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FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

**An assessment of competitive strategies used by the Zimbabwean state owned
passenger road transport industry.**

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*A dissertation submitted to the department of Business Management, Midlands State
University in partial fulfilment of the requirements for the Master of Commerce in
Strategic Management and Corporate Governance Degree.*

Gweru, Zimbabwe

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DEDICATION

This report is dedicated to my late little sister, Zandile Amanda for her unwavering support, determination and intelligence. Till we meet again.

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I am grateful to my supervisor, for her able guidance and inspiration throughout my project work, which has helped me in completing this study successfully. She has provided me with all the required guidelines and she spared her valuable time to discuss various issues and offer suggestions. It is no exaggeration to say that her contribution has shaped this work. I profoundly thank her.

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ABSTRACT

The research sought to assess the competitive strategies used by the Zimbabwean state owned passenger road transport industry. The basis of the research is that there have been many competitive strategies adopted by state owned road passenger transport organisations but there has not been any significant improvement in the performance of their organisations. Hence, it is with this background that the researcher saw it fit to assess the competitive strategies used by these state owned organisations. The research focused on identifying challenges to competitive strategy implementation, to establish competitive strategies used by their competitors, to identify factors influencing choice of competitive strategies as well as to identify how the government influences the competitive strategies used by the state owned passenger road transporters. The study used several scholars as a basis of literature to the study. Michael Porters model (1980) of five forces to competitive advantage was used as a backdrop to identify challenges that can affect competitive strategy implementation while studies done by Niclas (2014) explained the key factors to strategy implementation being strategy, structure and behaviour. The research was a pragmatic study which explored data using both the quantitative and qualitative methods. The target organisations were Zupco and Cmed, with a population of 183 employees and the sample was for 75 employees. Stratified random sampling was used to divide the target population into two groups of strata, management and general employees. Judgemental sampling was then used to select management representatives while simple random sampling was used to select respondents from the general employees' category. Questionnaires and interviews were used to collect primary sources of data while secondary sources of data was collected from annual reports, journals, internet and books related to the subject matter. There was an 87% response rate from both the management and general employees due to their keen interest in the subject matter. The findings of the research highlighted that there are several challenges that affect competitive strategy implementation in state owned passenger road organisations. Some of these challenges are common in bureaucratic organisations while poor leadership is also a contributing factor. However, there are other strategies like effective leadership, communication, pricing and customer care that can be adopted to overcome the challenges to competitive strategy implementation. The competitive strategies being used by the private sector transporters are very effective and have pushed state owned transporters out of business but some of the strategies are illegal like touting, bribery and pick and drop at illegal points. While there are a lot of marketing and external factors that shape the choice of competitive strategy, the government contributes greatly to influencing competitive strategy implementation through its legislation as well as deliberate means like intentionally choosing state owned companies to ferry passengers during all state occasions. Conclusively, the study identified the main challenges to competitive strategy implementation and these were centralised around leadership and bureaucratic issues. The private road transporters have effective strategies that they use to be competitive like advertising, innovation and use of technology, a proper benchmark of these strategies could positively improve the performance of state owned passenger road transporters. The researcher recommended that state owned organisations should emphasise on effective leadership so as to improve communication between management and employees, encourage innovation and creativity and include employees in the formulation of competitive strategies. State owned organisations should also benchmark their major competitors and adopt other effective competitive strategies like customer care, diversification, making use of technology and promotions/advertising.

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ACRONYMS

CMED – Central Mechanical and Engineering Department

ZUPCO – Zimbabwe United Passengers Company

ZRP – Zimbabwe Republic Police

VID – Vehicle Inspection Department

DEFINITION OF KEY TERMS

Competitive Strategy: A plan for how a firm will compete and how it will be formulated after evaluating how its strengths and weaknesses compare to those of its competitors. Ofunya Francis Afande (2013:3)

Organisational Performance: Actual outputs as measured against the intended outputs. These are based on revenues and profit.

Competitive Strategy Implementation: Activities within an organisation to manage the execution of a plan that boost competitiveness.

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CHAPTER I

GENERAL INTRODUCTION

1.0 introduction

As a way of raising revenue and providing essential services to the citizens of Zimbabwe, the Government of Zimbabwe runs several enterprises, wholly owned by the government and managed by its agents through selected Board of Directors. The government of Zimbabwe also has a stake in the transport industry through the following enterprises, Zupco – Zimbabwe United Passenger Company, Civil Aviation Authority of Zimbabwe, Air Zimbabwe Holdings, CMED – Central Mechanical and Equipment Department, National Railway of Zimbabwe, ZINARA - Zimbabwe National Road Administration and Traffic Safety Council Of Zimbabwe to cater for all the sectors of the transport industry, which are road, air and rail networks. These enterprises dominate the transport industry and are major service providers to the ordinary Zimbabweans, their performance is therefore vital to both the government and the general public.

This study seeks to assess the competitive strategies adopted by the passenger road transport industry, particularly looking at Zimbabwean companies that are owned by the state. An organization has to come up with different competitive strategies to ensure that it does not lag behind in this vicious competitive industry, and it grows as per satisfaction of all the stakeholders. Though state enterprises used to dominate their industry, their performance these days is poor as they are facing stiff competition from the private sector. Strategies are ways, tactics, plans, procedures or processes that are carefully looked into to ensure the organization achieves its long term objectives. Strategies are designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization, (Pearce and Robinson, 2007). The competitive strategies adopted by the passenger road transporters in the state enterprises do not seem to be doing them any good as they are constantly lagging behind.

This chapter introduces the subject matter which inspired the researcher to conduct the research as it explores on the competitive strategies used by the transport companies that are state

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owned, as they seem to be suffering from competitors in the private sector. The researcher seeks to assess why these organisations have poor performance regardless of the competitive strategies they have adopted. The chapter also focuses on the problem statement, hypothesis, objectives, research assumptions and questions and justifications of the research. The chapter is concluded by giving the delimitations and limitation of the research.

1.1 Background of the Study

State enterprises in Zimbabwe are amongst the few enterprises that are known to be rigid, bureaucratic and unresponsive to national or global changes. Ways of operation are known to be primitive, technology is hardly embraced and there is a belief that old management is still the best for the organisation, regardless of evidence of poor performance. The fact that the government keeps injecting lots of monies in the enterprises but with no significant changes reported is more worrisome. These enterprises are lagging behind in the transport industry that has since been actively dominated by private players. The road passenger transport industry of Zimbabwe is a very competitive industry as it has vicious competitors who will stop at nothing to achieve success. State owned companies in this industry are ZUPCO and CMED. These companies have a mandate from the government to provide a reliable, affordable and safe service of passenger transportation to the general public of Zimbabwe. In order to achieve this goal, the government of Zimbabwe has vowed to support these parastatals financially, and in other ways as much as they can, so as to provide this service.

The challenges of the Zimbabwean business environment in the last one and half decades has been characterised by liquidity challenges, global changes, increased competition, technological changes, change in market responses, change in regulatory frameworks, for example, the indigenisation policy and a very unstable political, economic and social environment. This has made more than 90% of businesses in Zimbabwe to reach bottom ground. It eventually led to companies closing down, employees being forced to go on retrenchment while those remaining behind go for months without salaries.

ZUPCO for example, between 2008 and 2009 spent a staggering two and half years with only five convectional buses. During that period, ZUPCO managed to partly cover operating

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expenses only and failed to pay employees salaries to date. (ZUPCO Strategic Document 2013-2016). Sadly, on 11 February 2015, the Herald reported that ZUPCO has sent an estimated 1000 employees on a 6 months forced and unpaid leave. In 2012, under the assistance of the Government of Zimbabwe and the Chinese government ZUPCO embarked on a recapitalisation exercise worth around US\$300 million and acquired 300 buses from FAW China in batches of 100 buses per year as a means to improve operations. The following statistics show the revenue flows from the time of injection of the first batch of buses to 2014.

Table 1.1 ZUPCO Performances 2012 -2014

Year	Revenue target	Actual	Fleet availability target	Actual	Compliance target	Actual
2012	30880000	26655730	90%	82%	100%	70%
2013	54000000	34000000	90%	75%	100%	64%
2014	61000000	3200000	90%	66%	100%	58%

Source: ZUPCO Annual Reports; 2012, 2013 and Half Year 2014

It can be noted from the statistics that revenue targets were never met, regardless of the injection of 100 buses per year. In fact, fleet availability is declining per year. According to the ZUPCO January 2015 report, ZUPCO has a staggering availability of 30% with less than 50 buses of the 300 fleet that are operational, as a result, half of the workforce was sent on a six months unpaid leave.

Before the transport industry was dominated by private players, who later turned out to be a strong competition for ZUPCO and CMED, these companies used to dominate the industry. Their performance was so good that it was difficult for private players to easily enter the market as they would face stiff competition and resistance from the market. During the period 1985-1995, ZUPCO had about one thousand (1000) operational fleet and bus stations everywhere within the country, (ZUPCO Strategic Plan, 2000-2005). These buses would ferry passengers as per the stated time table at all times. Because of the large number of buses they had and their efficient service, this was a big barrier for new entrants to enter the market.

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However, a lot happened between the 1995 period to date, April 2015 that has given rise to a fierce competition within the passenger road transport industry. The country faced an economic and political meltdown which made it difficult for companies to operate. State enterprises mainly suffered because of several reasons. Firstly, their overloads were too high to support in a failing business environment. This then forced companies like ZUPCO to retrench more than half of their workforce. Secondly, ZUPCO's mandate was to provide a reliable service to the general public, it was not a commercial company. Likewise, CMED was mainly responsible for providing and operating transport services, giving priority to the State. CMED has engulfed the media because of its corporate governance issues and the recent scandal of the misuse of seven (us\$7) million dollars worth of fuel. Besides these issues, a report was made to Parliament of Zimbabwe (POZ) to conduct a value for money audit at CMED following complaints from Ministries and Departments that the entity was failing to meet their transport requirements. (POZ, 20 March 2012, motion being: report of the committee on public accounts on the report of the comptroller and auditor general on the management of government vehicles by CMED (pvt) ltd). The following table details the findings as discussed in the Parliament from period 2006-2011.

Table 1.2: CMED Performance 2006-2011

Item	Target	Actual
Profit	\$6,000,000.00	\$2880,000
Acquisition of vehicles for ministries	2895	679
Vehicles repaired	3490	1047

Source: POZ, 20 March 2012: report of the committee on public accounts on the report of the comptroller and auditor general on the management of government vehicles by CMED

Table 1.2 summarises the targets and actual performance of CMED from period 2006-2011 as discussed in the POZ. There is evidence of serious inefficiencies as targets were not met on all the three indicators.

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The problem came when the government funds were dry and could not support these two enterprises financially as their performance declined heavily during the 2008-2011 era. The poor performance of these companies made their industry to be threatened by new entrants, as the state enterprises were no longer able to provide a reliable service to the general public and to Zimbabwe. A lot of bus companies erupted during the 2008-2011 period. Some of these had always been there, but they later became fierce competitors of ZUPCO and CMED. That is also the period when the importation of Japanese motor vehicles intensified and many commuter omnibuses engulfed the roads of Zimbabwe. Some of these competitors that are threatening the existence of ZUPCO and CMED are: Pioneer, C.A.G, Tombs, Kukura Kurerwa, Mupfumi, Pathfinder, City Link, Taqua, commuter omnibuses and many others.

According to the Ministry of Transport, there are more than one hundred private players who operate convectional buses, and are major competitors to the state owned passenger road transport industry. The coming in of the Chinese with their very affordable FAW and YUTONG buses has made it more difficult for ZUPCO and CMED as these companies are selling their buses at very cheap and flexible terms, making it easy for new entrants to enter the market. According to the distributor company for Yutong buses in Zimbabwe, one bus can be bought for about one hundred and fifty thousand dollars, and they are offering discounts to schools and companies. They are also offering payment terms to purchase these buses while FAW China, though it manufactures substandard buses is offering at one hundred thousand dollars and are also offering free service and free replacement of parts within the first three months of service. These terms have made it easy for many people to buy buses and enter the passenger road industry.

In light of the above environment and challenges, the government of Zimbabwe together with the Board of Directors of ZUPCO and CMED set down independently and strategized on how to improve the competitive performance of these companies.

Several competitive strategies were suggested and adopted from the period 2010 to 2015. Prior to 2010, the two enterprises became commercialised. This was meant to improve performance, efficiency and service delivery since commercialised companies are profit oriented. Being profit oriented meant the companies would adopt several marketing strategies, thus aiming to

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achieve a profit within the specified budget and being competitive. The two state owned enterprises decentralised their two divisions and branched into strategic business units based on their locations to reduce bureaucratic decision making and procurement procedures which affects performance. ZUPCO now has twelve units which operate as depots while CMED has over twenty one (21) units across the country, (The Sunday Mail, 15 March, Easy Go CMED Supplement.) This also enabled the decentralised units to have quick access to passengers and address their needs and complaints faster while offering them a reliable and safe service.

The government continues to support these two organisations and hires their buses during state functions at reasonable fares. The government therefore offers precedence to these two enterprises when hiring buses in comparison to private owned buses. This allows the two organisations to have large revenue flows which they will use to boost performance. This also allows them to shape their brand and allows them to be more visible amongst passengers. As a means of being competitive, the two state owned enterprises thought of fighting competition in numbers and added more fleet to their already existing fleet through the recapitalisation exercise. ZUPCO bought three hundred (300) new FAW buses in 2012 and fifty (50) FAW buses in March 2015. CMED continues to expand its fleet by acquiring new buses and fleet for their Easy Go car hire and driving school division. This has allowed the two organisations to share the market with their competitors.

ZUPCO managed to adopt other competitive strategies independently from CMED and these include restructuring their organisation by adding a Marketing department which comprised of Marketing executive and a Marketing manager in 2013. ZUPCO had never had a marketing department before. This department was meant to manage the company's public relations which were to shape the ZUPCO brand by showing a good image so as to increase passengers and cover bad publicity. They were also meant to market the organisations buses and routes since there was an injection of three hundred (300) buses so as to penetrate the market. ZUCPO also bought nine (9) luxury coaches to cater for a niche in the market, which is the luxury class therefore expanding its operations to different classes within the nation. To increase its competitiveness, ZUPCO ventured into new routes that were neglected and that were mainly

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plighted by international competitors, these are the Harare – Malawi route and Harare – Nekonde –Tanzania route.

CMED on the other hand had other means of fighting competition and ventured into related diversification to cater for different market needs within the road transport sector, to increase visibility, operations and to shape their brand. Besides its traditional operations of providing transport services to the government, CMED ventured into commercial passenger transportation, Car hire, travel and tours-Easy Go, equipment hire, driver training and development, supplying fuels and lubricants and vehicle servicing and maintenance. In order to improve its service quality and to gain trust and commitment from passengers and clients, CMEDs business unit, Easy Go became ISO Certified, 9001:2008. It became the first and only driving school and car hire to become ISO Certified in Southern Africa, a move that is hoped to attract more businesses and to scare away competitors, (The Sunday Mail, 15 March, Easy Go CMED Supplement.) CMED ventured into a strategic business partnership with the Traffic Safety Council of Zimbabwe in the retraining of its drivers and attaining Defensive driving. CMED has also managed to acquire state of the art vehicles for all occasions at their Easy Go Car Hire division, so as to share the market with established car rental companies and to meet varying customers' tastes and expectations, thus being competitive.

Other competitive strategies adopted by the state owned passenger road transporters include reducing fares, recruitment of key qualified and experienced, decentralisation of divisions, training and development, opening of new routes (Harare-Malawi, Harare-Tanzania) as well as strategic partnerships (CMED and TSCZ).Regardless of how attractive the above competitive strategies seem to be, it is still worrisome that this industry continues to lag behind while their competitors continue to be doing well, See Table 1 and Table 2 indicating the performance of CMED and ZUPCO. For example, other competitors like Mupfumi coaches have taken over and dominated the Harare-Mutare route, making it difficult for ZUPCO to penetrate that route. Mupfumi tours managed to buy an additional new fleet of nine (9) Yutong Semi Luxury coaches in 2013 (Mupfumi Coaches 2014 Annual Report), thus increasing their market penetration and making it difficult for the state owned passenger road transporters to compete. CAG has also taken over the Harare –Kariba route while Tombs Motorways is

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difficult to compete with in the Gweru – Kwekwe - Harare route. The commuter omnibuses are also a fierce competitor. According to the distributor of Yutong Coaches in Zimbabwe, they have managed to sell nearly one hundred coaches in Zimbabwe from the period 2013 to 2014 to individual transport companies and to schools, thus increasing the rate of competition in the passenger road transport industry.

1.2 Statement of the Problem

The passenger road transport industry is a very competitive environment as there are many players, including state owned companies. These state owned companies seem to be at an advantage as they have access to financial and other resources availed to them by their government. As of late, the state owned ZUPCO and CMED have been facing serious competition from private players straight from registered buses to the illegal commuter omnibuses and small vehicles. This therefore led the two organisations to several competitive strategies, in full support of the government so that they improve their performance and achieve a competitive edge within the industry. However, regardless of the competitive strategies they have adopted since 2010, their performance seem not to be improving as seen from the statistics above and they are negatively being affected by competitors from the private players. This researcher therefore wishes to assess the competitive strategies adopted by state owned passenger road transporters.

1.3 Objectives

The specific objectives of the study were:

- To identify challenges faced in implementing competitive strategies in state owned passenger road transport industry.
- To establish competitive strategies used by the road passenger transport private sector.
- To ascertain factors influencing the choice of competitive strategy used by state owned passenger road transport industry.
- To determine how the government influences competitive strategies used by state owned companies passenger road transport industry.

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1.4 Research Questions

- What challenges are being faced in implementing competitive strategies in state owned passenger road transport industry?
- What competitive strategies are being used by the road passenger transport private sector?
- What factors influence the choice of competitive strategy used by state owned passenger road transport industry?
- How does the government influence competitive strategies used by the state owned passenger road transport industry?

1.5 Justification of the Study

There are several competitive strategies adopted by the state owned passenger road transport industry, but these strategies are not effective. This study is being done for the state owned passenger road transport industry so as to evaluate their competitive strategies. There is a gap in terms of literature as to the assessment and evaluation of competitive strategies used by state owned companies in Zimbabwe. Recent and previous studies only propose the competitive strategies that can be used by the private and public sector but does not go ahead to evaluate and assess these strategies, especially from state enterprises that are performing poorly. This study is therefore vital as it seeks to assess why the adopted competitive strategies are not effective and what can be done to make them effective and to make these companies competitive.

1.5.1. To the Transport Industry

The transport industry is an important industry within the country's economy. Its performance is therefore vital to the nation. This study seeks to assess why competitive strategies in state owned passenger road transport industry are not working. Recommendations emanating from this study will provide resourceful information on what can be done to improve the performance of state owned passenger road transport industry so that it remains competitive within its environment. In essence, this study is vital as it will provide researched and resourceful material on how to improve state owned passenger road transport industry.

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1.5.2 To The Researcher

The study will give the researcher more insight, knowledge and experience on the research topic of the state owned passenger road transport industry, thus will enable the researcher to execute her duties at a transport company better.

1.5.3 To the University

There is an existing gap in literature on competitive strategies used in the transport sector. Most studies on this topic are European, thus have a different background and different effects to the Zimbabwean scenario. To the European studies, most of them are biased towards general transport industry performance and do not look specifically at state owned and those in the road passenger transport sector. This study seeks to cover that gap and provide researched and resourceful literature to the University on the assessment of competitive strategies used by state owned passenger road transport industry.

1.6 Assumptions

- It is assumed that literature obtained in this research is regarded as significant and appropriate to the study.
- It is assumed that the respondents from the three companies will be truthful, honest and frank in giving out the information and,
- It is assumed that the respondents will be factual during the question and answer period, that is in interviews and when answering questionnaires.

1.7 Delimitations

The research will be limited to State owned passenger road transport industries. The companies in this industry that will be looked at are ZUPCO and CMED. The research will look at the study of competitive strategies, assessing the ones adopted by the state owned passenger road transport industry. The research is looking at information from the period 2010-2015.

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1.8 Limitations of the Study

Some information viewed as confidential may be difficult to get from some respondents. The researcher will however assure the respondents that the information gathered during research would be used for academic purposes only and will not be used for any other interests. Issues of confidentiality will be emphasized during the study. In order to enhance the quality and accuracy of the study, the researcher will use data triangulation in order to improve the quality of the findings. During data triangulation, the researcher combines primary sources of data with secondary sources of data like annual reports in order to improve the quality of the findings.

1.9 Chapter Summary

Chapter 1 focused on a brief introduction of the topic at hand and introduced the concepts of the chapter. The chapter went on to explain the background of the study. A brief background of the passenger road transport industry was stated and challenges related to the industry. The researcher went on and provided resourceful material on competitive strategies adopted by the state owned passenger road transport industry and their expected results. The poor performance of the said industry was also highlighted. The problem statement was mentioned that the state owned passenger road transport industry was failing to be competitive regardless of the many competitive strategies that they have adopted from period 2010-2015, thus a need to assess the current competitive strategies in this industry. The research objectives were outlined, the main objective being To assess competitive strategies used by the passenger road transport industry of Zimbabwean state owned companies while the main research question was mention, that: why are the competitive strategies adopted by state owned passenger road transport industry not effective? The research was justified to the industry, student and the university. In defence, the researcher mentioned that recommendations emanating from the research will enable the organisation to be competitive and improve their performance while a gap in existing literature will be covered. Several assumptions were made including that competitive strategies mentioned and other literature obtained in this research is accurate and appropriate to the study. The chapter explained that the research will focus on the state owned passenger transport road industry and will look at ZUPCO and CMED only from the period 2010-2015. The researcher highlighted a major limitation that respondents may fear to give out information but however

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mentioned that the respondents would be assured of confidentiality and the researcher would use data triangulation to enhance the effectiveness of the study. The chapter was concluded with a chapter summary.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Bless et al (2006) defines literature review as the process of analysing and reviewing information that has been published and is relevant to the research area. The main purpose of reviewing literature in this chapter is to intensify the theoretical framework of research. This literature review will also enable the researcher to familiarise on earliest developments in the area of research, to evaluate different results and to identify variables that must be used in the research, Bless et al, (2006). This chapter gives a detailed review of literature laying the foundation of the research and will be used to guide the researcher. The main purpose of this chapter is therefore to identify and highlight important variables and to document the significant findings from earlier research that will serve as the foundation on which the theoretical framework for the current study can be based. This chapter contains a clear and logical presentation of the relevant researches done by others in this area of study.

2.1 Strategy in State owned companies

State owned companies have a different way of operating from private organisations. Though they have the same mandate with private players, to make a profit, their operations, structure, strategies, culture and leadership is different from private organisations. The effectiveness of their competitive strategies is therefore determined by their nature. For purposes of this research, it is therefore important to first analyse the literature on the nature of state owned companies/ public companies. This is to get an understanding of how they operate and how they are different from private organisations, as it will be indicated later in this chapter that their nature will affect their strategies and their implementation.

G. Johnson and K. Scholes (2003:25) mention that in state owned organisations, where the government is the dominant stakeholder, not the market, the desire to meet customer needs is usually low. Employees tend to develop the attitude that if a certain service is considered essential then, if not economic, it will obviously be supported by the government. This is why

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most state enterprises are usually characterised by poor customer service and poor service delivery. Employees, both management and non management are biased as they tend to think that regardless of how poor the organisation performs, they will not lose their jobs and the government will always come to the financial aid of the enterprise. State enterprises are known to be dependent on government policy, G. Johnson and K. Scholes (2003:25). Whatever strategies they adopt, they have to be compliant to government policy while government policies also influence the strategies of state owned companies. G. Johnson and K. Scholes (2003) further state that being dependant on government policy also means that objectives may change rapidly as policy changes.

Stephen Collof, a former director of personnel development at British Railways as quoted by G. Johnson and K. Scholes (2003;26) mentions that this political dimension of being dependant on government policy also reduces the scope of management options and increases the time for decisions to be taken. This therefore forms a top down bureaucratic structure that delays communication and business coordination. Most state enterprises in Zimbabwe are well known to be bureaucratic in nature. There are many management levels between senior management and lowest ranked employer or employee, making communication and coordination issues to take very long. This rather reduces service delivery and overall performance.

According to L. Byars et al (1996), due to state owned company's affiliation with politics, their goals are either related to politics or only stretch to the period of the next election. This is because state owned companies fear that a change in politics would mean a change in their management as a new party would bring management that is affiliated to their party too. Goals and objectives are therefore short term and only stretch to the election period. This poses a problem as the executive of those companies only formulate short term strategies. In the presence of competition, these organisations do not act fast as there is too much fear that they will lose their jobs.

Similarly to commercialised organisations, state enterprises have a labour market, money market, suppliers and customers too. The fundamental difference is that at its heart lies 'a political market which approves budgets and provides subsidies, G. Johnson and K. Scholes (2003:28). This may however change the horizons of decisions, since they may be heavily

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influenced by political considerations. This may also mean that analysis of strategies may require the norms of political dogma to be considered explicitly. This somehow shows that the industry is therefore the same between commercial companies and state owned companies since they share the same labour, suppliers and customers.

G. Johnson and K. Scholes (2003:28) state that most state owned enterprises were enjoying being a monopoly or quasi-monopoly as they ruled the industry. This made them reluctant to think of any competitive strategies as there was no competition to fight off from. State owned enterprises are therefore viewed as organisations that lack market focus and involvement thus leading to a mediocrity of service. However, currently, there is a lot of competition from private players who are making it difficult for state enterprises to operate and are almost choking them. However, G. Johnson and K. Scholes (2003:28) mention that the notion of competition is often different in state owned enterprises. It is usually competition for resource inputs; therefore, the need to demonstrate value for money in outputs becomes particularly important. This is why several attempts are being made to improve value for money in state enterprises. These attempts are developments in management practices such as changes to internal markets, performance indicators and competitive tendering.

2.2 Competitive strategy defined

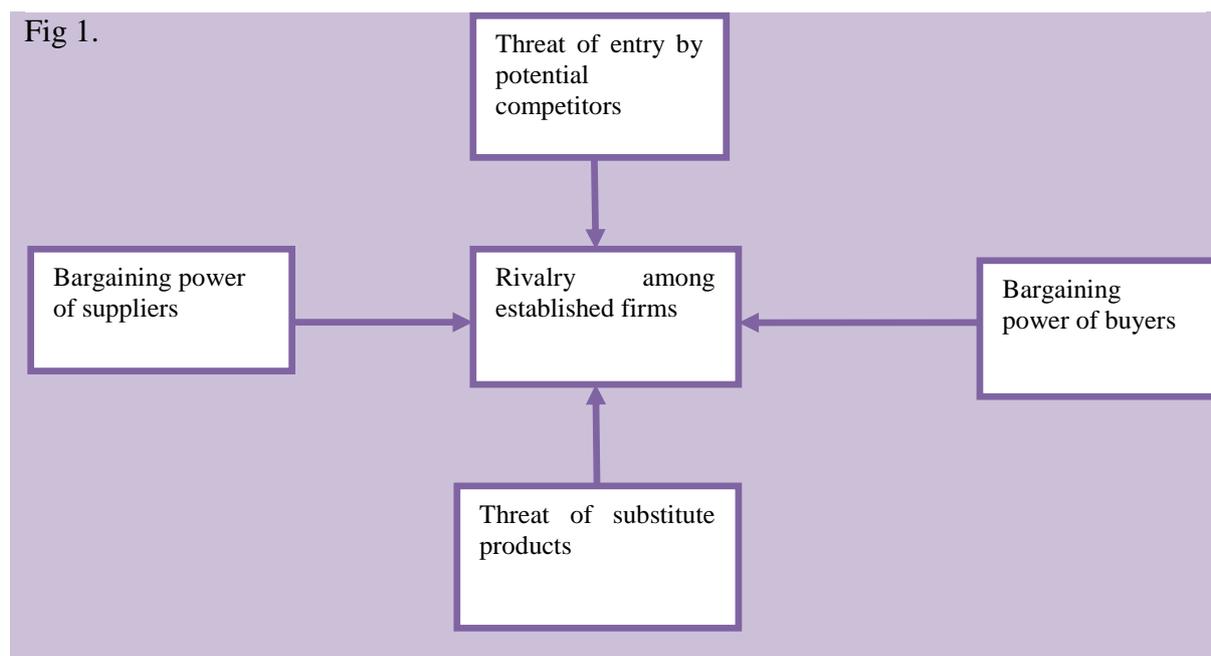
Michael Porter (1980) believes that every company has a competitive strategy, either it is official or unofficial to the market. A competitive strategy is defined by Ofunya Francis Afande (2013:3) as a plan for how a firm will compete and how it will be formulated after evaluating how its strengths and weaknesses compare to those of its competitors: this must lead to a sustainable competitive advantage. Michael Porter adds that a competitive advantage exists when the organisation is able to deliver the same benefits as competitors but at a lower cost (cost advantage) or deliver benefits that exceeds those of competing products (differentiation advantage). A competitive advantage therefore enables an organisation to create superior value for its customers and superior profits for itself. Simply put, competitive strategy is a plan or tactic that an organisation uses to beat its rivals to gain a competitive advantage within the industry. When an organisation enjoys a competitive advantage, it means it will have outperformed its rivals but only when its tactics are sustainable. Organisation should shift from

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seeking to achieve just a competitive advantage but should attempt to achieve a sustainable competitive advantage. This will enable organisation to survive amongst its competitors for a very long time.

2.3 Porters five forces model of competitive strategies

Michael Porter, a University of Harvard Professor claims that companies competing in any given industry must fulfil several activities that form cost and create value for the buyers. These activities, if not fulfilled pose as possible barriers or challenges to implementing competitive strategies. Using the competitive strategy enables a company to position itself in a sustainable and profitable position against the forces shaping the industry. The main variable affecting an organisations profitability and competitiveness is the structural analysis of the industry. Porter states that there are five forces defining the rules of competition within an industry which affects the prices, costs and investments required and these are: entry of new competitors, threat of substitutes, bargaining power of buyers, bargaining power of suppliers and the rivalry amongst the existing competitors. These forces, regardless of the industry can affect choice of strategy can pose as possible challenges to any competitive strategy formulated. See fig1. below.



Five Forces of Competition

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Source: M.E Porter, Competitive Strategy (New York: Free Press, 1980).

2.3.1 Entry of new competitors

Potential entrants in an industry enhance the level of competition for capturing market share, thereby creating threats for already existing companies, Ofunya Francis Afande (2013). An increase in entry barriers usually result in a decrease in entry from new entrants. Variables that can reduce entry into the industry include economies of scale, product differentiation, capital requirements, access to distribution channels and regulatory forces, Ofunya Francis Afande (2013). There are several factors that facilitate entry of new investors in the passenger road transport sector as mentioned by S. Nzuve and S. Mbugua (2013:9). These include: availability of bank financing, ease of access to motor vehicle suppliers, low costs of acquiring vehicles, the sectors attractive earning power, accessibility of technology (fleet management systems), economies of scale in public sector vehicle operators, policies ineffective in low enforcements, favourable industry terms and conditions, government legislative structure, availability of routes for operations, easy exit barriers, good state of the roads, low consumer switching costs and government taxation structure targeting the sector.

2.3.2 Threat posed by alternative means of transport/ substitutes

The extent to which substitutes exist affects the intensity of rivalry and competition. Byars et al (1996:70) defines substitutes as products that accomplish the same purpose or fulfil the same needs. For example, in the passenger road transport industry, commuter omnibuses and cars like *Ipsum* used for illegal commercial transport are substitute means of transportation as people are accustomed to the buses. Companies therefore need to identify potential substitutes for their products or services and use the information in formulating a competitive strategy. It is important to note that customers have different needs and view products or services differently. Byars et al (1996:70) supports this point by adding that when customers have different needs, their loyalty is usually questioned. It is therefore important to follow a two-pronged strategy so as to gain customer loyalty; that is to innovate and come up with new products/services, and then build recognition and customer loyalty, Byars et al (1996:70). According to the study done by S. Nzuve and S. Mbugua (2013:15), competition

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from private bus operators and taxi cabs/ small vehicles was the main threat to public sector vehicles. Other modes of competition as mentioned in the study include competition from walking, competition from rail, competition from private vehicles, competition from alternative motorised transport, competition from air travel and competition from alternative non-motorised transport.

2.3.3 Bargaining power of buyers/consumers

Ofunya Francis Afande (2013) mentions that buyers usually have a considerable influence on producers. This is mainly common under the following conditions: Buyers are few and they buy in large volumes, If many suppliers are competing for the same product, the product represents a major component of the buyers cost, the product is not differentiated, therefore easily substitutable, the buyer earns low profits and is pressured to reduce costs, the buyer has little switching costs and the buyer can integrate backward and produce its own parts. S. Nzube and S. Mbugua (2013) indicated that the high demand for public transport over supply and government regulation that shift the balance of power to consumers increases the bargaining power of consumers. This is similar to Porters (1980) observation that over time, buyers gain power when the number of suppliers of undifferentiated products increases in a market. According to the study done by S. Nzube and S. Mbugua (2013:12), there are several factors that influence bargaining power of commuters. These are: excess of demand for public transport over supply, government regulations like reducing overcrowding and standing passengers and availability of alternative mode of passenger transport. Organisations can use this to their advantage by aiming to gain competitive edge using cost differentiation. If buyers can manage to negotiate for lower prices from their suppliers, they can reduce their costs.

2.3.4 Bargaining power of suppliers

According to Ofunya Francis Afande (2013), suppliers usually have a considerable influence in the industry. Their influence is mainly common under the following conditions: When there are few suppliers, when the demand for the product is higher than the supply, when there are few substitute products, when the products are differentiated and have built in significant switching costs, and when suppliers can integrate forward. In the Kenyan industry, supplier

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bargaining power least influences the excess demand for public transport over its supply as well as by the extent to which commuters are able to command their own individual transport needs, S. Nzuve and S. Mbugua (2013). According to the study done by S. Nzuve and S. Mbugua (2013:12), there are several factors that influence bargaining power of public sector vehicle owners, and these are: the liberalised fare system, ability to access customers easily, high demand for public transport locally, availability of substandard means of transport, quality of service offered, level of profitability in the sector, lack of government commitment, involvement of owner, convenience, low costs, funding by micro finance institutions and relatively low number of public transport suppliers in the market. The lack of government commitment provides suppliers with discretionary power and that may influence a forward integration, thus gaining more power and control, Pearce and Robinson, (2005)

2.3.5 Rivalry among existing organisations

Ofunya Francis Afande (2013) mentions that competition intensifies among existing organisations when: There are many players in the field thus contributing greatly to competition, organisations are similar in size, thus there will be no industry leader, diversity of competitors intensifies competition – different cultures, origins and goals can increase competition, the industry growth rate is slow, companies therefore have to work hard to increase their market share, and, high fixed costs pressure companies to produce near capacity, thereby leading to aggressive marketing and pricing strategies. The study done by S. Nzuve and S. Mbugua (2013:17) highlights that flashy branding and franchising increases business rivalry to a large extent. Other factors that influence business rivalry as mentioned by Nzuve and S. Mbugua (2013:17) include regulatory reforms, relatively low differentiation of services offered, route profitability, economies of scale possessed by the large fleets, presence of many public sector vehicles and low switching costs for consumers.

In essence, it is crucial to understand the dynamics of competition when it comes to analysing the industry. It helps managers to determine the factors that affect rivalry, to identify potential rivals, to recognise current and emerging substitutes and to understand how different rivals compete. It also assists managers to know what can affect their competitive strategies to

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challenges faced in implementing the strategies. Such information can be very successful in delineating key success factors.

2.4 Competitive strategies adopted by private passenger road transport operators

Several competitive strategies have been adopted by private passenger road transport operators in other countries that have allowed them to gain a competitive edge. According to S. Nzuve and S. Mbugua (2013), there are several marketing strategies that influence customer choice in the private passenger transport sector. The following Table summarises the marketing strategies that influence customer choice in the said sector.

Table 2.1: Marketing strategies

Marketing Strategies	N	Mean	Std. Dev
Clean and comfortable vehicle	8	4.63	.518
Clean and neat crew members	8	4.50	.535
Friendly crew members	8	4.50	.535
Newer Registration numbers	8	3.87	.641
DVD system in the vehicle	8	3.75	.707
Young crew for the vehicle	8	3.75	1.282
Powerful and loud music system in the vehicle	8	3.50	.926
Flashy colors and names	8	3.38	.518
Alloy wheels on the vehicles	8	3.38	1.061
Unique hooting/horn system	8	2.13	.991
Valid N			

Source: S. Nzuve and S. Mbugua (2013)-A survey of competitiveness in the private passenger road transport sector in Nairobi Kenya

Other strategies to lure customers as mentioned by S. Nzuve and S. Mbugua (2013:6), include, wearing of uniforms, organized operators, absence of touts, plighting the right routes and

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reasonable traffic jams at certain times, unique hooting system and also having alloy wheels on the vehicle. S. Nzuve and S. Mbugua (2013:6) mention that state owned bus companies usually carry a slogan of safety bus, thus positioning them as a safe mode of transport. These state owned buses are a favourite among the older generation because of their safety slogan, and because they do not have loud music, have courteous staff and are driven at safe speeds.

The European countries have slightly different competitive strategies that they use to lure customers as their transport system is centralised. The EU plays a pivotal role in influencing competitive strategies so as to have an efficient bus system. According to the White Paper on Transport on their article entitled 'Roadmap to a single European transport area' (2011), the government should establish effective controls of an efficient core network for intercity travel and transport. This can be done by increasingly linking and transforming bus stations into connection platforms for passengers. The use of technology should be embraced and utilised by bus operators as done by other industries. Online information like electronic booking and payment systems should facilitate an efficient transport system. The use of innovation and creativity should also not be ignored. The White paper (2011), states that innovation is essential for a competitive strategy to be successful. 'European Union research needs to address the full cycle of research, innovation and deployment in an integrated way through focusing on the most promising technologies...innovation can also play a role in promoting more sustainable behaviour', The White Paper (2011). The paper further states that implementing competitive strategies requires an efficient framework for bus transport operators, an early deployment of new technologies and development of adequate infrastructure.

The use of offering 'safe transport' is a competitive tool that can be utilised by bus operators to gain passenger confidence and loyalty. The White paper (2011) mentions that setting the framework for safe transport is essential for the European citizen. In 2009, thirty four thousand and five hundred (34,500) people were killed on EU roads while thirty thousand and three hundred were (30,300) were killed in 2011, thus increasing the need for safe transport, The White Paper (2011). Bus operators can make use of initiatives like technology, enforcement, education and particular attention to vulnerable road users as these are important to drastically reducing road accidents and promoting safety. This will in turn attract more passengers as

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passenger are more worried about their safety than the cost. According to the European Union publication on Road Transport- A Change of Gear (2012), road transport is still the most dangerous mode of transport therefore there should be increased efforts to reduce the accidents. The EU's aim is to halve the number of road accidents by 2020 using strategies like technology (traffic information, advanced braking system, better vehicle to infrastructure communications and driver behaviour control systems), enforcement and education with a particular attention on vulnerable road users.

According to P. Romanow and M. Stajniak, (2014) the idea of competition within the transport sector is a process of creating companies' capability of achieving and maintaining price and/or quality advantage over other companies from the business. Private passenger road transporters are at liberty to practice different competitive strategies. The following table details the basic sources of achieving competitive advantage by transport companies as suggested by P. Romanow and M. Stajniak (2014).

Table 2.2 :Key sources of competitive advantage of transport companies providing services for supply chain actors

TYPE OF SOURCE
Technology
Production
Distribution
Promotions and complaints handling
Trademark/ reputation
Uniqueness of company and offered services
Management

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Knowledge and information
Time management

Key sources of competitive advantage of transport companies providing services for supply chain actors

Source: P. Romanow and M. Stajniak's study based on Rosa G: Usługi Transport (2014)

Rosa G: Usługi (2014) explains the above points as follows:

Technology - Results of research work, technological innovativeness and transport service innovations. Company's competitiveness resulting from being first.

Production - Low transport production costs resulting from the easy access to factors of transport production, vertical integration forwards or backwards, flexibility of service activity, appropriate internal organisation structure of company, use of telematic techniques in service processes. Company's competitiveness resulting from lower costs or/and higher transport service quality.

Distribution - Developed network of offices, service availability and quick service. Company's competitiveness resulting from lower level of frozen capital and transport costs and better customer service.

Promotions/ complaints handling - Effective marketing, appropriate services for appropriate customers, proper advertising and promotion of services, quick complaint service. Company's competitiveness resulting from better recognition of market needs and services adjustment and providing the services accordance with the needs. As a result the company achieves competitive advantage in costs and service quality.

Trademark/ reputation - Strong position of trademark which does not require costly marketing actions, because the trademark makes the offered services distinguished from the environment. Company's competitiveness resulting from customer loyalty to the trademark.

Uniqueness of company and offered services - Perceiving the company and its services as different from the competitions. Effective service differentiation. Company's competitiveness resulting from achieving the quassi-monopoly position, capturing market niches.

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Management / managerial talents - Management professionalism, managerial talents make it possible to reach to one of the above mentioned sources and become the basis of company's competitive advantage.

Knowledge and information - Acquiring knowledge in the transport service providing process, efficient subcontractor, competitor and customer information system is an important factor in creating one of the above mentioned sources of company's competitiveness.

Time management - Capability of quicker than the competitor's reacting to market changes and skilful long term acting ensure flexibility and reputation which increases competitiveness.

This is according to P. Romanow and M. Stajniak's study based on Rosa G: Usługi Transport (2014).

The above sources of competitive advantage indicate that transport industry competitiveness depends on the following success factors: the quality and quantity of transport resources, difficulty in imitation and them being non-substitutional. It is therefore important for an organisation to make a competitive analysis and know its position and influence within the transport industry. A strength and weakness analysis should also be done as this will enable an organisation to use these to make an action plan in order to be competitive.

2.5 Competitive Strategy Implementation

The literature on successful competitive strategy implementation and challenges in implementing competitive strategies and will be based on a study done by Niclas (2014) titled Strategy implementation, key factors, challenges and solutions and the three variables to strategy implementation: strategy, structure and behavior. This study is suitable for the state owned companies as these are usually characterized with complex structures and complex behaviors.

G. Johnson and K. Scholes (2003:30) states that state organisations usually have bureaucratic tall structures that bring out poor coordination and communication. Autocracy is usually the norm thus bringing out leadership issues that negatively affect competitive strategy

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implementation. Employees are not customer focused and there is usually a culture of un productivity-thus a need to look at the behaviors of both management and employees.

Strategic change to gain competitive advantage is very vital to an organisation. Niclas (2014:1) says that there is a difference between having a competitive strategy in mind and actually executing it. Though organisations may come up with wonderful competitive strategies, their failure is mainly attributed to poor implementation. Other scholars like Olson Slater and Hult (2005) add that ‘doing it is harder than dreaming it.’ In order to address problems with unsuccessful competitive strategies in the passenger road transport sector, it is therefore important to look at the implementation of these strategies. Aaltonen and Ikavalko (2002) concur by saying that without effective implementation; even the most superior strategy is useless. Effective implementation therefore brings about superior performance and competitive advantage. Niclas (2014:2) mentions that for successful competitive strategy implementation, there is an interplay between three variables: strategy, organisational structure and the connection both with behaviors of people.

Pryor et al (2007) introduced the 5P’s Paradigm that addresses successful strategy implementation. Behind the 5 P’s are strategy (purpose), structure (principles and processes), and behavior (people) and they all lead to effective performance.

2.5.1 Key factors to competitive strategy implementation

Table.2.3 : Key factors for competitive strategy implementation

Strategy	Structure	Behavior
Formulation and planning	Cross functional coordination	Commitment of workforce
Strategic consensus	Resource allocation	Leadership of managers
	Control by management	Cultural context

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	Communication	
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Key factors for competitive strategy implementation

Source: Niclas 2014-Strategy Implementation: Key factors, challenges and solutions

The above table indicates factors that are vital to competitive strategy implementation, according to Niclas, 2014. The following literature explains the connection between strategy, structure and behavior and why these three are important factors to strategy implementation.

2.5.1 Connection of strategy, structure and behavior

Olsen et al (2005) mention that organisational performance is strongly influenced by how well an organisations strategy is matched to its structure and behavior of employees. However, even when a new strategy is formulated, its reinforcement should be in line with the already existing structure and behavior, this is because these are already established and harder to change.

2.5.2 Strategy

2.5.2.1 Formulation and planning – According to Niclas (2014:3), prior to the implementation, members of several functions should be involved in the formulation stage. These members should indicate sound leadership skills and should be change agents. ‘During this stage, resources have to be allocated, responsibilities and authorities have to be set and capabilities and concerns of functions have to be solved,’ Niclas (2014:3). The formulation and planning stage is therefore vital for the successful implementation of a competitive strategy.

2.5.2.2 Strategic consensus- After the formulation stage, the main focus should be put on the degree to which inter-organisational strategic perceptions are congruent. Rapert et al (2002) mention that consensus is key because strategies can be interpreted in many diverse ways. Leaders should frequently communicate vertically to their subordinates so as to enhance strategic consensus, which is in turn linked to implementation success and increased performance. Noble (1999) found that when employees have poor understanding of their organisational goals they are not able to work efficiently to reach a different organisational stage with a new competitive strategy.

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2.5.3 Structure

Structure is defined by Niclas (2014:3) as the environment where all actions of employees take place. Leaders should therefore create an organisational structure that matches well with their perceived competitive strategy so as to enhance performance.

2.5.3.1 Cross functional coordination- This is about matching different departments within an organisation, ensuring an environment of teamwork so as to achieve one goal/the perceived competitive strategy. A good leader should manage their communication and relationships. Niclas(2014:4) adds that tensions within departments are common and hinder cooperation and herewith, strategy implementation. Leaders should avoid tension by looking at issues like territorial barriers, communication, rewards and recognition and relief from normal duties.

2.5.3.2 Resource allocation- People are the best and most important resource at an organisation, leaders should know how to utilize their know-how and allocate them to the most useful tasks and functions during strategy implementation. Pryor et al (2007) adds that there is need to choose the right people for the right responsibility. However, Niclas (2014) and Pryor do not mention other resources which are vital to competitive strategy implementation. A good leader should also consider availability of financial and technical resources. Government regulations, state of the economy as well as internal and external culture should be considered to ensure a welcoming structure and environment that supports the competitive strategy.

2.5.3.3 Management control – Managers should offer a leadership role. Managers should sometimes exercise less control, allow employees to be creative and let them do what they think is best in achieving the same goal. Crittenden (2008) adds that too much control inhibits creativity, which is a fundamental resource to an organisation. A balance between hierarchy and independence and self-responsibility must be found in connection of the strategy, Olson et al (2005).

2.5.3.4 Communication- This is deeply connected with organisational consensus as every employee should know the vision, goals and strategies of the organisation. Rapert et al (2002) value vertical and frequent communication as a method to reach shared perception, values and beliefs among the workforce and eventually reach a stage of higher performance.

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2.5.4 Behavior

This has everything to do with individuals at an organisation at all levels. Individuals should work in the current situation in line with the current strategy of that organisation. Niclas (2014) mentions that human resource is the key to focus on successful strategy implementation as this resource is hardest to change.

2.5.4.1 Commitment of workforce- Key strategic decisions and successful competitive strategy implementation requires commitment from employees. During MacMillans (1986) study of middle management and strategy implementation, he discovered that middle managers can sabotage or delay strategy implementation if they believe that their self-interests are being compromised. Niclas (2014:4) believes that commitment can be increased with involvement and integration of employees at lower levels. This will then create ownership of the new strategy and increased performance.

2.5.4.2 Leadership of managers – The role of leadership is very important if an organisation want to implement a competitive strategy or any strategy at all. O'Reilly et al (2010) concur that leaders usually have a substantial impact on performance. They define leadership as ‘a person’s ability in a formally hierarchical role to influence a group to achieve organisational goal.’ A leader has to communicate to the employees the strategy and its importance and to get a buy in and commitment from employees. A leader has to deal with resistance, to manage change, allocate resources and create a consensus. Niclas (2014:5) Crittenden (2008) wants to see a capable, contributing, competent, effective and executive leader when it comes to strategy implementation. Leaders would also need to find a balance between charismatic leadership and autonomy, and exercise the correct leadership skill that suits the specific strategy.

2.5.4.3 Cultural context – Every organisation has its own culture which is influenced by the people in the organisation, by history, circumstances and management, Niclas (2014:5). Certain cultural characteristics can foster strategy implementation, while others can pose as barriers. Leaders therefore have to manager organisational culture for successful competitive strategy implementation. A culture suitable for successful competitive strategy implementation in state owned passenger road transport includes issues like creativity and innovation, customer care, autonomy, teamwork and engagement and efficiency.

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2.6 Challenges in implementing competitive strategies

It is important to understand the challenges that can occur during competitive strategy implementation so as to have a more proactive approach. The challenges are derived from Niclas' (2014) above literature on the three variables to strategy implementation. These challenges are common in state owned organisations as they usually have complex structures and employee and management behaviors that inhibit strategy implementation. State owned organisations are usually characterized by tall and bureaucratic structures and autocrats who respond poorly to change making it difficult to implement a successful competitive strategy.

2.6.1 Strategy

2.6.1.1 Formulation and planning– Not giving employees the chance to contribute where the payoff is highest can pose as a challenge. A strategy that is not consistent influences poor strategy implementation as there will be confusion amongst employees. Leaders should therefore find consistency of their competitive strategy and try to avoid constantly changing goals. Not being clear on what not to do and what is important is a challenge to strategy implementation. A leader should therefore foster effective communication to all employees and be clear on what to do and what not to do so as to have a successful competitive strategy.

2.6.1.2 Consensus– Lack of a clear, common understanding is a major challenge to successful competitive strategy implementation, Rapert et al (2002). Effective communication to bring out understanding of the goals and competitive strategy introduced is therefore important as it avoids resistance. Poor understanding of broader scope and goals can lead to poor consensus. Leaders should continuously ensure all employees understand the goals of the strategy so that the competitive strategy becomes successful.

2.6.2 Structure

2.6.2.1 Cross functional – several departmental challenges can inhibit the success of a competitive strategy. These include, little reward, no relief from normal responsibilities for implementers, departmental tensions, location barriers, turf barriers and cross functional

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systems, Beer M (2000). Leaders should therefore address these departmental barriers so as to have a successful competitive strategy.

2.6.2.2 Resource allocation – several challenges on resource allocation can pose as challenges to successful competitive strategy implementation. Lack of knowledge, lack of coordination, no experimentation and no realignment are issues that can lead to a poor strategy implementation, Pryor et al (2007). Absence of other key resources like financial, technical, legislation can also be major challenges to competitive strategy implementation.

2.6.2.3 Control – Crittenden et al (2008) mention that too much control can be a challenge to strategy implementation. Creativity inhibition, go no go decision and having no balance between hierarchy and creativity and self responsibility in connection with business strategy also pose as control challenges to the implementation of any competitive strategy.

2.6.2.4 Communication–Beer. M (2002) mentions that lack of understanding and common language, poor leadership style, lack of upward and downward honest conversation and poor vertical communication are all communication barriers that can pose as challenges to successful competition strategy implementation. Effective communication is therefore an important tool during strategy implementation as it fosters consensus and avoids resistance.

2.6.3 Behavior

2.6.3.1 Commitment – The main challenge associated with employee behavior is lack of commitment which in turn leads to resistance, Beer M (2002). Poor involvement and integration of low level employees also reduces commitment levels, thus difficulties in implementing the competitive strategy.

2.6.3.2 Leadership–This involves a combination of technical and interpersonal skills and being sensitive to the needs of other functions. Lack of these leadership skills will be a major challenge to any strategy implementation.

2.6.3.3 Cultural context – An unsupportive culture negatively affects the implementation of a competitive strategy. Leaders should set the tone, pace and character so as to have the supportive culture that supports their competitive strategy. Crittenden et al (2008) adds that there should be shared values so that everyone has the same vision and works uniformly to achieve that same goal.

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2.6.4 Other challenges

The state owned road transport sector faces several challenges that can negatively affect the implementation of the sectors competitive strategies. According to Jost Wicher et al (2011), from the customers perspective, state owned road transport sector is not very competitive because it costs more, takes longer, is less reliable and its service offer does not meet customer needs. This is why passengers opt for other modes of transport like Commuter Omnibuses. However, from the operators' perspective, this sector has high growth potential but the current business environment (a geographically dispersed market with many operators) makes it difficult to build an attractive and efficient network. Jost Wicher et al (2011) therefore mentions that for a road transport operator to achieve a competitive edge, there should be a need to consider the customers perspective and bring out quality in services being offered. The most important aspects of quality as mentioned by Jost Wicher et al (2011) are speed, reliability, safety and security of passengers. When a passenger chooses a transport mode, quality is often more important than cost. In order to achieve a competitive edge, quality problems should therefore be addressed with highest priority.

2.7 Factors shaping choice of strategy

State organisations are at liberty to choose any competitive strategy they require to their advantage. However, there are specific factors that influence and shape the choice of competitive strategy used by state owned organisations. These factors have been exhausted by A. Thompson and A. Strickland. (1998) and they are:

2.7.1 Societal, Political, Regulatory, and Citizenship

State owned organisations operate within a specific environment, including the internal and external community. Whatever strategies they come up with, state owned organisations have to be loyal and considerate to the citizens. Since they are a public entity, their interests are in offering affordable and reliable services to the general public. Politically, state owned organisations usually support the current ruling party. Judy Mathews (2005), adds that their competitive strategies have to be in line with the ruling party's objectives. No matter how independent state owned enterprises may seem to be, they operate within a legal framework.

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Their competitive strategies would therefore have to be legally accepted. Competitive strategies like touting that bring in more passengers to private bus transporters are illegal, therefore, such a competitive strategy would not be accepted in state owned companies.

2.7.2 Competitive strategies and industry attractiveness

A. Thompson and A. Strickland. (1998) mention that an industries competitive condition and industry attractiveness are big strategy determining factors. Issues like price, product quality, performance features and service quality are strategic issues that help shape choice of a competitive strategy. Bert Marcgraf (2015) adds that the behavior of competitors is a major factor affecting choice of strategy. Organisations therefore have to evaluate actions of competitors and check for new entrants in the market. By reacting to your competitors, the organization will have to change the choice of strategy.

2.7.3 Market opportunities and external threats

Market opportunities and threats are key influences to a competitive strategy chosen by a state owned company. Arthur Shuman (2005) on his book, Competitive strategy in the public sector reiterates that if the market presents opportunities for growth, then a strategy will be developed. Market opportunities will determine choice of strategy. For example, recent legislation on banning commuter omnibuses on plighting long distance routes is an opportunity for bus operators to enter the market that was previously dominated by commuter omnibuses.

2.7.4 Resource strengths, competencies and competitive capabilities

Resource strengths are the most important strategy-shaping issues used to shape a successful competitive strategy. These factors can enable a state owned organisation to capitalize on a specific opportunity, giving them a competitive edge in the market.

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2.7.5 Personal ambitions, business philosophies, ethical beliefs of managers

Competitive strategic choices are usually influenced by a managers own vision of how to compete, how to position the organisation and what image they want their organisation to have, A. Thompson and A. Strickland. (1998).

2.7.6 Influence of shared values and culture on a strategy

Issues like policies, practices, traditions and beliefs create a distinctive culture. A. Thompson and A. Strickland. (1998) mention that the stronger a company's culture, the more likely it will shape competitive strategic actions.

2.7.7 Customers, products, suppliers,

Bert Marcgraf (2015) mentions that a continuous environmental scanning leads to a change in competitive strategy. The more the environment changes, the more one may need to change the competitive strategies. For example, a customer's tastes may change, thus leading to a different strategy to cater their new tastes. If there are changes with the suppliers, perhaps they go out of business or they have new products with different qualities, an organization might need to change the way it will lure customers to accept the new product. Products tend to differ according to differences in technology and globalization. This calls for a change in competitive strategy changes.

2.8 Government policies and regulations that influence competitiveness

Governments from different countries have different ways of influencing competition within the passenger road transport sector. According to the study done by S. Nzuve and S. Mbugua (2013), the Kenyan Government restricted route operations that prevent public sector vehicles from operating on any route and it also banned standing passengers. The study states that restrictions in certain routes increases competition by raising entry barriers thus protecting the market for vehicles in a given route. This is supported by M. Porters (1980) suggestion that

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high entry barriers and low exit barriers possess for attractive markets that have high profit potential. Competition amongst the licensed route operators therefore increases. The action of reducing standing passengers affects competition as it reduces revenues collected per trip, thus encouraging more trips per vehicle with higher subsequent earnings.

The Zimbabwean government has several policies to influence passenger transport competition. Some of the national policies include: the introduction of toll fees, the banning of commuter omnibuses on long distance routes, the promotion of the inter city metro convectional buses, strictness on the issuing of route permits, increase in VID and ZRP personnel manning the roads and high entry qualifications for a person to be able to drive a bus, Zimbabwean National Transport Sector Master Plan (2013). Toll fees affect competition by alleviating congestion and relocation by other transporters in order to avoid extra costs, Brown (2005). These measures are said to have streamlined the industry and also increased competition by encouraging more private investors to join the industry, S. Nzuve and S. Mbugua (2013). In Lesotho, the road transport board determines the routes taken by transporters across the country while in Zimbabwe the determination of routes is solely up to the bus operators.

There are high levels of entry barriers that come in the form of a limited number of route permits. The government of Zimbabwe also influences competition through the price setting of transport fares. This is similar to the Lesotho situation where by the Ministry of Transport regulates transport fares. According to the Zimbabwean National Transport Sector Master Plan (2013), the government of Zimbabwe, through its policies and institutional reforms influences the level of competition through the following means: offering advisory services for planning change and implementation support, capacity building for local authorities, offering infrastructure requirements, driver training project, and vehicle inspection project. The government also ensures the implementation of computerization of vehicle registers, license and data. Those vehicles that are not registered will not be allowed to pass through Toll Gates or will be forced to pay a fine, an entry barrier which reduces competition.

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The Ministry of Transport and Infrastructure Development in Zimbabwe has also put legislation on banning vehicles with a carrying capacity of twenty nine (29) passengers to operate along the country's highway and should only operate within forty (40) km of the inter-urban routes. This strategy is implemented by the Vehicle Inspection Department which does not issue permits to these vehicles and the Zimbabwe Republic Police which arrests/fines all those who operate routes without permits, Zimbabwe National Transport Sector Master Plan (2013). However, the issue of bribes makes this strategy difficult to implement. The National Transport Policy (2014) further states that Commuter Omnibuses are a menace within the city center and they wish to phase them out, a move that will reduce competition. The government has already commissioned private players like Metro Buses to run high volume buses that will replace the commuter omnibuses.

The policy also promotes the use of 'high capacity' transport modes of transport such as buses which economically and efficiently use road space and gradually phasing out the commuter omnibuses. In essence, the Government of Zimbabwe is aiding bus companies to be competitive by phasing out their biggest competitor, commuter omnibuses. However, the policy has no special preference to state owned bus operators as they are actually elevating private bus operators like Metro buses.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses how the chapter was carried out. Discussions in this chapter include the research philosophy, design and methodology adopted by the researcher. The study population, sampling techniques and sample size are also going to be outlined. Lastly, the chapter looks at data collection, presentation and analysis techniques.

3.1 Research Philosophy

According to Saunders, Lewis and Thornhill (2009), research philosophy is an over-arching term relating to the development of knowledge. There are three main types of philosophies, namely positivism (quantitative), interpretivism (qualitative) and pragmatism (mixture of quantitative and qualitative). The interpretive approach is based on the view that human phenomena are fundamentally distinct from natural phenomena, Babie and Mouton, (2012). Saunders and Cornet (1997) postulated that the approach is based on the way human beings experience social phenomena in the world they live in, focusing on the meanings that the research topic influences their social phenomena. Thus, to the researcher, it is an approach to help understand what is happening and why it is happening. According to Flowers (2009), positivism is based upon principles of reason, truth and validity. The focal point are pure facts gathered through direct observation and experience and measured empirically using quantitative methods such as surveys, experiments and statistical analysis. Gartel and Gartell (1996) argues that positivism adopts the view that social research can be conducted according to the dictates of science, outside any influence the researcher's own values. This makes the research more reliable.

The researcher however used the Pragmatism research philosophy. According to Currall (2011), this approach comprises quantitative and qualitative data collection techniques and analysis techniques being used in a simultaneous way. Pragmatism is sometimes called middle of the road philosophy. It comes between the two extreme philosophies of Positivism and

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interpretivism. Mertens (2005:26) highlighted that pragmatism advocates for the use of a mixture of research methods instead of relying on either being too specific or too general. The research chose the pragmatism philosophy because it is more objective and yields a lot of results.

3.2 Research Design

Babbie et al (2001) defines a research design as the plan of how the researcher plans to carry out a research. Green et al (2003) mentions that it is the specification of procedures and methods which are needed for the acquisition of knowledge in order to solve problems. According to the researcher, the research design is results oriented because it focuses on the outcomes. This researcher used the explanatory research design because it enabled the research to assess the competitive strategies used by state owned passenger road companies. An explanatory research is conclusive in nature as it allows the researcher to draw definite conclusions of relationships between variables. The researcher also made use of a quantitative research design. It is a process through which the researcher decides what to research, formulate specific and narrow questions, collect data in form of figures from respondents and then use statistical tools to analyze this numerical data.

3.3 Population

Population refers to the complete set of things in which the research findings will be applied to, Bless et al (2011). It is the largest body of research units from which the sample will be drawn from. For the purposes of this research, the population is 2 (two) state owned companies, namely ZUPCO Head Office and Belvedere Depot-BD and CMED Head Office and Belvedere Depot-BD. The reason for the choice of this population is that they are the only two state owned companies that are in the passenger road transport industry. The total population is shown by the breakdown below:

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Table 3.1: Target Population

Job Title	ZUPCO	CMED
Managers (HO)	20	18
General Employees (conductors, drivers, inspectors)	80	65
Total	100	83
Total Population	183	

3.4 Sample size

The sample size was 41% of the population.

Table 3.2: Target Population and Sample Size

Job Position	Target Population	Sample Size	Sample %
Managers (HO)	38	15(Zpco 8, Cmed 7)	42%
General Employees	145	60 (Zpco 35, Cmed 25)	41%
Grand Total	183	75 (Zpco43,Cmed33)	41%

Target population and Sample size

According to Hogg and Tani (2008) Probability and Statistical Inference a 41% sample is a valid sample size. This research therefore had a valid sample for the purposes of this study since the total population was one hundred and eighty five (183). The total sample was then seventy five (75). Hogg and Tanis (2008) mention that a sample size greater than thirty (30) is ideal for a large sample interference in business research.

3.5 Sampling techniques

This is a method whereby a section called sample is drawn from the population (Bless et al, 2011). (Babbie et al, 2001) says that it is the process of selecting observations. According to Haralambos and Holborn (2008), the use of samples saves the researcher time and money since it reduces the number of individuals to be studied. It should be very reflective and

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representative by reflecting all the population characteristics. Saunders et al (2008) mentions that there are two types of sampling techniques, mainly probability and non probability. The research used the probability technique where the chance or probability of each case being selected from the population is equal for all cases. Two methods of sampling were used to select respondents from the different strata. Judgemental/ purposive sampling was used to select executive and senior management while stratified random sampling was used to select strata from the general employees.

3.5.1 Stratified random sampling

Stratified random sampling was used because the state owned passenger road transport industry has companies with more than one department, thus employees from different departments had to have an equal and fair opportunity of being sampled. In this case, the strata was subdivided into two layers of strata, that is management and general employees. Respondents were randomly selected from the general employees group. The management group was selected through purposive/judgemental sampling. According to Mugo (2006) through judgemental sampling, a sample is acquired according to the discretion of the researcher, based on the knowledge of the composition of the sample. The researcher purposefully selected respondents from the management group as these enabled the researcher to collect data from sample units who had the know-how and could provide the required information.

3.6 Sources of data

The researcher used sources of data which are both primary and secondary so as to come up with research findings.

3.6.1 Primary data

Crowther and Lancaster (2009) defined primary data as data that does not exist until and unless it is generated through the research process as part of the dissertation. According to Bless et al (2011), primary data is data collected with the aim of answering the research question posed by the researcher hence collected from first-hand experience or observations (Bless et al, 2011). According to Saunders et al (2003), data which is specifically collected for a research project is

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called primary data. The researcher used data from questionnaires and interviews as primary data. The researcher used primary data and conducted interviews on her own. This enabled the researcher to gain actual facts on the ground from both management who usually formulate the competitive strategies and the general employees who implement the strategies and have a direct and clearer view of the competitor.

3.6.2 Secondary data

This is data which already exists in some form or other. According to Bless et al (2011) this is data collected from researchers who were initially addressing a different research problem. Secondary data is collected from the internet, organisational reports and past publications like journals, statutory instruments, websites, newspapers and textbooks. The researcher used sources of secondary data because they were easily accessible thus saving time and were inexpensive. The researcher also made use of data bases, monthly reports and board meetings minutes as these relate specifically and stems from the organisations own activities and operations. With secondary data, the primary data collected initially becomes more specific as it enables the researcher to identify any sources of gaps as well as extra information needed.

3.7 Research instruments/ Data collection methods

These are methods used by the researcher to collect data specifically for the research. The researcher made use of self administered close ended questionnaires and face to face interviews to gather information from the respondents.

3.7.1 Questionnaire

Crowther and Lancaster (2009) noted that the most valuable and common means of collecting data is by using a questionnaire. Once designing and carrying out pilot studies are done, questionnaires can be used to collect large quantities of data from a considerable number of people over a short period of time. Questionnaires consist of pre-set objective questions targeted at respondents. The researcher used questionnaires because of their easiness to administer to diverse people. Questionnaires also enable detailed information to be documented

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and their responses are easy to analyse. They have a faster response rate considering the fact that the respondents will have limited time with the researcher

The researcher visited the organisation and after getting full authority to conduct the research, self administered and left the questionnaires with the respondents (general employees) in the morning and then picked the responses after lunch. This was an effective method as the researcher had left the questionnaires with the rightful respondents and did not pressurize the respondents to fill out the questionnaire there and then but allowed them to fill them out after they had completed their daily duties when they were free.

3.7.2 Interviews

Interviews are a process of eliciting information through conversations involving a respondent and a person who possesses information which is suitable for the current use. These are very useful if the interviewee wants to have an in-depth understanding of the subject matter, phenomena as well as to capture experiences and impressions. The researcher made use of the probing technique to gain sensitive but useful information from the respondents and assured the respondents of confidentiality of their responses. The researcher made use of an in-depth interview guide to get information from managers.

An in-depth interview is an open ended interview guide which seeks to discover processes and outcomes from a target set of audience, Dark and Brickley (1987). This tool is more effective in obtaining a higher response rate than administering a questionnaire. The researcher used interviews so as to get more information on the subject matter from an executive point of view. The researcher used interviews as they allowed her to probe the interviewee for more information and for clarity so as to understand the responses. The researcher made use of face to face interviews with managers so as to assess the competitive strategies used by the Zimbabwean state owned passenger road transport industry. The researcher administered all the interviews with management so as to get an executive view of the competitive strategies used by the Zimbabwean state owned passenger road transport industry.

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3.8 Data presentation

Data presentation is a process of communicating the research findings, this is according to the OECD (2006). The student followed the following steps in presenting data:

- i. Inputting data into the Statistical Package for the Social Sciences (SPSS) system in order to draw meaning and conclusions from qualitative data.
- ii. Use of tables to present the outcomes from the data.
- iii. Analysis and development of information from presented data.

Presentation of data in tables and graphs brings out easy interpretation, allowing the reader to clearly understand what the researcher is presenting. It is also easier to compare and contrast using tables and graphs.

3.9 Data analysis

According to Crowther and Lancaster (2009), data analysis is the process of turning raw data into information. Data analysis gives the research the ability to see how different variables relate together and it allows the research to infer or generalize information from the targeted population. Responses from all questionnaires were analysed using the SPSS version. The research used data analysis techniques which are both quantitative and qualitative. The main reason of using both techniques is because the research is taking a pragmatic approach hence a mixture of both qualitative and quantitative data methods for analysing data. Statistical principles such as bar graphs and frequency tables were also used in data analysis and presentation.

3.10 Ethical considerations

According to Bhartajee (2012), ethics are a way of conforming to standards of a selected group or profession. Ethical issues in research encompass a set of morals and values for conducting research and it is the responsibility of the researcher not to violate these, Crowther and

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Lancaster (2009). The researcher took the following into consideration in order to adhere to ethical practices:

- The researcher considered all information gathered for academic use only.
- The researcher explained the purpose of the research to all respondents hence there was no intimidation of respondents.
- No names of individuals were disclosed in the research.
- Permission was sought from the Chief Executive Officer of ZUPCO and CMED through written agreement.
- The researcher maintained confidentiality of data provided by respondents.
- Behaviour and objectivity of the researcher was maintained.

3.11 Chapter summary

Chapter three (3) was focused on highlighting the research philosophy, the research design, the targeted population, the sample size, the research tools, the ways data was going to be gathered and analysed, ethical considerations as well as the limitation. The research philosophy adopted by the research was the pragmatic philosophy which comprises of both qualitative and quantitative data techniques. An explanatory research design was adopted using a case study of ZUPCO and CMED. The targeted population came from the Head office and belvedere depots of the two companies, totaling 183. However, the sample size was 41% of the population, thus was 75. The chapter indicated that questionnaires and in depth interviews were used to gather data. Data was presented and analysed using both the deductive and inductive approach and the SPSS. Ethical considerations were mentioned and the issue of confidentiality was specified while limitations were mentioned and addressed. Chapter three (3) was the basis of chapter four (4).

CHAPTER FOUR

DATA PRESENTATION

4.0 Introduction

Chapter four focuses on presenting and analysing research. The researcher will present the findings in both writing and graphical terms. The findings were collected from respondents using two main instruments as mentioned in the previous chapter.

4.1 Response Rate Analysis

The response rate for the research is based on the interviews and questionnaires distributed to the respondents at ZUPCO and CMED. The response rate highlights on the variance between the targeted responses and the actual responses for the research and it is shown on the table below:

Table 4.1 Questionnaires

Instrument	Respondents	Questionnaires Distributed	Questionnaires Returned	Questionnaires Returned %
Zupco	General Employees	35	28	80%
Cmed	General Employees	25	24	96%
Total	General Employees	60	52	87%

The research had a target of sixty (60) respondents to questionnaires with focus on general employees (non managerial). Of the sixty (60) questionnaires targeted sample, the researcher managed to get a response rate of fifty two (52), twenty eight (28) from Zupco and twenty four (24) from Cmed making the total questionnaire response rate 87%. A total of 8 (13%) questionnaires were not returned to the researcher because the respondents had other work commitments that could not allow them to fill up the questionnaires during the prescribed time. The total questionnaire response rate was 87%, which is a valid response rate since the sample

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size is greater than 30%. Hogg and Tanis (2008) mention that a sample size greater than thirty (30) is ideal for a large sample interference in business research.

For the interviews, a sample of fifteen (15) respondents was targeted. However the researcher managed to interview thirteen (13) managers, seven (7) from Zupco and six (6) from Cmed, yielding a response rate of 87%. Failure to yield a 100% response rate was because both managers from both companies had other workplace demands, thus they could not take part in the interview.

The total response rate for the study was 87%. Generally the response rate ensured validity of research as the sample size was greater than thirty percent (30%). Hogg and Tanis (2008) mention that a sample size greater than thirty (30) is ideal for a large sample interference in business research.

4.2 Demographic Data

The following table indicates demographic responses per organisation. The two organisations that took part in the research are ZUPCO and CMED.

Table 4.2 Responses by targeted organisation

Demographic Level	Category	Frequency			% of Total
Organisation	ZUPCO	GE	Mgt	Total	54%
		28	7	35	
	CMED	GE	Mgt	Total	46%
		24	6	30	
	Total	GE	Mgt	Total	100%
		52	13	65	

The table above indicates that Zupco had a total of 35 respondents , 28 were general employees and 7 were management, thus giving a total response rate of 54%. Cmed had a total of 30 respondents, 24 general employees and 6 managers giving a 46% total response rate. The total employees who took part in the research were therefore 65 respondents, 52 general employees and 13 management representatives.

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4.2.1 Responses by length of service

The following table details the respondent's categories by length of service

Table 4.3 Respondent category by length of service

Demographic Level	Category	Frequency	% of Total
Management	0-5 Years	8	62
	6-10 Years	5	39
	10 Years+	0	0
	<i>Total</i>	<i>13</i>	<i>100</i>
General Employees	0-5 Years	11	22
	6-10 Years	22	42
	10 Years+	19	37
	<i>Total</i>	<i>52</i>	<i>100</i>
Grand Total		65	100

From the findings in Table 4.4 above, it can be noted that from the management side, 62% of the respondents have served their organisations for a minimum of five years, 39 had served for between six to ten years while no management respondent had served for more than ten years. From the general employees responses, 22% of them served their organisations for a minimum of five years, 42% have served for between six to ten years while 37% have served for more than ten years. The findings highlight that the research was done with the aid of knowledgeable employees who had spent significant time within their organisations and hence they could appreciate and identify competitive strategies used by their organisations and their competitors. The management response rate also shows that most management have served the organisation for a short period of time, while no management representative has served the organisation for more than five years. This shows that the management representatives do not have much experience in the field of transport at their respective organisations than the general employees who have 36% of respondents that have served the organisation for more than ten years.

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4.2.2 Level of Education

Table 4.4 Respondents by level of Education

Demographic Level	Category	Frequency	% of Total
Management	O/A Level	0	0
	Diploma	2	16
	Degree/ Post – Grad	11	85
	<i>Total</i>	<i>13</i>	<i>100</i>
General Employees	O/A Level	26	50
	Diploma	18	35
	Degree/ Post – Grad	8	15
	<i>Total</i>	<i>52</i>	<i>100</i>
Grand Total		65	100

From the findings in the table above, 85% of the management respondents have either a degree or a post graduate degree while the rest only have Diplomas. 50% of the general respondents have only attained O/A Levels, 35% have Diplomas while only 16% have degrees. The results show that all the managers who took part in the research are learned and therefore appreciate the subject matter of competitive strategies from an academic point of view. 50% of the general employees have attained either a Diploma or a Degree which also indicates that most of the respondents are educated and their responses, combined with their experience shows that they are coming from people who know the transport industry well enough.

4.3 Challenges faced in implementing competitive strategies

4.3.1 Competitive strategies adopted over the past five years by your organisation.

In order to understand the challenges faced by Zupco and Cmed in implementing competitive strategies, the researcher first asked the respondents the competitive strategies they adopted over the past five years. The responses are indicated in the table below.

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Table 4.5 Competitive Strategies

Variable	Response		
Promotions/marketing	Organisation	Count	% per org
	Zupco	0	0
	Cmed	18	75
Time management	Organisation	Count	% per org
	Zupco	20	71
	Cmed	18	75
Technology	Organisation	Count	% per org
	Zupco	4	14
	Cmed	10	42
Innovation/creativity	Organisation	Count	% per org
	Zupco	6	25
	Cmed	16	67
Following road safety rules	Organisation	Count	% per org
	Zupco	26	93
	Cmed	22	92
Absence of touts	Organisation	Count	% per org
	Zupco	26	93
	Cmed	20	83
Pricing	Organisation	Count	% per org
	Zupco	28	100
	Cmed	24	100
Clean and friendly crews	Organisation	Count	% per org
	Zupco	15	54
	Cmed	18	75

75% of the Cmed respondents indicated that the following were the competitive strategies they adopted over the past five years: Promotions, time management, and clean and friendly crew members. Technology, Innovation and following road safety rules was indicated by 42%, 67% and 92% Cmed respondents respectively. No Zupco respondents indicated promotions as a competitive strategy they have adopted while time management, technology and clean and friendly crews was indicate by 71%, 25% and 54% respondents respectively. 100% of the respondents indicated pricing as a strategy they have adopted. Absence of touts was indicated by 93% and 83% Zupco and Cmed respondents respectively.

No respondent from Zupco indicated promotions/marketing as a competitive strategy adopted by the organisation over the past five years, meaning that Zupco does not market its organisation. Zupco probably depend on other strategies that can lure customers like brand or

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good reputation. The most common and widely adopted strategies as indicated by the respondents are pricing, absence of touts, following road rules and time management. The least adopted strategies are technology and innovation. This could be because management does not value the importance of technology in transport organisations and that they do not come up with innovative ideas. Employees are probably not given a chance to bring in their creative ideas to solve problems.

According to the White Paper on Transport on their article entitled ‘Roadmap to a single European transport area’ (2011), the use of technology should be embraced and utilised by bus operators as done by other industries. Online information like electronic booking and payment systems should facilitate an efficient transport system. The use of innovation and creativity should also not be ignored. They further state that innovation is essential for a competitive strategy to be successful. Failure to embrace technology and innovation could be one of the reasons why state owned transporters are not performing well and are lagging behind in terms of competition. Other bus companies like Pathfinder have embraced technology and innovation. The buses are physically beautiful and with the use of technology, they have double deck buses, a working air conditioner, entertainment and toilet also make the buses more acceptable while one can book and track movements of the bus online.

4.3.2 Organisational Performance

The researcher asked the respondents about the performance of their organisation since the adoption of the competitive strategies.

Table 4. 5 Improvement in organisational performance (General Employees)

Improvement in organisational performance	in	Frequency	%	Frequency	%
		Yes		No	
Zupco		22	79%	6	21%
Cmed		20	83%	4	17%
Total		42	81%	10	19%

A total of 42 respondents (81%) indicated that ‘Yes’, performance had increased since the adoption of competitive strategies at their organisation. Of the 81%, 79% were from Zupco while 83% were from Cmed. However, a total of 10 respondents (19%) indicated that ‘No’,

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performance had not improved since the adoption of the competitive strategies. 21% of the respondents were from Zupco while 17% were from Cmed.

During the interviews, nine (9) managerial respondents indicated that performance had not increased since the adoption of competitive strategies while four (4) managerial respondents mentioned that performance had actually increased since the adoption of competitive strategies. The responses that came from management are more factual as managers are more aware of the exact figures of performance in terms of revenues and profits. Five (5) managers from Zupco mentioned that in as much as revenues are increasing every year, their performance is almost stagnant, if not declining. The researcher asked the respondents to further explain and they said every year, Zupco purchases 100 buses, but more than half of the fleet from the previous year is stuck in the workshop and is not functioning. Failures to pay salaries, increased creditors and sending employees on 3-6 months unpaid leave are examples that the company is struggling. The researcher noticed that the increasing revenues are just an umbrella that is hiding a lot of inefficiencies within the company. Cmed on the other hand is failing to achieve its target regardless of the injection of new state of the art buses – Yutong and new luxury vehicles for their travel and tour and hiring section.

The managers mentioned that there has been revenue increase from 2011 but they have not been able to achieve their required target. This shows that revenues might be increasing but profits are not increasing. Michael Porter (1980) mentions that when an organisation enjoys a competitive advantage, it means it will have outperformed its rivals but only when its tactics are sustainable. However, the managerial responses indicate that the organisations have yet been able to outperform their competitors since their performance has not improved since the adoption of competitive strategies. The differences in the answers from management and general employees could mean that there is no proper communication between management and general employees on the overall performance of their organisations. This could also mean that employees operate with false information that their organisations are performing well, therefore they end up demanding high salaries and can end up not putting extra effort in their work.

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4.3.3 Challenges faced in implementing competitive strategies

The first objective of the study was to identify challenges faced in implementing competitive strategies in state owned passenger road transport companies. Since the researcher noticed that performance has not been improving since the adoption of the competitive strategies, she went to ask the challenges faced in competitive strategy implementation. In order to meet this objective, respondents were given an option to write down any challenges they were facing in implementing competitive strategies. They were also provided with a listing of possible challenges according to different scholars as mentioned in Chapter two and were asked to indicate the challenges they were facing in implementing competitive strategies.

4.3.2 Challenges identified by the respondents

Table 4.6 Challenges faced after the implementation of competitive strategies

Variable	Response		
Not allowing employees to take part in formulation of competitive strategies	Organisation	Count	% per org
	Zupco	18	64
	Cmed	16	67
Lack of resources Financial, human, physical	Organisation	Count	% per org
	Zupco	22	76
	Cmed	18	75
Lack of consensus	Organisation	Count	% per org
	Zupco	23	82
	Cmed	20	83
Lack of employee commitment	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Lack of leadership	Organisation	Count	% per org
	Zupco	24	86
	Cmed	21	88
Poor communication between management and employees	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Employees facing challenges in	Organisation	Count	% per org
	Zupco	18	64
	Cmed	16	67

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implementing strategies			
Poor allocation of resources Financial, human, physical	Organisation	Count	% per org
	Zupco	8	29
	Cmed	15	62

From the table above, 86% respondents from Zupco and 88% respondents from Cmed indicated that lack of leadership is a challenge to competitive strategy implementation. Lack of consensus was highlighted by 82% of the Zupco respondents and 83% of the Cmed respondents while lack of employee commitment and poor communication between management and employees was highlighted by 82% Zupco respondents and 79% Cmed respondents as a challenge to competitive strategy implementation. A total of 76% of the respondents from Zupco and 75% from Cmed indicated that lack of resources is a challenge to competitive strategy implementation. Not allowing employees to take part in the formulation of competitive strategies and employees facing challenges in the implementation of competitive strategies was indicated by 64% and 67% of the Zupco and Cmed respondents as a challenge to competitive strategy implementation. The least highlighted challenge to competitive strategy implementation was poor allocation of resources, which was indicated by 29% of the respondents from Zupco and 62% respondents from Cmed.

The managers were asked during interviews the main problems they were facing during competitive strategy implementation. Most of the managers indicated that lack of consensus, no room for innovation/creativity, internal politics, lack of commitment, resistant employees, shortage of resources-human, financial, technical, Intense competition and ZRP and VID personnel who are always fining the buses. The least mentioned problems were bureaucracy from the Board of Directors, accidents, poor roads and disengaged employees.

The challenges highlighted above are common in bureaucratic organisations were by communication is very slow and there are many systems and structures that make it difficult for executive management to communicate with shop floor workers. Niclas 2014 states that State owned organisations are usually characterized by tall and bureaucratic structures and

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autocrats who respond poorly to change make it difficult implement a successful competitive strategy. As highlighted above, challenges of communication, leadership and poor consensus inhibit competitive strategy implementation. Rapert et al (2012) adds that lack of a clear, common understanding is a major challenge to successful competitive strategy implementation. Effective communication to bring out understanding of the goals and competitive strategy introduced is therefore important as it avoids resistance. Poor understanding of broader scope and goals can lead to poor consensus. Leaders should continuously ensure all employees understand the goals of the strategy so that the competitive strategy becomes successful, Rapert et al (2012).

The responses from managers and general employees indicate that managers and general employees face different challenges to competitive strategy implementation. Managers face internal challenges like having to deal with disengaged employees, resistant employees, and the Board of Directors. Managers also face external challenges like competition, dealing with VID and ZRP personnel as well as facing challenges from the poor roads. On the other hand, general employees face challenges like poor communication and poor leadership. The similar challenges faced by both managers and general employees in implementing competitive strategies are lack of consensus and lack of employee commitment.

The researcher went ahead to ask how managers respond to change and resistance during the implementation of a competitive strategy. All the managers (100%) indicated that communication is the most efficient tool to manage resistance. The managers also mentioned that ensuring availability of resources and allocating the resources to the proper offices is another way of managing resistance to change. This is supported by Pryor et al (2007) who mention that several challenges on resource allocation can pose as challenges to successful competitive strategy implementation. Lack of knowledge, lack of coordination, no experimentation and no realignment are issues that can lead to a poor strategy implementation.

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4.3.3 Factors that affect competitive strategies at your organisation

The researcher went on to ask respondents on the factors that affect strategy implementation at their organisations. The factors were borrowed from Michael Porters Five forces model of competitive strategies. The rationale behind using the five forces to ascertain challenges faced by organisations is that these activities, if not fulfilled pose as possible barriers or challenges to implementing competitive strategies. The responses are indicated in the table below.

Table 4. 7 Factors that affect competitive strategies

Key

SD	Strongly Disagree
D	Disagree
N	Neutral
A	Agree
SA	Strongly Agree
Freq	Frequency
%	Percentage

Variable	Org.	SD Freq	%	D Freq	%	N Freq	%	A Freq	%	SA Freq	%
Threat of substitute products	ZUPCO	0	0	0	0	4	14%	4	14%	20	71%
	CMED	0	0	0	0	0	0	8	33%	16	67%

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(other commuters)	TOTAL	0	0	0	0	4	14%	12	23%	36	69%
Bargaining power buyers of	ZUPCO	0	0	2	7%	0	0	16	57%	10	36%
	CMED	0	0	3	13%	0	0	18	75%	3	13%
	TOTAL	0		5	10%	0	0	34	65%	13	25%
Threat of entry by potential competitors	ZUPCO	2	7%	3	11%	0	0	14	50%	9	32%
	CMED	0	0	2	8%	0	0	12	50%	10	42%
	TOTAL	2	4%	5	10%	0	0	26	50%	21	41%
Rivalry amongst established firms	ZUPCO	0	0	4	14%	0	0	10	36%	14	50%
	CMED	0	0	3	13%	0	0	8	33%	13	54%
	TOTAL	0	0	7	13%	0	0	18	35%	27	52%
Bargaining power suppliers of	ZUPCO	0	0	3	11%	0	0	15	54%	10	36%
	CMED	0	0	5	21%	0	0	10	42%	9	38%
	TOTAL	0	0	8	15%	0	0	25	48%	15	29%

The above table indicates that 65% of the respondents strongly agree while 23% agree that threat of substitute products affects competitive strategy implementation at their organisations. 65% agree and 25% strongly agree that bargaining power of buyers affects competitive strategies while 10% disagree. A total of 50% and 41% strongly agree and agree respectively that the threat of new competitors is a challenge to competitive strategy implementation but 10% also disagree. There is rivalry amongst established firms as indicated by 52% and 35% of respondents who strongly agree and agree that this rivalry negatively affects competitive strategy implementation, however, 13% of the respondents disagree that this rivalry influences competitive strategy implementation. 48% of the respondents agree and 28% strongly agree that the bargaining power of suppliers affects the implementation of competitive strategies while 15% of the respondents disagree.

The above table indicates the five forces of competitive advantage by Michael Porter that affects the implementation of competitive strategies. The table indicates that 69% of the total

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respondents strongly agree that threat of substitute products negatively affects the implementation of competitive strategies. These substitutes could be commuter omnibuses plighting the same routes, small vehicles that are used for pirating purposes as well as unregistered buses. It is important for organisations to deal with the issue of substitute products as customers are usually lost from substitute products. It is important to note that customers have different needs and view products or services differently. Byars et al (1996) supports this point by adding that when customers have different needs, their loyalty is usually questioned. It is therefore important to follow a two-pronged strategy so as to gain customer loyalty; that is to innovate and come up with new products/services, and then build recognition and customer loyalty, Byars et al (1996). Once customers are not loyal to a brand, it becomes difficult to implement a competitive strategy as customers can easily be attracted to other products. Management should therefore come up with strategies that make customers to remain loyal to their brand.

65% of the respondents agree that the bargaining power of buyers affects the implementation of competitive strategies. This is supported by S. Nzuve and S. Mbugua (2013) who indicated that the high demand for public transport over supply and government regulation that shift the balance of power to consumers increases the bargaining power of consumers. According to the study done by S. Nzuve and S. Mbugua (2013), there are several factors that influence bargaining power of commuters. These are: excess of demand for public transport over supply, government regulations like reducing overcrowding and standing passengers and availability of alternative mode of passenger transport. 10% of the respondents however believe that the buyers have no bargaining power. This is probably because they believe customers will continue to use their mode of transportation because of the brand they have created over the years. Other factors are therefore not a threat to the organisation. This is mainly common in rural areas where passengers prefer to board the ZUPCO bus because of the reputation of safety. The above table indicates that 4% and 10% strongly disagree and disagree respectively that the threat of new competitors is a challenge to competitive strategy implementation. This is probably because it is difficult to even have competitors in the passenger transport industry because of the high entry costs associated with the industry. This point is supported by Ofunya Francis Afande (2013) who states that an increase in entry barriers usually result in a decrease

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in entry from new entrants. Variables that can reduce entry into the industry include economies of scale, product differentiation, capital requirements, access to distribution channels and regulatory forces. It could also be because the respondents do not view others as threats because they believe their organisations have developed and natured their brands over the years, thus making it difficult for competitors to imitate and making it difficult to lose out the passengers from competitors.

4.4 To establish competitive strategies used by the road passenger transport private sector

4.4.1 Major competitors

The following table details the major competitors as mentioned by the general employees.

Table 4.8 Major Competitors as mentioned by the general employees

ZUPCO				CMED			
Name of competitor	# of mentioned	of time	Total %	Name of competitor	# of mentioned	of time	Total %
CMED	20		71	ZUPCO	20		83
CAG Tours	18		64	Pathfinder/City Link	16		67
Taqua	14		50	CAG Tours	15		63
PCJ Tours	14		50	Petrol Trade	15		63
Commuter Omnibuses	22		79	LED/Rockshade travel and tours	14		58
Small pirating cars	14		50	Small pirating cars	14		58

The above table indicates that 79% of the Zupco respondents mentioned that commuter omnibuses are a major competitor to their business. Cmed was mentioned by 71% of the Zupco respondents as a major competitor while CAG was mentioned by 64% of the respondents as a

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major competitor of Zupco. PCJ and Taqua were mentioned by 50% of the respondents as major competitors of the cross border routes. 83% of the Cmed respondents indicated that Zupco is their major competitor, Pathfinder/City Link was mentioned by 67% of the respondents as a major competitor of the luxury fleet while 63% mentioned CAG Tours as a major competitor of the long distance routes. Other competitors mentioned by Cmed are Petrol Trade for the fuelling subsidiary which was indicated by 63% of the respondents while LED and Rockshade travel and tours were mentioned by 58% of the respondents as a major competitor of the travel and tours subsidiary. Small pirating cars were mentioned by 50% of the Zupco respondents and 58% of the Cmed respondents.

Managers mentioned the following as major competitors to Zupco and Cmed. Commuter omnibuses, CAG, Mupfumi, KK and Tombs coaches are a major competitor to their long distance routes business. PCJ and Taqua are major competitors of the cross border routes. Service stations are a major competitor to the Cmed fuel subsidiary while Pathfinder and City Link are major competitors of the luxury fleet. Cmed management also mentioned LED and Rockshade travel and tours as major competitors of the travel and tours subsidiary.

The above table indicates that there is a lot of competition and rivalry amongst established organisations and commuter omnibuses. Ofunya Francis Afande (2013) supports this point by saying that competition intensifies among existing organisations when the following is present: there are many players in the field thus contributing greatly to competition, organisations are similar in size, thus there will be no industry leader, diversity of competitors intensifies competition, different cultures, origins and goals can increase competition, the industry growth rate is slow, companies therefore have to work hard to increase their market share, and, high fixed costs pressure companies to produce near capacity, thereby leading to aggressive marketing and pricing strategies.

4.4.2 Competitive strategies used by the private transport sector

The second question was addressing competitive strategies used by the private transport sector

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Table 4.9 Competitive strategies used by the private transport sector

Variable	Response		
Promotions/marketing	Organisation	Count	% per org
	Zupco	28	100
	Cmed	24	100
Time management	Organisation	Count	% per org
	Zupco	23	82
	Cmed	20	83
Technology	Organisation	Count	% per org
	Zupco	24	86
	Cmed	20	83
Innovation/creativity	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Following road safety rules	Organisation	Count	% per org
	Zupco	20	71
	Cmed	19	79
Touting	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Pricing	Organisation	Count	% per org
	Zupco	18	64
	Cmed	16	67
Clean and friendly crews	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Clean and comfortable vehicles	Organisation	Count	% per org
	Zupco	18	64
	Cmed	19	79

The table above indicate that 100% of the respondents indicated promotions/marketing as a competitive strategy used by competitors of the state owned bus operators. Technology and touting were indicated by 86% Zupco and 83% Cmed respondents and 82% Zupco and 79% Cmed respondents respectively as a strategy used by competitors while time management, innovation/creativity and clean and friendly crews was mentioned by 82% Zupco, 83% Cmed and 82% Zupco, 79% Cmed and 82% Zupco and 79% Cmed respondents respectively. 71% Zupco and 79% Cmed respondents indicated that following road safety rules is a competitive strategy used by the private transporters, 64% Zupco and 79% Cmed respondents indicated that

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clean and comfortable vehicles is a strategy used by competitors while 64% Zupco and 67% Cmed respondents indicated that pricing is a competitive strategy used by other competitors.

During the interviews, the researcher asked managers to mention the strategies being used by their competitors to beat their performance. The most common strategies mentioned were Advertising, pricing, touting, paying bribes, having trailers, speed, pick and drop at illegal points and quick response to break downs. Other strategies mentioned are neat and comfortable vehicles, customer care and entertainment in the bus.

The researcher noticed that customer care was not mentioned by the general respondents as a competitive strategy but was mentioned by managerial respondents. This shows that management and general employees do not share the same vision on customer care with the general employees. G. Johnson and K. Scholes (2003) mention that in state owned organisations, where the government is the dominant stakeholder, not the market, the desire to meet customer needs is usually low. Employees tend to develop the attitude that if a certain service is considered essential then, if not economic, it will obviously be supported by the government. This is why most state enterprises are usually characterised by poor customer service and poor service delivery. The fact that management mentioned customer care as a competitive strategy used by the competitors to beat their performance shows that the view of state owned companies by G. Johnson and K. Scholes is different from the view of managers of state owned companies. The managers do value the importance of customer care but probably implement the strategy poorly, which is why general employees from the state owned companies do not value the importance of customer care.

Creativity and technology are very important strategies that can be adopted by state owned passenger road transporters to improve their performance and to be competitive. This is supported by The White paper (2011) which states that innovation is essential for a competitive strategy to be successful. The White Paper (2011) further states that innovation can also play a role in promoting more sustainable behaviour and that implementing competitive strategies requires an efficient framework for bus transport operators, an early deployment of new technologies and development of adequate infrastructure. Another important point to look at is that of following road safety rules. S. Nzuve and S. Mbugua (2013) mention that state owned

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bus companies usually carry a slogan of ‘safety bus’, thus positioning themselves as a safe mode of transport. These state owned buses are a favourite among the older generation because of their safety slogan, and because they do not have loud music, have courteous staff and are driven at safe speeds. This strategy has been adopted by other private transporters in an attempt to lure most of the passengers that are loyal to the state owned passenger buses.

The researcher noticed that 80% of the competitive strategies adopted by private transporters were not used by the state owned organisations regardless of the fact that these strategies contributed greatly to the performance of the private transporters. This could be because some of the strategies are illegal, like pick and drop at illegal points, touting and bribery. This makes it difficult for state owned organisations to use them. However, the illegal activities like making use of touts and paying bribes are well known factors that increase performance of a bus transporter. The researcher noticed that other competitive strategies mentioned by scholars like Rosa G: Uslugi (2014) and S. Nzuve and S. Mbugua (2013) were not mentioned by managerial respondents as competitive strategies to the transport industry. The competitive strategies not mentioned by management are technology and innovation, following road safety rules and clean and friendly crews. This could be because management, just like the general employees do not value the importance of technology and innovation in the transport industry. This could also be because management does not know how to apply technology or innovation in the transport industry. This is mainly caused by over dependence on organisational primitive marketing techniques and not looking at the global market or benchmarking other companies.

4.5 Factors that influence choice of competitive strategy

Section d of the questionnaires was to ascertain factors that influence the choice of competitive strategy used by the state owned passenger road transporters. The researcher gave the respondents several variables from different scholars that were said to influence competitive strategies and asked the respondents to indicate the factors that they believed influence competitive strategies at their organisations.

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Table 4.10 External factors that influence choice of competitive strategy

Variable	Response		
Political	Organisation	Count	% per org
	Zupco	26	93
	Cmed	22	92
Economic	Organisation	Count	% per org
	Zupco	25	89
	Cmed	20	83
Society	Organisation	Count	% per org
	Zupco	24	86
	Cmed	16	67
Technology	Organisation	Count	% per org
	Zupco	8	29
	Cmed	10	42
Government	Organisation	Count	% per org
	Zupco	28	100
	Cmed	24	100
Environment	Organisation	Count	% per org
	Zupco	23	82
	Cmed	19	79
Legal	Organisation	Count	% per org
	Zupco	24	86
	Cmed	16	67

The above factors indicate responses by respondents on factors influencing choice of competitive strategy.

The table above indicate that all the respondents (100%) mentioned that the government influences their choice of competitive strategy. 93% Zupco 92% Cmed respondents mentioned that political factors influence choice of competitive strategy while 89% Zupco and 83% Cmed and 82% Zupco and 79% Cmed respondents mentioned economic and environmental factors respectively as factors that influence choice of competitive strategy. 86% Zupco and 67% Cmed respondents mentioned legal and societal factors as factors that influence competitive strategies while only 29% Zupco and 42% Cmed respondents mentioned technology as a factor that influences competitive strategies in state owned organisations.

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All the respondents believe that the government influences their choice of competitive strategy. This is most likely because these are state owned organisations. They therefore belong to the government, thus the government most likely has every right to influence any strategy adopted by the organisations. Political factors also contribute greatly to the shaping of a competitive strategy. This is mainly because the government is greatly aligned to the ruling political party. This is supported by Judy Mathews (2005) who mentions that competitive strategies have to be in line with the ruling party's objectives. The respondents also indicated that economic, societal, environmental and legal factors also influence choice of competitive strategy. However, only 34% of the respondents indicated that technology influences choice of competitive strategy. This is probably because the respondents do not value the importance of technology or that the transport industry is not affected by technology. Since management did not mention that technology is a competitive strategy used by competitors to beat their performance, then this could also be the reason why technology was mentioned by a few respondents (34%) as a factor that influences performance.

4.5.1 Market related factors that influence choice of competitive strategy

Question 2 of section d was meant to indicate the market related factors that influence choice of competitive strategy. The respondents were also tasked to indicate the market related factors that influence their choice of competitive strategy. The results are indicated in the table below.

Table 4.11 Market related factors that influence choice of competitive strategy

Variable	Response		
Price	Organisation	Count	% per org
	Zupco	26	93
	Cmed	22	92
Product/ service	Organisation	Count	% per org
	Zupco	26	93
	Cmed	20	83
Performance	Organisation	Count	% per org
	Zupco	23	82
	Cmed	22	88
Service quality	Organisation	Count	% per org

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	Zupco	23	82	
	Cmed	20	83	
Behavior of competitors	Organisation	Count	% per org	
	Zupco	24	86	
	Cmed	22	88	
Market opportunities	Organisation	Count	% per org	
	Zupco	23	82	
	Cmed	19	79	
Resource strengths	Organisation	Count	% per org	
	Zupco	24	86	
	Cmed	21	88	
Customers	Organisation	Count	% per org	
	Zupco	16	57	
	Cmed	16	67	
Suppliers	Organisation	Count	% per org	
	Zupco	15	54	
	Cmed	16	67	

The above table indicates the market related competitive strategies highlighted by the general respondents. 93% respondents from Zupco and 92% from Cmed indicated that price is a market related competitive strategy effective in influencing choice of competitive strategy. 93% Zupco and 83% Cmed respondents highlighted product, 86% Zupco and 88% Cmed respondents highlighted behavior of competitors, 86% from Zupco and 88% from Cmed indicated resource strengths. 82% from Zupco and 88% from Cmed highlighted performance while 82% from Zupco, 83% from Cmed and 82% from Zupco, 79% from Cmed of the respondents respectively highlighted service quality and market opportunities. Only 57% of the respondents from Zupco and 67% from Cmed indicated customers as market related strategies that influence choice of competitive strategy while 54% from Zupco and 67% from Cmed indicated suppliers as market related strategies that can influence competitive strategies.

Market opportunities are key factors that influence the choice of competitive strategy. Arthur Shuman (2005) in his book, *Competitive Strategy in the Public Sector* reiterates that if the market presents opportunities for growth, then a strategy will be developed. Market opportunities will determine the choice of competitive strategy. For example, recent legislation

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on banning commuter omnibuses on plighting long distance routes is an opportunity for bus operators to enter the market that was previously dominated by commuter omnibuses.

From the table above, 92% of the total respondents indicated that Price is a factor that influences choice of competitive strategy. Other factors that were indicated by the respondents are product, performance, and service quality, behavior of competitors, market opportunities and resources strengths. This is supported by Bert Marcgraf (2015) who states that a continuous environmental scanning leads to a change in competitive strategy. The more the environment changes, the more one may need to change the competitive strategies. For example, a customer's taste may change, thus leading to a different strategy to cater their new tastes. If there are changes with the suppliers, perhaps they go out of business or they have new products with different qualities, an organization might need to change the way it will lure customers to accept the new product. Products tend to differ according to differences in technology and globalization. This calls for a change in competitive strategy changes.

Only 62% of the respondents indicated that customers influence choice of competitive strategy. This shows that employees from state owned passenger transport companies do not value the importance of a customer. G. Johnson and K. Scholes (2003) mentions that, 'where the government is the dominant stakeholder, not the market, the desire to meet customer needs is usually low.' Not being customer focused is most likely a culture issue that has engulfed state owned organisations thus they do not value the importance of customer care.

4.6 How the government influences choice of competitive strategy

Section e of the questionnaires was meant to determine how the government influences choice of competitive strategy. Through the questionnaires, general employees were asked questions that relate to how the government influences competitive strategies. This was done by giving respondents specific variables to indicate whether they have an impact on the competitive strategies used by their organisations or not. The responses are shown in the table below.

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Table 4.12 Government regulations that have an impact on choice of competitive strategy

Variable	Response		
	Organisation	Count	% per org
Toll fees	Organisation	Count	% per org
	Zupco	24	86
	Cmed	22	92
Banning of commuter omnibuses on long distance routes	Organisation	Count	% per org
	Zupco	26	93
	Cmed	22	88
Promotion of inter-city metro buses	Organisation	Count	% per org
	Zupco	24	86
	Cmed	22	88
Strictness on the issuing of route permits	Organisation	Count	% per org
	Zupco	26	93
	Cmed	22	88
Increase in VID/ZRP personnel manning the roads	Organisation	Count	% per org
	Zupco	24	86
	Cmed	22	88

The table above indicate that 93% respondents from Zupco and 88% from Cmed highlighted that the banning of commuter omnibuses on long distance routes and strictness on the issuing of route permits are government regulations that influence choice of competitive strategy adopted by state owned organisations. 86% and 92% of the respondents from Zupco and Cmed respectively indicated that the introduction of toll fees, promotion of intercity metro buses and increase in VID and ZRP personnel manning the roads are also government regulations that influence competitive strategies at state owned companies.

These regulations pose as high entry barriers in the transport industry thus can allow transporters to shape their competitive strategy basing on the regulations. This is supported by S. Nzuve and S. Mbugua (2013), who states that the Government can restrict route operations that prevent public sector vehicles from operating on any route and can also ban standing passengers. The study states that restrictions in certain routes increases competition by raising entry barriers thus protecting the market for vehicles in a given route. 88% of the respondents have indicated that toll fees are government regulations that also affect choice of competitive strategy. Brown (2005) states that toll fees affect competition by alleviating congestion and

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relocation by other transporters in order to avoid extra costs. These measures are said to have streamlined the industry and also increased competition by encouraging more private investors to join the industry, S. Nzuve and S. Mbugua (2013).

An increase of ZRP and VID personnel manning the roads also influences choice of competitive strategy as competition is determined by the rate of these personnel manning the roads. According to the 'Zimbabwean National Transport Sector Master Plan (2013)', VID personnel should follow strict regulations on giving out route permits and should constantly man the roads together with the ZRP so as to arrest commuters who do not abide by the law. However, the issue of bribes makes it difficult for the government to ban all vehicles that do not have proper documentation.

The promotion of inter-city metro buses is viewed by 88% of the respondents as a government regulation that influences choice of competitive strategy. The National Transport Policy (2014) promotes the use of 'high capacity' transport modes of transport such as buses which economically and efficiently use road space while gradually phasing out the commuter omnibuses. The Government of Zimbabwe is therefore aiding bus companies to be competitive by phasing out their biggest competitor, commuter omnibuses. However, the policy has no special preference to state owned bus operators as they are actually elevating private bus operators like Metro buses.

Managers were asked during the interviews on how their relationship with the government of Zimbabwe is. All the responses were positive as 100% of the respondents indicated that their relationship with the Government of Zimbabwe is good.

4.6.1 Government Influence

The second question of section d asked respondents how else the government of Zimbabwe had influenced their choice of competitive strategy. The responses indicated that the government has influenced choice of competitive strategy in the following ways:

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Table 4.13 Government support that influences choice of competitive strategy

Variable	ZUPCO		CMED		TOTAL	
Giving contract for all state occasions	26	93%	21	88%	47	92%
Giving loans	18	64%	17	71%	35	67%
Paying up their creditors	18	64%	13	54%	31	60%
Offering advisory services	13	46%	13	54%	26	50%
Offering infrastructure requirements	12	43%	13	54%	25	48%
Supportive ministry and BOD	12	43%	12	50%	24	46%

The above table indicates that 92% respondents, (93% from Zupco and 88% from Cmed) have indicated that the government influences competitive strategies by giving state owned companies contracts to ferry passengers on all state occasions. 64% of the Zupco respondents and 71% Cmed respondents mentioned that being given loans is also a way that is used by the government of Zimbabwe to influence choice of competitive strategies. Other ways used to influence competitive strategies mentioned by the respondents are paying up the organisations creditors (64% Zupco and 54% Cmed), offering advisory services (46% Zupco and 54% Cmed), offering infrastructure requirements (43% and 54% Zupco and Cmed) and being given a supportive ministry and Board of Directors (43% and 50% Zupco and Cmed).

According to the Zimbabwean National Transport Sector Master Plan (2013), the government of Zimbabwe, through its policies and institutional reforms influences the level of competition through the following means: offering advisory services for planning change and implementation support, capacity building for local authorities, offering infrastructure requirements, driver training project, and vehicle inspection project. The government also ensures the implementation of computerization of vehicle registers, license and data. This is done through the ZINARA body.

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Managers were asked if the government has any legislation that negatively affects their organisation. All the respondents (100%) indicated that there was no known legislation that directly affects the performance of their organisation. Three managers from Zupco and two from Cmed however indicated that being a state owned enterprise has its own disadvantages as the organisations cannot take part in illegal means of competition like paying bribes or touting since these are forbidden by the national laws.

The managers were also asked whether the government of Zimbabwe has any legislation that supports state owned enterprises other than private the private transporters. The summary of the responses indicate that the managers are not aware of any specific legislation that directly favours state owned enterprises to private transporters. However, there are a lot of instances were by the government of Zimbabwe gives a lot of support to state owned passenger road transporters. For example, state owned passenger transporters are the ones that usually ferry passengers on all state occasions. They also receive a lot of financing from the government and they receive free advisory services from the line minister.

4.7 Chapter Summary

The chapter reviewed data gathered by the research with the aid of the research tools presented in chapter 3. The chapter presented and analyzed data from the responses that were from both interviews as well as self-completion questionnaires. Conclusions were drawn from the analysis of data and it is from this analysis that recommendations for chapter 5 were drawn.

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The purpose of chapter 5 is to present the research summary, conclusions and recommendations based on inferences from the results that were obtained in the previous chapter. This chapter seeks to summarize the findings from the objectives which were being analyzed in chapter 4. The chapter also looks at giving conclusions on the impact assessment of competitive strategies used by the Zimbabwean state owned passenger road transport industry. Conclusions and recommendations will be given and the research will highlight area for further study and conclude the topic as well as to proffer recommendations.

5.1 Summary of findings

Based on the findings, interpretation and analysis from the findings from responses from the questionnaire and interviews, the researcher came up with the following conclusions.

5.1.1 Response Rate

A total of 75 instruments were distributed (15 interviews, 60 questionnaires) but 65 managed to respond (13 interviews, 52 questionnaires), giving an 87% response rate for the study. Generally the response rate ensured validity of research as the sample size was greater than thirty percent (30%).

5.1.2 Challenges faced in implementing competitive strategies in passenger road transport state owned organisations

5.1.2.1 The responses from the study indicated that the following competitive strategies were adopted over the past five years by state owned passenger road transport organisations as indicated by more than 75% of the respondents; pricing, absence of touts, following road safety

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rules, time management and clean and friendly crews. The least adopted strategies are technology, innovation and advertising.

5.1.2.2 The results of the study indicate that general employees agree that organisational performance had increased since the adoption of the competitive strategies in 2012. This is indicated by 81% of the respondents from the general employees who agreed that there has been an increase in performance since the adoption of the competitive strategies. However, responses from managers indicate that there has not been any significant change. The main change was in terms of revenues but since performance involves more than just revenues, then performance was either stagnant, or sometimes declining.

5.1.2.3 The results of the study indicate that the most common challenges faced in implementing competitive strategies in the industry were lack of consensus, lack of employee commitment, lack of leadership and poor communication between management and employees, this was indicated by 83%, 79%, 88% and 79% of the respondents respectively. The least highlighted challenge to competitive strategy implementation was poor allocation of resources, which was indicated by 29% of the respondents from Zupco and 62% respondents from Cmed.

5.1.2.4 All management respondents (100%) highlighted that communication and proper allocation of resources is an effective way used by the managers to manage change and resistance.

5.1.3 To establish competitive strategies used by the road passenger transport private sector

5.1.3.1 Summary of findings

5.1.3.1 The summary of the responses indicates that the major competitors to the state owned passenger road transport industry are the private bus operators, the commuter omnibuses as well as the sedan pirating cars that plight long distance routes. This was indicated by 65%, 75% and 54% of the total respondents respectively.

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5.1.3.2 The results of the study indicate that 100% of the respondents believe promotions/marketing and pricing are competitive strategies used by the private sector transporters. Customer care, neat and comfortable vehicles, touting and paying bribes were indicated by 92% of the respondents as competitive strategies used by the road passenger transport sector. Other competitive strategies used by the road passenger transport private sector mentioned by management are use of technology, time management, innovation, clean and friendly crews, having trailers, following road safety rules and clean and comfortable vehicles. The researcher noticed that most of the illegal methods used by the private bus operators are effective strategies but cannot be implementing by state owned bus operators because of the nature of the industry.

5.1.4 To identify factors that influence choice of competitive strategy

5.1.4.1 The results of the study indicate that the external factors greatly influence the choice of competitive strategy used by an organisation. The factors with the most impact are governmental, political and economic factors which were indicated by 100%, 93% and 86% of the respondents respectively. This is because state owned bus operators are wholly owned by the government, therefore the government, politics of the country and the current state of the economy greatly influence every decision made at the organisation. Other factors like the environment, legal and societal also influence the choice of competitive strategy. However technology has been identified as the least factor that influences choice of competitive strategy as it was indicated by only 36% of the respondents. The researcher concluded that state owned organisations do not value the importance of technology and its effect on their operations. It is therefore important to look at the global market and see how effect technology is to the transport industry.

5.4.1.2 The summary of the results indicate that the following market related strategies are the most effective in influencing the choice of competitive strategy: price, product, and performance as indicated by 93%, 88% and 85% of the respondents respectively. Other market related factors that influence choice of competitive strategy are service quality, behavior of competitors, market opportunities and also resources strengths. The low rate of respondents

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who indicated that customer care influences choice of competitive strategies (62%) shows that employees from state owned bus operators do not really value the importance of a customer.

5.1.5 To determine how the government influences competitive strategies used by state owned companies passenger road transport industry

5.1.5.1 The summary of the responses indicate that the relationship between the government of Zimbabwe and state owned passenger road companies is good. This was indicated by 100% of the respondents.

5.1.5.2 The government of Zimbabwe influences competitive strategies through their national regulations like strictness on the issuing of route permits, banning of commuter omnibuses on long distance routes, promotion of inter-city metro buses, increase in VID and ZRP personnel manning the roads and the introduction of toll fees. This was mentioned by more than 87% of the total respondents.

5.1.5.3 The government of Zimbabwe also has deliberate methods of influencing competitive strategies by always giving state owned organisations contracts to ferry passengers on any state occasions as indicated by 92% of the total respondents. However, being a state owned entity has its disadvantages as it is difficult to take part in illegal methods of competing like touting. Thus performance is usually compromised than to those who apply all means of competing including illegal means.

5. 2 CONCLUSIONS

5.2.1 To identify challenges faced in implementing competitive strategies in state owned passenger road transport industry.

From the results of the study, it can safely be concluded that there are several challenges that affect the implementation of competitive strategies in state owned passenger road companies. Poor leadership usually contributes to an increase in challenges like poor consensus, poor communication, lack of resources and poor allocation of resources. Since these challenges are

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common in bureaucratic organisations with inflexible tall structures, implementation of any strategy in these organisations becomes very difficult. Making use of strategies like brand shaping, pricing, sticking to time tables, offering quality service, quick response to breakdowns as well as offering customer care are effective strategies that can be used to overcome the above challenges.

5.2.2 To establish competitive strategies used by the road passenger transport private sector.

The researcher concluded that the main competitors of the industry under study are the private bus operators, international bus operators, commuter omnibuses and sedan pirating cars that plight long distance routes. These competitors have adopted several competitive strategies that are effective. However, some of their strategies like touting and paying bribes are illegal and are difficult for the state owned bus operators to imitate.

5.2.3 To identify factors influencing the choice of competitive strategy used by state owned passenger road transport industry.

From the above study, the researcher can safely conclude that the major factors that shape a choice of competitive strategy are external factors and market related factors. The most effective external factors that influence choice of competitive strategy are government, political and economic factors while the least effective factor is technology. The most effective market related factors that influence choice of competitive strategy are price, product, performance, behavior of competitors and resource strengths. The least factor influencing choice of competitive strategy is customers and suppliers.

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5.2.4 To determine how the government influences competitive strategies used by state owned companies passenger road transport industry.

The researcher has concluded that the government of Zimbabwe can influence the choice of a competitive strategy through its legislation. Government laws that promote strictness on the issuing of route permits, toll fees, increase in VID and ZRP personnel manning the roads and banning of commuter omnibuses on long distance routes are all ways that can increase entry barriers in the bus transport industry, thus reducing competition. The government of Zimbabwe also influences choice of competitive strategies by intentionally selecting state owned bus operators to ferry passengers during all state occasions, giving out large loans to state owned companies as well as offering advisory services.

5.3 RECOMMENDATIONS

Following findings from the research, the following recommendations are proposed:

5.3.1 It is imperative that management should communicate with the general employees more often especially on strategic areas like performance, competitive strategies and ways to overcome challenges faced. This is because the researcher noticed from the study that most general employees were not aware of the exact performance of the organisation and did not share the same vision as that of management. This reduces problems like resistance to change and promotes unity for purpose when achieving a specific goal. To complement the above recommendation, management should include employees in the formulation of competitive strategies. This can be done through organisational committees that include every employee. This allows the employees to own their strategies, thus will make them more effective when implementing. Since general employees are usually the ones at the forefront of customers and competitors, they probably have more knowledge of the customer and the competitor, thus their contributions to competitive strategy formulation are more practical and necessary.

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5.3.2 State owned organisations should value the importance of the following factors as they contribute greatly to their performance: These strategies should also be used to make customers to remain loyal to their brand so that they are not easily lured by other competitors.

- ❖ Customer care
- ❖ Technology
- ❖ Innovation and creativity
- ❖ Advertising and promotions

This is because the researcher noticed that most general employees depend on their organisational brand for being competitive, yet the increase on competitors has greatly reduced levels of brand loyalty by customers.

5.3.3 State owned bus operators should benchmark other competitive strategies being used by the private bus operators. These competitive strategies are:

- ❖ Clean and friendly crews
- ❖ Clean and comfortable buses
- ❖ Marketing
- ❖ Having trailers so as to ferry passengers with luggage
- ❖ Quick response to breakdowns
- ❖ Having entertainment in the bus

5.4 Areas for further studies

In view of the above study, the researcher suggests there is need to go deeper into the area of study by assessing how the government of Zimbabwe can fully support the state owned transport industry. The researcher also suggests an assessment of competitive strategies that are used by other state owned companies in the transport industry like Air Zimbabwe and NRZ.

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APPENDIX 1

Demographic Data

Dear Respondent

I am a post graduate student at Midlands State University conducting a research titled “An assessment of competitive strategies used by the Zimbabwean state owned passenger road transport industry”. You have been chosen to participate in my survey by providing your views with regards to the research topic. Information provided will be treated with confidentiality hence you are advised not to write your identity on the questionnaire. Information collected will only be used for academic purposes only.

Please follow instructions when completing the questionnaire:

Section A: Background Information

Name of organisation:

Please tick in the spaces provided below:

Profession	Conductor/Driver	[]
	Mechanic/Inspector	[]
	Supervisor/Foreman	[]
	Middle/Senior manager	[]
	Executive manager	[]
Level of Education	O Levels	[]
	A Levels	[]
	Diploma/ Degree	[]
Length of Service	0-5 years	[]
	5-10 years	[]
	10+ years	[]

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APPENDIX 2:

QUESTIONNAIRE TO GENERAL EMPLOYEES

Section A: Competitive strategies

1. What do you understand by the term 'competitive strategies?'
.....
.....
.....
.....
.....
2. Which of the following competitive strategies has your organisation adopted over the past 5 years? Tick where appropriate.
 - a. Promotions/ marketing
 - b. Time management
 - c. Technology
 - d. Innovation/creativity
 - e. Following road safety rules
 - f. Absence of touts
 - g. Pricing
 - h. Clean and friendly crews
 - i. Clean and comfortable vehicles

3. Are you involved in the crafting of these strategies? Yes/No
4. Has your organisational performance improved since the adoption of competitive strategies in terms of market share, revenues and profit? Yes/N

Section B: Challenges faced in implementing competitive strategies

1. Which of the following challenges did your organisation face in implementing competitive strategies? Tick where appropriate.
 - a. Not allowing employees to take part in formulation of competitive strategies
 - b. Lack of resources – financial, human and physical
 - c. Lack of consensus
 - d. Lack of employee commitment
 - e. Lack of leadership
 - f. Poor communication between management and employees.
 - g. Employees facing challenges in implementing competitive strategies.
 - h. Poor allocation of resources – financial, human or physical.

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2. Are the following factors affecting the implementation of competitive strategies at your organisation?

	SD	D	N	A	SA
Threat of substitute products					
Bargaining power of buyers					
Threat of entry by potential competitors					
Rivalry amongst established firms					
Bargaining power of suppliers					

3. What strategies have you adopted to overcome the above strategies?

.....

SECTION C: To establish competitive strategies used by the road passenger transport private sector.

1. Who are your major competitors?

.....

2. Which of the following competitive strategies are being used by your competitors? Tick where appropriate.

Promotions/marketing	
Time management	
Technology	
Innovation/creativity	
Following road safety rules	
Absence of touts	
Pricing	
Clean and friendly crews	
Clean and comfortable vehicles	

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SECTION D: To ascertain factors influencing the choice of competitive strategy used by the state owned passenger road transport industry.

1. Which of the following external factors are influencing your choice of competitive strategy? Tick where appropriate.

- a. Political
- b. Economic
- c. Society
- d. Technology
- e. Government regulations
- f. Environment
- g. Legal

2. Which of the following market related competitive strategies are effective in influencing your choice of competitive strategies? Tick where appropriate.

	<input type="checkbox"/>
Price	<input type="checkbox"/>
Product	<input type="checkbox"/>
Performance	<input type="checkbox"/>
Service quality	<input type="checkbox"/>
Behaviour of competitors	<input type="checkbox"/>
Market opportunities	<input type="checkbox"/>
Resource strengths	<input type="checkbox"/>
Customers	<input type="checkbox"/>
Suppliers	<input type="checkbox"/>

SECTION E: To determine how the government influences competitive strategies used by state owned companies in the passenger road transport industry.

1. Does the government of Zimbabwe have any legislation that supports you other than the private players? If yes, please explain

1. Do the following government regulations have an impact on the competitive strategies used by your organisation? Tick where appropriate.

- a. Toll fees
- b. Banning of Commuter Omnibuses on long distance routes
- c. Promotion of Inter City metro buses
- d. Strictness on the issuing of route permits

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e. Increase in VID and ZRP officers manning the roads

2. How else does the government of Zimbabwe influence your competitive strategies?

.....

.....

.....

.....

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APPENDIX 3

Interview Guide for Managers:

1. How do you rate the performance of your organisation?
2. Who are your major competitors?
3. What methods are being used by your competitors to beat your performance?
4. What competitive strategies have you formulated over the past five (5) years?
5. Has your organisational performance improved as per your expectation since the implementation of the competitive strategies? Yes or No
6. What do you think are the main problems in implementing your competitive strategies?
7. How do you manage change and resistance when implementing a competitive strategy?
8. What is your organisations relationship with the government of Zimbabwe?
9. How much does the government influence your competitive strategies?
10. Does the government of Zimbabwe have any legislation that supports you other than the private players? If yes, please explain.
11. Does the government of Zimbabwe have any legislation that negatively affects your performance? If yes, please explain.