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WORLD MARITIME UNIVERSITY

Malmö, Sweden

**Developing Strategies for Improving
Competitiveness of Shipping Companies:**

**A Case of State-owned Ethiopian Shipping and Logistics
Service Enterprise**

By

DAREK ABEBE, KEBEDE

Ethiopia

A dissertation submitted to the World Maritime University in partial
fulfilment of the requirement for the award of the degree of

MASTER OF SCIENCE

In

MARITIME AFFAIRS

(SHIPPING MANAGEMENT AND LOGISTICS)

2019

Declaration

I certify that all the material in this dissertation that is not my own work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

(Signature):



(Date): 24/09/2019

Supervised by: Dr. Tiago FONSECA

Supervisor's affiliation: World Maritime University

Acknowledgements

I am grateful to my company, Ethiopian Shipping and Logistics Service Enterprise (ESLSE), for providing me the opportunity to pursue my MSc degree here in World Maritime University (WMU). I would also like to sincerely thank my colleagues, families, and friends back home who have encouraged and supported me in all the study process. Specially my husband Sentayehu Mersha, my kids Barkot Sentayehu and Pison Sentayehu, and my mother Mentewab Messele for their love, patience and support they have showed me while I was focusing on my study. I express my gratitude to my colleagues Addisalem Assefa, Teklemariyam Yemanekerstos, Sahilu Melaku, Biruktawit Mengistu, and Chief Girma Negash for their support whenever I needed the data and information for this paper input.

I am highly grateful to Dr. Tiago Fonseca for his dedicated supervision and encouraging comments in the progress of this research that has helped me visualize where I was going with the study and broaden my views for better understanding. I am highly thankful of my sponsor Norwegian Government, my university WMU, its staffs and students, and specialization professors for their support and encouragement throughout the study journey that enables me study productively and with great enthusiasm.

Finally, I thank God, almighty, for He has provided opportunities for my preparation and for His gift of life.

Abstract

Title of Dissertation: **Developing Strategies for Improving Competitiveness of Shipping Companies: A Case of State-owned Ethiopian Shipping and Logistics Service Enterprise.**

Degree: **Master of Science**

This research defines competitiveness, determines its measures, and outlines alternative competitive strategies of the state-owned shipping company, Ethiopian Shipping and Logistics Service Enterprise (ESLSE). The international shipping industry which is known by its volatility and requires the formulation of sound strategies that can mitigate the risks and enable companies to achieve a competitive advantage over its competitors. The Ethiopian shipping company operates in Ethiopia, with its headquarters based in the capital city, Addis Abeba, and utilizing the port of Djibouti for its eleven owned vessels and chartered fleets. This state-owned company operates monopolizing the Ethiopian shipping market which it has done for more than five decades.

This study analyzes the company's competitiveness by using a comprehensive questionnaire given to its employees, managers, and customers as well as analyzing the company's internal process, its profile, financial and market activity, and conducting external industry and market analysis. The findings of this research show that the company has registered a decreasing market share and financial performance as well as a lack of customer satisfaction, loyalty, and motivation and skillful human resources.

In addition, the study discusses the importance of formulating a sound strategy to overcome these challenges focusing on cost leadership or differentiation strategies as well as other strategies that can influence its competitiveness.

KEYWORDS : Competitiveness, Competitive strategy, Competitive Measurements, Generic Strategy.

Table of Contents	
Declaration	ii
Acknowledgements	iii
Abstract	iv
Table of Contents	v
List of Abbreviation	vii
List of Figures	ix
List of Tables.....	1
Chapter 1. Introduction	2
1.1. Background of the Study	2
1.2. History of the Company ESLSE	5
1.3. Problem Statement	8
1.4. Purpose of the Study	10
1.5. Scope of The Study	12
1.6. Structure and Outline.....	13
Chapter 2. Literature Review.....	15
2.1. Competitiveness	15
2.2. Measurements and Determinants of Competitiveness.....	18
2.3. Competitive Strategy	22
Chapter 3. Research Methodology.....	27
3.1. Research Design	27
3.2. Data Collection.....	30
Chapter 4. Findings	31
4.1. Findings from Questionnaire	31
4.2. Industry and Market Analysis	41
4.2.1. External Factors.....	41
4.2.2. Internal Factors.....	49
4.2.2.1. Organizational Structure	49
4.2.2.2. Business Model and Competitive Strategy	49
4.2.2.3. Fleets Size, Type, and Age	50
4.2.2.4. Finance Capacity and Performance	51
4.2.2.5. Market Size and Share	51
4.3. SWOT Analysis.....	52
Chapter 5. Discussion.....	53
5.1. Conceptual Findings.....	53
5.2. Discussions of Findings.....	57
5.2.1. Findings from the Data Collection	57
5.2.2. Findings External Analysis	58
5.2.3. Findings Internal Factors	59
5.2.4. SWOT Analysis Result	60
5.2.5. Generic Strategy.....	61
Chapter 6. Conclusion	62
6.1. Conclusion	62
6.2. Limitations.....	63
6.3. Recommendations for Further Studies	63

References.....	64
Appendix A: Detail History of ESLSE	66
Appendix B: Questionnaires Response Tables	70
Appendix C: Questionnaires.....	84

List of Abbreviation

APL	American President Lines
APP	Asset-Performance-Process
B/L	Bill of Lading
CEO	Chief Executive Officer
CMA CGM	Compagnie Maritime d'Affrètement and Compagnie Générale Maritime
DPA/CSO	Designated Person Ashore/Company Security Officer
DWT	Deadweight Tonnage
EEDI	Energy Efficiency Design Index
EGC	Exhaust Gas Cleaning
EMAA	Ethiopian Maritime Affairs Authority
ERP	Enterprise Resource Planning
ESLSE	Ethiopian Shipping and Logistics Service Enterprise
ETB	Ethiopian Birr
FDI	Foreign Direct Investment
FOB	Free on Board
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
ICS	International Chamber of Shipping
ICT	Information and Communications Technology
IMO	International Maritime Organization
ISM	International Safety Management
IT	Information Technology
LNG	Liquefied Natural Gas
MARPOL	The International Convention for the Prevention of Pollution from Ships
MTS	Maritime Transport Service
NGO	Non-governmental Organizations

PAID	Djibouti International Autonomous Port
PESTL	Political, Economic, Socio-cultural, Technological, and Legal
PIL	Pacific International Lines
REC	Research and Ethics Committee
SOLAS	Safety of Life at Sea
SWOT	Strength, Weakness, Opportunities, and Threats
TEU	Twenty-Foot Equivalent Unit
UNCTAD	United Nations Conference on Trade and Development
UNCTADstat	United Nations Conference on Trade and Development Statistics
UNCLOS	United Nations Convention on the Law of the Sea
USD	United States Dollar
WEF	World Economic Forum
WMU	World Maritime University
WTO	World Trade Organization

List of Figures

Figure 1: ESLSE organizational structure	7
Figure 2: Porter's Five Forces for ESLSE	46
Figure 3: The conceptual frame work of the study	56

List of Tables

Table 1: Link Between Research Design and Methodology.....	28
Table 2: Employees questionnaire response.....	32
Table 3: Summarized employees response.....	34
Table 4: Managers questionnaire response.....	35
Table 5: Average managers response	37
Table 6: Customers questionnaire average response	38
Table 7: Average customer response	40
Table 8: PESTL analysis	42
Table 9: Ethiopian Economic Growth Statistics	44
Table 10: ESLSE's summarized financial performance (USD) (2015-2019)	51
Table 11: SWOT Analysis of ESLSE	52
Table 12: Actions Based on the SWOT Analysis Result for ESLSE	60

Chapter 1. Introduction

1.1. Background of the Study

From the growth of world trade, the international seaborne trade covers 90% (WTO, 2018), which increased by 4% in 2018, the fastest growth rate in five years (UNCTAD, 2018). International trade is supported by maritime transport using ships that are modern in design and technologically advanced as well as modernized ports to transport raw material, semi-manufacturing goods, and import/export of affordable food and other commodities from one region to another. From the total world seaborne trade Africa contributes 2.7% in value and 7% and 5% of export and import in volume respectively (UNCTAD, 2018) with one third of its states being landlocked, including Ethiopia, Africa exhibits an annual growth of 4.2% in volume of imports of commodities from growing economies in the continent in 2016 (UNCTADstat, 2017).

Among these Ethiopia is a landlocked country neighbouring Kenya, Djibouti, Eritrea, South Sudan, Somalia, and Sudan, with its location and a renowned shipping company in East Africa it holds a strategic dominance in the Horn of Africa to utilize the ports. Ethiopia, taking advantage of its location, has been pursuing commercial activities from the closest Middle East and India to the farthest Asia and Black Sea routes using the long-established shipping company for the import/export market of the country's economy (WorldBank, 2018). As the fastest-growing economy (10% in 2018) in East Africa and the second most populated (105 million in 2017) country in Africa, Ethiopia aims to reach lower-middle-income economy status by 2025, even though it is the poorest country with per capita income of \$772 in 2018 (WorldBank, 2018).

Ethiopia's economy experienced a rapid average growth of 10% in 2018 when compared to the regional average of 5.4% due to the contribution of local industry growth, mainly construction and service industries, and foreign direct investment. However, manufacturing and agricultural industries have a lower growth rate, they are highly dependent on imported goods. The economy of the country is highly dependent on imports and exports carried by ships and in 2017 the import value exceeding export value

was from 16,008 to 3,163 in value (USD) respectively thus resulting in a negative trade balance (UNCTADstat, 2017).

This import/export activity has been done utilizing the neighbouring ports through the bilateral and multilateral treaty agreements with concerned coastal states of neighbouring countries particularly Djibouti. The port of Djibouti has been serving as an important outlet for the transit accounting for 80% of the total import and export trade of the Ethiopian commodity with a recently developed Ethio-Djibouti railway and road infrastructure. Besides, the access to Eritrean ports Assab and Massawa has been resumed due to the recent peace treaty to stop war and collaborate in trades between the countries, which will broaden the access to sea transport.

The import/export trade shipment of Ethiopia at Djibouti port is handled through the national Ethiopian shipping company's fleets. In total, the Djibouti International Autonomous Port (PAID) handles 50% of the annual millions of tons on behalf of Ethiopia. These fleets are under the flag of Ethiopia, were managed by the state-owned Ethiopia Shipping Lines established in 1964. In 2002, Ethiopian Shipping Lines merged with two major state-owned enterprises, Ethiopian Maritime and Transit Services and the Ethiopian Dry Port Service Enterprise, to form the Ethiopian Shipping and Logistics Service Enterprise (ESLSE, hereafter), through the regulation of Council of Ministers (Regulation No. 255/2011).

ESLSE operates with nine (9) multipurpose cargo carrier vessels, two (2) oil tankers, chartered and slot cargo carriers in addition to heavy-duty trucks and dry port facilities with the capacity of 100,000 containers annually and handling 98% of the country's import/export commodities (EMAA, 2019). Despite the fact, that the ESLSE holds the monopoly power of the shipping and multimodal transport sector to solely handle all import/export commodity of the country using its fleets, the enterprise has endless setbacks and challenges to be competitive in international trade. Numerous efforts to develop the company and overcome the problems have been pursued in the past. Those include merging and changing the organizational structure of the enterprise several times, however, the company remains not competitive enough to be listed under the top 100

ship operating companies in the world (Alphaliner, 2019). Also, the market share from the world seaborne trade is the lowest, that is 0.09% import and 0.02% export in value and owning fleet is 0.02% of the world fleets (UNCTADstat, 2017). From the annual report of global competitiveness 2018 from World Economic Forum Ethiopia's rank ranges from 101 to 140 from 140 countries benchmarked with respect to infrastructure development, efficiency of seaport services, ICT adoption, skills, extent of staff training, competition in services. This is significantly low and mainly the competitiveness measurements are regarding services like the shipping company.

Therefore, to efficiently use its geographic advantage and establish a competitive position in the region with respect to shipping activity to potentiate economy growth, the company needs to follow and adapt to the global shipping market changes and competition, its dynamic development and of risks due to market volatility and cyclicity. This study aims to analyse and provide conclusions on how to achieve a stronger competitive position that enables the ESLSE to stay ahead of the competition using competitive enhancing strategies and tools.

1.2. History of the Company ESLSE

Ethiopia started shipping activities by sea around 1917 and it has been modernized since 53 years back. The government established a modern shipping company in 1964 with 50,000 ETB capital with a 49% share of foreign company and a 51% share from government (history of Ethiopia shipping activity is discussed in Appendix A).

Currently, ESLSE is operating two general cargo container, nine multipurpose carriers, and two oil tankers with a total of 250,750 DWT and 15,350 TEU container capacity trading gulf, Indian sub-continent, Far East, and Europe (Turkey) offering semi-liner break-bulk service to Ethiopia using the port of Djibouti. In 2012/2013 the company built the seven multipurpose vessels 28,000 DWT each at a reported capital of USD 32.5 million by Huanghai Shipyard Co. and the two oil tankers with a capacity of 41,000 DWT were built by Jinling Shipyard and 80% of the cost was financed by Exim Bank of China. The company is giving service using their own fleets, chartered vessels, and slot carriers and the oil tankers are chartered for ship management company in the Middle East. The company's headquarters are located in the capital city of Ethiopia, Addis Abeba with the main branches outside the city Djibouti, Modjo, and Kality and other branches in Mekelle, Dire-Dawa, Kombolcha, Semera and Gelan towns and maritime training institute at a place called Babogaya in Bishoftu (former Debrezeit) Town as well as owning equipment and buildings such as heavy duty trucks, sea and dry port facilities, chicaneries, headquarter buildings, among others.

ESLSE works with foreign shipping companies (container lines) through carrier arrangements such as APL, PIL, Maersk, CMA/CGM and Evergreen to extend its port coverage. And it offers container shipping through its own vessels and chartered container carriers on the basis of an all-inclusive liner rate agreed to by its customers and issue own B/L. ESLSE has a protection issued by a directive from the government that all the imports and exports are to go through the company but if it cannot provide the transportation the customers will get a waiver to arrange sea transport using another carrier. Hence the company is a state-owned and monopolizes the sea transportation and multimodal service.

In general the company's objective is to provide international and coastal inland and water transportation services, freight forwarding services, shipping and air agency services, stevedoring, shore-handling, dry-port, warehousing and other logistics services, to engage in port development, operation, and management services, establish maritime training and human development centres, and engage in the study of the country's import/export activity to develop technological and systematic solutions for the transportation service.

Currently, the enterprise is organized by the issuance of regulation by the Council of Ministers in 2011, consisting of eight (8) higher officials of board management supervised by the Ministry of Transport and supported by Ethiopian Maritime Affairs Authority. ESLSE restructures its organization several times to bring together the merged enterprises to an integrated operation and to facilitate giving a better service system to its customers.

According to a recent study for the new organizational structure in 2018 the enterprise is organized on the basis of which, under the executive board it has one chief executive officer appointed by the government and five deputy chief executive officers selected by the board to lead and direct the enterprise at top management level. The structure is organized in a hierarchical way starting from executive board and chief executive officers namely Shipping Service Sector, Freight Forwarding Service Sector, Dry Port and Branch Coordination Service Sector, Corporate Strategy Service Sector, and Support Service Sector supported by other departments such as Internal Audit, Insurance, Claims, and Legal Department, Maritime Training Institute, Gender and Social Service Department, Finance and Accounts Department. These sectors and departments have sections and teams under them consisting of more than 2000 employees including seafarers and branch and Djibouti offices. The following Figure 1 portrays the organizational structure of ESLSE.

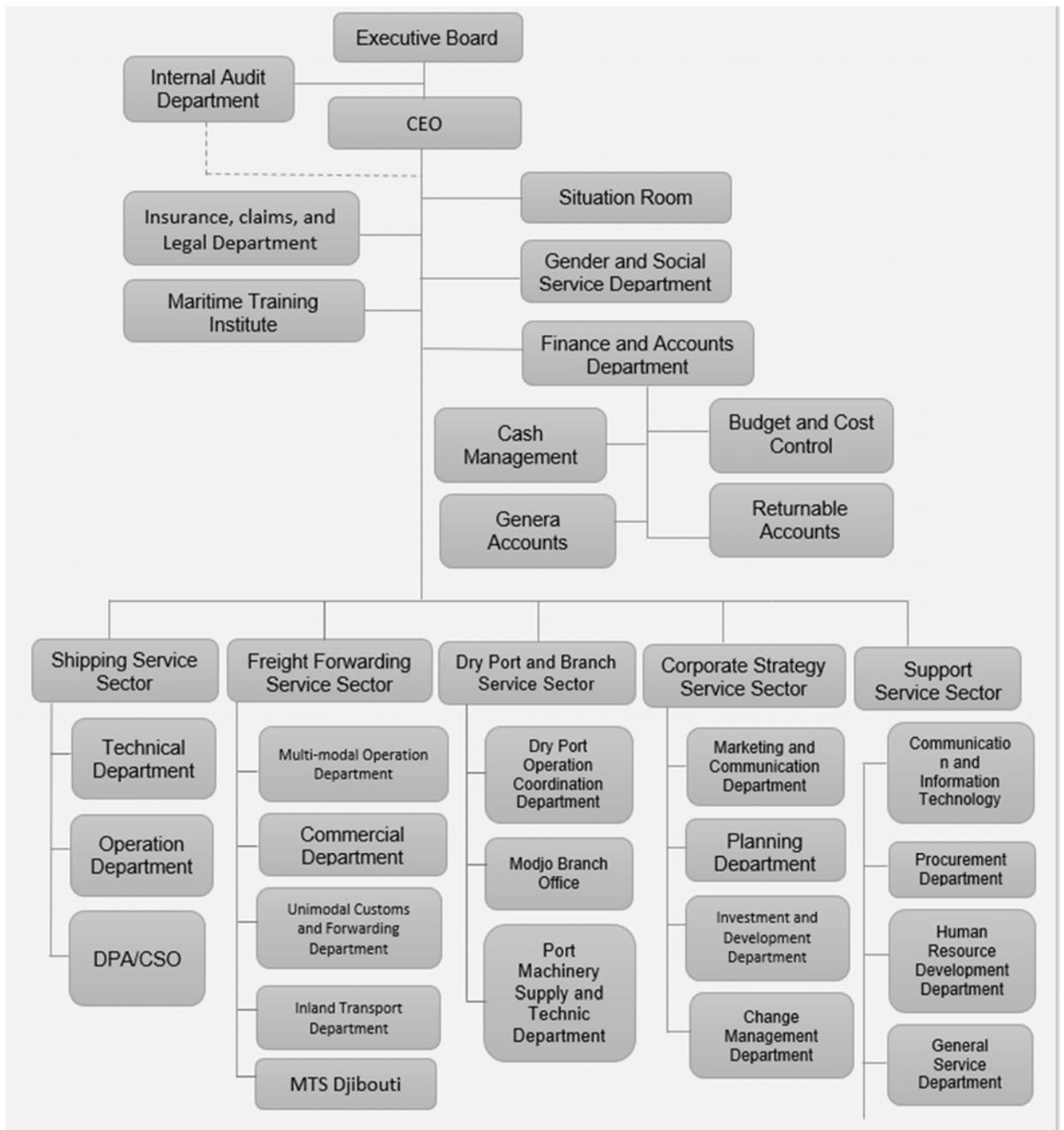


Figure 1: ESLSE organizational structure

1.3. Problem Statement

Due to several organizational and governmental problems, the company has been performing below the expectation of customers, employees, and government and still is lagging behind other companies that are active in the shipping business in the region.

ESLSE has been monopolized for more than five decades leading the government officials and experts in the field to enshroud the advantage of being competitive, to fight for the business to grow, and overlook opening doors for local and foreign investors. Since the customer has to use this company's sea transportation service for their imports and exports, there is a constant revenue and customers are rarely lost. While the protectionism might serve certain interests of the country, the enterprise is thought to not be competitive when compared to international shipping firms.

Ethiopia has ranked in Ease of Doing Business at 161 from selected 190 countries and ranked 167 in trading across borders, measured by time, cost and documentary compliance (WorldBank, 2018). This low position on the ranking is a result of increasing unsatisfied customers locally reflecting day to day cost commodities increase and creating bottlenecks for investment. To facilitate a flawless business environment for foreign direct investment and to bolt out of poverty, the country is critically dependent on the shipping business to increase the efficiency of its import/export market.

The government of Ethiopia has been exerting effort to improve the logistics and transport sector through implementing a national logistics strategy, restructuring the interlinked sectors, and appointing managers from its officials. However, many customers of the import/export sector did not witness significant changes or improvement resulting from these efforts. The customers are still facing challenges due to time-consuming and costly processes, poorly coordinated logistics and transport services, and poor or out of date technology.

Particularly the shipping sector is still offering services with underperformance and out of date systems and most of the jobs are done manually and customers are required to provide printed documents. This has led to dissatisfied customers and employees. Most

importantly there is a high turnover of high-performing employees or experienced personnel due to the lack of opportunities for professional growth and development and not a suitable work environment including out dated systems, substandard equipment, and proper work strategies.

1.4. Purpose of the Study

Regardless of its five decades service in the shipping business, the study concerning ESLSE has mostly been about its overall structure, its significance for the country's economy, and specific sectorial studies such as multimodal operation, cost-benefit analysis clearing and forwarding, and the shipping corridor from Djibouti to Ethiopia. However, there are no structured and extensive research studies concerning how to improve its competitiveness.

Therefore, the main aim and objective of this study is to identify the key problems and the internal and external factors affecting the competitiveness of ESLSE as well as exploring and proposing appropriate strategies to improve its competitiveness. For this purpose we aim at identifying measurements and determinants of competitiveness with a shipping perspective and try to single out an appropriate and well-matched strategy for the company to stay ahead of the competition and maintain the competitive position. Additionally, by analysing the concept of competitive strategy and indicating the best alternative strategy to achieve competitiveness, this study provides recommendations to relevant parties for the improvement of the company's competitiveness in the shipping industry.

In order to achieve the aims and objectives above, a systematic approach is undertaken to define a strategy to improve the competitive position of the company. The main research questions to be answered are the following:

1. What is competitiveness, its measurements, determinants, and strategy to achieve competitive advantage?
2. How competitive is Ethiopia's shipping company?
3. What are the strengths, weaknesses, threats, and opportunities of the company internally and externally in the shipping environment?
4. What are the bottlenecks and challenges of the company that hinder its competitive advantage in the market?
5. What are the advantages and disadvantages of being monopolized and its impact on the competitiveness of the company?

6. How effective is the current strategy of the company?
7. What is the best alternative competitive strategy to achieve a greater competitive position in the market for Ethiopian shipping company?

1.5. Scope of The Study

The shipping industry is heterogenous in nature and the competitiveness features of a shipping company can be perceived differently and assessed separately. In the case of ESLSE, the enterprise is categorized into shipping service sector, corporate strategy service sector, freight forwarding service sector, dry port and branch service sector, and support service sector. The competitiveness of each sector can be defined in different perspectives. However, this study emphasizes the analysis of the competitiveness of the shipping, support, and corporate strategy service sector as well as departments which are under CEO office and are accountable directly to the CEO of the enterprise.

This dissertation mainly focuses on employee's empowerment and engagement, information technology development, financial growth, and market share of these sectors and departments. In a shipping management activity the main aspects to focus on with respect to being ahead of the competition is utilizing resources such as capital equipment, employee skills, and finances and achieving a superior performance based on financial and non-financial activities. Moreover, the main core competence of a shipping company that will help to differentiate its service from competitors, delivers sustainable value to customers, and to be a source of competitive advantage there is the proper management of finance, people, information and technology, and reputation. Hence, this study mainly emphasizes the core competences of the mentioned sectors to achieve competitive advantage, value to customers, and above average financial returns.

1.6. Structure and Outline

To be able to achieve the aim and objectives of this research, the dissertation is organized into six (6) chapters where each of the chapters will focus on different features of the study. Chapter 1 will encompass all the necessary aspects for the foundation of the research purpose starting from background of the study to scope and limitations of the study including the history of the company. The chapter states the problems being examined after introducing the study in the background section and the history of the company. It also outlines the main aims and objectives of the study and the research questions that are indicative tools to achieve the aims and objectives demarcated. In addition, the chapter has defined and listed out the scope and limitations of the research. Chapter 2 reviews the literatures related to competitiveness, its measurements and the determining factors of competitiveness as a whole and in the shipping market. In addition, it briefly describes the strategy to achieve competitive advantage starting from defining strategy itself from different literature sources.

Chapter 3 specifies the research methodology and the data analysis method. This chapter delivers the methodology of how the research was conducted through a questionnaire survey, company reports and data to assist in collection of information on the strategy and status of the company as well as the representation of the analysed data in the research. Chapter 4 mainly focusing on findings of the competitiveness of the state-owned shipping company of Ethiopia, the industry and market analysis, the SWOT analysis, current strategy to be competitive in the market, internal and external factors and analysis of competitiveness.

Chapter 5 discusses the findings from the previous chapters. The chapter extensively explains the outcomes of the data analysis from the questionnaire and reports and identifies drawbacks and strengths of the company through industry competitiveness and SWOT analysis. It also integrates the literature reviewed with the findings by discussing the relevant competitive strategies for this particular case. In addition, discusses the relevant competitive strategy that will be effective to achieve the objectives in the competitive shipping market for the case of Ethiopia Shipping company. Finally, Chapter

6 provides an overview of the main points presented in findings and discussions and concludes with recommendations of relevant strategies to improve competitiveness of the Ethiopian Shipping company. The chapter also includes limitations of the study and suggestions for further studies which this research could not cover.

Chapter 2. Literature Review

2.1. Competitiveness

Scholars argue on defining competitiveness. Its definition varies greatly and the concept is diverse. Some define competitiveness as the capability to outperform the competitors, others define it is to sustainably maintain competitive advantage, the rest define it as managing tangible and intangible processes well. In broader terms competitiveness can be defined as a company's sustainable profit performance in the long-run and its ability to compensate its employees, to lower costs, provide superior quality service for its customers, and returns to its owners than its competitors (Buckley, Pass, & Prescott, 1988). It also is an ability of a company to compete with competitors through designing, creating and converting product/service into cash effectively using tangible and intangible assets and competences that can lead a company to achieve competitive advantage (Klapalova, 2011).

Moreover, competitiveness is the ability to survive the force that the market exerts on the company and the capability to narrow the gap between the growth rate of change and the need of the market in turn achieving a competitive position in the market (Kowalska, 2014). According to Stigler (1957) competition can be categorized into two based on economic concept; perfect and imperfect competition. Perfect competition occurs when producers are many and cannot affect the market price and buyers are in large numbers and consume, homogeneous products. Both customers and suppliers have access to full and free information and there is freedom to exit and enter the market.

In addition, the market is said to be in perfect competition where there are an unlimited number of traders present independently in the perfect market with knowledge of the bid price or offer without controlling the demand or supply (Stigler, 1957). Imperfect competition can be categorized into monopolistic competition, oligopoly, duopoly and pure monopoly. Competitiveness is an universal term that is analysed at micro and macro level and can be considered in respect to products (services), companies, sectors, regions or countries (Kowalska, 2014). According to Chikan (2008) competitiveness is divided into two parts, firm and national competitiveness, which will help analyse micro

and macro competitiveness forces of a company. The competitiveness at national level is the ability to produce or give service to international trade using the resources available to meet the requirement of the nation's needs, earn returns on its resource, maintain and expand the population's income in the long-run, and provide a sustainable standard of living to its citizens (Buckley, Pass, & Prescott, 1988).

Furthermore, Blandinjere, et al., (2018) states that besides earnings return on resources and high standard of living, competitiveness is providing sustainable and continual employment at high levels and according to Porter (1990) competitiveness at national level is the productivity of the nation. And according to World Economic Forum report (Schwab, 2018) a country's competitiveness is the set of institutions and policies that create the ability to gain sustainable economic growth at a high rate in GDP per capita. However, the country's productivity and improved competitiveness can be achieved through its firms competitiveness as Porter (1998) states, firms compete in the market at an international level instead of nations (Siudek & Zawojka, 2014).

For a company competitiveness means, from the perspective of price, product/service range, and quality, it is adjusting its products/services with respect to the markets needs and competition requirement. In addition, a company with the capability to produce or give service and sell products/service of higher quality and at lower costs than its domestic and international competitors and achieve profit and reputation is more competitive than its rivals (Siudek & Zawojka, 2014). In this age of competition a company or a nation cannot afford to ignore competition it has to update itself to the developing market and master the competition (Siudek & Zawojka, 2014).

Competitiveness, a multidimensional concept, can be achieved through an integrated effort of different functions and strategic process where an entity can obtain an economic strength over its competitors in the global market economy (Ambastha & Momaya, 2004). Competitiveness can be defined based on the sources that are categorized as assets, performance, and process at the range of strategic and operational level that can deliver a competitive advantage over competitors. Assets as a competitiveness source includes the company's brand, reputation, system, technology, human resources, and culture and

the performance of a company from strategic to operational level includes value creation, market share, customer satisfaction, service development, price, range of service, profitability and cost are also the source of competitiveness. And the company's process at the strategic and operational level including managing relationship, deploying talents, quality, flexibility, innovation, adaptability, its application, and marketing is also a source for competitiveness. The role of internal sources of competitiveness included in asset, process, and performance such as strategy, structures, competencies, capabilities to innovate, and other tangible and intangible resources are a more important factor to achieve competitive advantage, which can be through developing the ability to deploy capabilities and talents, providing greater value and satisfaction for customers with efficient operation, cost effectiveness, quality assurance, and marketing, information technology, and innovative technology development economy (Ambastha & Momaya, 2004).

Ambastha and Momaya (2004) emphasize that the source for competitiveness is the asset-processes-performance (APP) framework, which comprises of tangible and intangible assets such as company brand, infrastructure, human capital, technology and innovation, reputation and the organization processes such as strategic, operational, human resources, and technology management processes as well as the performance of the company that is defined in terms of cost, financial performance, quality, technology, and price performance, hence, collectively are the source for competitiveness and deliver the competitive advantage.

2.2. Measurements and Determinants of Competitiveness

Competitiveness concept is ambiguous by its nature and there is no agreed definition at research level and determining the level of competitiveness of a company requires selecting appropriate and composite indicators and weights prioritizing their importance with respect to the activity of the company to be measured. Thus, understanding the factors, facilitators, and determinants of competitiveness as well as the definition of it with regards to the firm's activity is vital (Siudek & Zawajska, 2014).

For companies to successfully deal with competitive pressure, it is necessary to identify the main competitive forces and to implement an appropriate competitive strategy. According to Spanja, Krajinovic, and Bosna (2017) to define the level of competitiveness of a company there must be a measurement or determinant of the competitiveness, however, there is no agreed definition and also a specific measurement of competitiveness as it varies in its nature from firm to firm and from market to market and single measurement cannot describe the essentials of competitiveness.

The measurement of a company's competitiveness combines quantitative and qualitative, financial and non-financial, and tangible and intangible indicators such as price, quality, profitability, or cost. It has to incorporate competitive performance, potential, and process in which the sustainability of the performance creates the potential to compete and the ability to manage processes where the interrelationship between these main factors is important for a competitive advantage position. In general, the researcher categorizes these measures into competitive performance, potential, and process, where the performance measures the outcome of the company's operation, the potential measures the inputs to that operation, and the process measures the management of the operation that can give the competitive performance (Buckley, Pass, & Prescott, 1988).

One of the measurements of a company's competitiveness is the management of human resources, selection of new employees with high quality, training, engaging, motivating, and developing employees is an essential process that can be an opportunity to achieve competitive advantage over competitors. Specially for a shipping company managing

employees properly and with great focus is important to obtain a competitive position and a key competitive advantage in the international shipping industry. The shipping business requires unifying the diverse staff, creating informal and formal communication with employees, engaging, developing, and empowering employees throughout the processes level (Spanja, Krajnovic, & Bosna, 2017). Innovation is one of the elements in measuring competitiveness, where it is the application of better solution for ongoing customers and market needs and it initiates the company to aggressively compete and develop technologically and economic growth to achieve competitive advantage.

For shipping companies innovation, knowledge, and technological development is a necessity and a strategic tool to be competitive within the international shipping industry. Moreover, innovation and technological development in the shipping business gives an upper hand through managing cargo flow, information flow, and resource allocation, which in turn leads to quality customer service, financial growth, and high performance in the market, hence, the company is said to be highly competitive (Poulis, Poulis, & Dooley, 2013).

Buckley, Prescott, and Pass (1992) have identified that competitive performance, potential, and process are the main dimensions to measure the competitiveness of a firm together with competitors, where the greater performance of a firm is achieved through utilizing the company's resources which is potentially greater than the competitors properly administrating each processes of the company. They have given detailed measurements under the above three dimensions such as for performance profitability, market share which are the measurements of competitiveness of a company and innovation and technological development, price, and cost effectiveness are for a competitive potential dimension, and for process dimension, customer service, management attitude, using technology for commercial purpose is a measure of competitiveness.

As it is challenging to find a globally accepted definition and measurement of competitiveness researchers have suggested varying methods to measure competitiveness where it is measured at different levels such as at the global market, at

the national market, at the industry level, and at firm level. The Global competitive index (GCI) report tries to include measurements such as, infrastructure, macroeconomic environment, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. Further, Buckley, Prescott, and Pass (1992) categorize the measurement of competitiveness into two features based on the nature of the competitiveness as positive and normative indicators. The positive indicators show the actual performance of a company based on apparent indications, for instance the competitiveness of a company can be measured by its market share, financial performance, profit and loss. The normative is the measurement of a company's competitiveness based on its potential to compete with the technology it is implementing, the prices that attract the customers, and its cost (Siudek & Zawajska, 2014).

Similarly, Siudek and Zawajska (2014) study identified factors that determine the competitiveness of a company at the macro and micro level. The macroeconomic factors, which are external, affect the competitiveness of a company and provide prospects to be competitive in a market more than the competitors, some of the factors are: government policies, regulations, exchange rates, interest rates, and taxes. And internally company's tangible and intangible assets, performance, and process are factors that determine its competitiveness and enable the company to compete in the market. The microeconomic factors such as a firm's technology, strategy, quality of service, similar industries surrounding the firm and the companies competing with it, will have a direct effect on the firm's competitiveness.

A study from Klapalova (2011) states that the measurement of competitiveness includes financial and nonfinancial indicators, intangible assets, knowledge, skills, and competencies of the human resource, and in relation to external factors such as customers, policies and regulation of government. The relationship with customers can be a measurement of competitiveness using indicators such as customer care, customers loyalty, price/cost, reliability and speed, flexibility and alteration to customers requirements with respect to new service development, innovation, technological

advancement. These indicators are the important elements in evaluating a company's competitiveness from the internal environment, however, the indicators are influenced by the external environment market such as the competitions extent of competitiveness, the market situation, and the bargaining power of the customers (Klapalova, 2011).

Kowalska (2014) also stated that competitiveness measurement can be categorized into competitive potential, competitive advantage, competitive instrument and position and these elements affect each other. Furthermore the study suggests that factors of competitiveness are categorized into two internal factors including size of company, structure of assets and capital, market activity, human and capital resources and external factors includes non-market activities, trade policies, regulations, economic policies, the market. This study further agrees with other researchers that the externals competitiveness factors are categorized into two as macroeconomic and microeconomic where the former includes industrial and trade policy, the economic policy and regulatory system, the condition and the market where the company operates and the latter includes marketing activity, human and capital resources, company size, and economies of scale. A report by the European Commission (European Commission, 2017) and World Economic Forum report (Schwab, 2018) entitled "Measuring Competitiveness" refers to productivity, trade, price and cost, and technology and innovation competitiveness as the important indicators when measuring a company's competitiveness.

2.3. Competitive Strategy

An organization must understand at which level of competition it is situated in order to improve its competitiveness, develop strategy, make improvements to its process and increase its performance in the competitive market it is partaking (Siudek & Zawajska, 2014). In the shipping business the international market greatly influences the implementation and the method of choice of business and competitive strategy (Spanja, Krajnovic, & Bosna, 2017).

The structure of any company should necessarily follow a strategy of acquiring ability and adapting to the new developments in the market in order to implement the concept of competitive strategy and other company process strategy development. Shipping is an international business, which is highly influenced by the phenomena happening globally such as political situations, economic crisis and growth, and demand supply balances. Hence, to overcome these challenges or utilize the opportunities, companies develop strategies and risk management methods. For example, when there is economy crises and freight rates decrease some companies scrap their fleets, order new vessels estimating the time of delivery to coincide with the end of the crisis so that they can deploy the vessels when the freight rates increase (Stopford, 2009).

Through formulating strategies, shipping businesses aim at expanding their investment, make use of idle capital or assets, restructure their operations, gain economies of scale, diversify their risks, and reduce operational costs. However, companies cannot influence external factors such as the market fluctuations and the volatile behaviour of supply demand of shipping activities, but, they can influence and change the internal factors such as financial and non-financial, tangible and non-tangible factors, and the companies asset, performance, and processes to be competitive in the market (Basak & Nebol, 2016). Despite the fact that the shipping market is a complex and volatile business, companies can achieve a competitive position in the market through developing a sound strategy that can be adaptable to the dynamic external factors in the market and internal factors managing capital and human resources as well as processes (Spanja, Krajnovic, & Bosna, 2017).

To achieve a competitive advantage over the competitors in same market, a company needs to develop a competitive strategy through managing resources and capabilities to increase its return on investment to be above average. Using the combined resources of firms that can create core competences, it can in turn lead to a sustainable competitive advantage. When developing a competitive strategy the firm's focus involves maximizing profit, reducing cost, achieving cost and/or price leadership, branding and reputation, innovation and technology development. Competitive strategy requires continuous adjustments and realignment to develop internal competences and to anticipate changes in the external environment (John & Tanya, 2014).

Before developing a strategy we need to define it. Strategy requires developing a high level plan of action to achieve a set of goals and objectives. Thus, competitive strategy in a company is the planning and directing of resources and formulating processes to create a unique and valuable position in the market where there are a different set of activities interacting reinforcing each other and that are establishing differences with sets of activities that can be maintained and can outperform rivals and provide a greater and unique mix of value to customers at a lower cost. Furthermore, in creating strategy the activities must brace each other to achieve a sustainable competitive advantage (Porter, 1996).

The source of competitive advantage can be understood and exploited through an analysis of the industrial structure and SWOT analysis of the firm. Companies can gain competitive advantage through analysing their internal and external weaknesses and strengths as well as opportunities and threats to make use of external opportunities through their strengths and making ineffective external threats through evading its internal weakness. The industry analysis formulated by Porter (five forces model) essential to examining the relationship between the industry structure and environmental opportunities and threats (Porter, 1990).

When discussing internal features contributing to the competitive advantage strategy formulation, the researcher defines that the resources and capabilities are the essential features that can be used as a source of competitiveness. These features including the

firm's organizational, financial, human, and physical resources are used to deliver services or products for customers. In analysing the internal strength and weaknesses of a firm for creating competitive strategy, it has to consider the firm's resources and capabilities deliver value, that is rare, imitable, and in an organized essence.

The resources and capabilities of the firm in evaluating competitiveness needs to provide value when utilizing opportunities and avoiding threats. In addition, the resources and capabilities need to be rare and costly to imitate among other competitors to gain a competitive advantage from these sources. For a firm to realize the full competitive advantage it depends on the value, rareness, and imitability of its resources and capabilities in an organized way to exploit the opportunities and avoid threats for competitiveness purposes. In general, sustainable competitive advantage can be achieved through SWOT and industrial structure analysis utilizing the unique, valuable, rare, and costly-to-imitate resources and capabilities of the firm in a competitive environment in an organized way (Barney, 1995).

Barney (1995) argues that a firms' resources can be sources for a sustainable competitive strategy. These resources are classified as organizational processes, human, and capital resources, which includes physical resources of equipment, locations, and assets and experiences, skills, competences as human resources as well as organizational resources including processes, systems, reports, and planning and controlling methods. These resources being valuable, rare, and imperfectly imitable, maintained and controlled by management could enhance strategies to accomplish competitive advantage over rivals (Barney, 1991).

The human capital is an important resource to develop sustainable competitive advantage. A company can maintain a sustainable competitive advantage through human capital management that cannot be imitated by rivals. The human capital management involves strategic human resource policies, team work, reward and recognition of human resources, valuable and rare characteristics, and other employee management practices (Maria & Theotokas, 2010).

In addition, Barney (1986) explains that the organizational culture embodied in a firm is an essential element to obtain sustainable competitive advantage. This organizational culture includes managerial value, employee and customer treatment, and the way a firm runs the business, which helps a company to be more innovative, flexible, improve quality of work, employee engagement as well as sustain company's competitive advantage.

Panayides (2010) emphasizes the importance of the improvement on strategy and performance of the shipping industry to be able to become a competitor in the globalized industry where the market is ruled by the international shipping market rather than the local or regional, it needs to focus on improving cost leadership, differentiation and focus on strategies. This leads to strategy-based cost-cutting measures, high concentration on the costs of delivering shipping services and the formulation of price competition strategies. According to (Bakr, 2001) one must cope with impressively changes in maritime transport as globalization is pushing out trade barriers and bringing the realization of the need for integration with international communities affecting the competition with companies overseas.

Porter (1998), proposed four types of strategies to focus on in order for a company to be a competitor and surpassing performance: reduced cost, creating differentiation service between its competitors, adopting a strategy to a group of customers or geographical locations, and a cost focus on the targeted segments, which will create an outperforming competitive investment. The four generic strategies proposed by Porter are; the cost leadership, differentiation, and the scope of activities a firm plans to gain leads to focus strategy, divided in two parts cost focus and differentiation focus, together to achieve above average returns and performances. A firm can be competitive with cost leadership at a given level of quality with lower cost than rivals achieving economies of scale and accessing lower operational and capital costs. In a differentiation strategy, a firm selects one or more elements that customers value the most and interacts with customers to position itself in a unique way and costly-to-imitate manner to attract customer perception. Focus strategy is narrowing the competitive scope to segments or groups and customizing the strategy to meet that segments needs in the industry, with cost and

differentiation focus strategy where the cost strategy search for cost advantage and the differentiation strategy focus in that segment to provide differentiated valued service/product for customers.

Chapter 3. Research Methodology

3.1. Research Design

The research objective in general is to identify the weaknesses, bottlenecks, and challenges with respect to competitiveness of ESLSE and develop an appropriate strategy to improve it further. Additionally the study reviewed the relevant literature to identify the theoretical foundation for this study, in particular, measurements and determinants of competitiveness related to shipping companies and competitive strategies to retain a competitive position in the shipping market. Thus, it aims at analysing current competitiveness of the company from its annual reports, policies, business strategies, and goals and objectives as well as administering questionnaires to the recruited participants through email such as customers, employees, and managers as summarized in Table 1.

The questionnaires were targeted at customers who are importers and exporters, investors and state project offices, managers from top and middle levels of management, and employees from junior to coordinator level from selected departments namely technical, commercial, operation, change management, planning and business development, and human resource departments.

Specifically, the questionnaire mainly included different measurements of competitiveness such as from the employees and managers perspective; employee empowerment, satisfaction, development, involvement in the company's goals and objectives, involvement in strategy formulation, innovation and information system. Similarly, from customers perspective; the customers satisfaction, customers service level, service quality, service flexibility and development, perceived value for price paid, and service development related to innovation and information system.

Moreover, the research is intended to identify the market share, financial performance, and business competitive strategies of the company from annual report and the company's profile. Also focuses on identifying external and internal factors of competitiveness and to develop competitive strategies that will be appropriate for

improving the company’s competitiveness from the literature review. After defining the competitiveness in the context of this particular company in the shipping industry, outlining measurements and determinants of competitiveness that will help to administer the questionnaires and finally analyse and select the appropriate competitive strategy and implementation to achieve the objective of the study.

As Ethiopia has ambitious plan to be one of the low-middle-income countries in its Growth & Transformation Plan by 2025 (Growth and Transformation Plan II (GTP II) 2016), which includes creating an enabling environment for economic development inviting foreign investments in different categories particularly in the manufacturing industries. Hence, this study plans to identify main challenges and bottlenecks and draw out strategies for the improvement of competitiveness, in a way that can be beneficial mostly for the local entrepreneurs and invited foreign investors. This in turn will affect the quality of service and competitive prices that will benefit the welfare of the people.

Table 1: Link Between Research Design and Methodology

Research Questions	Link	Research Methodology
What is competitiveness, its measurements, determinants, and strategy to achieve competitive advantage?		Literature review
How competitive is Ethiopia shipping company?		Company report and profile Questionnaires
What are the strengths, weaknesses, threats, and opportunities of the company internally and external shipping environment?		Company report and profile Questionnaires
What are the bottlenecks and challenges of the company to hinder its competitive achievement in the market?		Company report and profile Questionnaires
What are the advantages and disadvantages of being monopolized and its impact on the competitiveness of the company?		Company report and profile

How effective is the current strategy of the company?		Company report and profile
What is the best alternative competitive strategy to achieve a greater competitive position in the market?		Literature review

3.2. Data Collection

The data analysis method used is a qualitative approach to identifying the competitive position of the company based on the measurements and determinants identified in the literature review using structured, open-ended, and contingency questionnaires. The participants of the questionnaire were selected through identifying the departments and employees that relate to the competitiveness concept and strategy. The targeted departments were technical, operational, commercial, change management, planning and business development, and the human resource department with a number of 221 employees. The questionnaires (Appendix C) were sent and collected by email to all participants. For the analysis purpose the questionnaires were divided by the type of participants such as employees, customers, and managers. All the questionnaires are categorized based on the competitive measurements that are performance, potential, and process identified in the literature review.

The data collection is handled with full consent of the participants and approval of the officials in WMU (REC), since it will have human elements by formulating and distributing questionnaires. Mainly the data was collected from primary sources, policies, regulations, performance evaluations, actual operational reports of the company, and secondary sources that are journals, publications, and administered questionnaires. The main data sources are:

- The company's (ESLSE) periodical report;
- From Ethiopian Ministry of Transport;
- From Ethiopian Maritime Affairs Authority (EMAA);
- From the World Bank, Doing Business Index;
- And from customers and employees;

Before commencing analysis the questionnaires are checked for completeness, categorized as explained above, coded and examined separately for proper analysis of the data from respective participants.

Chapter 4. Findings

4.1. Findings from Questionnaire

The data obtained from the questionnaires are analysed based on the categories briefed in the previous section such as employee, managers, and customers. From 221 employees of targeted departments 34 employees from junior to coordinator and 14 managers from middle to top have participated in the survey and from customers 15 have participated. For each category the questions with scales are analysed calculating the frequency of the response and the open-ended and contingency questions are analysed separately. Each category of the questionnaire is presented as bellow:

a). Employees

Employees from junior to coordinator level have participated to give their personal evaluation on selected questions based on the measurements and determinants of competitiveness of the company, which is employee motivation, satisfaction, and development. Comprehensively, employee's satisfaction and motivation related to work environment and work load, their decision making practice and autonomy, team work, carrier development, available supporting system and process, appropriate performance measurement and recognition, and their perspective towards management in making efforts for their employee's well-being and importance to the company. Additionally, the questionnaire includes employee engagement on company's goals and objectives includes employee's understanding on their role towards the goals and objectives, clear strategy and communicability, competitive strategy properly planned and implemented, and management communication to employees in their performance and activities. The questionnaire contains twenty two (22) questions in total including structured, open-ended, and contingency questionnaire containing from 3 to 5-point different types of likert scale where open-ended questions are evaluated separately. The employee's responses are summarized in Table 2 below.

Table 2: Employees questionnaire response

Employee		
Latent Construct	Questions	Average (likert scale, frequency, and Percentage)
Performance	Role and compensation satisfaction (Question 1)	Somehow Satisfied
		17
		50%
	Satisfaction on work environment and space (Question 4)	Neither Satisfied Nor Dissatisfied
		8
		24%
	Clear understanding of role and contribution (Question 18)	Clearly
		16
47%		
Company's success with current strategy (Question 21)	Agree	
	11	
	32%	
Potential	Information system availability for job facilitation (Question 6)	Agree
		14
		41%
	Company's contribution on employees development (Question 11)	Disagree
		14
		41%
	Learning and development access (Question 12)	Slightly Accessible
		18
		53%
	Availability of career opportunities (Question 13)	Disagree
12		
35%		
Effectively directing resources to goals (Question 20)	Neutral	
	14	
	41%	
Process	Involvement in decision making (Question 2)	Moderately Involved
		17
		50%
	Collaboration and communication with others (Question 3)	Motivated
		26
	76%	
	Disagree	

Work load adequacy and proportion (Question 5)	12
	35%
Clear and appropriate performance measure (Question 7)	Yes But Not Clear
	10
Recognition and reward (Question 8)	29%
	Never
Importance of employees recognized by management (Question 9)	22
	65%
Motivating employees in creativity on their task (Question 10)	Sometimes
	11
Prioritizing employee's well-being (Question 14)	32%
	Slightly Motivated
Clear and communicative strategic plan (Question 16)	13
	38%
Having competitive strategy (Question 17)	Disagree
	12
Communicating company's activities and objectives (Question 19)	35%
	Agree
Work load adequacy and proportion (Question 5)	13
	38%
Clear and appropriate performance measure (Question 7)	Disagree
	14
Recognition and reward (Question 8)	41%
	Sometimes
Importance of employees recognized by management (Question 9)	12
	35%

Note: The detailed response frequency of employees can be found in Appendix B, Table B1

The questionnaire for employees from junior to coordinator level was prepared and sent by email to selected departments and 34 employee participated. From these 50% (17) employees were juniors, 44% (15) employees were seniors, and the rest 6% (2) employees were at coordinator level with 56% (19) 1 – 5 years' experience, 38% (13) 5 – 10 years of experience, and 6% (2) have greater than 10 years' experience. The answers for all questions are summarized below on Table 3.

Table 3: Summarized employees response

Employee Response		
S/N	Questions	Answer on Average
Q.1.	Role and compensation satisfaction	The employees cannot say that whether they are satisfied or not, they are neutral.
Q.2.	Involvement in decision making	Employees response was they are moderately involved.
Q.3.	Collaboration and communication with others	Employees are motivated to collaborate and communicate.
Q.4.	Satisfaction on work environment and space	Employees are not satisfied and not dissatisfied too.
Q.5.	Work load adequacy and proportion	The employees are neutral, they neither agree nor disagree.
Q.6.	Information system availability for job facilitation	Here the employee are neutral.
Q.7.	Clear and appropriate performance measure	They responded that there is Performance measurement but not working properly.
Q.8.	Recognition and reward	Employees believe they receive recognition and reward rarely.
Q.9.	Importance of employees recognized by management	Employees answered they are sometimes treated as important.
Q.10.	Motivating employees in creativity on their task	Employees are slightly motivated.
Q.11.	Company's contribution on employees development	The employees are neutral to this question.
Q.12.	Learning and development access	Employees believe they have slight access to development opportunity.
Q.13.	Availability of career opportunities	Employees are neutral in this case.
Q.14.	Prioritizing employee's well-being	Employees are neutral.
Q.16.	Clear and communicative strategic plan	The employees are neutral.
Q.17.	Having competitive strategy	Similarly here the employees are neutral.
Q.18.	Clear understanding of role and contribution	The employees believe that they clearly understand their role and contribution.
Q.19.	Communicating company's activities and objectives	Employees responded that the company communicates sometimes.
Q.18.	Clear understanding of role and contribution	The employees believe that they clearly understand their role and contribution.
Q.19.	Communicating company's activities and objectives	Employees responded that the company communicates sometimes.
Q.20.	Effectively directing resources to goals.	Employees are neutral on this question.
Q.21.	Company's success with current strategy	The employees are neutral on this question.

Note: The detailed analysis of employees response can be found in Appendix B, Table B2

b). Managers

The questionnaire intended for managers from middle to CEO contain twenty two (22) structured, open-ended, and contingency questions with 3 to 5-point different kinds of likert scales where the participants are asked to give their personal evaluation of the measurements and determinants of the company's competitiveness. The questions include the management perspective and effort on employee motivation, development, empowerment, and engagement, evaluation and feedback to customer and employee complaints, company's current strategy and alignment with department strategy, management perspective on company's competitiveness, its market share and financial performance, and their view on the company's brand, pricing, innovation and technology, and market development readiness as summarized below in Table 4. From twenty two (22) questions the structured and part of contingency questions are evaluated as below in the table and the open-ended questions are evaluated separately.

Table 4: Managers questionnaire response

Managers		
Latent Construct	Questions	Average (likert scale, frequency, and Percentage)
Performance	Frequency of performance evaluation (Question 4)	Yearly
		6
		40%
	Addressing complaint (Question 5)	Monthly
		6
		40%
	Level of competitiveness (Question 9)	Moderate
		7
		47%
	Market share (Question 10)	Low
		5
		33%
Structured market assessment (Question 18)	Low	
	5	
	33%	
Performing SWOT analysis (Question 19)	Rarely	
	5	
	33%	

	Develop new service and handle compliant as per customers feedback (Question 20)	Flexible
		7
	Evaluating customer satisfaction (Question 21)	Yearly
		8
Potential	Price competitiveness (Question 14)	Slightly Competitive
		5
		36%
	Prioritizing technology and innovation (Question 15)	Moderately Priority
		5
		36%
	Level of IT system adaptability (Question 16)	Moderate
		7
		50%
	Extent of flexibility to new technology (Question 17)	Flexible
		6
		43%
Process	Functional System to acknowledge employees (Question 1)	Disagree
		10
		71%
	Encouraging employees for independency and creativity (Question 2)	Moderately Willing
		10
		71%
	Empowering employees in decision making (Question 3)	Moderately
		8
		57%
	Alignment of department's objective position (Question 7)	Aligned
		7
		50%
Achieving its goals and objective with current strategy (Question 8)	Neutral	
	8	
	57%	

Note: The detailed response frequency of managers can be found in Appendix B, Table B3

Managers from middle to top have participated in the questionnaire and there were fifteen (15) participants. From these 73.3% have more than 10 years' experience, 20% have 5 – 10 years' experience, and 6.7% or only one (1) person has 1 – 5 years of experience. The answers for all questions are summarized below on Table 5.

Table 5: Average managers response

The Company's Management Response		
S/N	Questions	Answer on Average
Q.1.	Functional system to acknowledge employees	Managers disagree that the system is functional to acknowledge employees.
Q.2.	Encouraging employees for independency and creativity	Managers believe the company is moderately willing to encourage employees.
Q.3.	Empowering employees in decision making	The management believes that the empowerment is moderate.
Q.4.	Frequency of performance evaluation	Managers responded that the evaluation is quarterly.
Q.5.	Addressing complaint	The compliant is addressed monthly.
Q.7.	Alignment of department's objective with company's	The objective is moderately aligned to the department's.
Q.8.	Achieving its goals and objective with current strategy	The managers are neutral on this case.
Q.9.	Level of competitiveness	The management believes that the company's competitiveness is low.
Q.10.	Market share	The managers believe the market share is moderate.
Q.14.	Price competitiveness	The management believes that the price is slightly competitive.
Q.15.	Prioritizing technology and innovation	Managers believe it is moderately prioritized.
Q.16.	Level of IT system adaptability	Managers agree that it is moderately adaptable.
Q.17.	Extent of flexibility to new technology	The managers believed that the company is passive with regards to introducing new technology.
Q.18.	Structured market assessment	Managers responded that the assessment is moderate.
Q.19.	Performing SWOT analysis	Respondents perform SWOT analysis sometimes.
Q.20.	Develop new service and handle compliant as per customers feedback	The managers believe the company is flexible in developing new service.
Q.21.	Evaluating customer satisfaction	The respondents evaluate quarterly.

Note: The detailed analysis of managers response can be found in Appendix B, Table B4

c). Customers

The questionnaire includes twenty six (26) structured, open-ended, and contingency questions with 3 to 5-point different likert scales asking participants to give their personal evaluation regarding customer service availability and accuracy, reliability, information technology and innovation, service compliant feedback, communication and delivery of service, documentation, pricing, and the customers tendency to continually use the company's service in the future. The structured and part of the contingency questions are summarized below in Table 6 and the open-ended questions are assessed separately.

Table 6: Customers questionnaire average response

Customers		
Latent Construct	Questions	Average (likert scale, frequency, and Percentage)
Performance	ESLSE service measurement (Question 3)	Good
		7
		50%
	Satisfaction on customer service and feedback (Question 6)	Somehow Satisfied
		11
		79%
	Ability to meet scheduled delivery date (Question 8.1)	Moderately
		7
		50%
	Accuracy and completeness of shipment (Question 8.3)	Moderately
		6
		43%
	Proactive communication regarding back orders (Question 8.4)	Moderately
		9
		64%
	Timeliness of response to inquiries by route managers and senior (Question 8.5)	High
		9
		64%
Information on current import/export or customs brokerage laws (Question 8.6)	High	
	6	
	43%	
Accurate documentation (Question 8.7)	High	
	8	
	57%	

	Tracking and Tracing capabilities (Question 8.8)	Moderately
		5
		36%
	Available range of service (Question 8.9)	Moderately
		4
		29%
	Ease of doing business with the company (Question 8.11)	High
		8
		57%
	Ability to deliver outstanding quality, service and value (Question 8.12)	High
		7
		50%
	Ability to treat customers like a long-term valued partner (Question 8.13)	High
		8
		57%
	Overall satisfaction with the shipping and delivery process (Question 8.14)	High
6		
43%		
Level of interest to continue as a customer (Question 9)	Interested	
	8	
	57%	
Recommending ESLSE to others (Question 11)	Very Likely	
	6	
	43%	
Potential	Availability of the company's services nearby (Question 2)	Neutral
		5
		36%
	Satisfaction on service information availability (Question 4)	Somehow Satisfied
		10
		71%
	Development of the company on technology and customer management (Question 5)	Somehow Developed
		7
		50%
	Availability of timely status order information (Question 8.2)	High
		8
		57%
Rate/price competitiveness (Question 8.10)	Moderately	
	5	
	36%	

Note: The detailed response frequency customers can be found in Appendix B, Table B5

The questionnaire for customers were distributed among different business companies and it was collected from fourteen (14) customers including importers consisting of 50% of the respondent, manufacturing companies 14.3% of the respondents, textile companies 7.1%, forwarders and clearing agencies 21.4%. 71.% of the respondents have been customer of the company for 1 – 10 years, 21.4% for 10 – 20 years, and one customer for more than 20 years. The answers for all questions are summarized below on Table 7.

Table 7: Average customer response

Customer Response		
S/N	Questions	Answer on Average
Q.1.	Information about ESLSE service.	Here customers heard the service through peers information.
Q.2.	Availability of the company's services nearby.	The customers agree the service is available.
Q.3.	ESLSE service measurement	The service is good.
Q.4.	Satisfaction on service information availability.	The customers are somehow satisfied with ESLSE information about service.
Q.5.	Development of the company on technology and customer management.	The response was somehow developed.
Q.6.	Satisfaction on customer service and feedback	The respondents are somehow satisfied.
Q.8.1.	Ability to meet scheduled delivery date	It is moderate as per their response.
Q.8.2.	Availability of timely status order information	The response is high.
Q.8.3.	Accuracy and completeness of shipment	The response is moderate.
Q.8.4.	Proactive communication regarding back orders/unfulfilled orders	The response is moderate as per the customers.
Q.8.5.	Timeliness of response to inquiries by route managers and senior officers	The response to timeliness of response is high.
Q.8.6.	Knowledge / Information on Current Import, Export or Customs Brokerage Laws	The knowledge is high.
Q.8.7.	Accurate Documentation (incl. BL/Shipping documents.)	Accuracy of the documentation is high.
Q.8.8.	Tracking & Tracing Capabilities	The response on the capability is moderate.
Q.8.9.	Available Range of Services	The response was high for service range availability.
Q.8.10.	Rate / Price Competitiveness	The respondents believe it is moderately competent.
Q.8.11.	Ease of doing business with the company	For the average customers it is highly easy doing business with ESLSE.
Q.8.12.	Ability to deliver outstanding quality, service and value	The respondents believe it is highly able.
Q.8.13.	Ability to treat customers like a long-term valued partner	The respondents agree it is highly able.
Q.8.14.	Overall satisfaction with the shipping and delivery process	The customers are highly satisfied.
Q.9.	Level of interest to continue as a customer.	The customers are interested to continue with ESLSE.
Q.11.	Recommending ESLSE to others.	The customers will likely recommend ESLSE for others.

Note: The detailed analysis of customers response can be found in Appendix B, Table B6

4.2. Industry and Market Analysis

According to Panayides (2003) to achieve competitiveness an organization needs to formulate and implement competitive strategy that is developed through defining and analysing the industry and market structure. In addition the study from Cerit (2000) explains the two competitive factors, external and internal factors, are bases for formulating the competitive strategy. Where the external factors are macro and micro environmental factors and internal factors are the company's structure, capacity, financial performance, and market situation. Here under external macro environmental factors, the PESTEL framework is used to analyse the impact on the organization that are beyond its control (Cadle, 2010) and under micro environments factors are analysed using Porter's five forces (Porter, 1990) that are basic competitive forces which consists of the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the substitute, and the intensity of rivalry between existing competitors.

4.2.1. External Factors

a). Macro environmental factors

Macro environmental factors are analysed using the PESTL framework where Political, Economic, Socio-cultural, Technological, and Legal analysis is performed. The factors to be taken may differ from industry to industry and the application of the model also depends on the industry or the market that the organization is based in (Yukel, 2012). For this particular research PESTL as below that it is categorized under the captions of socio-cultural including demography, legal, economic, and political changes, and technological developments. The factors taken in this study may affects the company directly or indirectly and evaluating and understanding the external factors will help to develop strategies to overcome challenges to achieve a better competitiveness in the market (Thomas, 2007).

Table 8: PESTL analysis

PESTL	
Economic and Political	<p>Ethiopia's economy has been growing quickly by 10% in 2018, even though it is one of the poorest country with \$783 per capita income. The growth was due to service industries increasing from 7.5% to 8.8% from 2017-2018, however, in this period the growth of construction, manufacturing, and the agricultural industry decreased drastically due to the political unrest, foreign exchange shortages, higher prices for imports particularly construction materials, weaker performance of the industries, slower growth of crop production, and logistics challenges and bottlenecks.</p> <p>Currently Ethiopia's economy mostly depends on its import commodities and plans to increase its dawdling export market mainly including coffee and oily seeds. However, exports had been decreasing from 2014 to 2016 and there was a slight growth period from 2016 to 2017 as per the Table 9 below, this was due to the weak performance and price drop of coffee exports and security problems in some regions. After the government implements constructing industrial parks in several regions the export of leather, garment, and chemical products has increased slightly. As a nation the country has limited competitiveness, underdeveloped private sectors, political disruption resulting in lower FDI, which limit the growth of manufacturing industries and limits the increase of exports. Thus the variation of the country's exports and the economy disturbance affects the shipping activities of the company as well as the international economic crisis due to fuel and freight fluctuations and the impact of global development, which will influence the company.</p>
Legal, Policies, Directive Issues	<p>The company possesses a monopolistic market for sea transportation due to the directives issued by the Ministry of Transportation to import government and private commodities through this company in the ports where it gives service, however, for ports that this company is not calling it will issue waiver so that the customers can import through other shippers. This monopoly situation has the disadvantage of creating bureaucratic situation and not having to strive for the company's business performance</p>

	<p>where the commercial attitude does not prevail. Furthermore, the company has been implementing international convention, codes, and regulations through the established office of DPA/CSO under the technical department which directly report to CEO office, monitoring and implementing the safety and quality of the ships and crews activity. The DPA office is responsible for preparing and implementing manuals and compliances such as ISM code, SOLAS, and MARPOL.</p>
<p>Socio-Cultural and Demographical</p>	<p>The geographical location of Ethiopia is a strategic advantage to access ports and foreign markets such as Middle East market. The country has a bilateral agreement with neighbouring country Djibouti to utilize its ports and there lays a great opportunity to use the ports of Eritrea, Assab and Massawa, resulting from recent peace treaty signed between both governments. Moreover, it is an opportunity for the country the geographical location to be a hub of inland logistics country connecting Kenya, South Sudan, Somalia, Sudan, Djibouti, and Eritrea.</p> <p>The majority of the Ethiopian population is young and striving to excel in an entrepreneur mind-set partaking in the export business such as shoe, textile, agricultural products, etc., which will be an opportunity for the shipping company.</p>
<p>Technological Developments</p>	<p>Ships design technology has come up to be specialized and economical, however, the company's fleets are not technologically developed and the current vessels are not technologically developed and their capacity is small comparatively, all the vessels owned by the company that are currently active are in total 14,626 TEU compared to the latest design of Maersk Triple-E that is 18,000 TEU. For the regulation of Sulphur the company does not have a research based strategy to implement the latest technologies such as scrap, Exhaust Gas Cleaning (EGC), or battery charges, it is only using low Sulphur fuel, however, for the latest constructed fleets Energy Efficiency Design Index (EEDI) is implemented that was enforced by IMO to be legally binding climate change treaty.</p>

Table 9: Ethiopian Economic Growth Statistics

	2013	2014	2015	2016	2017
GDP Per Capita (USD)	640	731	807	884	810
GDP (USD Billion)	55.6	64.6	72.4	80.6	84.4
Economic Growth (GDP, Annual Variation in %)	10.3	10.4	8.0	10.9	7.7
Exchange Rate (vs USD)	19.05	20.33	21.26	22.40	27.58
Trade Balance (USD Billion)	-9.1	-12.0	-13.8	-13.6	-12.9
Export (USD Billion)	3.0	3.4	2.9	2.8	3.0
Import (USD Billion)	12.1	15.4	16.7	16.4	15.9
Export (Annual Variation in %)	-7.6	13.1	-13.4	-3.6	7.6
Import (Annual Variation in %)	2.6	27.2	8.8	-1.8	-3.2

Source: FocusEconomics, <https://www.focus-economics.com/countries/ethiopia>

b). Micro Environmental Factors

To determine micro environmental factors of a company's competitiveness Porter (Porter, 1990) has defined five forces that can determine an industry's competitiveness and attractiveness to a market. The analysis of the attractiveness of a market, the competitive environment and intensity of an industry through this framework guides formulating competitive strategy to achieve competitive advantage. The five forces are the power of buyers that can influence cost, the power of suppliers determining the cost of inputs, the rivalry intensity influencing price and cost of competing, the threat of entry limits prices and investment, and the power of substitution price, cost and quality.

ESLSE has been operating for more than fifty (50) years as the only sea transportation company monopolizing the shipping market. It is importing and exporting the country's commodities from around the world accessing the sea through Djibouti port mainly calling Black Sea, Far East, Gulf, and Indian ports. The company provides shipping service with its eleven (11) owned, chartered, and slot vessels transporting general cargo, bulk cargo, and roll-on/roll-off cargos. For the shipping market of Ethiopia, besides ESLSE, there are companies who operate in the region such as Maersk, MSC, APL, PIL, Messina, and CMA CGM. These companies get the market share for Ethiopia import/export when ESLSE is unable to ship cargos from the port that it is not giving service. Thus, the competitiveness of ESLSE is determined by the forces that are in the shipping market and it is analysed based on Porter's five competitive forces as below illustrated in Figure 2 and briefed per each force.

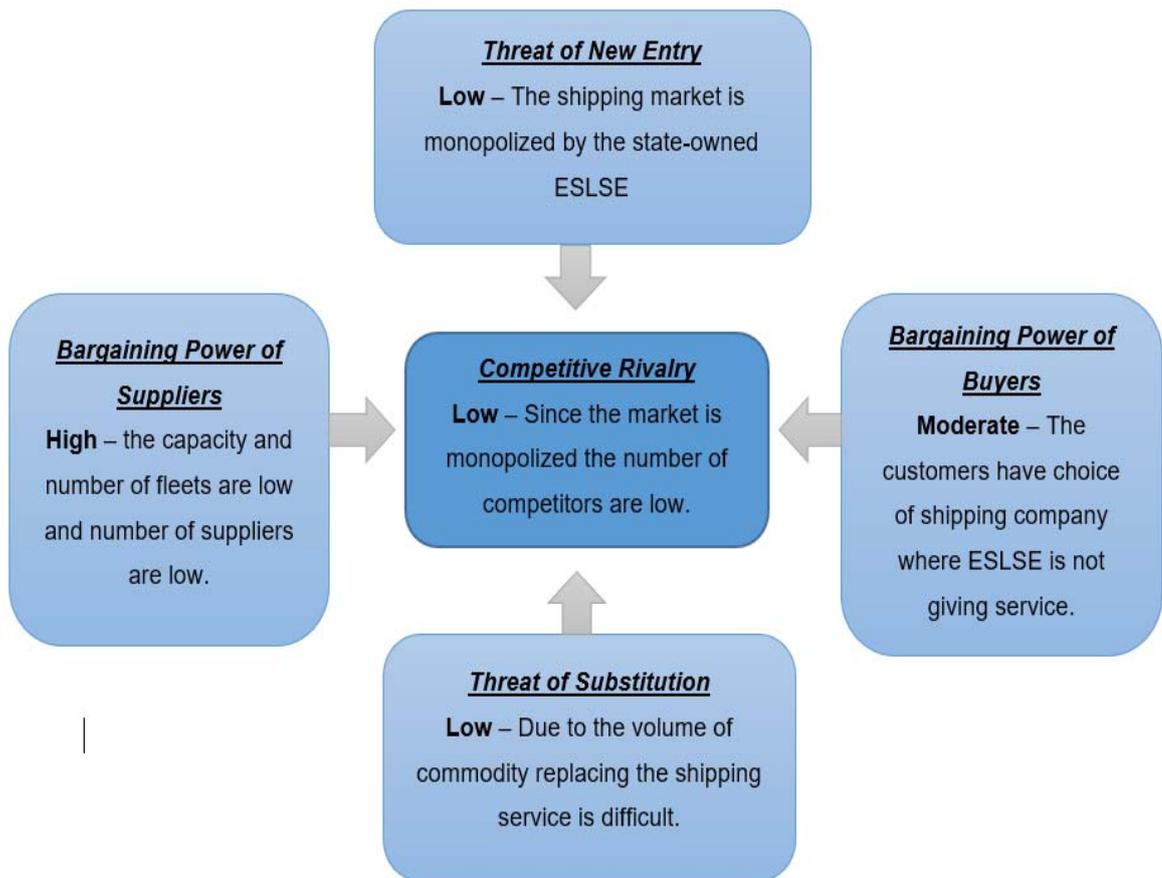


Figure 2: Porter's Five Forces for ESLSE

i). The Threat of New Entrants

The shipping industry requires high level of investments due to it being asset intensive, which creates a barrier to entry. While globally, the market tends to be more liberalised, the shipping market of Ethiopia has a government restriction to use only the state-owned shipping company to import and export from/to the country.

Therefore, due to governmental restrictions and high capital investment the threat of new entry to this market is low.

ii). The Bargaining Power of The Suppliers

The supply cost for ships operation have a direct influence on the competitiveness of shipping companies. Especially for small companies the bargaining power of supplier providing fuel, lubricant, fresh water, maintenance and repair, and spare parts drives up the operation costs. However, for the big shipping companies the power of the suppliers make barely any difference. The Ethiopian shipping company can be categorized under the small companies due to its carrying capacity and number of vessels, hence, affected by fuel, lubricant, spare parts, maintenance, and repair suppliers price fluctuation. The number of suppliers who provide to this market is low, their price is high, operating costs are high, and suppliers profit are high. Therefore, the bargaining power of the suppliers is high.

iii). The Relative Bargaining Powers of Customers

The bargaining power of customers have the ability to drive down the freight price in a shipping market. The smaller the customers the higher their power to negotiate for lower prices and the higher the number of customers the lower the switching price for the company and the higher the ability to charge them higher prices to increase profitability.

For the Ethiopian shipping market even though the number of customers are high the number of shipping companies are low due to FOB-directive and switching cost for its customers are relatively high due to its market power. The importers and exporters are obligated to use the state-owned company unless the company is not calling the specific

loading/unloading port. Therefore, overall bargaining power of the customers is moderate.

iv). The Intensity of Rivalry Between Competitors

In a shipping market the larger the number of shipping companies providing sea transportation the lesser the power of a shipping company. When the number of competitors are low and the chance of the customers moving to new competitors are low it can be said that there is low competition in that market. In the case of the Ethiopian shipping market due to monopoly the competition is low. Therefore, in the shipping market of Ethiopia the intensity between rivalry is low.

v). The Threat of Substitutes

When the shipping company's service can be substituted by other means of transportation the power to increase price is low and when there is no substitute customers have no choice but to buy from the company that holds the market solely and the company has the power to increase the price. The import/export market of Ethiopia is mostly dependent on the sea transportation due to the geographical location and the economy. To replace this transportation service with rail or air transportation the commodities are high in volume. Therefore, the threat of substitutes is low.

4.2.2. Internal Factors

4.2.2.1. Organizational Structure

As illustrated in Figure 1 (see chapter 1 pp 7) the company was structured to be managed by eight executive board members followed by CEO and five deputy CEOs for different sectors where under the sectors there are departments managed by department heads. Before the merger the shipping service sector was independent consisting of marketing, procurement, commercial, operation, technical, human resource, finance, and legal departments. However, after the merger the sectors are interlinked and have to face bureaucracies to accomplish a task since the decision should pass some departments or sectors, for instance, the finance and accounts department has to transfer all the financial transactions of all sectors and departments. This has created burden on the employees and lead them to leave the organization.

Furthermore, the shipping sector, before merging, the activities were flawlessly working with the vessel crew and it was easy for decision making and the activities such as maintenance, dry docking, and repair were done with full autonomy of the officers. However, now for these activities contracts and procurements have to pass through the support service sector. In general the company is dependent on governments strategical plans and directions and cannot formulate and implement its own strategies and business models and employees are treated and managed by civil servants policies.

4.2.2.2. Business Model and Competitive Strategy

The company's mission is to provide "efficient and competitive shipping and logistic services to serve the nation and international trade through an effective and customer focused organization". And it envisions being "an internationally recognized leading and technological advanced shipping and logistics enterprise offering added value services to its customers, and supporting the economic development of the country" (ESLSE, 2019). Its business focuses on break bulk service, cross trades, project cargo, tanker, container shipping services with its logistics services such as inland transportation, container depot, container maintenance, dry port, ship agency, forwarding services and

maritime institutes. To implement and achieve its objective and goals the company is utilizing its human capital, financial, supporting assets, own multipurpose ships and tankers, container equipment, port and dry port facilities, warehouses, and trucks/trailers resources partnering with stakeholders and international organizations.

ESLSE is differentiated from other shipping companies due to the protection regulation and directive, the financially and administrative involvement of the government, and the responsibility of the company to serve the interest of the nation. The company usually formulate a competitive strategy that is focused on customer and international market orientation, commercially oriented, reputable and unique corporate brand, excellent quality service and human skill, adding corporate responsibility with contemporary IT system. In addition, the company is focusing on improving its schedule reliability, booking and tracking service, international market coverage, commercial orientation activity, and technology and information system.

4.2.2.3. Fleets Size, Type, and Age

Out of eleven (11) ESLSE owned ships nine (9) of them are relatively new ships aged (6 to 7 years) and the remaining two ships are thirteen (13) years old. However, their capacity, flexibility, design, and modernity compared to their competitors is significantly low and have similar features only carrying multipurpose cargos. The multipurpose vessels deadweight tonnage (DWT) range between 27,358 to 28,000 DWT and the two oil tankers DWT is 42,150 DWT and 42,190 DWT a limited capacity considering that current ships can have more than 100,000 DWT with a carrying capacity is more than 18,000 TEU.

The company have limited independency to decided where to deploy its fleets since it is serving the interest of the national cargo such as break bulk cargo. For the company to gain a competitive position and earn revenue from its owned vessels that have lower capacity and old technology is difficult in the fierce competition of international shipping. This will lead to higher running, maintenance, insurance, and repair costs and making it less competitive.

4.2.2.4. Finance Capacity and Performance

The majority of ESLSE equity is aided from the government and the capital investment such as for building of new vessels was provided by the Chinese Exim Bank. The company obtains revenue from national market and international import and export market from the segments of government project offices, NGOs, retailers, manufacturers, mining and energy organizations, agricultural firms, construction industries, and small and medium enterprises. And from these customers the company collects revenue by giving cross trade, dry and liquid bulk, roll-on/roll-off shipping services, chartering, forwarding, documentation, and customs clearance, inland transportations, among others. The company's expenses, revenue, and slow increasing profits are illustrated on Table 4.

Table 10: ESLSE's summarized financial performance (USD) (2015-2019)

Year	Gross Revenue	Total Operation and Admirative Cost	Profit After Tax	Change in Percentage
2015	12,999,637.00	9,327,529.00	669,548.00	-
2016	16,660,782.00	10,428,927.00	1,290,784.00	48%
2017	19,233,440.00	12,205,231.00	1,299,075.00	0.6%
2018	19,010,210.00	16,285,566.15	1,280,850.45	-10%
2019	18,751,063.00	17,037,735.10	1,331,119.49	4%

4.2.2.5. Market Size and Share

The company has been operating in mainly four major routes Gulf & India Services, Far East Services, Europe & Africa Services, with an import market share from the world total 0.09% in USD, export market share 0.02% in USD from the world total, and national flagged fleet and ownership of 0.02% in DWT. The company does not own ship building, scraping, and ports but using Djibouti's and recently Eretria's ports with this the company transports all the country's import/export commodities plus cross trade shipments utilizing 336 Thousands DWT owned fleets and chartered and slot vessels.

4.3. SWOT Analysis

The SWOT analysis, Table 11, was assessed focusing only on the shipping service sector since the study is also based on this sector adding the support service sector because human resources, planning and change management departments come under this sector.

Table 11: SWOT Analysis of ESLSE

Strengths	Weaknesses
<ul style="list-style-type: none"> • Inland transportations that provide door to door service using dry ports. • The company have skilled seafarers which they gained through several years seafaring experience. • The company is implementing several systems including ERP to facilitate its internal processes. • The company's management willing to implement new systems and processes such as balance score card. • The company's is trying to equip the employee by arranging training and higher education outside the country and local universities. • Yearly updating the organizational structure to facilitate the work flow. • Prioritizing the manufacturing 	<ul style="list-style-type: none"> • Highly dependent on the protection and FOB directive and financial support of the government. • High turnover of experienced employees from commercial and operation department due to lack of satisfaction and insufficient compensation. • Lack of experienced top management personnel particularly shipping experience. • Low financial performance and market share • Low vessels carrying capacity and similar type of fleets. • The working system, procurement, and financial activities are not aligned with international shipping standards that is manual paper work and unfriendly IT systems. • disorganized marketing research sector and lack of modern promotional and brand marketing system. • Lack of modern technology and IT system • Work burden on financial and procurement departments due to the merger and centralized management system.
Opportunities	Threats
<ul style="list-style-type: none"> • The country's fast economic growth • The country's new discovered commodities such as LNG and developed industry parks producing textiles, chemicals, livestock, automotive to export. • Investment opportunities on ports, logistics services, and terminals and in neighboring ports. • Already functioning and organized inland, air, rail and multi-modal transportations. • Maritime institute and other universities are able to supply skilled human resources for the company. • Construction of roads and rail ways to facilitate logistics service land link neighbor ports. • Plan to sell half the share of the company to private investors. 	<ul style="list-style-type: none"> • High berthing and other service cost at Djibouti port. • Lack of diversifying investment such as lack of investing on ports, terminals, and other different services. • The situation (draft) on the berth and anchor of Djibouti port does not enable the company to develop its fleets. • The lower market share especially lower export activity that leads to shipping empty container. • The underdeveloped stakeholders particularly customs, transport offices, and different authorities.

Chapter 5. Discussion

The literature previously reviewed identified the definition of competitiveness, how to measure and to develop competitive strategies. This chapter the theoretical concepts highlighted in the literature review are discussed based on the situation of the company under analysis and data and information of the competitiveness gathered through survey to employees, managers, and customers as well as complementary data sources including periodical reports, financial activities, and marketing performances are discussed.

5.1. Conceptual Findings

For this study and for shipping companies in particular, as per Buckley, Prescott, and Pass (1992) competitiveness can be defined as the ability of a company to provide superior quality services to its customer by lowering cost and sustaining higher profit performance via utilizing internal sources such as strategy, structures, competencies, resource, and capabilities to innovate and develop technologies.

As shipping company comprises of diverse employees and networks with different stakeholders or partners sustaining relationships among partners and utilizing its human resources effectively gives a platform for the company to compete in the international shipping industry. In addition, competitiveness can be achieved through maintaining its reputation by providing a quality service and competitive prices to customers with respect to freight rate, reliable and fast service, and advanced information system and technology.

Furthermore, having structured organization, optimal capacity of vessels, financial capabilities, achieving economies of scale, and strategically organized departments and job tasks with respect to its organizational culture and management style delivers a great advantage of competitiveness in the industry. Besides internal competitive factors a shipping company needs to manage the external factors that will affect its performance such as the technological development, global market changes, the trade policies, regulations, political and legal situations in the region and in the world at large. For

instance, the fluctuation of freight rate, fuel price, exchange rate, interest rate and the emerging of new technologies and regulations to combat climate change or to facilitate the work environment of the seafarers will have greater impact of being competitive to a shipping company.

A company's competitiveness depends on its internal tangible and intangible assets, the organization's internal process, and its outcome after utilizing the assets through the processes (Buckley, Prescott, & Pass, 1992). Competitive potential refers to the company's brand and reputation, technological development, competitive price, sustainable cost control, human resource, and organizational structure and culture. Competitive performance is the performance outcome consisting of market share, customer satisfaction, value creation, development and range of services, loyal and motivated human capital, profitability and revenue generation. Competitive process refers to the directing and controlling of operational, technical, and commercial activities, managing relations with employees, customers, and partners, and investment strategy.

Shipping company's competitiveness can be determined by a combined analysis of internal competitive factors and industry and market analysis, which in turn helps to formulate and implement competitive strategy. From the analysis of external factors at the macro level, the impact on the competitiveness of a shipping company such as the technological developments, regulations and policy changes, and political and market phenomena's can be alleviated by formulating risk management strategy and feasible alternative solutions. For instance, freight rate fluctuation can be hedged by implementing financial and traditional risk management tools and technological changes for Sulphur reduction regulation such as scrubber or battery usage can be analysed to implement the most feasible and alternative solution. And the micro environment factors define the intensity of competition and the attractiveness of the industry. Similarly, after analysing the internal competitive factors a shipping company can achieve competitive advantage through developing a comprehensive competitive strategy that can be adaptable and fit to the organization.

As per Porter (1998) the competitive strategy to achieve competitive advantage is to pursue the three generic competitive strategies. The shipping industry can engage in one of the generic strategies cost leadership, differentiation or focus strategy to achieve competitive advantage. A shipping company can choose a cost leadership strategy to provide a low-cost service in its industry gaining the cost advantage from economies of scale, proprietary technology, and preferential access to suppliers. And can differentiate its service either by uniquely providing its service, delivery means, or the marketing approach. Additionally, a shipping company can choose to focus either by targeting container service, multi-purpose service, or bulk carrying service implementing cost or differentiation strategy on the targeted segment. The theoretical concept and the objective of this study is illustrated in Figure 3.

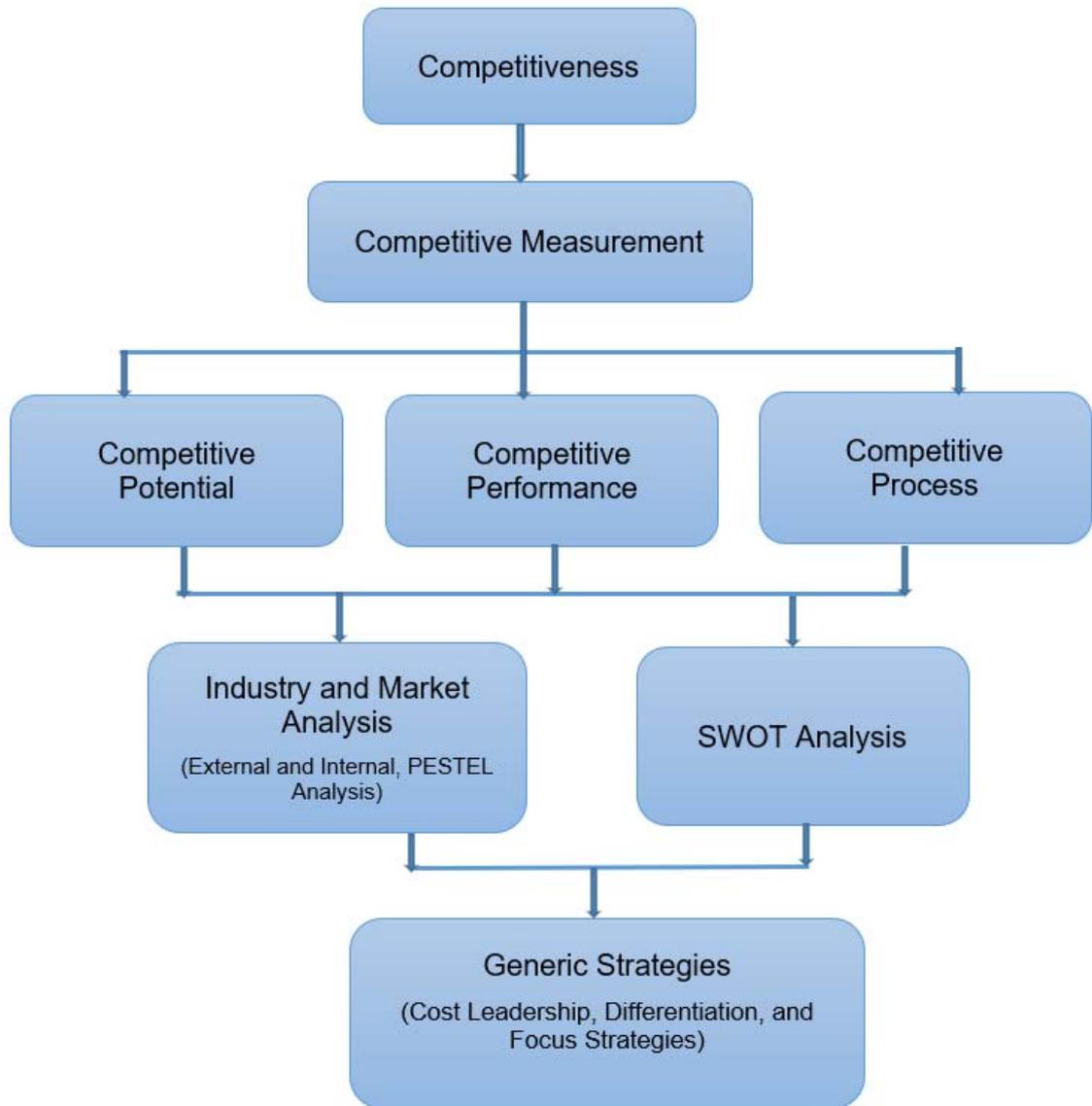


Figure 3: The conceptual frame work of the study

5.2. Discussions of Findings

The findings from questionnaires for customers, employees, and managers as well as the data and reports of the company such as profile, financial activities, and market share. In addition, the external and internal factors are discussed as well as the SWOT analysis in connection with the competitive strategy.

5.2.1. Findings from the Data Collection

The indication of the questionnaire administered for managers and employees shows that the company needs to work on engaging and motivating employees to understand the company's goals and objectives and make the effort to achieve these goals. The company needs to compensate its employees and provide a ground to facilitate their task towards achieving the formulated strategy. Additionally, managers needs to play an important role in formulating strategy to achieve competitive advantage and motivate, design, and deploy skilful human resource for this purpose. The survey shows that it is essential for the company to articulate a strategy to retain its experienced man power so that the cost of hiring can be reduced and utilize the human capacity effectively.

The evaluation of ESLSE's service from a customer perspective indicates that the company have disorganized customer service, backwardness of technology and information system, lack of fast and reliable service, and lack of competent and loyal employees. Customers are satisfied with ESLSE's unique service that provides inland transportation discount for targeted segments and multi-modal transportation service. The information system as per customers perspective is not fully functioning and does not promote the service to the customers.

5.2.2. Findings External Analysis

The macro environmental influences under the external factors consisting of demographical and socio-cultural, legal, economic, and political changes, and technological developments affects the competitiveness of the company. Even though the country's economy has registered a rapid growth in the past years the import/export market has been weaker performance due to the political instability, logistics challenges and bottlenecks, underdeveloped private sectors, and limited growth of the manufacturing industry. Thus, the country's economic situation, political disturbance, and international shipping market volatility directly and indirectly affects the competitiveness of the company. Additionally, the geographical location of the country has an advantage accessing the sea port through neighbouring country bilateral agreements.

The protectionism directive has supported the company to exploit solely the import/export market of the country, however, it has an effect of on overshadowing the importance of emphasizing achieving competitive advantage. Furthermore, the technological development in the shipping market can affect the performance of a shipping company where specialized and large size of ships can gain more economies of scale and market share. For ESLSE the underdeveloped technological features of its fleets, their size and type has an effect on its competitiveness.

The micro environment factors that determine the industries competitiveness intensity and attractiveness was defined by analysing the bargaining power of suppliers and customers, the competition between rivals, the threat of new entry, and the threat of substitutes. The Ethiopian shipping market has moderate to high bargaining power of customers and suppliers respectively due to the international features of the supply and the obligation of customers to use ESLSE for the ports it is giving service. However, the threat of new entry and substitutes as well as the competitive rivalry is low due to the FOB directive that protects the shipping market from private owner shipping and the volume of commodity imported and exported requires sea transportation.

5.2.3. Findings Internal Factors

The current organizational structure creates burden to certain departments, for instance, finance and human resource departments and the company manages the transportation from sea to door-to-door where it will impact the focus on service. The dry port, inland logistics, and sea transport will be effective if handled independently. The company has set a viable vision and goals and formulated strategy to achieve it, however, due to the government interference on its administration issue and lack of focus for its competitiveness the strategy has not been appropriately communicated to employees and lacks follow up from managers. The company's financial performance, the revenue and profit, has been growing slowly due to the small market share and the type and size of ships that cannot be a means to achieve economies of scale.

5.2.4. SWOT Analysis Result

Using the result of the SWOT analysis conducted before, in Table 12, we provide a set of actions that results from confronting the internal with external aspects found before. By connecting the four factors, we provide some actions, for example, to mitigate threats and weaknesses and to leverage strengths to maximize the opportunities.

Table 12: Actions Based on the SWOT Analysis Result for ESLSE

		Internal Factors	
		Strengths	Weaknesses
External Factors	Opportunities	<ul style="list-style-type: none"> Utilizing its seafarers skilled man power, the constructed in land transportation system, and the company's effort to implement advanced information system and technology, it is possible to achieve economic of scale through investing in port, terminals, and logistics service in connection with neighboring countries. The maritime industry of Ethiopia is supported by universities and colleges to produce skilled human resource and one of the maritime institute was established by the company. The country's economic development, new discovered commodities, and constructed industry parks creates huge capacity for the company to increase its market share. The company's effort to upgrade its services combined with the selling of share to private investors will increase the quality of its service. 	<ul style="list-style-type: none"> The company can overcome the turnover of experienced man power and lack of experienced top management personnel through investing in training and higher education in its instates, on job training, and using the scholarship opportunity IMO provides. The investment opportunity in neighboring country ports and partially privatizing the company will support the company to increase its financial capacity and market share. All of its processes backwardness, lack of advanced IT system, and its below-standard organizational structure problems can be solved through the privatization and training of its human resources in the institutes.
	Threats	<ul style="list-style-type: none"> The construction of inland transportation throughout the country will decrease the dependability on only Djibouti port and gives opportunity to access Eritrean and Somalian ports. The commitment of the government and the top management to change the quality of the company's service will solve the internal processes, human resource, financial, and market share challenges. 	<ul style="list-style-type: none"> High berthing cost and low draft at the berth of Djibouti port problem causes the decrease of market share of the company, which can be mitigated by utilizing new construction of terminals in Djibouti and investing in other neighboring country ports. The underdeveloped export market has impacted the company's financial capacity and market share which can be mitigated utilizing economic growth and new manufacturing initiation of the country.

5.2.5. Generic Strategy

The objective of the research was to define the factors that are affecting ESLSE and establish competitive strategies to achieve competitive advantage. From the general industry, market, and internal process analysis of the company the main challenges are financial capacity, market share, and human resource developments.

One of Porter's generic strategies can be implemented to maximize market share, differentiate its services, or focus on targeted segment of service as well as formulate other competitive strategies to mitigate human resource and organizational structure problems. The cost leadership strategy enables the company to maximize its revenue, market share, and provide low-cost services to customers through developing its fleets for greater loading capacity and specialized type vessels. In addition, minimizing its operational cost by implementing proprietary technologies and negotiating suppliers to gain preferential access to supplies.

Recalling the monopolistic behavior of the company it is difficult to implement the focus strategy since the company is providing all of the sea transportation services it cannot focus only a certain service. In addition, pursuing differentiation strategy may support the company achieve competitive advantage over its rivalries by providing unique service, unique delivery system, or by its marketing approach creating a unique image of the company.

Other than these generic strategies it is advantageous to pursue other strategies such as providing faster and more reliable customer service, designing and deploying skilled human resources, build company brand and reputation, implement advanced IT systems, comprehensive financial management and the introduction of a strong organization culture that supports the company's objectives. In addition, it is crucial to formulate a sustainable strategy to gain market share from new developed routes, range of services, joining shipping alliances focusing more on quality customer service and investing in human capital as well as focusing on motivating and satisfying employees where in turn employees will invest in the business.

Chapter 6. Conclusion

6.1. Conclusion

Competitiveness for a shipping company is to provide quality service to its customers, compensate its employees, gain higher revenue and profitability, gain a higher market share, and maintain reduced operational costs. This can be achieved through analysing its internal and external competitive factors and utilize its potential and processes to gain high performance through formulating a competitive strategy that can enable the company achieve a competitive advantage over its competitors.

ESLSE is a state-owned company that enjoys protection and financial support from the government, however, it is not performing well when compared to its competitors in the same region. From the analysis and from its data and reports, the company is not focusing on developing and creating a corporate culture that values skillful and loyal employees, not focusing on providing quality and advanced service for customers, not utilizing the opportunities to invest in ports, terminals, and logistics services, and it is not focusing on strong and adequate strategy that can include all the necessary issues.

If the government lifts its market protection from the company it will lose a significant portion of its customers, employees and assets. The company's market share and the capacity of vessels is significantly low compared to its competitors. Additionally, the organizational structure is based on the requirements of the government rather than based on strategic and operational needs.

In general, the overall findings of this study show that the company have significant challenges and problems with respect to employee and customer management, market utilization, deploying and developing assets, and implementing advanced technology and information systems to be competitive in the international market. However, the protection of the market to use the sea transportation service only from ESLSE has had a negative impact that disabled the company to strive for better quality in all respects. Hence, the company needs to transform its overall activity through formulating a competitive strategy that can exploit its potential and assets through managing its process for a higher performance.

6.2. Limitations

The scope of the study was only to analyse the shipping sector of the organization, however, due to time constraints and the unwillingness of the participants in the questionnaires as well as unavailability of organized financial and market activity data to present it in this study, the research is limited only to evaluating a small samples that were collected. Customers and employees were reluctant to participate in the survey and the company does not have organized data concerning financial and marketing activities.

Due to a limited amount of time and organization culture to provide readily available data and reports from the company, the outcome obtained from the analysis may demonstrate a small amount of survey results showing the extent of the challenges and the current position of the company in the competition prospect. The distance and the lack of information systems of the country have played a vital role in the collection of the questionnaires manually that should have been filled digitally on software.

Additionally, it was difficult and time consuming to find a competitiveness definition and measurement for a shipping company, which was also reflected in some of the researchers papers that state there is not clear or adequately available research on this topic. However, the structure of the questionnaires are believed to encompass the scope of this study that is a necessary measurements of the competitiveness and the financial reports of the company.

6.3. Recommendations for Further Studies

From the organizational structure, the uniqueness of its operation, and the relation between other stakeholders or partners such as customs, airlines, and other authorities the company have a large structure to address for competitiveness research, which requires a substantial amount of resource and time to invest to study its competitiveness linking all the sectors, departments, and stakeholders. Therefore, further study is required to perfectly identify its competitiveness and formulate a strategy that will encompass all the parties that are linked with the company.

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Appendices

Appendix A: Detail History of ESLSE

In the early great civilization and before giving independence to Eritrea, Ethiopia was using the sea gate for import/export and military activity. In that time Animals body part was exported and textile, glass works, jewelleryes, metal works, etc. was imported to the country. Due to war and several reasons the civilization of the country started to decline and the sea door to the country's market was closed. Some kings tried to rebuild the seaborne trade, but due to internal and external rejection their plan suspended and even though Ethiopia uses land, rail, and air transportation the sea transportation was held for several years until before 53 years. Ethiopian shipping service was started afresh backed by regulation and legal ground.

After independence of many Africa countries, in the beginning of 1960th, to support import and export market of the countries, they have started their own national shipping companies. At that time the trade between Ethiopia and North Europe was becoming strong and it was a necessity to establish shipping company. Hence, Ethiopian shipping lines was establish in March 10, 1964, which was a great accomplishment for the country economy growth and for modern shipping company establishment. The company was then established at the initial capital of 50,000ETB with 51% share of American company named Taurus Investment Inc. and 49% share of the government. In the same year the share capital reached 3.75 million ETB and the first management board was recognized with an asset of the vessels dry bulk carriers "Queen of Sheba", "Lion of Juda", and "Lalibela" oil tanker started running in 1958. The company added three vessels after operating for the consecutive two years and the company started to be successful and progress well.

Due to the war between Israel and Egypt the Suez canal was closed between 1967-1975 and the vessels was forced to go through South Africa, Cape of Good Hope, to reach Norther Europe trade thus exposing the company to high fuel cost resulting in loss. In 1975, the change of government resulted in overtaking all industries and companies including the shipping company purchasing the share from the foreign company with a

capital of 22 million ETB and changing the name of the company to Ethiopian Shipping Lines Corporation where the company recovered from the loss increasing its capital to 37 million ETB and started being profitable.

From 1975-1985 the company added eight (8) more second hand oil tanker and dry bulk carrier vessels and continues to sell and buy vessels strategically to secure profitability and be successful as well as increasing the cargo carrying capacity over time. Continuing to grow the capacity adding more asset the company had started to open new routes to Red Sea, North/West Europe, North/East Europe, Mediterranean, Middle East, and Far East (Japan). **Table A1** shows the vessels which were deployed and when they are old laid up to replace them with new buildings.

Table A1. The vessels that the company was deploying since inception and sold.

S/N	Vessel Name	Purchase Year	Carrying Capacity (ton)	Year Sold
1	Queen of Sheba	1966	6,554.8	1997
2	Lion of Juda	1966	6,554.8	1991
3	Lalibela	1966	34,075	1974
4	Adulis	1967	4,741	1971
5	Tana Hayik	1968	8,900	1973
6	Hashenge Hayik	1969	564	1974
7	Ras Dejen	1975	9,215	1987
8	Karamara	1978	2,428	2007
9	Nebelbal	1979	2,200	1991
10	Red Star	1982	4,107	2000
11	Welwel	1982	4,171	2000
12	Meskerem	1984	3,276	2000
13	Abay Wonz	1984	15,107	2012
14	Abyot	1985	15,107	2012
15	Omo Wenz	1986	3,500	2011
16	Zeway	1988	2,980	1991
17	Chamo	1988	352	1998
18	Awash	1989	3,618	2004

In 1991, the current political party overtook the power and run free market economy then the company sold old vessels and purchased four second hand from 1995-2007, which helped the company to operate in a smooth and flawless system and maintained the flow of import/export activity. The government has been supporting the company to increase its capital to 122 million ETB and operate under the office of Public Enterprise Holdings and Administration Agency with six board members, it was reorganized again with Regulation Number 196/1986.

Again in 2002, the company was officially structured as a share company with 289 million capital and operating under Finance and Economy Ministry. However, from 1991-1998 the government lifted the market protection from the company to invite other foreign companies to participate in the shipping activity, which has resulted in economic crisis of the country and the company started making loss. Consecutively, studies has been made that opening for foreign investors and lifting the market protection from the company will cause economic crisis, inflation, losing national carrier, and the import/export flow will be dependent on foreign companies, hence, the government has decided in 1998 to place the protection and all the government enterprises to use only the national carrier to import materials in to the country, in 2000 all imports to use the national carrier under FOB terms for the shipments of the commodities purchased from trade routes the Ethiopian fleets calling, and the company started multimodal transport to facilitate logistics activity and reduce foreign currency impact.

The development of sea transport and logistics sector in the country has led to strategic measures to merge, under the issuance of Regulation by the Council of Ministers (Regulation No. 255/2011), three similar and independent maritime public enterprises that have been operating separately namely, Maritime and Transit Services Enterprise, Ethiopian Shipping Lines S.C, and Dry Port Enterprise and become to be called Ethiopian Shipping and Logistics Service Enterprise (hereafter, ESLSE). The merge was opted to provide sea-transport & logistics services to the country's importers, exporters, and investors in a more effective and efficient way, by reducing transit time, cost and handoffs. After the merging the company has been growing with more asset and finance adding

seven new multipurpose vessels and two oil tankers increasing the cargo carrying capacity from 47,185 ton in the beginning of the company to 391,537 ton as it can be seen from **Table A2** the current vessels data.

Table A2. ESLSE fleet

Name	Type	IMO	Built	DWT	TEU	Flag
Admas (laid-up)	General Cargo ship	8302193	1986	13,593	302	Ethiopia
Andinet (laid-up)	General Cargo ship	8318544	1985	14,895	367	Ethiopia
Tekeze (laid-up)	General Cargo ship	8819122	1990	18,235	670	Ethiopia
Netsanet (laid-up)	General Cargo ship	8318556	1985	14,895	367	Ethiopia
Shebelle	General Cargo ship	9385594	2006	27,391	1,377	Ethiopia
Gibe	General Cargo ship	9385609	2007	27,358	1,377	Ethiopia
Bahir Dar	Oil Products Tanker	9617442	2012	42,150	-	Ethiopia
Hawassa	Oil Products Tanker	9617454	2012	42,190	-	Ethiopia
Finfine	General Cargo ship	9617375	2012	28,140	1,696	Ethiopia
Assosa	General Cargo ship	9617387	2012	27,926	1,696	Ethiopia
Gambella	General Cargo ship	9617363	2012	28,119	1,696	Ethiopia
Harar	General Cargo ship	9617399	2013	28,000	1,696	Ethiopia
Jigjiga	General Cargo ship	9617404	2013	28,000	1,696	Ethiopia
Mekele	General Cargo ship	9617416	2013	28,000	1,696	Ethiopia
Semera	General Cargo ship	9617428	2014	28,000	1,696	Ethiopia

Appendix B: Questionnaires Response Tables

Table B1. Detailed employees questionnaire response.

Latent Construct		Employee						
		Likert Scale						
Questions		1	2	3	4	5		
Performance	Role and compensation satisfaction (Question 1)	Frequency	Very Dissatisfied 5	Somehow Dissatisfied 5	Neither Satisfied Nor Dissatisfied 6	Somehow Satisfied 17	Very Satisfied 1	
		Percentage	15%	15%	18%	50%	3%	
	Satisfaction on work environment and space (Question 4)	Frequency	Very Dissatisfied 7	Somehow Dissatisfied 7	Neither Satisfied Nor Dissatisfied 8	Somehow Satisfied 8	Very Satisfied 4	
		Percentage	21%	21%	24%	24%	12%	
	Clear understanding of role and contribution (Question 18)	Frequency	Not at all 2	Not Clear 2	Moderately Clear 8	Clearly 16	Very Clearly 6	
		Percentage	6%	6%	24%	47%	18%	
	Company's success with current strategy (Question 21)	Frequency	Strongly Disagree 3	Disagree 9	Neutral 6	Agree 11	Strongly Agree 4	
		Percentage	9%	26%	18%	32%	12%	
	Potential	Information system availability for job facilitation (Question 6)	Frequency	Strongly Disagree 2	Disagree 11	Neutral 5	Agree 14	Strongly Agree 2
			Percentage	6%	32%	15%	41%	6%
Company's contribution on employees development (Question 11)		Frequency	Strongly Disagree 3	Disagree 14	Neutral 7	Agree 8	Strongly Agree 2	
		Percentage	9%	41%	21%	24%	6%	
Learning and development access (Question 12)		Frequency	No Access 8	Slightly Accessible 18	Moderately Accessible 4	Accessible 2	Highly Accessible 2	
		Percentage	24%	53%	12%	6%	6%	
Availability of career opportunities (Question 13)		Frequency	Strongly Disagree 2	Disagree 12	Neutral 9	Agree 8	Strongly Agree 3	
		Percentage	6%	35%	26%	24%	9%	
Effectively directing resources to goals (Question 20)		Frequency	Strongly Disagree 2	Disagree 7	Neutral 14	Agree 10	Strongly Agree 1	
		Percentage	6%	21%	41%	29%	3%	

Process	Involvement in decision making (Question 2)	Frequency	Not Involved at all	Low Involvement	Moderately Involved	Highly Involved	
		Percentage	1	12	17	4	
	Collaboration and communication with others (Question 3)	Frequency	Not at All Motivated	Motivated	Highly Motivated		
		Percentage	6	26	2		
	Work load adequacy and proportion (Question 5)	Frequency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		Percentage	7	12	3	12	0
	Clear and appropriate performance measure (Question 7)	Frequency	Not at All	Yes But Not Working	Yes But Not Clear	Yes Clear and Working	
		Percentage	9	9	10	6	
	Recognition and reward (Question 8)	Frequency	Never	Rarely	Sometimes	Often	Always
		Percentage	22	5	6	1	0
	Importance of employees recognized by management (Question 9)	Frequency	Never	Rarely	Sometimes	Often	Always
		Percentage	9	7	11	3	4
	Motivating employees in creativity on their task (Question 10)	Frequency	Very Demotivated	Demotivated	Slightly Motivated	Moderately Motivated	Highly Motivated
		Percentage	4	9	13	8	0
	Prioritizing employee's well-being (Question 14)	Frequency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		Percentage	3	12	12	6	1
	Clear and communicative strategic plan (Question 16)	Frequency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		Percentage	1	11	6	13	3
	Having competitive strategy (Question 17)	Frequency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Percentage		0	14	11	7	2	
Communicating company's activities and objectives (Question 19)	Frequency	Never	Rarely	Sometimes	Often	Always	
	Percentage	3	9	12	4	6	

Table B2. Summery employees response.

Employee Response			
S/N	Questions	Summarized answers	Answer on Average
Q.1.	Role and compensation satisfaction	17 (50%) employees are in a way satisfied, only 1 person is very satisfied and the rest are neutral and very dissatisfied	The employees cannot say that whether they are satisfied or not, they are neutral.
Q.2.	Involvement in decision making	Out of 34 employees 17 (50%) think they are not fully but moderately involved, 4 employees thing they are highly involved, and only 1 person think employees are not involved.	Employees response was they are moderately involved.
Q.3.	Collaboration and communication with others	(76.5%) think that employees are motivated to collaborate and work as a team, and (17.6%) think they are not. The rest think they are highly motivated.	Employees are motivated to collaborate and communicate.
Q.4.	Satisfaction on work environment and space	For the scale somehow satisfied and neutral 8 people (23.5%) were observed and for very and somehow dissatisfied similarly 7 persons (20.6%) for each were observed. The rest 4 people were very satisfied.	Employees are not satisfied and not dissatisfied too.
Q.5.	Work load adequacy and proportion	Equal percentage (35.3%) of employees agree and also disagree (12 agree and 12 disagree), 3 people are neutral, and 7(20.6%) people strongly disagree.	The employees are neutral, they neither agree nor disagree.
Q.6.	Information system availability for job facilitation	Most of the employees (41%) agree that the information is readily available but 38% of the disagree on the readiness. The rest are neutral and only 2 persons strongly agree.	Here the employee are neutral.
Q.7.	Clear and appropriate performance measure	26.5% and 29.4% responded that the company have performance measurement but not working and not clear respectively, 17.6 % of them response was it is clear and working, and the reset responded there is no performance measure at all.	They responded that there is Performance measurement but not working properly.
Q.8.	Recognition and reward	64.7% of the employees responded that they have never received recognition and reward, 17.6% believe they receive sometimes, and the rest receive the recognition and reward rarely and often.	Employees believe they receive recognition and reward rarely.
Q.9.	Importance of employees recognized by management	32.4% of the employees responded they are sometimes treated as important, 11.8% responded always, and on the contrary 26.5% responded they have never been treated as important. The rest think they are treated as important rarely and often.	Employees answered they are sometimes treated as important.
Q.10.	Motivating employees in creativity on their task	38.2% of the employees are slightly motivated to be creative on their task, 26.5% and 11.8% of them are demotivated and very demotivated respectively, and the rest are moderately motivated.	Employees are slightly motivated.
Q.11.	Company's contribution on	To this question 41.2% of the employees disagree that the company does not contribute to their development, and 23.5% agree on the other hand.	The employees are neutral to this question.

	employees development	The rest are neutral and on the extreme of agreement and disagreement.	
Q.12.	Learning and development access	52.9% and 11.8% of the employees believe they have slightly and moderate access to development and learning respectively, and 23.5% believe they don't have access. The rest believe they have full access.	Employees believe they have slight access to development opportunity.
Q.13.	Availability of career opportunities	35.3% of the employees responded that there is no career opportunity, 26.5% are neutral, and 23.5% agree there is opportunity.	Employees are neutral in this case.
Q.14.	Prioritizing employee's well-being	Equal percent of employees (35.3%) answered both neutral and disagreement for each, 17.6% agree that management prioritize their well-being.	Employees are neutral.
Q.15.	Additional comment	There should be appropriate and proportional job distribution, recognition, and reward. The management don not work closely with the lower level employees and do not involve employees and make them feel owner of the job. The management is not motivating employees they are only serving as pipeline to follow orders from government. The company to be competitive should be managed by competitive and professional management not appointed by government. Treating employees as the backbone of the company is an important aspect to be competitive. The employees should take appropriate training. The company should develop latest financial system and technology. Employees are not satisfied because they are not engaged in the job and not timely promoted.	
Q.16.	Clear and communicative strategic plan	Among the participants 38.2% of the agree that the company have clear and communicable strategy, but 32.4% them disagree, and 17.6% are neutral.	The employees are neutral.
Q.17.	Having competitive strategy	41.2% of the employees disagree that the company does not have competitive strategy, and 32.4% are neutral, but 20.6% of them agree that the company have the strategy.	Similarly here the employees are neutral.
Q.17.1.	If yes, what is it in short	Most of the participants have not responded on this but some of them states that the strategy should be reducing price and giving better service. Other respondent states the strategy should be providing diversified services with developed technology and competent price. And other participant states also that the strategy in general should be aiming to be competitive shipping company that is known and trusted company on Africa level.	
Q.18.	Clear understanding of role and contribution	47.1% believe they have clear understanding and 5.9% believe they don't have clear understanding but for 23.5% of them it is moderately clear.	The employees believe that they clearly understand their role and contribution.
Q.19.	Communicating company's activities and objectives	35.3%and 26.5% employees responded that the company rarely and sometimes communicates its activities respectively, 17.6% states it is communicated always, 8.8% of them responded never.	Employees responded that the company communicates sometimes.
Q.18.	Clear understanding of role and contribution	47.1% believe they have clear understanding and 5.9% believe they don't have clear understanding but for 23.5% of them it is moderately clear.	The employees believe that they clearly understand their role and contribution.
Q.19.	Communicating company's activities and objectives	35.3%and 26.5% employees responded that the company rarely and sometimes communicates its activities respectively, 17.6% states it is	Employees responded that the company communicates sometimes.

		communicated always, 8.8% of them responded never.	
Q.20.	Effectively directing resources to goals.	41.2% of employees are neutral on this question, but 29.4% agree and 20.6% disagree that the company directs resources.	Employees are neutral on this question.
Q.21.	Company's success with current strategy	33.3% agree that the company can succeed with current strategy, and on the contrary 27.3% disagree it will not succeed, but 18.2% are neutral.	The employees are neutral on this question.
Q.22.	Additional Comment	<p>The company must work hard on adopting latest technologies, focus on customer satisfaction and international market.</p> <p>Communicate and participate employees on the strategy. Integrate the company operation with modern IT system. Utilize the potential of human resource. To be competitive the company should hire professionals. Benchmark other shipping companies. The company should maintain its strategy to be competitive and adopt technology and innovation development. The company should call more ports such as West Africa. The management have difficulties in creating awareness of its strategy to employees. The company build ICT infrastructure, handling and benefiting internal customers, knowing customers need in detail, and training and educating employees.</p>	

Table B3. Managers questionnaire response

			Managers					
Latent Construct	Questions	Likert Scale						
		1	2	3	4	5		
Performance	Frequency of performance evaluation (Question 4)	Frequency	Not at All 1	Weekly 0	Monthly 5	Quarterly 3	Yearly 6	
		Percentage	7%	0%	33%	20%	40%	
	Addressing complaint (Question 5)	Frequency	Not at All 1	Weekly 5	Monthly 6	Quarterly 1	Yearly 2	
		Percentage	7%	33%	40%	7%	13%	
	Level of competitiveness (Question 9)	Frequency	Very Low 1	Low 6	Moderate 7	High 1	Very High 0	
		Percentage	7%	40%	47%	7%	0%	
	Market share (Question 10)	Frequency	Very Low 2	Low 5	Moderate 4	High 3	Very High 1	
		Percentage	13%	33%	27%	20%	7%	
	Structured market assessment (Question 18)	Frequency	Very Low 1	Low 5	Moderate 5	High 4	Very High 0	
		Percentage	7%	33%	33%	27%	0%	
	Performing SWOT analysis (Question 19)	Frequency	Never 0	Rarely 5	Sometimes 5	Often 4	Always 1	
		Percentage	0%	33%	33%	27%	7%	
	Develop new service and handle complaint as per customers feedback (Question 20)	Frequency	Very Inflexible 1	Rigid 0	Passive 6	Flexible 7	Highly Flexible 1	
		Percentage	7%	0%	40%	47%	7%	
	Evaluating customer satisfaction (Question 21)	Frequency	Never 1	Weekly 0	Monthly 4	Quarterly 2	Yearly 8	
		Percentage	7%	0%	27%	13%	53%	
	Potential	Price competitiveness (Question 14)	Frequency	Not Competitive 2	Slightly Competitive 5	Moderately Competitive 4	Competitive 3	Very Competitive 1
			Percentage	14%	36%	29%	21%	7%
Prioritizing technology and innovation (Question 15)		Frequency	Not a Priority 2	Low Priority 2	Moderately Priority 5	High Priority 4	Essential Priority 2	
		Percentage	14%	14%	36%	29%	14%	
		Frequency	Very Low 2	Low 4	Moderate 7	High 2	Very High 0	

Process	Level of IT system adaptability (Question 16)	Percentage	14%	29%	50%	14%	0%	
			Very Inflexible	Rigid	Passive	Flexible	Highly Flexible	
	Extent of flexibility to new technology (Question 17)	Frequency	1	1	5	6	2	
		Percentage	7%	7%	36%	43%	14%	
	Functional System to acknowledge employees (Question 1)			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		Frequency	2	10	1	2	0	
		Percentage	14%	71%	7%	14%	0%	
	Encouraging employees for independency and creativity (Question 2)			Very Low	Low	Moderately Willing	Highly Willing	Very Highly Willing
		Frequency	2	2	10	1	0	
		Percentage	14%	14%	71%	7%	0%	
	Empowering employees in decision making (Question 3)			Very Low	Low	Moderately	Highly	Very Highly
		Frequency	0	3	8	3	1	
		Percentage	0%	21%	57%	21%	7%	
	Alignment of department's objective position (Question 7)			Not at All	Somewhat Aligned	Moderately Aligned	Aligned	Excellently Aligned
Frequency		1	3	3	7	1		
	Percentage	7%	21%	21%	50%	7%		
Achieving its goals and objective with current strategy (Question 8)			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	Frequency	1	0	8	5	1		
	Percentage	7%	0%	57%	36%	7%		

Table B4, Summary of managers response

The Company's Management Response			
S/N	Questions	Summarized answers	Answer on Average
Q.1.	Functional system to acknowledge employees	66.7% managers disagree that the system is functioning, 13.3% agree that it is functioning, and 6.7% or only 1 person is neutral. The rest 13.3% strongly disagree.	Managers disagree that the system is functional to acknowledge employees.
Q.2.	Encouraging employees for independency and creativity	66.7% believe that the company is moderately willing to encourage and give independence for employees, 13.3% managers believe that the company willing is very low, and only 1 person believes that the company is highly willing.	Managers believe the company is moderately willing to encourage employees.
Q.3.	Empowering employees in decision making	53.3% of the managers responded that the company empowers moderately, 20% of them believe it is highly encouraging, but 20% of them its encouragement is low.	The management believes that the empowerment is moderate.
Q.4.	Frequency of performance evaluation	40% of the managers answered yearly, 33.3% monthly, 20% quarterly, and 6.7% of them answered no at all.	Managers responded that the evaluation is quarterly.
Q.5.	Addressing complaint	40% of the managers responded monthly, 33.3% weekly, 13.3% yearly, 6.7% quarterly, and 6.7% responded that they are not addressing compliant.	The compliant is addressed monthly.
Q.6.	Current strategy to achieve competitive position	Penetrating different market, bulk cargo shipment, LCL, and time chartering own vessels. Expanding port of call. Diversifying business, cross trade, implementing cost reduction scheme, integrated IT system, training employees, conducting market research to assess potential market, market share. Adding value to services, provide quality shipping and logistics service, cooperate with concerned parties.	
Q.7.	Alignment of department's objective with company's	46.7% the managers responded that it is aligned, 20% each responded that it is somewhat and moderately aligned, and 6.7% responded that it is not aligned.	The objective is moderately aligned to the department's.
Q.7.1.	The main goals are;	The managers in the operation and commercial responded that their objective is providing efficient, effective, and competent shipping service to their customers. And technical department is making the ships seaworthy, ready for operation, and control associated costs. The human resource managers stated that their goal is to train and develop employees to render quality service through them. The change management and planning and business development department stated that their goal is to research new business expansion and feasibility study, formulate strategic plan, conduct study on tariff and business issues.	
Q.8.	Achieving its goals and objective with current strategy	53.3% managers are neutral to this question, 33.3% agree that it will achieve, and 6.7% strongly disagree.	The managers are neutral on this case.
Q.9.	Level of competitiveness	46.75 believe the company is moderately competitive, 40% believe its competitiveness is low, and 6.7% believe it is high.	The management believes that the company's competitiveness is low.
Q.9.1.	Measurement of competitiveness	Effectiveness and timely service providing and revenue generating. By its service span, quality service providing, freight rate, and its market share. By its reliability, efficiency, and capacity.	

Q.9.2.	If the competitiveness is low, why?	The number and capacity of the vessels is very low comparatively, no significant market share improvement, profit margin decreasing, slow business diversification, the quality of the service, no human development. Because of the monopoly. Because of the freight rate and operation cost, technology development.	
Q.10.	Market share	33.3% of the managers know that the market share is low, 20% of them responded it is high, and 26.7% of them responded it is moderate.	The managers believe the market share is moderate.
Q.10.1.	If it is low, how to increase it?	Selling share to privates, improve marketing with technology, increase efficiency through focused chartering operating, research and development of market, changing current vessel's structure to accommodate RoRo cargo.	
Q.10.2.	If high? What was the strategy?	Most of the managers did not answer this question and others state that because of monopoly and protection from the government the company is not experiencing competition.	
Q.11.	Positioning the company in the market	Most of them did not understand position the company in the market but few of them suggested that the company should position its self by providing quality service, satisfying customers, and increasing capacity,	
Q.12.	Unique selling point	Most of them responded that because of the FOB directive it is a must that customers use ESLSE for their cargo shipment but some of them responded that giving general cargo service, incentives for export, logistics service, and insured and safe cargo delivery are its unique selling point.	
Q.13.	Cost reduction measures	In technical department cost saving is on supply arrangement such as spare part, maintenance, and fuel/lubricant purchase and reducing incident recurrence. Others responded that cost reduction can be done on administration, operation and on department resources. In the operation and commercial department cost reduction can be obtained through port utilization, reducing cargo dwelling time, avoiding cargo damage, minimize vessels port stay. In addition using KPI measurement and evaluating every time.	
Q.14.	Price competitiveness	33.3% and 26.7% of the respondent believe that the price is slightly and moderately competitive respectively, 20% believe it is definitely competitive, but 13.3% believe that it is not competitive.	The management believes that the price is slightly competitive.
Q.15.	Prioritizing technology and innovation	33.3% managers believe the technology is moderately prioritized, and 13.3% of them believe it is low, but 26.7% believe that is highly prioritized.	Managers believe it is moderately prioritized.
Q.16.	Level of IT system adaptability	46.7% of the managers agree that it is moderately adaptable in the company, 26.7% of them agree it is low, and 13.3% of them believe that the adaptability is high in the company.	Managers agree that it is moderately adaptable.
Q.17.	Extent of flexibility to new technology	40% believe that the company is flexible to new technology, but 33.3% believe it is passive, and 6.7% believe the company is rigid in implementing new technology.	The managers believed that the company is passive with regards to introducing new technology.
Q.18.	Structured market assessment	33.3% of the managers responded that the assessment is moderate and same percentage of managers responded that it is low, but 26.7% of them responded it is high.	Managers responded that the assessment is moderate.
Q.19.	Performing SWOT analysis	33.3% analyse rarely or sometimes, 26.7% of the managers responded that they analyse often.	Respondents perform SWOT analysis sometimes.
Q.20.	Develop new service and handle compliant	46.7% of the managers believe that the company is flexible, 40% believe it is passive, 6.7% believe it is highly inflexible.	The managers believe the company is flexible in developing new service.

	as per customers feedback		
Q.21.	Evaluating customer satisfaction	53.3% of managers responded that they evaluate yearly, 26.7% evaluate monthly, 13.3% evaluate quarterly, and 6.7% never evaluated.	The respondents evaluate quarterly.
Q.22.	Additional comment	<p>To be competitive the company needs to increase the competent of employees. To the company service quality and timelines is competitive advantage that can be achieved by adapting a new logistics technology and introducing best information system suitable for the industry. In addition, the company can be competitive through fleet expansion and renovation, business diversification such as value addition new service introduction through in-depth market research and also consider outsourcing some fleet services.</p> <p>The company should hire its seafarers on contract basis, working procedures and manuals shall align with the shipping industry rather than normal civil service manuals, maintain experienced employees, shipping sector shall split from ESLSE, and evaluate the compensation of employees. It is advised to focus on customer satisfaction and quality service for achieving goals. The company is at the final stage to implement ERP program on all departments to facilitate the operation this should continue on other systems.</p>	

Table B5. Customers questionnaire response

Latent Construct	Questions	Customers					
		Likert Scale					
		1	2	3	4	5	
Performance	ESLSE service measurement (Question 3)	Frequency	Very Poor 0	Poor 1	Fair 4	Good 7	Excellent 2
		Percentage	0%	7%	29%	50%	14%
	Satisfaction on customer service and feedback (Question 6)	Frequency	Very Dissatisfied 1	Somehow Dissatisfied 0	Neither Satisfied Nor Dissatisfied 0	Somehow Satisfied 11	Very Satisfied 2
		Percentage	7%	0%	0%	79%	14%
	Ability to meet scheduled delivery date (Question 8.1)	Frequency	Very Low 0	Low 4	Moderately 7	High 2	Very High 1
		Percentage	0%	29%	50%	14%	7%
	Accuracy and completeness of shipment (Question 8.3)	Frequency	Very Low 0	Low 2	Moderately 6	High 6	Very High 0
		Percentage	0%	14%	43%	43%	0%
	Proactive communication regarding back orders (Question 8.4)	Frequency	Very Low 0	Low 3	Moderately 9	High 0	Very High 1
		Percentage	0%	21%	64%	0%	7%
	Timeliness of response to inquiries by route managers and senior (Question 8.5)	Frequency	Very Low 0	Low 0	Moderately 5	High 9	Very High 0
		Percentage	0%	0%	36%	64%	0%
	Information on current import/export or customs brokerage laws (Question 8.6)	Frequency	Very Low 0	Low 1	Moderately 5	High 6	Very High 2
		Percentage	0%	7%	36%	43%	14%
	Accurate documentation (Question 8.7)	Frequency	Very Low 0	Low 0	Moderately 2	High 8	Very High 4
		Percentage	0%	0%	14%	57%	29%
	Tracking and Tracing capabilities (Question 8.8)	Frequency	Very Low 2	Low 2	Moderately 5	High 4	Very High 1
		Percentage	14%	14%	36%	29%	7%
	Available range of service (Question 8.9)	Frequency	Very Low 0	Low 2	Moderately 4	High 4	Very High 4
		Percentage	0%	14%	29%	29%	29%
Ease of doing business with the company (Question 8.11)	Frequency	Very Low 0	Low 2	Moderately 3	High 8	Very High 1	
	Percentage	0%	14%	21%	57%	7%	
Ability to deliver outstanding quality,	Frequency	Very Low 0	Low 0	Moderately 5	High 7	Very High 2	

Potential	service and value (Question 8.12)	Percentage	0%	0%	36%	50%	14%
	Ability to treat customers like a long-term valued partner (Question 8.13)	Frequency	Very Low	Low	Moderately	High	Very High
		Percentage	0%	7%	21%	57%	14%
	Overall satisfaction with the shipping and delivery process (Question 8.14)	Frequency	Very Low	Low	Moderately	High	Very High
		Percentage	7%	7%	29%	43%	14%
	Level of interest to continue as a customer (Question 9)	Frequency	Not at All	Not Very Interested	Undecided	Interested	Very Interested
		Percentage	0%	7%	7%	57%	29%
	Recommending ESLSE to others (Question 11)	Frequency	Very Unlikely	Unlikely	Somewhat Likely	Likely	Very Likely
		Percentage	0%	7%	14%	36%	43%
	Availability of the company's services nearby (Question 2)	Frequency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		Percentage	0%	0%	36%	36%	29%
	Satisfaction on service information availability (Question 4)	Frequency	Very Dissatisfied	Somehow Dissatisfied	Neither Satisfied Nor Dissatisfied	Somehow Satisfied	Very Satisfied
		Percentage	0%	0%	0%	71%	29%
	Development of the company on technology and customer management (Question 5)	Frequency	Very Underdeveloped	Somehow Underdeveloped	Neither Developed Nor Underdeveloped	Somehow Developed	Very Developed
		Percentage	7%	0%	0%	50%	43%
	Availability of timely status order information (Question 8.2)	Frequency	Very Low	Low	Moderately	High	Very High
Percentage		0%	7%	29%	57%	7%	
Rate/price competitiveness (Question 8.10)	Frequency	Very Low	Low	Moderately	High	Very High	
	Percentage	7%	21%	36%	14%	21%	

Table B6. Summarized customer response

Customer Response			
S/N	Questions	Summarized answers	Answer on Average
Q.1.	Information about ESLSE service.	The majority of customers 64.3% heard it through colleagues or peers, 14.3% each from company website and media promotion, and 7.1% from searching on internet.	Here customers heard the service through peers information.
Q.2.	Availability of the company's services nearly.	35.7% and 28.6% of the customers agree and strongly agree that the service information is available and 35.7% of them are neutral.	The customers agree the service is available.
Q.3.	ESLSE service measurement	50% of the customers agree that the service is good, 28.6% agree it is fair, but 7.1% agree that it is poor.	The service is good.
Q.4.	Satisfaction on service information availability.	71.6% of customers are somehow satisfied and the rest are very satisfied.	The customers are somehow satisfied with ESLSE information about service.
Q.5.	Development of the company on technology and customer management.	50% responded it is somehow developed, 42.9% responded that it is very developed, buy 7.1% responded it is very underdeveloped.	The response was somehow developed.
Q.6.	Satisfaction on customer service and feedback	78.6% respondents are in a way satisfied, and 14.3% are very satisfied, but 7.15 are very dissatisfied.	The respondents are somehow satisfied.
Q.7.	Customer service	57.1% responded that the company takes time to solve problems and 35.75 of them responded that the company take time to process a service. The rest responded that the information given is wrong and unclear and the customer service is disorganized.	
Q.8.1.	Ability to meet scheduled delivery date	7 customers responded that the company is able to meet delivery date moderately, 4 respondents believe its ability is low, and 2 of them believe it is high.	It is moderate as per their response.
Q.8.2.	Availability of timely status order information	8 customers responded it is high, 4 moderate, and 1 customer responded low.	The response is high.
Q.8.3.	Accuracy and completeness of shipment	6 customers high, 6 customers moderate and the rest 2 responded low on the accuracy of shipment.	The response is moderate.
Q.8.4.	Proactive communication regarding back orders/unfulfilled orders	9 customers responded that the company is moderately proactive, 3 customers responded it is low, and 1 customer responded high.	The response is moderate as per the customers.
Q.8.5.	Timeliness of response to inquiries by route managers and senior officers	9 customers responded that the company response is high and 5 of them responded it is moderate.	The response to timeliness of response is high.
Q.8.6.	Knowledge / Information on Current Import, Export or Customs Brokerage Laws	The knowledge as per 6 customers evaluation high, 5 of them evaluated it as moderate, and 1 customer response was low.	The knowledge is high.

Q.8.7.	Accurate Documentation (incl. BoL/Shipping documents / etc.)	On accurate documentation 8 customers responded it is high, 2 of the responded it is moderate and the rest response was very high.	Accuracy of the documentation is high.
Q.8.8.	Tracking & Tracing Capabilities	Most of the customers, 5, believe it is moderate, 4 responded it is high, and 2 responded it is low.	The response on the capability is moderate.
Q.8.9.	Available Range of Services	Similar number of respondents (4) for high and moderate scale was observed and 2 customers responded it is low.	The response was high for service range availability.
Q.8.10.	Rate / Price Competitiveness	5 customers believe that the price is moderately competent, 3 of them believe it is highly competent, and 2 of the believe its competence is low.	The respondents believe it is moderately competent.
Q.8.11.	Ease of doing business with the company	For 8 customers it is highly easy doing business with ESLSE, for 3 it is moderately easy, and for 2 its ease is low.	For the average customers it is highly easy doing business with ESLSE.
Q.8.12.	Ability to deliver outstanding quality, service and value	7 customers highly believed that the ESLSE is able to deliver outstanding service, 5 of them believe it is moderate, and the rest believe it is very highly able.	The respondents believe it is highly able.
Q.8.13.	Ability to treat customers like a long-term valued partner	8 customers highly agree that the company treats them as valued customers, 3 moderately, and 1 believe it is low.	The respondents agree it is highly able.
Q.8.14.	Overall satisfaction with the shipping and delivery process	6 customers are highly satisfied, 4 moderately, 2 very highly, 1 low, and the other one very low.	The customers are highly satisfied.
Q.9.	Level of interest to continue as a customer.	57.1% are interested to continue with ESLSE, 28.6% are very interested, but 2 customers (14.2%) are not interested and undecided.	The customers are interested to continue with ESLSE.
Q.10.	Service that ESLSE does not offer now.	Most of them didn't answer this question but one customer stated that ESLSE does not give special container service.	
Q.11.	Recommending ESLSE to others.	42.9% customers responded that they very likely will recommend ESLSE for others, 35.7% likely, 14.3% somewhat likely and , 7.1% responded that it is unlikely that they will recommend ESLSE for others	The customers will likely recommend ESLSE for others.
Q.12.	Uniqueness of ESLSE service	Most of the customers did not respond to this question. However, few of the stated that the uniqueness is accurate documentation, discount inland transportation, multi-modal transportation.	
Q.13.	Additional comment	Similarly most customers do not have additional comment but few of them responded that the sea freight charge discount process is complex. Add more port equipment, price improvement, improve tracking and tracing capabilities.	

Appendix C: Questionnaires

C1. Employees

COMPETITIVENESS OF A STATE-OWNED SHIPPING COMPANY SURVEY

The information gathered through this questionnaire will be used as a part of empirical research into the human resource motivation, engagement, and development in Ethiopian Shipping Company within the scope of dissertation for obtaining a Master of Science in Maritime Affairs. The questionnaire consists of 22 questions divided into two parts, Part A employee motivation and development and Part B employee engagement on companies goals and objectives. It is highly appreciated to complete the questions, which will take no longer than 10 minutes to complete.

Target Respondents: to be completed by employees from junior to coordinator level.

Confidentiality: Please note that the responses you provide are completely anonymous and confidential. The research outcome and report will not include references to any individuals and the questionnaire will be destroyed after completion of the research.

Please tick/highlight the answer you perceive is right to show your consent to be part of the research and fill the blank space for more explanation.

Position

- Coordinator Level
- Senior Level
- Junior Level

Work Experience

- > 10 Years
- 5 – 10 Years
- 1 – 5 Years

PART A: Employee Motivation and Development

1. Are you satisfied with your current role and believe the total compensation (base salary and bonuses plus other benefits) is fair?
 - Very dissatisfied
 - Somehow dissatisfied
 - Neither Satisfied Nor Dissatisfied
 - Somehow Satisfied
 - Very Satisfied

2. Do you believe you are appropriately involved in decisions that affect your work and have enough autonomy to perform your job effectively?
- Not Involved at all Low involvement Moderately involved
 Highly involved
3. Do employees have the motivation to collaborate with other colleagues/departments, engage in two-way communication, and consulting with other staff when appropriate?
- Not at all motivated Motivated Highly motivated
4. Are you satisfied with the physical work space and working environment in the company?
- Very dissatisfied Somehow dissatisfied Neither
 Satisfied Nor Dissatisfied Somehow Satisfied Very Satisfied
5. Do you believe your workload is adequate and it is proportional to your level and team?
- Strongly disagree Disagree Neutral
 Agree Strongly agree
6. Do you agree that the information system and process needed are readily available to support you in getting your work done effectively?
- Strongly disagree Disagree Neutral
 Agree Strongly agree
7. Does the company has clear and appropriate performance measurement system which provides useful feedback regarding employee's performance?

- No access
- Slightly accessible
- Moderately accessible
- Accessible
- Highly accessible

13. Do you agree there are good career opportunities for you in the company?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

14. To what extent do you agree that the management prioritize employee's well-being?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

15. Do you have any additional comments that you would like to share? Please provide any additional comments or suggestions regarding general employee management:

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PART B: Employee Engagement on Company's Goals and Objectives

16. Do you agree that the company's strategic plan to achieve its goals and objectives is clear and communicated to all employees?

- Strongly Disagree Disagree Neutral
 Agree Strongly Agree

17. Do you agree that the company have set a strategy developed towards achieving a competitive advantage (that puts the company in a superior business position) over its competitors detailed in plan of action and implemented?

- Strongly Disagree Disagree Neutral
 Agree Strongly Agree

If yes, what is the main objective of the plan (in short)?

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18. Do you have a clear understanding of your role and how much you contribute towards the goals of the company?

- Not at all Not clearly Moderately clear
 Clearly Very clearly

19. Does management communicate company's performance, financial and non-financial activities, and goals and objectives, to motivate its employees?

- Never Rarely Sometimes
 Often Always

20. Do you agree that the company effectively directs resources (funding people and efforts) towards company goals?

- Strongly disagree Disagree Neutral
 Agree Strongly agree

21. Do you agree that the company is in a position to really succeed financially by increasing its market share growth over the next three years while maintaining current strategy, employee engagement, and customer management?

- Strongly disagree Disagree Neutral
 Agree Strongly agree

22. Do you have any additional comments that you would like to share? Please provide any additional comments or suggestions regarding general strategic plan and goals and objectives of the company to be competitive in the shipping market:

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C2. Managers

COMPETITIVENESS OF A STATE-OWNED SHIPPING COMPANY SURVEY

The information gathered through this questionnaire will be used as a part of empirical research into the strategic plan to achieve goals and objectives as well as to achieve competitive advantage over competitors in Ethiopia Shipping Company within the scope of dissertation for obtaining a Master of Science in Maritime Affairs. The questionnaire consists of 22 questions. It will be appreciated to complete the questions, which will take no longer than 10 minutes to complete.

Target Respondents: to be completed by employees from department manager to director level.

Confidentiality: Please note that the responses you provide are completely anonymous and confidential. The research outcome and report will not include references to any individuals and the questionnaire will be destroyed after completion of the research.

Please tick the answer you perceive is right to show your consent to be part of the research and fill the blank space for more explanation.

Work Experience

- > 10 Years
- 5 – 10 Years
- 1 – 5 Years

1. Do you agree that the existing system is properly functioning to acknowledge employees who deliver outstanding service?

- Strongly disagree Disagree Neutral
- Agree Strongly agree

2. How much is the company willing to give employees encouragement and independence to be innovative and creative in their tasks?

- Very low Low Moderately willing Highly willing

Very highly willing

3. To what extent does your department empowers employees in decision making, encourage autonomy, and hold them accountable for their results?

Very low Low Moderate High

Very high

4. How often do you evaluates the company's performance and give feedback to customers?

Not at all Weekly Monthly Quarterly

Yearly

5. How often does your department address appropriately customer and employees complaint?

Not at all Weekly Monthly Quarterly

Yearly

6. What is the company's current strategy to achieve competitive position (market share, financial growth, brand reputation, etc.) in the shipping market regional/globally? (in short)

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7. Are the goals and objectives of your department for achievement of competitive position in the shipping market aligned with those of the company's?

Not at all Somewhat Aligned Moderately Aligned

Aligned Excellently Aligned

If yes, What is the main goal of your department? (in short)

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8. Do you agree that the company with current business strategy, employee engagement, and customer management will achieve its goals and objectives with respect to market share, financial growth, and brand reputation?

- Strongly Disagree Disagree Neutral
 Agree Strongly Agree

9. How much competitive is your company in relation with other shipping companies in the region/worldwide?

- Very low Low Moderate High Very high

How do you measure the competitiveness?

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If very low or low, why?

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10. What is the market share of the company in the region (East Africa import/export)? Is it low or higher comparatively?

- Very low Low Moderate High Very high

If it is very low or low, how the market share can be increased?

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If high or very high, what was the strategy to reaching this achievement?

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.....

11. How the company positions itself for customers in the shipping market?

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12. What is ESL's unique selling point?

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.....

13. What is your department cost reduction measures?

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.....

14. How competitive is the pricing method of the company?

- Not Competitive Slightly competitive
 Moderately competitive Competitive Very Competitive

15. The priority level innovation and technology in your department in order to compete in the market.

- Not a priority Low priority Moderate priority
 High priority Essential priority

16. What is the level of information technology system adaptability of the company for new market/technology development?

- Very low Low Moderate High
 Very high

17. To what extent is the company flexible to introduce new user-friendly technology and invest in research and development.
- Very inflexible Rigid Passive
- Flexible Highly flexible
18. The level of structured assessment system of the market/technology to be ready for future challenges and to be ahead of the market.
- Very low Low Moderate
- High Very high
19. How often do you perform SWOT analysis of your department or the company to identify the internal and external factors that will affect the company's future performance and competitiveness?
- Never Rarely Sometimes
- Often Always
20. How flexible is the company/department to develop new services improve customer service and handle their complaint as per customer feedback?
- Very inflexible Rigid Passive
- Flexible Highly flexible
21. How often your department evaluate customer satisfaction whether you are providing significant and relevant service.
- Never Weekly Monthly
- Quarterly Yearly
22. Do you have any additional comments that you would like to share? Please provide any additional comments or suggestions regarding general strategic plan and goals and objectives of the company to be competitive in the shipping market as well as employee motivation and customer satisfaction:

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C3. Customers

COMPETITIVENESS OF A STATE-OWNED SHIPPING COMPANY SURVEY

The information gathered through this questionnaire will be used as a part of empirical research into the customer service management in the shipping company within the scope of dissertation for obtaining a Master of Science in Maritime Affairs. The questionnaire consists of 10 questions and table for evaluating the Ethiopia Shipping Company's customer service. It will be appreciated to complete the questions, which will take no longer than 10 minutes to complete.

Target Respondents: to be completed by Ethiopia Shipping Company customers.

Confidentiality: Please note that the responses you provide are completely anonymous and confidential. The research outcome and report will not include references to any individuals and the questionnaire will be destroyed after completion of the research.

Please tick the answer you perceive is right and one of the choices from the table provided to show your consent to be part of the research and fill the blank space for more explanation.

Business Sector

.....

How long have you been customer to ESL

- > 20 Years
- 10 – 20 Years
- 1 – 10 Years

1. How do you know about ESL's services?

- Company's website Media promotion Colleagues Internet

2. Do you agree that the company's services are clearly and accurately available at the hand tip of the customer?

- Strongly disagree Disagree Neutral

- Agree Strongly agree
3. How do you measure Ethiopia Shipping Company's service compared to its main competitors?
- Very poor Poor Fair Good
- Excellent
4. Are you satisfied with the information about the services of ESL available for customers?
- Very dissatisfied Somehow dissatisfied Neither Satisfied Nor
Dissatisfied Somehow Satisfied Very Satisfied
5. How developed is the company in terms of service providing, information technology system and innovation, and customer management?
- Very underdeveloped Somehow Underdeveloped Neither
Developed Nor underdeveloped Somehow Developed
- Very Developed
6. The level of your satisfaction with the customer service and complaint feedback (resolution) of the company?
- Very dissatisfied Somehow dissatisfied Neither Satisfied Nor
Dissatisfied Somehow Satisfied Very Satisfied
7. The customer service;
- Gave the wrong information
- Takes time to process a service
- Gave unclear information
- Takes time to get problem solved
- Disorganized
- No improvement needed
- None

8. Service satisfaction level assessment (Please tick (√) your satisfaction level)

Services	Level of Satisfaction				
	Very Low	Low	Moderate	High	Very High
Ability to meet scheduled delivery date	<input type="checkbox"/>				
Availability of timely information regarding the status of order	<input type="checkbox"/>				
Accuracy and completeness of shipment	<input type="checkbox"/>				
Proactive communication regarding backorders/unfulfilled orders	<input type="checkbox"/>				
Timeliness of response to inquiries by route managers and senior officers	<input type="checkbox"/>				
Knowledge / Information on Current Import, Export or Customs Brokerage Laws	<input type="checkbox"/>				
Accurate Documentation (incl. BL/Shipping documents)	<input type="checkbox"/>				
Tracking & Tracing Capabilities	<input type="checkbox"/>				
Available Range of Services	<input type="checkbox"/>				
Rate / Price Competitiveness	<input type="checkbox"/>				
Ease of doing business with the company	<input type="checkbox"/>				
Ability to deliver outstanding quality, service and value	<input type="checkbox"/>				
Ability to treat customers like a long-term valued partner	<input type="checkbox"/>				

Overall satisfaction with the shipping and delivery process	<input type="checkbox"/>				
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9. Level of interest to continue as a customer of this company if you have another choice?

- Not at all interested
 Not very interested
 Undecided
 Interested
 Very interested

10. Is there any service or information that ESL does not currently offer?

If yes, which ones?

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.....
.....

11. How likely are you to recommend ESL for another customer?

- Very Unlikely
 Unlikely
 Somewhat likely
 Likely
 Very likely

12. Please describe if there was any particular aspect of the service experience that was unique.

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13. Do you have any additional comments that you would like to share? Please provide any additional comments or suggestions:

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