the co-operative at a p-value of 0.975.

b. A negative correlation exists between management skills and income at a significant coefficient r-value of -0.283. The two variables have a p-value of 0.01, which is less than 0.05. This indicates a weak correlation between variables, which signifies that management skills are a significant factor in improving operational performance.

c. A positive correlation between co-operative members in resolving their conflict and income had a significant coefficient r-value of 0.349. The two variables have a p-value of 0.00, which is less than 0.05. This indicates a weak correlation between variables, which signifies that resolving conflicts is a significant factor in improving operational performance.

4.10 Conclusion

This chapter presented and analysed the profiles of the participants and the descriptive statistics related to the objectives of the study. One-sample statistics, one-sample test and Spearman's correlation test concluded the results of each section as discussed. Correlation tests were performed for the purposes of determining statistically significant relationships between variables.

The descriptive statistics revealed that a majority of participants agreed that management skills remained the key determinant of co-operative performance. Moreover, a large number of participants agreed that co-operative performance is enhanced by the use of teamwork. In addition, a majority of respondents agreed that technical skills affect the operational performance of co-operatives.

The one-sample statistics for the operational performance of co-operatives revealed that there is a significant disagreement between variables.

Correlation between annual income and operational performance indicated that management skills are a significant factor in improving operational performance. Moreover, resolving conflicts is a significant factor in improving operational performance

The response rate of the study was 94 per cent and the participants were enthusiastic about participating in the study. The next and final chapter presents the conclusions and recommendations of this study. Furthermore, the achievement of the objectives of the study will be presented.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presented an analysis and interpretation of the results. This chapter presents the conclusions and recommendations based on the main findings of the study. This study was carried out to investigate the factors influencing the operational performance of co-operatives in SA, using UTDM as a reference point. The SA government devoted billions of rand's to the creation, development and promotion of co-operatives throughout the country. However, according to the DTI (2012), many of these co-operatives are dysfunctional with a failure rate of about 88 per cent for each year. More studies are needed to assist the SA government with possible solutions to address failure rate of co-operatives.

The objectives of this research study were:

- to investigate the challenges and opportunities impacting the operational performance on co-operatives;
- to assess the perception of the lack of team-work amongst co-operatives members; and
- to examine if a lack of technical skills has an impact on the operational performance of co-operatives.

5.2 Theoretical Perspective

A theoretical perspective is a set of assumptions about reality that inform the questions one asks and the kinds of answers one arrives at as a result (Crossman, 2018). Moreover, a theoretical perspective is important for research as it serves to organise the researchers and ideas and make them clear to others. The theoretical perspective of this study focused on the factors that influence the operational performance of co-operatives in SA.

The next section summarises the empirical research used. This includes the bases that assisted the researcher in reaching conclusions, as well as the logical stages that were followed in carrying out this study.

5.3 Empirical nature of the study

Empirical research is based on observed and measured occurrences. Moreover, empirical research develops information from actual experiences, as opposed to theory or belief (Cahoy, 2017). This study followed deductive logic. According to Zalaghi (2016), a deductive method constitutes developing an assumption created on the existing ideas and forming a research plan to test the assumption.

The following are the stages applied in carrying out the research:

5.3.1 Planning and framing

The researcher had to select the topic, set out the aims and objectives of the study, develop a research proposal and work out the timeframe for the study. The literature review assisted the researcher to identify the broader context of the problems facing the operational performance of co-operatives in South Africa.

5.3.2 Gathering and recording secondary data

The literature review enabled the researcher to draw applicable questions from instruments used in the previous studies of a similar nature. A self-administered approach was used in this study. The researcher collected data from the members of co-operative enterprises within the UTDM.

5.3.3 Analysing data and interpretation of study results

This study is quantitative in nature. The data from the questionnaires were statistically analysed. The services of a statistician were used to assist with data analysis. Data analysis was done through the use of standardized tables for consistency.

5.3.4 Report writing

The report was structured in five chapters. Chapter One introduced the research, Chapter Two deliberated the literature guided by the objectives of the study and Chapter Three

presented the research methodology. Moreover, Chapter Four presented the analysis and interpretation of the data. In addition, Chapter Five presented the conclusion and recommendations. These recommendations are relevant to the South African government, enterprise development agencies, co-operatives bodies and researchers with a focus on co-operatives.

The next section presents the demographic findings of the study.

5.4 Demographic findings of the study

The findings of this study reveals that a majority of participants are middle-aged adults, most of whom are women who have attained a high school level of education.

The study also reveals that the majority of co-operatives have been in operation for less than five years and a large number of co-operatives in UTDM are in the farming sector.

The next section evaluates if the study objectives have been achieved.

5.5 Achievement of the research objectives

This study set out to investigate the factors that influence the operational performance of co-operatives. The achievements of the research objectives are discussed below.

5.5.1 To investigate opportunities and challenges impacting the operational performance of co-operatives

The findings of this study reveal that 69.1 per cent of respondents strongly agreed that the strength of co-operatives originates from the commitment of its members. The findings are in line with the findings made by Ebbes (2017) that the commitment of members is needed for the survival of co-operatives since commitment can lower transaction costs for co-operatives and successively improve their services. Moreover, the results of the one-sample tests in Table 4-36 show that there is a significant disagreement that the strength of co-operatives originates from its members [$t(132)=-32.109, p<0.05$].

The findings of this study also reveals that 39.7 per cent of participants strongly agreed that the great the number of co-operative members result in the potential to cause conflict amongst members. The findings support the findings made by Othman (2012) that as co-operative membership size gets larger and more diverse, this will possible, affect members' commitment, democracy and co-operative success. Moreover, the results of the one-sample tests in Table 4-36 shows that there is a significant disagreement that the greater the number of co-operative members results in the potential cause of conflict amongst the members [t(135)=-12.894,p<0.05].

The findings of this study reveal that 46.3 per cent of respondents strongly agreed that management skills remained the key determinant of co-operative performance. This is in line with the findings made by Masango (2015) that poor governance and a lack of management skills are the core problems affecting the operational performance of co-operatives. Furthermore, the results of the one-sample tests in Table 4-17 show that there is a significant disagreement that management skills remained the key determinant of co-operative performance [t(133)=-20.351, p<0.05]. In addition, the results of Spearman's correlation reveals that there is a negative correlation between management skills and income. This signifies that management skills are a significant factor in improving operational performance.

5.5.2 To assess the perception on the lack of teamwork amongst co-operative members'

The findings of this study reveal that 50.0 per cent of participants strongly agreed that co-operative performance is enhanced by the use of teamwork. Mbaraka (2017) maintains that when teamwork is well practised, the result is improved performance, productivity and morale, as well as positive attitude towards work. Moreover, the results of the one-sample test in Table 4-25 shows significant disagreement that co-operative performance is enhanced by the use of teamwork [t(135) = -26.205, p<0.05].

Furthermore, the results of Spearman's correlation reveals that there is a positive correlation between co-operative members resolving their conflicts and income. This signifies that resolving conflicts is a significant factor in improving the operational performance.

5.5.3 To examine if the lack of technical skills has an impact on the operational performance of co-operatives

The findings of this study reveal that 55.6 per cent of respondents strongly agreed that technical skills affect the operational performance of co-operatives. This is supported by the findings made Twalo (2012) that a lack of technical skills is a fertile ground for the poor operational performance of co-operatives. Furthermore, the results of the one-sample tests in Table 4-32 show that there are significant disagreements on technical skills affecting the operational performance of the enterprise [$t(134) = -26.614$, $p<0.05$].

5.6 Limitations of the study

Limitations are any aspect that obstruct a study and its findings (Moura, 2017). Due to financial and time constraints, the study focused on co-operatives located in UTDM. The above constraints made it difficult for the researcher to include all co-operatives in South Africa. The UTDM was selected and used as a case study and as a result, only co-operatives based within this district participated in this study.

5.7 Recommendations for further studies

The following are recommendations for future research based on the findings of this study:

- To evaluate whether the larger number of co-operative members result in the potential to cause conflict amongst members;
- To investigate whether the strength of co-operative originates from the commitment of its members; and
- To determine the extent to which technical skills affect operational performance.

5.8 Conclusion

The development of co-operative enterprises is seen as a key strategy for addressing economic growth, job creation and poverty reduction. The study has highlighted the importance of co-operatives in South Africa and the need to improve their operational performance. Furthermore, this study has pointed out some of the breaches in the operational performance in the South African co-operatives. Such gaps in include, lack of monitoring of operational performance by management, management practices, access to resources, technical skills, education level, access to training programmes, knowledge of production processes and commitment of members. The gaps identified in this study highlights the need for more research regarding the operational performance status of co-operatives in SA.

6 REFERENCES

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APPENDIX A

27 Pfanner Road
Unit 16 Sherwood Lodge
Marianhill Park
Pinetown
3610
11 January 2016

Letter of Information and Consent

Dear participant,

LETTER OF INFORMATION AND CONSENT (QUESTIONNAIRES)

I am currently undertaking a research project that aims to investigate the factors that influence the operational performance of co-operatives in South Africa: A case study of uThukela District Municipality.

It would be appreciated if you could complete the questionnaire. Completing the questionnaire will take 20 minutes to complete. Participation is voluntary and you are free to withdraw from the study at any time. The information you give will only be used for research purposes, and your identity and individual answers will be kept totally confidential. Should you wish to discuss this further, please feel free to contact me or my supervisor (Dr. D. Zondo – 031 373 6831).

Please fax your completed questionnaire to 086 766 9156 or scan and email to nbuthelezi7@gmail.com

Your assistance will be much appreciated.

Yours sincerely

…….
Nhlanhla Buthelezi
031 - 242 2393

Please complete the following as confirmation of your willingness to participate in this research project.
I, …… have discussed the study with the researcher, I understand that I can withdraw from it at any time without giving reason, and voluntarily agree to participate by completing the questionnaire.

Signature……Date……..

APPENDIX B

AN INVESTIGATION INTO FACTORS INFLUENCING THE OPERATIONAL PERFORMANCE OF CO-OPERATIVES IN SOUTH AFRICA: A CASE STUDY OF UTHUKELA DISTRICT MUNICIPALITY

Please complete the following questionnaire by selecting your most accurate response to each question by means of a cross (X). Your identity and individual answers will be kept totally confidential. Your participation will be highly appreciated.

SECTION A : BIOGRAPHICAL DETAILS OF THE RESPONDENT

1.

Select your gender	Select one
Male	
Female	

2.

Select your age category	Select one
Less than 18 years	
18 – 35	
36 – 52	
53 – 69	
70 – above	

3.

Select your current marital status	Select one
Single	
Married	
Divorced or widowed	

4.

Select your educational level	Select one
No schooling	
Grade 1 – Grade 4	
Grade 5 – Grade 8	
Grade 9 – Grade 12	
Diploma and above	

SECTION B : CO-OPERATIVE BACKGROUND INFORMATION

5.

Number of people employed by the co-operative	Select one
1 - 5	
6 – 10	
11 – 15	
16 – 20	
21 and above	

6.

Number of co-operative members	Select one
05 – 10	
11 – 15	
16 – 20	
21 – 25	
26 and above	

7.

Amount of income per year	Select one
Less than R 250 000	
R 250 000 to less than R 500 000	
R 500 000 to less than R 750 000	
R 750 000 to less than R1 000 000	
R 1 000 000 and above	

8.

How long has the co-operative been operating	Select one
Less than 1 year	
1 - 5 years	
6 - 10 years	
11 years and above	

9.

Your business sector	Select one
Farming	
Manufacturing	
Mining	
Arts and craft	
Trade & accommodation	
Burial society	
Finance & business services	
Electricity, gas & water	
Transport & communication	
Other	

If other, please specify…….

SECTION C : THE OPERATIONAL PERFORMANCE OF CO-OPERATIVE

No.	Item	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
10	Co-operative members understand the objectives of the enterprise					
11	Co-operative management monitors the operational performance of the enterprise					
12	Management practices affects the operational performance of the co-operative					
13	Management skills remained the key determinant of co-operatives performance					

14	Boards of directors are ultimately responsible for the success or failure of the co-operative					
15	Access to resources contributes to the operational performance of the co-operative					

SECTION C : TEAMWORK AS A DRIVE FOR CO-OPERATIVE MEMBERS' PERFORMANCE

No.	Item	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
16	Co-operative performance is enhanced by the use of teamwork					
17	Members of the co-operative provide input into operational issues of the enterprise					
18	Co-operative team members are dependent on each other for the performance of the enterprise					
19	Co-operative team members have a shared understanding of how the team operates					
20	Co-operative members resolve their conflicts, even when the conflicts have become personal					

SECTION D: TECHNICAL SKILLS IMPACT ON CO-OPERATIVE FOR OPERATIONAL PERFORMANCE

No.	Item	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
21	Technical skills affect the operational performance of the enterprise					
22	Training programmes are accessible to co-operatives					
23	Employees have knowledge of productive processes relevant to their field of work					
24	Employees are knowledgeable of the enterprise's production processes					
25	Technical skills contribute to tensions in the co-operative					
26	Technical skills contribute to the chances of success of the enterprise					

SECTION E : OPPORTUNITIES IMPACTING THE OPERATIONAL PERFORMANCE OF CO-OPERATIVE

No.	Item	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

27	Motivated employees promote the operational performance of the enterprise					
28	The strength of a co-operative originates from the commitment of its members					
29	Involving teams in the organisation contributes to improving productivity					

SECTION F : CHALLENGES IMPACTING THE OPERATIONAL PERFORMANCE OF CO-OPERATIVES

No.	Item	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
30	Greater the number of co-operative members results to the potential to cause conflict amongst members					
31	Access to training is a constraint to the operational performance of the co-operative					

Thank you for your cooperation.