

# **Identifying a Catalyst for Competitiveness for Family-owned Enterprises in Manufacturing Using Supplier Selection Criteria – Case from South Africa**

**Ndivhuwo Nemtajela**

Lecturer, Department of Operations Management  
College of Economic and Management Sciences  
University of South Africa  
Pretoria, South Africa  
[nemtan@unisa.ac.za](mailto:nemtan@unisa.ac.za)

**Jan-Harm Christiaan Pretorius and Andre Vermeulen**

Department of Engineering Management, Faculty Engineering and the Built Environment  
University of Johannesburg  
Johannesburg, South Africa  
[jhcpretorius@uj.ac.za](mailto:jhcpretorius@uj.ac.za), [avermeulen.research@gmail.com](mailto:avermeulen.research@gmail.com)

## **Abstract**

This paper analyses supplier selection criteria—economic, environmental, and social—to discover which criteria is a possible catalyst toward competitiveness in family-owned manufacturing enterprises. Family enterprises are essential to the national and even international economies. Enterprises are now forced to look beyond the conventional approach of decision-making, which was based on intuition and past knowledge, due to the extremely competitive market. An enterprise must be competitive to guarantee that the clients obtain greater value from the enterprise than from competitors. The rapid growth of competitiveness has changed the economic landscape for many industries, especially manufacturing. A survey questionnaire was created to perform quantitative research among the employees of family-owned enterprises in the manufacturing sector of South Africa. Employee assessments of their comprehension of the terms "competitiveness" and "supplier selection criteria—economic, environmental, and social" served as the analytical unit. The questionnaire included 154 respondents as a sample. A path analysis is employed to test these constructs. The research objectives are to evaluate the impact of supplier selection on competitiveness, particularly in manufacturing family-owned enterprises, and to identify potential catalysts between supplier selection criteria and competitiveness. Although supplier selection research is becoming more prevalent, it is still in its infancy in South Africa. By including supplier selection criteria, competitive aspects like quality, delivery, price, dependability, and flexibility have been reinterpreted. The scope of this unit of analysis is inherently limited. This study only took into account family-owned manufacturing enterprises located in the West Rand district of Gauteng Province, South Africa. This study has brought to light which of the criteria is a catalyst on competitiveness. This will support decision-making for supply chain professionals in family-owned enterprises.

## **Keywords**

Competitiveness, supplier selection, environmental criteria, economic criteria, social criteria.