THE CURRENT ROLE OF FARMERS' ASSOCIATIONS IN THE ALBANY AREA

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NICOLA JOY MOSS

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Abstract

The primary aim of this study was to analyse the current roles that farmers' associations in the Albany Area fulfil, by determining their current practices, describing the internal measures of effectiveness, and to explain why there are some farmers' who do not belong to farmers' associations. In doing this, the researcher was able to determine whether maintaining the status quo would effectively satisfy the members of farmers' associations. In turn, recommendations were made to farmers' associations on the roles which could be improved, in order to obtain a higher level of satisfaction among members.

In order to achieve the primary aim of the study, interviews were conducted and questionnaires were administered to members of, non-members of, and chairpersons of farmers' associations in the Albany Area, thus implying that a pragmatic research paradigm was employed to conduct the study.

The key findings of this study revealed that farmers' associations in the Albany Area do perform the five roles of organised associations. However, the manner in which the roles are performed appears to be of a subpar standard. There are 29 services which are aligned with the five roles which are to be performed by organised associations. With regards to farmers' associations, 18 of the 29 services are able to obtained by non-members through alternative mediums, at a cost lower than that of the membership fee. This does not entice members to join farmers' associations because the benefits of membership are not seen.

Using the competing values framework, we were able to determine the values incorporated into the daily management of farmers' associations in the Albany Area. Based on the data analysis farmers' associations were found to have an internal outlook. This could be the overarching reason as to why non-members of farmers' associations are able to access 18 of the 29 services offered without actually being a member of the respective associations.

It was concluded that while farmers' associations do perform the five roles of organised associations, it does not imply that they do so effectively. This is due to the services offered falling under both public and private good categories. The results showed that 18 of the services offered were classified as public goods, which could be the overarching reason for

low levels of membership in farmers' associations in the Albany Area. Interestingly, members of farmers' associations are satisfied with the services offered by farmers' associations, although the majority of the services which are valued were classified to be public goods.

However, the internal outlook portrayed by farmers' associations could provide an explanation as to why more public than private goods are offered. Not having an external outlook affects the services which are offered, and will not provide associations with an understanding of the services which could attract members to the association. If farmers' associations were to provide more valued services, and understand what services could be sourced elsewhere, they might increase the probability of satisfying all their members, while potentially attracting new members.

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List of Abbreviations

AFASA:	African Farmers' Association of South Africa
AgBiz:	Agricultural Business Chamber
AgriSA:	Agriculture South Africa
ANC:	African National Congress
GDP:	Gross Domestic Product
NDA:	National Development Agency
NAFU:	National African Farmers Union
NP:	National Party
OCAI:	Organisational Culture Assessment Instrument
PAMQ:	Professional Associations Membership Questionnaire
SAAU:	South African Agricultural Union
SACCI:	South African Chamber of Commerce and Industry
SAIRR:	South African Institute of Race Relations
SARS:	South African Revenue Services
TAU:	Transvaal Agricultural Union
USA:	United States of America

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Chapter One
Introduction

1.1. Introduction

Agriculture forms the basis of economic development and growth in any given country, while contributing extensively to the generation of foreign exchange, job creation, skills development, and providing food security for a country (Johnston and Mellor, 1961: 571; Bezemer and Headey, 2007: 4; Hazell, Poulton, Wiggins and Dorward, 2007: 4; Zille, 2013: 1). Research suggests that no country has achieved sustainable economic growth without growing their agricultural sector first (Johnston and Mellor, 1961: 556-557; Bezemer and Headey, 2007: 4). As the agricultural sector develops and improves, the focus shifts from the primary production of agricultural products to the agro-processing of agricultural products (Hazell, *et al*. 2007: 4). However, developing countries are more reliant on the agricultural sector because the workforce does not have sufficient skills to effectively produce high quality manufactured products (Bezemer and Headey, 2007: 9).

The agricultural sectors role to the economy can be seen in the contribution to gross domestic product (GDP), employment, and the earning of foreign reserves (Kebschull, 1987: 125; Hazell, *et al*. 2007: 4). In South Africa, agriculture contributes 15% to GDP, while in the USA and Ireland, agriculture contributes 13.3% and 9.5% to GDP respectively (OECD, 2011: 14; South African Department of Agriculture, 2012b: 44; Irish Agriculture and Food Development Authority, 2013: 1). Specific to South Africa, primary agriculture contributes 2.5% to South Africa's GDP, and employs 5% of the country's workforce equating to 706 000 individuals (South African Department of Agriculture, 2012b: 44; Qwabe, 2013: 1; SAPA, 2013: 1).

With the arrival of the Dutch in 1652, there were major events which changed the nature of South Africa as a country. Although this is not the focus of the study, events within the period resulted in drastic changes occurring within South Africa's agricultural sector (Terreblanche, 1998: 18-20; Vink and Van Zyl, 1998: 62-63). This resulted in a dualistic agricultural sector for South Africa, where commercial farmers, and subsistence and emerging farmers contribute to agricultural output. Commercial farms produce 95% of agricultural

output in South Africa, with emerging and subsistence farmers producing the remaining 5% (Kane-Berman, 2012: 1; Neil, 2013: 1; Qwabe, 2013: 2). A concern is the rapid rate at which the numbers of commercial farms are decreasing. In the fourth quarter of 2013, it was calculated that approximately 36 000 commercial farms remained in the country, compared to 128 000 in 1980 (Gosling and Moolla, 2011: 1; Neil, 2013: 1; Qwabe, 2013: 2). This could potentially have an adverse effect on both the employment of individuals and food security.

Farmers are exiting the sector because of uncertainties which face them (Gosling and Moolla, 2011: 1; Hall, 2011: 2; Genis, 2012: 2; Albany Farmers' League, 2013: 3). Amongst these uncertainties are both controllable and uncontrollable factors. Although some factors are uncontrollable, they still play a role in determining whether commercial farmers will continue to farm, or whether they will exit the sector. Some of these challenges are also pertinent to small-scale farmers. These uncertainties include issues of land reform, risk adversity, succession planning, high input costs, poor market information, and increasing imports (Gosling and Moolla, 2011: 1; Hall, 2011: 2; AFP, 2011: 1; SAPA, 2012: 1; Genis, 2012: 2; Albany Farmers League, 2013: 3). Research suggests that due to the uncertainties experienced, some farmers do not want to invest in their farms, thus resulting in them exiting the sector (AFP, 2011: 1; Hall, 2011: 2; Genis, 2012: 2). Many of these uncertainties can be reduced through becoming a member of an organised agricultural association, specifically, a farmers' association (Albany Farmers' League, 2013: 2).

An organised association is a group of organisations and individuals who are concerned with the well-being of the sector in which their businesses operate (American Chamber of Commerce, 2009: 1; South African Chamber of Commerce and Industry, 2014: 1). Examples of organised associations are business chambers and farmers' associations. Literature on organised agriculture, and on farmers' associations is scarce. If one considers the structure and systems in place within organised agriculture, it can be assumed that organised agriculture is managed in a similar way as a business chamber, or chamber of commerce. Given that farms are commercial ventures, it can thus be implied that the purpose, role and functionality of a farmers' association is similar to a business chamber.

A business chamber is defined as an organisation which exists with the purpose of ensuring that businesses within a country remain competitive in the long-term (American Chamber of Commerce, 2009: 1). Business chambers perform five roles, namely, the provision of

information, learning and skills development opportunities, market creation, network building, and providing assistance in policy creation and implementation (American Chamber of Commerce, 2009: 2-4; Markova, Ford, Dickson and Bohn, 2013: 496; South African Chamber of Commerce and Industry, 2013: 1). Thus, for the purpose of this research, role is defined as a set of activities which need to be completed to fulfil a purpose (Broderick, 1998: 349-350).

In joining a business chamber, individuals are joining a network, granting members the opportunity to build partnerships with other businesses. Learning and skills development opportunities are provided through the organising of conferences and workshops (Markova, *et al*. 2013: 496). Information is provided via the interaction between members, websites, periodic publications, and meetings (Markova, *et al*. 2013: 496; Holbrook, 2014: 1). Additionally, individuals learn of and contribute to policies and legislation which could potentially affect their businesses (Eng, 2000: 4-9; South African Chamber of Commerce and Industry, 2013: 1).

However, for these roles to be performed, it requires that the business chamber run competently. Organisation theory is a broad term which is used to classify the study of organisations (McAuley, Duberley and Johnson, 2007: 13; Lauffer, 2011: 39). The study of the organisation as a system is inclusive in organisation theory (Dougherty, 1990: 163; Lauffer, 2011: 40-41). Systems theory requires that the formal organisational components of leadership, structure, systems, processes, and goals are present and aligned with the informal organisational components of the values and behaviors of employees (Scott, 1961: 16; Lauffer, 2011: 45).

There are many models which are available to illustrate the organisation as a system, and which illustrate organisational alignment, including Higgins' 8-S model, and Nadler and Tushman's model of organisational congruence (Hackman, Lawler and Porter, 1983:119; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22). Although each model was developed for a different purpose, the core concepts have been extracted for this study. The reason for this is attributed to the models presenting different views on what constitutes effective organisational functioning, while encapsulating the need for organisational alignment (Hackman, *et al*. 1983:119; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22). In order for there to be sound organisational functioning within an organised association, it needs to have

goals, leadership, structure, systems and processes, and an informal organisation. Each of these components must not only be aligned with the organisations purpose, but must be complementary to each other for the organisation to be effective in achieving its purpose (Hackman, *et al*. 1983:119; Higgins, 2005: 4).

Although there is the perception that the organisation is required to have alignment between the components thereof, it does not necessarily imply that the organisation is ineffective should this not occur. Quinn and Rohrbaugh (1983: 363) explain that while organisations developed over time, the perceptions of organisational effectiveness were also altered. However, every organisation has a different way in which they measure effectiveness. This is based on their organisational values (Quinn and Rohrbaugh, 1983: 365-366). Rather than developing a new model to measure organisational effectiveness, Quinn and Rohrbaugh (1983: 365) created an integrated framework, incorporating previous models of organisational effectiveness (Quinn and Rohrbaugh, 1983: 364). Through the development of the competing values framework, three common criteria were identified namely, the organisations' focus, structure and means-to-end therein (Quinn and Rohrbaugh, 1983: 367; Yu and Wu, 2009: 37-38). These criteria became known as the organisational values. Quinn and Rohrbaugh (1983: 371) structured the criterion into a four quadrant framework, namely the Human Relations, Open Systems, Internal Process and Rational Goal models. The competing values framework has been recently developed to address the differences in culture and leadership within an organisation (Hart and Quinn, 1993; Buenger, Daft, Conlon and Austin, 1996; Cameron and Quinn, 2006). Developing the competing values framework to address differences in cultures within an organisation resulted in the development of the Organisational Culture Assessment Instrument (OCAI) (Cameron and Quinn, 2006). The OCAI considers the effective functioning of an organisation, thus making it appropriate for this study.

Although business chambers are important, they are not the only form of organised associations. Farmers' associations are the core focus area for this research. A farmers' association can be described as a group of farmers who are interested in improving the nature of the agricultural industry by addressing challenges which are faced through open communication with organised agricultural bodies (Albany Farmers League, 2013: 1). As organisations, farmers' associations have the potential to be instrumental in providing services to members which could affect the long-term success of the farm.

Although farmers' associations are aware of the challenges which farmers face, the roles which the associations perform are unclear (Albany Farmers League, 2013: 1). It is suggested that farmers' associations can enhance the role which they play to provide a platform which benefits its members (McElwee, 2006: 187). Providing valued services to members could result in loyalty, investment in the association, active involvement in the association events, and increase the possibility of renewing the membership (Gruen, Summers and Acito, 2000: 34-35; Osterberg, Hakelius and Nilsson, 2007: 4-5; Markova, *et al*. 2013: 497-499). The reason for this can be attributed to customer satisfaction, because the members of the associations are equivalent to the customers of an organisation (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 34). Therefore, the members' perception of the quality of the service offered by an organisation will influence their level of satisfaction (Anderson, Fornell and Rust, 1997: 130; Gruen, *et al*. 2000: 34; Gustafsson, Johnson and Roos, 2005: 210).

Farmers' associations are voluntary, thus members pay a fee to access the services which are offered (Gruen, *et al*. 2000: 34). Thus, it is important that the services offered are perceived to be valuable, increasing the likelihood of member satisfaction (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 35). Should an association be aware of what the members want, it will allow them to provide services which are valued. Furthermore, providing valued services may entice farmers who are not members to join the association (Gruen, *et al*. 2000: 37; DeLeskey, 2003: 10-11).

Organised associations also offer intangible benefits to members. Members belong to a network of individuals who portray the same beliefs and values that they encompass, and thereby experience organisational identification (Bhattacharya, 1998: 36; Markova, *et al*. 2013: 494). However, for organisational identification to occur members need to interact. Thus, in performing the various roles in an effective manner, it would allow members to interact, resulting in this intangible service (Bhattacharya, 1998: 36; Markova, *et al*. 2013: 494-495).

Olson's theories of exchange and collective action suggest that there are factors which motivate individuals to join a voluntary organisation (Yeager, 1981: 318; Bhattacharya, 1998: 34; DeLeskey, 2003: 11; Ross, 2009: 17). Due to the fact that a membership fee is required to join an association, the benefits need to exceed the cost of joining, in the mind of the consumer (Yeager, 1981: 318; DeLeskey, 2003: 11; Ross, 2009: 17). Farmers join the

association for reasons which vary between individuals based on their specific context (Yeager, 1981: 318; Bhattacharya, 1998: 34; DeLeskey, 2003: 10; Ross, 2009: 17).

Taking the above literature into account, Yeager (1981) conceptualized the services which organised associations should offer into the Professional Association Membership Questionnaire (PAMQ). The items identified by Yeager (1981) are aligned with the 5 roles which business chambers perform, and in turn, which farmers' associations should be performing. The PAMQ examines whether members of farmers' associations are satisfied with the services associations offer, based on the rating given (Yeager, 1981).

Farmers' associations have members, but it appears as though they provide insufficient services or provide the service in an inadequate manner, thus impacting the satisfaction of current members and the attraction of new members. This research is suggesting that farmers' associations can alter the role which they play, and adopt the aforementioned business chamber roles with the aim of improving the services offered to farmers who are members, thus resulting in increased levels of member satisfaction and commitment, while simultaneously attempting to increase the membership of the respective associations (Ferleger and Lazonick, 1993: 71; Gruen, *et al*. 2000: 34-37; DeLeskey, 2003: 10-11; Matzler, *et al.* 2004: 272; McElwee, 2006: 187; Osterberg, *et al.* 2007: 4-5; Wu, *et al*. 2012: 1762; Markova, *et al*. 2013: 497-499). However, in order to do this, it may require an understanding of organisational values, thus influencing the determinants of organisational effectiveness in the respective farmers' associations, as per the competing values framework (Quinn and Rohrbaugh, 1983: 365).

1.2. Aim, Goals and Objectives of the Research

The primary aim of the study is to describe the roles that farmers' associations should fulfil to effectively satisfy members, and potentially attract new members. In order to achieve the primary aim, the following goals and objectives need to be achieved:

- Analyze the current role of farmers' associations;
- Explain member and non-member perceptions of the services offered by farmers' associations;
- Determine factors which motivated individuals to join a farmers' association;
- Determine whether members of farmers' associations are satisfied with services offered;

- Describe the internal measures of effectiveness within the farmers' associations;
- Explain why some farmers do not belong to farmers' associations;
- Investigate the services members and non-members of farmers' associations want;
- Recommend what roles farmers' associations could adopt and fulfil.

In order to analyse the current role of farmers' associations, the current services which farmers' associations provide need to be determined. However, in order to determine how effectively members' needs and expectations are satisfied, the internal functioning of the association needs to be investigated. If an association functions effectively, they will provide services which satisfy the needs and expectations of members. Furthermore, reasons for becoming a member and the most valued services also need to be investigated. This will provide a deeper analysis of the current role of farmers' associations.

Taking the above into account, there must be reasons why individuals are not members of farmers' associations. Furthermore, should the needs and expectations of members be unsatisfied, and should there be individuals who are not members, there is evidently room for improvement.

1.3. Method of Study

Qualitative and quantitative data will be collected, indicating the use of the pragmatic research paradigm (Collis and Hussey, 2009: 155: 195). The pragmatic research paradigm is one which uses both qualitative and quantitative approaches to collect and analyze data, providing a deepened understanding of the of study (Collis and Hussey, 2009: 66-67; Teddlie and Tashakkori, 2009: 7-8). Data was collected using structured questionnaires, which encompassed both qualitative and quantitative sections (Collis and Hussey, 2009: 155: 195).

The area of study is the Albany Area which is located in the Eastern Cape between the Bushman's, Great Fish and Koonap Rivers (CSS Geographical Information Specialists, 2013). Three sample groups namely the supervisory committee of farmers' associations, and members of and non-members of farmers' associations will be drawn from this area (Department of Agriculture, 2013).

There are eight farmers' associations in the Albany Area, namely Bathurst-West, Belton-Salem, Koonap, Carlisle Bridge, Lower Albany and Bathurst Border, Central Albany, Eastern Border, and Coombs Valley Farmers' Associations. Each farmer's association has a supervisory committee consisting of a chairperson, secretary, and representative. This gives a population of 24 individuals. A purposive sampling technique (Collis and Hussey, 2009: 213) was used whereby two individuals from each supervisory committee were selected for the study due to their understanding of how the farmers' association functions, creating a sample size of 16. Each member of the supervisory committee was provided with the OCAI, developed by Cameron and Quinn (2006). Although this specific instrument was developed to understand organisational culture, the original framework was based on organisational effectiveness. Thus, the OCAI will be used, in relation to organisational effectiveness. Furthermore, it was the most appropriate instrument available at the time. The questionnaire is comprised of two sections, as can be seen in Appendix C. Section A requires the socio-economic factors of the participants. Items required in Section A include demographic variables such as age and gender, the participant's specific farmers' association, length of membership, position on the supervisory committee, and position on the farm. Section B is comprised of six categories. Each category contained four characteristics which were read to individuals. For each category, the participant was given 100 points which was to be divided amongst the four characteristics. These points were to be divided up whereby the characteristic most applicable to the association was ranked the highest. Thus the rating took place using an Ipsative Scale (Cameron, 2014: 1).

There are 180 farmers who belong to farmers' associations in the Albany Area. A sample size of 80 was selected using a stratified sampling technique (Collis and Hussey, 2009: 212). 10 farmers from each farmer's association were randomly selected to participate in the study. The members of each farmer's association were placed into a spreadsheet, and based on the number of members per association; every second member was selected among small associations, while every third member was selected among the bigger associations. Thus, each member had the ability to be selected. A structured questionnaire entitled the PAMQ, developed by Yeager (1981) was sourced, and was administered to members of the farmers' associations, including each chairperson. The questionnaire was appropriate because the instrument assesses the factors which influence members to maintain their membership, which is dependent on how well the respective farmers' associations provide the services to members. As can be seen in Appendix A, the questionnaire consists of socio-economic

factors, a 7-point Likert scale including statements on the services offered by associations, and open-ended questions on factors which influenced the individual to join the association and the services the member would like to see the association perform.

The population of farmers who are non-members of farmers' associations is 216 (Department of Agriculture, 2013). Two farmers from each region were randomly selected, which provided a fair representation of the entire population. Every 14th member from the list of non-members was selected. The number was arrived upon by dividing the total population of non-members of farmers' associations by the researcher's desired sample size. This allowed each individual to have an equal probability at being selected. Yeager (2014) highlighted that the PAMQ can be administered to members and non-members of professional associations. Thus, non-members were provided with the PAMQ, as per Appendix B, and were required to rate each variable on the perception of whether or not it was offered by farmers' associations. Non-members were required to answer two open-ended questions.

The data was collected using questionnaires which were personally administered by the researcher. Participants were contacted, telephonically, and an appropriate time was decided upon. The researcher then travelled to participants, allowing them to respond to the questionnaire within a 20-minute time frame. Thereafter, the completed questionnaire was placed in a sealed envelope, and captured upon returning from data collection.

Data was analysed using both qualitative and quantitative techniques. First, the socio-economic factors were analysed using descriptive statistics. Secondly, the variables of the PAMQ were analysed using inferential statistics. Specifically, the significant difference between member and non-member perspectives was determined using two sample t-tests, and Chi-square tests were conducted to determine the effect each variable has on the membership of farmers' associations. This provided insight into the role of farmers' associations, specifically the services desired and valued by members and non-members alike, while also determining the factors which motivated individuals to join a farmers' association. Thirdly, the data collected using the OCAI, were analysed using descriptive statistics, and content analysis. This allowed the determinants of effectiveness within each farmer's association to be identified and understood. Lastly, the qualitative responses were analysed using content analysis and coding, providing insight into the reasons that individuals are not members of farmers' associations, and the desired services participants want.

1.4. Outline of the Thesis

Chapter 1: Introduction

This chapter provides the rationale for the study, and motivates the purpose and reasoning for conducting the research. The purpose of this chapter is to provide an overview of the theoretical concepts used in this study, which resulted in the development of a conceptual theoretical framework. Simultaneously, the problem emerges while discussing the role of organised associations, specifically farmers' associations. Chapter one lays out the theoretical concepts, the research aim, goals and objectives, and methodologies relevant to the study.

Chapter 2: A Contextual Understanding of Agriculture in South Africa

Agriculture in South Africa is complex in nature, and in order to accurately sketch the context of the discipline, this chapter discusses agriculture in South Africa. The purpose of this chapter is to provide the reader with a contextual understanding of agriculture in South Africa, while explaining the importance of the agricultural sector and challenges which farmers' in South Africa face. Included in this chapter is a brief history, followed by a discussion on the different types of farmers found in South Africa, as well as a brief look at the current agricultural situation in the country. In order to understand the events which occurred in the sector various key events are mentioned and statistical data is provided to further support the need for this research.

Chapter 3: Organisational Theory: Systems Theory and Organisational Effectiveness

Over the years, organisational theory has developed, altering the manner in which organisational effectiveness is determined. The purpose of this chapter is to explain what an organisation is, before discussing the constituents of an organisation, as per systems theory. Finally, the chapter explains organisational effectiveness. Understanding organisational effectiveness is important to explain and discuss the current state of farmers' associations internally, rather than just taking what the associations do at face value. Thus, the chapter defines organisations and organisational theory, and discusses systems theory and organisational effectiveness.

Chapter 4: Organised Agriculture and the Theory of Organised Associations

This chapter focuses on the theory of organised associations. Due to there being limited information on farmers' associations, the chapter opens with a discussion on business chambers. This builds a foundation as to the role and purpose of farmers' associations. Theory of organised associations includes Olson's Theory of Exchange, explaining the reasoning behind why individuals join an organised association, while also discussing member satisfaction, loyalty and commitment. It is important to understand what farmers' associations are currently doing, and to ascertain the services which they currently offer to members. Individuals join an organised association based on the services offered. In order to determine whether an association is worth joining, it is likely that the individual will contact a cost-benefit analysis. Thus, it is important, as per Olson's Theory of Exchange, that the services offered by farmers' associations are valued by members. Furthermore, it is likely that private goods, rather than public goods, will be more valued, because it enhances the benefit of being a member of a farmers' association.

Chapter 5: Research Methodology

The methodology of the research is discussed in this chapter. It focuses on discussing the population and sample of the study, the research paradigm, the research method employed, including the research design, data collection techniques adopted, and an explanation of the data analysis techniques which were used. Finally, ethical considerations which were applicable to the study were explained, and the limitations and delimitations were identified.

Chapter 6: Findings and Discussion

Chapter six will present the findings and a discussion of the research undertaken. This chapter presents the reliability and validity of the research instruments, as applicable to this study. The data which was collected will be analysed and discussed with relation to the literature presented in chapters two, three and four, and simultaneously presenting the findings with regards to the relevant research goals and objectives.

Chapter 7: Conclusion and Recommendations

This chapter concludes the research, and makes recommendations as to what farmers' associations can do to better satisfy their members and fulfil their role, and simultaneously increase their membership levels. Furthermore, recommendations for future research were made

Chapter 2

A Contextual Understanding of Agriculture in South Africa

2.1. Introduction

Agriculture is the discipline of producing commodities in the form of food products in order to ensure that both human and animal life is sustained (Tanjuakio, Hastings and Tytus, 1996: 47; Friedland, 2000: 5). Also referred to as farming or cultivation, agriculture can take the form of subsistence farming and commercial farming (Friedland, 2000: 5; Hall, 2004: 213). Although there is no great difference between the mannerisms of farming in a commercial or subsistence manner, the objective differs. Subsistence or small-scale farming is the production of agricultural products in order to sustain your personal livelihood. This means that the principal objective of farming is not to earn a living, but to rather produce food for the immediate family or to contribute to household income (Hall, 2009: 3). Alternatively, commercial farming concerns the production of agricultural products for sale at the market (Kirsten and Van Zyl; 1998: 552; Hoppe, MacDonald and Korb, 2010: 6). This implies that an individual or group of individuals have made the choice to farm as a career.

Developing a contextual understanding of agriculture is important because not only does in explain the reason for the current state of South Africa's agricultural sector, but it also alludes to the importance of the sector, while explaining what poses threats to farmers' in the country. However, regardless of whether one is a commercial, emerging or subsistence farmer, an individual is able to belong to organised agriculture through various mediums.

Although agriculture takes different forms, it remains an important component of any given economy. This chapter will first discuss the importance of the agricultural sector, which will consider the contributions made to the economy by the sector. The contributions made by the agricultural sectors in the USA and Ireland will be discussed, before discussing agriculture in South Africa. Lastly, the agricultural sector, in its entirety will be discussed, with reference to both small-scale farming and commercial farming.

2.2. Importance of the Agricultural Sector

Agriculture forms the basis of economic development and growth in any given country (Bezemer and Headey, 2007: 4). Many developed countries, including the USA and Ireland, gained their great economic stance by ensuring that their agricultural sectors were fully developed (Bezemer and Headey, 2007: 4). Although the development of these agricultural sectors took place under different circumstances and in different contexts, there was the common element of government intervention (Johnston and Mellor, 1961: 570; Bezemer and Heady, 2007: 4; Ireland Department of Agriculture, 2008: 1).

Research suggests that no country has achieved sustainable economic growth without growing their agricultural sector first (Johnston and Mellor, 1961: 556-557; Bezemer and Headey, 2007: 4). As the country develops, the focus shifts from primary agriculture to that of value-added products such as manufactured goods (Hazell, *et al*. 2007: 4). However, developing countries are more reliant on the agricultural sector because the workforce does not have sufficient skills to effectively produce high quality manufactured products (Bezemer and Headey, 2007: 9). As the agricultural sector develops and improves, the focus shifts from that of the primary production of agricultural products to the agro-processing of agricultural products (Hazell, *et al*. 2007: 4). The primary production of agricultural products is the process which occurs from the planting of the crop or purchase of the livestock, to the time when the produce is ready to harvest (South African Department of Agriculture, 1990: 3-4). Agro-processing is the term which refers to the processing of primary agricultural products into commodities which can be sold in alternative forms. The focus is then placed onto agro-processing, which is a value-adding process (Madima, 2006: 3).

In addition to contributing to economic development and growth, the agricultural sector contributes extensively to the generation of foreign exchange, job creation, skills development, and providing food security for a country (Johnston and Mellor, 1961: 571; Hazell, *et al*. 2007: 4; Zille, 2013: 1). Historical views of agriculture indicate that agriculture was predominantly labour-intensive (Johnston and Mellor, 1961: 556; Bezemer and Headey, 2007: 7). Due to a more advanced economy, developed countries were able to mechanise agricultural production, which further developed the sector, and allowed farmer's to become more competitive.

Alternatively, farmers in developing countries have poor access to resources which does not allow them to mechanise agricultural production (Bezemer and Headey, 2007: 5-6). Furthermore, developing countries have an abundance of unemployed labour which could potentially be absorbed by the agricultural sector. Not only is there an abundance of unemployed labour, but the labour is also low-skilled (Bezemer and Headey, 2007: 7). Ensuring that the agricultural sector remains prosperous could reduce unemployment, and develop skills, especially within a developing country like South Africa (Lipton, 2005: 4; Bezemer and Headey, 2007: 11). Employing low-skilled individuals in agriculture gives them the opportunity to develop their skills, thus increasing future prospects in the job market should individuals decide to leave the agricultural sector (Johnston and Mellor, 1961: 569; AgriSeta, 2010: 5). Furthermore, many of the individuals employed in the agricultural sector are sourced from rural regions. Not only does the employment opportunity assist them in developing their skills, but it contributes to the development of their socio-economic status, whereby they are more able to participate in economic activities (AgriSeta, 2010: 5).

2.2.1. Agriculture's Contributions to the Economy

As previously stated, the agricultural sector is of greater importance in developing countries, like South Africa, than in developed countries like the USA and Ireland (Johnston and Mellor, 1961: 556; Hazell, *et al*. 2007: 4). The sectors contribution to the economy can be seen in its contribution to GDP, employment, and the earning of foreign reserves (Kebschull, 1987: 125; Hazell, *et al*. 2007: 4). In South Africa, agriculture contributes 15% to GDP, in Malawi, agriculture contributes 39% to GDP, while in countries like the USA and Ireland, agriculture contributes 13.3% and 9.5% to GDP respectively (OECD, 2011: 14; Mucavele, 2009: 3; South African Department of Agriculture, 2012b: 44; Irish Agriculture and Food Development Authority, 2013: 1). Further discussion on South Africa's agricultural sector will take place later in section 2.3.

2.2.1.1. The USA

The USA is one of the largest producers of agricultural products in the world, and is one of the largest food importers in the world (OECD, 2011: 14). The development of the economy began with government placing significant efforts into developing the agricultural sector. It is a good illustration of the implementation of a developmental state (Ferleger and Lazonick, 1993: 4).

A developmental state is an instance whereby the government intervenes in the economy, either in its entirety or sector based, and develops macroeconomic policies to ensure that the economy or sector becomes prosperous (Johnston and Mellor, 1961: 570; Grabowski, 1994: 413; Bezemer and Headey, 2007: 5-6). The decision to implement a developmental state is to allow an industry or entire economy to become more efficient in the production of goods and services. The goal is to develop a form of comparative advantage (Grabowski, 1994: 414). Comparative advantage refers to the ability of a country to produce a product or service more efficiently than another (Salvatore, 2011: 37). In theory, this will result in a greater level of exports because the product or service is cheaper in price (Grabowski, 1994: 414; Salvatore, 2011: 37-38). However, it requires the dedication of government, both in the creation of supportive trade policies and extensive monetary resources (Grabowski, 1994: 415-416).

The aim of declaring a developmental state in the USA was to allow the agricultural sector to develop in terms of productivity, growth, and investment in technology. However, government identified that in order for the agricultural sector to grow, it needed to become more productive, but in order for it to become more productive, there needed to be an investment in technology by farmers (Ferleger and Lazonick, 1993: 3-4; Bezemer and Headey, 2007: 10-11). Furthermore, government realized that the first step which needed to be taken was to reduce the volatility of prices. Agricultural prices are highly volatile in nature due to high levels of competition. This motivated government to regulate agricultural markets in order to ensure farmers retained sufficient earnings to invest in technologies which could potentially increase productivity (Ferleger and Lazonick, 1993: 9). However, technologies needed to be developed for the purpose of increasing productivity. Thus, relationships were developed with government, agricultural businesses, and farmers in the form of organised associations whereby government invested heavily in research and development for agricultural businesses to be able to develop technologies for farmers (Bezemer and Headey, 2007: 10). Agricultural businesses regularly communicated with farmers concerning the technologies which were required (Ferleger and Lazonick, 1993: 9-11). Additionally, through the use of organised associations, government communicated with farmers and developed legislation which only benefited farmers (Ferleger and Lazonick, 1993: 24).

Implementing a developmental state in the USA agricultural sector proved to be successful. Productivity increased extensively over an 80 year period which saw much development in

the economy. However, it was not only declaring a developmental state which lead to the development of USA agriculture, but also the development and implementation of organised agricultural associations (Bezemer and Headey, 2007: 11-12). These associations ensured that the technologies which were being developed were correct and that they assisted farmers in managing the changes which were implemented (Ferleger and Lazonick, 1993: 25). Implementing a developmental state in a developing economy's agricultural sector could lead to a great improvement in terms of agricultural productivity, growth, and investment. This in turn will result in the development of other sectors (Johnston and Mellor, 1961: 557).

The agricultural sector in the USA is now comprised of two components, namely, the primary sector and the agro-food sector. Primary agriculture contributes only one percent to GDP, but employs around two million individuals. While the farmers produce and import primary products, these products generally undergo agro-processing (OECD, 2011: 14; Morehart, 2012: 1). The agro-processing component of agriculture is of a much greater significance in the USA economy. This can be seen in the agro-processing component contribution to GDP of 12, 3% and the employment of 15% of the country's workforce (OECD, 2011: 14).

2.2.1.2. Ireland

Agriculture in Ireland underwent dramatic fluctuations between the mid-1800's and the mid-1900. Prior to 1916, Ireland was governed by the British monarchy, which saw agricultural land being owned by strict property-owner's, who leased the land to poorer individuals at exorbitant prices (O' Grada, 1995: 37-39; Fegan, 2002: 27). This lead to greater levels of poverty because individuals were barely covering expenses with the income earned. When potato blight infested the potato crop, which was the main agricultural product in the country at the time, it resulted in poor potato yields. This resulted in potatoes becoming a scarce food source, which eventually saw incomes fall drastically (Woodham-Smith, 1953: 114). Along with high rent payments and little to no income being earned from potato sales, the peasant farmers became greatly impoverished (O' Grada, 1995: 31). With the rise in the poverty levels in Ireland, many individuals experienced extreme famine as the resources required for survival could not be obtained (Woodham-Smith, 1953: 121-122; O' Grada, 1995: 35-36).

Ireland became dependent on food imports, which many individuals could not afford (Woodham-Smith, 1953: 121-122; O' Grada, 1995: 36). These individuals requested that

government implement policies concerning land repossession and improvement of land, however government felt that it was not a key priority. Government rather implemented job creation strategies with the aim of increasing income among peasants (O' Grada, 1995: 37). The government believed this to be the key to decreasing starvation, and in turn mortality. Furthermore, government believed that the country could be reliant on imported agricultural products. However, the wages were still insufficient to sustain the livelihood of citizens because the impoverished individuals still resided on land which they did not own, requiring them to pay rent (Woodham-Smith, 1953: 120-122; O' Grada, 1995: 40; Ireland Department of Agriculture, 2008: 1).

In 1881, the Irish government implemented a Land Passing Act, which saw land being transferred from property-owners to the tenant farmer. However, the tenant farmer was required to purchase the land (Ireland Department of Agriculture, 2008: 1). Due to them having a low income, loans were issued by the British government. A condition of the loan was for the farmer to repay it in the form of an annuity. In return, the British government, who controlled Northern Ireland, would not charge tariffs on the goods imported from Southern Ireland (Fianna Fáil, 2014: 1). Due to poor skills and knowledge on how to farm a variety of products, many of the aforementioned loans could not be repaid. This resulted in an accumulation of annuities (Fianna Fáil. 2014: 1).

The Easter Uprising saw the Fianna Fáil Republican Party voted into power (Fegan, 2002: 27; Fianna Fáil, 2014: 1). One of many outcomes for this party was to improve the Irish economy by assisting it to become self-sufficient in the production of goods and services (Fianna Fáil, 2014: 1). Hence, this party played an instrumental role in not only turning the Irish economy around, but also in improving the state of the agricultural sector (Fianna Fáil, 2014: 1).

Fianna Fáil intervened in the agricultural sector because it was of the realisation that once this sector was self-sufficient, it would allow other sectors to develop. Thus, the government funded and implemented agricultural research centres which developed technologies with the aim of increasing productivity (Woodham-Smith, 1953: 124; Fianna Fáil, 2014: 1). The reason for this was that the party's president, Eamon De Valera, did not wish for the country to rely on imported agricultural products. Furthermore, when the British government of Northern Ireland requested that the outstanding annuities be paid, De Valera refused (Fianna Fáil, 2014: 1). Although this had negative consequences on exports, which was detrimental to

the large farmers, he soon rectified the matter by developing and implementing the Anglo-Irish Treaty in 1938 (Fianna Fáil, 2014: 1). This allowed agriculture in Southern Ireland to develop and become more competitive, which proved to be beneficial in the long-run.

As with the USA implementing a developmental state, the government in Ireland also intervened in the agricultural sector. Not only does this illustrate that government can play an instrumental role in assisting agriculture to develop, it also shows that with the correct policies being implemented, farmers can develop their own skills and abilities (Johnston and Mellor, 1961: 569; Ferleger and Lazonick, 1993: 9; Bezemer and Headey, 2007: 8). This is transferred onto the products and services produced. Moreover, the agricultural sector forms the foundation of an economy (Johnston and Mellor, 1961: 569; Bezemer and Headey, 2007: 8). Ireland is a classic example of a situation whereby allowing your agricultural sector to deteriorate can lead to a failing economy.

Ireland soon realised the important contribution which the agricultural sector made to the economy. In terms of the Irish economy, the contribution is expressed in terms of exports, GDP and employment.

The Irish agricultural sector exports approximately 10% of all the goods produced (Punch and Gilmartin, 2010: 2; Irish Agriculture and Food Development Authority, 2013: 1). In addition to this, the sector employs between 14% and 15% of the formally employed individuals in the country (Phelan and O' Connell, 2011: 4; Irish Agriculture and Food Development Authority, 2013: 1). To determine the effect of the agricultural sector on the economy, one can consider the contribution to GDP. The Irish agricultural sector contributes 7% to GDP in the form of agro-processed products and 2,5% to GDP in the form of primary agricultural products (Irish Agriculture and Food Development Authority, 2013: 1). The importance of the agricultural sector has been realised in the way in which it contributes to economic development within the country, and in how it assists in supporting the countries to which the products are exported to. This has lead to the development of a strategy in which the country aims to improve the overall effectiveness of the agricultural sector (Punch and Gilmartin, 2010: 2-3).

2.3. Agriculture in South Africa

Agriculture in South Africa has a rich and unique history. Over the years the agricultural sector has undergone many changes, which has changed the nature of the sector drastically. These changes impacted the competitiveness of the agricultural sector, which resulted in many alterations and implications for the country as a whole. The changes were however necessary if South Africa wished to succeed in the future. Each of these points will be discussed, with the focus being on the importance of the agricultural sector, and the potential which agricultural development holds.

2.3.1. History of South Africa's Agricultural Sector

Exploring the history of South African agriculture could explain the reasons for the current state of the agricultural sector, while also providing reasons for the extensive nature of the dualism of the sector. This section will cover agricultural history from the 1600's through to 1994, which marked a change to a democratic government.

African tribes had been subsistence farming in South Africa for hundreds of years (Giliomee and Mbenga, 2007: 22). Although the African tribes' knowledge on growing agricultural produce was poor, the individuals had extensive knowledge around the cultivation of livestock. However, the real turning point for agriculture within South Africa was the arrival of Dutch in 1652 (Giliomee and Mbenga, 2007: 46).

Jan Van Riebeeck was sent to the Cape by the Dutch East India Company, in order to develop a refreshment station for sailors travelling to Eastern countries on the trade route (Giliomee and Mbenga, 2007: 46). Van Riebeeck and his accompaniments were to reside in a restricted area, grow fresh produce, and trade livestock with the KhoiKhoi. Individuals were released from the company and instructed to move into the outskirts of the colony to grow fresh vegetables and fruit (Giliomee and Mbenga, 2007: 47). This produce was sold directly to the company. These individuals also wanted to cultivate livestock, however they did not have the knowledge required to do so. Thus, they sought to employ KhoiKhoi individuals to cultivate their livestock, simply because they had the skills and abilities required to do so (Giliomee and Mbenga, 2007: 52). However, the Dutch wanted to observe and learn the skills and techniques required to cultivate livestock. In return for their labour, the KhoiKhoi would receive payments in the form of food, beverages, and tobacco. Additionally, some of the

farmers would allow the KhoiKhoi to purchase and manage their own livestock on the farm (Giliomee and Mbenga, 2007: 52).

However, the migration of the Dutch individuals caused unease among the KhoiKhoi tribe because they were reluctant to give up their land. Thus, many wars were fought with the winning party receiving land and livestock (Terreblanche, 1998: 13; Giliomee and Mbenga, 2007: 52). Due to the Dutch being more technologically advanced, they were victorious in many of the wars. African tribes were slowly losing their economic independence, due to the extent in which they lost livestock, which subjected them to the Dutch authority (Giliomee and Mbenga, 2007: 52).

The period of 1707 to 1717 is crucial in understanding South Africa's agricultural history (Giliomee and Mbenga, 2007: 60). Three important decisions were made by the Dutch government of the era namely that white individuals would farm, slaves (who were non-white individuals) could only be labourers, and saw the implementation of a farm loan system (Giliomee and Mbenga, 2007: 60). These decisions paved the way towards segregation and a monopolistic agricultural sector. Due to there being no land leases, the land which was occupied could just be taken away and turned into farms available for rent, theft was rife, and there was a shortage of labour (Giliomee and Mbenga, 2007: 62). The shortage of labour is an interesting occurrence, especially due to the employment of slaves. However, Ordinance 50 stated that individuals of KhoiKhoi decent could not be employed on the farms (Giliomee and Mbenga, 2007: 62).

Although much of the agricultural land was occupied by the Dutch settlers, African and British farmers rented the land from settler land-owners, and the production of agricultural products was market-oriented (Terreblanche, 1998: 18; Vink and Van Zyl, 1998: 61). Market-orientation occurs when the demand for the products and/or services influences the price of the products and/or services (Salvatore, 2011: 70). This made the exporting of agricultural products possible due to easily accessible ports, especially in the coastal regions (Terreblanche, 1998: 18; Vink and Van Zyl, 1998: 61). Furthermore, agriculture was deemed an important part of the developing economy because there were large numbers of individuals relying on farming to sustain immediate families as well as extended communities. Although complex, this can be seen in the structure of the agricultural sector outlined below (Vink and Van Zyl, 1998: 61):

- Individuals residing on large pieces of agricultural land were employed as wage labourers;
- Landowners leased their land to individuals of African descent due to the extensive knowledge these individuals had on farming;
- Farming for commercial purposes took place on land which was owned by Africans;
- Subsistence farming sustained those who did not produce agricultural products for income purposes.

With the discovery of diamonds in 1868, many individuals moved into urban areas, which saw the creation of a domestic agricultural market (Terreblanche, 1998: 19; Vink and Van Zyl, 1998: 62). Agricultural output needed to increase if it was to sustain the demands of the export market and the newly developed domestic markets. Interestingly, although there was much controversy from the colonial government with regards to African farming, African farmers were the ones who were producing products efficiently (Terreblanche, 1998: 18; Vink and Van Zyl, 1998: 63). Not only were they farming efficiently, but they were open to adopting new technologies which allowed them to increase supply to the markets, and thus were able to meet the growing demand in the urban regions. Furthermore, African farmers had extensive pools of knowledge about farming practices, which further contributed to increased levels of production (Terreblanche, 1998: 18). Settler farmers, on the other hand, did not have the same levels of knowledge and skills of farming, which resulted in lower levels of competitiveness, imposing a high threat on settler farmers (Terreblanche, 1998: 20; Vink and Van Zyl, 1998: 63). As a result, these settler farmers required hired labourers in order to allow them to produce agricultural products competitively. Unfortunately, there was a shortage of hired labour due to the large amount of individuals who were employed in the mining sector and the high number of African tenant farmers (Vink and Van Zyl, 1998: 63).

Settler farmers were demanding more workers, and disliked the fact that they were less competitive than the African farmers. A plea was made to the colonial government to intervene in the agricultural sector and deliberately limit the competition being exerted by African farmers (Vink and Van Zyl, 1998: 63). The colonial government agreed to assist the settler farmers by creating, according to Vink and Van Zyl (1998: 63), "an artificial land shortage". However, this did not prove to decrease the level of competitiveness amongst farmers because there were many African individuals who were leasing land from colonial landowners. This saw the implementation of the Glen Grey Act of 1894. The core purpose of

the act was to reduce the number of tenant farmers, so to allow settler farmers to appear more competitive. This was executed by imposing a tax on Africans who were tenant farmers, and limiting the number of tenant farms allowed on a settler farm to five individuals (Vink and Van Zyl, 1998: 63).

Three specific dates are important to understand why South Africa's agricultural sector turned out in the way it has. In 1850, South Africa's agricultural sector comprised of individuals who were farming on a subsistence level. (Giliomee and Mbenga, 2007: 185) The government at the time wished to create commercial farmers, and the Dutch individuals were perceived to be productive in the agricultural trade, although they did not have much farming knowledge. This was the start of the emergence of white commercial farmers (Giliomee and Mbenga, 2007: 262). By this time, it was estimated that approximately one third of Africans resided and worked on white-owned farms (Giliomee and Mbenga, 2007: 262). In 1930, white farmers were producing 80% of the agricultural produce. Although this is significant, they continuously sought assistance from the government. This resulted in the creation of marketing boards, and poor labour relations (Giliomee and Mbenga, 2007: 279).

The abovementioned legislation was only a small part of the segregation process which took place in South Africa's agricultural sector. The period of 1910 to 1948 saw much discrimination toward individuals of African descent, resulting in total segregation, not only in the agricultural sector but also in the rest of South Africa (Vink and Van Zyl, 1998: 63). An instrumental piece of legislation lodged the intention of segregation in stone, namely the Natives Land Act of 1913 (Vink and Van Zyl, 1998: 63).

2.3.1.1. The Natives Land Act of 1913

Along with the Glen Grey Act of 1894, the Natives Land Act of 1913 was an instrumental piece of legislation which set the path toward a dualistic agricultural sector. As with the Glen Grey Act of 1894, the Natives Land Act of 1913 was intended to deliberately restrict the amount of land which individuals of an African descent could use to farm or live on (Terreblanch, 1998: 16; Vink and Van Zyl, 1998: 63). Thus, African individuals lost all opportunities that they previously had to privately own land. The colonial government did, however, allocate land to Africans. These pieces of land were referred to as the "native homelands" (Vink and Van Zyl, 1998: 63). This illustrates the fact that African individuals

were unable to farm for commercial purposes. Furthermore, these individuals were no longer able to lease agricultural land from settler land-owners for commercial farming purposes. Thus, tenant farming was eliminated from South Africa's agricultural sector (Terreblanche, 1998; 16; Vink and Van Zyl, 1998: 63). Subsistence farming was the only form of farming which Africans could undertake (Vink and Van Zyl, 1998: 63). The underlying purpose for the Natives Land Act of 1913 was to create an additional supply of labour to the settler farmers, which was cheap and easily exploitable.

A concerning factor was the amount of land which was allocated as the "native homelands" to individuals of African descent (Vink and Van Zyl, 1998: 63). The amount of land allocated was only sufficient to sustain 50% of the African population (Vink and Van Zyl, 1998: 64). Although pleas were made to the government to increase the amount of agricultural land available to African individuals, not much was done until around 1936. The subsistence farming techniques which were being used were unsustainable, resulting in lower food yields and excessive soil erosion (Vink and Van Zyl, 1998: 64). Not only was this damaging for the environment, but it created food shortages. This resulted in families spending approximately 60% of their household incomes on food, which increased poverty levels because this was simply money which they did not have (Vink and Van Zyl, 1998: 64).

In only allowing individuals of African descent to be subsistence farmers, it proved to be detrimental to the overall wellbeing of the agricultural sector. With the implementation of the Natives Land Act of 1913, the skills and knowledge on farming and farming practices began to deteriorate because farming could no longer be practiced in a manner which was familiar (Vink and Van Zyl, 1998: 64). African individuals were either forced to reside in the homelands and conduct subsistence farming or were employed on white-owned commercial farms as wage labourers (Vink and Van Zyl, 1998: 67). By 1980, there were no African commercial farmers left in South Africa. Furthermore, due to the restriction of land access, 90% of the agricultural land in the country belonged to the minority white population.

In addition to the discriminatory nature of the Natives Land Act of 1913, the government began to implement legislation which only supported the development of the white farmer (Vink and Van Zyl, 1998: 64).

2.3.1.2. Legislation in Support of the White Commercial Farmer

The colonial government, operating in South Africa in the early 1900's, began implementing legislation which was only applicable to and supportive of white commercial farmers. This support which was given to white commercial farmers continued and grew when the National Party (NP) was elected into power in 1948 (Vink and Van Zyl, 1998: 65). These farmers were provided with continuous help, regardless of how much they needed it, which saw a dramatic increase in the number of farms. The amount of commercial farms increased from 81 432 farms in 1921 to 119 556 in 1952 (Vink and Van Zyl, 1998: 65).

Three forms of support were implemented namely subsidies, legislation, and macroeconomic policies (Terreblanche, 1998: 31-33; Vink, Kirsten and Van Zyl, 1998: 71). Each will be briefly discussed before moving onto the changes which occurred in the agricultural sector in the abolishment of the Apartheid regime and the beginning of the democratic South Africa.

Subsidies were implemented as a form of government support which was paid directly to the farmer, regardless of whether they were required or not (Vink, *et al*. 1998: 71). This was done with the intention of encouraging the farmer to import various technologies in the form of machinery and biological advances. The encouragement concerning the adoption of the technologies was to allow for an increased level of agricultural output in order to meet the rising demand in the rural regions as well as the urban areas (Vink, *et al*. 1998: 71). Furthermore, commercial farmers were given the opportunity to make use of the Land Bank. This was to allow the farmer easier access to finance should they wish to purchase additional land (Terreblanche, 1998: 33).

The reason for the implementation of government subsidies was in the hope that a strong agricultural sector would be created, which would allow South Africa to be self-sufficient in the production of agricultural products, rather than reliant on other countries (Vink, *et al*. 1998: 72). However, although the subsidies assisted in creating a self-sufficient agricultural sector, the legislation which the nationalist government implemented created a shortage of food. This was in the form that individuals which resided in the rural areas could not afford to purchase food because the price at which the food was being sold was too high. The resulting factor was high levels of malnutrition and poverty (Vink, *et al*. 1998: 73).

Although few pieces of legislation were created and implemented in the support of agriculture, they were powerful enough to allow the white commercial farmer to prosper, while discriminating against any form of African farming. Farmers wished to earn very attractive prices for their produce. This saw the implementation of the Marketing Act of 1937 (Terreblanche, 1998: 31). The act resulted in the creation of marketing boards, controls, and floor prices which attracted more individuals into the sector. These aspects of the Marketing Act resulted in South African agriculture becoming protected from international competition, as well as ensured that farmers earned the most attractive prices for their produce (Terreblanche, 1998: 31). This created the false view that farmers were wealthy, when in actual fact all their wealth belonged to the government.

Furthermore, Verwoerd implemented a low interest rate macroeconomic policy (Terreblanche, 1998: 33). This policy was one which encouraged investment because it encouraged farmers to adopt technologies, among other things to become more efficient. Along with the subsidies, farmers had the financial resources and tools to purchase the machinery required to produce efficiently (Terreblanche, 1998: 33; Vink, *et al*. 1998: 71). This resulted in farmers demanding lower levels of labour, which in turn impacted the income earned by individuals (Vink, *et al*. 1998: 71). Furthermore, extensive funding was placed, by the nationalist government, into agricultural research and development to develop technologies which allowed farming to become more efficient (Terreblanche, 1998: 33). Although this is a required investment, it was only beneficial to the privileged, white commercial farmer.

In the farmer adopting these technologies, it proved to be unsustainable in the South African context. The reason for this is because South Africa had, and still has, an abundance of unemployed labour. In adopting the technologies, agriculture became mechanistically operated, which negatively affected the employment levels in the sector. The adoption of mechanised agriculture was too advanced for South Africa's developing state because the individuals who were employed in the agricultural sector had a low skills level. In turn, this could have hampered South Africa's long-term economic growth (Terreblanche, 1998: 33; Vink, *et al*. 1998: 71).

However, with the depreciation of the Rand and the excessively high inflation rates which were being experienced in South Africa at the peak of the Apartheid era, it started becoming

evident to the nationalist government that support provided to commercial agriculture could no longer be sustained (Vink, *et al*. 1998: 74). This, therefore, resulted in a number of changes within the agricultural sector.

2.3.2. Changes in the Agricultural Sector

South Africa's agricultural sector has undergone many changes in recent years. These changes deal largely with the deregulation of the sector which has impacted its level of competitiveness (Ortmann, 2005: 288-290).

The first component of agricultural support which the government reduced was the spending on subsidies and research and development. Although many farmers were reliant on this form of support, government could not continue to provide it because the government was simply in too much debt. The years between 1987 and 1993 resulted in the allocation of government funds to farming subsidies decreasing by more than 50%. This further decreased in the years that followed, and was completely eliminated in 1997, after assistance was provided by government on the terms of drought relief (Vink, *et al*. 1998: 74; Sandry and Vink, 2009: 221).

Still focusing on the financial changes which took place, government altered the tax policy which was exclusively applicable to farmers. In previous years, farmers had been subject to many tax concessions. Although this financially benefited farmers, the South African Revenue Service (SARS) also benefited because farmers spent excessively, thus contributing to national revenue. Due to the high levels of revenues generated by farmers, government chose not to completely eliminate the tax concessions, but to rather reduce them (Vink *et al*. 1998: 75).

Furthermore, there were extensive legislative alterations. All forms of the land acts were abolished, which granted Africans the opportunity to own agricultural land. These acts were replaced with policies touching on land reform (Vink, *et al*. 1998: 74). Land reform will be discussed later in the chapter. The Marketing Act of 1937 was abolished which saw a reduction in marketing boards, and eventually their elimination, as well as a decrease in the retail value of agricultural produce. This shows that a shift was made from a capitalist market to a free market (Vink, *et al*. 1998: 74; Hall, 2009: 122-123). Additionally, farm worker

rights were granted, with the abolishment of the acts where farmers had innate control over the workers. This saw farm workers being included in legislation such as the Labour Relations Act (Vink, *et al*. 1998: 74).

Along with land reform, rural development policies were implemented (Vink, *et al*. 1998: 77). Although this was done with the intention of rectifying the ignorance placed on the rural areas, it proved to be too expensive to maintain for the required period. However, for a short period, betterment planning on the land was conducted, along with project farming, and the establishment of farming support groups (Vink, *et al*. 1998: 77).

Many of the above mentioned changes were implemented with good intentions. However, the effect which they had on the white commercial farmer was extensive. Having government's support was something which many farmers expected. With the abolishment of the legislation and subsidies, many farmers experienced cash flow problems (Vink, *et al*. 1998: 79). This was as a result of decreased profitability, due to rising input costs and lower market prices as a result of the abolishment of the Marketing Act of 1937. In order to rectify the problem, farmers' incurred much debt, which in the long-run proved to be detrimental as it saw many of them exit the sector (Vink, *et al*. 1998: 79).

Although these regulations were completely eliminated by 1997, the impact they had on the competitiveness of the agricultural sector was extensive (Vink, *et al.* 1998: 79; Sandry and Vink, 2009: 221). The deregulations have resulted in the removal of agricultural subsidies paid to farmers by the government, the removal of both import and export controls, and the removal of agricultural marketing boards (Nell and Napier, 2005: 383; Hazell, *et al*. 2007: 4; Louw, Chikazunga, Ndanga, Bienabe and Jordaan, 2008: 2-4). Before the latter two deregulations took place, they played an important role in maintaining the competitiveness of the agricultural sector, by ensuring that farmer's received the best possible price for their products, and ensuring that the South African market was not over-supplied with imported produce. As a result of their removal, the agricultural sector has become more vulnerable and volatile to changes which may occur (Vink, *et al*. 1998: 79; Nell and Napier, 2005: 383; Hazell, *et al*. 2007: 8; Louw, *et al.* 2008: 2-4; Van Buuren, 2008: 80-82;). This has had a major impact on the farmers within the country as they have had to adapt to changes should they wish to continue their farming business in the future.

Although the deregulation of the market had a negative impact on some farmers, it provided others with an opportunity to take advantage of the export market (Louw, *et al*. 2008: 5). The deregulation of the markets did change the competitive nature of the agricultural industry by increasing the number of competitors, and it also resulted in an increase in exports because the potential market grew. South African farmers were able to increase their produce, and export the excess that was not absorbed by the South African market, to other countries. Statistics show that agricultural exports increased at a rate of 9.2%, annually, for the period of 1997 to 2007 (Sandry and Vink, 2009: 220). A more recent statistic shows that the export of South African agricultural products increased by 10.5% while imports increased 29.8% over the 2011/2012 financial year (South African Department of Agriculture, 2012a: 12). Here, it can be seen that South African farmers face increased competition from the amount of foreign produce that is being imported. From the above statistics, it is evident that some farmers were able to become highly successful in the new, volatile agricultural sector, while others have struggled (Louw, *et al*. 2008: 5). Farmer's now face an increased number of challenges, among which are related to the deregulation of the agricultural sector.

2.3.3. Importance of South Africa's Agriculture

In South Africa, the agricultural sector is vitally important. This can be seen in the contribution that the sector makes to both GDP and employment. In 2012, the agricultural sector contributed 15% to the country's GDP. The contribution, as with the USA, comes from both primary productions of goods as well as agro-processing (South African Department of Agriculture, 2012b: 44). The contribution can be separated into a primary agricultural contribution of 3% and an agro-processing contribution of 12% for the 2012 financial year (South African Department of Agriculture, 2012b: 44). Primary agriculture's contribution to GDP declined in the 2013 financial year from a 3% contribution to a 2.5% contribution (SAPA, 2013: 1; Qwabe, 2013: 1). Although this is not extensive, the decline has resulted in a decline in agricultural employment (Qwabe, 2013: 1).

Although agricultural employment has declined, there are 706 000 individuals who are employed in agriculture, taking into account seasonal fluctuations (Qwabe, 2013: 1). In 2012, agriculture employed 661 000 individuals. This increased further to 739 000 individuals at the start of the 2013 financial year (Qwabe, 2013: 1). Although these statistics indicate that many South African citizens are reliant on the agricultural sector for income to sustain their

forms of livelihood, it supports the South African Institute of Race Relations (SAIRR) predictions for agricultural employment. The SAIRR predicts that agricultural employment will decrease by at least 30% per annum should agricultural practices continue to move toward a mechanised nature (Qwabe, 2013: 1; Lebone, 2013: 1). Although mechanisation in South Africa began in the 1900's, it is becoming a global trend with regards to agriculture.

South Africa is a developing country which has an unemployment rate of approximately 25% due to lack of job creation and low skills levels (Statistics South Africa, 2014: 1). Furthermore, many individuals in the country suffer from food insecurity. This implies that there is insufficient household income being earned to purchase the required daily quantity of food, which leads to high levels of malnutrition. The agricultural sector finds much of its employment in rural areas. Individuals residing in these regions are amongst the 45.6% of households who do not have access to foods of the required level of nutrition (Stellenbosch University, 2013: 1; SAPA, 2012: 1). Should agricultural employment decline at its current rate, individuals may lose large portions of household income, which may result in further food insecurity, thus having a negative effect on rural populations (Stellenbosch University, 2013: 1).

As previously alluded to, primary agriculture was labour intensive. However, much investment has been placed into mechanising agriculture, which has resulted in a decline in employment in agricultural sectors internationally (Lebone, 2013: 1). Evidence does support that agriculture can play an instrumental role in absorbing excess labour (Johnston and Mellor, 1961: 575; Bezemer and Headey, 2007: 10; Ramaila, Mahlangu and Du Toit, 2011: 15-16). Primary agriculture could absorb much of the unemployed, low-skilled labour in South Africa, which could lead to skills development. This, however, is not the case. The exact reason for this is unclear, however, much is put down to the high cost of labour, both directly and indirectly, high input costs, Apartheid legislation and government support (Davis, 2013: 1; Erasmus, 2013: 1). Efforts need to be implemented into absorbing excess labour because this will lead to the development of other sectors in a developing country, like South Africa (Johnston and Mellor, 1961: 570-571; Ramaila, *et al*. 2011: 16). Bezemer and Headey (2007: 13), suggest that it is a rare occurrence for the agricultural sector to develop without interference from the government. The implementation of the developmental state in the USA supports this statement. Before focusing attention onto manufacturing industries, the agricultural sector needs to be developed. Low-skilled labour cannot be directly employed

into manufacturing due to the high levels of risk that is involved. Additionally, these individuals cannot afford to pay high prices for manufactured products. Therefore, poverty will not reduce (Johnston and Mellor, 1961: 576; Bezemer and Headey, 2007: 13; Ramaila, *et al*. 2011: 16).

2.3.4. Structure of South Africa's Agricultural Sector

The changes which took place impacted the structure of South Africa's agricultural sector. The Apartheid nationalist government favoured the development of the white farmer's in the country. As a result, legislation was implemented which indicated this preference. This allowed white farmer's to develop their farming business while black farmers were forced into restricted areas to and contributed very little to South African agriculture (Hall, 2004: 213-215; Genis, 2012: 1).

South African agriculture therefore became, what is known as, a dualistic agricultural sector (Hall, 2004: 213; Genis, 2012: 1). This categorisation means that both commercial farmers, and emerging and subsistence farmers operate in the sector (Hall, 2004: 213; Bayloi, 2010: 43). Although both classifications of farmers play a role in the South African economy, their contribution to South African output is significantly different. Commercial farmers produce 95% of the agricultural output in South Africa, with emerging and subsistence farmers producing the remaining 5% (Kane-Berman, 2012: 1; Neil, 2013: 1; Qwabe, 2013: 2; SAPA, 2012: 1).

Reasons for this significant difference need to be explored. The origin of the difference could be the legislation which was implemented by the Apartheid nationalist government. This legislation favoured white farmers which allowed them to become more competitive in the long-run. This could be due to the development of their skills and abilities, which were projected onto their agricultural products, in addition to growing their farm business. Thus, one needs to explore the dualism within South Africa's agricultural sector.

2.4. South Africa's Dualistic Agricultural Sector

South Africa's agricultural sector is one of a dualistic nature, meaning that it consists of commercial farms, both large and small, and emerging, and subsistence farmers (Hall, 2004: 213; Bayloi, 2010: 43; Genis, 2012: 1). Literature provides a definition as to what a farm is,

however, difficulty comes into defining, explaining and understanding the types of different farms which are found in the country. The insight provided into the brief history of South Africa's agricultural sector, begins to generate an understanding as to why the sector is in its current state.

This section will discuss the different types of the farms found in South Africa. Firstly, small-scale farms will be discussed and defined. Reference will be made toward generating a definition and understanding initiatives that are in place to assist small-scale farmers to develop. Secondly, commercial farming will be discussed in its entirety. Throughout this section, reference will be made to other countries in order to aid a deeper discussion. The section will conclude with a discussion on the importance of farming.

2.4.1. Small-Scale Farming

There is much debate around the understanding as to what constitutes a small-scale farm. In the past, a small-scale farm was thought to be one which operated in the rural areas of a country. It was believed that these individuals conducted subsistence farming (Kirsten and Van Zyl, 1998: 552; Lininger, 2011: 3). Subsistence farming refers to the process of farming purely for food security purposes for individual households. However, in a South African context, a small-scale farm can also be one which is owned by an emerging farmer. An emerging farmer is an individual who is striving toward becoming a commercial farmer, but due to the limited access to resources, poor skills, and poor market information, the farmer struggles to gain the commercial status (Chikazunga, 2012: 1; Africa AgriBusiness Magazine, 2013: 1).

Small-scale farming can be defined as the production of agricultural products on a relatively small piece of land by using inexpensive, and labour intensive approaches (Kirsten and Van Zyl, 1998: 553-554; Hazell, *et al*. 2007: 1; Kutya, 2013: 1). A small-scale farm can range from individuals conducting subsistence farming to an emerging farmer, who is beginning to produce for a market. Due to there being no formal measurement regarding what size farm is classified as a small-scale farm, it is believed that pieces of land which are family-owned, reside in the rural areas, or are on the outskirts of urban areas can be classified as small-scale farm land (Kirsten and Van Zyl, 1998: 554; Kutya, 2013: 1). This classification is common amongst both developed and developing countries (Hoppe, *et al*. 2010: 1).

Small-scale farmers are associated with a number of stereotypes which include the farmer being unproductive, inefficient, and non-commercial (Kirsten and Van Zyl, 1998: 552; Hazell, *et al*. 2007: 1). This view is classified as the norm because larger farmers are able to effectively and efficiently produce agricultural products with which to supply the market (Kirsten and Van Zyl, 1998: 553-554; Hazell, *et al*. 2007: 1; Kutya, 2013: 1). Small-scale farmers, especially emerging farmers, have the potential to contribute to South Africa's agricultural output, should they be given the opportunity. However, the lack of market knowledge and poor access to markets and distribution networks results in the farmer supplying the informal trade market (Chikazunga, 2012: 1; Africa AgriBusiness Magazine, 2013: 1).

There is a rapid rate of decline in the number of commercial farmers, thus the importance of developing emerging farmers is rising in order to ensure that the country remains food secure. In the fourth quarter of 2013, it was calculated that approximately 36 000 commercial farms remained in the country, compared to 128 000 in 1980 (Gosling and Moolla, 2011: 1; Neil, 2013: 1; Qwabe, 2013: 2). However, many emerging farmers have the vision and strive to become commercial farmers, yet they lack the ability to do so (Chikazunga, 2012: 1; Africa AgriBusiness Magazine, 2013: 1). The South African government has realized the importance of these emerging farmers to the country, and has implemented some efforts which support the emergence of these farmers. However, privately run organisations appear to be implementing efforts which are more effective. An agricultural organisation, namely the African Farmers Association of South Africa (AFASA) has developed programs which are available to emerging farmers in order to assist them in surviving in the long-term (Africa AgriBusiness Magazine, 2013: 1). This shows that small-scale farmers have the choice to join an organised agricultural association.

AFASA realize the difficulty that small-scale farmers face in accessing market information, and in supplying the markets. Also, due to the lack of support, farmers are unable to develop past their current stage (Africa AgriBusiness Magazine, 2013: 1). Chikazunga (2012: 1) attributes the reason for a low growth rate amongst emerging farmers to the lack of support which is provided. In the past, extensive support was provided to the white farmer, while the black farmer was excluded. This resulted in the black farmer lacking the resources and knowledge needed to operate their farm effectively (Chikazunga, 2012: 1; Africa AgriBusiness Magazine, 2013: 1). In order for the emerging farmers to develop, there needs

to be a program that is developed which is geared around supporting emerging farmers, and one which equips them with the skills that will allow them to operate successfully in the market (Chikazunga, 2012: 1).

AFASA developed a strategy which is based on the development of agricultural cooperatives. An agricultural cooperative is a form of an organised agricultural association whereby farmers group their resources for certain farming activities and seek support from fellow members (Department of Agriculture, Forestry and Fisheries, 2010: 3). One of the key issues which emerging farmers face is access to financial support. The emerging farmers are unable to go to land banks, because they do not have the collateral that is needed to secure the loan. A similar issue is faced with regard to commercial banks (Africa AgriBusiness Magazine, 2013: 1). This specific cooperative will be centred on the needs of emerging farmers, specifically financial needs. The reason for this is that AFASA believe that should the emerging farmers have access to finance, it will lead to investment in the farm, and thereby growth. Thus, should emerging farmers wish to become a member of this cooperative, a once-off membership fee will need to be paid which will grant them unlimited access to the services which are offered (Africa AgriBusiness Magazine, 2013: 1).

The initiative shown by AFASA is supported by the Cooperatives Act number 14 of 2005 (Africa AgriBusiness Magazine, 2013: 1). This can be attributed to the fact that the development of an agricultural cooperative for emerging farmers is based on the promotion of economic growth and social development (Africa AgriBusiness Magazine, 2013: 1). The growth and development will be in the form of investment in land and infrastructure on the farm, and the provision of support in the form of equipping farmers with market and business knowledge. Furthermore, it is believed that this will be a success because it was initiatives such as these which contributed to the development and success of white farmers prior to their abolishment in 1993 (Africa AgriBusiness Magazine, 2013: 1).

Although AFASA's initiative addresses one of the challenges which emerging farmers face, Afgri, another agricultural organisation, developed a program which not only address the financial concern, but also the skills and market-related challenges which are faced by emerging farmers. This program has taken the form of a mentorship model whereby emerging farmers who meet the programs requirements are paired with a mentor (Afgri, 2013: 1; Visser, 2013: 1). The mentor will equip the emerging farmers with literacy skills, financial

management skills, business ethics skills, and market-orientated skills. These skills are being developed in the hope that the farm will continue to prosper in the long-run (Afgri, 2013: 1; Visser, 2013: 1). Upon completion of the program, the newly developed emerging farmer will be incorporated into Afgri's network, and thus have access to the extensive range of services which are on offer (Afgri, 2013: 1).

Relative to AFASA's program, Afgri has developed a program which allows farmers to work together, rather than in isolation. This may result in further success as the emerging farmers are able to ask questions in areas which they do not understand, and can assist other farmers who are struggling. Thus, Afgri offer a long-term plan, rather than simply providing access to finance.

Hall (2013: 1) suggests that government expects emerging farmers to actively compete with the commercial farming sector, which is made up of highly experienced and knowledgeable farmers. Perhaps this is where privately run organisations such as AFASA and Afgri are able to provide a better service to the farmers. The initiatives these two organisations developed are aligned with the needs of the emerging farmer, and are equipped to assist them (Africa AgriBusiness Magazine, 2013: 1; Afgri, 2013: 1). Such initiatives could prove to be more beneficial than the no-care attitude that government has. Hall (2013: 1) supports this statement by stating that prior to an emerging farmer being granted land, the farmer first needs to prove that they have the skill capacity to succeed, on a short-term basis. A question which can be asked here is that of how the emerging farmer is meant to finance these farming activities when they have limited access to finance? The reasoning placed behind the short-term success plan is that the Department of Agriculture cannot financially, or in any other manner, support emerging farmers (Hall, 2013: 1).

Upon further investigation, the National Development Agency (NDA) has developed initiatives which aim to assist emerging farmers. The sponsors of these funds range from private businesses to government departments. Furthermore, they are centred on the needs of emerging farmers (NDA, 2009: 1). However, there is no information regarding whether or not the emerging farmer is aware of these initiatives, and whether or not they are successful.

It is estimated that there are approximately two million emerging farmers in South Africa (Hall, 2013: 1). The potential for these farmers to become one of a commercial status is high,

should they take advantage of the initiatives on offer. Furthermore, the country can benefit, largely, from the development of emerging farmers to commercial farmers. The benefits include economic development and growth due to the employment potential that agriculture has.

2.4.2. Commercial Farming

Commercial farms have the potential to contribute extensively to the agricultural output of any given country. Due to their advanced state, commercial farms in developed countries are more productive, thus contribute significantly to the economy in terms of agricultural output, employment and GDP (Johnston and Mellor, 1961: 566-568; Bezemer and Heady, 2007: 5-8; Bonaglia, Labella and Marshal, 2008: 32-33; Hoppe, *et al.* 2010: 1). The case differs in the instance of developing countries. Many developing countries, especially in Africa, are reliant on small-scale farming and imported food products (Bonaglia, *et al*. 2008: 32). In other words, their agricultural sector is not self-sufficient, which could explain the high levels of food insecurity which are experienced (Nyoro, Wanzala and Awour, 2001: 1-2; Bonaglia, *et al*. 2008: 32). Alternatively, agricultural sectors in developed countries are net food exporters. This indicates that the agricultural sectors are self-sufficient and are able to provide other countries with agricultural products.

Farm statistics are provided by an agricultural census which is conducted every five or 10 years, depending on the country in which the census is taking place. It is for this reason that the statistics provided are based on the last agricultural censuses that were conducted in the three countries of the USA, Ireland and South Africa. Thus, they might appear to be outdated.

In the USA, a commercial farm is classified on the basis of selling agricultural produce, Should a piece of land, of any size, be used to produce and sell agricultural products to the value of at least $1000 or more per annum, it will be classified as a commercial farm (United States Environmental Protection Agency, 2013: 1). It is estimated that, based on the agricultural census conducted in 2007, there are approximately 2.2 million farms in the USA (Hoppe, *et al.* 2010: 1; United States Environmental Protection Agency, 2013: 1). There are approximately one million commercial farms in the USA, all of which contribute to agricultural output (Hoppe, *et al.* 2010: 5-6). While still a substantially high number of

commercial farmers exist in the USA, the number of non-commercial farmers in also significant. There are 1.2 million non-commercial farms in the USA, contributing one percent to the total value of agricultural production (Hoppe, *et al*. 2010: 5). A non-commercial farm can be a likened to South Africa's small-scale farmers, specifically emerging farmers. In the case of the USA, one can see that small-scale farms do not only exist in developing countries, but also in developed countries.

A census of the agricultural sector in Ireland is conducted every 10 years (Irish Agriculture and Food Development Authority, 2010). There are 139 829 commercial farms in Ireland. Although significant, the number has decreased from 141 527 commercial farms which were in operation in the year 2000 (Irish Agriculture and Food Development Authority, 2010: 1).

Although in developed countries there are a significant number of commercial farms which contribute largely to agricultural output, the case differs with regards to developing countries. African countries are reliant on subsistence farming and agricultural imports (D'Haese and Mdula, 1998: 83). This is concerning because there is a large level of food insecurity in these countries (World Bank, 2013: 1). Due to the poor infrastructure, low skills levels, and poverty, African countries remain under-developed. This is concerning due to the fact that there is reliance on imported agricultural products (D'Haese and Mdula, 1998: 83). The implications of imported agricultural products are high prices, and due to high levels of poverty and low income levels, individuals residing in these countries cannot afford the imported agricultural products, thereby leading to food insecurity (Nyoro, *et al*. 2001: 1-2; Douglas, 2013: 1). It is safe to conclude that many African countries are not self-sufficient in the agricultural sector (D'Haese and Mdula, 1998: 83). The happenings in developing African countries is similar to the occurrence in Ireland during the famine, where the citizens could not afford to purchase the imported products due to the high prices associated with them (O' Grada, 1995: 34-35).

There is a high demand for commercial farmers in many African countries, including Kenya, Mozambique, and the Democratic Republic of Congo (AFP, 2011: 1; Hall, 2011: 2). An important illustration of the preceding discussion on African countries being reliant on other countries for agricultural products, and the statement concerning the demand for commercial farmers is supported in the case of the Democratic Republic of Congo (Hall, 2011: 5).

The Democratic Republic of Congo imports approximately 95% of the agricultural products which are needed to sustain its food demands (Hall, 2011: 5). This reliance on agricultural imports heavily impacts the price of the products in the Democratic Republic of Congo's food markets, attracting local producers to supply the market with goods. However, their supply is insufficient to meet the daily demands of the country (Hall, 2011: 6). Thus, the government is implementing a plan which addresses this issue. Government is turning over state-owned farms to commercial farmers, regardless of whether or not they are citizens of the Democratic Republic of Congo. This is being done with the aim of boosting agricultural production in the country (Hall, 2011: 6). The project is being made possible through a partnership with Agriculture South Africa (AgriSA), which sees South African commercial farmers expanding into African countries. The use of South African commercial farmers is seen as a great benefit due to the intricate knowledge they have on farming (Hall, 2011: 6-7). Similar instances are occurring in Mozambique, where South African farmers are in demand in order to boost agricultural productivity in the country (Hall, 2011: 8). Although this is beneficial for the African countries, it is concerning for South Africa's agricultural industry.

In South Africa, Commercial farms produce 95% of the agricultural output, with emerging and subsistence farmers producing the remaining 5% (Kane-Berman, 2012: 1; Neil, 2013: 1; Qwabe, 2013: 2; SAPA, 2012: 1). A concerning factor is, however, the rapid rate at which the number of commercial farms are decreasing. Although there are uncontrollable factors, which will be discussed later, that are contributing to the decline in the number of commercial farms, other reasons include that South African farmers are being recruited in countries with poor food security, including Mozambique and Zambia. Currently, there are approximately 800 South African farmers operating in Mozambique, while at least 50% of the commercial farmers in Zambia are South African farmers (Afgri, 2013: 1).

In the fourth quarter of 2013, it was calculated that approximately 36 000 commercial farms remained in South Africa, compared to 128 000 and 45 818 in 1980 and 2002 respectively (AgriSeta, 2010: 7; Gosling and Moolla, 2011: 1; Neil, 2013: 1; Qwabe, 2013: 2). This could potentially have an adverse effect on both the employment of individuals and food security. Although this trend is apparent on a global scale, as can be seen in the case of Ireland, the rate of decline is much more substantial in a South African context, and reasons therefore need to be explored.

In comparison to the USA and Ireland, South Africa has the lowest number of commercial farms in the country, and yet they still manage to maintain agricultural output and ensure that food security is maintained. However, a concerning factor is the reason behind the large decrease in the number of commercial farms. Hall (2011: 3) highlights that the current statistics may be incorrect due to the extensive level of multiple ownership amongst commercial farmers. This means that many commercial farmers own multiple farms, which could imply that should they exit the agricultural sector, more than one farm may be lost. Reasons for the decrease in commercial farmers need to be explored.

2.4.3. Challenges Facing South African Farmers'

The changes which have occurred in the agricultural sector have posed difficulty not only on commercial farmers, but all farmers, and the way in which they are able to compete in that market because they are faced with an increased number of competitors (Hazell, *et al*. 2007: 4; Louw, *et al*. 2008: 2-4; Van Buuren, 2008: 82). Gosling and Moolla, (2011: 1), Genis, (2012: 2) and the Albany Farmers League (2013: 3), suggest that there are a number of uncertainties that are faced by farmers. Amongst these uncertainties are both controllable and uncontrollable factors. Although some factors are uncontrollable, they still play a role in determining whether commercial farmers will continue to farm, or whether they will exit the sector. Additionally, some of these challenges are also pertinent to small-scale farmers. These uncertainties include issues of land reform, risk adversity, succession planning, high input costs, poor market information, and increasing imports (Gosling and Moolla, 2011: 1; Hall, 2011: 2; AFP, 2011: 1; SAPA, 2012: 1; Genis, 2012: 2; Albany Farmers League, 2013: 3). Research suggests that due to the uncertainties experienced, some farmers do not want to invest in their farms (AFP, 2011: 1; Hall, 2011: 2; Genis, 2012: 2).

2.4.3.1. Land Reform

Land reform concerns the redistribution of land from the well-endowed residents to the poorer residents of a country, under the influence of the state (Hall, 2004: 215). In the South African context, land reform began with the intention of it reversing the injustices which took place during the Apartheid Era which saw black South African's being removed from the formal agricultural sector (Hall, 2004: 213-215; Genis, 2012: 1-3). Although the process of land reform is required to develop the nation and reduce poverty, it imposed much uncertainty on white farmers who were concerned about their form of livelihood. White farmers have the

perception that the land reform policies which were implemented by government would result in their land being repossessed and given out to the previously disadvantaged South African (Hall, 2004: 215-216). However, this was not the government's intention. The African National Congress (ANC) implemented land reform with a willing buyer-willing seller program (Hall, 2004: 215). Such a land reform program required the current owner of the farm to be willing to sell his/her farm to a previously disadvantaged individual or to the state. The ANC had no intention of simply repossessing the land (Hall, 2004: 221; Genis, 2012: 3). This should have reduced uncertainties amongst the current white farmers. It, however, did not. The knock-on effect of the uncertainties experienced resulted in high levels of risk adversity.

However, President Zuma announced in the State of the Nation Address in the first quarter of 2015 that there would be many changes to land reform policy (Zuma, 2015: 1). One announcement saw the potential abolishment of the willing buyer-willing seller principle. Reasons for this are abundant; however, it is put down to the abuse of the principle (Zuma, 2015: 1). Land owners felt that it was in their right to demand a price for the land that was higher than the market value of the land. This resulted in much fewer farms being sold and redistributed than was planned by government (Zuma, 2015: 1). Another major announcement concerned the ownership of land. Farmers are no longer able to own more than two farms, or the equivalent of 12 000 hectares of land, because it could lead to a more equitable distribution of land (Greenberg, 2015: 1; Hunter, 2015: 1; Zuma, 2015: 1). This is an area of concern for large commercial farmers because it may impact the productivity and profitability of the farm (Greenberg, 2015: 1). These policy alterations have created uncertainty in the farming community because farmers do not know if or when their farm could possibly be redistributed. Although these policy announcements were made, amongst others, the ANC still has no intention of simply repossessing the land (Zuma, 2015: 1).

Alternatively, if one takes the perspective of the small-scale farmer, the literature paints a different picture. Hall (2013: 1) explains that the government first allows the small-scale farmer to have the land for a short, trial period. During this time, the farmer is required to prove that they have the farming skills and abilities to use the land effectively, and produce agricultural output. If the farmer is successful, he/she will be granted long-term land tenure (Hall, 2013: 1). However, this is a risky venture. The small-scale farmer does not have access to sufficient finance to fund the farm (Chikazunga, 2012: 1; Africa AgriBusiness

Magazine, 2013: 1). This may result in a poor representation of the farmer's skills and abilities, which in turn may result in the land tenure not being granted. However, with the correct support, emerging farmers can become successful. An example of this is a cluster in the Limpopo Province where a group of farmers were allocated land and began growing vegetables, for commercial purposes (Zuma, 2015: 1). These farmers were assisted by the government to create a successful farming enterprise. Additionally, this area has created 2500 employment opportunities, contributing positively to economic development (Zuma, 2015: 1).

2.4.3.2. Risk Aversion

As previously stated, the issue of land reform caused much uncertainty for commercial farmers in the country, and some uncertainty for small-scale farmers (Hall, 2004: 221). These uncertainties resulted in farmers avoiding investment in their farm, which resulted in them not taking advantage of technological advances and them losing their competitive stance due to poor functioning machinery and equipment. The decision to not invest in your farm is a poor decision. Although there may be uncertainties in any given business, a recent exploratory study found small commercial farmers to be extremely risk adverse (Moss, 2013: 62). It should be an innate skill of any manager to manage the risks which are faced because these can prove to be beneficial for the business. The benefit could come from exploiting an opportunity which you were uncertain about, but proved to contribute positively to your farm (Neneh, 2011: 3367; Moss, 2013: 62-63).

Rather than addressing and managing risks that are faced, farmers would rather shy away from them. An example here is the fact that many commercial farmers would rather exit the agricultural sector or move their farm to a different country due to issues such as labour unrest and land reform (Hall, 2011: 2-3). Although these are risks which are faced, farmers could potentially turn them into opportunities. Suggestions made by researchers include that of investing in the farm, paying above minimum wages, and developing employee skills (Genis, 2012: 13-15). Scanning the external environment could alert farmers to risks faced, which in turn could decrease the level of uncertainty around their farm as a business and form of livelihood (Genis, 2012: 13-15).

2.4.3.3. Succession Planning

Succession planning concerns the managers of a business, in this case the manager would be the farmer, who develops and trains an individual who is currently employed in the business to ensure the business continues to operate in the future (Richtermeyer, 2011: 16). In doing this, the current manager ensures that the individuals who will continue operating the business has the correct skills and abilities to do so, and ensure that they are aware of what role they are fulfilling as well as what is expected of them. It is therefore important that the manager slowly starts decreasing their input as soon as the decision is made to retire from the business (Foskey, 2005: 22; Barclay Foskey and Reeves, 2007: 5).

Effective succession planning is not a common occurrence in the farming discipline. Although reasons for this are vague, they include issues about inheritance and management (Barclay, *et al*. 2007: 5-6). Farmer's often expect their children to ensure the effective operation of the farm once retirement age is reached or a death occurs. However, little is done in regard to ensuring that the children have the correct skills and abilities to ensure that the farm continues operating long into the future. Additionally, farmers' children generally always come back to the farm, after school or university. Immediately they are placed into a management position, but are not necessarily trained in effective running of the farm, and thus may be unsure as to what their role is within the farm (Barclay, *et al*. 2007: 5-6; Richtermeyer, 2011: 16).

From this, one can conclude that succession planning on farms is rare. Farmer's need to give special consideration to succession planning, be it whether their children will inherit the farm, or it will become part of a shared ownership scheme. The farmer needs to ensure that there is an individual who possesses the correct skills and abilities to ensure the continuity of the farm.

2.4.3.4. Poor Market Information

Farmers are faced with a number of challenges within the markets to which produce is supplied. Countries around the world, including South Africa, the United Kingdom, and countries in the European Union, are all dominated by a small number of large retail outlets (Hazell, *et al*. 2007: 13; Louw, *et al*. 2008: 3). These retailers prefer to deal with larger farms whereby they are assured of efficient supply, and high quality products of a certain size.

Research has shown that the larger farms are able to provide this on a continuous basis, due to their extensive access to resources and use of technology, thus making them the preference for the retailers located in the countries. These retailers then distribute the produce to their stores around the country (Hazell, *et al*. 2007: 13-14; Louw, *et al*. 2008: 3). Should a small farmer want to provide produce to a retailer, like South Africa's Woolworths Limited, they need to be able to meet the requirements of efficient supply, and high quality products of a certain size. However, due to the misconceptions around smaller farmers being labour intensive and inefficient, it is unlikely that a contract will be entered in to (Louw, *et al*. 2008: 3; Baloyi, 2010: 24-25). This information is poorly communicated to the farmer, and results in the informal retail sector being over-supplied with produce (Louw, *et al*. 2008: 4-5).

In addition to the supply of produce to the retailers, they also require that farmers are able to continuously meet customers changing preferences (Hazell, *et al*. 2007: 14). This is relatively easy for the large farmer to understand and implement because they are able to easily adapt to the changing preferences. This is due to the abundance of access to resources which include financing, and regular exposure to the market providing the necessary market information to adapt to changing preferences. However, the small farmers may not have this luxury due to poor access to resources (Chikazunga, 2012: 1; Douglas, 2013: 1). Although the small farmer may be willing to meet changing customer preferences, the farmer may not be able to change production fast enough to meet the changing preferences.

2.4.3.5. High Input Costs

Small farmers use a more labour intensive approach to farming as opposed to the large farmers which use a more capital intensive approach (Louw, *et al*. 2008: 3-4). Due to low profit margins being earned, and the inability to manage uncertainty, small farmers are unable or unwilling to move to a capital intensive approach in their farming practices. However, using a labour intensive approach does have advantages associated with it, such as the ability to monitor it continuously, and due to there being an abundant supply of labour, it is easily accessible (Hazell, *et al*. 2007: 10). However, there is a level of uncertainty associated with using a labour intensive approach, especially in a country like South Africa. Although there is an abundance of labour within the country, there is a high strike tendency (Business Day Live, 2013: 1). This will occur in an instance where the individual is not satisfied with the wage which is being received, which will in turn impact the cost of labour for the farmer.

Although it is more cost-effective for the farmer to use labour than using machinery in the short-run, in the long-run it becomes highly expensive.

The use of labour is apparent on farms in South Africa. Due to the farm worker strikes which took place in the fourth quarter of 2012, at the beginning of March 2013, the government announced an increase in the minimum wage from R69 per day to R105 per day for farm workers (Davis, 2013: 1; Erasmus, 2013: 1; Business Day Live, 2013: 1). Later sectoral determinations of wages resulted in farm workers earning approximately R110 per day from March 2014 to February 2015, and an estimated R120 per day during the 2015/2016 financial year (Department of Labour, 2015: 1). This had an impact on the farmer's current financial situation due to him having to invest more in labour than in previous years. This could potentially lead to difficulty in covering other operating expenses (Erasmus, 2013: 1). A contrasting opinion is that of the farmer being aware that the wage rate could increase. The farm worker strikes occurred in the months of November and December in 2012 (Davis, 2013: 1). Due to the extent of the labour unrest, negotiations between farmers, farm workers, and trade unions took place to reach an agreement which was deemed fair for all parties. Although these negotiations did take place, farmers could have planned for the increase in the wage rate. The farmers had five months to plan for changes in the cost structure of their business. Very few farmers did this. The fact that this did occur, could be an indication that farmers have a short-term focus, rather than considering the long-term implications.

2.4.3.6. Market Conditions

Most countries around the world are both importers and exporters of agricultural products. The process of trade liberalization has increased the accessibility of agricultural products in other countries (Hazell, *et al*. 2007: 8).

Many developing countries have agricultural sectors which were not functioning effectively before their countries opened up for international trade. As a result of the country opening up for international trade, the farmers operating in these countries were subjected to higher levels of competition as well as imported produce which were sold at a lower price than the local produce (Hazell, *et al*. 2007: 8). This is supported by statistics from the 2012 financial year. During the 2012 financial year, imports increased 29.8% (South African Department of Agriculture, 2012a: 12). This needs to be considered by a country due to the important role

that agriculture plays in the development of the economy as discussed above. There should be a focus on increasing the competitiveness of the farmers who reside in the country, or increasing the number of farmers in the country. Performing these two tasks will ensure that South Africa remains food secure.

To support the preceding statement, special consideration was given by government to improving agricultural competitiveness in the USA and Ireland. As was previously discussed, this resulted in a highly competitive and developed agricultural sector, which in turn leads to the development of the entire economy (Johnston and Mellor 1961: 576). Trade liberalization, thus, has had a negative effect on agricultural competitiveness in some countries, like South Africa.

Although the above mentioned factors are both controllable and uncontrollable, organised agricultural associations have the ability to mitigate some of the uncertainties which arise in addressing these challenges. This is through the role and purpose which the agricultural associations, more specifically a farmers' association can perform. A discussion on organised association and the theory on them is discussed in chapter 4.

2.5. Summary

The agricultural sector is of great importance in any given economy. This can be seen with regards to Ireland and the USA. However, much focus has been placed on the agricultural sector within South Africa. Although South Africa's agricultural sector has undergone many hardships, due to discriminatory legislation and racial segregation, it has managed to start regaining its stance. However, due to the extensive impact that the legislation had on African farmers, much of the knowledge and skills on the discipline of farming was lost. This may in turn implicate land reform efforts because African's are familiar with small-scale farming, rather than that of commercial farming.

The focus of this study is on farming, in a general sense, in a South African context. Due to the dualistic nature of the agricultural sector in the country, both commercial farming and small-scale farming was discussed. Definitions were provided and a discussion took place on information pertinent to the types of farming. With regards to small-scale farming, a definition was provided. Due to the lack of resources, poor knowledge about markets, and an overall lack of management skills, the different types of initiatives in place were discussed.

The reason for this includes the need to transform these small-scale farmers into a commercial farmer in order to sustain food security in South Africa. Commercial farming was discussed extensively, with reference to the USA and Ireland. However, there has been a large decrease in the number of commercial farmers within the South African context. It can be concluded that there are many difficulties and uncertainties which farmers face. Amongst these uncertainties are both controllable and uncontrollable factors. Although some factors are uncontrollable, they still play a role in determining whether farmers will continue to farm, or whether they will exit the sector. These need to be addressed and reduced. A potential way in which the uncertainties can be reduced is through membership to organised agricultural associations. However, the theory of organisations needs to be briefly explored, before discussing organised agricultural associations.

Chapter 3

Organisational Theory: Systems Theory and Organisational Effectiveness

3.1. Introduction

Organisation theory and organisational effectiveness is the theory about sound organisational performance. It is important that the organisational functioning of organised associations be explored. The reason for this is that organisational functioning will allude to whether or not the organisation is effective in fulfilling its role and achieving its purpose. Business chambers and farmers' associations are formal organisations. The next chapter will discuss business chambers, with particular reference to their definition, as well as the purpose and role which are fulfilled. A similar discussion will take place on farmers' associations. However, it is important that the organisational functioning of these associations, specifically, farmers' associations be explored.

Organisation theory is a broad term used to classify the study of organisations, be they formal or informal (Laegaard, 2006: 10-11; McAuley, *et al*. 2007: 13; Lauffer, 2011: 39). It has been a concept which has undergone many developments over the years (Dougherty, 1990: 163). Development of the concept ranged from classical organisation theory in the early 1900's, to post-modern organisation theory in the late 1990's (Scott, 1961: 7-8; Dougherty, 1990: 163). Although organisation theory has undergone many developments, the contributions from each phase have been built on and added to. As a result, aspects from classical organisation theory are still evident in organisations today (Groth, n.d.: 8; Lauffer, 2011: 40-41). It must be noted that although there are many different views on which theory is best for ensuring positive organisational performance, no view is more dominant (Dougherty, 1990: 163). However, the views may present a different approach as to how the organisation can be more effective.

Although it is a different concept, organisational effectiveness is influenced by organisation theory (Rojas, 2000: 98). Organisational theory developed over time which changed the nature of what constituted organisational effectiveness (Rojas, 2000: 98; Ashraf and Kadir,

2012: 80; Kataria, Garg and Ratogi, 2013: 105). The focus of this section is to provide clarification on the constituents of an effective organisation with regards to farmers' associations.

In order to satisfy members, farmers' associations need to provide certain services to their members, thus performing their role. However, to do this, effectively, the farmers' associations need to function well internally. Thus, the components for sound organisational functioning and effectiveness need to be explored.

This chapter will begin by defining organisations, and then proceed with a definition of organisation theory, followed by a discussion on systems theory. Thereafter, the influence which organisation theory has on organisational effectiveness will be discussed, with reference to the constituents of an effective organisation.

3.2. The Organisation and its Role in Society

Organisation theory concerns the study of organisations (Laegaard, 2006: 10-11; McAuley, *et al*. 2007: 13; Lauffer, 2011: 39). It is therefore necessary to explore what an organisation is and why they exist. In doing this, a number of definitions will be provided in order to generate a better understanding as to what an organisation is, while alluding to the reason for the organisations' existence. The definitions of an organisation can be seen in table 3.1.

The definitions presented in table 3.1 state that an organisation is a group of people that work together to achieve goals and/or a purpose (Scott, 1961: 7-8; Hodge and Anthony, 1984: 4-5; McAuley, *et al*. 2007: 12-14; Cichocki and Irwin, 2011: 10; Hellriegel, Slocum, Jackson, Louw, Staude, Amos, Klopper, Louw, Oosthuizen, Perks and Zindiye, 2012: 4).

Although all definitions, agree that an organisation exists to achieve goals, Scott (1961: 7-8) and McAuley, *et al*. (2007: 12-14), contest the fact that the goal or purpose which is aiming to be achieved is common amongst all organisation members. McAuley, *et al*. (2007: 12-14) argues that each individual employed in the organisation is there for a different reason. This should imply that everyone in the organisation is there to fulfil a different role, and thus is achieving different goals. It is a fact that each individual in an organisation performs different roles and achieves different goals, yet organisations still have that ultimate goal which is to be

achieved. Each goal which is achieved by an employee is a small contribution to the achievement of the organisations purpose (Hellriegel, *et al*. 2012: 5). With reference to chapter 4, purpose is will be discussed in detail, and in summary purpose is the ultimate reason for being (Oxford English Dictionary, 2014a: 1). In an organisational context this may refer to the organisations vision, which concerns what the organisation is aiming to achieve (Thompson and Strickland, 2001: 7; Hellriegel, *et al*. 2012: 5). This is the broadest form of an organisational goal, and thus, lower level goals lead to the achievement of the vision (Veludo-de-Oliveira, 2006: 27; Hellriegel, *et al*. 2012: 5).

Table 3.1: Definitions of Organisations

Author	Definition
Scott (1961: 7-8)	Organisations are entities which exist to effectively achieve goals and objectives, by collaborating human efforts through authoritative and hierarchical structures.
Hodge and Anthony (1984: 4-5)	An organisation is made up of a group of interrelated individuals, who work together to achieve a common goal or objective.
McAuley, *et al*. (2007: 12-14)	Organisations exist around the assumption that they are social entities, possessing structural and authoritative components, in order to achieve a number of goals.
Cichocki and Irwin (2011: 10)	An organisation is a social entity, with or without a physical location, which conducts activities that are arranged in an efficient and systematic manner in order to achieve a common goal.
Hellriegel, *et al*. (2012: 4)	An organisation can be defined as an entity where a group of individuals work together in order to achieve a common goal.

In this discussion, it can be seen that an organisation is comprised of individuals. With the exclusion of McAuley, *et al*. (2007: 12-14), the authors agree that the employees within an

organisation work together, in an interrelated manner, to achieve the goals or common purpose. McAuley, *et al*. (2007: 12-14) provides an alternative view which states that all employees do not work together. There are groups of individuals in organisations which achieve goals, and at the same time there are employees who work individually to achieve goals (McAuley, *et al*. 2007: 12-14). Nonetheless, the achievement of goals is a collaborative effort, as was previously stated (Hellriegel, *et al*. 2012: 5).

Scott, (1961: 7-8); McAuley, *et al*. (2007: 12-14) and Cichocki and Irwin, (2011: 10) make reference to the need for the formal organisation. References made to the formal organisation include organisational structure, authority, systems and processes. The mention made regarding the formal organisation is to allude to the fact that having a well-functioning formal organisation, with specific reference to organisational structure, authority, systems and processes, allow for the efficient and effective achievement of the organisations goals or purpose (Scott, 1961: 7-8; McAuley, *et al*. 2007: 12-14; Cichocki and Irwin, 2011: 10).

Defining organisations can contribute to better explaining and understanding of organisation theory. However, the role which an organisation fulfils in society can also contribute to a greater understanding of the concept of organisation theory.

As was discussed in the unpacking of the definitions of the organisation, all organisations have a specific purpose or greater goal which is to be achieved (Veludo-de-Oliveira, 2006: 27; Hellriegel, *et al*. 2012: 5). However, in order to achieve those goals, the society or external environment needs to allow an organisation to exist. For this to occur, the organisation needs to provide some form of benefit to the external environment (Veludo-de-Oliveira, 2006: 26). This benefit needs to be something that the members of the external environment want or need, and thus can be a product or service which is demanded. Therefore, in order for organisations to exist in society and provide the product or service which is demanded, it needs to ensure that the purpose is fulfilled and that the goals are achieved in both an efficient and effective manner. In doing this, organisations will continue to meet the demands of consumers, and thus will be allowed to remain in society.

Organisation theory will provide insight into how the role of the organisation within society has changed.

3.3. Defining Organisation Theory

Although organisation theory is study of organisations of any form, there are a number of definitions, provided by a vast number of authors as to what organisational theory is. The definitions of organisation theory can be seen in table 3.2.

Table 3.2: Definitions of Organisation Theory

Author	Definition
Scott, (1961: 7-8)	Organisation theory is the study of formal organisation. It has evolved through three predominant viewpoints, namely the classical, neoclassical, and modern viewpoints. Each viewpoint alters the way in which the organisation is studied.
Curtis, Van Nouhys, Robinson and Mackay (2000: 351).	Organisation theory is the study of the internal functioning state of the organisation by focusing on organisational structure and design. Understanding the structure provides insight as to how effective the organisation will be in achieving its purpose.
Laegaard, (2006: 10-11)	Organisation theory concerns three components, namely the individual level, the structural level, and the macro level. While the individual level is concerned with the employee, and employee well-being, the macro and structural levels are concerned with the organisation, with consideration being given to the internal environment, consisting of the formal and informal organisations, and external environments. Thus, organisation theory considers the effectiveness of the internal functioning, while maintaining a positive relationship with the external environment, and ensuring employee well-being.
McAuley, *et al*. (2007: 13)	Organisation theory is the study of formal organisations, which considers the inter-functional nature of internal organisation components while simultaneously determining the organisations relationship with the external environment.

Daft, (2007: 20-26)	Organisation theory is the study of a formal organisation. A set of tools, in the form of theories, are provided, which one is able to measure and analyze the organisation against in order to ensure that the organisation is internally effective.
Johansen, (1999: 9)	The organisation is a group of people which work together to achieve a common goal. Organisation theory is therefore a study of understanding how systems and processes govern human behaviour in order to achieve that purpose. This spurred the development of a systems approach to organisation theory.
Lauffer, (2011: 39)	Organisation theory concerns the theories surrounding social and behavioural contexts, which can be used to understand the formal and informal organisations.

The definitions provided in table 3.2 have one core similarity, which can be seen in all the definitions, namely that organisation theory is the study of the organisation and how they function. However, contrasting opinions become evident when considering the type of organisation to which organisation theory is applicable. Four authors explicitly state that organisation theory is the study of the formal organisation. Alternatively, Laegaard (2006: 10-12) and Lauffer (2011: 39) argue that organisation theory is not merely the study of the formal organisation, but also the informal organisation. The informal organisation, for the purpose of this research, refers to occurrences inside the organisation. This includes aspects of employee interaction and organisational culture (Scott, 1961: 12; Hellriegel, *et al*. 2012: 505). Alternatively, Curtis, *et al*. (2000: 351) and Johansen (1999: 9) provide no stipulation as to whether organisation theory is the study of a formal or informal organisation. The authors do however agree with organisation theory being the study of the organisation.

Scott (1961: 7-8), Curtis, *et al*. (2000: 351), Laegaard (2006: 10-12), McAuley (2007: 13), Johansen (1999: 9), and Lauffer (2011: 39), alluded to the development of organisation theory. This concerned two predominant developments, namely from classical organisation theory to neo-classical or systems organisation theory. However, Scott (1961: 7-8) states that although there has been much development in organisation theory, the changes in the theoretical viewpoints have altered the way in which the organisation is studied as an entity.

No other author alluded to this fact. This is despite the knowledge that occurrences in one viewpoint were incorporated into the development of the next theoretical viewpoint; however the focus of what was occurring at the given stage changed (Scott, 1961: 15; Lauffer, 2011: 43). This stance is not provided in any of the definitions given by the aforementioned authors.

The third commonality between the definitions is the reference made to organisational performance or effectiveness (Curtis, *et al*. 2000: 351; Laegaard, 2006: 10-12; Daft, 2007: 20-26; Johansen, 1999: 9). Although organisational effectiveness will be discussed later in the chapter, it would be beneficial to provide a definition as to what effectiveness is. According to Hellriegel, *et al*. (2012: 8), organisations perform effectively if the activities which are undertaken result in the organisation fulfilling its purpose. This can be viewed simplistically by ensuring that the organisation performs the right activities so to ensure goal attainment. However, how organisation theory affects organisation effectiveness is not indicated within the definition, and thus will be discussed in section 3.5 of this chapter.

Taking each common factor into account, a general classification of what organisation theory is can be generated. Organisation theory is the study of organisations, be they formal or informal. It considers the evolution of organisational viewpoints through the years, with the focus on ensuring that organisations perform effectively (Scott, 1961: 7-8; Laegaard, 2006: 10-12; Daft, 2007: 20-26; McAuley, *et al*. 2007: 13; Lauffer, 2011: 39).

3.3.1. Components of the Organisation

Organisations are comprised of a number of different components including goals, structure, leadership, systems and processes, culture, and resources (Hodge and Anthony, 1984: 14; Cichocki and Irwin, 2011: 23). Each of these components will be briefly discussed.

Every organisation is created to serve an intended purpose (Hodge and Anthony, 1984: 7; Cichocki and Irwin, 2011: 26; Hellriegel, *et al*. 2012: 5). As was previously stated, an organisation exists to fulfil a particular role in society, thus its purpose, or ultimate goal is based on the organisations role in society. However, it is important that an organisation has an intended purpose and that this is effectively communicated to members of the organisation (Hodge and Anthony, 1984: 7). This will form the basis of other goals and objectives to

ensure that there is a constant working toward achieving the organisations purpose (Cichocki and Irwin, 2011: 26). Having goals and objectives in place forms the foundation for the design of the organisation (Hodge and Anthony, 1984: 8).

A key part of organisational design is that of structure (Hodge and Anthony, 1984: 10; Cichocki and Irwin, 2011: 25; Hellriegel, *et al*. 2012: 301). Organisational structure considers the question of who is responsible for what task. Thus, in developing an understanding of organisational structure, it is important to consider the notion of the division of work. Work is divided, presumably among departments, in order to ensure that the organisation achieves its goals (Hodge and Anthony, 1984: 10; Cichocki and Irwin, 2011: 25; Hellriegel, *et al*. 2012: 301). However, it is necessary for there to be effective leadership figures in place to ensure that work is performed in the best possible way. These individuals can be someone who is either authoritative, one who is in a position of power, or simply an employee who is a member of a team (Hodge and Anthony, 1984: 8-9; Hellriegel, *et al*. 2012: 301). Ensuring that there are effective leaders in place is important to ensure that an organisation is performing positively. However, effective leadership is also dependent on the consistency of the leader's behaviour (Higgins, 2005: 5).

The constituents of effective leaders are dependent on the type of organisation which exists. Some organisations require a strong, power-orientated leader, while other organisations require a leader who is more democratic. Regardless of the leadership style adopted, the leader needs to influence individuals within the organisation to perform effectively, by communicating with them, rewarding them, and creating a trustworthy environment (Hellriegel, *et al*. 2012: 374).

Although having a specific organisational structure in place is important to ensure that tasks are performed effectively, it results in the development of an informal organisation, otherwise referred to as organisational culture (Hackman, *et al*. 1983:118; Higgins, 2005: 5). Hellriegel, *et al*. (2012: 505) defines organisational culture as "the unique pattern of shared assumptions, values, and norms that shape the socialisation activities, language, symbols, rites and ceremonies of a group of people." This definition therefore illustrates that the culture of an organisation tells you how employees actually interact and behave while performing a specific task (Hackman, *et al*. 1983: 118; Higgins, 2005: 5; Cichocki and Irwin, 2011: 27).

These components all play a role in ensuring that the organisation runs effectively. However, employees need resources to perform tasks (Cummings and Worely, 2005: 86; Cichocki and Irwin, 2011: 24-25). Resources refer to the inputs used to complete a task. Although employees are considered an input because they need to have the right skills and abilities to complete the task effectively, they also need to have resources with which to work (Cummings and Worely, 2005: 86; Higgins, 2005: 5). These can be in the form of natural and financial resources or technology. Although the organisations external environment affects all components of the organisation, it particularly impacts the resources. Changes which occur in the external environment may affect the resources, skills and capabilities needed to complete a task (Hellriegel, *et al*. 2012: 179-180).

Systems and processes also form part of organisation infrastructure to ensure that employees are able to get the task done. These aspects take into consideration the hardware that is in place to ensure that tasks get done (Cichocki and Irwin, 2011: 25). An example of systems and processes would be that of information technology and quality control (Higgins, 2005: 5).

3.3.1.1. The Organisation's External Environment

An organisation operates in an environment, referred to as the macro environment (Thompson and Strickland, 2003: 73). The organisation needs to develop a clear understanding of the external environment, in analysing what the society wants or needs from the organisation's existence, as well as determining the factors that could affect the organisation in any way.

The external environment is dynamic in nature and consists of five predominant factors, namely, political-legal, economic, social, environmental and legal factors, which may affect the way in which the organisation functions (Thompson and Strickland, 2003: 73; Hellriegel, *et al*. 2012: 180-181). It is important that the organisation monitors the external environment, and responds to changes which occur in both a proactive and a reactive manner; because this is where potential opportunities and threats emerge (Thompson and Strickland, 2003: 73; Hellriegel, *et al*. 2012: 179). These factors may alter organisation components, which may change the way that the organisation functions. In turn, this may affect the way in which the organisation aims to achieve its purpose.

Within the external environment lies the industry or competitive environment (Thompson and Strickland, 2003: 74). The competitive environment refers to the nature of the industry in which an organisation operates, and makes reference to the competitors, customers, suppliers, substitute products, and complementary products which exist within the industry (Hellriegel, *et al*. 2012: 180). Organisations need to develop a deep understanding of the industry in which they operate because it can impact the profitability and long-term success of the organisation itself. Each industry requires an indepth understanding by the organisations which operate therein because industries have unique factors which differentiate them from others (Thompson and Strickland, 2003: 76). Should one consider the agricultural sector, which is the industry under investigation for this study, the farmers need to understand, amongst others, the market conditions, the number of competitors and extent of the competition thereof, distribution networks, farming technologies, and financial requirements (Thompson and Strickland, 2003: 76). As can be seen in Chapter 2, section 2.4.3 farmers face particular challenges which are impacting the competitive environment.

Although the challenges faced by farmers are both controllable and uncontrollable, much of them come from uncertainty with regard to the external environment (Thompson and Strickland, 2003: 77). It is therefore important that farmers begin to develop a detailed understanding of the nature of the agricultural industry. Farmers' associations could potentially assist with this in performing a number of roles and thus providing farmers with services and information that equips them to address some of the challenges. However, in order to do this, the farmers' associations need to be investigated to determine whether their internal functioning is effective. Understanding the internal functioning of the farmers' associations can be important in determining whether the farmers' associations are serving a purpose, and could effectively fulfil roles which benefit farmers.

3.4. Systems Theory

Organisation theory has undergone many developments since its inception. The study of organisations began with a strong bureaucratic view, but has been developed and somewhat altered to become more of a systems view, with a predominant focus on the employee as a source of competitive advantage. The systems theory component of organisation theory will be discussed in more detail as it is the one of the theoretical bases from which this study emerged.

The emergence of systems theory began when the development of the informal organisation became prevalent. According to Hellriegel, *et al*. (2012: 117), "a system is an association of interrelated and interdependent parts." This is supported by Dougherty (1990: 169); however the author suggests that the interdependent and interrelated nature of the organisation allows for the effective achievement of a purpose. There was a need for there to be integration between the two 'organisations' so to ensure organisational effectiveness, and ensure that goals and objectives are being achieved. The reason for this is due to the organisation's internal system consisting of components of both the informal and formal organisation, which needs to work harmoniously to achieve organisational goals (Scott, 1961: 16; Hellriegel, *et al*. 2012: 117).

Modern organisation theory began with the General Systems Theory, which considered how the organisation operated internally (Hodge and Anthony, 1984: 33; McAuley, *et al*. 2007: 69; Lauffer, 2011: 45; Hellriegel, *et al*. 2012: 118). Von Bertalanffy (1956) in Mele, Pels and Polese (2010: 127) described systems theory as a collection of parts which had relationships between them. However, Herbert Simon alluded to the fact that an organisation does not exist in isolation, but rather is part of a greater being (Groth, n.d: 4; Dougherty, 1990: 169). Unlike classical and neo-classical organisation theory, which understood the organisation as being a closed system, one which has little to no interaction with the external environment, systems theory saw the emergence of the organisation being viewed as an open system (Katz and Kahn, 1978 in Mele, *et al*. 2010: 127; Hellriegel, *et al*. 2012: 117). This means that the organisation continuously observes and interacts with its external environment so to monitor any changes which could potentially occur and impact its operations (Katz and Kahn, 1978 in Mele, *et al*. 2010: 127; Hellriegel, *et al*. 2012: 117). In this instance, the external environment became prevalent. Changes which occurred in the external environment were found to affect the internal organisation because skills and capabilities required to effectively compete in the industry could potentially be altered. The organisation would therefore need to adapt, and develop skills and capabilities that were required (Kourteli, 2000: 406-407; Mele, *et al*. 2010: 127-128).

Treating the organisation as an open system resulted in greater levels of information being generated by employees. Contingency theory, a key component in systems theory, saw employees receiving much autonomy in decision-making, as well as overall involvement in the organisation (Hodge and Anthony, 1984: 35; Kourteli, 2000: 406; Mele, *et al*. 2010: 127-

128; Hellriegel, *et al*. 2012: 120). This was a result of the change in structure, leadership style, organisational culture, as well as resources. Additionally, it required that the systems and processes which were in place were efficient and took much of the aforementioned characteristics into account. As a result, the organisation was deemed to be more effective in achieving its purpose (Hodge and Anthony, 1984: 35; Hellriegel, *et al*. 2012: 120).

There are many models which are available to illustrate the organisation as a system, including Higgins' 8-S model, and Nadler and Tushman's model of organisational congruence (Hackman, *et al*. 1983: 119; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22). Although each model was developed for a different purpose, the core concepts have been extracted for this study. The reason for this is attributed to the models presenting different views of what constitutes sound organisational functioning, while encapsulating the need for organisational alignment (Hackman, *et al*. 1983: 119; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22). In order for there to be sound organisational functioning, an organisation needs to have goals, leadership, structure, systems and processes, and an informal organisation. Each of these components must not only be aligned with the organisations purpose, but must be complementary to each other for the organisation to be effective in achieving its purpose (Hackman, *et al*. 1983: 119; Higgins, 2005: 4). These models were selected on the basis of clearly explaining how an organisation exists as a system in order to achieve its purpose.

3.4.1. The 8-S Model

The 8-S Model states that, although, an organisation has many different departments and features, it is important for these to all be aligned and coordinated with one another. This said, it is important for all the departments to be working toward one common goal (Higgins, 2005: 4). Thus, the 8-S Model promotes cross-functional thinking within the organisation. This is in the form that a change in one aspect of the organisation, or in one department within the organisation, affects other components of the organisation (Higgins, 2005: 4). The model was designed with the intention of improving the manner in which strategies are executed. Reasons for this include the fact that the external environment is becoming much more dynamic, thereby creating the need to continuously adapt the organisations strategy and the way in which it is executed. However, managers often find this to be the difficult part. Higgins (2005: 3) proposes that ensuring that there is alignment between the different areas of the organisation will improve the probability of success of the strategy.

As a development of McKinsey's 7-S model, this model is comprised of Strategic Purposes, Systems and processes, Structure, reSources, Staff, Shared values, Style, and Strategic performance, which exist within an organisation. Strategic Purposes explains that an organisation formulates its strategy in order to achieve its core purpose. Systems and Processes consider the components of the organisation which are required for it to perform effectively, on a daily basis (Higgins, 2005: 5). Structure concerns the organisational chart. Having an organisational structure allows managers to divide work up accordingly, ensuring that there is a degree of accountability and responsibility. Furthermore, it allows managers to determine clear lines of authority (Higgins, 2005: 5). reSources are the components, including people, technology, and money, which are required by organisations to perform tasks. However, organisations need to factor in the skills, abilities and competencies each employee has, and ensure that the job which they are performing is aligned with their skill-level. This refers to the staff component of the model (Higgins, 2005: 5). Otherwise known as organisational culture, Shared Values are the values and behaviours that each employee exhibits on a daily basis. Style refers to the leadership of the organisation (Higgins, 2005: 5). Strategic Performance is a result of effective alignment between the previously mentioned 7-S's. Should an organisation decide upon a strategy, and change other areas of the organisation to align with said strategy, it is likely that the implementation of the strategy will be more successful.

As can be seen in the explanation of each 'S', the eight S model was developed to ensure effective strategy implementation (Higgins, 2005: 7; Hellriegel, *et al*. 2012: 12). However, the model illustrates the components which are essential in the organisation in order to ensure that it functions effectively, and achieves its purpose. The crux of the 8-S model explains that in order for the organisation to be effective in achieving its purpose, it needs to align the different components to the purpose (Higgins, 2005: 4; Hellriegel, *et al*. 2012: 13).

3.4.2. The Congruence Model

The Congruence model, developed by Nadler and Tushman, focuses on the congruence within the transformation process that occurs in organisations. Congruence refers to the extent of which two components are related to one another (Hackman *et al*., 1983:119). The general hypothesis of congruence states that the higher the degree of congruence between components, the greater the effectiveness of the organisation. The success of an organisation

is more likely when the strategy and the larger environment are aligned with each other (Hackman *et al*., 1983:119).

The transformation process concerns the production of inputs into outputs. Inputs include the environment, resources, and history while outputs include organisational, group and individual functioning (Hackman, *et al*. 1983:117; Smither, *et al*. 1996: 120).

The above mentioned inputs are used in a strategic manner, and sent through a transformation process. There are four components of the transformation process. These are task, individual, formal organisational arrangements, and the informal organisation (Hackman *et al.*, 1983:118). The organisational strategy should consider these four components to ensure complete integration throughout the organisation. The task component is concerned with the fundamental work to be done by all functions throughout the organisation (Hackman *et al.*, 1983:118). The individual component is concerned with the qualities of all the individuals in the organisation. The formal organisational arrangement component looks at the systems and processes designed to allow individuals to complete their tasks (Hackman *et al.*, 1983:118). The informal organisation component looks at the relationships and structures that are formed as individuals in the organisation perform their tasks (Hackman *et al.*, 1983:118).

Although the formal organisation component stipulates how the tasks are supposed to be performed, employees often use their individual characteristics, and develop new ways in which to complete the tasks. Thus, it can be seen that each of these components are interrelated (Hackman *et al*., 1983:119; Smither, *et al*. 1996: 122). Should it be necessary to implement a change, management needs to ensure that the change which they wish to implement is compatible with the values and behaviours of their current employees. If this is not considered, it may result in poor organisational fit, thereby negatively affecting the organisation (Smither, *et al*. 1996: 122-123).

As with the 8-S model, the Nadler and Tushman model of organisational congruence is also concerned with the alignment of organisational components. However, the model further explains that an individual needs to experience organisational fit. This means that the organisation and the individual need to encompass the same values and behaviours in order to feel at ease. Arguably, the model was developed for the management discipline of

organisational change (Hellriegel, *et al*. 2012: 16). However, concepts, such as those mentioned above, reinforced the need to incorporate this into the research.

3.5. Organisational Effectiveness

Organisational effectiveness is a term which is associated with organisation theory. It is a term which is found in many of the theories which are concerned with the study of organisations (Kataria, Garg and Rastogi, 2013: 105). Rojas (2000: 98) supports this statement and alludes to the fact that organisational effectiveness is a critical component of organisation theory. As organisation theory developed, it created different means as to which the organisations purpose could be achieved (Scott, 1961: 13; Lauffer, 2011: 44-47; Hellriegel, *et al*. 2012: 114-118). A resulting factor was improved effectiveness in achieving that purpose. This can be seen in the evolution of the models of organisational effectiveness over time (Rojas, 2000: 98; Ashraf and Kadir, 2012: 80).

3.5.1. Organisational Effectiveness

Organisation theory developed over time which changed the nature of what constituted organisational effectiveness, and lead to an evolution among theories around the concept (Rojas, 2000: 98; Ashraf and Kadir, 2012: 80; Kataria, *et al*. 2013: 105). Before talking to the evolution of organisational effectiveness, it is critical to first define what is meant by the term. The definitions of organisational effectiveness can be seen in table 3.3.

There are many common factors which are seen in the definitions presented in table 3.3. One core feature that can be visibly noted from the definitions is that of goal achievement (Hodge and Anthony, 1984: 299; Hellriegel, *et al*. 2012: 8; Ashraf and Kadir, 2012: 80; Kataria, *et al*. 2013: 105). However, the type of goals that are alluded to, differ. With the exception of Ashraf and Kadir (2012: 80), the three remaining authors suggest that an organisation is deemed to be effective if the ultimate goal is achieved (Hodge and Anthony, 1984: 299; Hellriegel, *et al*. 2012: 8; Kataria, *et al*. 2013: 105). This could be challenged by deeper level thinking. As was stated in the definitions of an organisation, it illustrates that an organisation is an entity which exists to achieve a purpose or an ultimate goal (Scott, 1961: 7-8; Hodge and Anthony, 1984: 4-5; McAuley, *et al*. 2007: 12-14; Cichocki and Irwin, 2011: 10; Hellriegel, *et al*. 2012: 4). However, how does one measure whether what is occurring now, in an organisation, is effective and thus contributing to the effective achievement of that goal? This

argument is supported, to some extent, by Ashraf and Kadir (2012: 80), who state that organisational effectiveness is concerned with the effective achievement of goals and objectives. In turn, this will lead to the effective achievement of the organisation's purpose (Ashraf and Kadir, 2012: 80).

Table 3.3: Definitions of Organisational Effectiveness

Author	Definition
Hodge and Anthony (1984: 299)	The success of an organisation is measured by how effective it is in achieving its ultimate goal. Effectiveness therefore refers to whether the activities performed in the organisation will result in the achievement of the ultimate goal.
Ashraf and Kadir (2012: 80)	Effectiveness refers to whether the organisation is able to accumulate and organise the required resources in order to allow the activities performed to result in the achievement of the organisational goals and objectives.
Hellriegel, *et al*. (2012: 8)	Effectiveness considers whether the organisation is performing the right activities in order to ensure that the organisational purpose, or main goal, is achieved.
Kataria, *et al*. (2013: 105)	Organisational effectiveness is concerned with the efficient use of resources which are drawn from the external environment in order to achieve long-term goals and objectives.

Although the definitions state that organisational effectiveness concerns achieving goals, consideration needs to be given to how those goals are actually achieved. This said, what goes into achieving those goals? The definitions allude to the fact that an organisation performs a number of activities (Hodge and Anthony, 1984: 299; Ashraf and Kadir, 2012: 80; Hellriegel, *et al*. 2012: 8). Furthermore, the activities which are performed need to be the correct ones, so to ensure that they contribute to the overall performance of the organisation. However, the inputs used in performing these activities should also be considered.

Kataria *et al*. (2013: 105), and Ashraf and Kadir (2012: 80) support that resources are used in performing the activities which contribute to the performance of the organisation as well as to the achievement of organisational goals. Although it is not explicitly stated as to the exact resources used, the authors provide the use of a blanket term, required resources, which are drawn from the external environment (Kataria, *et al*. 2013: 105). This suggests that only resources which are going to be of use should be incorporated into organisational activities. Kataria, *et al*. (2013: 105) states that due to scarcity, organisational resources need to be used in an efficient manner. Efficiency concerns whether resources are being used in the most responsible manner. Alternatively, efficiency can be a blanket term for ensuring that no resources employed in organisational activities are wasted (Hodge and Anthony, 1984: 300; Hellriegel, *et al*. 2012: 8).

Organisational effectiveness is influenced by the components of organisation theory. The organisation needs to have a reason for existing, and therefore needs to achieve particular goals. However, the way in which the organisation is structured, and the systems and processes which are in place, are hardware for ensuring that there is internal governance within the organisation. The organisation will then require inputs from the external environment, which need to be used efficiently so to ensure that the organisation does not abuse its role in society. Furthermore, an organisation has an informal organisation. Reference here is made to the relationships between individuals, both internally and externally, while also considering the norms and values found within the organisation. This provides the soft bases of the organisation. It is required that these are all aligned in order to ensure effective achievement of the organisations ultimate goal.

3.5.2. An Overview of Models of Organisational Effectiveness

The development of organisational effectiveness takes a similar form as organisation theory. Many models are available as to how the effectiveness of the organisation can be measured and evaluated against, although not one is more correct than the next (Rojas, 2000: 97-98; Ashraf and Kadir, 2012: 80; Kataria, *et al*. 2013: 105). These models are listed in table 3.4.

The goal-based approach to organisational effectiveness was developed with the aim that having many goals which needed to be achieved would result in employees being highly productive, therefore contributing to increased profits (Rojas, 2000: 98; Ashraf and Kadir,

2012: 81; Kataria, *et al*. 2013: 107). Thus, effectiveness was perceived to be measured according to how well organisations achieved their goals. The model was challenged due to the fact that organisations could potentially have goals which contradict one another, while at the same time having goals which cause inconsistencies (Rojas, 2000: 98; Ashraf and Kadir, 2012: 81; Kataria, *et al*. 2013: 107).

Table 3.4: Models of Organisational Effectiveness

Approach	Developing Authors
Goal-based Approach	Price, 1968
Systems Approach	Yuchtman and Seashore, 1967
Internal Process Approach	Steers, 1977
Strategic Constituency Approach	Connolly, *et al*. 1980
Competing Values Approach	Quinn and Rohrbaugh, 1981

Sources: Rojas (2000: 98); Ashraf and Kadir (2012: 81); Kataria, *et al*. (2013: 107)

Organisational effectiveness can be viewed from a systems perspective, which sees the organisation as either an open system or an entity consisting of a group of interrelated component parts. The organisation extracts resources from the external environment, and is believed to use them optimally in order to produce a product or service (Rojas, 2000: 98; Ashraf and Kadir, 2012: 81; Kataria, *et al*. 2013: 107). Organisational effectiveness is measured based on how well the organisation uses its resources that are extracted from the external environment (Kataria, *et al*. 2013: 107). Although this approach is not heavily criticized by authors, it is challenged due to the inability to measure each component of the system (Kataria, *et al*. 2013: 107).

The internal process approach begins to take the organisations internal environment into consideration (Ashraf and Kadir, 2012: 81; Kataria, *et al*. 2013: 107). It simply states that an organisation needs to have an internal environment which functions well in order to produce the outputs required by the external environment. In order to constitute effectiveness, the internal environment needs to run in a well-integrated manner. However, it is criticized because the external environment is not considered (Kataria, *et al*. 2013: 107). The strategic constituency approach follows a similar concept; however it gives consideration to the

organisations stakeholders. An organisation will be considered effective if it meets and exceeds the expectations of its stakeholders (Ashraf and Kadir, 2012: 81; Kataria, *et al*. 2013: 107). It therefore requires that the organisation is governed well internally. However, this has been criticized due to the wide range of expectations had by the variety of stakeholders of an organisation (Kataria, *et al*. 2013: 107).

Although each of these models has been criticized by authors, their core value is not lost. The competing values approach to organisational effectiveness combined the four approaches that were briefly discussed above, assigning each a different criterion (Rojas, 2000: 100; Kataria, *et al*. 2013: 107). Summatively, this approach focuses on the interrelated nature of the organisation, and ensures that each component of the organisation contributes to organisational effectiveness (Rojas, 2000: 100; Kataria, *et al*. 2013: 107). Thus, it considers alignment between the components.

3.5.3. Competing values framework

The competing values framework, developed by Quinn and Rohrbaugh (1983), explains organisational effectiveness. According to Quinn and Rohrbaugh (1983: 363), organisational effectiveness is a complex construct, which is open to human interpretation. The competing values framework was developed to explain organisational effectiveness and how it can differ per organisation and over time. Furthermore, Quinn and Rohrbaugh (1983: 363) created an integrated framework, which saw all previous models of organisational effectiveness being incorporated into the framework.

3.5.3.1. Foundations

The competing values framework was developed based on the theoretical concepts developed by four theorists, namely Campbell, Scott, Seashore and Cameron (Quinn and Rohrbaugh, 1983: 363-364). Campbell developed an organisational effectiveness framework which was based on 30 criteria. However, these criteria were open to human interpretation because each individual could potentially view organisational effectiveness differently to the next. It is unlikely that one will find two interpretations which are the same (Quinn and Rohrbaugh, 1983: 363).

Scott was the next major theorist who contributed to the construct of organisational effectiveness. The 30 criteria which were developed by Campbell were taken into account

and reduced into three models, namely the Rational Systems Model, the Natural Systems Model, and the Open Systems Model (Quinn and Rohrbaugh, 1983: 364). The Rational Systems Model places a direct emphasis on ensuring that the organisation is both efficient and productive. Thus, a manager would consider how much is being produced, how products are produced, and how many resources are being incorporated into the production of the products (Quinn and Rohrbaugh, 1983: 364; Ostroff and Schmitt, 1993: 1346). The Natural Systems Model explains that the organisation needs to function as a system. Much like the systems theory component of organisation theory, the organisation needs to be concerned with the coordination between departments, and should not only focus on the production of products (Quinn and Rohrbaugh, 1983: 364). Lastly, the Open Systems Model explains that the organisation does not operate in isolation, but is rather part of a greater environment. Therefore, the organisation needs to have the ability to adapt to changes which occur, and needs to be proactive in acquiring necessary resources (Quinn and Rohrbaugh, 1983: 364; Ostroff and Schmitt, 1993: 1346).

Seashore, like Scott, created a three model framework focusing on the Goal Model, the Natural Systems Model, and the Decision Process Model (Quinn and Rohrbaugh, 1983: 364). The Goal Model component of this framework is aligned with the Rational Systems Model developed by Scott, thus a repeated explanation is not required. Again, taking Scott's contributions into account, the Natural Systems Model of this framework is aligned with the Open Systems Model and the Natural Systems Model discussed above (Quinn and Rohrbaugh, 1983: 364). The major contribution made solely by Seashore in this framework was the Decision Process Model. This model explains that an organisation needs to be effective in how it goes about making decisions. Therefore, the managers need to consider the information gathered, how it is applicable to the situation and from where the information was sourced. Furthermore, consideration needs to be given to how the information will be both used and discarded (Quinn and Rohrbaugh, 1983: 364).

Unlike the preceding theorists, Cameron developed a four model framework (Quinn and Rohrbaugh, 1983: 364). The four models are namely the Goal Model, the Systems Resource Model, the Internal Process Model and the Strategic Constituency Model (Quinn and Rohrbaugh, 1983: 364). As with the previously discussed theorists, Cameron took previous contributions into account. The Goal, Systems Resource and Internal Process Models are aligned with the Rational Systems Model, the Open Systems Model and the Decision Process

Model respectively (Quinn and Rohrbaugh, 1983: 364). The most valuable contribution made here is the Strategic Constituency Model, which is similar to the Natural Systems Model developed by Scott. However, the difference lies in the fact that an organisation should operate as an integrated network. This could potentially contribute to the organisations success by encouraging the organisation to develop competencies within the components of the 'network' (Quinn and Rohrbaugh, 1983: 364).

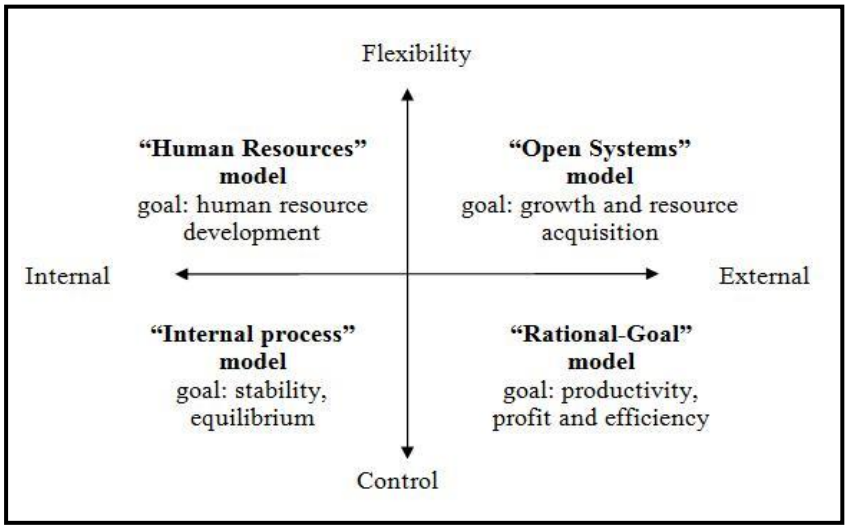
3.5.3.2. Development

Quinn and Rohrbaugh (1983: 365) realised the importance of the preceding contributions to the construct of organisational effectiveness, thus did not discard them in the development of the competing values framework. Rather, the frameworks were incorporated to create an integrated framework. To begin the development of the competing values framework, Campbell's 30 criteria of organisational effectiveness was taken into consideration. Quinn and Rohrbaugh (1983: 365) realised that having 30 criteria from which managers could determine whether or not their organisation was effective was too much. Thus, the objective was to reduce the number of organisational effectiveness criteria. This was done by consulting a group of experts in order to determine which criteria were pertinent in the construct of organisational effectiveness (Quinn and Rohrbaugh, 1983: 366). The experts who were consulted were required to rate each criterion based on how they would apply it or understand it within their organisation. In performing this stage of reduction, Quinn and Rohrbaugh (1983: 366) discovered that 17 of Campbell's 30 criteria were rated as important to the experts. Further analysis of the results, specifically factor analysis, highlighted three common criteria namely the organisation's focus, the organisation's structure and the means-to-ends within the organisation (Quinn and Rohrbaugh, 1983: 367; Yu and Wu, 2009: 37-38).

The organisational focus criterion asks the question as to whether the organisation is internally or externally focused. Thus, it considers whether the organisation is focused on the development of the employees or whether the organisation is focused on the organisation, how it operates, and what it achieves (Quinn and Rohrbaugh, 1983: 367: Yu and Wu, 2009: 37). The organisational structure criterion determines whether the organisation is structured based on flexibility or control. If the organisation prefers to maintain control and stability, it is said to be centralised in structure. However, an organisation may prefer to be open to flexibility and change, and thus encapsulating a decentralised organisational structure (Quinn

and Rohrbaugh, 1983: 367; Yu and Wu, 2009: 37-38). The means-to-ends criterion provides insight as to how an organisation performs daily tasks. Thus it asks the question as to whether the organisation is focused on the process, alternatively how products are produced, how tasks are performed, employee well-being, and whether the organisation is focused on the final outcome, alternatively the productivity and profits achieved (Quinn and Rohrbaugh, 1983: 369).

Figure 3.1: Competing Values Framework



Source: Quinn and Rohrbaugh (1983: 371)

After identifying these three common criteria, Quinn and Rohrbaugh (1983: 371) structured them into a four-quadrant framework. From this, the theorists then named each quadrant, based on components of the frameworks which were developed by Scott, Seashore and Cameron. The competing values framework is illustrated in figure 3.1.

As can be seen in figure 3.1, the Human Relations Model places its focus internally and has a flexible structure. Thus, the organisation is likely to be very oriented around developing its employees, and incorporating them into the managing of the organisation through the decentralized organisational structure (Quinn and Rohrbaugh, 1983: 371; Buenger, Daft, Conlon and Austin, 1996: 560). Organisations which fall under this quadrant focus on the development of its human resources, by placing focus on improving employee morale and unity (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al.* 1996: 559). The organisation is deemed effective if this is achieved. The Internal Process Model, an opposite of the Human

Relations Model, places its emphasis on an internal focus and controlled structure (Quinn and Rohrbaugh, 1983: 371; Hart and Quinn, 1993: 548; Buenger, *et al*. 1996: 559). In order for an organisation which values these two criteria to achieve the goals and objectives set, it needs to be assured that there are effective communication and information management infrastructures in place. This will ensure that employees are equipped with the relevant information, as well as maintaining control within the organisation, ensuring effectiveness (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559).

The Open Systems Model, as per figure 3.1, has an external focus but a flexible structure. Thus the organisation is focused on what it can do in order to be more successful, while allowing for a decentralised structure (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 560). The external focus allows the organisation to understand and work actively with the external environment so understand changes that occur and proactively adapt to those changes. Should this be achieved, the organisation will be classified as effective. As with the left hand quadrants, the Rational Goal Model is the opposite of the Open Systems Model (Hart and Quinn, 1993: 548). Thus, the values encapsulated within this type of organisation have an external focus while maintaining a locus of control (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559-560). An organisation which values these criteria is focused on competitors and how they are performing. Effectiveness is therefore achieved through setting goals and planning in order to ensure that the organisation is both productive and efficient (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559-560).

While it is implied that certain organisations will fit into one of these quadrants, it is not necessarily correct to assume this. The competing values framework is an integrative framework because it illustrates that managers may face difficult challenges at times, which will require different reactions (Belasen and Frank, 2008: 128). Yu and Wu (2009: 38) suggest that within different time-frames certain values may be more important than others, which will result in organisations moving between quadrants. Thus, it is important for organisations to place emphasis on each of these values. However, certain criteria will be valued more highly over others. This potentially illustrates the complexity of the external environment. Additionally, this also provides insight into the complex choices managers need to make (Buenger, *et al*. 1995: 559; Belasen and Frank, 2008: 128; Yu and Wu, 2009: 38).

While the competing values framework does not state or imply that there is one correct way to measure effectiveness, it acknowledges that there are different ways of measuring effectiveness within organisations. Organisations will have different constituents of effectiveness based on the values they encompass. This is applicable to farmers' associations. Although each farmer's association may be similar in what they do, each will encompass different values thus illustrating different measures of effectiveness.

Over the years, the competing values framework has undergone many developments. It is a versatile framework because it has been adapted to organisational culture and organisational leadership. These two areas represent the most recent literature surrounding the competing values framework. In the adaptation of the framework, the quadrants and values were not necessarily altered; however, the explanations and applications were altered. The dominant authors with regards the Organisational Culture Competing Values Framework are Cameron and Quinn (2006). If one considers the Organisational Leadership Competing Values Framework, the dominant authors are Hart and Quinn (1993). Here, you can see that one of the original authors of the Competing Values Framework was an author in both the adaptations. Thus, there is a certain degree of consistency among the frameworks.

In developing the Organisational Culture Competing Values Framework, Cameron and Quinn (2006), developed the OCAI. This instrument measures the effective constituents of any specific organisation based on its cultural values. However, for the purpose of this research, the OCAI was adapted, back to the original competing values framework. The reason for this includes that it was the most appropriate instrument available at the time which this research was conducted.

3.5.4. Organisation Theory and Organisational Effectiveness

As can be seen in section 3.3, organisation theory is comprised of a number of components. It is suggested, through the evolution of both organisation theory and organisational effectiveness, that there needs to be alignment amongst the different components which make up an organisation.

There are many models which investigate organisational alignment. Amongst them include the 8-S Model, the 7-S Model, the Model of Organisational Congruence, the Socio-Technical

Systems theory, and the Burke-Litwin Model (Smither, *et al*. 1996: 122; Cichocki and Irwin, 2011: 22). This is not a core component of this research, however it must be considered. The models will not be discussed in isolation; however, a general overview of organisational alignment will be given.

In order to ensure that the organisation will be successful at achieving its goals, it requires that there be alignment between the organisational components. This means that all components are directed toward the achievement of the goals (Cichocki and Irwin, 2011: 22). Theorists, Nadler and Tushman, developed the concept of organisation congruence. Congruence refers to the extent of which two organisational components are related to one another (Hackman, *et al*. 1983:119). The general hypothesis of congruence states that the higher the degree of congruence between components, the greater the effectiveness of the organisation (Hackman, *et al*. 1983:119). This is much the same as the statements made by Higgins (Higgins, 2005: 4). It is therefore important that the concept of organisational alignment is considered by organised associations. Aligning organisational components will ensure that the organised associations are effective in achieving their goals, and fulfilling their purpose.

However, ensuring that organisations are aligned does not guarantee their effectiveness due to there being room for interpretation as to what constitutes effectiveness within different organisations (Quinn and Rohrbaugh, 1983: 363; Belasen and Frank, 2008: 128). Thus, the competing values framework provides a different approach. This is the instance that organisations portray different values, and the way in which these values are used on a day-to-day basis affect how effective the organisation is (Quinn and Rohrbaugh, 1983: 363). Thus, simply because an organisation operates under a different school of thought does not imply that the organisation is ineffective in achieving its purpose.

3.7. Summary

Organisations should aim to effectively fulfil their purpose. In order for an organisation to achieve their purpose, it is being said that the organisation needs to run well internally, thus implying that it needs a certain degree of effectiveness.

To understand how the organisation could run well internally, systems theory was explored. Although systems theory encompasses many models, two were used in this study, namely the 8 S' Model, and the Model of Organisational Congruence. These models illustrated that organisations are required to have alignment within their internal functioning. This includes alignment between organisational components of goals and objectives, leadership, culture, systems and processes. However, the organisation also needs to be aware of what its purpose is, and be consistently working toward achieving that purpose. If an organisation is able to do this, it is thought to be effective. This resulted in a discussion on organisational effectiveness.

Organisational effectiveness has many models, each which were developed to measure effectiveness through different means. However, the model deemed most appropriate for this study was the competing values framework because it encompassed the other models of organisational effectiveness, thus illustrating that there is no correct way to measure effectiveness. Effectiveness is something which is based on the values you encompass. This motivated the use for the Organisational Culture Assessment Instrument.

Chapter 4

Organised Agriculture and the Theory of Organised Associations

4.1. Introduction

Organised associations are groups of businesses or individuals who are concerned with the well-being of the sector and/or country in which they operate. An example of an organised association is a business chamber. Also referred to as chambers of commerce, business chambers are important components in ensuring that businesses remain competitive. Focus is placed on ensuring long-term success of members (American Chamber of Commerce, 2009: 1; South African Chamber of Commerce and Industry, 2014: 1).

Agriculture in South Africa is governed in a somewhat similar way as business. It is governed by organised agriculture. As a body of organised agriculture, farmers' associations, which is the core focus area for this research, is another example of an organised association. Farmers' associations could potentially play an instrumental role in assisting farmers by providing services which could influence the long-run performance and success of the farming sector. Farmers' associations need to offer valued benefits to members. They need to be aware of what members want, allowing themselves to provide a valued benefit. In turn, this will result in members who are more satisfied and loyal to the farmers' association. However, it is unclear as to what services farmers' associations are offering.

The purpose of this chapter is to discuss the theory concerning organised agricultural associations, more specifically farmers' associations. This chapter will consider the functioning of organised associations, the purpose and role of them, and the services offered.

This chapter opens with a discussion on explaining business chambers briefly, and their roles and purpose, thereafter moving on to explaining organised agriculture. Both business chambers and farmers' associations are organisations, which require voluntary membership, thus members pay a fee to belong to them. Following this, the theory of organised associations will be discussed, with particular reference to Olson's theory of exchange.

4.2. Business Chambers

Businesses, both large and small, have the option to become a member of a business chamber. Also referred to as a chamber of commerce, business chambers play an intricate role in influencing the long-term business success of the businesses which are members.

Business chambers are governed by a national representative body, such as the South African Chamber of Commerce and Industry (SACCI) and the American Chamber of Commerce (American Chamber of Commerce, 2009: 1; South African Chamber of Commerce and Industry, 2014: 1). The representative body is made up of a number of regional and industry based business chambers. Although similar roles are fulfilled by each level, the effectiveness of the entire organisation is influenced, because levels of communication and information flow are improved (Laegaard, 2006: 71; McAuley, *et al*. 2007: 13; American Chamber of Commerce, 2009: 1-4; South African Chamber of Commerce and Industry, 2014: 1). Having a regional or industry based chamber of commerce allows members to communicate specific needs to one body. These needs can then be communicated to the national representative. In turn, theoretically, this should result in the representative bodies being more aware of their members' needs, allowing for services to be provided accordingly. This should result in the roles of the business chambers being better fulfilled, resulting in the organisation to be more effective (Laegaard, 2006: 71; McAuley, *et al*. 2007: 13).

Furthermore, if organisational components are functioning well, the chamber of commerce will operate effectively, thus being of benefit to businesses who are members (Laegaard, 2006: 71; McAuley, *et al*. 2007: 13). Alternatively, should the opposite be true, the chamber of commerce may be ineffective in achieving its core purpose. Business chambers are functioning organisations which need to use internal and external information to ensure that a standard level of competitiveness is maintained, and even improved (American Chamber of Commerce, 2009: 2-4).

4.2.1. Definition of Business Chambers

There is no universal definition of a business chamber, but are defined according to their contexts, roles, and services they provide (Traxler, 1993: 673-675; Bennett, 1998: 244; Doner and Schneider, 2000: 262-263; Eng, 2000: 4; American Chamber of Commerce, 2009: 1; South African Chamber of Commerce and Industry, 2014: 1). The terms business chambers,

business associations, and chambers of commerce are used interchangeably in the literature. In this study, the organisation will be referred to as a business chamber. Definitions of business chambers can be seen in table 4.1. The differences and similarities between the definitions will be discussed, before arriving at a general classification and understanding of a business chamber.

Although it is not explicitly stated in all the definitions in table 4.1, the competitive environment is influenced through active negotiations between the business chamber and the government. This is explicitly stated in the definitions given by Traxler (1993: 673-675), Bennett (1998: 244), and Doner and Schneider (2000: 262-263), while implied in the definitions given by Eng (2000: 4), and South African Chamber of Commerce and Industry (2014: 1). This is implied by stating that a factor influencing the competitive environment is the government legislation which is implemented.

The definitions highlight another common factor, namely that business chambers are voluntary in nature (Traxler, 1993: 673-675; Bennett, 1998: 244; Eng, 2000: 4). Definitions provided by the American Chamber of Commerce (2009: 1) and South African Chamber of Commerce and Industry (2014: 1) do not stipulate whether a membership is required by law. However, Eng (2000: 4) states that although a business chamber is often voluntarily, in certain countries such as Germany, business chamber membership is required by law, although, reasons for compulsory membership remain unstated.

Based on the definitions listed in table 4.1, a general classification of a business chamber is an organisation, comprised of voluntary members, which exists with the purpose of ensuring that businesses within a country remain competitive in the long-term, while pursuing the members' collective interests (Traxler, 1993: 673-675; Bennett, 1998: 244; Eng, 2000: 4; Olson, 2000: 6; America Chamber of Commerce, 2009: 2-4). This is done by accessing information about economic, social, political, and legal changes through alliances with government and communicating them to its members (Eng, 2000: 4-9; South African Chamber of Commerce and Industry, 2013: 1).

Table 4.1: Definitions of Business Chambers

Author	Definition
Traxler, (1993: 673-675)	A business association is an organised group of businesses who negotiate with government in order to influence the competitive environment in which businesses operate.
Bennett, (1998: 244)	A business association is group of people, who voluntarily come together, that acts as a liaison between businesses and the government. This is done with the aim of influencing business competitiveness.
Doner and Schneider, (2000: 262-263)	Business associations are a collective group of businesses which are designed to improve the state of ill-functioning markets, rather than to distort the state of well-functioning markets. This is done through placing pressure onto government in an indirect manner.
Eng, (2000: 4)	A chamber of commerce is an independent organisation which is comprised of both businesses and individuals which focuses on advancing the state of businesses. An organisation of this nature may be voluntary or a requirement of the law. This however is dependent on the country in which the business operates, and the legislation implemented by the state.
American Chamber of Commerce, (2009: 1)	A business chamber is defined as, "an organisation of businesses seeking to further their collective interests, while advancing their community, region, state or nation."
South African Chamber of Commerce and Industry, (2014: 1)	The chamber of commerce is an independent organisation which aims to further the collective interests of member businesses in order to ensure that the business environment remains in a favourable state.

4.2.2. The Purpose and Role of Business Chambers

As was discussed in Chapter 3 section 3.2, each organisation in society exists for a particular purpose, and sets out to achieve that purpose through performing a number of activities (Scott, 1961: 7-8; Hodge and Anthony, 1984: 4-5; McAuley, *et al*. 2007: 12-14; Cichocki and Irwin, 2011: 10; Hellriegel, *et al*. 2012: 4).

In the preceding section, various definitions of business chambers were provided, along with a general classification as to what a business chamber is. However, one needs to consider what the business chambers actually do and why they do it. In other words, what is the purpose of a business chamber and what roles do they fulfil in order to effectively achieve that purpose. Before discussing the purpose and various roles of business chambers, the definitions as to what constitutes a role and purpose need to be discussed.

4.2.2.1. The Purpose of a Business Chamber

The Oxford English Dictionary (2014a: 1) defines a purpose as, "the reason for which something is done or created or for which something exists." This definition could allow one to interpret a purpose in many ways. A purpose could be translated into a company's mission statement (Finley, 2009: 18; Hellriegel, *et al*. 2012: 222). If the definition of an organisations mission is considered, it translates into the ultimate reason for being (Hellriegel, *et al*. 2012: 222). This implies what the business is aiming to achieve in the long-term. When comparing a mission to a purpose, one could combine the two broad definitions. In business terms, a purpose could translate into the reason for operation in order to achieve the ultimate goal, satisfy stakeholders, and indicate expectations (Thompson and Strickland, 2003: 32-34; Finley, 2009: 18; Hellriegel, *et al*. 2012: 222-223).

Consider the definitions of a business chamber presented in table 4.1. In the discussion surrounding the definitions, insight was given into the possible purpose of a business chamber. In other words, what is the business chamber's reason for being? Reference must be made to the aim of understanding and acknowledging the competitive environment (Veludo-de-Oliveira, 2006: 26).

A business chamber is an organisation which exists with the purpose of ensuring that businesses within a country remain competitive and informed in the long-term (American

Chamber of Commerce, 2009: 1). Although this is a way in which a business chamber can ensure that its members have an advantage, to ensure that a business chamber fulfils its purpose, it needs to perform a number of roles.

Although there are numerous business chambers, one pertinent to this study is the agricultural business chamber in South Africa, namely AgBiz. AgBiz aims to create a competitive environment which will allow its members to be competitive and successful on both a national and international level (AgBiz, 2015a: 1). This aligns with the purpose of business chambers given above.

4.2.2.2. The Roles of a Business Chamber

A business chamber has a specific purpose to fulfil, and a variety of goals to achieve. In order to do this, it may require that a business perform various activities and provides a variety of services. A general enquiry would be that of asking what the consumer can expect when utilising a specific service, be it free or not (Broderick, 1998: 349). The provision of services can be seen as the role which business chambers play.

Defined broadly, a role is a part which is played in order to achieve a specific outcome (Oxford English Dictionary, 2014b: 1). However, this is a relatively general classification which requires more specificity for this research.

From the brief discussion above, one can determine that a role is not merely the part which is played, but also the activities fulfilled and services offered by an organisation to its customers (Scott, 1961: 7-8; Broderick, 1998: 349). Specific to this research, a role can be defined as a set of activities which need to be completed in order to fulfil a given purpose (Oxford English Dictionary, 2014b: 1; Broderick, 1998: 349-350). A business chamber has the following roles to fulfil (Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4; South African Chamber of Commerce and Industry, 2013: 1; AgBiz, 2015a: 1):

A. Provide access to information;
B. Learning opportunities and skills development;
C. Market creation;
D. Network building;
E. Assistance in policy creation.

The above roles will each be briefly discussed in relation to the activities executed by business chambers.

A. Provide Access to Information

Business chambers in any given country enter into partnerships with the government, as well as with other business chambers in the hope that it will grant access to information. Through these partnerships, business chambers access information about economic, social, political, and legal changes or issues and communicate them to members (Eng, 2000: 7; South African Chamber of Commerce and Industry, 2013: 1). This is done in the hope that the business' who receive the information can anticipate changes which could potentially occur in their external environment, and be ahead of businesses that do not have that information. Additionally, members of business chambers are continually kept informed of occurrences and changes through monthly magazines or newsletters (Eng, 2000: 7; Demitropoulos, 2012: 1). This is an important component which is offered by a business chamber. Members and non-members of business chambers may have access to similar information; however members have access to an in-depth level of information. In other words, the context and variety of information differs. Although it is present in the external business environment, the way in which it comes known to non-members is through news sources. A member of a business chamber will receive the information first-hand, which will allow proactive changes to be made, to a certain extent, should they be required (Eng, 2000: 1).

B. Learning Opportunities and Skills Development

Many business chambers provide a number of training and development workshops in order to generate and/or build skills for members (Eng, 2000: 9). These workshops may prove to be highly beneficial because they are conducted around the latest available information. Alternatively, a member business may be exposed to other businesses which offer training workshops for instance. In turn, this will lead to knowledge generation (Eng, 2000: 9). Having access to training and development workshops can allow businesses to become more efficient and effective in achieving their purpose, while building employee skills.

Furthermore, many business chambers implement efforts whereby they host or coordinate a variety of events which members are able to attend and develop certain skills. These events include seminars, workshops, and trade fairs. Although these are formal events, there are also

informal events which are organised by business chambers (Holbrook, 2014: 1). Both formal and informal events provide an opportunity for businesses to share information and expertise, but also allow for networks to be built.

C. Network building

Network building is the process of developing and refining connections between groups or individuals, whether implicit or explicit, in order to generate a greater contribution and collaborative effort in conducting business (Hellriegel, *et al*. 2012: 32-33).

Business chambers provide members with the opportunity of serving on various committees and boards. This allows the individuals representing the business to communicate with others and potentially develop partnerships or strategic alliances (Eng, 2000: 6; Demitropoulos, 2012: 1; AgBiz, 2015a: 1). Doing this allows markets to be created and potentially increases the reach of a business. Furthermore, similar opportunities are available when attending the different events which are put forward by business chambers.

Events that are organised can be formal, as mentioned in the discussion on learning opportunities and skills development, or can be informal. Informal events include breakfasts, business tours, dinners, lunches, and golf days (Holbrook, 2014: 1). These types of events are organised on a regular basis. In attending them, members have the opportunities to network and develop business contacts, providing the opportunity to develop partnerships or strategic alliances. The attendance of these events is important, and a great benefit of belonging to a business chamber, which can prove to be beneficial in the long-run (Eng, 2000: 6; Demitropoulos, 2012: 1; AgBiz, 2015a: 1).

D. Market Creation

Market creation is the process of offering new products to a new market or old products to a new market (Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliott and Klopper, 2012: 449). This implies that market creation concerns the expanding of your current target market (Demitropoulos, 2012: 1; Lamb, *et al*. 2012: 449). Through networking, a member may develop a contact or enter into a partnership which allows them to expand their business into different markets. Although this is a risky venture, it can prove to increase profitability in the long-term (Demitropoulos, 2012: 1). Furthermore, business chambers also offer direct links

on their websites, should a website exist, to redirect visitors to the member's websites (Holbrook, 2014: 1; Van Zyl, 2014: 1). This allows more individuals to be exposed to the product or service that is on offer, which facilitates market creation (Demitropoulos, 2012: 1).

E. Provide assistance in effective policy creation and implementation

Along with the previously mentioned roles, assistance in effective policy creation and implementation is an important role which business chambers are required to fulfil.

In fulfilling this role, business chambers need to execute a number of activities. Through partnerships with government and other relevant parties, business chambers have a high level of input as to the legislation and policies which are being drawn up (Eng, 2000: 6-8; Demitropoulos, 2012: 1; AgBiz, 2015a: 1). The reason for this involvement by business chambers is that the legislation and policies could potentially alter the way in which business is conducted. Due to the purpose of a business chamber being to maintain and enhance the competitive environment in which businesses compete, it is important that they are able to give input as to what aspects should and should not be included in the policy documents (Eng, 2000: 6-8; Demitropoulos, 2012: 1: AgBiz, 2015a: 1).

4.3. Organised Agriculture in South Africa

Agriculture in South Africa is governed in a somewhat similar way as business. It is governed by means of organised agriculture. Organised agriculture is the process of unifying farmers and agricultural businesses in order to improve their economic stance and address their interests by means of collective action (Fox, 1925: 23; Albany Farmers' League, 2013: 1). The concept of organised agriculture is referred to as one of collective action because, more often than not, a challenge, such as those discussed in Chapter 2 section 2.4.3, facing one farmer will most likely be affecting another farmer. Thus, the purpose of organised agriculture is to address those challenges, while improving the farmers' competitive stance (Fox, 1925: 22-24; Agriculture South Africa, 2014a: 1).

Although there is an agricultural business chamber which is part of SACCI, it does not form an active part of organised agriculture. AgBiz has a number of associations and affiliations on both a national and international level, including the NEPAD Business Foundation, the Food and Agricultural Organisation of the United Nations, the Land Bank and the National

Agricultural Marketing Council (AgBiz, 2015b: 1). However, there are no affiliations mentioned with regards to organised agriculture. This could potentially impact the effectiveness of organised agriculture.

Organised agriculture in South Africa has four different governing bodies, each representing a different group of individuals. Although these characteristics are not present in all members, they are present in the majority of the members (Scholtz, 2006: 1; Agriculture South Africa, 2014a: 1; Transvaal Agricultural Union, 2014: 1). These can be seen in table 4.2.

Table 4.2: Bodies of Organised Agriculture

Agricultural Body	Member Demographics
AgriSA	• White, English individuals • Commercial farmers • Small-scale farmers
Transvaal Agricultural Union (TAU)	• White, Afrikaans individuals • Large, commercial farmers
National African Farmers Union (NAFU)	• Individuals of African descent • Small-scale farmers • Commercial farmers
AFASA	• Individuals of African descent • Small-scale farmers

Sources: Scholtz, (2006: 1); African Farmers Association of South Africa, (2011: 1); Agriculture South Africa, (2014a: 1); Transvaal Agricultural Union, (2014: 1); Van Zyl, (2014: 1).

Although different demographics are apparent in the membership among the four bodies of organised agriculture, it does not imply that all members possess those demographics. Unlike in the past, any individual, regardless of their demographic background, has the ability and right to join an organised agricultural association (Scholtz, 2006: 1; Agriculture South Africa, 2014a: 1; Transvaal Agricultural Union, 2014: 1). TAU and AgriSA underwent structural changes which enabled any South African farmer or agricultural business to become a

member of their union (Agriculture South Africa, 2014a: 1; Transvaal Agricultural Union, 2014: 1).

Currently, there are four governing bodies of organised agriculture, even though they all serve similar functions. A core concern of AgriSA, TAU, NAFU, and AFASA is that of policy creation. Scholtz (2006: 1) suggests that representatives from the four bodies of organised agriculture are members of various government committees which are involved with policy creation and implementation. The purpose of serving on the respective committees is to ensure that the policies which are created do not serve negatively in the farmers' interests. Core concerns at present are land ownership and redistribution thereof, labour, and water (Van Zyl, 2014: 1). However, in addition to the national representative of each organised agricultural body serving on the government committee, there are individuals from committees which concern different matters, such as that of labour or land affairs for example (Scholtz, 2006: 1; Van Zyl, 2014: 1). Thus, organised agricultural bodies have a strong voice in policy creation.

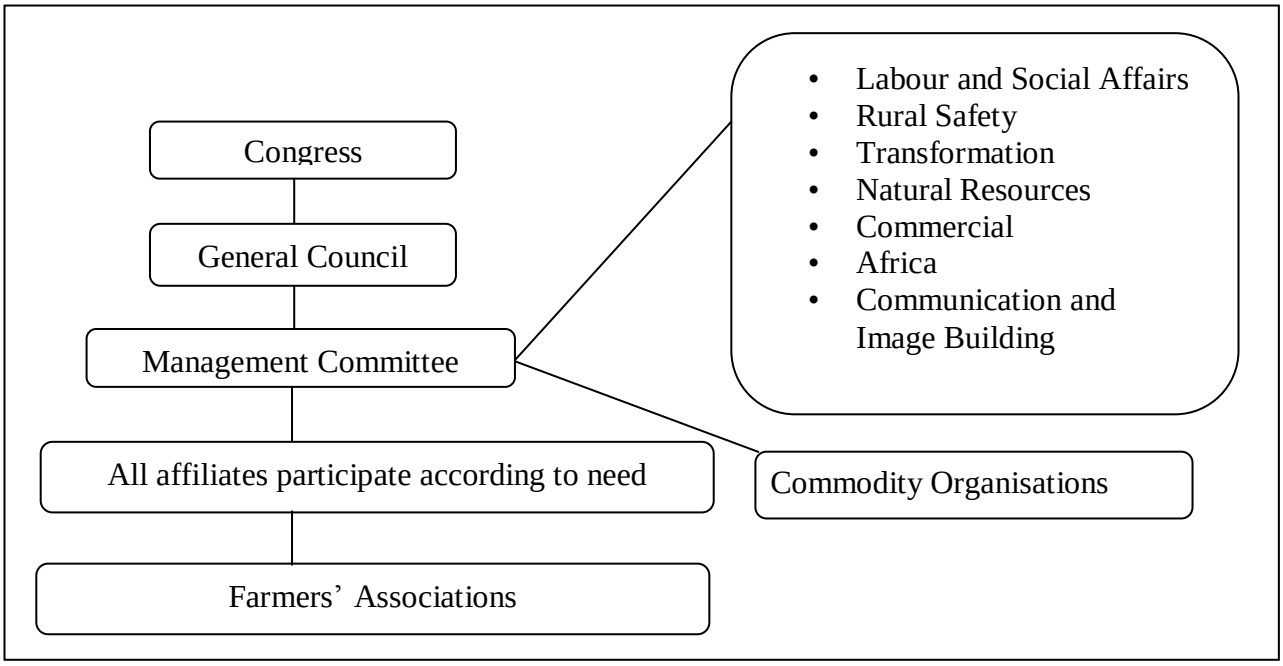
However, with regards to the input that the bodies of organised agriculture place into policy creation, there is cause for concern. As can be seen in table 4.2, each body of organised agriculture represents individuals with different interests (Scholtz, 2006: 1; African Farmers Association of South Africa, 2011: 1; Agriculture South Africa, 2014a: 1; Transvaal Agricultural Union, 2014: 1; Van Zyl, 2014: 1). Although some interests may overlap, for the most part the interests differ. This affects policy creation because what may be wanted by the members of one body of organised agriculture may be challenged by another body of organised agriculture. Reasons for challenging policy decisions may vary. However, it may be attributed to the fact that each body of organised agriculture represents individuals with different needs (Van Zyl, 2014: 1). For example, something which may benefit commercial farmers will be favoured by AgriSA but may be challenged by NAFU. In order to address these issues, a greater body has been established, namely the Agricultural Sector (Agri-Sector) Unity Forum, whereby the bodies of organised agriculture, and relevant committees can come together to debate policy issues, and in turn reach a consensus (Van Zyl, 2014: 1).

Due to its recent creation, information available on the Agri-Sector Unity Forum is scarce. However, the reason for its creation can be elaborated on. The Agri-Sector Unity Forum is an organisation created with the four bodies of organised agriculture as well as the Agricultural

Business Chamber and the South African Agricultural Processors Union (Van Rooyen, 2013: 1). It was created with one core purpose, namely to create a unified voice for agriculture. Previously, and to some extent in the present day, agriculture has always been plagued with two voices. One voice would represent the white, commercial farmer, and the other would represent the black, emerging farmer. Although both voices need to be heard, they both require very different treatment due to historical reasons mentioned in Chapter 2. The Agri-Sector Unity Forum aims to resolve this by creating an organisation whereby a consensus can be reached on policy issues as well as the challenges faced by all farmers (Van Rooyen, 2013: 1; Van Zyl, 2014: 1).

Furthermore, each governing body of organised agriculture has a number of committees and commodity organisations. The committees are key players with regard to policy making as there are specific committees which represent different aspects of policy concerns for organised agriculture. These committees report to the management committee who then take it one step further. This can be seen in figure 4.1 below (Agriculture South Africa, 2014b: 1; Van Zyl, 2014: 1).

Figure 4.1: Structure of Organised Agriculture



Source: AgriSA, 2015: 1

Although there is little information regarding additional tasks which the committees fulfil, they do play a role in policy creation (Agriculture South Africa, 2014b: 1; Van Zyl, 2014: 1). However, another key component of organised agriculture is the commodity organisations. The commodity organisations are primarily concerned with factors which may affect the farmers' profitability (Van Zyl, 2014: 1). In turn, they are responsible for tasks such as research and development, market creation, and the marketing of agricultural products. By doing this, the commodity organisations are active in ensuring that the farmer receives the best possible deal with regards to the selling of their agricultural product, as well as ways in which the farmer could potentially improve his level of efficiency (Van Zyl, 2014: 1).

With reference to figure 4.1, these concerns are heard through farmers' associations and affiliates which report to the management committee. This is then referred to the relevant party which can lead to the concern being addressed either directly, or it is processed through higher levels of power.

4.3.1. Farmers' Associations

Due to the nature of organised agriculture, one can assume that it takes a similar stance on the success of the agricultural sector, as business chambers do with regards to various industries. It can thus be implied that the functioning and purpose of a farmers' association is similar to a regional business chamber. It is for this reason that a discussion on business chambers preceded this section.

Agriculture in South Africa is comprised of organisations and farmers' associations who have a vested interest in the success of the agricultural sector. The focus of this research is on farmers' associations, and reference will be made to what farmers' associations are, the purpose and roles which they serve, and examining their effectiveness.

4.3.1.1. Definition of Farmers' Associations

If one considers the definitions of business chambers provided in table 4.1, it concludes that a business chamber is an organisation which exists with the purpose of ensuring that businesses within a country remain competitive through the provision and sourcing of information so to reduce uncertainties (Traxler, 1993: 673-675; Bennett, 1998: 244; Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4).

A number of searches were done, via the internet and journals available, which resulted in minimal sources on organised agriculture and farmers' associations at the time this research was conducted. Due to the scarcity of literature, a preliminary study was conducted with the farmers' associations in the Albany Area, where meetings were attended and observations were made. This allowed the researcher to develop a classification as to what a farmers' association is.

A farmers' association can be classified as an organisation comprised of group of farmers who are interested in improving the nature of the agricultural industry by addressing challenges which are faced through open communication with agricultural governing bodies (Albany Farmers League, 2013: 1). It is an organisation which is voluntary in nature and thus can be joined by any farmer, regardless of their size or farming field. The focus of this study is on farmers' associations in the Albany Area. Although different in nature, there are similarities between business chambers and farmers' associations.

Although this is not explicitly stipulated in the business chamber definition, both organisations encourage open communication. Members are encouraged to communicate with the relevant supervisory committees so that they are aware of the concerns facing members, and thus can provide information or other services which could potentially reduce the concerns faced (Traxler, 1993: 673-675; Bennett, 1998: 244; Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4; Albany Farmers League, 2013: 1). Furthermore, both organisations wish to ensure that the sectors which are represented are successful in the long-term. However, differences lie in that business chambers are concerned with improving the competitive standpoint of the represented sectors, and address this by fulfilling a number of roles. The roles are namely, providing information, market creation, network building, learning opportunities and skills development, and assistance in policy creation and implementation (Traxler, 1993: 673-675; Bennett, 1998: 244; Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4). As with business chambers, farmers' associations are concerned with the improvement of the agricultural sector, however it is unclear as to the roles farmers' associations perform, and thus these need to be determined (Albany Farmers League, 2013: 1).

4.3.1.2. Purpose and Role of Farmers' Associations

The foregoing section discussed the nature of a farmers' association. However, consideration needs to be given as to why a farmers' association exists, and what the farmers' association is doing. This implies that the purpose of farmers' associations needs to be determined, and what roles they fulfil in order to ensure that this purpose is executed effectively. Section 4.2.2 highlighted the definitions of both a purpose and a role.

An organisations' purpose concerns factors of why an organisation exists (Scott, 1961: 7-8; Hodge and Anthony, 1984: 4-5; McAuley, *et al*. 2007: 12-14; Cichocki and Irwin, 2011: 10; Hellriegel, *et al*. 2012: 4). In order to determine the purpose of a farmers' association, reference was made to what a farmers' association actually is. In other words, how a farmers' association is classified. A farmers' association is an organisation that is made up of farmers who are interested in improving the nature of the agricultural industry by addressing challenges which are faced (Albany Farmers League, 2013: 1). From this classification, the purpose of the farmers' association can be derived. A farmers' association is an organisation which exists with the purpose of improving the agricultural sector and the competitiveness thereof (Albany Farmers' League, 2013: 1). However, in order to effectively fulfil its purpose, a farmers' association has to perform a number of activities.

Roles are activities which are seen as complementary to the organisations purpose. The definition of a role is that of a set of activities which need to be completed to fulfil a purpose (Broderick, 1998: 349-350; Oxford English Dictionary, 2014b: 1). The preceding discussion alludes to the few roles which farmers' associations do fulfil; however, they are substantially fewer than those fulfilled by business chambers. Unlike a business chamber, which fulfils approximately five roles, farmers' associations only fulfil two roles clearly, namely, limited assistance in policy creation, and providing members with access to information. The way in which this is done is very similar to that of a business chamber.

As with business chambers, members of farmers' associations receive information, which is sourced from alliances with government and other relevant parties, with the purpose of improving agricultural competitiveness (Fox, 1925: 27; Scholtz, 2006: 1; Albany Famers League, 2013: 1-2). Furthermore, farmers' associations provide members with an opportunity to voice challenges faced rather than providing the services of learning opportunities, market

creation, and network building, as are offered by business chambers (Scholtz, 2006: 1; Albany Famers League, 2013: 1).

Unlike business chambers, farmers' associations do little to assist and advantage their members. This study is suggesting that farmers' associations can alter the role which they play, and adopt the aforementioned business chamber roles with the aim of retaining their current members and attracting new members (Ferleger and Lazonick, 1993: 71; McElwee, 2006: 187). Competitiveness can be improved by educating farmers as to how to make processes more efficient in improving resource access, developing skills and capabilities, generating knowledge, and assisting in effective policy formulation and implementation (Johnston and Mellor, 1961: 582; Ferleger and Lazonick, 1993: 71; Ortmann, 2005: 288; Bezemer and Headey, 2007: 6). However, in order to do this, it may require the farmers' associations to become more effective in achieving their purpose. This said, farmers' associations need to function effectively in order to ensure that their contribution to members is in actual fact positive (Fox, 1925: 24-26). The theory surrounding the internal functioning of organisations and organisational effectiveness was discussed in Chapter 3.

4.4. Theory of Organised Associations

In order for organised associations to perform their purpose and role, they are required to have members. However, these members influence the specific services (i.e. the role) which the associations offer. Thus, the theory of organised associations must be explored to determine what influences an individual to become a member of an organised association, as well as understanding the factors which contribute to the maintaining of that membership.

Business chambers and farmers' associations, which have been discussed extensively, are examples of organised associations. Farmers' associations will be focused on throughout this discussion because it is a focus area for this study. As an organised association, a farmers' association is a voluntary organisation. Farmers sign up to become a member of a farmers' association because they perceive the association to provide a service which is unique. However, the factors which influence these individuals to become a member of a farmers' association must be explored and determined (Markova, *et al*. 2013: 491-492). Olson's theory of exchange and collective action provides insight into determining these factors (Olson, 2000: 6).

Mancur Olson, an economist, developed a theory on the concept of collective action (Cafferata, 1979: 472; Olson, 2000: 6). In his research, Olson investigated the reasons for belonging to an organisation, be it a formal organisation or a voluntary organised association. Olson's theory of collective action is based on the notion that individuals join a group in order to get something out of the membership. However, these groups need to be ones which reflect the same or similar interests as the individual (Olson, 2000: 6).

Olson (2000: 6) explained that an association is representative of its members' interests. Thus, the reason for the associations' existence is to aim towards improving the members' position with regard to their interests (Olson, 2000: 8). Individuals are likely to belong to such an association because of the services it provides them. Furthermore, they are aware that without the membership to the association, it is likely that they would be without the service which may prove to be disadvantageous (Cafferata, 1979: 473; Olson, 2000: 9). However, there are differences when one considers whether the interest that is being furthered is a public good or a private good. If the good is considered to be a public good, such as legislation, regardless of whether or not you are a member of the organisation lobbying for improved legislation in a particular area, you will benefit from the good (Cafferata, 1979: 473; Olson, 2000: 15). Alternatively, if the good is considered to be private, such as insurance offered on land if you are a member of organised agriculture, you will not receive the service if you do not belong to the organisation, although it could be accessed through private companies (Cafferata, 1979: 473; Olson, 2000: 20; Albany Farmers League, 2013: 1). This is where the theory of exchange was developed and came into practice.

A farmers' association is a voluntary organisation, whereby members join based on their individual preference of wanting to be a member or not (Cafferata, 1979: 473; Gruen, *et al*. 2000: 34). The theory of exchange suggests that there are factors which motivate individuals to join a voluntary organisation (Cafferata, 1979: 472; Yeager, 1981: 318; Bhattacharya, 1998: 34; Gruen, *et al*. 2000: 34; Olson, 2000: 29-31; DeLeskey, 2003: 11; Ross, 2009: 17). Due to the fact that a membership fee is required to join a farmers' association, the services offered need to exceed the cost of joining, in the mind of the consumer (Yeager, 1981: 318; DeLeskey, 2003: 11; Ross, 2009: 17). The consumer, specific to this research, will be referred to as the member of the farmers' association. Farmers join the association for reasons which vary between individuals based on their specific context (Yeager, 1981: 318; Bhattacharya, 1998: 34; DeLeskey, 2003: 10; Ross, 2009: 17). Amongst other things, farmers

may join an association purely based on the extensive services which are offered. Farmers' associations should therefore be offering the services in line with the five roles that business chambers perform. To recall, these roles are namely the provision of information, market creation, learning opportunities and skills development, network building, and providing assistance with regard to policy creation and implementation (Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4; South African Chamber of Commerce and Industry, 2013: 1). Based on Olson's explanation regarding private and public goods, one is able to see that the roles performed by a farmers' association fall into both categories. Thus, the roles classified as private goods should be of greater benefit to members than those that fall under public goods.

As was previously mentioned, farmers' associations are aware of the challenges which farmers face, but the roles which the associations perform are unclear (Albany Farmers League, 2013: 1). It is being suggested that farmers' associations can enhance the role which they play to provide a platform which benefits farmers who are members (McElwee, 2006: 187). In terms of exchange theory, a valued service is one which will entice a farmer to either renew their membership, or to become a member of a farmers' association. An example of a service which falls under the category of a 'valued service' should be one which the farmer will receive only if he/she is a member of the farmers' association. This is alternatively known as a private good (Olson, 2000: 20).

Due to the high possibility that the members of the farmers' associations are likely to conduct a cost-benefit analysis, the association needs to provide services which only members will receive. Providing valued services to members is likely to result in satisfaction (Gruen, *et al.* 2000: 34-35; Osterberg, *et al*. 2009: 4-5; Markova, *et al*. 2013: 497-499). According to the Oxford English Dictionary (2014c: 1), satisfaction can be defined as, "the fulfilment of one's wishes, expectations, or needs, or the pleasure derived from this." Explained, satisfaction is the instance whereby an individual's needs and expectations have been fulfilled and/or exceeded to their desire. Under Management theory, satisfaction can be classified under three umbrellas, namely employee satisfaction, job satisfaction and customer satisfaction (Ruekert and Churchill, 1984: 227). In the context of this study, the customer is the member because the member is the individual who receives the product or service for which they paid (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 35-36). Therefore, for the purpose of this study, customer satisfaction is an area, which needs to be explored and briefly discussed.

Customer satisfaction concerns the perception of the quality of the product or service which is purchased from an organisation over a period of time (Anderson, *et al*. 1997: 130; Gruen, *et al*. 2000: 34; Gustafsson, *et al*. 2005: 210). There is a common understanding among researchers that should a customer be satisfied with the product or service, they will engage in repeat purchases thereby implying customer loyalty (Matzler, Bailom, Hinterhuber, Renzl and Pichler, 2004: 271; Wu, Zhou and Wu, 2012: 1759; Rego, Morgan and Fornell, 2013: 1). However, Matzler, *et al*. (2004: 272) and Wu, *et al*. (2012: 1762) suggest that simply satisfying your customer is insufficient to guarantee customer loyalty and retention.

In order to effectively satisfy a customer, organisations need to ensure that the customer's needs and expectations are met and exceeded, while providing a service which is unique and perceived to be valuable (Matzler, *et al*. 2004: 272; Wu, *et al*. 2012: 1762). Comparatively, in the instance whereby the customer of an organisation is the member, Gruen, *et al*. (2000: 38) illustrates that the customer is likely to renew their membership if the services provided are valued and actually benefit the customer. This implies that the services need to meet the expectations of the customer in order for the customer to be satisfied. With this being said, Gruen, *et al*. (2000: 38) and Wu, *et al*. (2012: 1762) argue that there are different levels of commitment that are experienced by customers. Customers can have an affective commitment to an organisation, whereby they are loyal to the organisation based on emotional factors such as trust. In this instance, the organisation is effective in maintaining customer satisfaction because they produce a unique product and/or service (Gruen, *et al*. 2000: 28; Wu, *et al*. 2012: 1762). Comparatively, customers can also experience calculative commitment. This is an instance whereby the customer remains loyal to the organisation based on the fact that they are limited for choice of the product or service on offer, or simply due to the fact that there is a risk factor associated with switching to an alternative supplier (Gruen, *et al*. 2000: 28; Wu, *et al*. 2012: 1762).

Taking the above discussion on customer satisfaction into account, it is implied that in order for the customer to be satisfied, they need to have their needs and expectations met. However, in order for the customer to be satisfied, retained, and in turn loyal, they need to be committed to the organisation. Farmers' associations should be striving toward creating a member that is committed to the association. However, this member must have affective commitment rather than calculative commitment. If the member is aware that they are receiving a service which both unique and of high value, it is likely that the degree of member

satisfaction will be high and it will create a high sense of loyalty to the association. However, in order to attain this level of commitment, it may require the farmers' associations to enhance the roles performed as well as provide valued services to the members.

Farmers' associations are voluntary, thus members pay a fee which allows them to take advantage of the services which are on offer (Gruen, *et al*. 2000: 34). It is important that the services offered are perceived to be valuable, increasing the likelihood of member satisfaction (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 35). To ensure that the services are valued by members, associations should involve members in the development or incorporation of new and current services (Gruen, *et al*. 2000: 36). This can be attributed to relationship marketing, where businesses determine what the customer wants through communication. Should an association be aware of what the members want, it will allow them to provide services which are valued. Providing valued services to members could result in commitment, loyalty, investment and active involvement in the association events, and increase the possibility of renewing the membership (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2009: 4-5; Markova, *et al*. 2013: 497-499). Furthermore, providing valued services may entice farmers who are not members to join the association (Gruen, *et al*. 2000: 37; DeLeskey, 2003: 10-11).

Farmers' associations can provide valued services by adopting the roles that were previously mentioned, and aligning services within those roles. Examples of these can be seen in Yeager (1981) in the development of the PAMQ. Yeager (1981: 318) explains that there is minimal literature which explains the reasons as to why individuals join organised associations. While Olson's theory of exchange is used as a theoretical basis for developing the PAMQ, Yeager (1981: 318) explains that one should expect differences between the perceptions of members and non-members of organised associations, because it is likely that members will have greater expectations of the association. Furthermore, members may find that certain services are more effective in influencing their membership of the association (Yeager, 1981: 318). Thus, the instrument examines the different factors that influence individuals to maintain their membership. In the development of the instrument Yeager (1981) determined 29 variables which members and potential members of organised associations thought to be valued. Table 4.3 illustrates how each of the variables (i.e. the services which should be offered by farmers' associations) relates to the five roles which the associations should perform. However, Yeager (1981) did not go on to explain each variable, thus the researcher aligned each variable to the most applicable role.

Table 4.3: Aligning the five roles to the PAMQ variables

Variable	Factor	Aligned Role
Fulfill desire to belong	Esteem	*Intangible Benefit*
Happiness	Esteem	*Intangible Benefit*
Fun	Change of Pace	*Intangible Benefit*
Something new	Change of Pace	Provide access to information/Learning opportunities and skills development
Break from work	Change of Pace	*Intangible Benefit*
Change of pace	Change of Pace	Provide access to information
Relief from boredom	Change of Pace	*Intangible Benefit*
Change	Change of Pace	*Intangible Benefit*
Travel	Change of Pace	Provide access to information/Network building
Improved benefits	Tangible Benefits	Provide access to information
Group benefit plans	Tangible Benefits	Provide access to information
Job placement aid	Tangible Benefits	Provide access to information
Better pay	Tangible Benefits	Network building/Market creation
Advancement	Tangible Benefits	Network building/Market creation
Self-improvement	Personal Development	Learning opportunities and skills development
Improvement of my work	Personal Development	Learning opportunities and skills development
Education	Personal Development	Learning opportunities and skills development
New ideas	Personal Development	Learning opportunities and skills development
Programs	Meetings and Programs	Learning opportunities and skills development
Meetings	Meetings and Programs	Provide access to information
Professionalism	Development of the Profession	Network building

Improvement of the farming profession	Development of the Profession	Provide access to information
Maintenance of professional standards	Development of the Profession	Provide access to information
Support	Development of the Profession	*Intangible Benefit*
Peer group contact	Development of the Profession	*Intangible Benefit*
Social activities	Social Benefits	*Intangible Benefit*
Friendship	Social Benefits	*Intangible Benefit*
Political lobbying	Political Activity	Assistance in policy creation
Validation of ideas	Work-Related Information	Learning opportunities and skills development

As can be seen from this, associations do not merely offer tangible benefits, but also offer intangible benefits. Members belong to a network of individuals who portray the same beliefs and values that they encompass, and thereby experience organisational identification (Bhattacharya, 1998: 36; Markova, *et al*. 2013: 494). Organisational identification is similar to organisational fit in that the individuals need to encompass the same values and beliefs as the organisation. However, for organisational identification to occur members need to interact. Thus, in performing the various roles in an effective manner, it would allow members to interact, resulting in the provision of this intangible benefit (Bhattacharya, 1998: 36; Markova, *et al*. 2013: 494-495).

4.5. Linking Organised Associations and Organisation Theory

Each organisation has a purpose which they aim to achieve by fulfilling and executing a number of activities (Broderick, 1998: 349). However, in order to ensure that these activities will in actual fact result in the achievement of the organisations purpose, it requires that the organisation runs in an efficient and effective manner (Curtis, *et al*. 2000: 351; Laegaard, 2006: 10-12; Daft, 2007: 20-26; Johansen, 1999: 9).

Organised associations are functioning formal organisations because they have aims and objectives which need to be achieved to ensure that their purpose is fulfilled. However, there

is a considerable difference between the functioning of a business chamber and the functioning of a farmers' association.

Based on the literature provided in section 4.2 of Chapter 4, it is assumed that business associations function well internally because all activities conducted are aimed toward achieving their ultimate purpose of ensuring that businesses within a country remain competitive in the long-term (American Chamber of Commerce, 2009: 1; Holbrook, 2014: 1). This implies that there is a certain degree of effectiveness within business chambers. Comparatively, the discussion surrounding farmers' associations in section 4.3 of Chapter 4, illustrates that the purpose and roles of the farmers' associations are not clear. Moreover, the roles which are fulfilled may not actually result in the achievement of that purpose because there is little incentive for farmers to become members of associations.

A farmers' association needs to develop a clear purpose, and then develop ways in which that purpose can be achieved. However, in order to ensure that this is done effectively and efficiently, it requires that the farmers' associations function well internally. It remains unknown as to whether or not the organisational components, as per systems theory, are present in the internal functioning of farmers' associations. Research provides no insight into the way in which farmers' associations are governed internally, which creates a need for investigation into this area.

4.6. Theoretical Framework

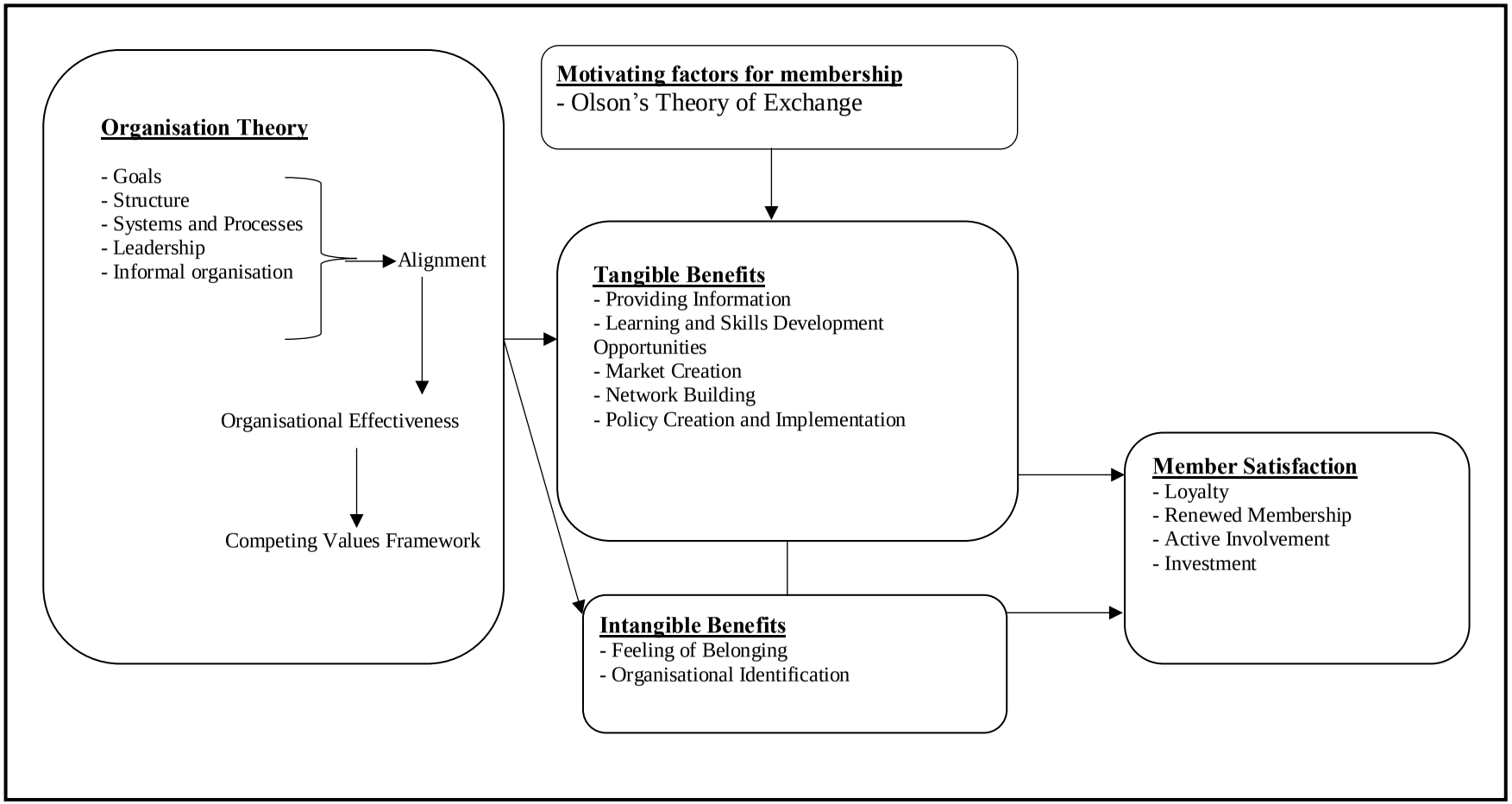
Before concluding this chapter, the theoretical framework of the study needs to be provided. The theoretical framework can be seen in figure 4.2. Within this framework, the reader is able to view an illustration of the major theoretical components that are going to be used throughout the research. For the purpose of this study, the organisation which is under investigation is a farmers' association, which is a non-profit, voluntary organised association (Albany Farmers League, 2013: 1). The framework presented in figure 4.2 links the concepts and constructs used throughout the study. It provides an idealistic view on how farmers' associations should function.

A farmers' association, as an organised association, is expected to perform a specific role, based on the services which are offered to members and potential members (Cafferata, 1979:

473; Yeager, 1981: 318; Bhattacharya, 1998: 34; Gruen, *et al*. 2000: 34; Olson, 2000: 29-31; DeLeskey, 2003: 11; Ross, 2009: 17). A question which needs to be asked here is what factors influence individuals to pay a membership fee to become a member of a farmers' association? Olson's theory of exchange is a theoretical component of this research which can provide insight into answering this question (DeLeskey, 2003: 11). According to Olson (2000: 6), an organised association, such as that of a farmers' association, must represent the interests of their members. Furthermore, it is likely that the reason for individuals belonging to such an association is due to the fact that the benefits provided are aligned with the members' interests. Thus, the theory of exchange suggests that the factors which motivate individuals to join a farmers' association are a direct correlation with the benefits provided (Yeager, 1981: 318; Olson, 2000: 29-31; DeLeskey, 2003: 11; Ross, 2009: 17). Therefore, Olson's theory of exchange influences both the tangible and the intangible benefits that are provided to the members of farmers' associations.

Farmers' associations should be providing both tangible and intangible services to their members. The tangible benefits include the provision of information, learning and skills development opportunities, market creation, network building, and assistance with policy creation and implementation (Eng, 2000: 4-9; American Chamber of Commerce, 2009: 2-4; South African Chamber of Commerce and Industry, 2013: 1; Holbrook, 2014: 1). Additionally, the intangible benefits include the feeling of belonging to a group which shares the same interests, values and beliefs, otherwise known as organisational identification (Bhattacharya, 1998: 36; Markova, *et al*. 2013: 494-495). Each of these benefits was discussed at length in sections 4.2 through to 4.4 of chapter 4. However, it is important that the farmers' associations are aware that the benefits provided and the roles performed are one in the same (Eng, 2000: 4; American Chamber of Commerce, 2009: 2-4; South African Chamber of Commerce and Industry, 2013: 1). Currently, it is unclear as to the specific roles that farmers' associations perform, thus the ones listed in figure 4.2 are proposed roles (Albany Farmers League, 2013: 1). It is being suggested that farmers' associations can enhance the role that they play so to provide members with a beneficial platform (McElwee, 2006: 187). As per exchange theory, should a service be valued by the member, it will entice the member, in this case the farmer, to either renew their membership and/or encourage more farmers to become members of the associations (Olson, 2000: 20).

Figure 4.2: Theoretical Framework



Due to farmers' associations being voluntary organisations, in order to become a member, one needs to pay a membership fee. Thus, the services which are offered need to be valued by members, which is likely to result in satisfaction (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). Satisfaction is the instance whereby an individual's needs and expectations have been fulfilled and/or exceeded to their desire or expectations. Specific to this research, customer satisfaction is most applicable (Ruekert and Churchill, 1984: 227). In a context such as this, the customer would be the individual who receives the service, because this is the individual who paid to take advantage of the service (Bhattacharya, 1998: 35). Therefore, the customer is the member. If a member of a farmers' association is satisfied with the services received, it is likely that the individual will remain loyal and renew their membership, while at the same time invest in the association and become an active member (Gruen, *et al*. 2000: 34-35; Matzler, *et al*. 2004: 271; Osterberg, *et al*. 2007: 4-5; Wu, *et al*. 2012: 1759-1762; Markova, *et al*. 2013: 497-499; Rego, *et al*. 2013: 1). An extensive discussion on this took place in section 4.4 of chapter 4.

However, in order for farmers' associations to provide these benefits effectively and satisfy their members, the farmers' association needs to have sound organisational functioning (Scott, 1961: 7-8; Laegaard, 2006: 10-12; Daft, 2007: 20-26; McAuley, *et al*. 2007: 13; Lauffer, 2011: 39). This features in organisation theory. Organisation theory is a very broad subject, which was further elaborated on in section 3.4 of chapter 3. Throughout the discussion, one can see that organisation theory underwent many developments and alterations, based on societal changes, which altered the way in which organisational effectiveness is viewed (Groth, n.d.: 8; Lauffer, 2011: 40-41). Although there were many developments under this domain of the research, the systems theory component of organisation theory was adopted for this study. Systems theory states that in order for an organisation to be effective in achieving its purpose, there needs to be alignment between the organisational components of goals, structure, systems and processes, leadership, and the informal organisation (Scott, 1961: 16; Hackman, *et al*. 1983: 119; Hodge and Anthony, 1984: 33; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22; Hellriegel, *et al*. 2012: 118). In order for these components to constitute effective organisational functioning, it would require that there be organisational alignment among each component.

Organisational alignment is the instance where all components of the organisation are directed toward achieving the same goals and objectives, which ultimately will result in the

achievement of the organisations purpose (Hackman, *et al*. 1983: 119; Higgins, 2005: 4; Cichoki and Irwin, 2011: 22). A resulting factor of having alignment between the organisational components is organisational effectiveness. Organisational effectiveness considers how successful an organisation is in achieving its ultimate purpose, based on the activities that the organisation is performing (Hodge and Anthony, 1984: 299; Ashraf and Kadir, 2012: 80; Hellriegel, *et al*. 2012: 8; Kataria, *et al*. 2013: 105).

While it is important to have the necessary organisational components in place and in alignment, it is also important to understand what the organisation perceives effectiveness to be. Thus, the competing values framework could assist in this regard. Developed by Quinn and Rohrbaugh (1983), the competing values framework, built on previous models of organisational effectiveness, was developed as an integrated framework of organisational effectiveness. The framework places the three competing values into a diagrammatic form, which explains challenges that are faced by organisations on a day-to-day basis (Quinn and Rohrbaugh, 1983: 363). Although these competing values present challenges, organisations will deem some more important than others, which will provide insight into how the organisation allows itself to be effective.

4.7. Summary

Organised associations, be they business chambers or farmers' associations have a reason for existence, or rather a purpose. In order to achieve this purpose, the organised association is required to perform and/or fulfil a variety of roles. If these are fulfilled effectively, they will more than likely lead to the achievement of the purpose. However, whether this will be effective or ineffective needs to be considered, and is based on the internal functioning of the association.

Although organised associations are required to perform roles in order to achieve their purpose, they must take into account the factors which influence individuals to become a member of such an association. Olson's theory of collective action and theory of exchange alluded to this fact. An important factor to note is that, although an organised association is performing specific tasks, they may not be satisfying the member. Therefore, member satisfaction becomes a prominent factor in retaining members. However, in order to provide

services which are valued by members and result in their satisfaction, the association needs to function well. Thus, the internal functioning comes into practice.

The chapter closed in presenting and discussing the theoretical framework. This framework was presented to conceptualize the concepts used throughout the study, thus aiming to provide enhanced understanding of what the researcher sets out to do.

Chapter 5

Research Methodology

5.1. Introduction

In previous chapters, the literature pertaining to the research was discussed. This chapter will discuss and analyze the information that is specific to the research methodology of this study. The purpose of this research is to determine whether farmers' associations can improve their role to better achieve their purpose, and in turn improve the services that are provided to farmers in the Albany Area, and contribute to their long-term success and member satisfaction.

Firstly, the goals and aims of the study will be discussed. Secondly, the research paradigm will be discussed, followed by the literature relating to the population and sample will be discussed, with a greater emphasis being placed onto the population and sample that is specific to this research. Thirdly, the research design will be explained surrounding the research methods that were implemented, followed by a discussion surrounding the research instruments used. Validity and reliability issues will be discussed, with relation to the research instruments used in this research. Details pertaining to the data collection procedures as well as data analysis techniques will then be discussed. Ethical considerations that the researcher applied throughout this research will then be explored. Lastly, any limitations and delimitations which were experienced during the research process will be listed and briefly discussed.

5.2. Aim, Goals and Objectives of the Study

Farmers, as with businesses, have the option to join an organised association, which takes the form of a farmers' association. Farmers' associations should be fulfilling a similar role as business chambers, but it is questionable as to whether this is happening (Albany Farmers League, 2013: 1). There is limited knowledge surrounding the role and purpose of farmers' associations, thus it is unclear as to what they actually do, and the reasons why farmers belong to them.

The primary aim of the study is to describe the roles that farmers' associations should fulfil to effectively satisfy members, and potentially attract new members. In order to achieve the primary aim, the following goals and objectives need to be achieved:

- Analyze the current role of farmers' associations;
- Explain member and non-member perceptions of the services offered by farmers' associations;
- Determine factors which motivated individuals to join a farmers' association;
- Determine whether members of farmers' associations are satisfied with services offered;
- Describe the internal measures of effectiveness within the farmers' associations;
- Explain why some farmers do not belong to farmers' associations;
- Investigate the services members and non-members of farmers' associations want;
- Recommend what roles farmers' associations could adopt and fulfil.

5.3. Research Paradigm

Collis and Hussey (2009: 55), define a research paradigm as, "a framework that guides how research should be conducted, based on people's philosophies and their assumptions about the world and the nature of knowledge." This definition implies that a research paradigm illustrates the underlying principles of the research, while requiring a researcher to adopt a particular data collection method, and ways in which that data is to be analyzed and interpreted (Durrheim, 2006: 40; Collis and Hussey, 2009: 55). Research paradigms are therefore essential in the design of the research (Durrheim, 2006: 40; Collis and Hussey, 2009: 55).

Two main research paradigms have been identified, namely the positivistic research paradigm and the interpretivistic research paradigm, otherwise known as the phenomenological research paradigm (Welman, *et al.* 2005: 6; Collis and Hussey, 2009: 55-56). The positivistic approach is closely linked to quantitative research, as the research conducted is primarily experimental in nature, while the interpretivistic or phenomenological approach is closely linked to that of qualitative research due to its humanistic and subjective approach to research (Saunders, *et al.* 1997: 71-72; Welman, *et al.* 2005: 6-7; Collis and Hussey, 2009: 55-56). However, contributions made to research methodology literature suggest that the two research paradigms can be combined, as a mixed method approach (Collis and Hussey, 2009: 66; Sekaran and Bougie, 2013: 30; Creswell, 2014: 3). This has become known as the pragmatic

research paradigm (Collis and Hussey, 2009: 66; Teddlie and Tashakkori, 2009: 7; Sekaran and Bougie, 2013: 30).

Positivism is concerned with the gathering of information or data surrounding a particular topic, however, little consideration is given to the human factor, because the researcher places emphasis on the observable factors (Creswell, 2003: 182; Collis and Hussey, 2009: 56). Thus, positivism is believed to be a paradigm whereby the research conducted is both objective and deductive in nature. Furthermore, the researcher is considered to be independent of the findings, thus implying that the results are not, in any way, affected by the individual investigating the issue (Collis and Hussey, 2009: 56). The positivistic paradigm is typically associated with a quantitative research approach. The quantitative research paradigm is the process of gathering, analyzing, and interpreting of data in a statistical manner (Creswell, 2003: 120; Teddlie and Tashakkori, 2009: 5). It is an objective method because the researcher is testing relationships between variables to explain a particular phenomenon (Creswell, 2003: 120; Collis and Hussey, 2009: 56). This implies that the methodology is very structured, can be easily repeated in future studies, illustrates independence on the researcher's part, and has the advantage of generalisability (Saunders, *et al*. 1997: 71; Wellman, *et al*. 2005: 6; Durrheim, 2006: 47).

Interpretivism or the phenomenological research paradigm is one which is found on the opposite end of the research continuum, when compared to the positivistic research paradigm. This research paradigm considers the human factor, and according to Collis and Hussey (2009: 57), interpretivism "rests on the assumption that social reality is in our minds, and is subjective". The paradigm is associated with qualitative approaches to research. Qualitative research concerns the gathering, analyzing, and interpreting of data which is descriptive in nature (Creswell, 2003: 180; Teddlie and Tashakkori, 2009: 6). It is a subjective method because it allows the researcher to gain access to the opinions of the individuals under study (Saunders, *et al*. 1997: 72; Welman, *et al*. 2005: 191; Curry, Nembhard and Bradley, 2009: 1442). Furthermore, due to the small opportunity to generalise results to the greater population, experiences and perceptions are investigated to explore a particular research problem (Collis and Hussey, 2009: 57).

It is believed that research which is conducted often falls within one of the two broad paradigms discussed above (Collis and Hussey, 2009: 66; Teddlie and Tashakkori, 2009: 7).

However, this traditional outlook is being challenged by experienced researchers because there has been a movement by researchers to use a variety of research methods, which fall within different paradigms (Collis and Hussey, 2009: 66; Creswell, 2014: 3-4). This saw the emergence of the mixed method approach, which can be understood as a research design whereby qualitative and quantitative research methods are used to collect and/or analyse data (Creswell, 2006: 5; Teddlie and Tashakkori, 2009: 7). Philosophically, the orientation of the mixed method research paradigm has become known as pragmatism (Teddlie and Tashakkori, 2009: 7). Pragmatism is the notion whereby the focus is placed on understanding, as opposed to focusing on truth, reality or knowledge in isolation (Collis and Hussey, 2009: 66; Teddlie and Tashakkori, 2009: 7-8; Sekaran and Bougie, 2013: 30). Furthermore, the adoption of pragmatism as a research paradigm takes into account that the researcher, as an individual, is subjective, and therefore the morals and values which are encompassed by the researcher become evident when the results are interpreted (Teddlie and Tashakkori, 2009: 8; Sekaran and Bougie, 2013: 30). A key advantage of pragmatism is that the strengths and weaknesses present in the traditional two paradigms are offset against one another because it is likely that the adoption of a mixed approach will provide a holistic understanding of the research problem (Collis and Hussey, 2009: 66; Creswell, 2014: 4). This coincides with the notion that pragmatism focuses on understanding, rather than just focusing on explanations as in the phenomenological research paradigm, and results and observations in the interpretivistic research paradigm (Collis and Hussey, 2009: 66-67; Teddlie and Tashakkori, 2009: 7-8). Another advantage in adopting the pragmatic research paradigm is that, due to the strengths and weaknesses of the other approaches being offset against one another, it provides greater insight into phenomena that are being investigated (Teddlie and Tashakkori, 2009: 26; Creswell, 2014: 4).

5.3.1. The Research Paradigm for this Study

As previously mentioned, this research was conducted under the pragmatic research paradigm. Components from both the positivistic and interpretivistic research paradigms were incorporated into the study. To effectively determine the role of the farmers' associations, to enable the researcher to make recommendations, and to determine reasons for non-membership, data was required to be both qualitative and quantitative. The qualitative aspects came in with regard to the open-ended questions. This data needed to be collected in

a way that would provide the researcher with better descriptions due to subjectivity in responses, thus responses could not easily be measured.

A quantitative approach was adopted in Section A and Section B of the research instruments used and in the socio-economic factors. As will be discussed later in the chapter, two research instruments were adopted in the study, namely the PAMQ and the OCAI. The research instruments adopted provided insight, in an easily measurable state into the role of farmers' associations, and the internal functioning state of them, as well as their perceived effectiveness. Each research instrument included factors that could easily be measured, thus illustrating the need for quantitative responses.

5.4. Population and Sample

In conducting any form of research, irrespective of the field which is being studied, the research problem or question will be directly related to a particular population (Sekaran, 1992: 225; Welman, Kruger and Mitchell, 2005: 52; Sekaran and Bougie, 2013: 244). Collis and Hussey (2009: 209) define a population to be "a body of people or collection of items under consideration for statistical purposes." Taking these two components into account, a population can be understood to be a group of prospective participants, to which the research is applicable, and from which a sample can be drawn (Babbie and Mouton, 2001: 100; Welman, *et al*. 2005: 52; Collis and Hussey, 2009: 209; Sekaran and Bougie, 2013: 244). The components which make up the population have characteristics which are specific and applicable to the research which is being conducted (Brynard and Hanekom, 2006: 55; Sekaran and Bougie, 2013: 244)

It is often difficult for researchers to collect and analyze data from the whole population, because the population may be large in size, and the researcher may experience resource constraints such as time or money (Saunders, Lewis and Thornhill, 2000: 150). Arguably, it is possible for the data to be collected and analyzed from the entire population should it be small in size (Collis and Hussey, 2009: 209).

A sample can be defined as a group of participants which have been selected from the population in order to allow research to be conducted on that population (Sekaran, 1992: 226; Welman, *et al*. 2005: 55; Durrheim, 2006: 49; Collis and Hussey, 2009: 209). However, it

must be noted that the sample needs to be representative of the population. This means that the sample is required to encompass the same characteristics as the population from which it was selected (Welman, *et al*. 2005: 55; Durrheim, 2006: 49). In order to select the sample, there are a number of sampling techniques which can be used. Sampling is the process of selecting participants from the population to participate in the study (Sekaran, 1992: 226-227; Brynard and Hanekom, 2006: 54; Durrheim, 2006: 49; Collis and Hussey, 2009: 209; Sekaran and Bougie, 2013: 245).

There are two categories of sampling techniques, namely probability sampling and non-probability sampling (Saunders, Lewis and Thornhill, 1997: 126; Welman, *et al*. 2005: 56; Durrheim and Painter, 2006: 139). Probability sampling states that each individual or object that exists in a population is acknowledged and each has an equal probability of being selected (Sekaran and Bougie, 2013: 247). Alternatively, non-probability sampling occurs where the probability of an individual or object being selected from the population is unknown (Saunders, *et al*. 1997: 126; Welman, *et al*. 2005: 56; Durrheim and Painter, 2006: 139; Teddlie and Tashakkori, 2009: 170). With non-probability sampling, it does not readily allow one to generalize results based on statistical calculations because inferential statistics are not calculated. The opposite is true for probability sampling (Saunders, *et al*. 1997: 126). Both sampling techniques have many tools which can be used to accurately determine a sample which is representative of the population. However, the advantage of using probability sampling is that the researcher is able to calculate the sampling error (Welman, *et al*. 2005: 57). The sampling error indicates how representative the sample is of the population (Welman, *et al*. 2005: 74; Polonsky and Waller, 2014: 171). Examples of probability sampling tools include simple random samples, systematic samples, stratified random samples, cluster samples, and multistage samples (Saunders, *et al*. 1997: 131; Welman, *et al*. 2005: 56; Collis and Hussey, 2009: 211-212; Teddlie and Tashakkori, 2009: 171). Sekaran (1992: 229-234) further supports these techniques but adds area samples and double sampling techniques. Examples of non-probability sampling tools include quota samples, purposive samples, snowball samples, self-selection samples, and convenience samples (Sekaran, 1992: 235-236; Saunders, *et al*. 1997: 143; Welman, *et al*. 2005: 56; Durrheim, and Painter, 2006: 139; Collis and Hussey, 2009: 212-213).

5.4.1. Population and Sample for this Study

This study is being conducted in the Albany Area, which is located in the Eastern Cape between the Bushman's, Great Fish and Koonap Rivers (CSS Geographical Information Specialists, 2013). Within the Albany Area are many different population groups, however for the purpose of this study the predominant population group is 396 farmers. Within the population of farmers, there are sub-groups consisting of members of and non-members of farmers' associations (Department of Agriculture, 2013). There is a further sub-group which falls under the members of farmers' associations, namely committee members. For the purpose of this study, the three sample groups of committee members, members of and non-members of farmers' associations were considered because each sample group provided the researcher with different information, as was required to achieve the research objectives. The individuals selected to participate in the study were not required to meet any requirements.

Non-probability sampling techniques, specifically purposive sampling, and probability sampling techniques, specifically simple random sampling and stratified random sampling, were adopted in this study. A purposive sample, otherwise known as a judgmental sample, is a sample which is selected by the researcher before the research begins (Saunders, *et al*. 1997: 145; Collis and Hussey, 2009: 213; Sekaran and Bougie, 2013: 252). The participants are selected based on their knowledge and understanding of the topic or area which is being studied (Sekaran, 1992: 235-236; Saunders, *et al*. 1997: 145-146; Welman, *et al*. 2005: 69; Collis and Hussey, 2009: 213). It is a sampling tool which is often used in the instance whereby a limited number of individuals are perceived to have the information which is required by the researcher (Sekaran, 1992: 236; Welman, *et al*. 2005: 69; Collis and Hussey, 2009: 213; Sekaran and Bougie, 2013: 252). Although purposive samples are useful when expert knowledge is required on a specific topic, the disadvantage lies in the fact that the results, in most instances, cannot be generalized (Sekaran, 1992: 236). Furthermore, researchers often question as to whether the sample which was selected is actually representative of the population. In most instances, it is believed that a purposive sample portrays a low representation of the population under study, because the number of individuals who have the expert knowledge required may be limited (Saunders, *et al*. 1997: 145-146; Welman, *et al*. 2005: 69; Sekaran and Bougie, 2013: 252-253). Non-probability samples are most often used in research which is of an experimental nature. That said the

non-probability sampling tools used aim to develop an understanding of processes which are undertaken (Durrheim and Painter, 2006: 139).

Probability sampling techniques were also used in this research. As previously stated, two specific tools were used from this technique, namely simple random sampling and stratified random sampling. Simple random sampling is a tool which is used to select a sample whereby each individual or object in the population has an equal chance of being selected as a participant in the study (Sekaran, 1992: 229; Saunders, *et al*. 1997: 133; Welman, *et al*. 2005: 59; Sekaran and Bougie, 2013: 248). A simple random sample is said to not be bias because each individual or object has an equal chance to be selected. Furthermore, it is believed that a simple random sample is an appropriate representation of the population under study (Saunders, *et al*. 1997: 133; Sekaran and Bougie, 2013: 254).

A further probability sampling tool was used namely stratified random sampling. Stratified random sampling is a tool which is used in the instance where the population group under investigation has subpopulations (Saunders, *et al*. 1997: 137; Welman, *et al*. 2005: 61; Sekaran and Bougie, 2013: 248). The population is divided amongst the subpopulations, and therefore in order to generate a sample which is representative of the population, it is required that an equal percentage of individuals or objects from each subpopulation be selected, at random (Saunders, *et al*. 1997: 137; Welman, *et al*. 2005: 61; Collis and Hussey, 2009: 212). This is done to decrease the probability of one portion of the population being either over- or under- represented (Welman, *et al*. 2005: 61; Collis and Hussey, 2009: 212). The sample will thus be believed to be representative of the population (Saunders, *et al*. 1997: 137). Both simple random sampling and stratified random sampling are preferable in the instance where the researcher has access to a complete list of the population (Saunders, *et al*. 1997: 134; 137). In order to free the sample selection from bias, random numbers or names of participants can be generated using a tool such as Microsoft Excel (Saunders, *et al*. 2005: 133; Welman, *et al*. 2005: 59-61).

The use of purposive sampling, simple random sampling, and stratified random sampling in this study was based on practical reasons. Firstly, purposive sampling was deemed the most appropriate technique to sample one of the three sample groups because the information which is required concerns the role and function which farmers' associations serve and the internal functioning state of the association. Secondly, the researcher's hometown is

Grahamstown, many individuals in her family are farmers, and she is well acquainted with many of the potential participants. Thus, in order to reduce the possibility of bias in selecting the samples, simple random sampling and stratified random sampling were deemed the most appropriate techniques. Thirdly, the researcher had access to a complete sampling frame. According to Collis and Hussey (2009: 209), "a sampling frame is a record of the population from which the sample can be drawn." Although Saunders *et al*. (1997: 127) agrees with this statement, a further addition is made stating that the sampling frame needs to be complete. Thus, all individuals or objects within the population need to be listed in the sampling frame. It is of high importance that the sampling frame is complete because that ensures that the sample which is selected will be free from bias (Saunders, *et al*. 1997: 127; Sekaran and Bougie, 2013: 245).

Many research studies require the researcher to gather data from a population (Collis and Hussey, 2009: 210). As previously stated, the population under study may be too large to gather data from every individual; therefore a sample is selected, via a sampling technique. However, in order to effectively address the research goals and objectives, the sample which is selected needs to be large enough (Collis and Hussey, 2009: 210). It is recommended by experienced researchers that the larger the sample size, the more accurate the results, and therefore there is an increased probability that results can be generalized to the greater population. However, this is also dependent on the statistical analyses that will be performed (Collis and Hussey, 2009: 210-211).

There are eight farmers' associations in the Albany Area, namely Bathurst-West, Belton-Salem, Koonap, Carlisle Bridge, Lower Albany and Bathurst Border, Central Albany, Eastern Border, and Coombs Valley Farmers' Associations. Each farmer's association has a supervisory committee consisting of a chairperson, secretary, and representative. Combined, this gives a population of 24 individuals in this group. Due to their understanding of how farmers' associations function, the chairperson and the secretary from each association were selected for the study, making the sample size 16 individuals. The sample was selected using a purposive technique (Collis and Hussey, 2009: 213). The researcher further required the chairpersons to participate as members, because they are members which have been placed into a 'leadership' position.

There is a total population of 396 farmers in the Albany Area, with each farmer residing in a different area (Department of Agriculture, 2013). The population of farmers who were members of farmers' associations was 180 (Albany Farmers League, 2013: 1). A sample size of 80 was selected using a stratified sampling technique (Collis and Hussey, 2009: 212; Sekaran and Bougie, 2013: 248-249). A list of the members of farmers' associations was obtained from the Albany Farmers' League, from which farmers' residing in each region was randomly selected (Sekaran and Bougie, 2013: 247). Every second farmer on the list was selected, allowing each potential participant an equal chance of being selected. The population of farmers who are non-members of farmers' associations is 216. Three farmers from each region were randomly selected, which provided a fair representation of the entire population. A list of all farmers in the Albany Area was obtained from the Department of Agriculture (Department of Agriculture, 2013). The farmers who are members of farmers' associations were removed from this list, and every 12^{th} farmer was selected, giving a sample size of 24. In selecting every 12^{th} farmer, it gave each individual an equal probability of being selected. Permission has been granted to the researcher, by the Albany Farmers' League and the Department of Agriculture, to obtain access to the lists required.

5.5. Data Collection

Data collection refers to the means and methods of gathering data in order to achieve the research objectives (Riley, Wood, Clark, Wilkie and Szivas, 2000: 11). There are many methods available to collect data. Within this section, these will be mentioned and the methods relevant to this study will be discussed in detail. Thereafter, the research instruments used will be discussed, followed by the actual process undertaken by the researcher to collect the data.

5.5.1. Research Method

Collis and Hussey (2009: 73) suggest that there are a number of research methods that can be used in order to collect and analyse data. However, the research method that is used is dependent on the research paradigm which was followed by the researcher (Collis and Hussey, 2009: 73). Under the positivistic paradigm, the research methods which are predominantly used include experimental studies, surveys, cross-sectional studies, and longitudinal studies (Collis and Hussey, 2009: 74; Sekaran and Bougie, 2013: 102-104). Alternatively, the research methods which are most used under the interpretivistic paradigm

include hermeneutics, ethnography, participative enquiry, action research, case studies, grounded theory, and feminist, gender and ethnicity studies (Collis and Hussey, 2009: 74; Sekaran and Bougie, 2013: 102-104). This research was conducted under the pragmatic paradigm.

Initially, the researcher set out to collect the data using two research methods, namely the survey and focus groups. Focus groups would have been ideal in collecting rich data about the internal functioning of farmers' associations, and reasons for the high rate of non-membership, however due to logistical issues the focus groups were not feasible. Farmers' have busy schedules, and there is a wide array of farming types in the Albany Area, thus there was not an available date or time which suited farmers to participate in a focus group, as per the requirements of a focus group (Krueger and Casey, 2000: 73). Thus, a survey was adopted in place of focus groups, specifically structured questions with respect to the supervisory committee and the non-members of farmers' associations.

A survey is a method which allows for the collection of primary and secondary data from a sample (Collis and Hussey, 2009: 76; Creswell, 2014: 156). It is a method which is extensively used throughout the social sciences where information can be collected regarding views and beliefs of the sample, while simultaneously collecting biographical data (Welman, *et al*. 2005: 152; Collis and Hussey, 2009: 74-75). A survey can take the form of a questionnaire or an interview, which are dependent on the data which needed to be collected. Interviews are conducted with participants of a research study through verbal communication, including face-to-face, telephonic or video mediums. This is generally a method which is used when the researcher wishes to gather data which is based on the participant's opinion regarding the topic under investigation (Collis and Hussey, 2009: 194; Creswell, 2014: 157).

A questionnaire, slightly similar to that of an interview, is administered to participants in order to gather data on particular variables. Questionnaires are generally more numerical in nature, and thus allow variables to be easily measured. A questionnaire can take many forms whereby it can be administered telephonically, via post, electronically, or face-to-face (Collis and Hussey, 2009: 193; Sekaran and Bougie, 2013: 147; Polonsky and Waller, 2015: 163). Specific to this study, face-to-face questionnaires were personally administered to participants. Collis and Hussey (2009: 193) state that although collecting responses in this manner is time consuming, it is likely that the rate of response will be much higher thus

proving to be advantageous to the researcher. Based on a set of predetermined statements, participants are required to select a response and/or comment on a statement or question (Welman, *et al*. 2005: 174-175; Collis and Hussey, 2009: 192). Administering the questionnaires to respondents in person allows any misconceptions on statements to be clarified immediately (Sekaran and Bougie, 2013: 147; Polonsky and Waller, 2015: 163). Questionnaires, commonly a quantitative data collection technique, are most appropriate in studies in which the sample size is large because it allows the researcher to collect an extensive amount of data, as opposed to alternative methodology techniques (Collis and Hussey, 2009: 56-57).

Although there are many advantages to administering a questionnaire in person, the major disadvantage is the fact that bias may be introduced into the study (Sekaran and Bougie, 2013: 147). The researcher may find that participants query the same statements and although the statements should be explained to each participant in the same way, instances may occur where statements are explained differently. This may result in participants interpreting statements differently (Sekaran and Bougie, 2013: 147).

In adopting the survey questionnaire as a research method, the researcher can either design a questionnaire themselves, or source and administer one which exists (Collis and Hussey, 2009: 192-193). Although much simpler, a questionnaire which is in existence grants the researcher the ability to compare and contrast different responses due to the limited extent of responses given. Furthermore, the use of questionnaires allows results to be interpreted more clearly, thus allowing the data to be interpreted more easily. Alternatively, should the researcher choose to develop a questionnaire, it requires additional time, as the questionnaire will need to be designed and pilot tested (Saunders, *et al*. 1997: 269). This is a requirement to guarantee that the questionnaire is reliable and valid, so to ensure the research objectives are answered.

5.5.2. Research Instruments

Due to the nature of the study, two research instruments will be employed. As was previously stated, data will be collected by means of a structured questionnaire, which required both qualitative and quantitative responses.

Two research instruments were sourced, which were aligned with the requirements of the study. The research required that data be collected from three sample groups. Although this may imply that three research instruments needed to be employed, this was not the case due to the versatility of one of the instruments.

A structured questionnaire entitled the PAMQ, developed by Professor Samuel Yeager in 1981 was sourced, and will be administered to members of and non-members of farmers' associations (Yeager, 1981). Permission to administer the instrument was granted by the author (Yeager, 2014: 1). Initially, this research instrument was only to be administered to members of farmers' associations. However, due to changes stated in the above section, it was required that a research instrument be sourced for the case of non-membership. In rereading Yeager (1981), it came to light that the PAMQ can be administered to non-members of associations. To confirm this finding, the researcher contacted Professor Yeager and further permission was granted to use the instrument (Yeager, 2014: 1).

The PAMQ is comprised of three sections. The questionnaire can be seen in Appendix A for members and Appendix B for non-members. Section A required respondents to provide various biographical and demographical data. Yeager (2014: 1) advised the researcher to develop her own items in regard to this based on the context of the study. This would not alter the reliability and validity of the instrument (Yeager, 2014: 1). Section B was comprised of a seven-point Likert scale by which the respondent was required to respond to 29 statements, whereby 1 equated to strongly disagree/not at all and 7 equated to strongly agree/very much (Yeager, 1981: 325). For members of farmers' associations, these statements concerned the different factors which influenced individuals to maintain their membership. Furthermore, it provided the researcher with insight into the roles which farmers' associations should actually fulfil, thereby allowing for better recommendations to be made. Non-members were provided with the same 29 statements, however they were instructed to rate the perceived benefit on the 7-point Likert Scale. Section B was developed based on nine factors, each comprising of a number of items (Yeager, 1981: 325). Section C has open-ended questions, which were adapted to the context of the research. For members, these questions enquire the reasons as to why the respondent joined a farmers' association, whether the membership fee is aligned with expectations, and the additional benefits which they would like to see. Alternatively, non-members were asked to provide information on previous memberships to farmers' associations and the reasons for cease of membership or to

state reasons as to why they had never joined an association, and what benefits would they like to see should they decide to rejoin/join a farmers' association.

The OCAI, developed by Cameron and Quinn (2006) was adopted as the structured questionnaire administered to the supervisory committees. Participants falling under the committee population were invited to participate in the study. Thus, questionnaires were administered to the chairperson from each farmer's association. This research instrument is openly available on the internet, however, permission to use the OCAI was granted by Cameron (2014: 1).

The OCAI is comprised of two sections and can be seen in Appendix C. In section A, participants were required to complete their biographical and demographical data. This was not included in the original instrument; however the researcher deemed it necessary. Section B was comprised of six categories. Each category contained four characteristics which were read to individuals. For each category, the participant was given 100 points which was to be divided amongst the four characteristics. These points were to be divided up whereby the characteristic most applicable to the association was ranked the highest. The rating took place using an Ipsative Scale, which allows participants to rate statements, which is more subjective than choosing the most appropriate (Cameron, 2014: 1).

5.5.2.1. Validity and Reliability

The concepts of reliability and validity need to be understood and assessed in order to conclude that the research instrument which is being employed is of a high quality. Reliability is concerned with the quality of the data which is collected. A research instrument is deemed reliable if it is administered repeatedly, and the data collected yields the same or similar results (Saunders, *et al*. 1997: 82; Riley, *et al*. 2000: 126; Collis and Hussey, 2009: 64). The issue of reliability is important under both the positivistic and interpretivistic paradigms. However, reliability is determined in different ways. Unlike in a positivistic study, where reliability is tested by ensuring the research instrument yields the same results, reliability in an interpretivistic paradigm is concerned with whether or not the data collected can be interpreted, understood, and explained in a unambiguous manner (Saunders, *et al*. 1997: 82; Collis and Hussey, 2009: 64).

Under the interpretivistic research paradigm, reliability is ensured by the credibility, dependability, transferability and confirmability of the data collected. These concepts will ensure that the data is of a high quality (Collis and Hussey, 2009: 182).

Should a research instrument be considered valid, it implies that the data which has been collected is aligned with and accurately represents the problem which is being researched (Saunders, *et al*. 1997: 82; Riley, *et al*. 2000: 126; Collis and Hussey, 2009: 64). Although a research instrument was found to be reliable, does not necessarily infer that validity is assumed. Validity can be low, especially in the instance of quantitative studies. The reason for this is that much emphasis is placed on ensuring that measuring data and ensuring reliability, that validity becomes clouded (Collis and Hussey, 2009: 65). However, in the instance of qualitative studies, validity is often high because the researcher places much emphasis on understanding the data which is collected and extracting rich explanations of that data (Collis and Hussey, 2009: 65). In summary, validity is concerned with whether or not the data collected is an accurate representation of what is actually being studied. Alternatively, reliability is concerned with whether or not the same results will be concluded should the study be repeated (Saunders, *et al*. 1997: 82; Riley, *et al*. 2000: 126; Collis and Hussey, 2009: 64-65).

5.5.2.1.1. Validity and Reliability for the PAMQ

The Cronbach's's Alpha test was conducted on the PAMQ to ensure its reliability and validity. As previously stated, there were nine factors that were comprised of a number of items (Yeager, 1981: 325). The nine factors and Alpha Coefficients can be seen in table 5.1.

As can be seen in table 5.1 the Alpha Coefficients range from 0.68 to 0.91. The scores for the factors entitled 'Desire for Information about other Organisations' and 'Pressure to Join' are deemed poor under the interpretation of the Cronbach's's Alpha test, they were deemed insufficient to be used in the research instrument (Yeager, 1981: 329).

To date, the questionnaire has been administered over 100 times, by professional associations and individuals, to complete their research studies (Yeager, 2014: 1). Each instance has been in a different context and different countries. It must also be noted that the PAMQ can be administered to both members and non-members of professional associations (Yeager, 2014: 1). However, to the researcher's knowledge, the instrument has not yet been administered in

a South African context, or amongst agricultural associations. In light of this, Cronbach's alpha was conducted on the PAMQ. The research instrument was found to be reliable in the context of this study. Please refer to Chapter 6 for the results.

Table 5.1: Factors and Alpha Coefficients

Factor	Alpha Coefficient
Esteem	0.91
Change of Pace	0.85
Development of the Profession	0.84
Personal Development	0.82
Tangible Benefits	0.83
Work Related Information	0.76
Political Activity	0.81
Social Benefits	0.68
Meetings and Programs	0.68

Source: Yeager (1981: 326-329).

5.5.2.1.2. Validity and Reliability for the OCAI

To determine the reliability of the OCAI, Cameron and Quinn (2006: Appendix A) conducted the Cronbach's Alpha test on numerous studies which had used the OCAI as a data collection tool. Each time the Cronbach's Alpha test was conducted, results showed that there was consistency between responses. This therefore shows that the OCAI is reliable (Cameron and Quinn, 2006: Appendix A).

Furthermore, the OCAI has been used in a variety of research areas, all falling within the social and organisational science fields (Cameron and Quinn, 2006: Appendix A). This illustrates that it could be used as a research instrument in this particular study. However, to the researcher's knowledge, the instrument has not yet been administered in a South African context, or amongst agricultural associations.

Cameron and Quinn (2006: Appendix A) touched on the topic of validity. Throughout the numerous implementation of the OCAI, results have shown that no organisation has one culture, but depending on the context of the organisation, there are dominant cultures. Furthermore, results will be deemed valid should the culture be aligned with organisational structure, effectiveness and strategy (Cameron and Quinn, 2006: Appendix A).

5.5.3. Data Collection Process

Structured questionnaires were personally administered to the members of farmers' associations. The reason for administering the structured questionnaires to the members of the farmers' association was to determine why the farmers' actually belong to the association, the roles fulfilled, and to allow the researcher to make accurate and useful recommendations. The PAMQ instrument sets out to analyze the current role of farmers' associations by explaining member and non-member perceptions of the services offered by farmers' associations. As was discussed in Chapter 4, section 4.4 Yeager (1981: 318) explained that one should expect differences between the perceptions of members and non-members of organised associations, because it is likely that members will have greater expectations of the association. Furthermore, members may find that certain benefits are more effective in influencing their membership of the association (Yeager, 1981: 318). Thus, the instrument also allows the researcher to determine the factors which motivated individuals to join a farmers' association, and to determine whether members of farmers' associations are satisfied with the services offered. The OCAI sets out to assist in describing the internal measures of effectiveness within the farmers' association, while simultaneously determining whether the associations run well internally. In collecting the data, the researcher made use of a research assistant. The research assistant assisted in transporting the researcher around the Albany Area, and was not present when the questionnaires were administered to participants.

In order to obtain the required number of responses, the questionnaires were administered in the presence of the researcher. Due to the nature of the farmer, as an individual and professional, it is unlikely that postal or electronic questionnaires would have been successful. The reason for this is due to the continuous busy life lead, and farming endeavors which require attention, farmers' do not readily have much spare time to fill out questionnaires and post them back. It is likely that they could be overlooked by the farmer.

A list of the farmers who are members of farmers' associations was obtained from the Albany Farmers League. This provided the researcher with all the member's names and contact details, as well as enlightened the researcher as to how many members each farmer's association has. A sample size of 80 was selected, using a stratified sampling technique. Thus, 10 farmers from each farmer's association were randomly selected to participate in the study. Each farmer that was selected and who agreed to participate was contacted, telephonically, in order to determine an appropriate time at which the researcher could administer the PAMQ. The data was collected over a period of 30 days by travelling to the participants. Meetings were planned according to the location of each participant.

The researcher set out to conduct focus groups with two of the sample groups, namely the non-members of farmers' associations, and the supervisory committee of the farmers' associations. However, due to reasons stated in section 5.1 it was logistically impossible for focus groups to be conducted. The researcher therefore made the decision to administer the PAMQ to non-members of farmers' associations, and administer the OCAI to the supervisory committee of farmers' associations.

There are many strategies available to allow a researcher to search for participants, namely from a list, random selection in populated areas, advertisements, and telephonic screening (Krueger and Casey, 2000: 75-78). However, due to the nature of the study, there were two distinct population groups that were required to be studied. To the researcher's advantage, a list was obtained from the Albany Farmers League and the Department of Agriculture in Grahamstown. This provided the researcher with the details regarding the individuals who made up that population. With regard to the farmers' association's supervisory committee, the participants were selected purposively. The chairperson and secretary were selected due to their knowledge about how the farmers' association operates. Although, the researcher set out to interview both the chairperson and the secretary, it was later brought to her attention that the secretary is not actively involved in the running of the farmers' association, and performs secretarial duties, and therefore is not involved in the management of the association. It was for this reason that only the chairperson was interviewed. However, there was one exception. In one particular farmers' association, there is no chairperson, thus the secretary fulfils both roles. Therefore, in this instance, the secretary was interviewed.

The sample selected from the farmers' associations supervisory committee equated to 8 individuals. Each chairperson was contacted, telephonically, to determine a suitable time to meet to administer the questionnaire. It was estimated that the questionnaire would take no longer than 20 minutes to complete. The OCAI was used as an instrument to allow the researcher to gather the relevant information. This data was collected in tandem with the members of farmers associations, and took approximately 5 days.

Non-members of the farmers' associations were randomly selected (Krueger and Casey, 2000: 75). There were no requirements which these participants had to meet. The sample selected from the non-members of farmers' associations population group equated to 24 individuals. Each non-member of farmers' association were contacted, telephonically, to arrange an appropriate time for the researcher to administer the PAMQ, with adaptions to the way in which Section B is interpreted and in the open-ended questions. This data was collected over a period of 5 days.

5.6. Data Analysis

There are different means of data analysis which are available to analyze both qualitative and quantitative data. In this study, data was required to be analyzed under both qualitative and quantitative methods. The data analysis techniques which were used to analyze the PAMQ research instrument, which collected quantitative data, were both descriptive and relevant inferential statistical tests, including the Cronbach's Alpha Reliability Coefficient. Data collected using the OCAI research instrument was analysed using descriptive statistical methods. This will be discussed first, followed by the analysis of the qualitative data. Qualitative data was collected by means of open-ended questions in the research instrument distributed to members and non-members of farmers' associations. Before this data can be analyzed, it was transcribed into a form which allows it to be analyzed. Thereafter, the data underwent content analysis and coding in order to determine the themes which were present.

Statistical analysis is deemed appropriate for quantitative data analysis because it allows the researcher to accurately describe the sample in a numerical form (Collis and Hussey, 2009: 221). These approaches are generally applied under the positivistic research paradigm whereby any qualitative data that was collected will need to be converted to quantitative data.

Quantitative data is analysed by the use of two statistical techniques, namely descriptive and inferential statistics (Collis and Hussey, 2009: 221-222).

Descriptive statistics can be understood as the summarising and describing of the data collected from a specific sample (Saunders, *et al*. 1997: 311). This data is commonly presented in the form of graphical images (Welman, *et al*. 2005: 231-232; Collis and Hussey, 2009: 221). Therefore, using descriptive statistics will not allow a researcher to confirm or prove false any hypotheses stated. Inferential statistics, comparatively, allow for relationships amongst phenomena to be tested and proved (Sekaran, 1992: 264; Welman, *et al*. 2005: 236; Collis and Hussey, 2009: 222). The reason for this is due to the fact that conducting inferential statistical techniques allow the researcher to draw conclusions about the population from which the sample is drawn, rather than solely from the sample, as is the case with descriptive statistics (Welman, *et al*. 2005: 232; Collis and Hussey, 2009: 222). Inferential statistics are thought to be favourable because the researcher has the ability to generalize the results to the greater population (Welman, *et al*. 2005: 236).

Once data had been collected, it was required to be put into a format which allowed it to be analysed. The data required for quantitative data analysis was captured using Microsoft Excel and analysed using the R Project for Statistical Computing, using the tools and formulas available therein (The R Core Team, 2015: 1). Both inferential and descriptive statistics were conducted, with the help of a professional statistician.

For the purpose of this study, descriptive statistics were used to analyse all the socio-economic data gathered. In order to analyse the current role of farmers' associations, both descriptive and inferential statistical methods were used.

As previously mentioned, descriptive statistics are tools which allow the researcher to describe the data at hand. The tools which can be used under descriptive statistical analysis include the measures of central tendency and spread, as well as a number of graphical images in which the data can be shown (Sekaran, 1992: 260; Saunders, *et al*. 1997: 311; Welman, *et al*. 2005:232-233; Collis and Hussey, 2009: 230). However, before the data can be analysed using the measures of central tendency and spread, the researcher may first need to identify the number of occurrences a specific data set has for any given variable. The statistical term for this is the frequency (Collis and Hussey, 2009: 230-231; Sekaran and Bougie, 2013: 283).

A measure of central tendency is a method which describes the frequency distributions in a single statistic (Collis and Hussey, 2009: 240; Sekaran and Bougie, 2013: 285). There are three measures of central tendency which exist namely, the mean, median and mode. The mean allows for the average of the data collected being calculated (Sekaran and Bougie, 2013: 285). In calculating the mean, all the data is taken into account. However, it can be influenced profoundly by extreme outliers to the data (Collis and Hussy, 2009: 240). The median illustrates the data which is found in the middle of the data set, after it has been categorised from smallest to largest (Sekaran and Bougie, 2013: 285). Unlike the mean which is affected by extreme outliers, the median is not (Collis and Hussey, 2009: 240-241). The mode allows the researcher to identify the value in the data which is occurs most frequently (Sekaran and Bougie, 2013: 286). Like the median, the mode is not affected by extreme outliers. However, it is susceptible to change as values change or more values are added (Collis and Hussey, 2009: 241-242).

Although a measure of central tendency is useful, it does not provide insight as to how widely or narrowly the data is spread. In this instance, measures of spread are important as they provide insight into how widely the data is dispersed (Collis and Hussey, 2009: 244; Sekaran and Bougie, 2013: 286). There are two measures of spread, namely the range and the standard deviation. Comparative to the standard deviation, the range is highly simplistic. The range requires the subtraction of the smallest value in the data from the largest value in the data (Collis and Hussey, 2009: 244; Sekaran and Bougie, 2013: 286). Alternatively, the standard deviation is known to be the square root of the variance. It is a statistical tool which looks at the data in relation to the mean (Collis and Hussey, 2009: 244-245; Sekaran and Bougie, 2013: 286). Thus, the standard deviation looks at the level of variance between the different data values and the mean. If the standard deviation high, close to the value of the mean, there is much variation in the data, thus the mean is not an accurate representation of that data (Collis and Hussey, 2009: 245; Sekaran and Bougie, 2013: 287).

A graphical representation of information discussed above is a boxplot. A box plot is a tool which allows the patterns of various quantitative data to be displayed (Swift and Piff, 2010: 300). Simply from viewing the boxplot, the median, the measures of spread, and outliers can be seen. Additionally, it tells the researcher whether the data is skewed or symmetrical. This provides a holistic overview of the data collected (Swift and Piff, 2010: 300-301). Doing this

provided the researcher with a basis to determine the value of each service offered by farmers' association, as per the relevant factor.

Although the data analyses calculated above can be represented on a wide range of graphs, the additional graph used in analysis is a bar chart. A bar chart visually represents the data so to display it in such a way that it is easily understood and depicted (Collis and Hussey, 2009: 234-235). However, it is important for the chart to be displayed and explained clearly so to not distort the actual meaning of the data (Collis and Hussey, 2009: 235).

Unlike descriptive statistics, inferential statistics are methods which are calculated to allow conclusions to be drawn about the population under study (Collis and Hussey, 2009: 159). Inferential statistics can either be calculated using parametric or non-parametric tests. The types of test which are calculated are dependent on the study and the research questions being explored, and thus are determined at the beginning of a research study (Collis and Hussey, 2009: 260).

With regards to inferential statistics, tests of independence and t-tests were conducted on data collected. The Cronbach's alpha reliability coefficient was also conducted on the PAMQ. The tests used in this study are of importance because it needs to be determined whether member satisfaction is dependent on the services offered by farmers' associations, and also to determine whether there is a significant difference between the way in which farmers' associations are perceived by members and non-members. Specific to this research, both parametric tests, in the form of t-tests, and non-parametric tests, in the form of Chi-square tests and Fishers exact tests were used to analyse the data (Collis and Hussey, 2009: 260).

T-tests are commonly used to determine whether the data collected from two sample groups is significantly different and reliable (Collis and Hussey, 2009: 262; Landers, 2013: 262). These tests are designed to determine whether the mean of each data set is significantly different by chance or whether it is likely that similar results can be yielded again (Collis and Hussey, 2009: 262; Landers, 2013: 262). Thus, a t-test requires the mean of each sample group to be calculated. In conducting a t-test, the result will correlate with that of a p-value. The p-value will explain the reliability of the difference observed. Calculating the reliability of the observed difference will allow the researcher to generalise the results to the entire population (Collis and Hussey, 2009: 262). However, t-tests are subject to limitations

including that it requires that the results be normally distributed, and that the samples should be similar in size. Should these two limitations be experienced, it would require analysis to be conducted using the Wilcoxon sum rank test, also known as the Mann-Whitney U test, which is the non-parametric equivalent of the t-test (Siegel and Castellan, 1988: 129; Collis and Hussey, 2009: 260). The Wilcoxon sum rank test can be calculated using data which is not normally distributed.

The use of the t-test and the Wilcoxon sum rank test in this study is appropriate because data was collected from two sample groups, namely members of and non-members of farmers' associations, and depending on the farmer's experiences, their perception of the associations may differ. Furthermore, due to non-members of farmers' associations not being the primary focus of this study, the sample sizes were vastly different.

In order to conduct the remainder of the tests, it is required that the data be sorted into a contingency table. A contingency table presents the data in a format which illustrates the variables and the frequency of occurrence for each variable in each of the samples (Siegel and Castellan, 1988: 111). This creates the path to conduct the Chi-square test. The Chi-square test is a non-parametric test of independence (Collis and Hussey, 2009: 267). It is a test which is used to examine whether there is a relationship between two or more variables, and assists the researcher in determining whether the variables are in fact independent of one another (Sekaran and Bougie, 2013: 288). In order to make these types of comparisons, it is required that the data is categorised, and that the frequencies of each category is determined. These data sets are then compared. Sekaran and Bougie (2013: 288) suggest that a comparison such as this can only take place if the data is categorised, and a test is done to determine whether there is a relationship among the data sets. Both members of and non-members of farmers' associations received a questionnaire which contained the same statements, and each of these statements were placed into categories (Yeager, 1981). Thus, the requirements were met, which allowed the Chi-square test to be performed. However, in the case whereby samples are small in size, it may not be possible to conduct the Chi-square test. In this instance, Fisher's exact test will be conducted (Siegel and Castellan, 1988: 103).

The use of the tests of independence was deemed relevant for the study because it allowed the researcher to determine whether farmers' join a farmers' association based on the services offered, or alternatively, whether the perceived services offered affect the decision to join a

farmers' association. Yeager (1981: 318) stated that the perceptions of members and non-members are likely to differ based on individual experiences, as was further explained in Chapter 4. Thus, this reinforces the relevance of these statistical tests.

The Cronbach's's alpha reliability coefficient is a test used to determine the consistency of a research instrument, should it be administered in a different context (Cooper and Schindler, 2013: 322). The test measures the internal consistency of the variables within various factors explored in the study. A general rule of thumb for interpreting the Cronbach's alpha score, according to Sekaran and Bougie (2013: 293), is "the closer the Cronbach's alpha is to one, the higher the internal consistency reliability." However, any score which is greater than 0,8 is considered good, scores falling between 0,6 and 0,7 are considered acceptable, while scores below 0,6 are poor (Bryman and Bell, 2007: 162-163; Zikmund and Babin, 2010: 249). This test was conducted on the PAMQ because there was no previous evidence that the instrument was administered to farmers or within a South African context.

The process of analysing data which is qualitative in nature causes difficulty under both the interpretivistic and positivistic research paradigms. One of the predominant reasons for this is due to there being no method of analysis which is deemed more correct than the next. There is much room for variability with regard to qualitative data analysis techniques (Collis and Hussey, 2009: 163). Due to the large amount of data which can be collected in a qualitative format, it may require that the data is somewhat altered. This means that the data needs to be converted into a form which is more manageable and easier to understand (Saunders, *et al*. 1997: 340; Welman, *et al*. 2005: 211; Collis and Hussey, 2009: 163-164).

Qualitative data can be analysed using either quantifying or non-quantifying methods (Collis and Hussey, 2009: 163-164). Under general research practice, if one is conducting the study under a positivistic paradigm, it will require that the data be analysed using quantifying methods. This said, quantifying methods are ways of allocating numerical values to qualitative data. It is likely that the qualitative data will be collected using short, open-ended questions found in a structured questionnaire (Collis and Hussey, 2009: 164). Alternatively, non-quantifying methods are found under the interpretivistic research paradigm, and one is likely to make use of the methods should there be large amounts of rich data which is to be analysed (Collis and Hussey, 2009: 166). Therefore, in order to make the data more manageable, and to allow analysis of the data to take place, it may require that the data be

reduced or restructured (Collis and Hussey, 2009: 166-167; Sekaran and Bougie, 2013: 337). The qualitative data collected will be analysed using quantifying methods.

Many methods are available to convert the qualitative data into a numerical form, namely informal methods such as frequency counts, and content analysis (Krueger and Casey, 2000: 136; Collis and Hussey, 2009: 164; Sekaran and Bougie, 2013: 352).

Content analysis is a method in which qualitative data can be quantified (Welman, *et al*. 2005: 221; Collis and Hussey, 2009: 164). It is a method of analysis which is coupled with coding. Welman, *et al*. (2005: 214) defines coding as a technique which is used to better understand the data that has been collected. The data is read over numerous times and the researcher or analyst identifies coding units (Welman, *et al*. 2005: 214; Collis and Hussey, 2009: 165). Examples of coding units include themes, words and phrases, and items. Thereafter, a coding frame is developed which allows the researcher to match up the relevant pieces of text with the relevant coding unit (Saunders, *et al*. 1997: 341; Welman, *et al*. 2005: 212; Collis and Hussey, 2009: 165; Sekaran and Bougie, 2013: 352).

Table 5.2: Defining the Different Codes

Type of Code	Definition
Descriptive Code	Descriptive codes are aligned with the themes which are present in the text. Therefore, the researcher identifies a theme and the data is coded according to the specific theme.
Interpretative Code	Interpretative codes are generally identified more frequently as the researcher becomes familiar with the data under analysis. Under interpretative coding, the researcher identified the rationale behind the data collected.
Pattern Code	The purpose of a pattern code is to identify links and commonalities between pieces of text.

Source: (Welman *et al*. 2005: 214).

There are a variety of codes which may be applicable in any given research, namely descriptive, interpretative, patter, reflective, marginal and revising codes. The types of codes and their definitions can be seen in table 5.2 below. Evidently, the types of codes which are selected for the study need to be aligned with the research objectives and the data which was collected (Welman, *et al*. 2005: 214-215). Alternatively, this can be done after the data has been collected and transcribed (Saunders, *et al*. 1997: 341; Welman, *et al*. 2005: 215). The researcher developed the codes after the data was collected and transcribed.

As previously discussed, once the codes have been decided upon, the data can be assigned to the relevant codes. This will allow the researcher to identify the themes present as well as the frequency counts as to the number of occurrences the particular theme has transpired (Saunders, *et al*. 1997: 341; Krueger and Casey, 2000: 136; Collis and Hussey, 2009: 165).

5.7. Ethical Considerations

The researcher is required to maintain a high ethical standard in the research (Collis and Hussey, 2009: 45). In order to do this, it required that the researcher followed the Department of Management's Ethics Committee protocol for using human subjects in a study. Additionally, the researcher is subject to the Rhodes University ethics protocol.

Before commencing the process of collecting data, permission needed to be granted to the researcher, by the Rhodes University's Ethics Committee, in order to ensure that the methods by which the researcher wants to conduct the research are fair and just, and of a high ethical standard. This was communicated to the participants in the letter accompanying the questionnaire. Additionally, participants were assured of confidentiality and anonymity. Also, participants were invited to participate in the research study. This invitation was important because participants needed to acknowledge and understand that their participation in the study was not compulsory. Participation is purely voluntary, thus the participant is able to reject the invitation to participate.

Each participant was provided with an informed consent form. The informed consent form reinforces the purpose of the study, the risks as well as the benefits involved. The form reinforced the fact that should the participant wish to withdraw from the study; they may, at their own discretion. When collecting the data, the researcher will provide participants with

letters of confidentiality. This was to assure participants that all responses given to the researcher in the interview process will remain strictly confidential.

5.8. Limitations and Delimitations of the Study

It is an important part of any research study to acknowledge any limitations which were experienced, while also taking note of any delimitations. A limitation is any difficulty or issue which was foreseen when beginning the study at hand, or which was experienced during the study (Collis and Hussey, 2009: 125). It is important to note these issues because they may impact your study in the slightest way. Additionally, you should identify the problems so that you can determine whether or not they can be addressed (Collis and Hussey, 2009: 125). Alternatively, delimitation is a boundary which is established by the researcher (Collis and Hussey, 2009: 125).

Although not many limitations were experienced in this study, there are some to be noted. A limitation experienced was the sourcing of relevant research instruments. Due to this study being somewhat exploratory in nature, it proved difficult to source a research instrument which was highly applicable. Both research instruments used were adapted to suit the study.

Secondly, the researcher experienced slight prejudice at the Albany League Meetings she attended. At these specific meetings, attendees are majority males. Due to the researcher being female, a non-farmer, and young, some farmers were reluctant to listen to what she had to say, and she was somewhat ignored. This limitation slowed down the process of collecting data because the researcher was not given a chance, as was previously agreed upon, to gather some of the required data. This, along with reasons stated above, were another contributing factor to the abolishment of the use of focus groups.

With regards to the delimitations in the study, the researcher decided to collect data from members and non-members of farmers associations, as well as the supervisory committee, specifically the chairperson. Focusing on all three sample groups provided a holistic view of the farmers' associations in the Albany Area. However, it was decided that non-members of farmers' associations were not the primary focus, thus the number of participants required in this sample group was significantly lower than the number of participants in the member sample group. The researcher merely wanted to identify reasons for non-membership. With

further regard to members, the researcher did not distinguish between non-members who were previously a member of a farmers' association, and those who have never been a member of a farmers' association.

Further delimitations concern the area of study. The researcher aligned her study to take place in the Albany Area, in the Eastern Cape. This decision was based on practical reasons. Due to the researcher having limited time to complete the study, it required that the area of study be one which was easy to access. Furthermore, it would have proved to be expensive to travel throughout the country to find participants willing and able to participate in this study.

5.9. Summary

This chapter discussed the research methodology which was employed throughout the duration of the research. The chapter began with a discussion on the goals and objectives of the study, and clearly illustrated what was to be achieved in this study. A discussion on the population and sample, and research paradigm followed. Thereafter, the data collection techniques were discussed, where the three research instruments used to collect data was identified. Issues surrounding reliability and validity were addressed therein. Data analysis techniques were also mentioned and briefly discussed. Thereafter, ethical considerations were alluded to as well as the limitations and delimitations of the study.

The next chapter will discuss the findings which were obtained in the data collection process.

Chapter 6

Findings and Discussion

6.1. Introduction

The previous chapter outlined the methodology used for this research study. It provided insight into the research objectives, research methods, data analysis techniques that were employed, ethical considerations and limitations and delimitations to the study.

This chapter presents and discusses the research findings which originated after data collection and analysis were completed. The chapter begins with discussing the participant response rate in collecting data. Following this is a discussion and presentation of results of Cronbach's Alpha Reliability Co-Efficient which was conducted on the PAMQ. Lastly, the chapter focuses on the data analysis pertaining to the research goals and objectives of the study, and a discussion thereof.

6.2. Response Rate

Specific to the research objectives of this study, it was of importance that three sample groups from the population participated in this study.

With regards to the members of farmers associations, the researcher set out to gather responses from 80 individuals. Although there are 180 members of farmers' associations, approximately 67% (120) of farmers were contacted. 33% (40) of farmers declined to participate in the study, showing no interest in it. A further 17% (20) of farmers were willing to participate but were unable to because they were not in the area at the time of data collection, while 50% (60) agreed to participate in the study. Out of the desired sample of 80 farmers, the researcher had a success rate of 75%. In order to determine the effectiveness of the each of the eight farmers' associations, it was required that the chairperson of each association participate in the study. Each association has one chairperson, thus there was 100% response rate.

Although the non-member population of farmers' associations is much larger than the member population of farmers' associations, it was not required that a large number of

participants be selected from the non-member group because they were not the primary focus of study, but rather provided some insight into why farmers do not belong to farmers' associations. It is for this reason that this particular sample is much smaller than the members of farmers' association sample. 14% (30) of non-members were contacted in this regard, and 80% (24) agreed to participate in the study. However, in collecting data specific to this sample group, there was much similarity in responses, thus the researcher stopped the process. 58% (14) of non-members participated in the study.

6.3. Reliability

Although reliability, by means of Cronbach's Alpha reliability co-efficient, was conducted on the PAMQ (Yeager, 1981), there was no clear evidence that the PAMQ had been administered in a South African context. You can refer to section 5.2.1.1 of Chapter 5 to view the reliability tests conducted on the PAMQ at its development (Yeager, 1981). Reliability for the OCAI is also presented in Chapter 5.

6.3.1. Cronbach's Alpha Reliability Co-Efficient

The results from Cronbach's Alpha reliability co-efficient tests, applicable to this study, for each factor can be seen in Table 6.1.

Table 6.1: Cronbach's Alpha Reliability Co-Efficients for PAMQ Factors

Factor	Cronbach's Alpha Reliability Co-Efficient Score	Interpretation (Sekaran, 1992)
Esteem	0,7109	Acceptable
Change of Pace	0,8704	Good
Development of the Profession	0,8603	Good
Personal Development	0,8974	Good
Tangible Benefits	0,7274	Acceptable
Work-Related Information	N/A	N/A
Political Activity	N/A	N/A
Social Benefits	0,7008	Acceptable
Meetings and Programs	0,5541	Poor

As can be seen in table 6.1, three out of the nine categories received a high Cronbach's Alpha co-efficient score, and thus were interpreted as good because the co-efficient was greater than 0.8. Furthermore, three out of the nine categories received a mediocre score, resulting in an acceptable score because the co-efficient was calculated to be between 0.8 and 0.7. One category received a low score, resulting in a poor score, because the co-efficient fell between 0.6 and 0.5. This score can however be improved should one or more items be removed from the category. However, the category will then become not applicable (N/A), because it will have only one item attached to it. It is for this same reason that two categories seen in table 6.1 have N/A next to them. The factors which resulted in a N/A co-efficient remained in the study because they appeared to be important in determining the value of services offered by farmers' associations.

6.4. Socio-Economic Factors

Descriptive statistics were used to describe the overall population, based on the sample, under study using the data gathered from the socio-economic factor responses in the research instruments. As was discussed in Chapter 5, the descriptive statistical methods used included bar charts, boxplots, and measures of central tendency and spread.

The overall sample under study equated to 74 participants, including members, non-members, and the chairpersons. Due to the fact that the chairperson is both a member of a farmers' association and fulfils a leadership position, they were required to fill out both relevant research instruments.

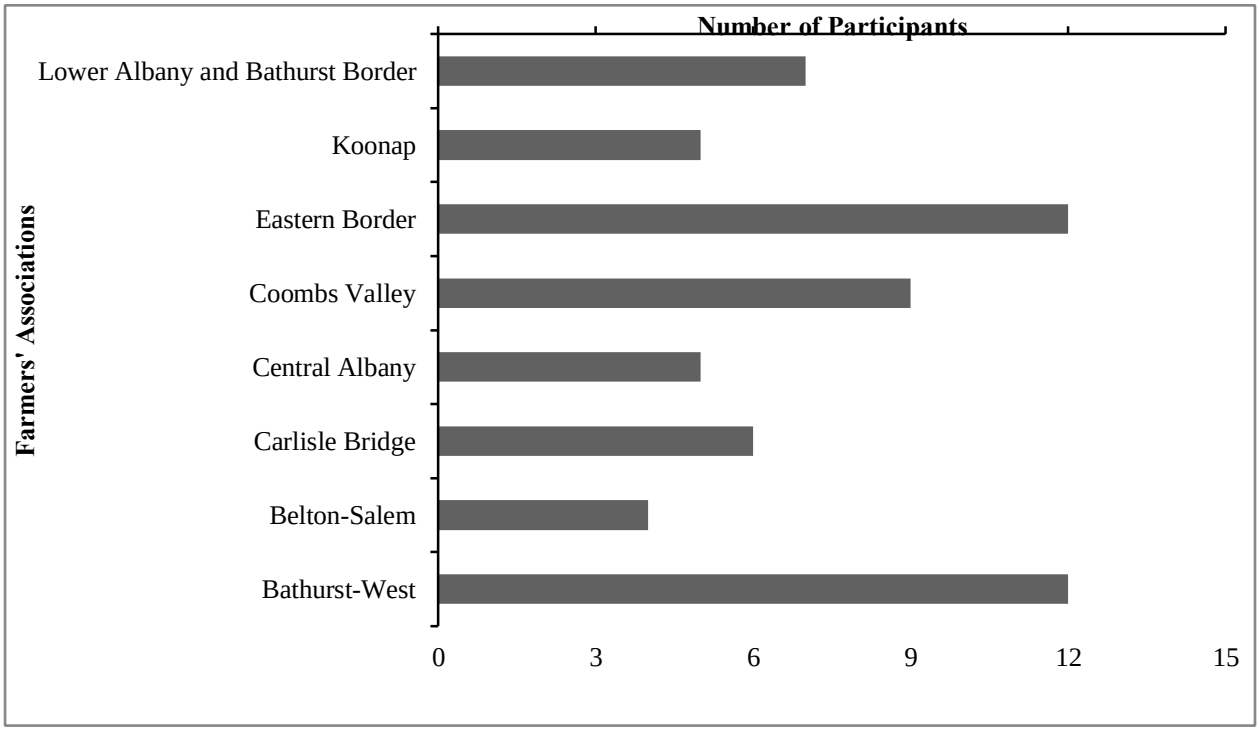
Participants were asked to indicate their gender. 97.3% (72) of the participants were male, whist the remaining 2.7% (2) participants were female. With regards to the age of participants, it was found that the majority of the participants fell within the range of 48 years old to 59 years old, with the total average age at 59 years old. Similarly, with regards to the length of time each participant has been a farmer, most of the participants fell within the range of 18 to 37 years in the farming profession. However, some farmers have been in the profession for as few as 3 years, and others as many as 53 years, which indicated a wide dispersion in the data set. Perhaps the socio-economic factors of age and length of membership are variables in the reason that farmers' associations perform in the way they currently do.

With regards to participants' qualifications, 54% (40) of participants indicated that they do in fact have a formal agricultural qualification, while the remaining 46% (34) of participants indicated that they do not have a formal agricultural qualification.

Participants were asked to indicate their position on the farm. 59.45% (44) of participants indicated that they were sole owners, while 31.08% (23) were partners, 5.4% (4) were managers, 1.35% (1) was company-employed, 1.35% (1) was retired, and 1.35% (1) was a trustee.

Out of the sample, there was a split between members and non-members. 81% (60) of participants were members of farmers' associations, whilst 19% (14) of participants were non-members of farmers' associations.

Figure 6.1: Participants per Farmers' Association



Although the researcher wished to have had an even number of participants from each association, it was not possible due to associations being of various sizes, individuals unwilling to participate, and individuals who were out of the area at the time of data collection. 12 members were from the Bathurst West Farmers' Association, four members were from the Belton-Salem Farmers' Association, six members were from the Carlisle Bridge Farmers' Association, five members were from the Central Albany Farmers'

Association, nine members were from the Coombs Valley Farmers' Association, 12 members were from the Eastern Border Farmers' Association, five Members were from the Koonap Farmers' Association, and seven members were from the Lower Albany and Bathurst Border Farmers' Association. Aligned with this, participants needed to indicate the year in which they joined a farmers' association. The dispersion in the data ranges from 1962 to 2011, with majority of the participants being a member of a farmers' association falling within the range of 1984 to 2002.

With regards to the non-members of farmers' associations, participants were asked to indicate whether or not they had previously been a member of a farmers' association. Six participants indicated that they had never been a member of a farmers' association, while eight participants indicated that they had previously been a member of a farmers' association. Out of these eight participants, two had previously belonged to the Bathurst West Farmers' Association, three to the Central Albany Farmers' Association, two to the Lower Albany and Bathurst Border Farmers' Association, and one previously belonged to both the Coombs Valley and the Carlisle Bridge Farmers' Associations.

6.5. Current Role of Farmers' Associations

This section is pertinent to the first research goal, which states "to analyse the current role of farmers' associations". To better satisfy members, farmers' associations need to have a clear understanding of what members want, and understand why these individuals joined a farmers' association in the first place (Gruen, *et al.* 2000: 35; Oesterberg, *et al*. 2007:4-5; Markova, *et al*. 2013: 497-499). However, in order for the farmers' associations to effectively achieve their purpose and offer services which satisfy members, there needs to be good internal functioning within the organisation (Scott, 1961: 7-8; Laegaard, 2006: 10-12; Daft, 2007: 20-26; Lauffer, 2011: 39). Thus, this section sets out to analyse the current role of farmers' associations by explaining member and non-member perceptions of the services offered by farmers' associations, determining the factors which motivated individuals to join a farmers' association, determining whether members of farmers' associations are satisfied with services offered, and describing the internal measures of effectiveness within the farmers' associations. This was done by using the PAMQ section B, and part of section C, while also using the OCAI in relation to the last objective.

Firstly, an overview will be provided, describing the descriptive statistics concerning the current role of farmers' associations, as per the PAMQ. A deeper analysis was conducted using inferential statistics on the variables and factors which are relevant. Secondly, this section will consider the current role of the associations, according to each variables effect on membership, as well as the most valued benefits and the motivating factors for joining a farmers' association. Thirdly, the internal functioning of farmers' associations will be presented and discussed.

6.5.1. An Overview of the Current Role of Farmers' Associations

As can be seen in figure 6.2, the PAMQ is divided into nine factors namely esteem, change of pace (Pace), development of the profession (ProfDev), personal development (PersDev), tangible benefits (Benefits), work-related information (WorkInfo), political activity (Political), social benefits (Social), and meetings and programs (Meetings). Specific to this research, each of these factors falls within the roles presented in the theoretical framework which was presented in Chapter 4.

Figure 6.2: Populations Perceptions of Farmers' Associations using the PAMQ Factors

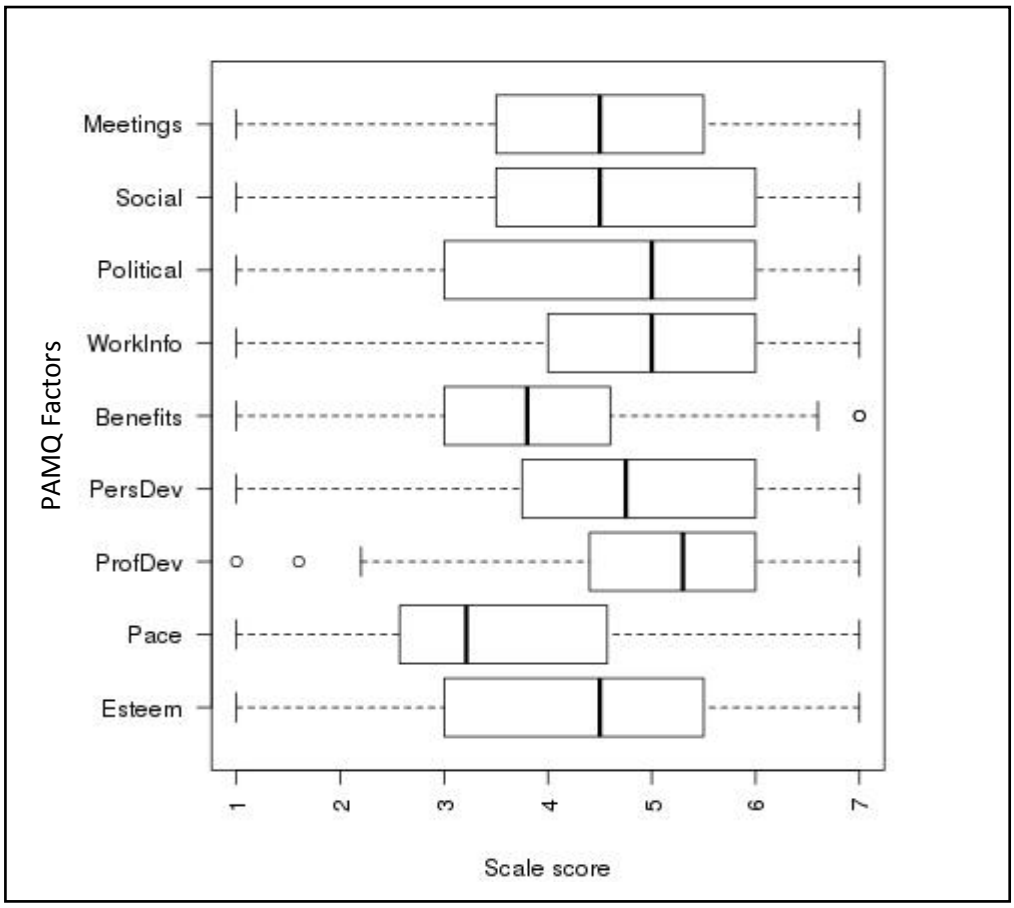


Figure 6.2 indicates that the data under the Esteem factor was relatively normally distributed, with the mean equating to 4.36, while the standard deviation equated to 1.64. The standard deviation of 1.64 implies that there is fair amount of variation in the data set. The Change of Pace factor had a mean of 3.52 and a standard deviation of 1.41. This standard deviation is relatively low, although there is some variation in the data set. According to figure 6.2, the Professional Development factor showed two outliers. These outliers had an effect on the mean and standard deviation that was specific to this factor. The mean was 5.13, as can be seen in figure 6.2, while the standard deviation equated to 1.29. Although there are outliers, this reveals that the majority of the responses showed little deviation from the mean. Figure 6.2 indicated that the mean for the Personal Development factor was 4.73, while the standard deviation was 1.496. Again, this standard deviation shows a moderate amount of variation within the data set. Refer to Appendix D for a tabulated format of the mean and standard deviations for these factors.

If one considers the Tangible Benefit factor, it showed that like the Professional Development factor, there was an outlier, as per figure 6.2. For the Tangible Benefit factor, the mean was calculated as 3.83, with a standard deviation of 1.28, which signified that there was a low amount of variation in the data set. Figure 6.2 shows that the data was normally distributed, with the exception of the outlier. According to figure 6.2, the Work-Related Information factor was another normally distributed data set. The mean for the factor was 4.95 with a standard deviation of 1.497. This standard deviation is in close proximity to the mean, denoting a small variation in the data. The Political Lobbying factor showed a skewed distribution. According to figure 6.2 the mean for this factor was 4.54. However, the standard deviation was relatively high, equating to 2.10. This high standard deviation explained that there was much variation in the data set. The Social Benefits factor, according to figure 6.2, had a mean of 4.66 with a standard deviation of 1.47. Again, this is a moderate standard deviation, implying that there was some variation in the data. Lastly, the Meetings factor can be seen in figure 6.2 as having a normally distributed data set. The mean for this factor equated to 4.51, while the standard deviation was 1.42 suggesting that there was some variation in the data. Refer to Appendix D for a tabulated format of the mean and standard deviations for these factors. To view the mean and standard deviation for each of the factor items, in the member and non-member groups, please refer to Appendix E.

It is likely that those factors which have higher standard deviation indicated more variation within the data set, which represented a greater difference between member and non-member perceptions. This can be further explored by determining whether there is a significant difference between member and non-member observations of farmers' associations.

6.5.2. Member and Non-Member Observations

It is assumed that the perception of farmers' associations will differ depending on whether or not the individual is a member (Yeager, 1981: 318). In this research study, it was of importance that both sides be considered in order to provide a holistic picture of the current role of farmers' associations.

Members and non-members of farmers' associations were presented with a similar research instrument. Members needed to rate whether or not the services presented in the PAMQ are provided by farmers' associations, and were required to rate how well those services are provided. Alternatively, because non-members are unable to comment on the current role, they were required to rate the same services with respect to their perceptions of and/or past experiences with farmers' associations.

Both members and non-members of farmers' associations were required to respond to a similar, questionnaire because the researcher wanted to determine whether there is in fact a difference between how the farmers' associations in the Albany Area are perceived. Thus, two sample t-tests were conducted to determine whether there is currently a significant difference between how members and non-members view farmers' associations.

Table 6.2 illustrates the test of normality conducted. The Shapiro-Wilk Normality test was conducted to determine whether data collected was normally distributed. In instances whereby there was one group which had data that was not normally distributed, non-parametric two sample tests were used to calculate the significant difference. Alternatively, if both groups had normal data distributions, a two sample parametric test was used to calculate the significant difference. As seen in Table 6.2, the Esteem, Change of Pace, Development of the Profession, Personal Development, Work-Related Information, Political Activity and Meeting and Program factors all required non-parametric tests. The Tangible Benefits and Social Benefits factors had normally distributed data, thus requiring parametric tests.

Table 6.2: Test for Normality

Factor	Shaprio-Wilk Normality Test - Members	P-Value	Shapiro-Wilk Normality Test - Non-Members	P-Value	Statistical Technique
Esteem	0,9479	0,0113	0,9409	0,4310	Non-Parametric
Change of Pace	0,9544	0,0252	0,9586	0,7016	Non-Parametric
Development of the Profession	0,9539	0,0240	0,9073	0,1444	Non-Parametric
Personal Development	0,9472	0,0115	0,8128	0,0072	Non-Parametric
Tangible Benefits	0,9678	0,1146	0,8836	0,0655	Parametric
Work-Related Information	0,8610	6,543727E-06	0,8553	0,262	Non-Parametric
Political Activity	0,8813	2,928636E-05	0,8479	0,0208	Non-Parametric
Social Benefits	0,9668	0,1016	0,9302	0,3080	Parametric
Meetings and Programs	0,9506	0,0166	0,9477	0,0526	Non-Parametric

Table 6.3: Two Sample Non-Parametric Tests for the Significant Difference

Factor	Wilcoxon Rank Sum Test	P-Value
Esteem	528	0,1345
Change of Pace	507,5	0,2292
Development of the Profession	628,5	0,0040
Personal Development	607,5	0,0096
Work-Related Information	589,5	0,0159
Political Activity	507	0,2258
Meetings and Programs	484,5	0,3740

Table 6.3 presents the results from the non-parametric two sample tests. The Wilcoxon Rank Sum Test was used as the non-parametric equivalent of the two sample t-test. Table 6.3 illustrates the p-value for each factor; however that provides little valuable information in explaining whether or not the members and non-members view the respective factors differently. The Esteem, Change of Pace, Political Activity and Meeting and Program factors resulted in there being no significant difference between member and non-member perspectives. However, the Development of the Profession, Personal Development and Work-Related Information factors resulted in there being a significant difference, implying that there was a significant difference between member and non-member perceptions within these factors.

Table 6.4: Two Sample Parametric Tests for the Significant Difference

Factor	Comparison of Variances (F-Test)	df	P-Value	Equality of Variance	t-Test	df	P-Value
Tangible Benefits	1,5214	59, 13	0,4097	Equal	2,1464	72	0,0352
Social Benefits	0,6291	59, 13	0,2286	Equal	0,1351	72	0,8928

Table 6.4 presents the results from the two sample parametric tests. Subsequently, these tests required more calculations than their non-parametric equivalent. Firstly, it is required that the equality of the variance be determined. This was done using an F-Test to compare the variances between each sample. Once determined, the two sample t-test could be calculated. Again, the result is given in the form of a p-value, which has little meaning until interpreted. The Tangible Benefits factor resulted in there being a significant difference between the perspectives of members and non-members, while the Social Benefits factor showed no significant difference between the two sample groups. As was previously stated, the factors which illustrated a significant difference between the two sample groups imply that members and non-members had different perceptions of the factors.

However, in order to determine the effect the services have on membership, the variables which make up each factor need to be considered. The variables are akin to the services which farmers' associations should be providing. Thus, Fisher's Exact Test was conducted

on data collected from members and non-members of farmers' associations because the sample was too small to use the Chi-Square Test. The test was conducted to determine whether or not there is a significant relationship between each variable (i.e. the service) and membership.

It was found that there are certain services which have a significant effect on membership, and there are also services which have a non-significant effect on membership. Although it is important for farmers' associations to effectively perform the services expected of them (Olson, 2000: 29-31; Ross, 2009: 17), it is also important for them to understand potential reasoning behind those services that have a non-significant effect on membership.

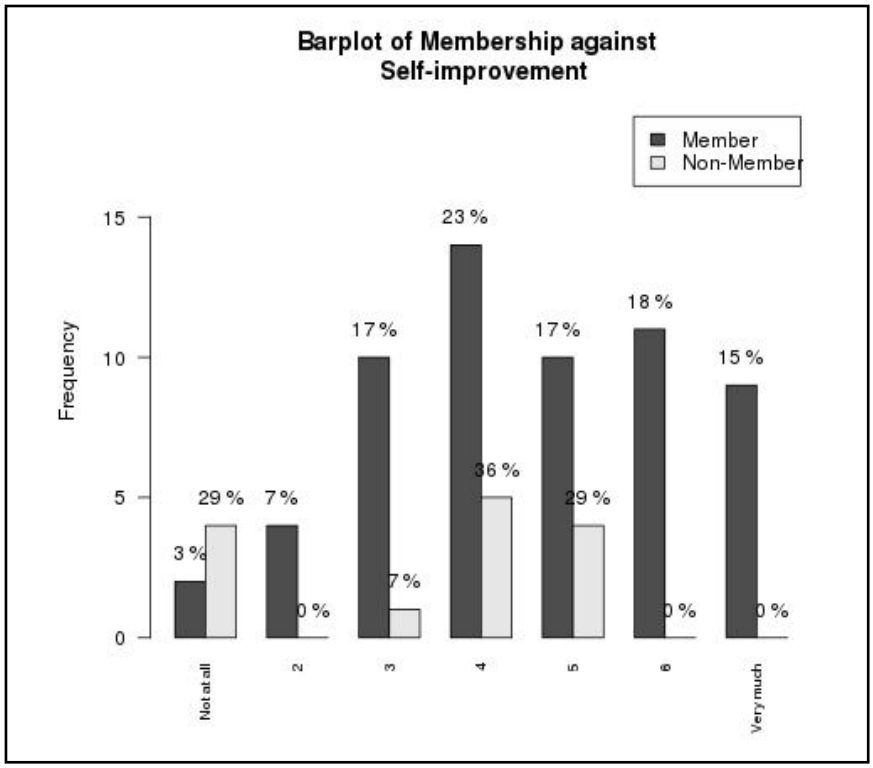


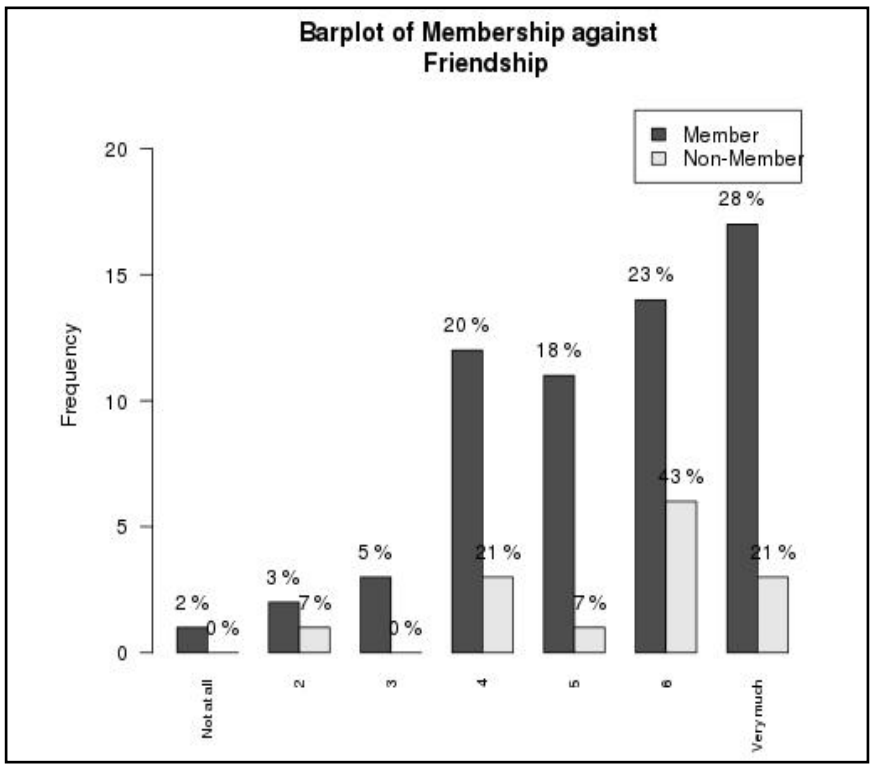
Figure 6.3: Membership against Self-Improvement

Figure 6.3 illustrates the data collected for the variable of self-improvement. This depicts the relationship between the membership of farmers' associations and the service of self-improvement. According to figure 6.3, while 23% (14) of members were neutral to the influence of the service, 15% (9) of members indicated that the service is offered by farmers' associations compared to 0% (0) of non-members. 29% (4) of non-members had the perception that this service is not performed by farmers' associations. Fisher's Exact Test

calculated a p-value of 0,0136 for this data set. $P < 0,05$ therefore indicating that these data provide sufficient evidence that there is a significant relationship between membership and self-improvement.

Members and non-members perceive self-improvement somewhat differently. Self-improvement considers how you improve as a farmer or individual, through belonging to a farmers' association. Farmers' may feel that through belonging to the farmers' association that they are paying a duty to their community. However, through internal efforts, certain competencies may be improved, resulting in some form of self-improvement.

Figure 6.4: Membership against Friendship



Data collected for the friendship variable can be seen in figure 6.4. Figure 6.4 considers the effect that friendship has on the membership of farmers' associations. Fisher's Exact Test calculated a p-value of 0,6695. $P > 0,05$ indicating that these data do not provide sufficient evidence that there is a significant relationship between membership and friendship. Statistically, the variable has a non-significant effect on the membership of farmers' associations, even though both members and non-members rated the variable highly, as seen in figure 6.15. However, due to both sample groups following a similar pattern in rating friendship, it would not be a major factor which influences individuals to maintain their

membership or join a farmers' association. Friendship may be an end result of joining a farmers' association because these associations operate in small, isolated communities, thus nowadays, it may not be necessary to join a farmers' association purely for the reason of gaining friends. It is likely that members of the community are friends, regardless of their membership to farmers' associations.

Figure 6.5: Membership against New Ideas

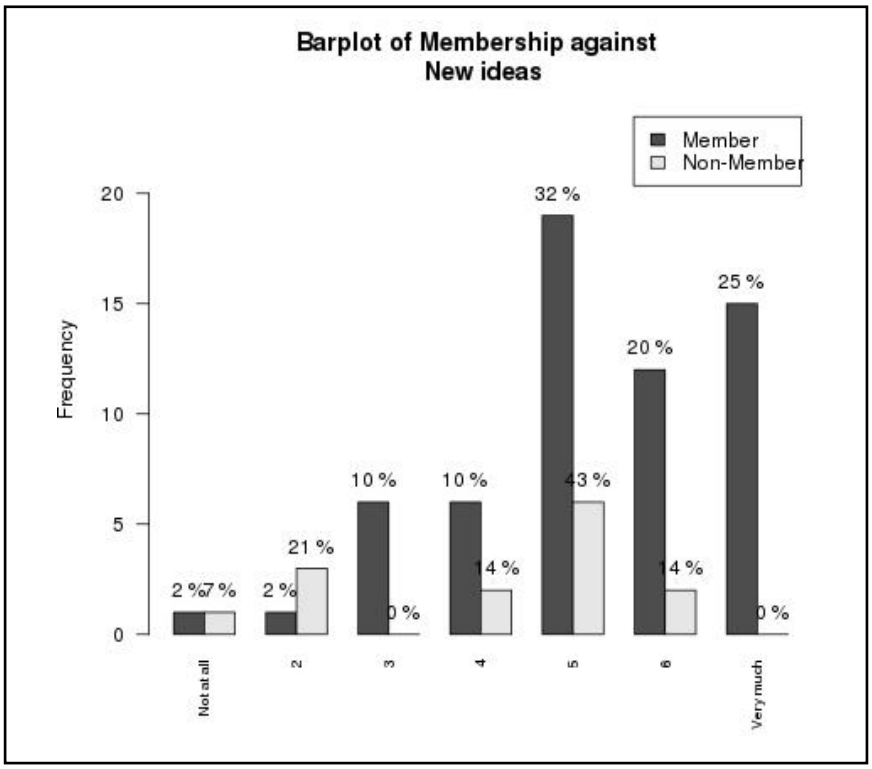


Figure 6.5 displays the data collected for the variable new ideas. As can be seen in figure 6.5, 32% (19) of members indicated that the service is performed relatively well, and 43% (6) of non-members indicated that this service is more than likely offered by farmers' associations. Fishers' Exact Test calculated a p-value of 0,0145 for this dataset. $P < 0,05$ indicating that these data provide sufficient evidence that there is a significant relationship between membership and new ideas.

Although one may join a farmers' association for various reasons including access to information, this information may contribute to the development of new ideas by a farmer or group of farmers. Additionally, through networking members may develop new ideas. Thus, the way in which this is executed results in only members receiving such a service, thus having a significant effect on the membership of farmers' associations.

Figure 6.6 illustrates the dataset for the education variable. As per figure 6.6, while 27% (16) of members valued education as a service, 21% (3) of non-members indicated that they did not perceive farmers' association to offer any educational benefits. Fishers' Exact Test calculated a p-value of 0,083. $P < 0,05$ which indicates that these data provide sufficient evidence that there is a significant relationship between membership and education. Education is a service which is valued by the majority of members. Through exposing members to various educational tools, it results in this being valued. Although farmers' associations do provide education through the use of guest speakers, it is something which becomes open to the community, thus potentially decreasing the value of the service. However, education is integrated with other services including that of programs, meetings, and travel to conferences.

Figure 6.6: Membership against Education

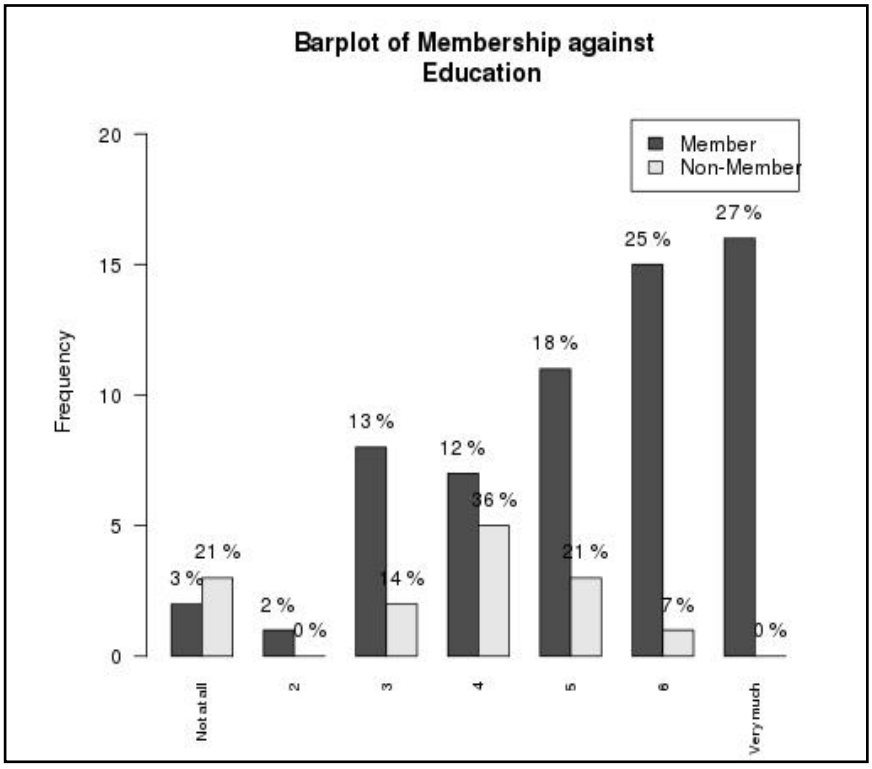


Figure 6.7 describes the spread of data collected for the programs variable. As indicated in figure 6.7, 60% (36) of the data obtained from members is equally distributed amongst ratings 3, 4 and 5. Furthermore, 29% (4) of non-members perceived programs to be a poorly performed service. Fisher's Exact Test calculated a p-value of 0,1657 for this dataset. $P > 0,05$ indicating that these data do not provide sufficient evidence that there is a significant relationship between membership and programs.

Despite programs being a non-significant variable, it forms an important part of the services offered by farmers' associations. Programs do not need to be tedious events, but can rather take the form of building the knowledge of farmers through practical matters or farm days, whereby the farmer actively feels as though they benefit.

Figure 6.7: Membership against Programs

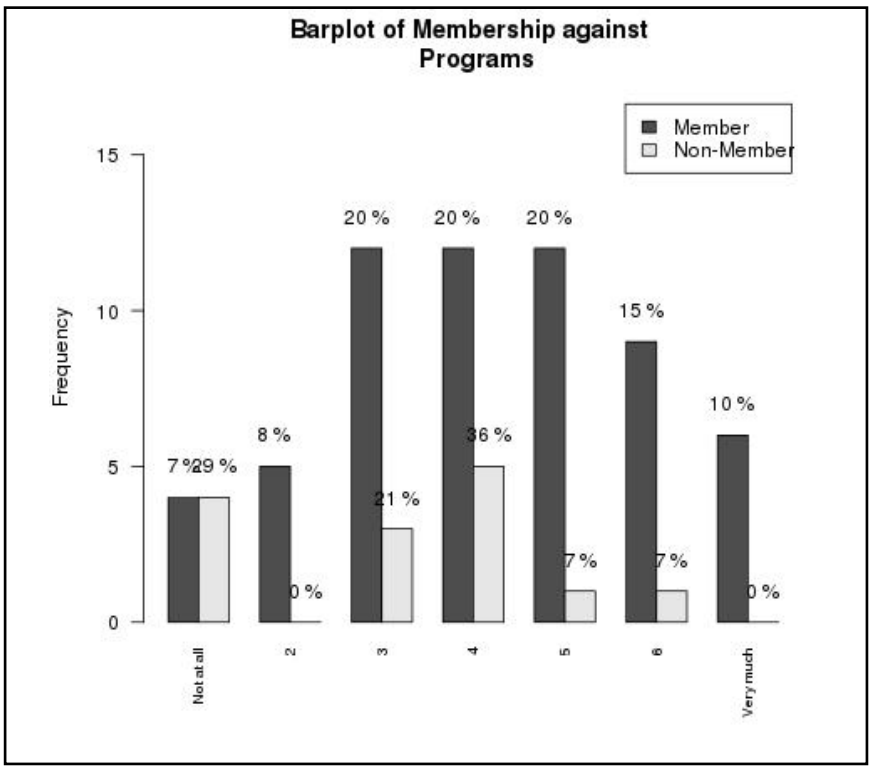
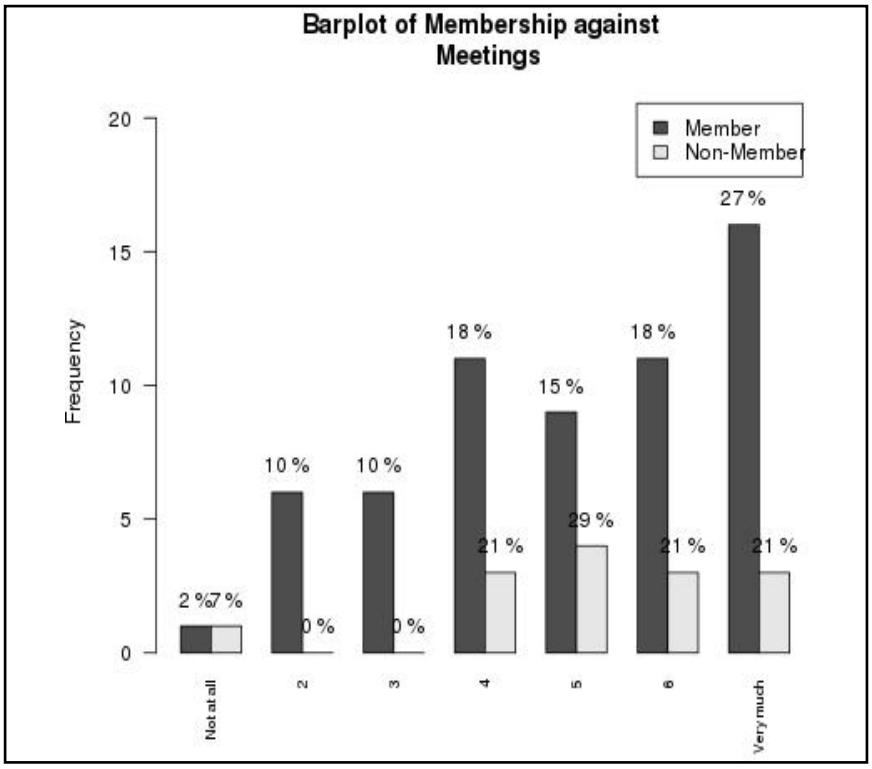


Figure 6.8 describes the data collected for the meetings variable. This explains the relationship between the membership of farmers' associations and the service of meetings. Fisher's Exact Test calculated a p-value of 0,5017. P > 0,05 indicating that these data do not provide sufficient evidence that there is a significant relationship between membership and meetings. Although the result obtained for this variable was statistically non-significant, 27% (16) of members indicated that meetings are a service. Comparatively, 21% (3) of non-members acknowledged that farmers' associations do have meetings. However, individuals are not necessarily going to join a farmers' association simply to attend meetings. Meetings should be events which are only offered to members, however due to the informal nature of farmers' associations, anyone is able to sit in on a meeting should they wish. Thus, meetings are not platforms whereby only members are able to gather valued information.

Figure 6.8: Membership against Meetings



Data collected for the social activities variable can be seen in figure 6.9, which considers the effect that social activities has on the membership of farmers' associations. Although 23% (14) of members stated that they were neutral to the service, 7% (4) of members indicated that the service was of no importance. Furthermore, 29% (4) of non-members indicated that the perceived service was not offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,0662. P > 0,05 indicating that these data do not provide sufficient evidence that there is a significant relationship between membership and social activities.

Social activities are events offered that are proposed to build camaraderie amongst members. These types of informal events allow for networking and building business relations However, if there are no, or very few, social activities offered by farmers' associations it may be a demotivating factor toward members. Although farmers' associations have meetings and thereafter a small social gathering, it may not be sufficient to attract people to the meeting.

Figure 6.9: Membership against Social Activities

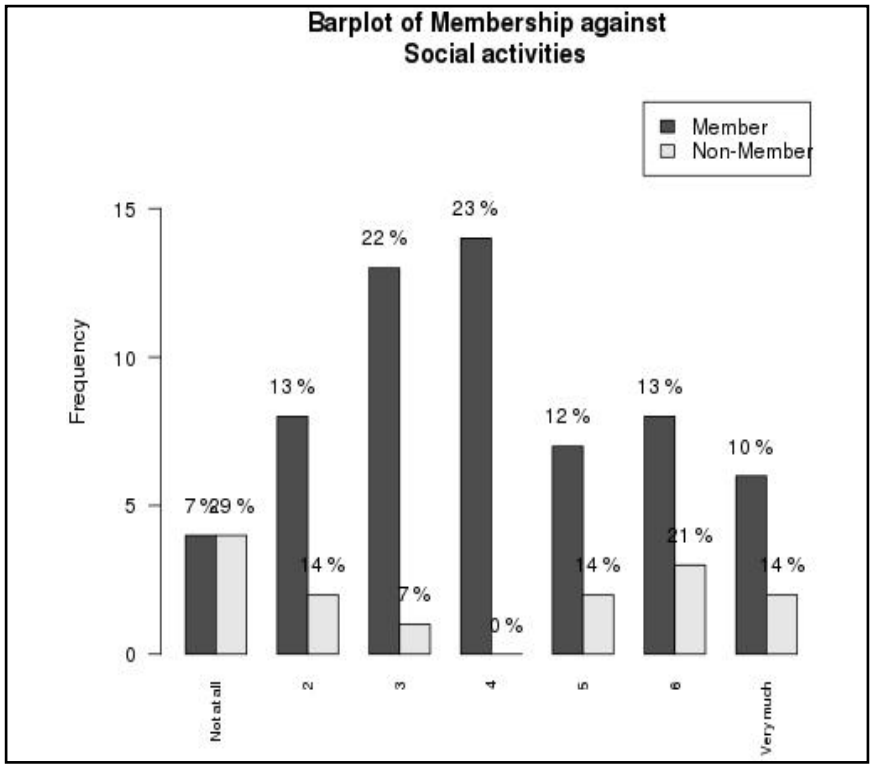


Figure 6.10: Membership against Relief from Boredom

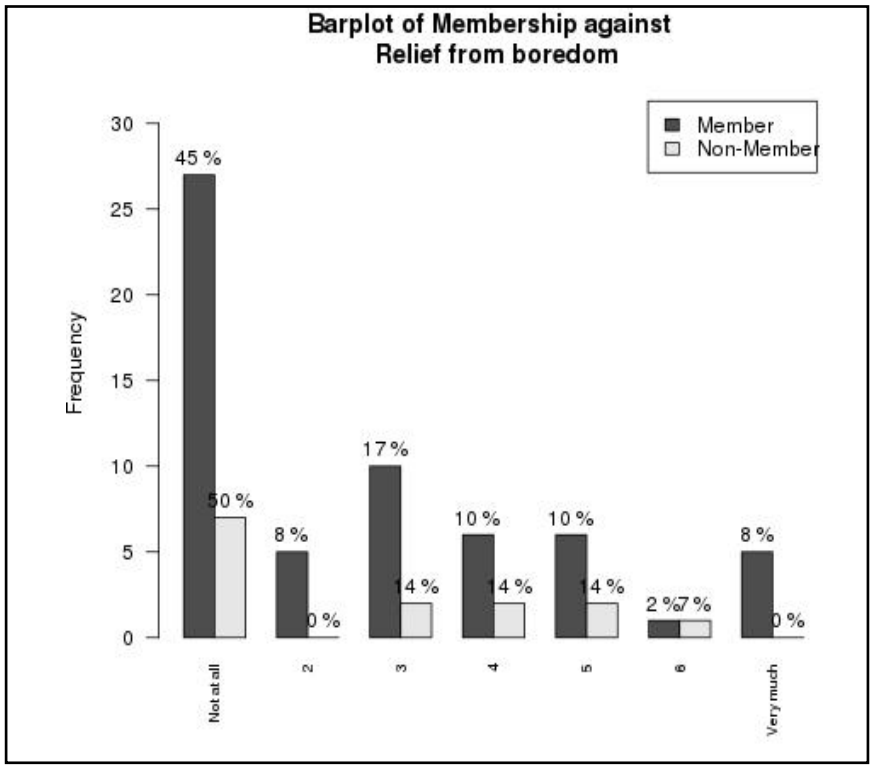
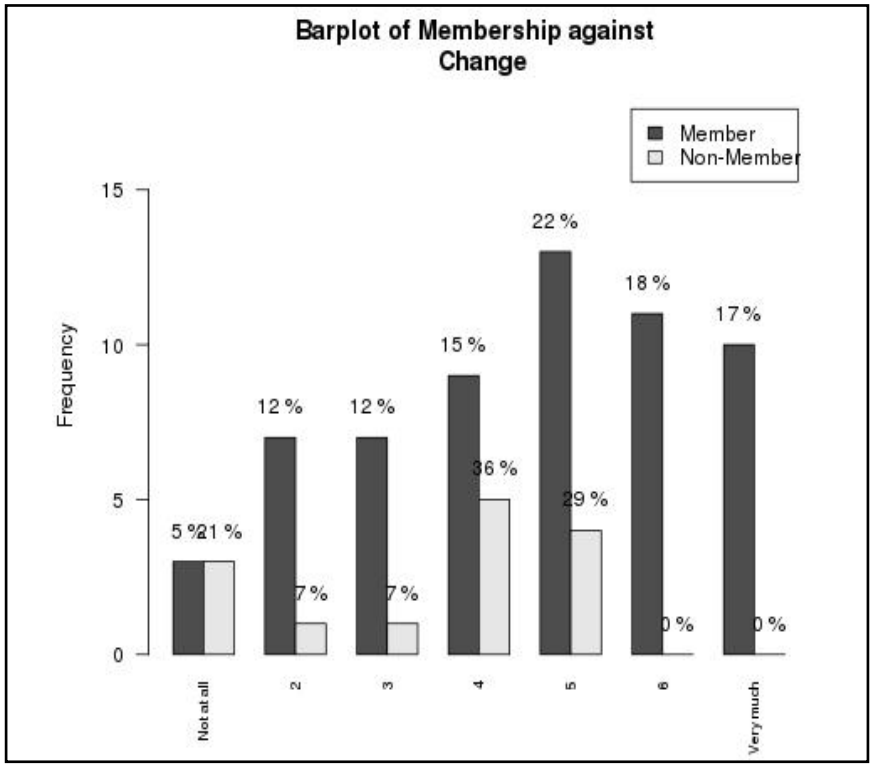


Figure 6.10 displays the data collected for the relief from boredom variable. It assists in illustrating the relationship between the membership of farmers' associations and relief from

boredom as a service. As can be seen in figure 6.21, 45% (27) of members and 50% (7) of non-members indicated that the benefit is not offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,7094. P > 0,05 which indicates that these data do not provide sufficient evidence that there is a significant relationship between membership and relief from boredom.

Statistically, this service was calculated to have a non-significant effect on membership. As per figure 6.10, the majority of both members and non-members rated the benefit as not being offered. From this, one can presume that individuals may not join a farmers' association due to boredom.

Figure 6.11: Membership against Change



The data displayed in figure 6.11 is that which was collected for the variable of change. It assists in understanding the relationship between the membership of farmers' association and the service of change. Figure 6.11 reflects that 0% (0) of non-members perceived this benefit to be offered by farmers' associations, and 17% (10) of members stated that the service is highly valued. Fisher's Exact Test calculated a p-value of 0,049. P < 0,05 signifying that these data provide sufficient evidence that there is a significant relationship between membership and change.

Change is something which can cause great uncertainty amongst people. However, in belonging to a farmers' association, a member has the ability to obtain access to first-hand information, and also has a support system. Through these avenues, members may have the ability to reduce the impact that change has or to implement various changes so to reduce future risks.

Figure 6.12: Membership against Support

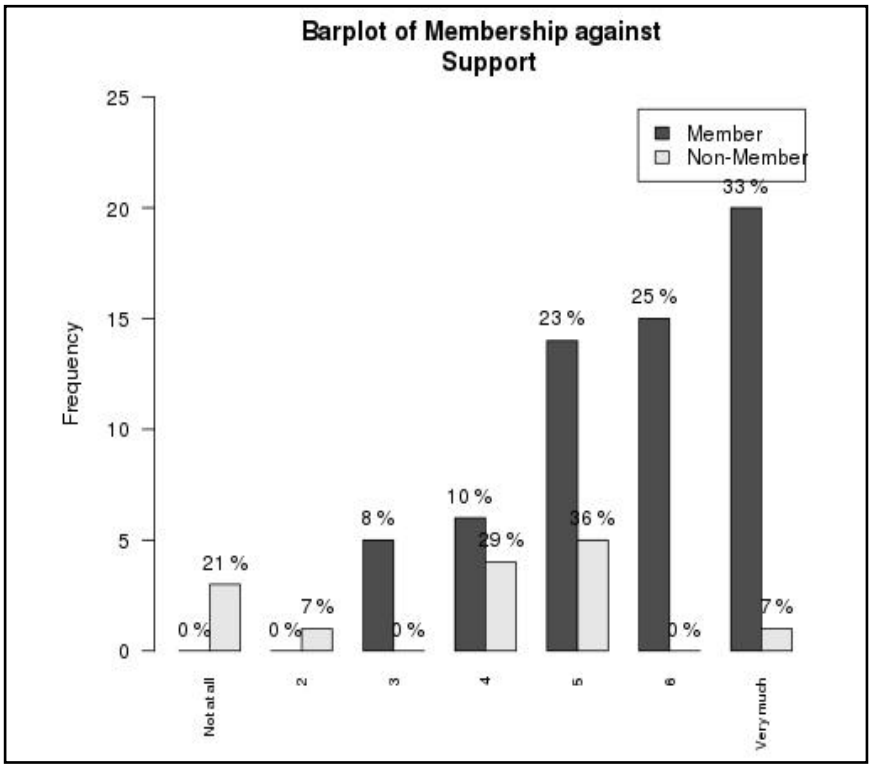
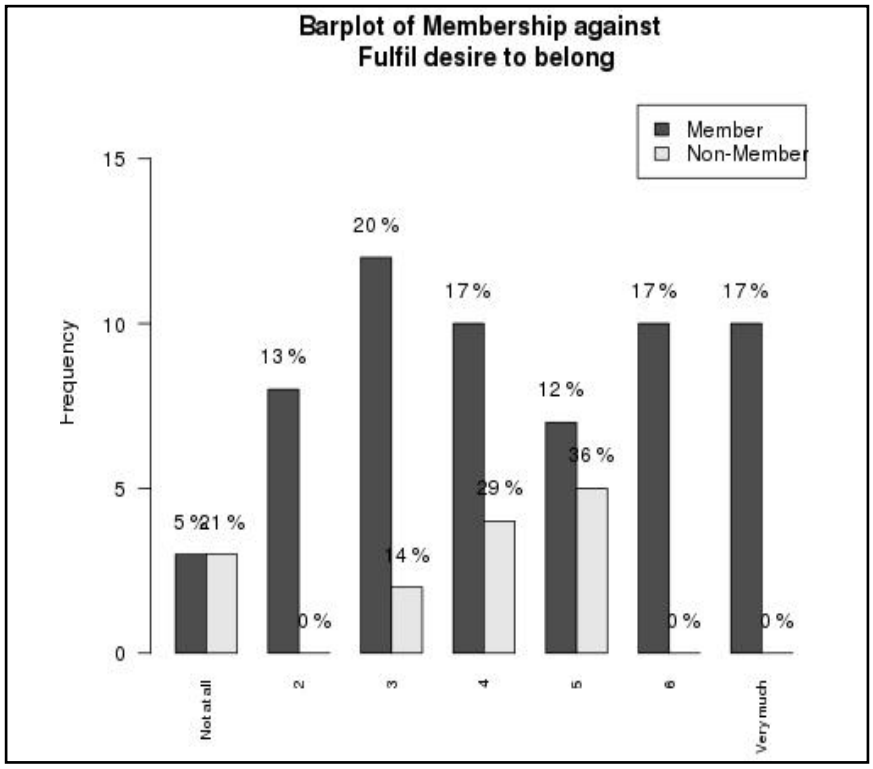


Figure 6.12 depicts the spread of data collected for the support variable. The relationship between the membership of farmers' associations and the service of support is explored to determine the significance thereof. As can be seen in figure 6.12, 33% (20) of members indicated that support is a highly valued service. Although figure 6.12 indicated that 21% (3) of non-members stipulated that they do not perceive farmers' associations to offer support, 36% (5) of non-members indicated that farmers' associations provided some sort of support structure. Fisher's Exact Test calculated a p-value of less than 0,0005. $P < 0,05$ implying that these data provide sufficient evidence that there is a significant relationship between membership and support. Through joining a farmers' association, a member belongs to a network, no matter how informal, resulting in relationships being formed or built upon. In attending meetings and social events, a member gains the support of fellow members within the farmers' association. This is not to say that if you are not a member you have no support,

but in being a member you have a greater support structure, therefore emphasizing the significant effect of this on membership.

Figure 6.13: Membership against Fulfil Desire to Belong



The data displayed in figure 6.13 is applicable to the variable of fulfilling a desire to belong. This summarises the relationship between the membership of farmers' associations and the service of fulfilling a desire to belong. Figure 6.13 showed that there is a wide dispersion of data collected for this specific variable within both sample groups. Fisher's Exact Test calculated a p-value of 0,0122. $P < 0,05$ suggesting these data provide sufficient evidence that there is a significant relationship between membership and fulfilling a desire to belong.

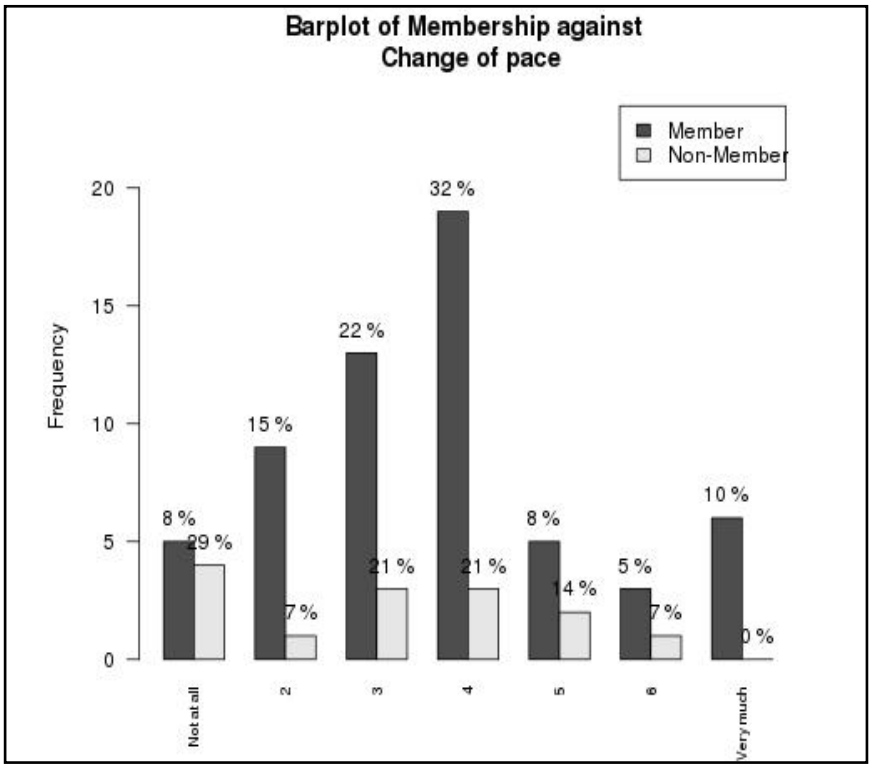
Members and non-members, according to figure 6.13, perceived this service in different ways. One may not realise your desire to belong to a group. However, in belonging to a farmers' association, you belong to a group of individuals who have similar interests as you. If you are not a member, you will not directly receive these services.

Data collected for the change of pace variable can be seen in figure 6.14. Figure 6.14 considers the effect that the service of change of pace has on the membership of farmers' associations. 32% (19) of members, according to figure 6.14, said that they were neutral to

the service. Furthermore, 29% (4) of non-members stated that they did not perceive the service to be offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,3645. P > 0,05 revealing that these data do not provide sufficient evidence that there is a significant relationship between membership and change of pace.

Change of pace was calculated to have a non-significant effect on membership, statistically, because members and non-members both perceive it in a similar manner. Change of pace refers to how fast something happens. Perhaps due to much bureaucracy and red tape, changes may take longer to be implemented. However, you do not necessarily need to belong to a farmers' association to adapt how quickly changes are implemented.

Figure 6.14: Membership against Change of Pace



While figure 6.15 displays the data collected for the peer group contact variable, it also assists in explaining the relationship between the membership of farmers' associations and peer group contact. Fisher's Exact Test calculated a p-value of 0,1327 for this data set. P > 0,05 denoting that these data do not provide sufficient evidence that there is a significant relationship between membership and peer group contact.

In joining a farmers' association, one is exposed to fellow members, which allows you to interact with those who portray similar interests as you. Statistically, the peer group contact variable has a non-significant effect on membership. However, 32% (19) of members valued the service, while 43% (6) of non-members acknowledged that this service is provided by farmers' associations. Although being a member of a farmers' association grants you the opportunity to interact with peers, the fact that one may not be a members does not imply that you are prevented with interacting the same peers. Thus, peer group contact is not considered as a factor which has a major effect of membership.

Figure 6.15: Membership against Peer Group Contact

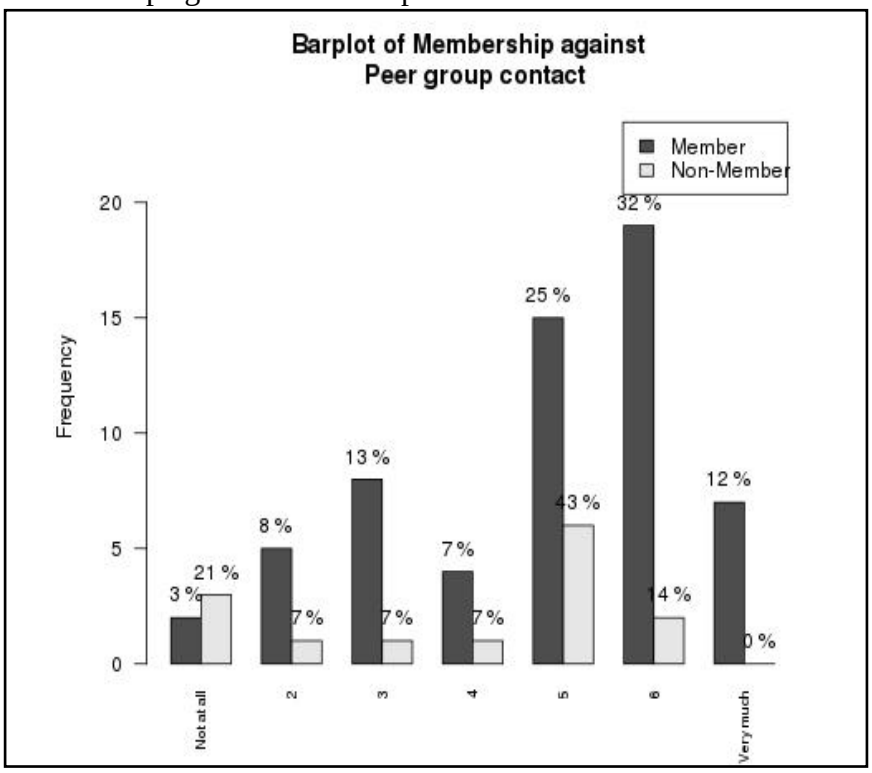
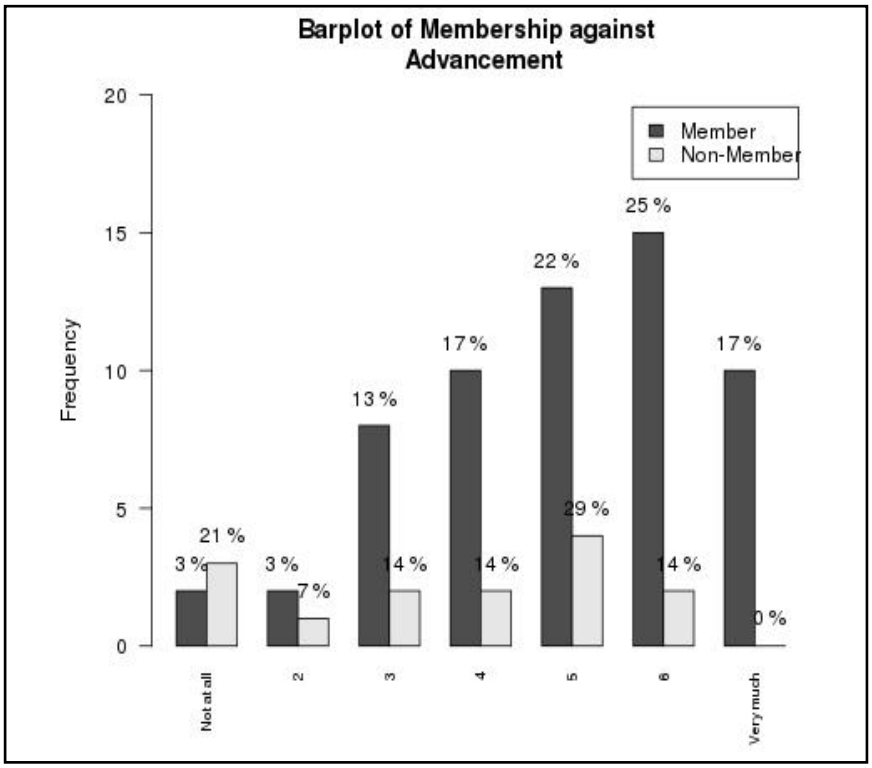


Figure 6.16 illustrates the spread of data collected for the advancement variable. As can be seen in figure 6.16, 0% (0) of non-members perceived the service to be well offered by farmers' associations compared to the 17% (10) of members that suggested the service is one which is highly valued. Fisher's Exact Test calculated a p-value of 0,1514. $P > 0,05$ elucidating that these data do not provide sufficient evidence that there is a significant relationship between membership and advancement.

There is a similar pattern in the spread of data for advancement, with both members and non-members rating the benefit relatively high. Although this is the case, it will not necessarily

affect membership directly. Members may receive information first-hand and be subject to initial changes, allowing a particular level of proactivity, but non-members may still acquire the same information and use it to their advantage.

Figure 6.16: Membership against Advancement



Data collected for the professionalism variable can be seen in figure 6.17, which considers the relationship between the variable and membership. As per figure 6.17, 28% (17) of members felt this service was very well provided by farmers' association versus the 14% (2) of non-members who felt the service was not offered at all by farmers' associations. Fisher's Exact Test calculated a p-value of 0,192, resulting in $p > 0,05$. These data do not provide sufficient evidence that there is a significant relationship between membership and professionalism.

As with advancement, there is a similar pattern between member and non-member views. Professionalism is the ability to farm effectively. While farmers' association may enhance that ability through educational formats, it does not imply that those who are not members are not professional and unable to farm effectively. Thus, professionalism does not influence membership on its own.

Figure 6.17: Membership against Professionalism

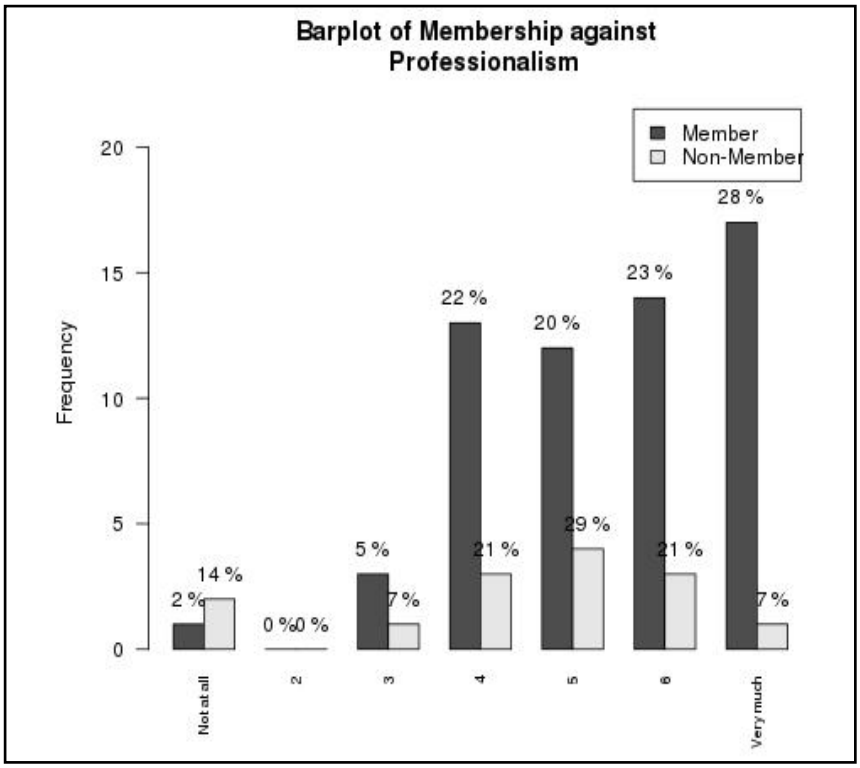


Figure 6.18: Membership against Validation of Ideas

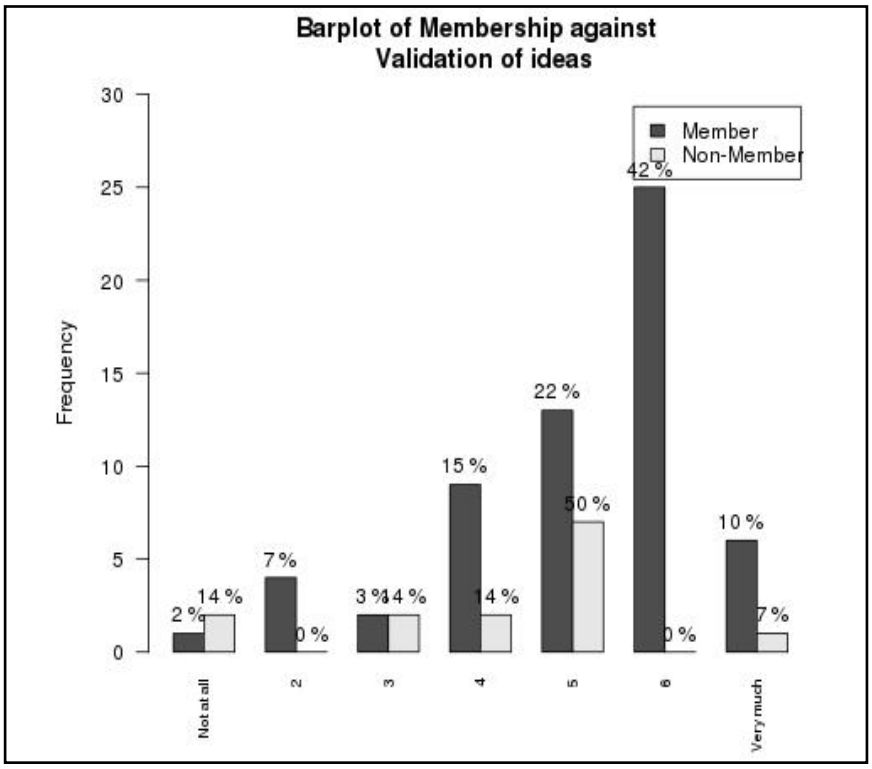


Figure 6.18 displays the data collected for the validation of ideas variable. It also assists in understanding the relationship between membership and the validation of ideas. According to figure 6.18, 42% (25) of members indicated that the service is well offered by farmers' associations, while 50% (7) of non-members acknowledged that farmers' associations provided the service. Fisher's Exact Test calculated a p-value of 0,002. $P < 0,05$ concluding that these data provide sufficient evidence that there is a significant relationship between membership and the validation of ideas.

Through farmers' associations, one may be exposed to various information and learning opportunities. As previously mentioned, new ideas may be generated through these forums. Farmers' associations give members a direct platform whereby ideas can be discussed and one can get feedback on the feasibility of the idea. Although non-members may be able to discuss ideas with peers, doing so with a group of individuals who understand where your idea was generated from may be more beneficial.

Figure 6.19: Membership against Improvement of Farming Profession

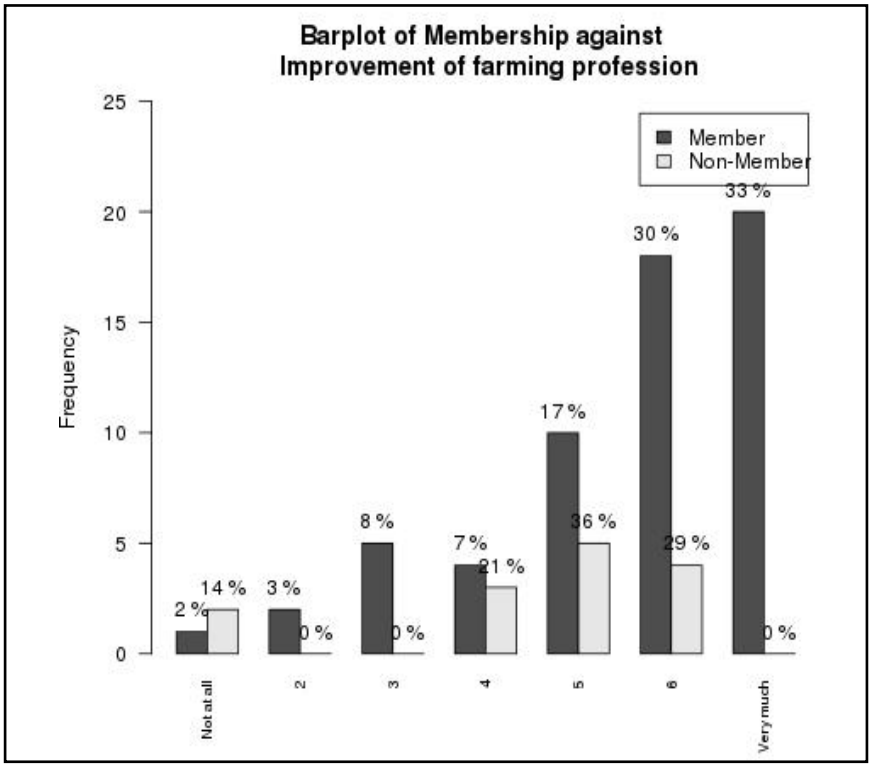
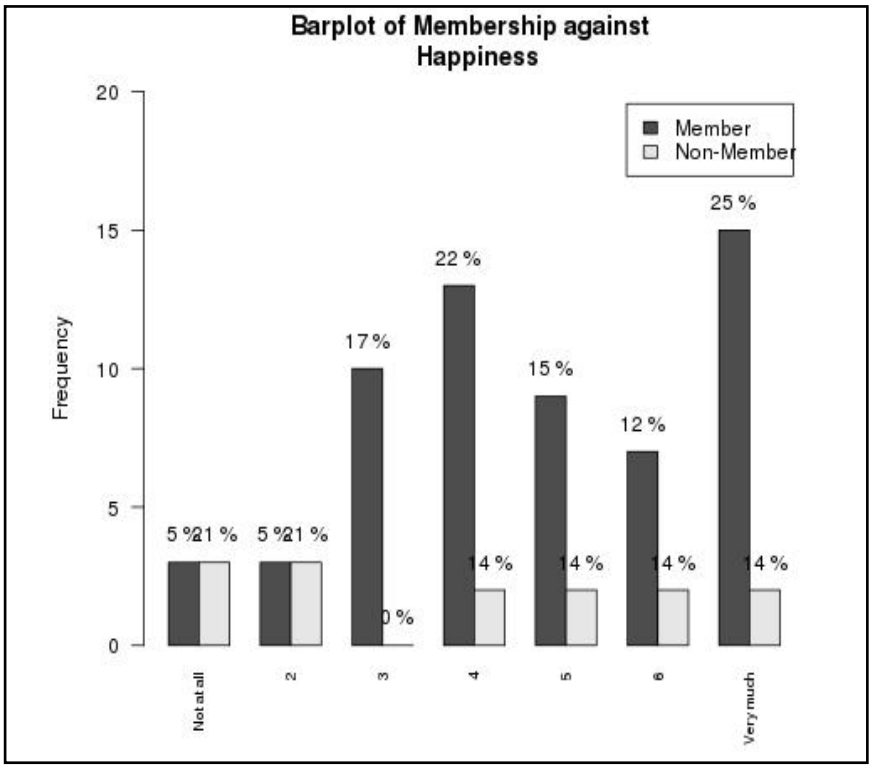


Figure 6.19 illustrates data collected for the improvement of the farming profession variable. According to figure 6.19, 33% (20) of members stated that the service is very well provided by farmers' associations versus the 0% (0) of non-members who perceived that the service is

in fact offered. Fisher's Exact Test calculated a p-value of 0,0078. $P < 0,05$ denoting that these data provide sufficient evidence that there is a significant relationship between membership and improving the farming profession. Members of farmers' associations will have a greater impact on improving the farming profession due to the way in which they interact with organised agriculture, and the direct suggestions made through the various means of communication. Thus, through continuous efforts, farmers' associations will assist in improving the profession.

Figure 6.20: Membership against Happiness



Data collected for the happiness variable can be seen in figure 6.20. Figure 6.20 considers the effect that happiness has on the membership of farmers' associations. Fisher's Exact Test calculated a p-value of 0,0869 for this data set. $P > 0,05$ elucidating that these data do not provide sufficient evidence that there is a significant relationship between membership and happiness.

Specific to the happiness variable, there is a wide distribution of the perspectives of the two sample groups, 25% (15) of members and 14% (2) of non-members valued the service, as per figure 6.20. However, statistically, this variable was calculated to have a non-significant effect on membership. Happiness is not necessarily dependent on whether or not one is a

member of a farmers' association. There are other factors which contribute to happiness, including safety and security. While farmers' associations may offer a service in mitigating the safety and security needs of members, it does not imply that one needs to be a member in order to be happy.

Figure 6.21: Membership against Improvement of my Work

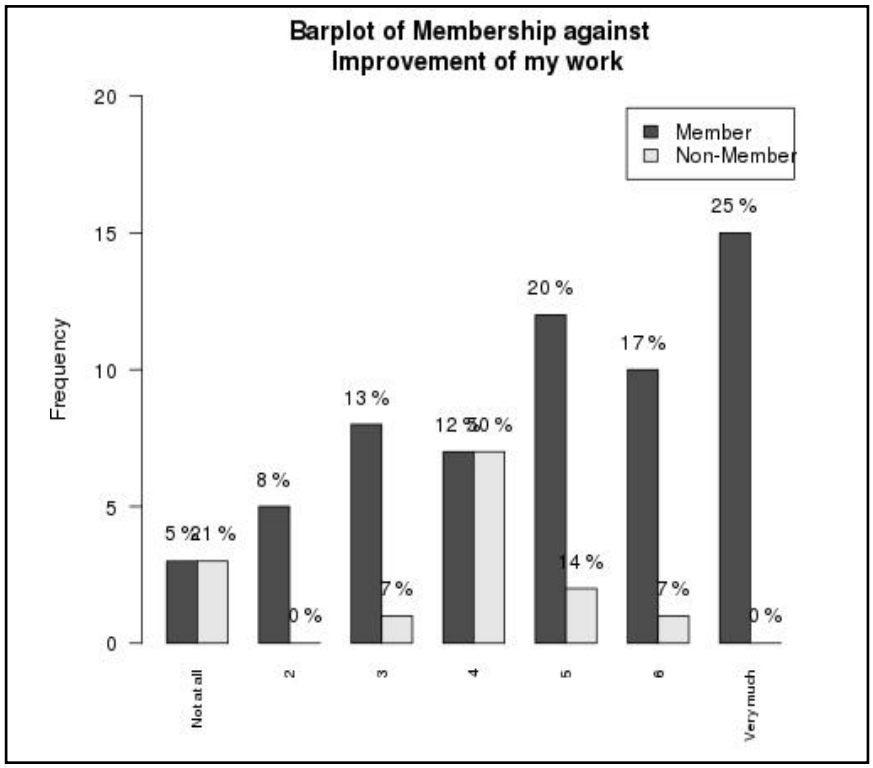
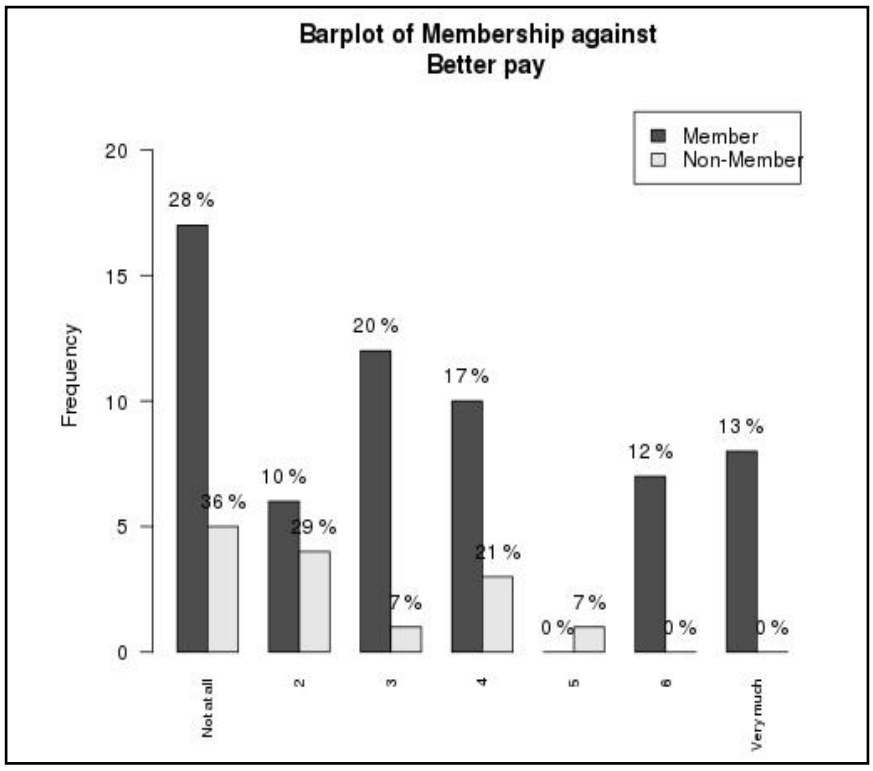


Figure 6.21 displays the data collected for the variable of improvement of my work, while assisting in postulating the relationship between membership of farmers' association and the variable. According to figure 6.21, 25% (15) of members stipulated that the service is well offered by farmers' associations, contrasted with 0% (0) of non-members who perceived this service to be offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,0044. $P < 0,05$ signifying that these data provide sufficient evidence that there is a significant relationship between membership and the improvement of my work.

Improvement of my work was calculated to have a statistically significant effect on membership. As can be seen in figure 6.21, there is a difference between member and non-member perceptions. From this, it is evident that farmers' associations contribute somewhat to the improvement of work for members. This is something that non-members do have direct access to, and thus is not perceived to be offered.

Figure 6.22: Membership against Better Pay



The data collected for the better pay variable can be seen in figure 6.22, which illustrates that 36% (5) of non-members did not perceive this service to be offered, with a further 28% (17) of members stating that farmers' associations did not offer this service. Fisher's Exact Test calculated a p-value of 0,0806. $P > 0,05$ revealing that these data do not provide sufficient evidence that there is a relationship between membership and better pay.

Farmers' associations could potentially be used as a platform through which to increase your monetary income. As per figure 4.1, through commodity specific committees fighting for the interests of members and through political lobbying, there may be occurrences whereby farmers might see income increases. However, regardless of whether or not you are a member, you will reap this benefit.

Figure 6.23 considers the effect that improved benefits has on the membership of farmers' associations. 15% (9) of members indicated that this service is well offered by farmers' associations, while 21% (3) of non-members perceived that this service is not offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,0011 resulting in $p < 0,05$. Therefore, these data provide sufficient evidence that there is a significant relationship between membership and improved benefits.

Figure 6.23: Membership against Improved Benefits

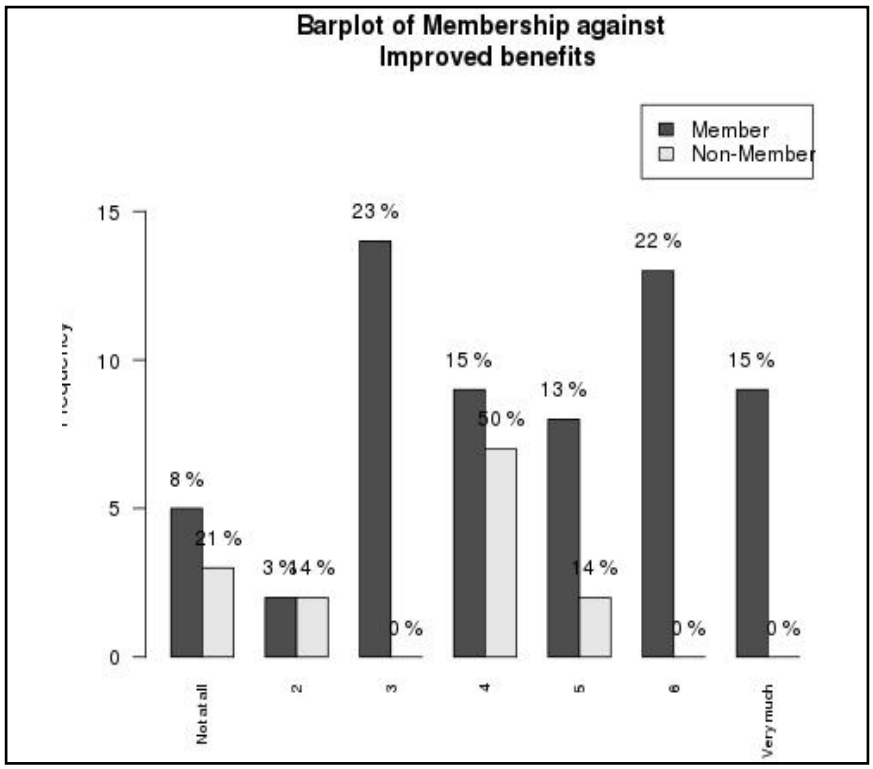


Figure 6.24: Membership against Break from Work

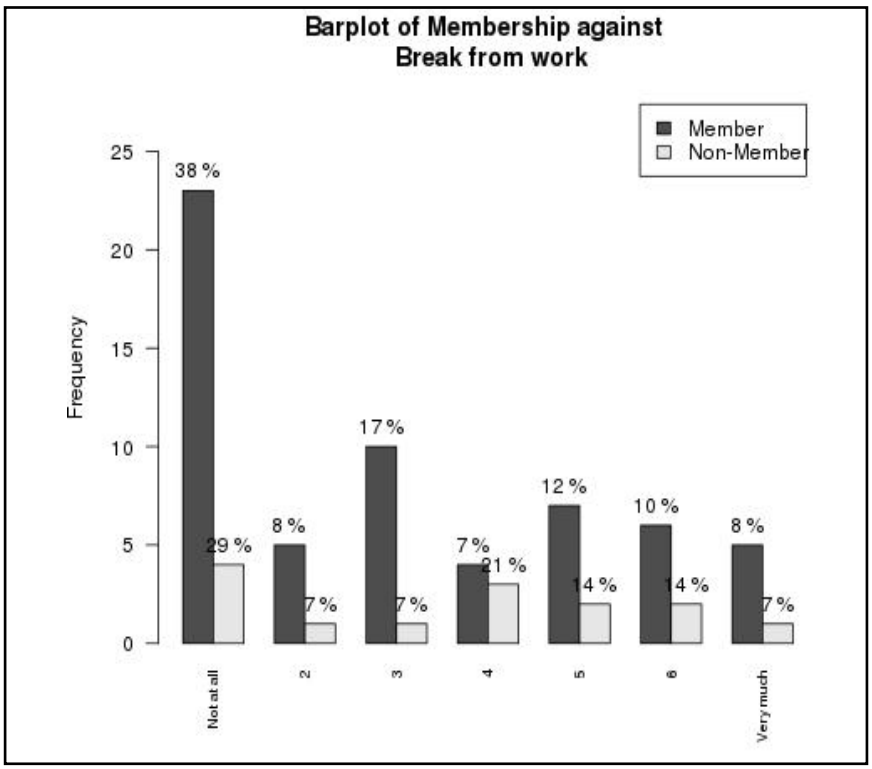


Figure 6.24 displays the data collected for the break from work variable, and it also assists in understanding the relationship between the membership of farmers' associations and the

variable. According to figure 6.24, 39% (23) of members denoted that farmers' associations did not offer them a break from work, and 29% (4) of non-members did not perceive farmers' association to offer such a service. Fisher's Exact Test calculated a p-value of 0,6909 for this data set. P > 0,05 therefore these data do not provide sufficient evidence that there is a significant relationship between membership and a break from work.

Summatively, this service is not perceived to be offered by farmers' associations. 38% (23) of members did not see this as a service at all. Farmers' association meetings take place in the evenings or late afternoon. However, as previously stated, social events are few while meetings are poorly attended. Thus, this may not be an accurate resemblance of member perspectives.

Figure 6.25: Membership against Something New

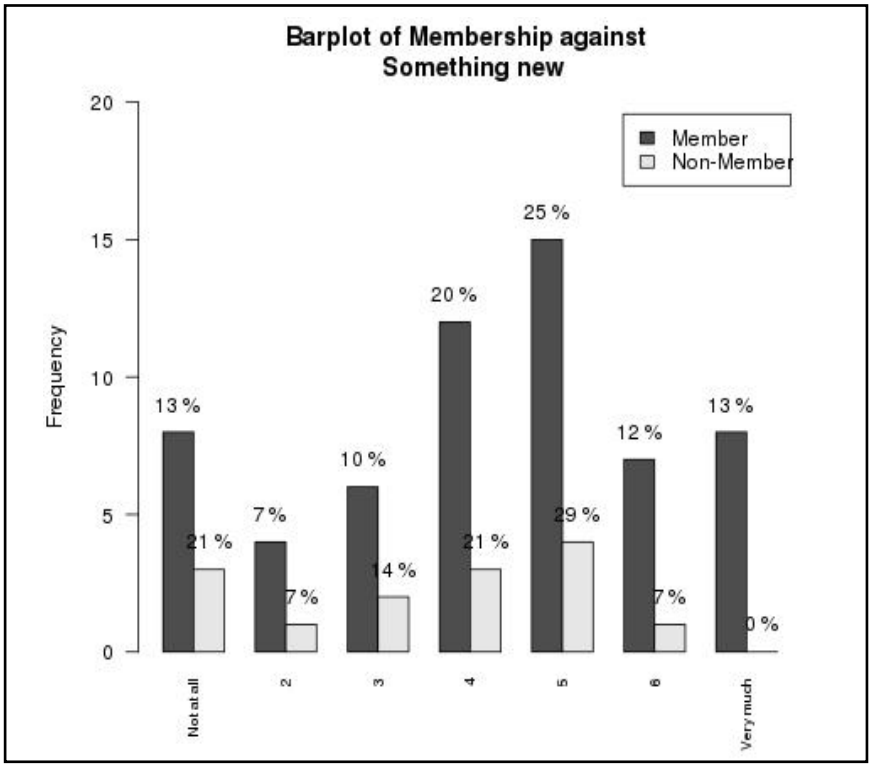
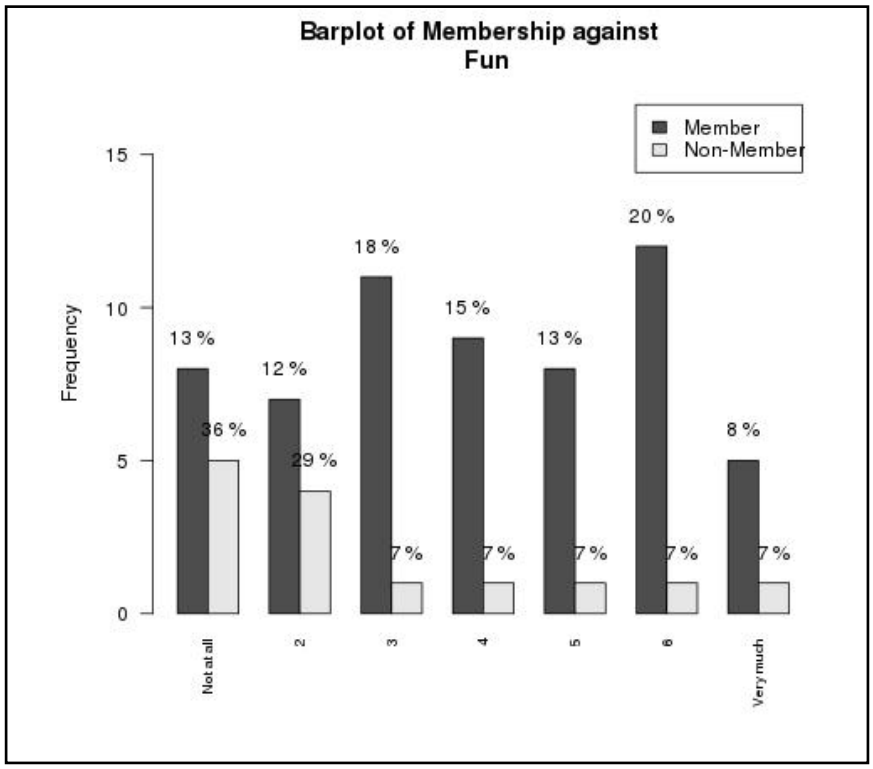


Figure 6.25 lays out the data collected for the something new variable and considers the relationship between membership and something new. According to figure 6.25, 21% (3) of non-members did not perceive this service to be offered by farmers' associations, 13% (8) of members indicated that the service is not offered by farmers' associations while an equal percentage of members indicated the polar opposite. Fishers' Exact Test calculated a variable

of 0,8467. P > 0,05 denoting that these data do not provide sufficient evidence that there is a significant relationship between membership and something new.

Although the variable was found to have a non-significant effect on membership, it does not necessarily imply that it has no effect on membership. However, members and non-members both rate the variable in a similar manner. Nonetheless, by belonging to a farmers' association, one may learn something that results in new behaviours or ways of doing things, but this does not imply that non-members will never be exposed to the 'something new'.

Figure 6.26: Membership against Fun



Data collected for the fun variable can be seen in figure 6.26. Figure 6.26 considers the effect that fun has on the membership of farmers' associations. Only 8% (5) of members felt that this is a well offered service, while 36% (5) of non-members perceived it not to be offered at all. Fisher's Exact Test calculated a p-value of 0,2714. P > 0,05 signifying that these data do not provide sufficient evidence that there is a significant relationship between membership and fun.

Fun is constituted as a social activity. Both members and non-members highlighted that farmers associations are perceived to not be fun but it is something that can be had without

belonging to a farmers' association. However, through social activities, fun can be had. It is questionable as to whether farmers' associations hold social activities. Thus, this service would not necessarily influence membership, but it is also difficult to interpret in isolation.

Figure 6.27: Membership against Job Placement Aid

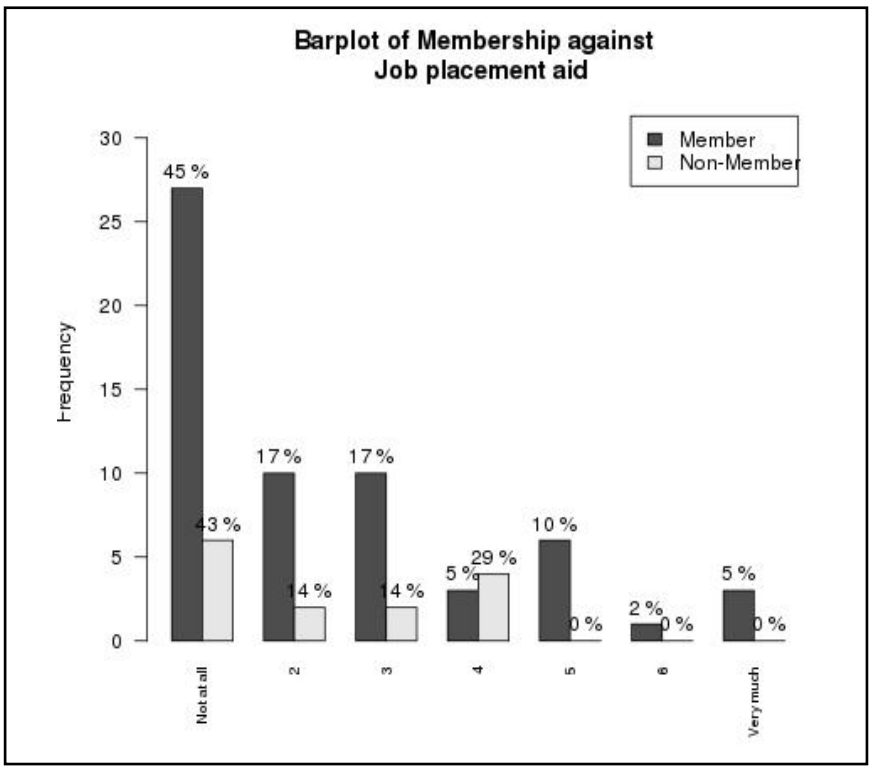


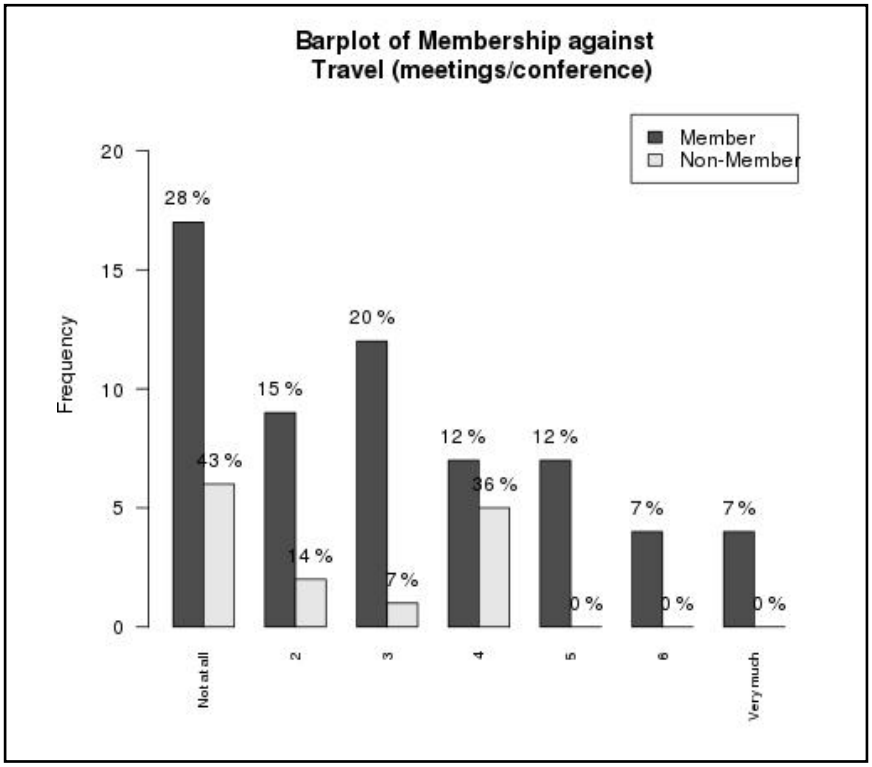
Figure 6.27 displays the data collected for the job placement aid variable. It also assists in illustrating the relationship between the membership of farmers' associations and the variable. According to figure 6.27, 45% (27) of members felt this service was not well offered by farmers associations, comparatively, 43% (6) of non-members perceived the service not to be offered. Fisher's Exact Test calculated a p-value of 0,2624 resulting in $p > 0,05$, therefore these data do not provide sufficient evidence that there is a significant relationship between membership and job placement aid.

Many participants struggled to understand this service. It was explained to them as an instance whereby should you be without a job, the farmers' association could assist you in finding one. Evidently, both sample groups indicated that this is not offered. Considering farmers' associations as a whole, and farmers' as small business owners, it seems that it is going past their capacity to find you a job. However, members of the community may assist where they can.

In figure 6.28, one can see the data collected for the travel variable. This assists in developing an understanding of the relationship between travel and the membership of farmers' associations. Figure 6.28 indicates that 43% (6) of non-members did not perceive the service to be offered by farmers' associations and 28% (17) of members agreed that the service is not offered by the associations. Fisher's Exact Test calculated a p-value of 0,2433. $P > 0,05$ signifying that these data do not provide sufficient evidence that there is a significant relationship between membership and travel.

As with other non-significant variables, travel to meetings and conferences is, statistically, not perceived to have a significant effect on membership. It must be noted that a farmer does not need to belong to a farmers' association to attend meetings held by organised agriculture. As stated in chapter 4, organised agriculture is comprised of many different levels. Thus to be a member of organised agriculture, you do not necessarily need to belong to a farmers' association. Farmers' are able to belong to agricultural commodity committees or organisations, for example the Pineapple Growers Association. This would grant you permission to attend meetings and the like. However, not everyone wishes to attend meetings, thus farmers' associations are likely to send a representative.

Figure 6.28: Membership against Travel



Data collected for the group benefit plans variable can be seen in figure 6.29. Figure 6.29 considers the effect that group benefit plans has on the membership of farmers' associations. 30% (18) of members stipulated that this service is offered by farmers' associations, and 21% (3) of non-members perceived the service to be offered. Fisher's Exact Test calculated a p-value of 0,7738. P > 0.05 indicating that these data do not provide sufficient evidence that there is a significant relationship between membership and group benefit plans.

While belonging to a farmers' association grants you access to particular service plans, like fire insurance, this service is not sufficient to result in farmers' joining a farmers' association. Although non-members are aware that this benefit is offered, it is unlikely that they do not have insurance which protects them against certain external factors, even if it is at their own expense.

Figure 6.29: Membership against Group Benefit Plans

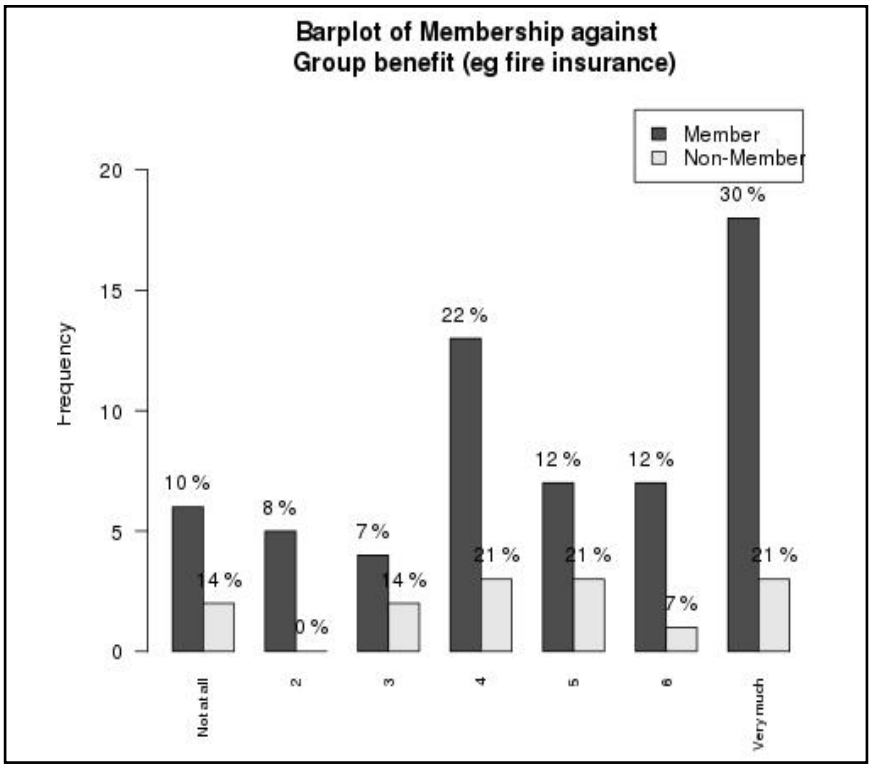


Figure 6.30 displays the data collected for the political lobbying variable, and assists in developing an understanding of the relationship between membership and political lobbying. According to figure 6.30, 18% (11) of members and 29% (4) of non-members acknowledged that the service is relatively well offered by farmers' associations. Fisher's Exact Test calculated a p-value of 0,4782 resulting in p > 0,05 therefore suggesting that these data do not

provide sufficient evidence that there is a significant relationship between membership and political lobbying.

Although political lobbying is an important aspect of belonging to a professional association in order to protect your interests, it is not sufficient to influence membership. Although members may lobby for certain things, it is likely that non-members interests are aligned with those of the member. Thus although one may not be a member, you will potentially reap the benefits of the political lobbying efforts.

Figure 6.30: Membership against Political Lobbying

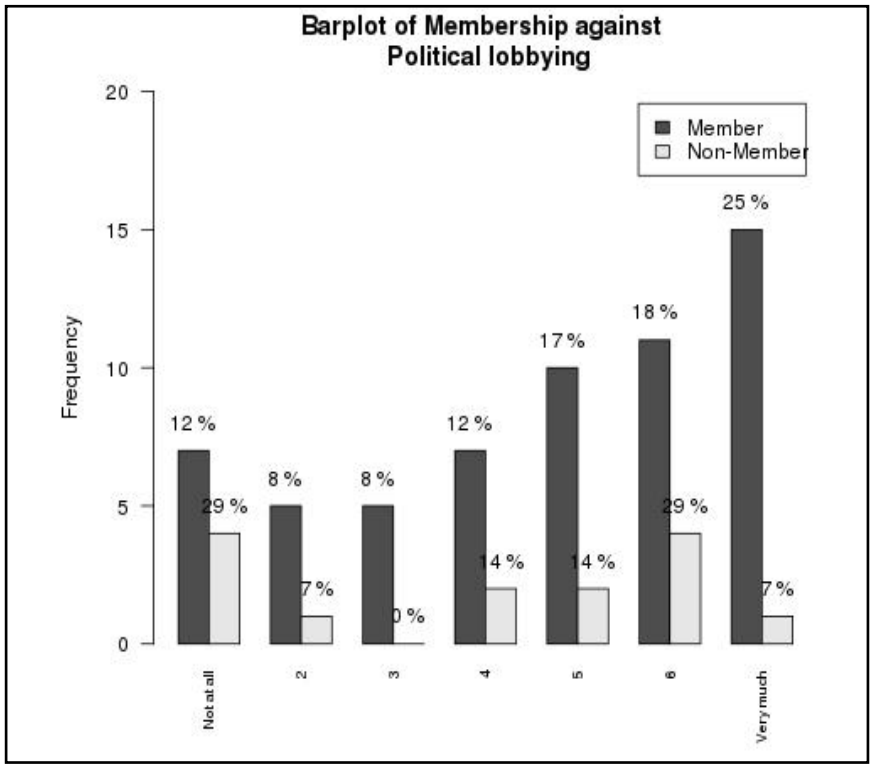
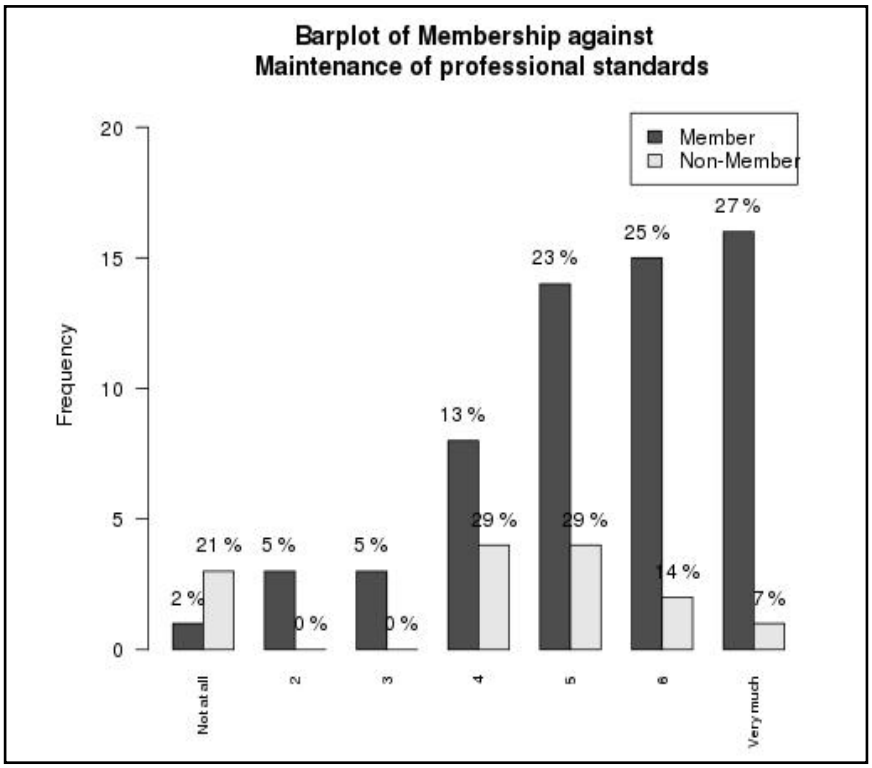


Figure 6.31 illustrates the data collected for the maintenance of professional standards variable, while simultaneously assisting in understanding the relationship between membership and maintaining professional standards. According to figure 6.31, 75% (45) of members stated that farmers' associations did offer the service (refer to ratings 5, 6 and 7). Fisher's Exact Test calculated a p-value of 0,059. Although P > 0,05, it does not necessarily indicate that the service affects membership. Alternatively, it does not necessarily imply that these data do not provide sufficient evidence that there is a significant relationship between membership and the service.

This variable is difficult to interpret because it falls close to the p-value. However, members and non-members perceive this service in similar ways, thus it is likely that the variable of maintaining professional standards will have a non-significant effect on membership. Non-members may be under the impression that although they are non-members, those that are members will ensure that the farming professional standards are maintained.

Figure 6.31: Membership against Maintenance of Professional Standards



As is evident from the results presented above, there are 11 variables which have a significant effect on membership, and there are 18 variables which a non-significant effect on membership. Although 11 variables is substantial, 18 variables having a non-significant effect on membership is concerning for farmers' associations. With already dwindling numbers, farmers' associations cannot afford to lose more members.

As an organised association, farmers' associations are voluntary organisations (Albany Farmers' League, 2013: 1). The theory of collective action states that individuals join organised associations in order to get something in return for the membership fee paid (Cafferata, 1979: 472; Olson, 2000: 6; Markova, *et al*. 2013: 491-492) Returns are given in the form of services, which are required theoretically, to exceed the costs of membership (Ross, 2009: 17). Olson (2000: 15-20) stipulates that there are two types of services which

are offered by organised associations, namely private goods and public goods, regardless of whether they are tangible or intangible benefits. A private good is one which an individual will only receive should they become a member of the organisation (Olson, 2000: 20). Comparatively, a public good is one which is received regardless of whether or not you are a member of the organisation (Olson, 2000: 15). If the public goods outweigh the private goods, it is likely that the individual will not take up membership, or expectations would not fully be met. The theory of exchange suggests that individuals are members of voluntary organisations in order to get something in return, thus implying that there a certain factors which influence or motivate individuals to join such associations (Yeager, 1981: 318; Bhattacharya, 1998: 34; Gruen *et al*. 2000: 34; Olson, 2000: 29-31; DeLeskey, 2003: 11; Ross, 2009: 17).

This research is proposed that farmers' associations offer services that are aligned with the five roles that business chambers perform, namely to provide information, market creation, network building, learning opportunities and skills development, and providing assistance with policy creation and implementation (South African Chamber of Commerce and Industry, 2013: 1). Each of these roles, along with that of intangible benefits is aligned with the PAMQ (Yeager, 1981). Refer to table 4.3 in Chapter 4.

A potential reasoning for there being 18 variables which have a non-significant effect on membership is relating it to the theory of exchange. The 18 variables which were calculated to have a non-significant effect on membership are public goods, comparative to the 11 variables which have a significant effect on membership implying they are private goods. Thus, regardless of whether or not one is a member of a farmers' association, they have the ability to access the service either indirectly from farmers' association efforts, or through another forum which has a lower cost than the required membership fee. Therefore in certain instances it appears as though the cost of joining a farmers' association does not exceed the services which are offered, because there appear to be more public than private goods. Thus, regardless of a farmer's membership status, they can still receive majority of the services offered by farmers' associations through other forums. This can be seen in the explanations tied to each variable in the discussion above. However, due to farmers residing in relatively isolated areas, in some instances it becomes difficult for some variables, such as friendship, to be a private good.

Although a farmers' association appears to perform all five roles, through the services provided, as per the theoretical framework, the fact that many of these roles can be sourced publically may deter members from renewing membership, and non-members from taking up a membership.

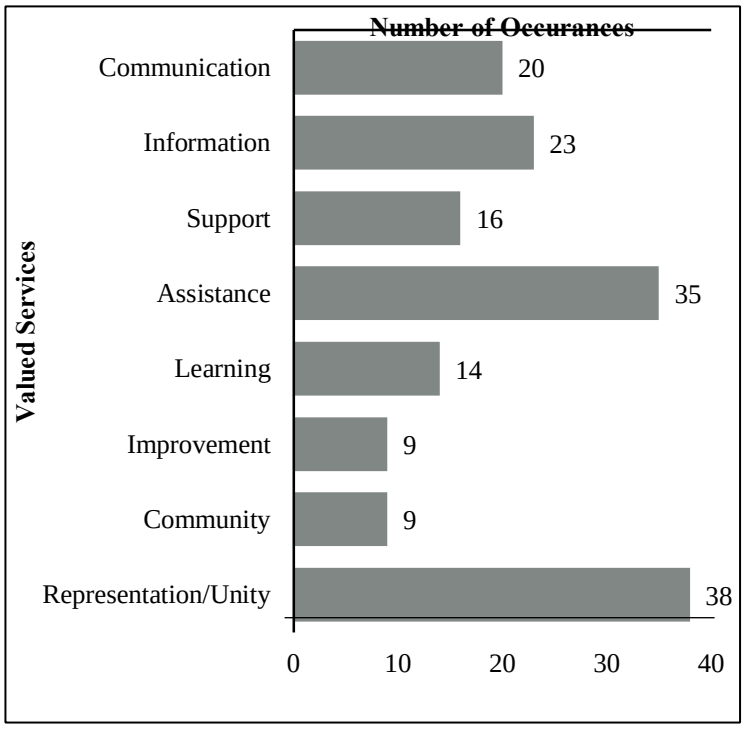
Understanding the services which members most value is critical to providing them with services and ensuring that their level of satisfaction is maintained. As per the theoretical framework, provided in Chapter 4, it is important for the individuals in a management position to understand what members want, so that, in the long-run their membership is maintained. Thus, farmers' associations need to provide members with services which meet their needs and expectations, thus resulting in member satisfaction (Gruen, *et al.* 2000: 34-35; Osterberg, *et al.* 2007: 4-5; Markova, *et al.* 2013:497-499). In order to do this, it is required that farmers' associations are aware of what the members want (Gruen, *et al*. 2000: 37; DeLeskey, 2003: 10-11).

Participants, specifically members of farmers associations, were asked to list the services which are most important to them. Although a various number of services were provided, eight codes were created to group each service which fell within a particular theme. Figure 6.32 highlights the eight most valued services, under the assigned code.

As can be seen in figure 6.32, amongst the highest valued services are communication, information, assistance and representation/unity. These are, evidently, key factors which, if provided, will result in satisfied members. Assistance, as seen in figure 6.32, had 35 occurrences, which included, as stated by participants, the farmers' association working in tandem with municipal officers to ensure that roads are maintained, municipal rates are not too excessive, and security issues are kept at bay. However, it also includes factors occurring at a national level such as land reform, diesel rebates, drought relief, fire plans, and labour issues. Assistance can be related to the variables of improved benefits, better pay, group benefit plans, and job placement aid. Interestingly, improved benefits are the only variable which is calculated, statistically, to have a significant effect on membership. Although it is likely that members receive assistance in these forms, it is not unique to a farmers' association, and thus the services can be sourced elsewhere, implying that this is a public good (Olson, 2000: 15).

Improvement, as per figure 6.32 had nine occurrences. Although not as valued as other services, improvement is valued by members, because through the forum, it allows for members to perform various tasks which allow them to improve as an individual and farmer. As a valued service, improvement can be associated with the variables of self-improvement, improvement of my work, and improvement of the farming profession. Although only nine individuals recognised improvement as a valued benefit, statistically, its associated variables all have a significant effect on membership. Thus, such benefits will only be reaped should a farmer be a member of a farmers' association, implying these are private goods (Olson, 2000: 20).

Figure 6.32: The Services Members Value



Communication and information work concordantly. Individuals joined and maintained their membership to farmers' associations in order to get additional information, as is provided by AgriSA. This information is communicated to members via email and at farmers' association meetings, to some degree. However, it is important that the information provided is clearly communicated and relevant to members, otherwise it could be deemed irrelevant and result in low levels of satisfaction. A core reason as to why individuals join organised associations is to have access to a greater variety of information. Taking this into consideration, communication and information correspond with the variables of meetings, travel, and

advancement. Meetings and travel to conferences held by organised agriculture will provide members with some desired information and practices. Although this is valued by members, the variables have a non-significant effect on membership, because one does not necessarily have to belong to a farmers' association to reap the reward of these services.

Support, as per figure 6.32, was another highly ranked valued service. Members of farmers' associations valued the support given by belonging to a farmers' association. The support comes in the form of peers who are able to give advice, provide solutions and assistance with problems at hand, and also enable networks to be formed. Not only does this enhance the sense of community in the more isolated regions, but also assists in contributing to farming success and creating a network of good friends and business colleagues, resulting in overall happiness. Support, as a variable, has a significant effect on membership. Not only is it valued, but in belonging to a farmers' association, individuals have a constant support group, thus signifying its importance. Additionally, friendship, happiness and peer group contact are aligned with this service. However, these variables have a non-significant effect on membership. Furthermore, the same participants which highlighted support also highlighted community as a factor. In belonging to a farmers' association, one belongs to a network consisting of individuals from the same community. Participants highlighted that one needs a strong sense of community so that should critical events occur, you have a support team to depend on. Although not as closely related as other valued services and their variables, community can be linked with social activities. Should farmers' associations hold regular social activities, it may build a sense of community.

Members also valued learning, as per figure 6.32. In the context specific to this study, learning is not necessarily attending workshops and the like, but rather, learning through the sharing of ideas, support and problem solving efforts. Thus, it is more practical in a sense. However, some participants highlighted that education must be incorporated through the use of guest speakers and farm visits. Interestingly, the variables education and new ideas have a significant effect on membership while programs, which could potentially be used as another educational platform, have a non-significant effect on membership. To enhance the value of this service, farmers' associations need to develop ways in which programs can be turned into a significant effect on membership, indicating that the service is a private good (Olson, 2000: 20).

According to figure 6.32, representation and unity had 38 occurrences. Specific to this study, members of farmers' associations seek representation at both a local and national level. It is a factor which influenced the membership of many individuals. Coupled with unity, members felt as though farmers in South Africa "need one voice", and that "farmers' associations should be that voice". Numerous members highlighted the fact that if they have low representation, at a government level, it is likely that they will struggle to lobby for certain legislation and benefits, should it be necessary, in the future. Many participants felt like the farmers' associations' core purpose is to represent them should they need it. These types of representation included instances whereby assistance is needed in land claim cases. Another influencing aspect in the membership of farmers' associations is the assurance that members will be represented. Theoretically, this is the case, but in practice it differs. Farmers' associations are a platform where suggestions for improvements can be made, and can be taken to higher levels of organised agriculture, while also ensuring that the farming professional standards are kept high. However, this aids all farmers, rather than just members, which results in this being a public good (Olson, 2000: 15).

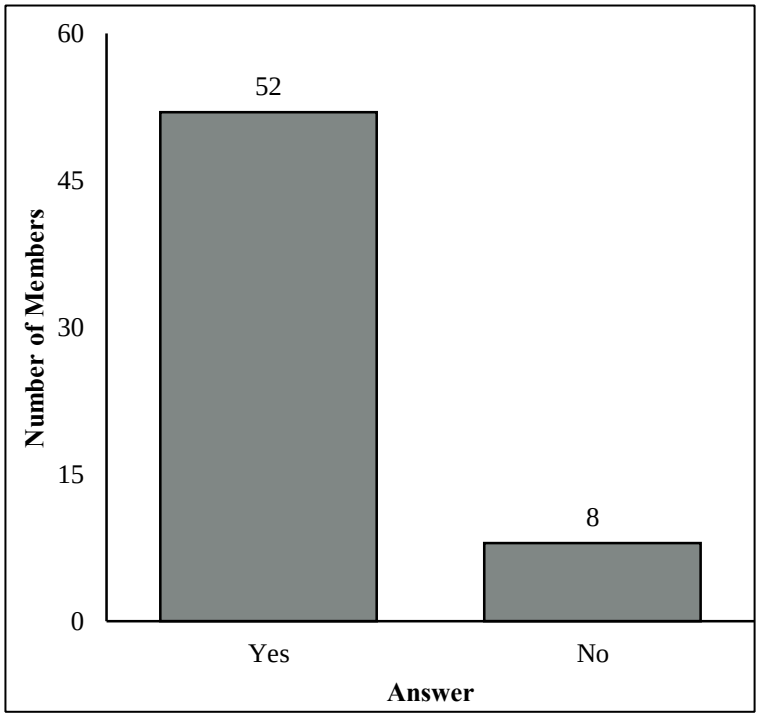
Olson's theory of collective action stated that individuals become a member of an organised association in order to benefit from the membership (Olson, 2006: 6). Services derived from the membership will be in the form of both private and public goods, thus the private goods needed to be of a greater benefit in order to entice membership (Olson, 2000: 20). In terms of exchange theory, and relevant to this section of data analysis, a valued service is one which will entice a current member to renew their membership, or potentially attract new members (Olson, 2000: 20). However, to understand what members actually want, and what could attract new members, a farmers' association needs to consult with members to find out their most valued service (Gruen, *et al*. 2000: 36). In doing this, a farmers' association is actively engaging with members, which is likely to result in commitment, loyalty, investment and active involvement in the association, while also increasing the possibility of renewing membership (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). DeLeskey (2003: 10-11) suggests that providing more valued services may entice new membership. However, these services need to be classified as private goods (Cafferata, 1789: 473; Olson, 2000: 20).

Taking the above into account, although farmers' associations are aware of what members, and possibly potential members, actually want, 13 of the variables associated with the valued

services have a non-significant effect on membership. This indicates that although they are being offered by farmers' associations, they are classified as public goods, and can therefore be accessed regardless of an individual's membership status (Olson, 2000: 15). Thus, simply by offering services which are classified as a public good, will not solely result in member satisfaction and loyalty, and will not result in an increase in membership (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499).

To potentially explain the discrepancy with the 18 variables that have a non-significant effect on membership, a point of departure is to determine whether members are in actual fact satisfied with the services provided by farmers' associations. Members were asked whether or not the membership fee is aligned with their expectations. As seen in figure 6.44, 52 members responded that the fee was aligned with expectations while 8 responded that the fee was not aligned with expectations.

Figure 6.33: Membership fee alignment with expectations



It is evident from figure 6.33 that 52 members, out of the 60 members who participated, were satisfied with the services provided by farmers' associations. However, there are those eight individuals who did not realise that the services exceed the cost of membership. For farmers' associations, this could potentially, be a concerning factor because it may result in a loss of membership. Participants reasoning for the dissatisfaction could include the fact that public

goods are offered as services. Thus, members who stated that the membership fee is not aligned with expectations realised that the cost of joining the farmers' association exceed the benefit (Yeager, 1981: 318; DeLeskey, 2003: 11; Ross, 2009: 17). It is important, according to Olson (2000: 20) that in order to satisfy members, the organised association needs to provide services which exceed the cost of membership. It is evident, based on figure 6.44, that not all members were satisfied with farmers' associations services offered (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). This may result in lower levels of loyalty toward the farmers' association, and in turn result in lower levels of participation and involvement (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). Taking this into account, investigation needed to take place into what influenced individuals to become members of farmers' associations.

The theory of exchange suggests that there are factors which motivate individuals to join a farmers' association (Cafferata, 1979: 472; Yeager, 1981: 318; Bhattacharya, 1998: 34; Gruen, *et al*. 2000: 34; Olson, 2000: 29-31; DeLeskey, 2003: 11; Ross, 2009: 17). Although the above results explain member experiences at present, reasons for their joining the farmers' association need to be explored. It must be acknowledged that there are a number of farmers' who had been members of farmers' associations for well over 10 years.

Figure 6.34: Motivating Factors for Joining a Farmers' Association

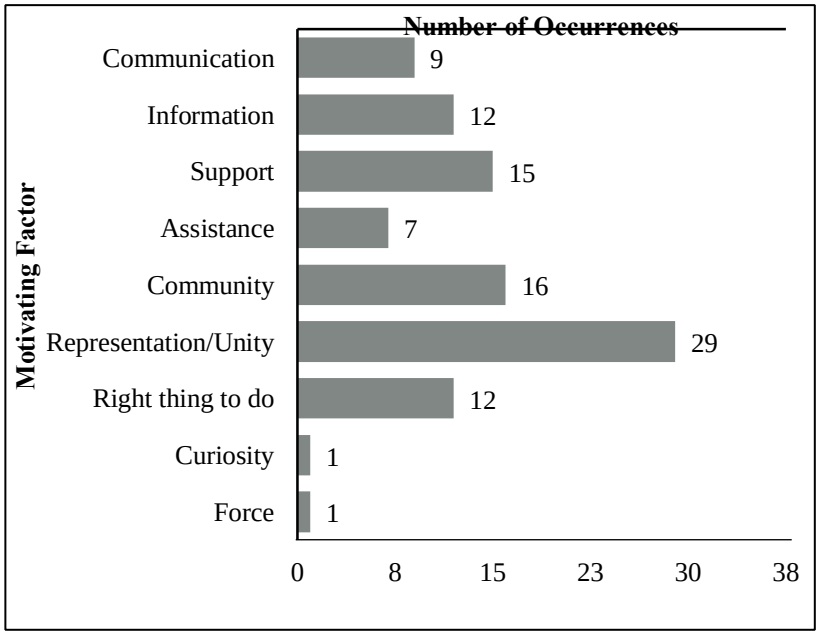


Figure 6.34 highlights the various motivating factors which influenced farmers' decisions to join a farmers' association. Many of the factors given are aligned with the services which are most valued by members of farmers' associations, these include communication, information, support, assistance, and representation and unity. It must be highlighted that there are commonalities between the most valued services and the motivation to join, including communication, support, assistance, information, community, and representation/unity. For lack of repetition, refer to the above discussion on valued services. Further motivating factors, as per figure 6.34, include force, curiosity and the right thing to do.

Participates who indicated that their membership was motivated through force and curiosity pose interesting results. The participant that stated their membership occurred through force referred to a peer pressure situation, where "fellow farmers' paid the membership fee" in order for him/her to be a member of the farmers' association. Furthermore, the participant who stipulated that they were simply curious. joined and maintained his/her membership because they deemed it valuable.

Due to the alignment between the motivating factors which influenced membership and the valued benefits, one can ascertain that farmers' associations were, and still are, providing members with services which are valued and aligned with their interests (Olson, 2000: 8). However, it is important to understand that although members may have similar interests, the motivating factors are dependent on the context of the individual, thus there it is likely that there will be differences among the reasons (Yeager, 1981: 318; DeLeskey, 2003: 10; Ross, 2009: 17). This is evident from the results presented in figure 6.34.

Farmers' associations currently perform a sub-par role. Although they do offer private goods to members, the public goods offered far outweigh the private goods. This, in turn, will impact the perception of farmers' associations. If individuals are able to access the services offered by farmers' associations, without actually being a member, the significance of the membership to these associations will be questioned.

6.5.3. Internal Functioning of Farmers' Associations

The theoretical framework suggests that the way in which an organisation, or in this instance a farmers' association, functions internally has an effect on the services offered and member

satisfaction. This section therefore discusses the internal functioning of farmers' associations. Statistical analyses performed on the internal functioning of farmers' associations were descriptive in nature because results specific to this question were thought to not be generalisable. The reason for this is because each chairperson is independent, and has a specific way of managing the farmers' associations.

As was discussed in Chapter 5, participants, specifically the chairpersons, were required to fill in the OCAI questionnaire. This required participants to divide 100 points between four statements for each of the 6 categories. The resulting factor would be the identification of the organisational culture, in this case, the determinants of organisational effectiveness, which allows the researcher to understand internal functioning mechanisms, as per the theoretical framework.

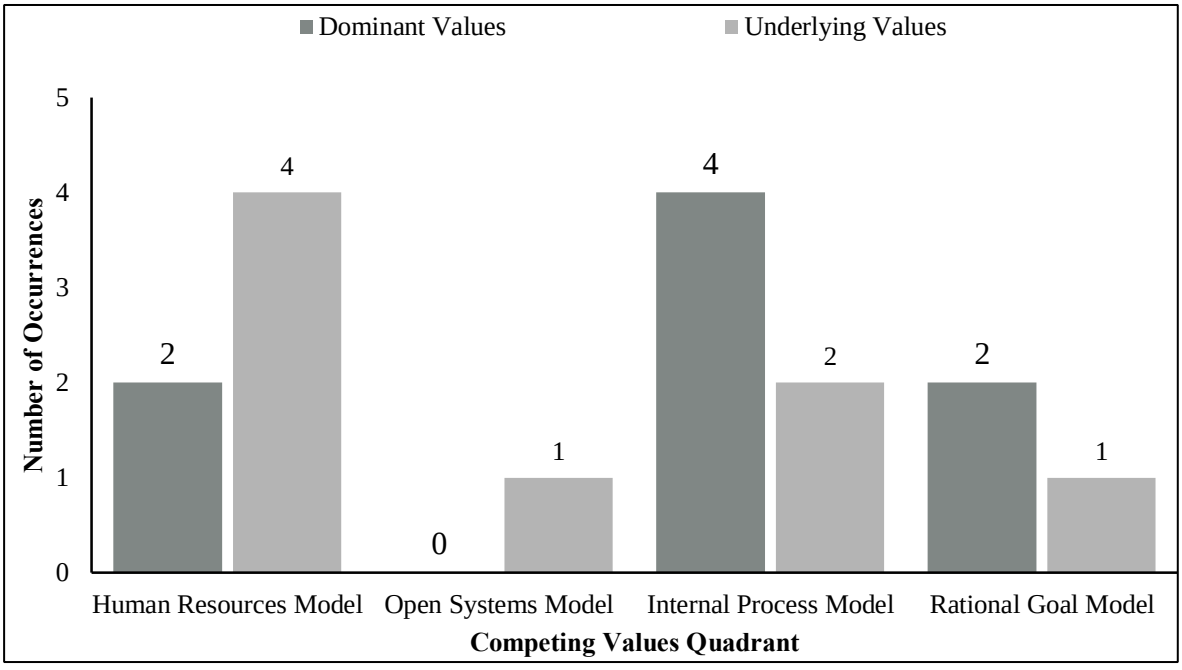
Systems theory suggests that in order for an organisation to function effectively and achieve its overall purpose, it is required to have various organisational components, including goals and objectives, structure, culture, leadership, and systems and processes (Scott, 1961: 16; Hodge and Anthony, 1984: 33; Higgins, 2005: 4; Hellriegel, *et al*. 2012: 118). Furthermore, there needs to be alignment between each of these components, which could result in the organisation being more effective in achieving its purpose (Hackman, *et al*. 1983: 119; Higgins, 2005: 4; Cichocki and Irwin, 2011: 22). However, Quinn and Rohrbaugh (1983: 363) suggest that the determinants of organisational effectiveness are based on individual interpretation. This means that just because an organisation has each component present, does not imply that they are effective or ineffective in achieving their purpose. It could imply that the organisations definition of organisational effectiveness is interpreted differently among organisations of a similar nature (Quinn and Rohrbaugh, 1983: 363). This motivates the use of the original Competing Values Framework, which informs the OCAI, as discussed in previous chapters.

Figure 6.35 illustrates that the dominant value within farmers associations were the human resources quadrant, with 2 instances, rational goal quadrant with 2 instances, and internal processes quadrant with 4 instances. The underlying values within farmers associations included the open systems quadrant with 1 instance, human resources quadrant with 4 instances, internal process quadrant with 2 instances and rational goal quadrant with 1

instance, as according to figure 6.35. However, the different combination of values provided an overall picture.

As seen in figure 6.35, farmers' associations had some different dominant values, although there were some which were similar. The most populous dominant value was the internal process quadrant. As per the Competing Values Framework, the internal process quadrant is one which has an internal focus, while aiming to maintain a certain level of control (Quinn and Rohrbaugh, 1983: 371; Hart and Quinn, 1993: 548; Buenger, *et al*. 1996: 559). It is likely that organisations which valued these two criteria have effective communication and information management structures in place in order to achieve their goals and objectives. Additionally, this ensures that employees have the required information, while maintaining control of the organisation, thereby ensuring effectiveness (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559). Specific to farmers' associations, this implies that the association is very internally focused, and wants to maintain control over the information that is shared with members. However, should the farmers' association access information which is critical to farming, it will be communicated via email or meeting to members.

Figure 6.35: Overview of the Values portrayed by Farmers' Associations



While the open system quadrant had no responses as a dominant value, the rational goal quadrant and human resources quadrant had two occurrences. The human resource quadrant has an internal focus while having a flexible structure. Thus the organisation focuses on

building relationships and openly discussing information, rather than the information just being communicated to employees (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 560). With regards to farmers' associations, this could mean that the association is a very open arena, whereby members feel comfortable and information is shared and discussed, rather than simply receiving the information. Alternatively, the rational goal quadrant focuses on the external environment, while aiming to maintain control over the organisation (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559-560). Considering farmers' associations, this could mean that they are very focused on what is happening in the external environment, and in other farmers' associations or agricultural organisations. Although meetings and other activities may be well planned, resulting in productivity, members are not really given consideration to.

It is interesting to note that one farmers' association had its dominant values within the human resource quadrant and the underlying values under the open systems quadrant. Thus, they remain flexible, and focused on enhancing the value of membership, while at the same time taking the external environment into account (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 560). Furthermore, two farmers' associations fell within the internal process quadrant and the rational goal quadrant, thus implying that they are very focused on maintaining control. However, they do acknowledge that there are external and internal influences which determine their success (Quinn and Rohrbaugh, 1983: 371; Buenger, *et al*. 1996: 559-560). Four farmers' associations had their dominant and underlying values within the human resource quadrant and the internal process quadrants. Although it is important to value internal occurrences and build membership value, farmers' associations must not lose sight of external occurrences (Higgins, 2005: 5). Interestingly, one farmers' association had its dominant values under the rational goal quadrant, while its underlying values fell within the human resources quadrant. In a sense, this farmers' association is focused on the external environment and has a desire for control, but also aims to build relationships and discuss information openly within the association forums (Quinn and Rohrbaugh, 1983: 371).

The Competing Values Framework incorporated four models of organisational effectiveness into an integrated model because organisational effectiveness is perceived differently among different individuals (Buenger, *et al*. 1996: 559; Belasen and Frank, 2008: 128; Yu and Wu, 2009: 38). Although the farmers' associations portray different values, it does not imply that these organisations are ineffective. In actual fact, they are effective in their own right, based

on how they perceive and measure effectiveness. This is determined by their organisational values, explained in the discussion above. We can conclude that farmers' associations have the ability to effectively provide members with services which meet and exceed their expectations.

6.6. Reasons for Non-Membership

Research objective two is specific to this section. The objective states "explain why some farmers do not belong to farmers' associations." It was required that data from the non-member sample group be analysed, regardless of whether or not participants were previously members of farmers' associations.

Out of the 14 participants in the non-member sample group, there were eight individuals who were previously a member of a farmers' association. There were various reasons as to why these participants terminated their membership. The reasons and the number of occurrences can be seen in table 6.5.

Table 6.5: Reasons for terminating membership

Reason	Number of Occurrences
Loss of life membership	4
Scaling turnover fee	2
Boring	1
The association had no purpose	2
Negativity	3
Time constraints	2
Lack of support	1
Dislike of meetings	1

As highlighted in table 6.5, the most popular reasons for discontinuing membership include the loss of life membership and negativity. Some participants expanded on what these reasons actually meant. The loss of life membership occurred when the South African Agricultural Union (SAAU) building burnt down. Although entire families had paid the fee

to belong to the SAAU, due to negligence on SAAU's part, families lost the life memberships because there was no longer a record that the fees were indeed paid.

Negativity was also an arising reason. One participant felt that members of farmers' associations simply attended the meetings and used it as a platform to complain about events occurring in the agricultural sector. The participant did note that although it is important to raise concerns, solutions must also be raised. Other participants noted that the negativity in the meetings was physically and emotionally draining, and therefore, they felt that the farmers' association achieved nothing. These ties in with participants who stated those farmers' associations have no purpose.

Additionally, some participants felt that the membership fee was unfair. As can be seen in table 6.5, the membership fee is based on a scaling fee. This means that the higher your turnover, the higher the fee you need to pay. Although this may be satisfactory for some, one participant in particular felt it was unfair. The participant wished to belong to organised agriculture, but could not afford the fee. Reasons for this included that the participant had "a high turnover but when I approached the association, they asked to see my balance sheet. I thought that was unethical".

As previously highlighted, the theory of exchange states that individuals join organised associations for particular reasons, based on their interests and individual contexts. These reasons could include the services which are offered by the organised association. In joining, members have particular expectations which need to be met. The theory states that should these expectations be met and exceeded, it will result in satisfaction, loyalty, active involvement, investment of time, and the increased likelihood that membership will be renewed (Gruen, *et al*. 2000: 34-35; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). Thus, one can assume that if member expectations are not met, the costs might be perceived as greater than the services offered; with the increased likelihood that membership will not be renewed.

Although, according to table 6.5, only one individual indicated that farmers' associations did not provide support, it appeared to be a motivating factor for membership and a service which was valued by members. Furthermore, it was calculated to have a statistically significant

effect on membership. One can only presume that there were instances whereby this particular participant felt they had no support, and thus the perception arose.

If the loss of life membership is considered, it was disheartening for farmers' to be required to repay their fees, and a poor move on AgriSA's part. Nonetheless, the occurrence of this could have potentially increased levels of dissatisfaction amongst individuals, and thus resulted in the termination of membership.

The other reasons which were identified by past members were their perception of farmers' associations. These factors resulted in dissatisfaction within and decreased loyalty to the relevant farmers' association, and thus resulted in individuals discontinuing their membership.

These aspects may also affect the perception of farmers' associations by the individuals who have never before been a member. If farmers' associations perform in such a way which causes dissatisfaction and low levels of loyalty, then it could influence an individual's decision to become a member of a farmers' association, even though the dissatisfaction has not been personally experienced. This is evident in the perceptions of farmers' who had never been a member of a farmers' association, as can be seen in table 6.6.

Table 6.6: Reasons for never belonging to a farmers' association

Reason	**Number of Occurrences**
Study groups	2
Nothing unique to offer	2
High fees	1
Time constraints	1

One of the most common reasons that individuals stated are that they belong to study groups. A study group is a small group of farmers, all of which farm in the same field, who come together and discuss topics that are pertinent to the field in which they farm. These are the same participants who felt that the farmers' association had nothing to offer. Participants suggested that they felt they would benefit more from belonging to a study group, where

problems are actually solved. Participants are likely to perceive that other organisations can better satisfy their needs and thus take up membership with those organisations, resulting in satisfaction and loyalty towards them, as could be the case with membership of study groups.

6.7. Desired Services

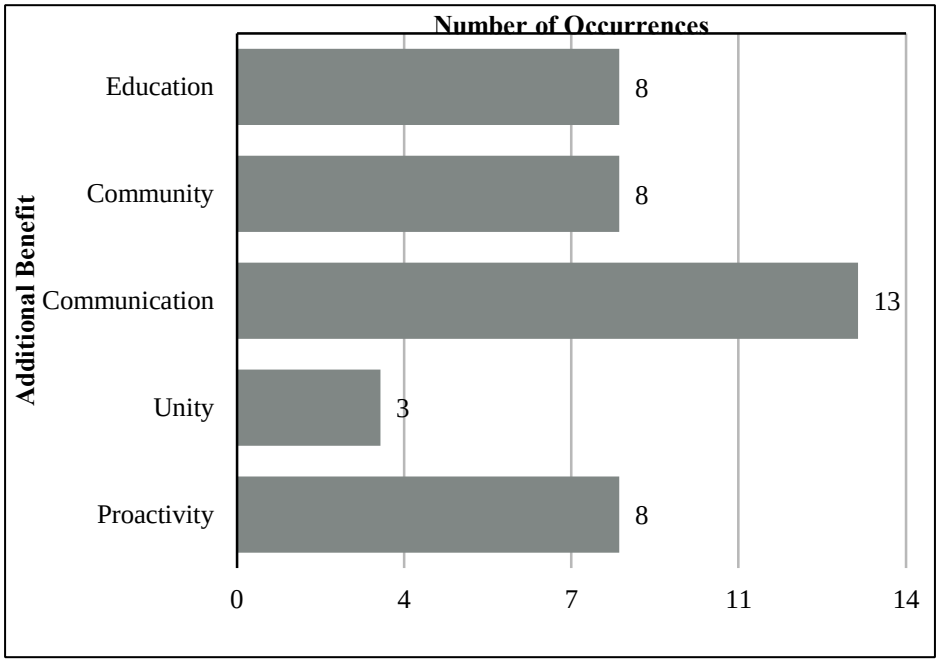
Research objective three, stated that the researcher must "investigate the services members and non-members of farmers' associations want" is applicable to this section. In some instances, a member of a professional association may not be satisfied with the association itself because the association is providing services which are not aligned to member expectations. Furthermore, the association may struggle to attract new members because they are not aware of the services or services which non-members desire. Thus, it was an important aspect to consider the desired services of members and non-members of farmers' associations.

Figure 6.36 highlights that there were five additional services which farmers' associations should be providing. There are 37 participants who stated that farmers' associations do not need to offer any more than what they are currently. From this, it can be deduced that these participants were satisfied with the services which are offered by farmers' associations. Thus, they currently value the services offered, resulting in satisfaction and loyalty among the members, thereby influencing the renewing of their membership (Gruen, *et al*. 2000: 34-35; DeLeskey, 2003: 10-11; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499). However, many participants highlighted that education, communication, community, proactivity and unity can be improved upon or incorporated into their respective farmers' associations.

Eight participants, as per figure 6.36, stated that farmers' associations need to offer more educational services, wish to see events such as farm visits, study groups, and guest speakers being factored into farmers' association meetings. Not only will this create a more positive outlook on the farming community, but it will also allow for farmers to learn from one another, thus building a sense of community and network. This in turn ties in with the notion that farmers' associations need to build a sense of community. In attending farmers' association meetings, individuals are able to interact with neighbours, and gather information, thus building a community feel. However, a participant stated that "if few farmers' attend the

meetings, then it makes it difficult to build that community up." Thus, incorporating the educational mechanisms mentioned above may assist in attracting individuals to attend the meetings. Again, in turn, building up the community creates unity.

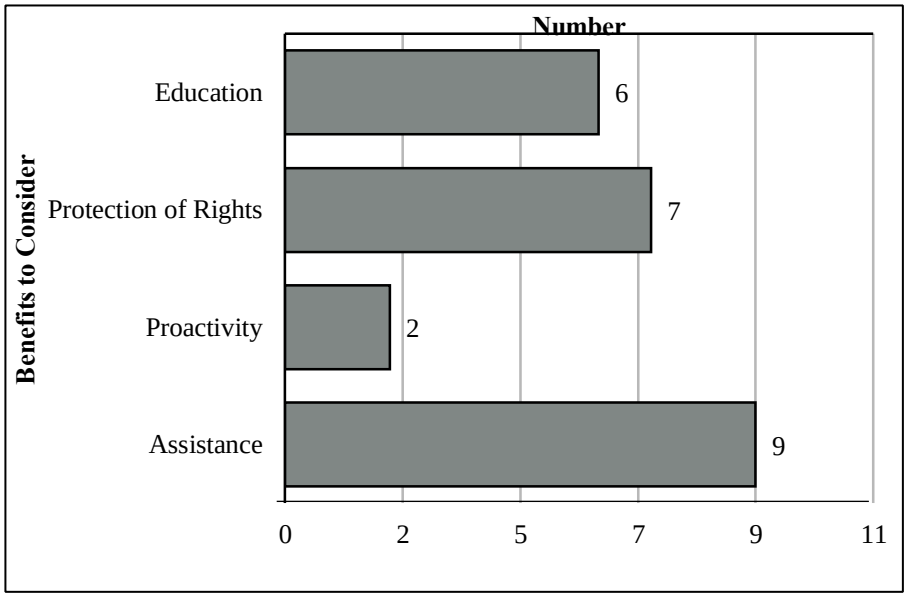
Figure 6.36: Additional Benefits to Offer



Interestingly, education was listed as something additional farmers' associations can offer. However, in previous discussions, education is a variable or service which has a significant effect on membership, and is a service which is valued by members. Although this could be a service which results in satisfaction among members, some farmers' associations may not offer any educational services. Furthermore, some farmers' associations could offer additional educational services, as mentioned. This could result in higher levels of satisfaction amongst members, and potentially attract new members (Bhattacharya, 1998: 35; Gruen, *et al*. 2000: 35; Matzler, *et al*. 2004: 272, Wu, *et al*. 2012: 1762). Educational services could potentially increase attendance, thus in some form contribute to building up the community. However, to substantiate that feeling of community, farmers' associations could offer regular social activities. As per the previous section, social activities had a non-significant effect on membership, and they are not something members value, offering social activities could enhance camaraderie amongst members, and in turn result in higher levels of member satisfaction and commitment (Gruen, *et al*. 2000: 35; Wu, *et al*. 2012: 1762).

However, members of farmers associations also wished the organisation to be more proactive. According to figure 6.36, eight individuals noted that farmers' associations heard the complaints of members, and although they might report on them, they never actually do anything. Furthermore, they never anticipate possible occurrences. Perhaps if farmers' associations were actively involved with discussions with the municipality and police, it would entice a greater membership. A farmers' association will only have the ability to provide the benefits of proactivity and improved communication if they have the various systems and processes in place. This becomes evident if one considers system theory. Systems theory suggests that in order for an organisation to be effective in achieving its purpose or strategy; it needs to have various systems and processes in place (Hackman, *et al*. 1983: 119; Higgins, 2005: 5). Inclusive in this, is the ability to take external environmental impacts into account, and also be able to communicate effectively with members of the organisation (Hellriegel, *et al*. 2012: 117). This could result in individuals becoming more loyal to their organisation. Famers' associations need to beware of what is happening external to the association, and also need to ensure that complaints are followed up on, and communicate these to members. Members will in turn feel more valued, and thus increased loyalty may be the result (Gruen, *et al*. 2000: 34-35; DeLeskey, 2003: 10-11; Osterberg, *et al*. 2007: 4-5; Markova, *et al*. 2013: 497-499).

Figure 6.37: Benefits Non-Members Search For



While members were required to provide additional services that farmers' associations can offer, non-members were required to consider the services they would look for should they

consider joining a farmers' association. Figure 6.37 illustrates the four predominant services that non-members, also referred to as potential members, would consider before joining a farmers' association.

Education was a dominant feature in both member and non-member views. For the purpose of not repeating, please refer to the above discussion on education, as non-members of farmers associations also indicated that they would prefer to have farm visits and guest speakers in order to make meetings more interesting. This is aligned with the views of members. However, education, as a service provided by farmers' associations, was statistically calculated to have a significant effect on membership. Thus, if you are not a member, you will not reap the service because it is classified as a private good (Olson, 2000: 20). Although this is the case, it may be that the farmers' association in the respective area does not offer educational aspects, thus creating desirability for this need.

Proactivity and representation were other common interests. Two highly demanded services non-members would consider are that of the protection of farmers' rights and assistance. Non-members of farmers' associations wanted the organisations to ensure that the basic rights of farmers are made a priority. This included "assistance in land claim disputes", "security issues", and legislation to name a few. It is interesting that these factors are mentioned. As previously discussed, farmers' associations are platforms whereby suggestions can be made and proposed to organised agriculture. Should these suggestions be noted, it could in fact result in changes being implemented, thus regardless of your membership status; you should receive the benefit (Olson, 2000: 15).

Farmers' associations are organisations that are perceived to assist farmers in requests to maintain roads, security issues, land claim issues, and stock theft disputes. If the farmers' associations do not effectively provide these services, then it is likely that non-members will continue to remain non-members. Although this is desired by non-members, they will not see the benefit of this, unless they change their membership status. Assistance, related to the improved benefits variable, is calculated to have a significant effect on membership, thus only members receive the service (Olson, 2000: 20).

6.8. Summary

This chapter discussed the findings of the research study, and the relation thereof to the relevant theory and theoretical framework. The study was relatively well received with the response rate for members of farmers' associations equating to 75%, the chairperson's equating to 100% and non-members equating to 58%. Furthermore, the research instruments were found to be reliable and valid in the given context.

It was found that there are certain factors which members and non-members perceive in different manners. Additionally, among these factors, the variables pertaining to each factor were found to have either a significant or a non-significant effect on membership. It was calculated, using Fisher's Exact Test, that 11 of the 29 variables had a significant effect on membership, with the remaining 18 variables having a non-significant effect on membership. The likely reason for the non-significant variables outweighing the significant variables can be related to the theory of exchange. This states that should individuals perceive the benefits to outweigh the costs, they will consider joining a professional association. In the case of farmers' associations, it appears as though, for majority of the benefits, regardless of your membership status, you will receive the benefit either through alternative means or in an indirect manner. This can affect the membership of associations, and also negatively impact the satisfaction and loyalty of members.

These variables can further be related to the benefits which are most valued by members as well as the reasons for joining a farmers' association. It was found that there were commonalities between these three groups of results. Interestingly, some of the valued benefits and motivating factors were found to have non-significant effects on membership. However, membership could be maintained due to personal reasons, which result in the benefits exceeding the cost of membership.

The next chapter will include a conclusion to the study, coupled with recommendations and ideas for future studies.

Chapter 7

Conclusion and Recommendations

7.1. Introduction

This chapter concludes the research conducted. In the previously chapters, the relevant literature and methodology applicable to the research was discussed. Chapter six discussed the findings pertinent to this research study. This chapter will conclude the study, with reference to the findings and the relevant theory, taking into account the contributions made to the area of research. Thereafter, recommendations to farmers' associations, based on gaps in the findings and the literature, will be made, with further recommendations made for future research areas.

7.2. Conclusion

The research found that while farmers' associations perform the five roles of the provision of information, learning opportunities and skills development, market creation, network building and policy creation and implementation, and provide intangible benefits, it does not imply that the associations perform the roles effectively. This is due to the services offered falling under both public and private good categories, as per Olson's theory of collective action and exchange. Results showed that although farmers' associations provide these goods, there are more public goods offered than private goods. This could be the overarching reason to low levels of membership within farmers' associations in the Albany Area.

However, it is significant to note that although more public than private goods are offered, majority of the members of farmers' associations who participated in the study are satisfied with what farmers' associations currently do. Furthermore, members also valued services, but the majority of these valued services can be classified as public goods. Thus, what is the overarching reason for membership to farmers' associations, if the majority of the services can be received elsewhere at a lower price?

If the internal organisations of the farmers' associations are considered, it could provide a rounded picture of the reasons for the above occurring. Making use of the competing values framework, we were able to determine what the farmers' associations in the Albany Area

value. For the most part, farmers' associations illustrated the desire for an internal outlook. Thus, they focus more on what they are doing, as an association, rather than also considering the external environment. While it is important to have an internal focus, the associations should not ignore the external environment. If the farmers' associations maintain to solely have an internal focus, they will be unaware that the services which they are offering can be sourced elsewhere at a lower price with greater value in the eyes of farmers' in the Albany Area. The internal focus, in many of the farmers' associations, could be the principal reason as to why more public than private goods are offered by farmers' associations.

Although it is important that farmers' associations focus on maintaining their members, it is also important for non-members to be considered. There are reasons for the termination of membership, and farmers' associations need to be aware of what could potentially cause individuals to end their membership. This also provides insight into the satisfaction of members. Many individuals were previously members of farmers' associations, however, reasons for the termination of their membership can be equated to their expectations not being met, thus resulting in dissatisfaction.

Should farmers' associations understand what members want, and non-members for that matter, what services are valued, and what services can be sourced elsewhere, they might stand a greater chance in satisfying their members, thus resulting in members being more committed and loyal to their farmers' association. Additionally, through efforts mentioned above, farmers' association stands a chance in increasing their membership.

7.3. Recommendations

To address the final objective of the study, recommendations need to be made on the roles farmers' associations can adopt and fulfil. However, as is evident from the research findings, there are no roles which farmers' associations do not fulfil, but there are definitely areas in which they can improve, thus enhancing the role the associations play, resulting in increased levels of satisfaction, commitment and loyalty amongst members.

7.3.1. Recommendations to Farmers' Associations

- The farmers' associations need to understand Olson's theory of exchange, specifically the difference between private and public goods and how this affects an individual's

decision to join and maintain membership to the farmers' association. Having an understanding of this will assist in increasing the levels of satisfaction, commitment and loyalty. Practically, farmers' associations need to be aware that some of the services which they offer are accessible via other mediums at a lower price. If individuals are able to access the same services at a lower price, they will not see the value of becoming a member or maintaining their membership. Should a farmers' association understand which services are easily accessible via other mediums, they could provide the same or similar services with added value, thus increasing the possibility of better satisfying their members.

- Develop an understanding of what constitutes satisfaction, loyalty and commitment among the members of the individual farmers' associations. To effectively satisfy their members, farmers' associations need to ensure that the service they are providing is unique and aligned with the values of its members. Through consistently doing this, it is likely that the members will become committed and loyal to the farmers' association.

- Farmers' associations need to understand that there are factors which motivate individuals to join an organised association. Individuals are aware that they are required to pay a membership fee, and thus will conduct a cost benefit analysis. A cost-benefit analysis is one whereby the member, or potential member, will assess the services provided by a farmers' association against the membership fee. Based on the results of that analysis, the individual will determine whether or not to join the association. The association needs to understand this process, and ensure that they provide services which farmers' will not receive elsewhere at a lower price. Thus, farmers' associations need to market themselves within their community. Marketing can take place through emails, open meetings, and fundraisers or sponsorship. This will help individuals to see value in what the associations do, therefore potentially attracting new members.

- Understand what members and non-members expect from the farmers' association. Not only will this increase satisfaction, commitment and loyalty amongst members, but could potentially result in increased membership.
    - Members expect education, proactivity, communication, community, and unity. Relating this to the roles presented in theoretical framework education is aligned

with learning and development, proactivity and communication is aligned with the provision of information, community is an intangible benefit, and unity is related to network building and is also an intangible benefit. Although farmers' associations do offer these services, they need to understand how these services can be improved upon.

- The chairperson must realise that there are more educational benefits and programs which can be offered, other than obtaining a guest speaker. Offering educational benefits such as farm visits and practical workshops to enhance the value of the service.
- To increase the possibility of higher levels of satisfaction and commitment, farmers' associations can hold more social events, resulting in an enhanced sense of community. Examples of events could be bring and braai's and fundraisers for aspects of the community.
- Ensuring that queries and complaints are reported and solutions found is an important factor in maintaining satisfaction among members. Additionally, these solutions need to be communicated to members.

o Education and unity, along with assistance and the protection of farmers' rights are services which non-members search for. Assistance is broadly aligned with the tangible benefits box of the framework, while the protection of farmers' rights is related specifically to the policy creation and implementation role.

- Farmers' associations need to be aware that many of the services which non-members search for are private goods. Non-members need to be aware that farmers' associations offer these services. Therefore, farmers' associations need to conduct some form of marketing, which could include emails, and open meetings or events. In conducting this marketing, farmers' associations need to explain what they do through using examples of services they provide, such as educational benefits, group benefit plans, and supporting you through assistance in improving your work, and arguing for a better perspective of farming as a profession. This could entice non-members to take up a membership with the farmers' association in their area.

- Find out what members are unsatisfied with and aim to fix it, thus reducing the possibility of low levels of satisfaction.

- Understand that the roles which are performed, and the majority of the services offered and valued by members fall under the public good category. Farmers' associations can determine what it is out within these services that member's value, and find a way to maximise it, offering greater value to members.

- The chairperson of each farmer's association needs to understand that while it is important to maintain an internal focus, it is equally important to have an external focus. This will enhance the way in which the associations are managed and from where information is obtained and shared, as well as give a greater indication as to what benefits can be sourced elsewhere.

- Chairpersons must understand that ensuring that the farmers' association is upheld as a structured environment, there needs to be some form of flexibility in the conducting of events. This could enhance the way in which members interact with one another.

7.3.2. Recommendations for Future Research

- Analyse the effect that tangible and intangible benefits have on the decision to join a farmers' association.
    - At the time this research was conducted, it was unclear as to whether farmers' associations provided both tangible and intangible benefits to members. Furthermore, it was unclear as to what services farmers' associations actually provided. Although this study found that farmers' associations do provide specific services to members, the effect of the services on the decision to join a farmers' association is not set in stone. Furthermore, the effect that the services offered may have on non-members of farmers' associations is unclear. Thus determining the effect tangible and intangible benefits have on the decision to join a farmers' association could prove to be beneficial to farmers' associations.
- The factors which motivate individuals to join a farmers' association.
    - Although this study highlighted, briefly, the factors which motivated individuals to join a farmers' association, it was not the core focus of the study. Thus, using motivation theory, one could investigate the factors which motivated individuals to join their respective farmers' association.

- A comparative study on the eight farmers' associations in the Albany Area.
    - Due to each association functioning differently, one could conduct a case study on determining which association is performing at an optimal level. Thus, creating a framework which presents the ideal functioning state of a farmers' association.
- A comparative study on the role of farmers' associations in the Western Cape and Eastern Cape.
    - This study was solely conducted in the Eastern Cape. Farmers' associations in the Western Cape could potentially operate differently, and better satisfy members with services offered. Conducting a comparative study could highlight the differences among farmers' associations in different provinces, thus allowing many recommendations or suggestions to be made to the respective associations.

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Appendix A

Professional Association Membership Questionnaire

You are invited to participate in this study which is entitled "The Role of Farmers' Associations'. The researcher is in the process of completing her Master's Degree by thesis at Rhodes University. The purpose of this questionnaire is to determine the roles that farmers' associations do fulfil and the additional roles and benefits that could potentially be provided in order to be more effective in the eye of the farmer. The questionnaire lists the various roles and benefits which professional associations, like a farmers' association, should fulfil. The responses collected will be completely anonymous; however, for the purpose of capturing the data, your questionnaire will be coded against your name. Therefore, to ensure that you remain anonymous, the researcher will assign you a participant number. Please note that your participation is entirely voluntary.

Thank you for your cooperation.

Section A: Socio-Economic Factors

This section is made up of questions relating to your socio-economic status. Please answer each response with an [X], unless otherwise indicated.

1. What is your gender? [ ] Male [ ] Female [ ] Other

2. Please state your age. _____

3. Do you have formal agricultural qualification? [ ] Yes [ ] No

4. How many years have you been a farmer? _____

5. What is your current position on the farm? [ ] Sole Owner [ ] Manager
   [ ] Partner [ ] Other
   (specify) _____

6. Were you previously a member of a farmers' association? [ ] Yes [ ] No

7. If yes, please state the association to which you belonged. _____

Section B: The Role and Benefits of Professional Associations

Please indicate the level of importance each benefit is to you on a scale of 1 to 7. Note that 1 indicates "not at all" and 7 indicates "very much'.

1.	Self-improvement	1	2	3	4	5	6	7
2.	Friendship	1	2	3	4	5	6	7
3.	New ideas	1	2	3	4	5	6	7
4.	Education	1	2	3	4	5	6	7
5.	Programs	1	2	3	4	5	6	7
6.	Meetings	1	2	3	4	5	6	7
7.	Social activities	1	2	3	4	5	6	7
8.	Relief from boredom	1	2	3	4	5	6	7
9.	Change	1	2	3	4	5	6	7
10.	Support	1	2	3	4	5	6	7
11.	Fulfil desire to belong	1	2	3	4	5	6	7
12.	Change of pace	1	2	3	4	5	6	7
13.	Peer group contact	1	2	3	4	5	6	7
14.	Advancement	1	2	3	4	5	6	7
15.	Professionalism	1	2	3	4	5	6	7
16.	Validation of ideas	1	2	3	4	5	6	7
17.	Improvement of farming profession	1	2	3	4	5	6	7
18.	Happiness	1	2	3	4	5	6	7
19.	Improvement of my work	1	2	3	4	5	6	7
20.	Better pay	1	2	3	4	5	6	7
21.	Improved benefits	1	2	3	4	5	6	7
22.	Break from work	1	2	3	4	5	6	7
23.	Something new	1	2	3	4	5	6	7
24.	Fun	1	2	3	4	5	6	7
25.	Job placement aid	1	2	3	4	5	6	7
26.	Travel (meetings/conference)	1	2	3	4	5	6	7
27.	Group benefit plans (e.g. fire insurance)	1	2	3	4	5	6	7
28.	Political lobbying	1	2	3	4	5	6	7
29.	Maintenance of professional standards	1	2	3	4	5	6	7

Section C: Open-Ended Questions

1. Please list the benefits that are most important to you.

_____

_____

_____

2. What factors motivated you to join a farmers' association?

_____

_____

_____

_____

3. Is your membership fee aligned with what you receive and expect from the farmers' association?

_____

_____

_____

_____

4. What additional benefits would you like the farmers' associations to offer?

_____

_____

_____

_____

Appendix B

Professional Association Membership Questionnaire

You are invited to participate in this study which is entitled "The Role of Farmers' Associations'. The researcher is in the process of completing her Master's Degree by thesis at Rhodes University. The purpose of this questionnaire is to determine the roles that farmers' associations do fulfil and the additional roles and benefits that could potentially be provided in order to be more effective in the eye of the farmer. The questionnaire lists the various roles and benefits which professional associations, like a farmers' association, should fulfil. The responses collected will be completely anonymous; however, for the purpose of capturing the data, your questionnaire will be coded against your name. Therefore, to ensure that you remain anonymous, the researcher will assign you a participant number. Please note that your participation is entirely voluntary.

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4. How many years have you been a farmer? _____

5. What is your current position on the farm? [ ] Sole Owner [ ] Manager
   [ ] Partner [ ] Other
   (specify) _____

6. Were you previously a member of a farmers' association? [ ] Yes [ ] No

7. If yes, please state the association to which you belonged. _____

Section B: The Role and Benefits of Professional Associations

Please indicate the level of importance each benefit is to you on a scale of 1 to 7. Note that 1 indicates "not at all" and 7 indicates "very much'.

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2.	Friendship	1	2	3	4	5	6	7
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5.	Programs	1	2	3	4	5	6	7
6.	Meetings	1	2	3	4	5	6	7
7.	Social activities	1	2	3	4	5	6	7
8.	Relief from boredom	1	2	3	4	5	6	7
9.	Change	1	2	3	4	5	6	7
10.	Support	1	2	3	4	5	6	7
11.	Fulfil desire to belong	1	2	3	4	5	6	7
12.	Change of pace	1	2	3	4	5	6	7
13.	Peer group contact	1	2	3	4	5	6	7
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19.	Improvement of my work	1	2	3	4	5	6	7
20.	Better pay	1	2	3	4	5	6	7
21.	Improved benefits	1	2	3	4	5	6	7
22.	Break from work	1	2	3	4	5	6	7
23.	Something new	1	2	3	4	5	6	7
24.	Fun	1	2	3	4	5	6	7
25.	Job placement aid	1	2	3	4	5	6	7
26.	Travel (meetings/conference)	1	2	3	4	5	6	7
27.	Group benefit plans (e.g. fire insurance)	1	2	3	4	5	6	7
28.	Political lobbying	1	2	3	4	5	6	7
29.	Maintenance of professional standards	1	2	3	4	5	6	7

Section C: Open-Ended Questions

1. If you were previously a member of a farmers' association, why did you discontinue your membership?

_____

_____

_____

_____

2. If you have never belonged to a farmers' association, could you explain why.

_____

_____

_____

_____

_____

3. Imagine that you were going to join a farmers' association. What would you like to see them do for you? This refers to the recommendations you can make to them.

_____

_____

_____

_____

_____

Appendix C

The Organisational Culture Assessment Instrument

You are invited to participate in this study which is entitled "The Role of Farmers' Associations in the Albany Area". The researcher is in the process of completing her Master's Degree by thesis at Rhodes University. The purpose of this questionnaire is to determine the internal functioning of the association. The organisational culture of a particular organisation provides insight into the internal functioning in such a way that it allows you to determine leadership, strategic, success, communication, and motivational characteristics. The responses collected will be completely anonymous; however, for the purpose of capturing the data, your questionnaire will be coded. Therefore, the researcher will provide you with a participant number. Please note that your participation is entirely voluntary.

Thank you for your cooperation.

Section A: Socio-Economic Factors

This section is made up of questions relating to your socio-economic status. Please answer each response with an [X], unless otherwise indicated.

1. What is your gender? [ ] Male [ ] Female [ ] Other

2. Please state your age. _____

3. Do you have formal agricultural qualification? [ ] Yes [ ] No

4. How many years have you been a farmer? _____

5. What is your current position on the farm? [ ] Sole Owner [ ] Manager
   [ ] Partner [ ] Other
   (specify) _____

6. Please state the farmers' association to which you belong._____

7. What is your position in the farmers' association?_____

Section B: The Internal Functioning of the Association

There are six categories in this section. Each category is made up of four characteristics. For each category, you have 100 points which must be divided amongst the four characteristics, ranked from the most important to the least important. The characteristic which is most important to you must be ranked the highest with the remaining points being divided up among the remaining characteristics according to their importance.

Dominant Characteristics		**Rating**
1	The association is a very personal place. It is like an extended family. People seem to share a lot of themselves.	
2	The association is a very dynamic place. People are willing to stick their necks out and take risks.	
3	The association is very results oriented. A major concern is getting the job done. People are very competitive and achievement oriented.	
4	The association is a very controlled and structured place. Formal procedures generally govern what people do.	

Organisational Leadership		**Rating**
1	The leadership in the organisation is generally considered to demonstrate mentoring, facilitating or nurturing.	
2	The leadership in the organisation is generally considered to demonstrate entrepreneurship, innovating or risk taking.	
3	The leadership in the organisation is generally considered to demonstrate a no-nonsense, aggressive and results-oriented focus.	
4	The leadership in the organisation is generally considered to demonstrate coordinating, organising or smooth-running efficiency.	

Management of Members		Rating
1	The chairperson's style in the association is characterised by teamwork, consensus and participation.	
2	The chairperson's style in the association is characterised by individual, risk-taking, innovation, freedom and uniqueness.	
3	The chairperson's style in the association is characterised by hard-driving competitiveness, high demands and achievement.	
4	The chairperson's style in the association is characterised by security of membership, conformity, predictability and stability in relationships.	

Organisation Glue		Rating
1	The glue that holds the association together is loyalty and mutual trust. Commitment to the association runs high.	
2	The glue that holds the association together is commitment to innovation and development. There is an emphasis of being the best.	
3	The glue that holds the association together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.	
4	The glue that holds the association together is formal rules and policies. Maintaining a smooth-running association is important.	

Strategic Emphasis		Rating
1	The association emphasises the advancement of members. High trust, openness and participation persist.	
2	The association emphasises acquiring new resources and creating new challenges. Trying new things and searching for opportunities are valued.	
3	The association emphasises competitive actions and achievement. Achieving big goals and winning are dominant features.	
4	The association emphasises durability and stability. Efficiency, control and smooth operations are important.	

Criteria of Success		Rating
1	The association defines success on the basis of the development of members, teamwork, member commitment and concern for others.	
2	The association defines success on the basis of offering unique services to members. It is a front runner.	
3	The association defines success on the basis of being better than other associations. Competitive leadership is key.	
4	The association defines success on the basis of efficiency. Dependable delivery of services, good planning and efficiency are critical.	

Appendix D

Table: Mean and Standard Deviations of PAMQ Factor Items

Factor Item	Mean	Standard Deviation
Esteem	4.36	1.64
Change of Pace	3.52	1.41
Professional Development	5.13	1.29
Personal Development	4.73	1.496
Tangible Benefit	3.83	1.28
Work-Related Information	4.95	1.497
Political Lobbying	4.54	2.10
Social Benefits	4.66	1.47
Meetings	4.51	1.42

Appendix E

Factor Item	Members		Non-Members	
	Mean	Standard Deviation	Mean	Standard Deviation
Esteem	4.52	1.62	3.68	1.61
Change of Pace	3.63	1.41	3.04	1.36
Professional Development	5.36	1.13	4.14	1.50
Personal Development	4.98	1.40	3.64	1.44
Tangible Benefit	3.98	1.29	3.19	1.04
Work-Related Information	5.13	1.41	4.14	1.66
Political Lobbying	4.68	2.05	3.93	2.27
Social Benefits	4.67	1.41	4.61	1.78
Meetings	4.6	1.42	4.14	1.42