Value Network Configuration and Competitiveness of Emerging Agricultural Cooperatives in the Central Free State of South Africa

Kingsley Nwenenda Orlu
https://orcid.org/0000-0001-9228-5899
University of the Free State
kingsleyorlu@gmail.com

Benjamin Manasoe
https://orcid.org/0000-0001-6529-9603
University of the Free State
ramapulanaman@gmail.com

Jan Willem Swanepoel
https://orcid.org/0000-0002-0812-2657
University of the Free State
swanepoeljw@ufs.ac.za

Abstract

Introduction: While many emerging agricultural cooperative firms in the Central Free State of South Africa remain inclined to progress into mainstream markets, conditions of market exclusion continue to dampen their predisposition to exploit competitive opportunities. Since cooperatives determined to reach their full market potential must contemplate competitive positions in their value networks, the business strategy literature on cooperative firms foregrounds the theoretical assertion that the value network configuration significantly influences competitiveness.

Purpose: This conceptual study challenges the assertion that emerging agricultural cooperative firms’ value network configuration significantly influences their competitiveness.

Methodology: Drawing on the transaction cost economics theory and a review of literature, the study sought to address the core constructs that constitute the claims, establishing, rather, that sustained competitive performance has a direct influence on the competitiveness of emerging agricultural cooperative firms.

Findings: The findings suggest sustained competitive performance as the principal determinant of competitiveness and a function of the cooperative firms’ ability to navigate through transaction interaction dynamics and configurational influences.

Originality: The study links industry structure and competition intensity to configurational influences, manifesting in various drivers and indicators
determining sustained competitive performance, a novel concept underexplored in cooperative entrepreneurial literature.

**Keywords:** sustained competitive performance; transaction interaction dynamics; comparative SWOT; value network configuration; configurational; influences competitiveness.

**Introduction**

Although South Africa's emerging agricultural cooperative firms are credited with contributing to Local Economic Development (LED) in terms of job creation, income generation, etc. (Gxabuza and Nzewi 2021; Shava and Hofisi 2019), their competitiveness remains elusive (Kanyane and Ilorah 2015; Wessels and Nel 2016). While these firms are inclined to progress into the mainstream markets, the value network-related issues still threaten their potential to sustain competitive performance in the niche markets. This challenges the fundamental motivation for cooperative formation, even though extant literature projects cooperatives as possessing the organisational attributes to attract and dispense diverse resources and capabilities and progressively position themselves (Rena 2017; Wahyuningtyas, Disastra and Rismayani 2021).

The body of literature on strategic management portrays the value network configuration as the structure and arrangement of interconnected value-creating activities of organisations, individuals, and resources (Fjeldstad and Ketels, 2006; Ghauri, Mazzarol and Soutar, 2023; Porter, 1985) inform the assumption that firms’ interdependence is instrumental to their competitiveness. This further propels the assumption that since cooperatives comprise collective institutional arrangements of democratically oriented individuals distributed across a value network (Hosseini and Tan 2019), their collective actions could significantly influence competitiveness (Wanjare 2023). This assumption, therefore, buttresses the argument that a firm's competitiveness could be significantly influenced by its disposition to certain value network configurations. Concerning the emerging agricultural cooperatives in the Central Free State of South Africa, this conceptual study challenges the assertion that emerging cooperative firms’ value network configuration significantly influences their competitiveness. This study defines value network configuration as the structural arrangement of transaction interaction activities that visualises firms’ strategic positioning for competitive performance (Fjeldstad and Ketels 2006; Walia, Hämmäinen and Flinck 2017).

The value network concept is an extended perspective of the value chain model that is more suited to complex transaction interactions (Daaboul, Castagna and Bernard 2012; Peppard and Rylander 2006; Porter 1985; Ricciotti 2020). This study considers three key elements of interactions in value networks: roles, transactions, and deliverables (Allee 2011; Grudinschi et al. 2015; Pedersen, Clausen and Jørgensen 2023). Understanding the transaction interaction dynamics between cooperatives’ network
structures and how such interactions are represented to support value-creating activities remains paramount for business sustainability (Corsaro et al. 2012; Peppard and Rylander 2006; Schoneveld and Weng 2023). Such dynamics, which could figuratively define a firm in terms of certain aspects of its competitive performance, could be relative to a wide range of less predictable network influences (Cepiku et al. 2021).

There is no widely accepted definition of competitiveness, which includes the exact measures that perfectly project the concept (Feurer and Chaharbaghi 1994; Wahyuningtyas et al. 2021), despite the large volume of business strategy literature on competitiveness with a wide variety of perspectives. These perspectives have portrayed the concept as more descriptive and elusive than definitive (Chaudhuri and Ray 1997; Madhavaram et al. 2023; Porter 1990). Competitiveness, in this context, refers to a cooperative’s demonstration of sustained competitive performance over rivalries in its market environment while profitably fulfilling customers’ needs (Alkahtani, Nordin and Khan 2020; Khan, Mehmood, Ahmed, Mustafa, Alshamsi, Iqbal and Salamzadeh 2020; Porter 1985). Competitive transactions are seemingly unavoidable for cooperatives aiming to survive in imperfectly structured market environments (Wahyuningtyas et al., 2021). Chumrina and Shipshova (2021) found that low competitiveness was one of the key issues impeding the growth of agricultural consumer cooperatives in Russia. Orlu and Rambe (2022) acknowledged the likely tendency of start-ups to exploit cooperative formations as a lever for optimising competitiveness.

In line with the views of Kanyane and Ilorah (2015), it is a common misconception that cooperatives are only open to less competition, typically less innovative and subservient to established businesses. According to Chaudhuri and Ray (1997), such a misconception seems to make certain cooperative members less active and willing to compete in their value networks, thereby undermining their potential strengths and opportunities. Thus, they isolate themselves from mainstream markets while concentrating their resources and expertise on noncompetitive market prospects. Wahyuningtyas et al. (2021) indicated that securing cooperative members’ commitments to improving competitiveness could be hindered due to conflicts arising from diversity of interests. For instance, members may represent different network segments, such as suppliers, customers, or consumers (Mazzarol, Limnios, and Roboud 2011; Michaud and Audebrand 2022).

In the context of the emerging agricultural cooperatives in the central Free State, this study, therefore, addresses the following questions: 1) whether there is a significant relationship between value network configuration and emerging agricultural cooperatives’ competitiveness, and 2) whether value network configuration significantly influences emerging agricultural cooperatives’ competitiveness. The rest of the paper is structured as follows: First, a brief background on South Africa’s cooperative sector is provided. Second, a review of relevant literature and the study’s theoretical lens is presented, together with a conceptualisation of value network configuration and competitiveness, along with determining the factors that influence
and serve as drivers and indicators of each variable. The conceptual framework is introduced in the third step. After presenting the methodology, the results are discussed, and conclusions are drawn. Lastly, the limitations, conclusion and implications of the study are presented.

Research Background

Despite the continuous deregistration of inactive cooperatives firms, the South African Companies and Intellectual Property Commission (CIPC) 2021/2022 Annual Report showed a yearly downward trend in the registration of new cooperatives across various industries, from 12,748 in 2017 to 4,483 in 2022 (CIPC 2022). How challenging market conditions impact newly formed cooperatives exposed to competition was reiterated by Kanyane and Ilorah (2015). Despite several institutional interventions trying to increase the competitiveness and sustainability of many cooperatives, Wessels and Nel (2016) show the extent to which this alarming trend projects the terrible status of many cooperatives, particularly emerging agricultural cooperative enterprises. The limited support rendered by these institutions to the wide range of small businesses across the country includes initiatives aiming to financially and non-financially alleviate the cost burden of struggling agricultural cooperative operations (Department of Small Business Development: DSBD 2023; Department of Trade and Industry and Competition: DTIC 2023; Nyawo and Olorunfemi 2023).

Theory and Literature Development

Transaction Cost Economics (TCE)

Employing Transaction Cost Economics (TCE), a theory of firm and market organisation (Tadelis and Williamson 2013), may enhance the understanding of how the cooperatives’ value network architecture relates to competitiveness. The theory interlocks both concepts, suggesting in line with Tadelis and Williamson (2013:3) that “transactions require parties to engage in a relationship over which ongoing interaction is needed to complete the transaction.” Despite highlighting the vertical opportunities for which a cooperative firm could exploit and compete horizontally, the theory is not without limitations. One shortfall of the TCE is its context-dependent nature, much as a cooperative firm’s performance outcome could be context-specific (Hodgson 2010). Another shortfall, which concurs with the perspectives of Ketokivi and Mahoney (2017) and Lowe (2023), is in refocusing the application of the theory to a less complex and risky transaction commonly associated with emerging agricultural cooperatives. This could negate the optimum value of its provisions.

In line with the perspective of Williamson (2005), the TCE is predominantly concerned with complex market exchanges. Thus, it focuses on managing costs, including firms’ contracting, to mitigate adverse exposure to market competition (Kwarcinski and Turek, 2023). The theory, therefore, embeds contracting as a decision of choice between “make-or-buy” and its effects on firms’ transaction economics. The theory seems to
describe the presumptions that define economics as a science concerned with “human
behaviour as a relationship between ends and scarce means which have alternative uses”
(Boumans and Davis 2017, 205; Oliverira and Suprinyak 2018). The key tenet of TCE
is its assertion that firms’ engagement in transaction interactions is underpinned by their
propensity to adapt value delivery mechanisms to optimise opportunities for superior
resources and capabilities. The locus of the underlying perspective is its attempt to
address questions about which firms’ responses to changing market circumstances offer
the most feasible, least-cost solution (Ketokivi and Mahoney 2017). The theory could
serve as a useful lens for understanding the potential benefit a cooperative firm stands
to reap for venturing across its value network (Lissillour, Cui, Guesmi, Chen and Chen
2023; Dhanorkar, Kim and Linderman 2019). In line with the underlying ideology, the
study incorporates the TCE in the cooperative value network economy, describing its
transaction interaction dynamics (TID) to optimise competitiveness.

A stream of theories of organisational performance has attempted to support the
framework by which the TCE is projected as a link between value network configuration
and competitiveness, describing the opportunity costs and benefits of leveraging the
dynamic resources and capabilities of value networks (Douma and Schreuder 2013;
Khan et al. 2020; Teece 2007). Many such theories, including the Resource-Based View
(Barney 2001), promote perspectives that suggest a synergistic complementarity of
resources and capabilities as a strategic response to rapidly changing conditions in
business environments (Osarenkhoe 2010; Teece 2017; Wanjare 2023).

**Transaction Interaction Dynamics**

Transaction interaction dynamics (TID) is a conceptualisation derived from this study’s
conceptual framework that describes the nature of interactions in the cooperative
network economy from the TCE perspective (Dhanorkar et al. 2019; Nooteboom 1992).
TID refers to a system of flexible and interactive transactions between network partners
in which the mode of interaction may require cooperatives to be more adaptable to
changing transaction conditions. Thus, assuming that the web of such transactions that
gulfs cooperatives in a value network could require real-time adjustments and
iterative exchanges to enhance competitiveness by optimising costs. The TID is
considered useful in extending the traditional assumptions of TCE theory, which are
mostly conditioned by bounded rationality and opportunism (Kostritsky 2019; Uzzi
1997). These conditions could preempt the unforeseen qualities of contracts,
particularly the limited capacity of cooperatives to incorporate possible cost factors into
contracts prior to commitments. For instance, many emerging cooperatives in the
Central Free State have limitations in their capacity to process unforeseen operating
costs, which often impact the prospect of transactions (Wessels and Nel 2016).

**Conceptualizing Value Network Configuration and Competitiveness**

This section explicates the underlying concepts and provides the pathway for
determining the causal relationship between them. Business strategy scholars have
attempted to fully comprehend and operationalise the fundamentals of firms’ value network configuration (Allee 2000; Casey, Smura, and Sorri 2010; Fjeldstad and Ketels 2006). This includes studies presenting the evolving concept of configuration as a methodological approach in the framework of value network analysis (Allee 2003; Normann and Ramírez 1993; Stabell and Fjeldstad 1998). In line with the assertion of such studies, configuration denotes the systematic arrangement of interconnected organisations, individuals, and resources involved in the economics of value creation across a given network. Value network configurations are acknowledged to take a variety of formations, such as static and dynamic value networks (Spruytte et al. 2017; Ujwary-Gil and Potoczek 2020). South Africa has cooperative network categorisations such as primary, secondary, tertiary, and national apex cooperatives. Other forms include internal or external and simple or complex networks (Allee 2011; Fjeldstad and Ketels 2006). Thus, it describes a methodological perspective that could apply in illustrating emerging agricultural cooperative firms’ dispositions to configurational influences (Corsaro et al. 2012). Such dispositions could be one factor determining the possibility of accessing competitive opportunities. For instance, many such cooperatives in the Central Free State are more disposed to and entrenched in community-oriented niche market opportunities. They are less open to competing in mainstream markets (Ducastel and Anseeuw 2018).

Depending on the specific context and industry, attributes of the value network configuration that impact competitiveness could vary. This study examines two fundamental leading attributes in the context of the emerging agricultural cooperatives in the central Free State. Lissillour et al. (2023), Porter (1980), and Uzzi (1997) associated the configuration of firms’ value networks with competition intensity concerning factors and variables that threaten a firm’s disposition to competitiveness. Competition intensity refers to the degree of rivalry among firms within an industry that influences each other’s profit potential (Assala, Bylykbashi, and Roehrich, 2021). Another attribute of the value network configuration that could affect competitiveness, in line with the views of Porter (1980), Koch and Windsperger (2017), and Medlin and Ellegaard (2015), is industry structure, which defines the basic characteristics that contribute to shaping the competitive strategy for firms producing close substitute products.

Some studies in the strategy literature that explored the integration of the configurational concept with firms’ value networks (Stabell and Fjeldstad 1998; Tsolakis, Harrington and Srai 2023) have highlighted the mapping concept. Thus attempting to further buttress the structure of firms’ strategic collaborations and their potential to leverage complementary strengths and capabilities (Allee 2011; Corsaro et al. 2012; Grudinschi et al. 2015; Kaplan and Norton 2000). The configurational concept applies to emerging agricultural cooperative firms in several ways that include: 1) serving as a more holistic and systematic means to conceptually depict interconnected scenarios that influence competitiveness (Raab, Lemaire and Provan 2013), 2) bringing into focus the contending aspirations of the network participants toward exploiting competitive market
opportunities, resources and capabilities (Grudinschi et al. 2015), and 3) extending the perspective of the contingency theory about inter-organizational structuring which emphasises a firm’s goodness of fit between its structure and environment (Cristofoli, Trivellato and Verzillo 2019; Pennings 1987).

**Assessing Cooperative Competitiveness: Drivers and Indicators**

A cooperative competitiveness assessment is one of the means this study attempts to systematically harness empirical information about a cooperative’s comparable capacity to compete and consolidate our conceptual framework. The lack of a unified methodology to measure competitiveness could, perhaps, be either due to the elusiveness of the concept (Chaudhuri and Ray 1997; Aiginger, Bärenthaler-Sieber and Vogel 2013) or differences in the characteristics of various market environments (Feurer and Chaharbaghi 1994). Such market environments with attributes of competition are often classified as perfect competition, monopoly, monopolistic competition or oligopoly.

Based on extensive research and multiple criteria, perspectives on the assessments of competitiveness in various dimensions could theoretically be harnessed, using, for example, a set of institutions that analyses and ranks the competitiveness of countries and their enterprises (Cetindamar and Kiliccioglu 2013; IMD 2022). The annual reports of the International Institute for Management Development (IMD) and the World Economic Forum rely on the output of the Global Competitiveness Index (GCI) and World Competitiveness Yearbook, respectively (IMD 2022). Such outcomes considerably reflect how a country’s industries manage their competencies to achieve sustained competitive performance and its industry's competitiveness profile (Solovyov and Shmygol 2020).

Aiginger et al. (2013) examined three facets of competitiveness that seem to buttress the TCE: price, quality, and outcome. All three facets amplify the assumptions of the TCE perspective in ways that suggest that, first, a firm’s cost-reduction option is an advantage that could drive profitability and sustained competitive performance (Chumarina and Shipshova 2021). The limitation often associated with such a facet is that factoring various cost components could involve numerous statistical issues. Porter (2012) identified the determinants of competitiveness, including microeconomic, macroeconomic, and endowment factors, which could equally translate to a critical driver of sustained competitive performance (Cetindamar and Kiliccioglu 2013). According to Porter (2012), the microeconomic factors include the quality of the national business environment, the state of cluster development, and the sophistication of company operations and strategy. For the macroeconomic factors, he identified macroeconomic policies and social development policies, while the endowment factors could constitute the foundation for a firm’s comparative prosperity (Porter 1990; 2004). Feurer and Chaharbaghi (1998) indicate that firms’ competitiveness depends on four main factors: customer values, shareholder values, and the ability to act and react within a competitive environment, which this study considers as the dominant external driver.
Other drivers may include legislation, social-cultural trends, market systems and structures.

Measures of firms’ competitiveness are typically market-oriented and, in line with Stigler (1972), include 1) the number of market rivals, 2) the firm’s market shares, 3) the industry output capacity, and 4) the elasticity of demand. Nevertheless, a cooperative’s performance may not be a holistic reflection of its competitiveness, given the potential nature of some of its resources, capabilities, and operations. Some studies, such as Cima, Pazos and Canto (2018) and Simionescu, Pelinescu, Khouri and Bilan (2021), have identified quality management, technological infrastructure, innovation practices, quality of human capital, and marketing practices as contributing to drivers of competitiveness.

The cost, income, and profit information on cooperative financial statements represent key indicators of cooperatives’ competitiveness. They could be driven by attributes including cost leadership, differentiation, and strategic alliances that align with the precepts of TCE. More important is a firm’s disposition to its value network, as reflected in what, according to Sacco, Brito, Santos and Matai (2022), refers to a comparative SWOT (strengths, weaknesses, opportunities, and threats) matrix (analysis). The matrix could represent a more conventional diagnostic tool to assess a cooperative’s competitiveness and describe the TID (Jain 2015; Jimoh and Van Wyk 2014; Vlados 2019). In its evolutionary nature with contemporary organisations, the matrix could be applied to understand a cooperative’s comparative potential relative to its rivals in a value network (Vlados 2019). The knowledge gathered from comparing each organisation's competitive position and potential within the context of the value network could consist of the matrix input.
The study has applied various scholarly perspectives to conceptualise competitiveness in the preceding analysis and comprehend its drivers and indicators, particularly related to emerging agricultural cooperative businesses in the Central Free State (Wahyuningtyas et al. 2021). In distilling the literature, the study finds industry structure and competition intensity as the key attributes of a value network configuration in driving and indicating competitiveness (Corsaro et al. 2012; Porter 2006; Porter 1980; Wahyuningtyas et al. 2021). Therefore, the study attempts to examine the effect of these attributes as viable proxies for ascertaining the influence of value network configuration on emerging agricultural cooperatives' competitiveness:

**Industry structure:** The configuration of a cooperative firm value network could reflect its industrial structure and shape the nature of competitive interactions that unfold among its network participants (Porter 2006). This implies influencing the overall framework and organisation of such an industry, encompassing the characteristics that define how firms within an industry interact. According to Fernhaber, McDougall and Oviart (2007), such underlying characteristics include industry concentration and evolution, which could reflect the cooperative value network and influence competitiveness. The effect of a configuration could alter an industry structure by
influencing collaboration, efficiency, and power dynamics among industry participants. Therefore, understanding and managing value networks is critical to cooperative strategy.

**Competition intensity:** Rivalries among firms in a value network often aggregate to form competition intensity, ultimately affecting sustained competitive performance and profitability (Ijaz et al. 2020; Orlu and Rambe 2022). In addressing the determinants of the intensity of industry competition, Porter (1980) highlighted five fundamental forces: the degree of rivalry between competing firms dividing up the market, the threat from new entrants into the industry, the threat posed by potential substitute products or services, and the bargaining power of suppliers and buyers. Understanding these dynamic forces in a value network could help cooperatives make more informed strategic decisions that could help them sustain competitive performance.

**Conceptual Framework**

Claims made in the literature suggesting that emerging agricultural cooperatives might improve their competitive position in the market by strategically exploiting the benefits of a value network provided the foundation for this research. The study presents a framework that demonstrates the interconnected concepts and constructs that underlie the phenomena informing our position by drawing on the literature. It sought to contextualise the threats to these cooperatives' competitiveness in the Central Free State (Wessels and Nel 2016) and illustrate the circumstances in which value network configuration's widely reported beneficial influence on competitiveness may not hold true.

According to the study's demonstration, resource- and capability-related factors (Wessels and Nel 2016) typically moderated the competitiveness of emerging agricultural cooperative businesses, including transaction interaction dynamics. Such factors, as argued, manifest in sustained competitive performance (Porter 1985). The study further contends, under the body of literature, that the mechanism of transaction interaction dynamics as a function of drivers, including the regulatory environment, infrastructure, innovation, technology, and market access, is a consideration in how well comparable competitive performance gets sustained to achieve competitiveness (Alkahtani et al. 2020; Khan et al. 2020). Additionally, typical transaction interaction dynamics may determine the competitiveness of emerging agricultural cooperatives through sustained competitive performance to the extent that configurational influences are less predictable. Similarly, diverse configurational influences tend to manifest differently in industry structure and competition intensity.
In a nutshell, this study argues that, from a theoretical transaction cost economics perspective, emerging agricultural cooperatives' competitiveness is a function of sustained competitive performance as accelerated by resources and capabilities, including conditions in the transaction interaction dynamics. The framework illustrates the transformative role of configurational influences in the cooperative value network. It indicates how industry structure and competition intensity underpin sustained competitive performance as the moderator of competitiveness.

Methodology

Conceptual papers provide new lenses for seeing familiar concepts, constructs, or theories differently. Conceptual papers focus on suggesting and integrating novel linkages between perspectives while giving logical justifications for such associations rather than evaluating them empirically (Gilson and Goldberg 2015). Conceptual papers do not use empirical data to support their claims. Thus, the study builds on theories and concepts that have been empirically tested rather than needing empirical insights (Jaakkola 2020).

By drawing on existing literature and the authors' personal experiences, the current study highlights the conflict between the Central Free State's emerging agricultural cooperatives' potential for comparative competitive performance and their ability to take advantage of value network configuration. To maximise competitiveness, it reconciles discrepancies between their potential and their capacity to sustain competitive performance. A process of keyword searches for relevant literature supported an integrative review approach (Snyder 2019), including existing theoretical perspectives in the review. Beyond synthesising recent and relevant research, this study’s methodology proposes an integrated framework that adds value to the existing body of
literature, indicating areas for future inquiry (Gilson and Goldberg 2015). According to Sohi, Haas and Davis (2022), “Conceptual papers should have a review, but that should not be their primary focus. Instead, the papers should aim to develop new ideas, new frameworks, and new concepts.”

Results and Discussion

Based on the literature, the study establishes the link between value network configuration and competitiveness of emerging agricultural cooperatives in the Central Free State of South Africa context. It identifies obvious configurational influences on competitiveness, including industry structure and competition intensity (Cetindamar and Kilitcioglu 2013; Chumarina and Shipshova 2021; Solovyov and Shmygol 2020).

In challenging the assertion that emerging cooperative firms’ value network configuration significantly influences their competitiveness (Wanjare 2023), the study highlights the moderating role of sustained competitive performance. As competitive transactions are seemingly unavoidable for cooperatives in contemporary markets, so are the configurational influences beclouding the progression into the mainstream markets (Corsaro et al. 2012; Wahyuningtyas et al. 2021). The study identifies some transaction interaction dynamics which describe changing transaction conditions in the cooperative market environments subject to those underlying influences. Nevertheless, the ability of emerging cooperatives to navigate the less predictable transaction interaction dynamics determines the extent of sustained competitive performance in this study (Dhanorkar et al. 2019; Nooteboom, 1992).

As the reviewed literature suggests, understanding the requirements and implications for sustained competitive performance could be helpful for cooperative firms in effectively dispensing resources and capabilities to attain competitiveness (Porter, 1985). The study also alluded to the misconception associated with cooperative’s competitiveness in their value networks, which seems to be informed by the democratic nature of their organisation. It argued in line with literature that such misconception potentially affects their willingness to calibrate comparative SWOT while prospecting into mainstream market opportunities (Chaudhuri and Ray 1997; Jain 2014).

It is argued that for emerging agricultural cooperatives. However, value network configuration does, to some extent, influence competitive performance; the ability to navigate transaction interaction dynamics and sustain such competitive performance determines their competitiveness (Solovyov and Shmygol 2020).

Study Limitations

According to Jaakkola (2020), the major problem with conceptual papers is the lack of the best conceptualisation of the relevant empirical fact, which informs the conceptual premises on which the researcher makes an argument. In the current study, precision in
value network configuration boundaries could have much to consider in the conceptual framework. This exacerbates the challenging issue of analytical rigour.

Another critique of conceptual papers is that it is challenging to distinguish between the scholarly literature that forms the foundation for theory development and that which directs how the analysis is conducted (Jaakkola 2020). As a result, it might be difficult to tell which theories are used as "data" and which frame the analysis in conceptual papers. Orlu and Rambe (2022) assert that due to a lack of empirical data, the researcher must demonstrate more clearly the methods taken to operationalise concepts, frame arguments, gather evidence to back up statements, and draw precise conclusions.

Conclusion and Implications

This conceptual study has demonstrated that despite some market-related challenges, cooperative organisations as coalitions of entrepreneurs have great potential to increase their competitiveness. This study has dispelled the abounding assumption that value network configuration significantly influences the competitiveness of emerging agricultural cooperatives. The study argued that in conditions where members represent different network segments, their lack of commitment to harmonising conflicts of interests due to diversity could severely compromise their competitiveness. The study incorporates other concepts, including transaction interaction dynamics, which, as moderating variables, could explain the conditions under which value network configuration influences the competitiveness of emerging agricultural cooperatives.

The study's theoretical implication concerning the TCE relates to adapting value delivery mechanisms to optimise opportunities for superior resources and capabilities and the predictive capacity of the value network configuration in determining competitiveness. Since the demonstration of competitiveness presumes that firms' adaptation to changing market circumstances offers the most feasible and least-cost solutions when venturing across value networks, the TCE explains cooperatives' transaction interaction dynamics and how it affects competitiveness.

Achieving competitiveness requires expertise in navigating transaction interaction dynamics to ensure sustained competitive performance. Addressing this challenge will require members' commitments and specific capabilities to maximise competitiveness. The focus on sustained competitive performance is an aspect of this study that conflicts with the dominant entrepreneurial orientation of many emerging cooperatives. Difficulties for emerging agricultural cooperatives, which affect competitiveness, are transaction interaction-related and often arise despite the availability of resources and capabilities. The cooperatives must be circumspect of other unpredictable influences in markets to succeed.
References


