The Open University

Open Research Online

The Open University's repository of research publications
and other research outputs

Do African managers think differently about strategy? Some preliminary insights into the strategic behaviour of firms in Mauritius

Conference or Workshop Item

How to cite:

Boojihawon, Dev and Hanuman-Oogarah, Vanisha (2010). Do African managers think differently about strategy? Some preliminary insights into the strategic behaviour of firms in Mauritius. In: Leadership and Management Studies in Sub-Saharan Africa, 22-24 Nov 2010, University of Cape Town, S.Africa.

For guidance on citations see FAQs.

oro.open.ac.uk

Strategic behaviour of firms in Mauritius

Developing Stream

Do African managers think differently about strategy?
Some preliminary insights into the strategic behaviour of firms in Mauritius

Dev K Boojihawon, Open University
& Vanisha Hanuman-Oogarah, University of Mauritius

Contact:
Dr Dev K. Boojihawon
Marketing and Strategy Research Unit
Open University Business School
Open University
Walton Hall
Milton Keynes
U.K.
MK7 6AA

Email:
d.k.boojihawon@open.ac.uk

Abstract

Africa is fertile for business yet it hardly attracts the attention of strategy academics. International cross-cultural management and strategy literatures have long acknowledged the significant influence of cultural, political and institutional contexts on the strategy processes and behaviours of firms and markets, but there is limited empirical evidence to understand how these contextual differences impact on the way strategy is formulated and implemented, and test the relevance and applicability of received Anglo-Saxon or Western wisdom on strategy in those contexts. This paper addresses this issue partly.

This research focuses on businesses Sub-Saharan Africa, and more particularly looks at the strategic behaviour of firms and managers in Mauritius. This paper aims to explore the perceptions and meanings of strategy amongst senior managers in Mauritius. Theoretically, the paper draws insights from the resource based theory and the behavioural theory of management to examine the varying perceptions and meanings of the strategy process – the process of analysing, choosing and implementing strategy - in firms in Mauritius. Using a case based methodology; in-depth interviews were carried out with ten senior managers of different size organisations. The

findings reveal varied evidences of mixed approaches to formulating and implementing strategy within those organisations.

Key words: strategy process, strategic behaviour, cross-cultural, Africa

Introduction

Mauritius is not Africa but it is nonetheless an African country; and Africa certainly is a very diverse continent. Mauritius, in fact, is a cosmopolitan island made of diverse cultures and world-renowned for being able to pull cultural differences and capabilities together to emerge as a consistent economic success in the Sub-Saharan Africa region. Taking this success as basis, this study takes a first, albeit, a very small step in an attempt to understand the meanings and perceptions of the strategy process amongst senior managers in Mauritius. Theoretical insights are drawn from the resource base view and the behavioural theory of management to explore two fundamental research questions: a) How do Mauritian senior managers perceive and articulate their understanding of the strategy process? And b) What is the nature of challenges perceived or experienced in the effective strategic management of their organisations? Based on a case study of ten firms, some exploratory evidences are presented that pertain to answer these questions. The findings reveal varied evidences of mixed approaches to formulating and implementing strategy within those organisations.

Theory

The general thesis of cross cultural management research hangs on the assertion that national contextual, which includes, economic, cultural, societal and institutional differences matter in the ways the impact on the behaviour and practice of management internationally (Jackson & Aycan, 2006; Gehart, 2008). Jackson (2004) has extensive examined the African context to conclude the significant effects of contextual differences on the theory and practice of management in Africa. Accordingly, he avers that 'Africa has too many resources and resourceful people, and successful

organisations simply to ignore (… *and presents[1]*) an opportunity to extend and develop management theory' (p.8)

In support, established resource based literatures strongly generally acknowledge the roles and influences of top or senior management as a key capability in the strategy process (Barney, 1991; Tsang, 1998; Moran & Meso, 2008). What matters, under this view, is how senior management 'see' and 'commit' to a particular strategic opportunity Along this line, Chakravaty and Lorange (1991) propose a framework for understanding strategy formulation and implementation in an international context. Their view is that how firms may see their strategy as partly as a result of their opportunity-seeking efforts, and partly too as a result of their resource constraints for realising or achieving those opportunities. What matters most in the act of strategising is the quality of judgement and creativity, motivation and drive of managers to pursue or respond to presented opportunities (see, also Parikh et al., 1994). Cognitive differences, therefore, regarding how managers go about approaching opportunity delineation and problem solving thus might be one useful dimension for characterising management style differences (Trompenaars, 1993).

The behavioural theory of management (Petit, 1967; Carter, 1971; Coger & Kanungo, 1987) places emphasis on the cognitive styles of managers in strategising. One end of cognitive management school argues that management behaviour is normative when it comes to strategic thinking, that is, it assumes (and believes) that there are specific approaches to search and respond to a strategic opportunity finding and strategic problem solving; there is a best way, based on clear logic (Gilbert & Lorange, 1994). At deeper levels, cognitive styles envelope the concepts of cognitive maps or mental models (Senge, 1992; Taylor & Lerner, 1996) which refer to the processes of construction or re-construction of reality in the individual mind and within organisations. To the individual manager, mental maps may be represented by metaphoric descriptions, pictures or models which reduce the complexity of their reality. These will capture the systems of concepts and relations produced (Laukkanen, 1996:

---

[1] Added emphasis by author

28) or used (Taylor et al. 1996: 260) by managers to interpret their world and the strategies to cope with it. Hence, the cognitive school postulates that managers develop mental models to conceive and interpret strategy.

These mental models, in turn, are influenced by the levels of expertise and experiences of the managers. Hence, the other end of the cognitive school suggests that managers' behaviour may approach the process of searching and responding to strategic opportunities in a highly experiential way. In other words, experience dictates what works and therefore they pragmatically opt for those approaches that they feel have practical merit irrespective of whether the solution is the most 'correct' or not; it is not major issue as long as the results achieved (Gilbert & Lorange, 1994). Entrepreneurship literatures looking at the varied forms of strategic management styles in small and medium sized firms support this view. Kisfalvi (2002) and Perks (2006) argue that even though entrepreneurs develop and manage new ideas and solutions, they seldom use formalise knowledge or interpretations of strategy to promote their vision. These scholars argue that this behaviour is grounded in lack of managerial knowledge, mental barriers against the need for or implementation of strategy or limited resources to acquire knowledge and tools of strategic management. It could also be related to the entrepreneur's or manager's 'character and life issues' in which strategy formation is embedded in his/her background and history (Kisfalvi, 2002: 489). Further, the more experienced and confident the entrepreneur the more they rely on what they know through informal contacts in their network (Cooper et al, 1995).

As mentioned before, reflecting back on the arguments of Chakravaty and Lorange (1991), another equally important aspect of understanding the strategic behaviour of firms is to go about realising the identified opportunities. The resource based view emphasises that strategy implementation is about how the firm mobilises its resources and capabilities to achieve set objectives. The success of the process relies heavily on the nature of social contracts set up which structures and pulls together people and groups to work together (Gilbert and Lorange, 1994). That is how they develop 'shared meanings' in the form of

organisations culture (Weick, 1995) or 'habits of thinking, mental models, and linguistic paradigms' that guide the perceptions, thought and language used by members in implementing strategy (Douglas, 1986).

Against the backdrop of these theoretical views, this research attempts to examine the following research questions:

1. How do Mauritian senior managers perceive and articulate their understanding of the strategy process? (RQ1)

2. What is the nature of challenges perceived or experienced in the effective strategic management of their organisations? (RQ2)

Method

Data exploring the above questions were collected through ten cases and semi-structured interviews with senior managers in a diverse set of firms in Mauritius. Companies were selected differing characteristics: from 25 to hundreds of employees, business situations varying from innovators in new fields to mature companies in mature industries, and ownership structures that ranged from family ownership to public company subsidiaries. In a free flowing discussions, interviewees were asked to describe, reflect or articulate their understanding and interpretation of strategy, the key strategic issues facing their businesses, the strategic growth and orientation of their organisations and their approaches to processes of analysis choice and implementation in an open discussion. Document analysis was undertaken on the rich textual data gathered through interviews that lasted from 1-3 hours. This method allowed an exploration in-depth, unravelling the somehow unravelling the unconscious, internalised knowledge, perceptions, and behaviours of the managers about strategy making (Eisenhardt, 1989; Locke, 2001). The interviews were triangulated with internal company archives, and external data such as press releases on each firm. Data analysis was guided by thematic codes which related to respondents' interpretations of

strategy. These interpretations were captured in the forms of languages used and expressions of culture of the relating to aspects of vision, approaches to strategic decision making, responding to customer needs, and organisation and mobilising resources for implementation. These open codes were then iteratively compared across the different responses from the ten firms to search for common or unusual patterns.

Findings and discussions

The scope of this paper does not allow for the full presentation and discussion of the findings but a few snippets of raw data and key inferences are concentrated upon to illustrate the pattern of evidences that emerged against the research questions underpinning this study.

With respect to RQ1:

On the perceptions and meanings of 'strategy'

The term strategy was frequently used by respondents as part of the vision of the firm or its mindset or in conjunction with such terms as strategic orientation, market segmentation, market/competitor analysis and global expansion. Interviewees were also asked to describe how their firms thought about and developed strategy. All respondents considered strategy making to be an important activity and increasing critical to their success or survival. However, some of the managers talked tactical or operational issues when talking about 'strategic' thinking.

"Strategy is a practical problem which demands a practical solution and practically speaking most of it is down to how we deliver our frontline service" (CEO of a bank)

"Our strategy reflects a lot of our judgement we make towards our employees, shareholders and customers" (Managing Director, Pharmaceutical conglomerate)

"Now our strategy is becoming more about network orchestration of our value added activities globally, we operate from where we have the best advantage" (CEO, Textile and Clothing conglomerate)

On the influence of contextual factors on strategic thinking

Strategic behaviour of firms in Mauritius

In investigating the influence of the external environment on strategy, it was found that most company narrowly discussed most of the strategic issues with respect to their industries. Most of these factors were looked upon as individual entities and not part of the bigger picture of the external environment or how they impact on strategy. However, particular attention was paid to aspects of competition and markets as they impacted directly on their strategic success. The preliminary analysis did not reveal any influence of culture on the strategic thinking of Mauritian managers.

"We also do our own market analysis before doing any new venture, be it in new products or new markets. We study the market, analyse the segments and develop budgets and actions plans on how we are going to reach those segments. My idea when I see a client is how do I get the business out of him, once I get it out of him how do I get it from hundreds others" (CEO of a bank)

"We continuously measure ourselves up against competition. We need to be wary of the gaps in the market, and be ready to strike on an opportunity. We need to identify what our competitors are doing and do it better than them. This is a cottage industry and differentiators do not last long so you have to make your incremental differences count". (CEO of a bank)

On the influence of organisational variables: making strategy happen

When queried about how they go about realising their strategy, almost every interviewee spontaneously emphasised the significance of clarity of communication, motivation and adequate skilled as the key success factors to realising strategy at all levels of operations. For these key success factors to be effective the role of culture and structure was emphasised:

"… as a small company we are quite driven to overcome our business difficulties and we are working very hard to compete in this industry. We believed in a good atmosphere of mutual respect and trust among our multi ethnic staff who are quite focused in achieving results, although, we are not as quality conscious as we should have been" (Entrepreneur/Managing Director, confectionary manufacturer)

"You have to stand on your own feet in this business to make things happen, you can't hide behind titles or levels." (CEO, Textile and Clothing conglomerate)

"Organisation structure and other supporting mechanisms like IT to realise strategy are as important as conceiving new strategies (CEO of a bank).

4.2 With respect to RQ 2:

The nature of challenges perceived or experienced in the strategic management of the firms varied for all of them, but in general the following issues seem to emerge:

- Making people buy into or be inspired by the vision or mission driving the strategy of the organisation.

- Senior managers found it difficult to maintain a strategic perspective on their business; they were mostly drawn to handle operations issues.

- Interviewees were unsure or at best unclear about the roles of consultants in their strategy-making process. Most of the time, consultants were called upon on highly technical roles or specific project assignments, and looked upon as 'unnecessary luxury'.

- For most respondents, strategic planning seemed to be a 'one-off' activity often reflecting a mismatch between the short term and long term goals of the organisation.

5. Summary and contributions

This paper attempts to provide some exploratory evidences on the strategic behaviours of senior managers in Mauritius. It is limited in the qualitative evidences presented here; but highlights that there are differences in how managers perceive and approach the strategy process, and the particular challenges involved in the strategic management of their enterprises. The scope of this study, however, contributes to the agenda for much needed strategic management theory and research from that part of the world, Sub-Saharan Africa. Although the nuances of data in this paper are insufficient to identify the impact of national cultural differences on the strategy process of firms, more grounded studies are needed that take into the cultural embeddedness and the possible implications for the strategy process in the African Diaspora.

References

Carter, E.E. (1971) The behavioural theory of the firm and top-level corporate decisions, Administrative Science Quarterly, 16, 4, 413-429

Chakravarthy, B.S. & Lorange. P. (1991) Managing the Strategy Process: A Framework for a Multinational Firm, Prentice-Hall, Englewoods Cliffs, New Jersey.

Conger, J.A. and Kanungo R. N. (1987) Towards a behavioural theory of charismatic leadership in organizational settings, The Academy of Management Review, 12, 4, 637-647

Cooper, A.C., Folta, T.B. & Woo, C. (1995) Entrepreneurial information search, Journal of Business Venturing, 10: 107-120.

Douglas, M. (1986) How institutions think, NY: Syracuse University Press.

Eisenhardt, K.M. (1989) Building theories from case study research, Academy of Management Review, 14: 532-50.

Gerhart, B. (2008) Cross cultural management research: assumptions, evidence, and suggested directions, International Journal of Cross Cultural Management 8: 259

Gilbert, X. & Lorange, P. (1994) National approaches to strategic management - a resource-based perspective, International Business Review, 3, 4, 411-423

Jackson, T. and Aycan, Z. (2006) 'Editorial: From Cultural Values to Cross Cultural Interfaces', International Journal of Cross Cultural Management 6: 5–13.

Jackson, T. (2004) Africa and international management: why bother?, AIB insights, 4, 1, 6-8

Kisalvi, V. (2002) The entrepreneur's character, life issues, and strategy making: a field study, Journal of Business Venturing, 17: 489-518.

Laukkanen, M. (1996) Comparative cause mapping of organizational cognitions. In J. R. Meindl, C. Stubbart & J. F. Porac (Eds.), Cognition Within and Between Organizations, 3-44. Thousand Oaks et al.: Sage

Locke, K. (2001) Grounded Theory in Management Research, London: Sage Publications

Moran, J.T. & Meso, P. (2008) A resource based view of manufacturing strategy and implications to organizational culture and human resources, Journal of Business and Economics Research, 6, 11, 99-111

Parikh, J. Neubauer, F. & Lank, A. (1994) Intuition: the new frontier of management, Blackwell, Oxford

Petit, T., A. (1967) Behavioural theory of management, The Academy of Management Journal, 10, 4, 341-350

Senge, P. M. (1992) Mental models. Planning Review, 20, March-April, 4-44

Taylor, J. R. & Lerner, L. (1996) Making sense of sensemaking: how managers construct their organization through their talk, Studies in Cultures, Organizations and Societies, 2, 2: 257-286

Trompenaars, F. (1993) Riding the Waves of Culture: Understanding Cultural Diversity in Business. The Economist Books, London

Tsang E.W.K. (1998) Motives for strategic alliance: A resource-based perspective, Scandinavian Journal of Management, 14, 3, 207-221

Weick, K. (1995) Sensemaking in organizations, Thousand Oaks: Sage.