

**EFFECTS OF COMPETITION ON ORGANIZATIONAL PERFORMANCE  
CASE STUDY OF FRESH DIARY FARM SOUTH SUDAN (FDFSS)**

**BY**

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**A RESEACH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIERMENT FOR THE AWARD OF A DEGREE IN HUMAN  
RESOURCE MANAGEMENT SUBMITTED TO  
KAMPALAININTERNATIONAL  
UNIVERSITY**

**May 2012**

**DECLARATION**

I Linda Beatrice Alfred Reg. No. BHR /41763/91/DF, declare that this research proposal entitled "effects of competition on organizational performance" is my original work and has never been presented to any institution/university for any award.

Signed:  .....

Date: 28<sup>th</sup> / May / 2012 .....

Linda Beatrice Alfred

## APPROVAL

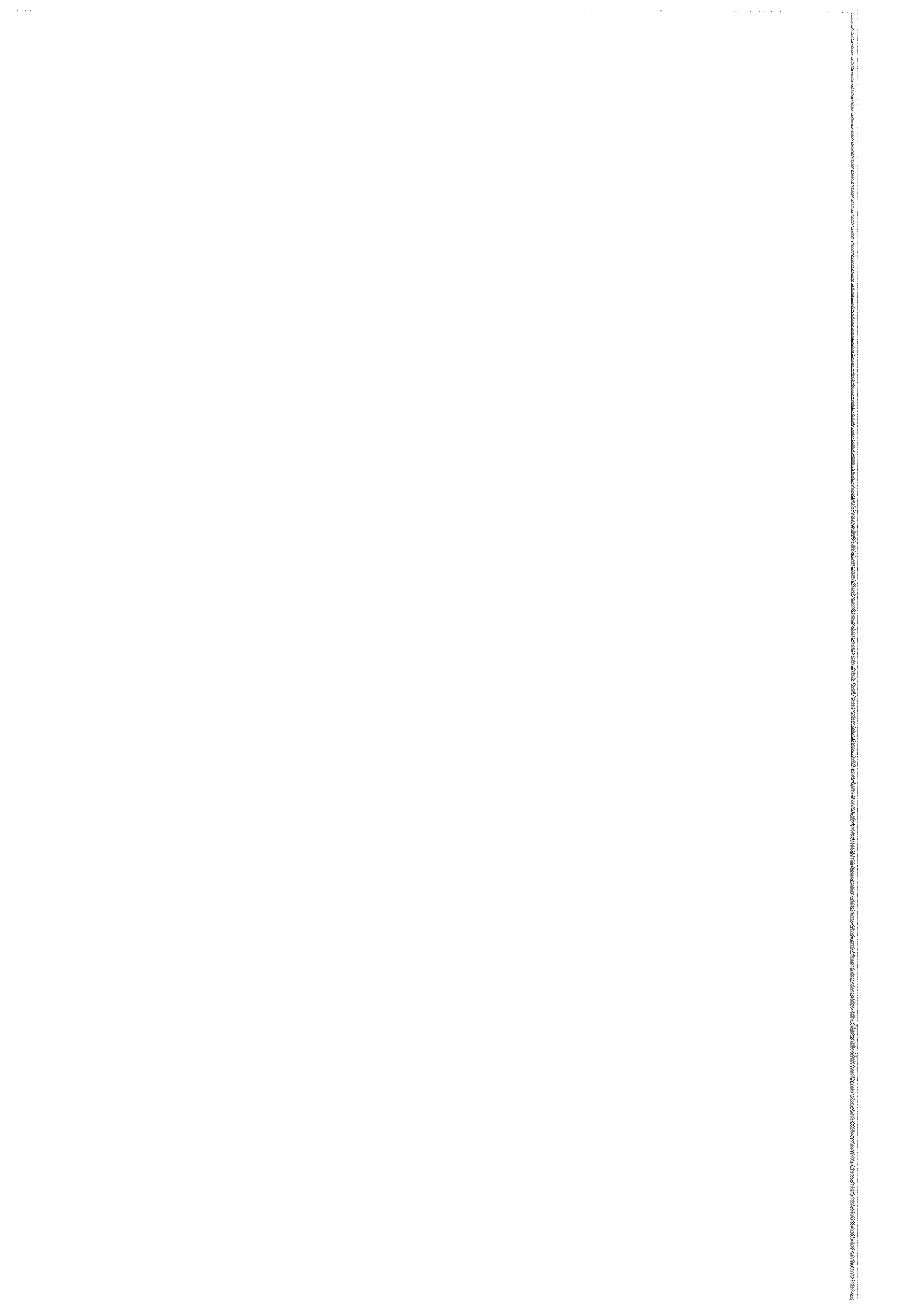
This research proposal entitled "effects of competition on organizational performance case study of Fresh Dairy Farm South Sudan (FDFSS) was conducted under my supervision and is now ready for submission.

Signed .....

Dr. Olutayo Osunsan

Date: .....

28/05/2012



## **DEDICATION**

I dedicate this work to my Lovely Father Mr. ALFRED MANGA for his financial support throughout my education life.

## **ACKNOWLEDGEMENT**

Great thanks go to the almighty God who enabled me have the right way from the start up to the end of my course and who still support me in life.

I wish to extend my sincere appreciation to my dear parents and the whole entire family for both financial, spiritual support they offered to me right from the beginning of my life to-date and to the accomplishment of my course.

I am grateful to my supervisor Dr. Olutayo Osunsan for the guidance, advice and courage that he gave to me throughout the whole process to get this work finished.

I thank my respondents for giving me time to attend to my questionnaires and interview sessions that helped me realize my objectives may God reward them accordingly.

I wish to thank my friends and relatives for the academic support and courage that they gave to me, which instilled in me a sense of determination and hard work to finish this work. I will live to love them.

## TABLE OF CONTENTS

DECLARATION .....	ii
APPROVAL.....	iii
DEDICATION .....	iv
ACKNOWLEDGEMENT.....	v
ABSTRACT .....	viii
CHAPTER ONE .....	1
1.0 Back Ground of the Study.....	1
1.2 Statement of the Problem.....	3
1.3 Objectives of the Study .....	3
1.4 Research Question .....	4
1.5 Scope of the Study.....	4
1.6 Significance of the Study.....	5
1.7 Conceptual framework.....	6
CHAPTER TWO: LITERATURE REVIEW .....	7
2.0 Introduction .....	7
2.1 Competition and market share.....	8
2.2 Competition and sales.....	10
2.4 Competition and profitability.....	10
2.4 Conclusion .....	12
CHAPTER THREE: RESEARCH METHODOLOGY.....	14
3.0 Introduction .....	14
3.1 Research design .....	14
3.2 Study population .....	14
3.3 Sample size .....	14
3.4 Sampling techniques and procedures.....	15
3.5 Sources of data.....	15
3.6 Data collection instruments .....	15

3.7	Data presentation and analysis.....	16
3.8	Limitation of the Study.....	16
CHAPTER FOUR: DATA PRESENTATION, DISCUSSION, ANALYSIS AND INTERPRETATION OF FINDINGS .....		17
4.0	Introduction.....	17
4.1	Demographic Characteristics Of Respondents.....	17
4.2	Effect Of Competition On Market Share .....	20
4.3	The Effect Of Competition On Profitability.....	22
4.4	Findings On The Effect Of Competition On The Sales .....	24
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....		26
5.0	Introduction.....	26
5.1	Summary of Findings.....	26
5.2	Conclusions.....	27
5.3	Recommendations .....	28
5.4	Areas of further research .....	29
REFERENCES.....		30
APPENDICES.....		32
Appendix 1: Questionnaire.....		32



## **ABSTRACT**

The study was undertaken at Fresh Diary Farm, South Sudan with the purpose of evaluating the effect of competition on organisational performance.

The specific objectives of the study were; to find out the effect of competition on the sales of Fresh Diary Farm, South Sudan, the effect of competition on the market share and the effect of competition on the profitability of the farm. The methods used to collect data were questionnaires and interviews from a cross section of the respondents. The population of the study was 200 and the researcher used a sample size of 60 respondents.

The findings revealed that there was a significant relationship between competition and profitability, sales and marketshare of Fresh Diary Farm where by majority of the respondents strongly agreed that competition has got a negative effect on the sales which in turn reduces on the profits and market share of the farm. However through measures like production of quality goods at a cheaper cost, provision of good transport network and emphasis on the use of good market language can favourably do well in terms of increasing on the sales, profitability and market share in addition to motivating the employees for effective work.

The study recommended that the farm should carryout Strategic Pricing which clarifies the relationship between market segmentation and price, and delivers the tools the company needs to stay focused on value as it determines break-even, defines price elasticity, and analyzes tradeoffs between features and price points. Using strategic pricing tools yields a better positioning approach of the company.

The farm should also improve on the working conditions of its employees such that they are motivated to perform their duties effectively as well as marketing for the farm's products. This will help to improve on good customer relations hence increasing on the sales and in the end maximizing the profits.

## **CHAPTER ONE**

### **1.0 Introduction**

This chapter consists of the background of the study, statement of the problem, objectives of the study, hypothesis, and importance of the study, limitation and the scope of the study.

### **1.0 Back Ground of the Study**

Competition can refer to a situation where there are many buyers and sellers in the market, the goods offered by the various sellers are largely the same and firms can freely enter or exit the market. Competition is one of the most important elements of the marketing mix, as it is the one of the company mix, which generates a turnover for the organization (Kotler& Armstrong, 2005). An organization can adopt a number of competitive strategies. Khan (2006) asserts that competitive strategies are based much on what objectives the company has set itself to achieve. Some of these strategies used by organizations include penetration pricing, Skimming pricing, product line pricing, among others (Brassington & Pettitt, 2010). Due to this characteristic competitors are more likely to respond to price moves as compared to product adjustments (Lambin, et al 2005).

In relation to the above, competition is based on the objectives of an organization, some organizations charge their customers a price that help them achieve their profitability and increase on their sales. However, Sales figures do not necessarily indicate how a firm is performing relative to its competitors. Rather, changes in sales simply may reflect changes in the market size or changes in economic conditions and the firm's performance relative to competitors can be measured by the proportion of the market that the firm is able to capture.

In a business where months go by between producing products and getting paid by retailers, inventory is a killer. Ironically, the better you sell, the more cash you need, and it's not uncommon to grow yourself to bankruptcy. That's Fresh Dairy Farm, south Sudan started with just one product version, in a single size, expanding only after their initial success (asserts John KurMagok, Marketing manager, FDM-Sudan, 2010). They created variety and impact on shelves by offering different milk products like flavored milk, milk powder, condensed milk among others, which could be changed to adapt to demand.

Hoover (1939), in his early work analyzed spatial price discrimination for firms with fixed locations and concluded that a firm serving a market point would have a local price constrained by the marginal cost of service of other firms. In situations where demand elasticity is not too high, this will result in delivered prices as market points equal to the marginal cost. This result is similar to that recently presented by Haddock (1996) relating the cause for the existence of base point pricing.

According to Euske (2003), if an organization is not the market leader within the industry in recent years, competitive prices will influence the pricing of that company's products or services hence affecting profitability. Market leaders have often created a "pricing standard" against which other product/service prices are compared. So if the product or service is reasonably competitive with the market leaders offering companies can set a price that is near the "standard". If fresh dairy farms in south Sudan have the ability to price lower than the competition and still be profitable then the farm is likely to capture a greater market share which can benefit the organization over time as it offers new or complementary products or services to the customer base.

This study was done to analyze or to come up with the effects of competitions on organizational performance in fresh dairy farm southern Sudan

Fresh dairy farm south Sudan is a company which deals with buying, processing and packaging of milk. The company was started on 9<sup>th</sup> July 2011.

Since it was established, the company has shown a steady growth and more satisfactory to human wants.

## **1.2 Statement of the Problem**

Competition has been faced in several organizations that limit the efficiency as well as the effectiveness of these processes (PPDA, 2003). Fresh dairy farm South Sudan that was established 2009 started on well in its operations but within a short period of time that is from 2011 the similar farms started emerging causing intense competition in the milk production industry (fresh dairy report 2011).

As a student of human resource management at Kampala International University therefore, Fresh Dairy Farm in South Sudan became my major area of concern. This is because if other dairy farms out compete the former can result into reduced staff performance and declines on profitability levels of the farm.

## **1.3 Objectives of the Study**

### **1.3.1 General objective**

The study investigated the effect of competition on organizational performance of fresh dairy farm.

### **1.3.2 Specific objectives**

- 1) To establish the effect of competition on market share in fresh dairy farm in south Sudan
- 2) To establish the effect of competition on sales of fresh dairy farm south Sudan.
- 3) To establish the effect of competition on profits of fresh dairy farm south Sudan.

## **1.4 Research Question**

- 1) What is the effect of competitions on market share in fresh diary farm in south Sudan
- 2) What is the effect of competition on sales of fresh diary farm south Sudan.
- 3) What is the effect of competition on profits of fresh diary farm south Sudan.

## **1.5 Scope of the Study**

### **1.5.1 Geographical scope**

The study was conducted in Bar-el gazal state which is located in south Eastern Sudan. Fresh Diary farm is established on over 50 acres of land along Bar-el gazal road which connects to central in the north.

### **1.5.2 Content scope**

The study intended to establish the relationship between competition and staff performance of Fresh Diary Farm under the following objectives; Demographic characteristics of the respondents, effects of competition on the market shares, sales and profits of the farm. The Company employs over 100 employees including the top officials and the shareholders.

### **1.5.3 Theoretical scope**

The study based on the theory of competition advanced by Charlie cook (1999-2001) which seeks to determine the relationship between competition and staff performance. Competition between firms or market shares in organizations is the lifeblood of strong and effective markets. Competition helps consumers get a good deal. It encourages firms to innovate by reducing slack, putting downward pressure on costs and providing incentives for the efficient organization of production.

#### **1.5.4 Time scope**

The study was carried out within a period of 4 months starting from April to July 2012. It was carried out in three phases starting with proposal writing, data collection and analysis and lastly presenting the final report.

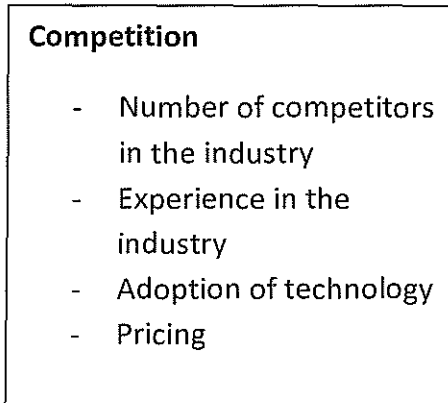
#### **1.6 Significance of the Study**

- (i) It will help the management of fresh dairy farm in identifying the influence of competition on organizational performance in order to help them make more competitive choices to improve performance.
- (ii) It will enable the customer to get the right product at the right time in the right place. After the study, the management will use their distributors to distribute the good to the needy customers
- (iii) It will enable the government to make policy and understand the action of registration which needs to be improved. The government will therefore try and reduce tax paid by an organization.
- (iv) It will help the manufacturer to get new ideas about new and better products therefore increasing their production and sales.
- (v) It will act as a basis for future research into competition on organization performance.

## 1.7 Conceptual framework

Below is the conceptual framework showing the relationship between Competition and organisational performance at Fresh Dairy Farm, South Sudan.

### Independent variable



### Dependent variable



Source: Developed by the researcher

The above framework illustrates how competition has a direct impact on successful organizational performance in terms of increasing profitability, market share and sales. However, this can be influenced by a numbers of factors including number of competitors in the industry and the level of technology used in production. Where by poor technology will lead to less quality products hence affecting both sales and profitability and vise versa. Also a number of competitors in the market are likely to affect sales and market share of the farm especially if the labour force experience is low.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter entails a review of relevant literature in relating to competition and organisation performance in regard to the objectives of the study.

#### The concept of competition

Competition is the primary mechanism that ensures firms remain accountable to consumers and it is normally categorised into two types/forms, that is Price: lower the price, higher the sales (in general) Non-Price: competing on anything other than price (quality, style, customer service, location etc.).

Merriam-Webster (1989) defines competition in business as "the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms". It was described by Adam Smith in *The Wealth of Nations* (1776) and later economists as allocating productive resources to their most highly-valued uses and encouraging efficiency. Competition, according to the theory of Adam Smith (1976) causes commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products. The greater selection typically causes lower prices for the products, compared to what the price would be if there was no competition (monopoly) or little competition (oligopoly).

According to Kenneth P. (1999) competitive markets exist when there is genuine choice for consumers in terms of who supplies the goods and services they demand. Competitive markets are characterized by various forms of price and non- Creating more competition in markets involves breaking down the barriers to competition that invariably exist in each



industry. Perfectly contestable markets are rare. One of the key strategies of governments over the last twenty years has been to liberalize markets by cutting the statutory monopoly power of businesses. Two good examples of this have been in gas and electricity supply, and also telecommunications. Energy market liberalization, Telecommunications Opening Up Markets (2) - Tougher Regulation competition policy.

## 2.1 Competition and market share

Competition between firms or market shares in organizations is the lifeblood of strong and effective markets. Competition helps consumers get a good deal. It encourages firms to innovate by reducing slack, putting downward pressure on costs and providing incentives for the efficient organization of production. As such, competition is a central driver for productivity and growth in the economy.

According to Frech(1996), the sales figures of a company do not necessarily indicate how a firm is performing relative to its competitors. Rather, changes in sales simply may reflect changes in the market size or changes in economic conditions. The firm's performance relative to competitors can be measured by the proportion of the market that the firm is able to capture. This proportion is referred to as the firm's **market share** and is calculated as follows:

$$\text{Market Share} = \text{Firm's Sales} / \text{Total Market Sales}$$

Sales may be determined on a value basis (sales price multiplied by volume) or on a unit basis (number of units shipped or number of customers served). While the firm's own sales figures are readily available, total market sales are more difficult to determine. Usually, this information is available from trade associations and market research firms.

Market share often is associated with profitability and thus many firms seek to increase their sales relative to competitors. Here are some specific reasons that a firm may seek to increase its market share: (a) Economies of scale - higher volume can be instrumental in developing a cost advantage; (b) Sales growth in a stagnant industry - when the industry is not growing, the firm still can grow its sales by increasing its market share; (c) Reputation - market leaders have clout that they can use to their advantage and (d) Increased bargaining power - a larger player has an advantage in negotiations with suppliers and channel members.

The market share of a product can be increased through pricing, product and promotional changes, increasing advertising expenditures and increase through Intensive distribution, Market share Model: developed by Moore (1996). From these drivers we see that market share can be increased by changing the variables of the marketing mix. In terms of product, price, distribution and promotion which manifest that increasing advertising expenditures can increase market share, unless the competitors respond with similar increases. (Moore, 1996).

However, Moore (1996) asserts that firms may not need to increase their market shares if the firm is near its production capacity because an increase in market share might necessitate investment in additional capacity. If this capacity is underutilized, higher costs will result. Secondly, overall profits may decline if market share is gained by increasing promotional expenditures or by decreasing prices, thirdly because a price war might be provoked if competitors attempt to regain their share by lowering prices and lastly small niche player may be tolerated if it captures only a small share of the market. If that share increases, a larger, more capable competitor may decide to enter the niche.

Competing for market share drives some of the best and some of the worst management decisions in business. Companies are particularly susceptible to going astray at the end of the quarter when they seek to use market share

impact to justify horrendous deals that is, deals that sell out all future quarters in order to make the current one (Haddock, 1982).

## **2.2 Competition and sales**

According to Philip (1986) companies have been forced to behave like competitive cost-minimizers because they were losing customers to a company that was phenomenally successful at minimizing its own costs and increase on the sales. The result has been – again, just as predicted – to burn the fat out of the system. Every unnecessary cost is under scrutiny in the numerous spheres where Wal-Mart has become a major player – from household goods to apparel, from music and magazines to computers.

According to McKinsey (1990), economists talk about efficiency is to say that it is about using society's resources to maximize production of the most valued outputs, while using less of the more valued inputs, and more of those on which society places a lower value so that sales are increased. But the market values for these things doesn't equate very well with what we might call human value. The most independent variable in this picture is on the demand side: what consumers want that they are willing and able to pay for thus increasing on the sales.

McKinsey (1990) continues to say that efficiency is about producing more of the outputs that people want and can afford to buy, that means that rich consumers get many more votes than poor people do. An efficient firm therefore is one that produces products that can be afforded by the majority which in the end will increase on the sales of the company.

## **2.4 Competition and profitability**

According to Euske (2003), if you are not the market leader in your industry, competitive prices will influence the pricing of your product or service hence affecting profitability. Market leaders have often created a "pricing standard"

against which other product/service prices are compared. So if your product or service is reasonably competitive with the market leader's offering you can set a price that is near the "standard". If you have the ability to price lower than the competition and still be profitable, you may be able to capture a greater market share which can benefit you over time as you offer new or complementary products or services to your customer base.

In the competitive company there exists a situation in which the price of a company reflects all available information in the market thus creating an opportunity of profit maximization. By the company both in the long run and short run. There is disagreement as to extent to which it is possible. For example, the different forms of the efficient markets theory hold that this is possible to greater or lesser extent, with the strong form of the EMT stating that even insider information is reflected immediately in a product's price. On the other hand, technical analysis and fundamental analysis each try to predict price trends, which assume that not all information is reflected in a commodity's price and, therefore, that pricing efficiency is not complete thus affecting profitability, Philip (1986).

Profitability analysis that seeks to detect disvalued through an analysis of the firm's business prospects. Research often focuses on earnings, divided prospects, expectations for future interest rates, and risk evaluation of the firm. Antithesis of technical analysis.

Philip (1986) asserts that, in microeconomic analysis, Profitability analysis such as balance sheet, income statement, products, management, and other market items is used to forecast a company's imminent success against its rivals in terms of company profitability, and hence the future competitive strategies and policies of the company products.

Keeler, (1999) adds that a business financial statement that lists revenues, expenses, and net income throughout a given period is determined using the given company competitive strategies. Whether the company records

profitability, and hence the future competitive action of the company products are raised.

A business financial statement that lists revenues, expenses, and net income throughout a given period is determined using the given company pricing strategies. Whether the company records profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survive. Conversely, a business that is highly profitable has the ability to reward its owners a large return on their investment.

Moore (1998) urges that a variety of profitability ratios (Decision Tool) can be used to assess the financial health of a company pricing strategies. These ratios, created from the income statement, can be compared with industry benchmarks. Also, income Statement trends (Decision Tool) can be tracked over a period of years to identify emerging problems. The relatively better profitability performance of companies could probably be due to increased management pricing strategies and a more favorable environment resulting in the better performance.

## **2.4 Conclusion**

Experts have also questioned the constructiveness of competition in profitability, market share and sales of the firm. It has been argued that competition-oriented objectives are counterproductive to raising revenues and profitability because they limit the options of strategies for firms as well as their ability to offer innovative responses to changes in the market. In addition, the strong desire to defeat rival firms with competitive prices has the strong possibility of causing price wars.

However, competition may also lead to wasted (duplicated) effort and to increased costs (and prices) in some circumstances. For example, the intense competition for the small number of top jobs in milk production and soft drinks leads many aspiring small scale firms to make substantial investments

in training which are not recouped, because only a fraction become successful. Critics have also argued that competition can be destabilizing, particularly competition between food production industries.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

To assess on the effects of competition on organisational performance at Fresh Dairy Farm South Sudan the researcher used various methods of data collection. This chapter therefore presents the research design, study population, sample size, sampling techniques and procedures, data collection instruments, data processing and analysis.

#### **3.1 Research design**

A survey design was used in this study because the researcher wanted to collect information from different respondents and critically analyze the data. Both qualitative (for non standardized data based on meaning that need to be expressed through words such as managerial decision) and quantitative (to analyze and describe numerically the extent of the organizational performance) technique of data collection was employed. Questionnaires and interviews were used to collect data from a cross section of the population. The research was designed in such a way that respondent were able to identify the effects of competition on the organisational performance.

#### **3.2 Study population**

The study was conducted among the 200 employees of Fresh Dairy Farm South Sudan including departmental heads, marketers and support staff.

#### **3.3 Sample size**

A sample size of 60 respondents was selected using Slovene's formula of minimum sample size determination.

$$n = \frac{N}{1+(N(0.05)^2)}$$

Where n= is the sample size N=the population size, 0.05 is the level of significance.

Table 1.1: Sample size

Department	Target population	Sample size
Operations	12	4
Human resource	34	12
Marketing and distribution	150	42
Accounts and finance	4	2
	200	60

### 3.4 Sampling techniques and procedures

The researcher used stratified random technique so that the study could be carried according to the organizational department; the population selected from the sample was divided into strata's in every department. Convenient sampling technique was also used in selecting the respondents because of the convenience of the technique.

### 3.5 Sources of data

The study used both primary data (it is reliable as there is little distortions) obtained from the interviews and questionnaires, and secondary data (readily available hence economical) obtained from Fresh Diary Farm South Sudan human resources department records, reports, journal and the website.

### 3.6 Data collection instruments

The researcher used questionnaires to collect data from the targeted employees. Therefore the questionnaires were both closed and open ended.



These were distributed at random to the respondents. One week will was given to them to fill in relevant answers.

### **3.7 Data presentation and analysis**

The data was analysed using descriptive statistics such as frequencies for the employees in order to summarise and organize the data in a meaningful way. The analysed data was then be presented in form of tables and charts.

### **3.8 Limitation of the Study**

#### **Financial constraints:**

Since the distance from the researcher to the farm or company was far, a lot of money was required to travel. The researcher however tried to solicit funds from the relatives and friends.

#### **Time factor:**

The researcher was limited by time since she had to travel from Uganda to South Sudan. However she tried to solve this by visiting the field every weekend to collect data.

#### **Uncooperative respondents:**

The owner or the management was not willing to give all the required information about the company but the researcher convinced them through bargaining and the required information was got.

#### **Geographical problems:**

The farm is located in a remote area whereby the its accessed by a murrum road and during rainy season there is mud and during sunny seasons, there is dust causing a threat to the researcher's health.

## CHAPTER FOUR

### DATA PRESENTATION, DISCUSSION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 INTRODUCTION

This chapter presents the data as presented and discussed with interpretation of findings obtained mainly from both primary and secondary sources of data. These findings are presented according to the research objectives.

#### 4.1 Demographic Characteristics of Respondents

This part shows the grading of respondents according to their different characteristic

##### 4.1.1. Sex

The respondents were samples from both males and females. The percentage of male respondents was higher than that of the female respondents as shown below.

**Table 1: Showing sex of respondents**

Category	Frequency	Percentage
Male	38	64%
Female	22	36%
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

From the table above, it represents 64% as male staff members who are senior sales and marketing managers, Supervisors and, departmental managers while 40% of the staff members are female.

#### 4.1.2 Respondents Age.

This was intended to find out the age of the respondents or employees working in Fresh Dairy Farm South Sudan and the findings were as below in table 2.

**Table 2: Showing age of respondents.**

Category	Frequency	Percentage
21-25 years	8	13
26 – 30 years	5	9
31 – 35 years	18	30
36 – 40 years	8	13
41 – 45 years	6	10
46 – 50 years	5	8
51 – 55 years	4	7
56 – 60 years	4	7
60 and above	2	3
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

According to the above table, it was revealed that 18 (30%) respondents were between 31-35 years, 8(13%) were between 21-25 years and 36-40 years respectively. 9% were between 26 -30 years, 10% were between 41-45 years, 8% were between 46 -50 years, 7% were between 51-55 years and 56-60 years and only 3% were between 60 and above. The findings therefore show that majority of the employees of Fresh Dairy Farm South Sudan are between 31-35 years, followed by those between 36-40 years. This implies that the company employs productive young people with enough experience to carry out the organizational activities efficiently. The low percentage of employees between 60 years and above is based on the fact that this is referred to as a retirement age in most organizations.

#### 4.1.3 Level of management in the farm

**Table 3: Showing the respondents level of management within the Farm.**

Category	Frequency	Percentage score
Top	2	3
Middle	15	25
Frontline	43	72
<b>Total</b>	<b>60</b>	<b>100%</b>

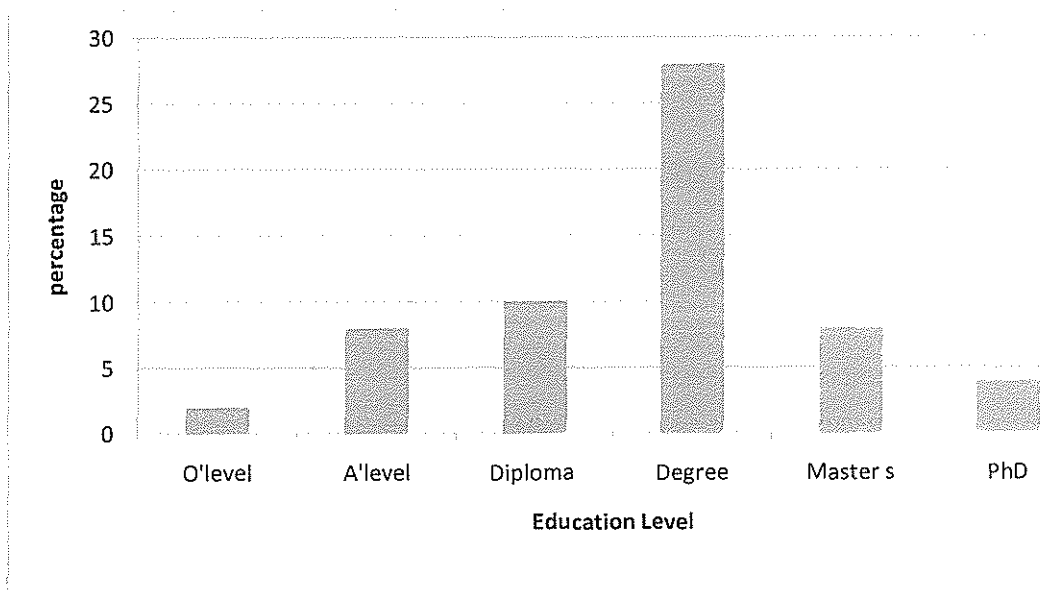
*Source: Primary data*

According to the table above, it was revealed that out of 2 (3%) respondents were the top managers, 15 (25%) middle managers and 43(72%) were the frontline employees. The low percentage of Top managers was because basically Top management positions are usually few in an organization compared to middle management and Frontline employees.

#### 4.1.4 Education level of respondents

This was aimed at finding out the education levels of respondents

**Chart 3: Level of education of respondents**



*Source: Field data, 2010*

From the research results, 47% of the respondents were degree holders, followed by Diploma holders with 17%, 13 % Masters and A'level while 7 % and 3% were PhD and O levels respectively. This implies that the study focused more on educated people as it required more nominal knowledge relating to the effects of competition on market shares, profitability, and sales of company. The study area being a whole Fresh Dairy Farm in south Sudan, it is expected to employ highly qualified people for effectiveness hence hiring qualified personnel. The low percentage of O'level was only those who were working as support staff i.e. cleaners, office messengers, cooks among others.

## 4.2 EFFECT OF COMPETITION ON MARKET SHARE

### 4.2.1 Specific findings on whether competition affects the market shares of Fresh Dairy Farm, South Sudan.

**Table 4: Showing respondents views on whether competition affects market share**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
Strong Disagree	3	5%
Agree	12	20%
Neutral	7	12%
Strongly Agree	30	50%
Disagree	8	13%
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

According to the above table, it was revealed that out of 60 respondents, 30 (50%) strongly agreed that competition affects the market shares of the company, 12 (20%) agreed, 8(13%) disagreed, 7 (12%) were neutral while 3 (5%) Strongly disagreed. This automatically reflects that competition significantly affects the market shares of Fresh Dairy Farm South Sudan.

**4.2.2 Specific findings on whether Market share levels are determined by a number of competitors.**

**Table 5: Showing respondents views on whether market share levels are determined by a number of competitors**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
Strong Disagree	10	17%
Agree	8	13%
Neutral	7	12%
Strongly Agree	22	36%
Disagree	13	22%
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

According to the above table, it was revealed that out of 60 (100%) respondents, 10 (17%) strongly disagreed, 8(13%) agreed, 7(12%) were neutral, 22 (36%) strongly agreed while 13 (22%) disagreed that market shared levels are determined by a number of competitors in the market. Findings further revealed that a number of competitors would not be a big problem if the farm implements basic competitive strategies for its products for example quality, prices among others.

### 4.2.3 Specific findings on factors which determines the market share of Fresh Dairy Farm south Sudan

**Table 6: Showing respondents views on the factors which determine the market share of Fresh Dairy Farm South Sudan.**

Responses	Frequency	Percentage
Total market size	35	58%
Target market share	10	17%
Emerging opportunities	5	8%
Swot analysis	10	17%
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

According to the findings, the respondents 35 (58%) said that the total market size of the farms product determines the farms market share, 10(17%) said it's the targeted market share and 5 (8%) said emerging opportunities while 10 (17%) said the Swot analysis determines the market share.

## 4.3 THE EFFECT OF COMPETITION ON PROFITABILITY

### 4.3.1 Findings on the effects of competition on profitability of Fresh Dairy Farm, South Sudan

According to the respondent's competition affects the profitability trends in Fresh Dairy farm, south Sudan gradually in the following ways.

**Table 7: Showing the effects of competition on profitability**

Responses	Frequency	Percentage
Endorsement of funds	10	17%
Loss of potential customers	15	25%
Time pressure on production	20	33%
Improved performance	15	25%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Source, Primary data**

According to the respondents, competition affects profitability of the farm in such a way that performance strategically improves and this is according to 15 (25%) of the respondents, majority 20(33%) submitted that competition puts time pressure on production, 15 (25%) leads to loss of potential customers while 10 (17%) attributed that the company endorse funds in the production sector due to competition and this affects profitability trends of the farm.

#### 4.3.2 Findings on the strategies employed by Fresh Dairy Farm to improve profitability

**Table 8: Showing strategies employed by Fresh Dairy Farm to improve profitability**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
High Quality	28	35%
Introducing price tag	15	18%
Good market knowledge	20	30%
Enough resources	10	17%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Source: Primary data**

According to the above data, it was revealed that out of 60 (100%) respondents, 35 (30%) said that the company emphasizes the produce of high quality products as a strategy to improve on its profitability, 15 (18%) said the company introduces price tags, and 20 (30%) said good market knowledge while 10 (17%) said provision of enough resources. Therefore findings further revealed that according to respondents, the majority of the respondents 28 (35%) said that if the farm strongly emphasizes production of high quality goods, its profits will increase automatically.



### **4.3.2 Findings on whether there is a significant relationship between performance, government policy and profitability of the farm**

According to the respondents, Performance Measurement in companies is frequently measured by tracking and providing feedback on strategy execution and implementation for instance, their turnover, revenue, size and growth market share and competitiveness on the market, quality of products amongst others. Aken & Coleman (2002) identify a process for building business performance measures systems. After defining the need for measurement and improvement, the proceeds through the following steps which include Creating a common understanding of what the organizing does (its mission, Key processes, and key out puts, defining key performance areas and understanding the metrics (so everyone knows if the process was successful) are next, after a balanced and focused set of metrics has been defined, the measurement system must be implemented. Taking into account required resources, technology, training and communication and in the remaining steps, the management team must systematically use the measurement system to assess to assess performance, improvement actions and review the impact of these actions.

### **4.4 FINDINGS ON THE EFFECT OF COMPETITION ON THE SALES**

The study aimed at establishing the effects of competition on the Sales of Fresh Dairy Farm, South Sudan. Responses were collected from the respondent's questionnaires as indicated in the table below:-

**Table 9: Showing respondent's views on whether the competition affects the sales of Fresh Dairy Farm, South Sudan.**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Strong Disagree	-	-
Agree	25	42%
Strongly Agree	30	50%
Disagree	5	8%
<b>Total</b>	<b>60</b>	<b>100%</b>

*Source: Primary data*

According to the above table, it was revealed that out of 30 (100%) respondents, 16 (60%) strongly agree while 12 (40%) respondents agree and lastly 2 respondent disagree that pricing strategies have not increased profitability, therefore findings further revealed that according to respondents, the majority of the respondents 16 (60%) strongly agree that pricing strategies have improved Profitability.

#### 4.4.2 Findings on the competitive measures the farm employs to improve on its sales

This was intended to find out whether the farm is employing strategic measures to cope up with its competitors in a way of increasing its sales. The responses were as represented in table 10 below;

**Table 10: Showing measures employed by fresh dairy farm to improve on the sale**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
Quality goods and service	35	58%
Less expensive products	10	17%
Good transport network	5	8%
Good market language	10	17%
<b>Total</b>	<b>60</b>	<b>100%</b>

The findings in the above table indicate that Fresh Dairy Farm, South Sudan has maintained and improved its sales against competitors through production of quality goods and services as represented by 58% of the respondents. This was followed by its less expensive products and good market language as responded by 17 % of the respondents respectively while 8% of the respondents submitted that the farm is also trying to provide good transport network to the market centers for easy accessibility of the goods hence increasing on the sales using cheaper means of transport.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter comes up with the summary, conclusions and recommendations on the "Effects of Competition on Organizational Performance". These conclusions were derived after scrutinizing the data analysis in the previous chapter.

#### 5.1 Summary of Findings.

The researcher found out that majority of the respondents was male that is to say 64% and minority respondents were females 36%. These two figures therefore indicate that male respondents dominated this study.

Pertaining to age, 30% respondents were in the age category of 31-35 followed by 13% who were in the age category of 36-40 and 20-25 respectively, 9% were in the age category of 26-30, 8% were in the category of 41-45 while 7% were in the age category of 51-55 and 56-60 respectively.

Regarding level of education, degree holder's respondents were the majority with 47%, followed by master's holders 17%, 13% A level. Results indicate balanced level of education in all sectors considered.

#### **Effect of competition on market share**

The first objective of the study was to examine the effect of competition on market share of Fresh Dairy Farm, South Sudan. Basing on the study findings, majority of the respondents 30(50%) strongly affirmed that competition significantly affects the farm's market share as it may be determined by the number of competitors in the market, total market size, targeted market share and emerging opportunities. Therefore if the farm is to improve on its market shares, a survey study has to be made on the above determinants.

### **Effect of competition on sales**

The second research objective was to examine the effect of competition on the sales of Fresh Dairy Farm, South Sudan. According to the study findings, respondents 35 (58%) strongly submitted that competition affects on sales of the firm in such a way that they can be reduced if the farm does not take strategic measures to compete favorably with their competitors. However, the study revealed that the farm is employing strategies like production of high quality goods and services and a less cost, provision of good transport network as well as putting much emphasis on good market language thus increasing on the sales.

### **Effect of Competition on profitability**

Lastly the researcher intended to find out the effect of competition on the profitability of Fresh Dairy Farm and the responses indicated that competition puts a lot of time pressure on production, leads to loss of potential customers which all negatively affects profitability. The researcher further revealed that there is a significant relationship between competition and profitability of Fresh Dairy Farm where by majority of the respondents strongly agreed that competition has got a negative effect on the sales which in turn reduces on the profits and market share of the farm. However through measures that are not so expensive to the company, like production of quality goods at a cheaper cost, the farm can favourably do well in terms of sales, profitability and market share.

## **5.2 Conclusions**

Companies have decided to consider whether new products, new uses for existing products and new technologies to compete favorably in the market. Fresh dairy farm examines all possible ways consumers can acquire its products by taking into account direct competitors selling through identical channels and do not limit its analysis to online distribution channels.

Many companies today more than ever are now using performance evaluation programs. The reason for this is that they are not only extremely beneficial to the employee but also to the employer as well. In fact such programs have become a necessary part of being able to manage a business more effectively as revealed by the findings from the research.

### **5.3 Recommendations**

- Companies should carry out Strategies Pricing which clarifies the relationship between market segmentation and price, and delivers the tools the company needs to stay focused on value as it determines break-even, defines price elasticity, and analyzes tradeoffs between features and price points. Using strategic pricing tools yields a better positioning approach of the company.
- Companies also need to improve the working condition of their employees such that they are motivated to perform their duties effectively as well as marketing for the farm's products. This will help to improve on good customer relations hence increasing on the sales and in the end maximizing the profits.
- Companies should carry out other competitive strategies like packaging, improving on communication and road network for easy and cheap accessibility to their farms or to the market centres and also try to advertise their businesses to the local community in order to earn more profits as well as increasing on the sales.
- Companies should maximize short-term profits by trying to squeeze as much money out of sales of the product as possible, even though fewer customers may make a purchase. Your strategy may be to charge premium prices for website design services. You end up with fewer customers, but then dealing with a lot of customers multiplies your problems. And you can make more profit off each customer. Or

may need maximize profits in order to satisfy an impatient boss or investor.

#### **5.4 Areas of further research**

- i. The effect of competition on the quality of goods and services companies
- ii. Competition and employee performance
- iii. Effects of quality pricing strategies on the performance of the company.

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## APPENDICES

### Appendix 1: Questionnaire

Dear Respondent,

This questionnaire is intended to facilitate a study on the study on the effects of competition on organizational performance, a case study of Fresh Dairy farm, southern Sudan. The study is for academic purposes and is carried out as a partial requirement of award of bachelors' degree in Human Resource Management of Kampala International University.

Your responses will be treated with utmost confidentiality. In order to accomplish the study you are requested to complete this questionnaire.

The data obtained from you will be very useful in as far as this study is concerned and any information given will be treated with utmost confidentiality.

#### SECTION A: GENERAL INFORMATION

**GENDER (Tick in the appropriate box).**

##### SECTION A: DEMOGRAPHICAL INFORMATION

**1. GENDER (Tick in the appropriate box).**

A) Male

B) Female

**2. AGE OF THE RESPONDENTS**

A. 21 to 25 years of age.

B. 26 to 30 years of age.

C. 31 to 35 years of age

D. 36 to 40 years of age

E. 41 to 45 years of age

F. 46 to 50 years of age

G. 51 to 55 years of age

H. 56 to 60 years of age

I. 60 and above

### 3. INFORMATION ON POSITION

#### Management level

- Top management
- Middle management
- Front line staff

#### 4. Duration in the present position.

- A. less than 1 year
- B. 1 to 2 years
- C. 3 years
- D. 4 years
- E. 5 years
- F. Above 5 years

#### 5. HIGHEST LEVEL OF QUALIFICATION

- A. O' level
- B. A' level
- C. Diploma
- D. Degree
- E. Master degree
- F. PhD

### Section 2

#### A) Competition and market share

1. What is the effect of competition on market share of fresh diary farm?  
V. good    good    neutral    Bad    V. bad
2. What are some of the ways the company employs to improve on the market share
3. Are market share levels determined by the number of competitors in the market

- Strongly Agree       Agree       neutral       Disagree  
 Strongly Disagree

4. What factors determines the market share of fresh dairy farm

- Total market size  
 Target market share  
 Emerging opportunities  
 Swot analysis  
Others \_\_\_\_\_

### **B) Competition and Profitability**

1. What are the effects of competition on the profitability of fresh dairy farm?

- Endorsement of funds  
 Loss of potential customers  
 Time pressure on production  
 Improved performance

2. How the pricing strategies of the company are affecting its profitability levels

- Estimate the demand curve  
 Calculate cost  
 Make marketing mix decisions  
 Set pricing objectives

2. What strategies has the company created to improve on its profitability

High quality product

Introducing price tag

Good market knowledge

Enough resources available

3. Does the government policy affect the profitability levels of the company?

Strongly Agree

Agree

neutral

Disagree

Strongly Disagree

4. There is a significant relationship between performance and profitability of the company

Strongly Agree

Agree

neutral

Disagree

Strongly Disagree

### C) Competition and Sales

1. What are the effects of competition on the sales of fresh dairy farm

Distribution channel

Taste and preferences of consumers

Gestation period

The branding name

2. What competitive measures has the farm created to improve on its sales?

Good transport network

Less expensive products

Good market language

Quality goods and services

3. The pricing strategies affect the farm's sales?

- Strongly Agree       Agree       neutral       Disagree  
 Strongly Disagree

4. How are the sales affecting the performance of the farm

- Less potential customers  
 The demand of the customers  
 Low level of sales  
 The quality of the products

5. What other factors affecting the performance of the organization?

- Unclear task description  
 Limited resources available  
 The organizational policy  
 Cultural differences